

Comprehensive Annual Financial Report



For the Year Ended
June 30, 2018

**Comprehensive Annual Financial Report
City of El Monte, California
Year ended June 30, 2018
With Report of Independent Auditors**

Prepared by: Finance Department

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elmonteca.gov

December 20, 2018

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, 2018. 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 LLP. 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, 2018 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, 2018 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 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 2018 population of approximately 117,204. 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.

The City of El Monte known for its many auto dealerships is also home to manufacturing, construction and transportation industries. Over the past five years, the City has seen some recovery from the recession of the late 2000s and residents have seen a rise in the per Capita personal Income and a decrease in unemployment rates.

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.

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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, 2017. This was the fifth 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 LLP, 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,



Alex G. Hamilton
City Manager

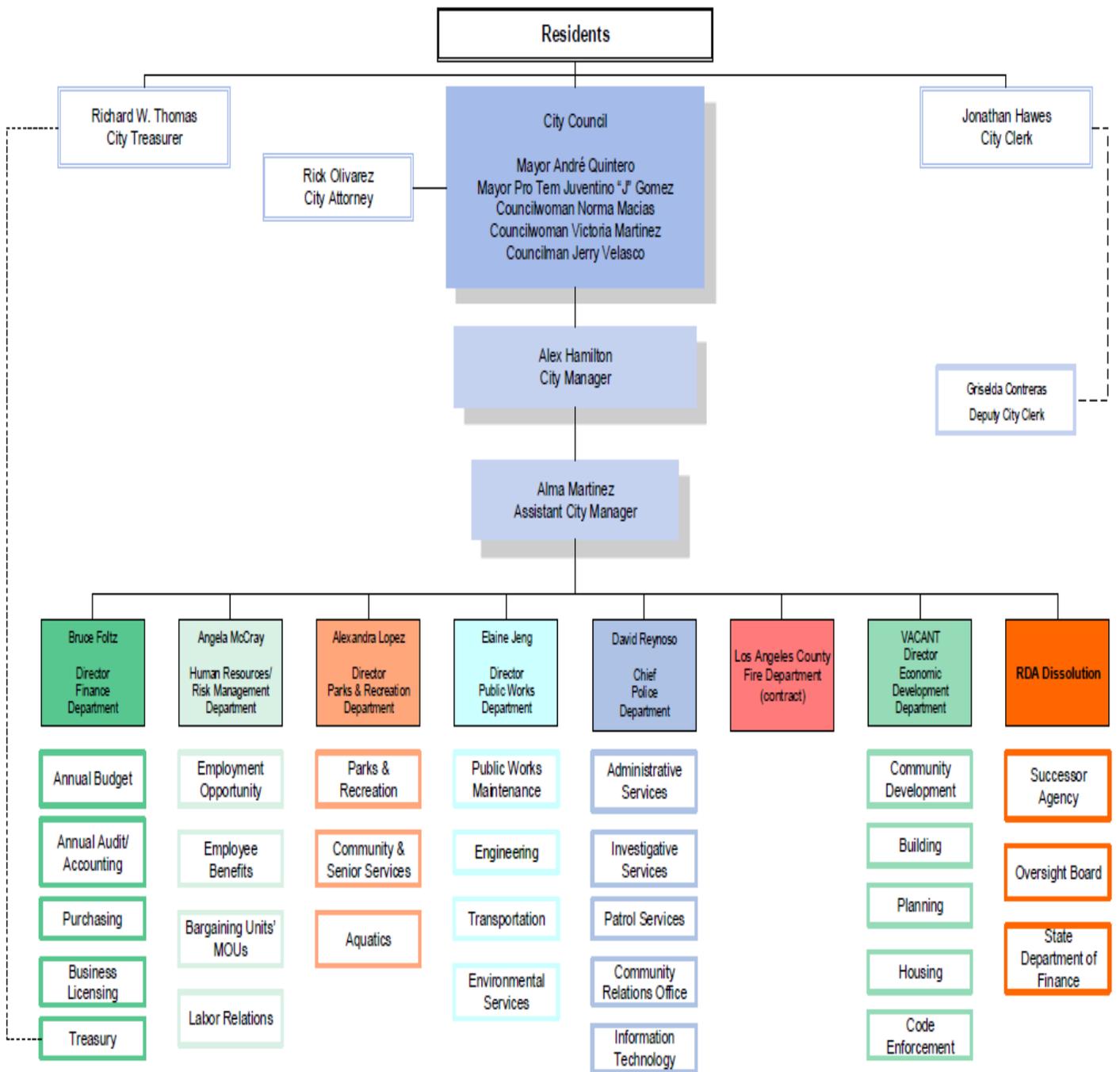
CITY OF EL MONTE

ELECTED OFFICIALS

MAYOR	ANDRE QUINTERO
MAYOR PRO TEM	JUVENTINO “J” GOMEZ
COUNCILWOMAN	NORMA MACIAS
COUNCILWOMAN	VICTORIA “VICKY” MARTINEZ
COUNCILMAN	JERRY G. VELASCO
CITY TREASURER	RICHARD W. THOMAS
CITY CLERK	JONATHAN HAWES

ADMINISTRATIVE STAFF

CITY MANAGER	ALEXANDER G. HAMILTON
ASSISTANT CITY MANAGER	ALMA K. MARTINEZ
COMMUNITY SERVICES DIRECTOR	ALEXANDRA LOPEZ
INTERIM ECONOMIC DEVELOPMENT DIRECTOR ...	BENJAMIN MARTINEZ
FINANCE DIRECTOR	BRUCE FOLTZ
HUMAN RESOURCES DIRECTOR	ANGELA MCCRAY
DIRECTOR OF PUBLIC WORKS	ELAINE JENG
POLICE CHIEF	DAVID 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, 2017

Christopher P. Morill

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, 2018, 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.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Monte, California, as of June 30, 2018, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 16 and Required Supplementary Information on pages 92 through 106, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of El Monte's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, budgetary comparison schedules and internal services funds combining 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 107 through 158 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 107 through 158 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.



Restatement of Beginning Net Position and Fund Balances

As discussed in Note 20, the beginning fund balance of the Water Fund and Sewer Fund and the net position of the Enterprise Fund and the governmental activities have been restated for the matters discussed in Note 20. Our opinion is not modified with respect to this matter.

Implementation of New Accounting Standards

As discussed in Notes 1 and 20, the City has implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)* effective for the fiscal year ended June 30, 2018. As a result of this implementation, the City's beginning net position was restated to retroactively report the City's net OPEB liability as of June 30, 2017. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2018, 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

**Glendale, California
December 20, 2018**

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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, 2018. 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 2017-18 by \$280.2 million. The City's total net position decreased by \$8.4 million during the fiscal year.
- During the year, the City had expenses that were \$9.7 million greater than the \$97.8 million in revenues recorded by the City in its governmental activities.
- In fiscal year 2017-2018, the City's business-type activities (water and sewer) revenues exceeded related expenses by \$1.4 million. A total of \$6.6 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 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.

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
- Internal Service Funds

Fiduciary Funds

- Service Employees International Union (SEIU) Retiree Insurance Fund
- Successor Agency to the Dissolved 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 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 statement of net position, the City's, net position decreased by \$8.4 million from \$288.6 million to \$280.2 million. This \$8.4 million decrease in financial position was primarily a result of higher expenses reported than revenues during the year. This was partly due to increase in pension and OPEB expense and other related accounts as a result of GASB 68 adjustments and implementing GASB 75.

The largest portion of the City's net position at June 30, 2018 (\$437.2 million or 156.02% of the total net position) 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	
	2018	2017 (Restated)	2018	2017	2018	2017
ASSETS						
Cash and other assets	\$ 124,773	\$ 136,094	\$ 11,461	\$ 10,776	\$ 136,234	\$ 146,870
Capital assets net of accumulated depreciation	<u>447,981</u>	<u>446,401</u>	<u>39,335</u>	<u>39,221</u>	<u>487,316</u>	<u>485,622</u>
Total assets	<u>572,754</u>	<u>582,495</u>	<u>50,796</u> *	<u>49,997</u>	<u>623,550</u>	<u>632,492</u>
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on defeasance of debt	-	-	554	585	554	585
Deferred outflows related to pensions	<u>53,708</u>	<u>43,782</u>	<u>2,801</u>	<u>2,389</u>	<u>56,509</u>	<u>46,171</u>
Total deferred outflows of resources	<u>53,708</u>	<u>43,782</u>	<u>3,355</u>	<u>2,974</u>	<u>57,063</u>	<u>46,756</u>
LIABILITIES						
Current and other liabilities	24,160	25,943	1,125	1,396	25,285	27,339
Long-term liabilities	<u>294,917</u>	<u>298,727</u>	<u>46,613</u>	<u>47,404</u>	<u>341,530</u>	<u>346,131</u>
Total liabilities	<u>319,077</u>	<u>324,670</u>	<u>47,739</u> *	<u>48,800</u>	<u>366,816</u>	<u>373,470</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows related to pensions	21,018	16,487	1,003	715	22,021	17,202
Deferred inflows related to OPEB	<u>10,979</u>	<u>-</u>	<u>578</u>	<u>-</u>	<u>11,556</u>	<u>-</u>
Total deferred inflows of resources	<u>31,997</u>	<u>16,487</u>	<u>1,581</u>	<u>715</u>	<u>33,578</u>	<u>17,202</u>
NET POSITION						
Net investment in capital assets	430,695	428,069	6,512	5,261	437,206	433,330
Restricted	55,253	60,733	403	-	55,657	60,733
Unrestricted	<u>(210,560)</u>	<u>(203,682)</u>	<u>(2,084)</u>	<u>(1,805)</u>	<u>(212,644)</u>	<u>(205,487)</u>
Total net position	<u>\$ 275,388</u>	<u>\$ 285,120</u>	<u>\$ 4,831</u>	<u>\$ 3,456</u>	<u>\$ 280,219</u>	<u>\$ 288,576</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, 2018

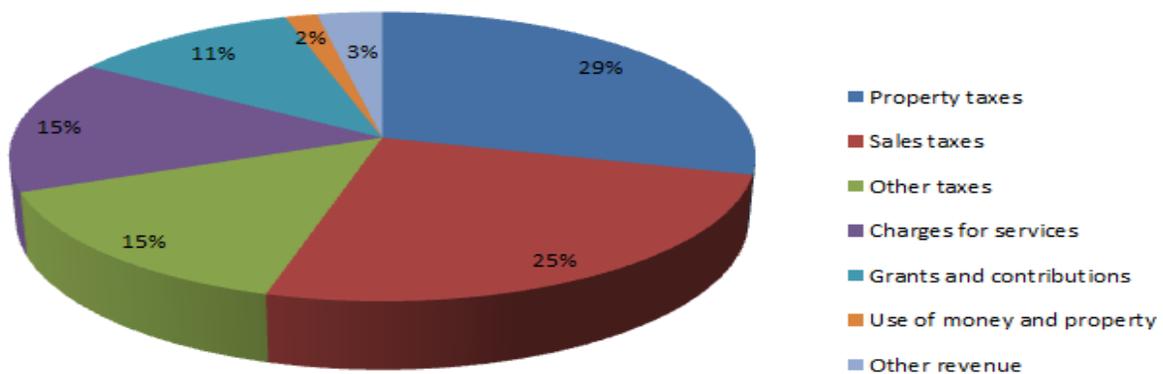
Statement of Activities (Statement of Revenues, Expenses/Expenditures and Changes in Net Assets/Fund Balances) - A review of operating income can provide a telling picture of the City's overall financial health. Overall, the City generated \$8.4 million less in revenues than expenses for the fiscal year 2018 which is a \$21.6 million decrease from the \$13.3 million of revenues over expenditures generated in fiscal year 2017, as illustrated in Table 2 below.

	Changes in Net Position (In thousands)					
	Governmental Activities		Business-type Activities		Total	
	2018	2017 (Restated)	2018	2017	2018	2017
Program revenues						
Charges for services	\$ 7,886	\$ 8,579	\$ 7,917	\$ 6,400	\$ 15,802	\$ 14,979
Operating grants and contributions	9,635	7,712	-	7	9,635	7,719
Capital grants and contributions	2,259	2,143	-	-	2,259	2,143
General revenues						
Taxes						
Property taxes	30,744	28,984	-	-	30,744	28,984
Sales taxes	26,818	25,478	-	-	26,818	25,478
Franchise taxes	3,771	3,623	-	-	3,771	3,623
Other taxes	11,611	10,673	-	-	11,611	10,673
Motor vehicle in-lieu taxes	60	51	-	-	60	51
Use of money and property	1,682	1,345	143	74	1,825	1,419
Sale of property	1,203	-	-	-	1,203	-
Other revenue	2,182	13,957	-	30	2,182	13,987
Net change in fair value of investments	(151)	(123)	-	-	(151)	(123)
Total	<u>97,701</u>	<u>102,422</u>	<u>8,060</u>	<u>6,511</u>	<u>105,760</u>	<u>108,933</u>
Expenses						
Governmental activities						
General government	33,050	27,107	-	-	33,050	27,107
Public safety	41,819	35,464	-	-	41,819	35,464
Community services	4,840	3,038	-	-	4,840	3,038
Public works	22,457	19,397	-	-	22,457	19,397
Economic development	3,526	1,911	-	-	3,526	1,911
Interest on long-term debt	1,840	2,475	-	-	1,840	2,475
Water and sewer	-	-	6,584	6,250	6,584	6,250
Total	<u>107,533</u>	<u>89,392</u>	<u>6,584</u>	<u>6,250</u>	<u>114,117</u>	<u>95,642</u>
Change in net position before transfers	(9,832)	13,030	1,475	261	(8,356)	13,291
Transfers in/(out)	<u>100</u>	<u>100</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>-</u>
Change in net position	(9,732)	13,130	1,375	161	(8,356)	13,291
Net position, beginning, as restated	285,120	271,990	3,456	3,295	288,576	275,285
Net position, ending	<u>\$ 275,388</u>	<u>\$ 285,120</u>	<u>\$ 4,831</u>	<u>\$ 3,456</u>	<u>\$ 280,219</u>	<u>\$ 288,576</u>

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

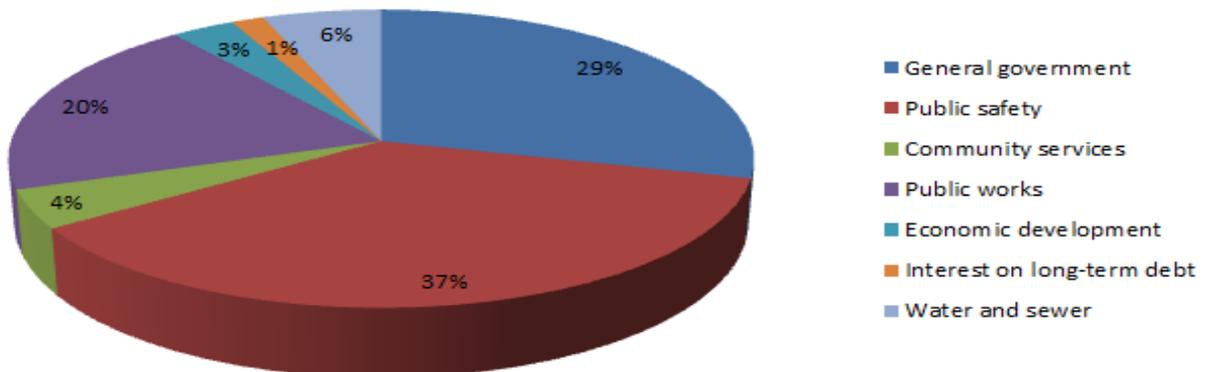
A separate review of the change in net assets in the governmental and business-type activities showed the following: the business-type activities generated a net operating surplus of \$1.4 million while the governmental activities had a combined \$9.7 million operating loss, which resulted from the aggressively spending on long delayed capital projects, the filling of vacant positions and recording the OPEB liability. An \$11.8 million decrease in other revenues was partly offset by increases in property and sales taxes, charges for services and the sale of city property resulting in a net decrease in total revenues of only \$3.2 million.

2018 Revenues



Expenditures increased for all functions as vacant positions were filled and projects were started during FY 2018. Pension expense increased as well as a result of updated valuations from CalPERS. The City reported a total of \$18.5 million increase in total expenditures compared to the prior year.

2018 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 still stable after recognition of OPEB liabilities and revenues are 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 \$487.3 million in net capital assets. At the end of fiscal year 2018, the City had the other \$145.8 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	
	2018	2017	2018	2017	2018	2017
Land	\$ 74,443	\$ 74,443	\$ 311	\$ 311	\$ 74,754	\$ 74,754
Rights-of-way	266,801	266,801	-	-	266,801	266,801
Construction-in-progress	8,222	13,130	4,560	3,886	12,782	17,016
Water rights	-	-	21,175	21,857	21,175	21,857
Structures and improvements	24,882	25,556	502	516	25,384	26,072
Land improvements	5,514	5,655	528	572	6,042	6,227
Furniture and equipment	6,371	6,588	1,207	591	7,578	7,179
Infrastructure	61,748	54,228	11,052	11,488	72,800	65,716
Totals	\$ 447,981	\$ 446,401	\$ 39,335	\$ 39,221	\$ 487,316	\$ 485,622

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 decreased by \$4.6 million to \$341.5 million. The net decrease in the City's long-term debt resulted from the following as summarized in the Table 4 below:

- \$7.7 million net increase in the net pension liability
- \$10.6 million net decrease in the net OPEB liability
- \$2.2 million in payments on Notes Payable
- \$2.2 million increase in claims and judgments and compensated absence liabilities.
- \$1.8 million in principal payments on bonded indebtedness.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2018

A summary of the City's long-term debt follows:

	Long-Term Debt (In Thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Lease revenue bonds	\$ 16,960	\$ 17,355	\$ -	\$ -	\$ 16,960	\$ 17,355
Certificates of Participation	470	1,335	-	-	470	1,335
Notes payable	1,949	4,129	-	-	1,949	4,129
Revenue bonds	-	-	14,140	14,665	14,140	14,665
Capital lease payable	-	-	17,977	17,977	17,977	17,977
Net OPEB liability	105,421	115,525	5,548	6,080	110,969	121,605
Net pension liability	148,276	140,785	8,514	8,300	156,790	149,085
Compensated absences	6,655	6,242	351	295	7,005	6,537
Claims and judgments	15,516	13,801	-	-	15,516	13,801
Unamortized bond premium and discount	(329)	(445)	82	87	(246)	(358)
Totals	\$ 294,917	\$ 298,727	\$ 46,613	\$ 47,404	\$ 341,530	\$ 346,131

The capital lease payable of the business-type activities are offset against the capital lease receivable of the governmental activities in the government-wide statement of net position.

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. 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 records its liability for Other Postemployment Benefits (OPEB) it provides to its retirees in accordance with GASB Statement 75. This amount is \$79 million greater than that calculated under the former GASB 45 method. As is true for many cities, OPEB is a significant 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.

The City has seen an increase in its Standard & Poors credit rating over the past five plus years from a rating of "BBB+" to a rating of "AA".

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 \$93.9 million. The City's governmental funds report a deficit balance of \$1.2 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 or otherwise do not represent available spendable resources. Fund balances decreased 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 \$40.4 million. The fund balance of the General Fund decreased as a result of operations as the City's expenditures exceeded its revenues. Much of this decrease was due to funding of capital projects from previously reserved balances. 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 pension obligation. The City is exploring methods to mitigate such decreases in future years. Housing and Community Development Fund balance decreases represent expenditures of previous year program income, while the fund balances of the Housing Assets Fund decreased as certain economic development costs exceeded collections on notes receivable during FY2017-18.

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 postemployment benefits. These assignments of fund balance total \$20.2 million of the total \$40.4 million of general fund balance.

Unassigned Fund Balance, Cash on Hand and Working Capital –The General Fund has no unassigned fund balance at the end of FY2017-18 as the City spent down all available fund balances and expended certain reserves. The general fund working capital balance of \$22.1 million consists of \$20.7 million in cash and investments plus \$9.4 million in net accounts receivable and other current assets, less \$8.0 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 \$20.7 million at the end of the fiscal year as compared to \$27.2 million at the end of the prior fiscal year (June 30, 2017). The \$20.7 represents 108 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 \$2.3 million over Fiscal year 2019 estimates due to estimated increases in sales and other tax revenues and development activities. Fiscal year 2019 budgeted expenditures also decreased to approximately \$74.5 million from the \$76.0 million adjusted budget in fiscal year 2018 largely due to decreases in general fund debt service costs associated with the 2013 Certificates of Participation which are scheduled to be retired in FY2018-19.

Other Funds estimated revenues and appropriations are expected to be approximately \$67.9 million and \$93.3 million respectively as the City anticipates spending accumulated funds for specific capital improvement projects and funding pension costs in excess of applicable tax revenues. In July 2018, the City paid \$10.40 million to prepay its FY 2018-19 contributions towards the unfunded actuarial liability of its pension plans for a savings of approximately \$378,000.

General Fund Budgetary Highlights

Revenues - Total General Fund revenues were \$63.3 million in fiscal year 2017-18, which is slightly lower than the budgeted amount of \$63.9 million because certain economic development activities did not generate revenues as quickly as anticipated. The City received \$0.6 million less in taxes, \$0.4 million less in licenses and permits and \$0.4 million more in charges for miscellaneous revenues than budgeted due to the delay in completion of those economic development projects.

Expenditures – The City reported a total of \$69.9 million in General Fund expenditures for the fiscal year, which was \$5.0 million less than the final budgeted amount of \$74.9 million with general government and public works costs less than budgeted by \$2.1 million and \$2.7 million, respectively because of unfilled vacant positions and conservative budgeting. Expenditures for all governmental functions were less than appropriations except for Public Safety where increased overtime costs generated a \$0.7 million overage.

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 1.2 million square foot light industrial business park; a 100,000 office complex to house corporate headquarters for a local news media company; the 133-room Holiday Inn Hotel; and multiple mixed-use projects along Garvey Avenue totaling over 200 residential units and 35,000 square feet of retail. The City has also recently entitled two (2) additional national brand hotels and will initiate the entitlement process on The Vine in the Gateway Specific Plan area. The Vine will include a Marriott Residence Inn Hotel, a 24 Hour Fitness Center, a multiplex cinema, market-rate condominiums and a variety of other retail and entertainment uses. 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

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BASIC FINANCIAL STATEMENTS

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City of El Monte
Statement of Net Position
June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 69,127,836	\$ 11,217,780	\$ 80,345,616
Receivables			
Accounts	4,729,342	1,092,660	5,822,002
Taxes	4,515,567	-	4,515,567
Notes and loans, net	12,950,902	-	12,950,902
Accrued interest - other	357,888	28,314	386,202
Internal balances	1,284,876	(1,284,876)	-
Prepaid costs	1,201,387	3,298	1,204,685
Due from other governments	1,911,563	-	1,911,563
Land held for resale	2,062,361	-	2,062,361
Capital lease receivable (payable)	17,977,364	(17,977,364)	-
Restricted assets:			
Cash and investments with fiscal agents	8,654,000	403,491	9,057,491
Capital assets, not being depreciated	349,466,296	4,870,344	354,336,640
Capital assets, net of accumulated depreciation	98,514,519	34,464,593	132,979,112
Total assets	<u>572,753,901</u>	<u>32,818,240</u>	<u>605,572,141</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on defeasance of debt	-	553,891	553,891
Deferred outflows related to pensions	53,707,852	2,801,393	56,509,245
Total deferred outflows of resources	<u>53,707,852</u>	<u>3,355,284</u>	<u>57,063,136</u>
LIABILITIES			
Accounts payable	4,169,228	540,627	4,709,855
Accrued liabilities	1,591,212	-	1,591,212
Accrued interest	636,284	234,009	870,293
Unearned revenues	152,548	-	152,548
Deposits payable	4,261,674	350,782	4,612,456
Due to other governments	13,348,974	-	13,348,974
Noncurrent liabilities:			
Due within one year	5,470,996	632,660	6,103,656
Due in more than one year	35,749,584	13,940,436	49,690,020
Net OPEB liability	105,420,521	5,548,448	110,968,969
Net pension liability	148,275,786	8,514,419	156,790,205
Total liabilities	<u>319,076,807</u>	<u>29,761,381</u>	<u>348,838,188</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	21,018,279	1,002,931	22,021,210
Deferred inflows related to OPEB	10,978,629	577,822	11,556,451
Total deferred inflows of resources	<u>31,996,908</u>	<u>1,580,753</u>	<u>33,577,661</u>
NET POSITION			
Net investment in capital assets	430,694,629	6,511,640	437,206,269
Restricted for:			
Public works projects	15,879,232	-	15,879,232
Public safety	3,700,045	-	3,700,045
Parks, recreation and cultural	4,823,436	-	4,823,436
Community development	20,063,576	-	20,063,576
Debt service	1,719,234	403,491	2,122,725
Retirement	9,067,838	-	9,067,838
Unrestricted (deficit)	(210,559,952)	(2,083,741)	(212,643,693)
Total net position	<u>\$ 275,388,038</u>	<u>\$ 4,831,390</u>	<u>\$ 280,219,428</u>

See notes to financial statements.

City of El Monte
Statement of Activities
Year ended June 30, 2018

	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	\$ 33,049,702	\$ 421,440	\$ 2,640,662	\$ -	\$ (29,987,600)	\$ -	\$ (29,987,600)
Public safety	41,819,319	1,082,746	1,018,604	-	(39,717,969)	-	(39,717,969)
Parks, recreation and cultural	4,839,794	979,217	327,873	-	(3,532,704)	-	(3,532,704)
Public works	22,457,132	1,592,969	692,528	2,259,303	(17,912,332)	-	(17,912,332)
Economic development	3,526,468	3,809,550	4,955,121	-	5,238,203	-	5,238,203
Interest on long-term debt	1,840,106	-	-	-	(1,840,106)	-	(1,840,106)
Total governmental activities	<u>107,532,521</u>	<u>7,885,922</u>	<u>9,634,788</u>	<u>2,259,303</u>	<u>(87,752,508)</u>	<u>-</u>	<u>(87,752,508)</u>
Business-type activities:							
Water and Sewer Funds	6,584,282	7,916,503	-	-	-	1,332,221	1,332,221
Total business-type activities	<u>6,584,282</u>	<u>7,916,503</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,332,221</u>	<u>1,332,221</u>
Total primary government	<u>\$ 114,116,803</u>	<u>\$ 15,802,425</u>	<u>\$ 9,634,788</u>	<u>\$ 2,259,303</u>	<u>(87,752,508)</u>	<u>1,332,221</u>	<u>(86,420,287)</u>
General revenues							
Taxes:							
Property taxes levied for general purposes					30,744,183	-	30,744,183
Transient occupancy taxes					819,545	-	819,545
Sales taxes					26,818,074	-	26,818,074
Franchise taxes					3,770,535	-	3,770,535
Business license taxes					2,725,845	-	2,725,845
Utility users taxes					6,644,912	-	6,644,912
Other taxes					1,420,683	-	1,420,683
Motor vehicle in lieu - unrestricted					60,149	-	60,149
Use of money and property					1,681,735	143,255	1,824,990
Sale of property					1,203,448	-	1,203,448
Other revenue					2,182,083	-	2,182,083
Net change in fair value of investments					(150,512)	-	(150,512)
Transfers in/out					100,000	(100,000)	-
Total general revenues					<u>78,020,680</u>	<u>43,255</u>	<u>78,063,935</u>
Net change in net position					(9,731,828)	1,375,476	(8,356,352)
Net position - beginning of year, as restated					<u>285,119,866</u>	<u>3,455,914</u>	<u>288,575,780</u>
Net position - end of year					<u>\$ 275,388,038</u>	<u>\$ 4,831,390</u>	<u>\$ 280,219,428</u>

See notes to financial statements.

**City of El Monte
Governmental Funds
Balance Sheet
June 30, 2018**

	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	\$ 20,668,389	\$ 9,294,463	\$ 2,231,440	\$ 760,126	\$ 31,629,865	\$ 64,584,283
Receivables:						
Accounts	2,701,794	56,838	1,423	2,804	1,966,473	4,729,332
Taxes	4,151,795	357,699	-	-	6,073	4,515,567
Notes and loans, net	3,668	-	11,366,757	912,304	668,173	12,950,902
Accrued interest	357,888	-	-	-	-	357,888
Prepaid items	1,151,820	-	8,500	-	41,067	1,201,387
Due from other governments	-	-	441,470	-	1,470,093	1,911,563
Due from other funds	1,064,749	-	-	-	-	1,064,749
Advances to other funds	923,475	-	-	-	-	923,475
Land held for resale	138,266	-	420,000	1,504,095	-	2,062,361
Capital lease receivable	17,977,364	-	-	-	-	17,977,364
Restricted assets:						
Cash and investments with fiscal agents	494,652	-	-	-	8,159,348	8,654,000
Total assets	<u>49,633,860</u>	<u>9,709,000</u>	<u>14,469,590</u>	<u>\$ 3,179,329</u>	<u>43,941,092</u>	<u>120,932,871</u>
Deferred outflows of resources						
Total assets and deferred outflows of resources	<u>\$ 49,633,860</u>	<u>\$ 9,709,000</u>	<u>\$ 14,469,590</u>	<u>\$ 3,179,329</u>	<u>\$ 43,941,092</u>	<u>\$ 120,932,871</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 2,383,625	\$ 641,162	\$ 167,551	\$ 19,840	\$ 937,499	\$ 4,149,677
Accrued liabilities	1,591,212	-	-	-	-	1,591,212
Advances from grantors	-	-	-	-	152,548	152,548
Deposits payable	4,042,851	-	177,436	8,525	32,862	4,261,674
Due to other governments	1,202,282	-	11,401,004	-	745,688	13,348,974
Due to other funds	-	-	-	-	1,064,749	1,064,749
Total liabilities	<u>9,219,970</u>	<u>641,162</u>	<u>11,745,991</u>	<u>28,365</u>	<u>2,933,346</u>	<u>24,568,834</u>
Deferred inflows of resources:						
Unavailable revenue	58,747	-	-	-	2,370,509	2,429,256
Total deferred inflows of resources	<u>58,747</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,370,509</u>	<u>2,429,256</u>
Fund Balances:						
Nonspendable						
Loans receivable	3,668	-	-	-	-	3,668
Prepaid items	1,151,820	-	-	-	-	1,151,820
Advances to other funds	923,475	-	-	-	-	923,475
Land held for resale	138,266	-	-	-	-	138,266
Capital lease receivable	17,977,364	-	-	-	-	17,977,364
Restricted						
Special revenue funds	-	9,067,838	2,723,599	3,150,964	38,549,401	53,491,802
Debt service funds	494,652	-	-	-	1,277,033	1,771,685
Assigned	19,665,898	-	-	-	-	19,665,898
Unassigned	-	-	-	-	(1,189,197)	(1,189,197)
Total fund balances	<u>40,355,143</u>	<u>9,067,838</u>	<u>2,723,599</u>	<u>3,150,964</u>	<u>38,637,237</u>	<u>93,934,781</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 49,633,860</u>	<u>\$ 9,709,000</u>	<u>\$ 14,469,590</u>	<u>\$ 3,179,329</u>	<u>\$ 43,941,092</u>	<u>\$ 120,932,871</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, 2018

Fund balance of governmental funds	\$	93,934,781
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	\$ 560,585,303	
Accumulated depreciation	<u>(112,789,517)</u>	447,795,786
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Long-term liabilities	(19,050,157)	
Compensated absences	<u>(6,654,691)</u>	(25,704,848)
Deferred outflows of resources related to pensions are not financial resources and therefore, are not recognized in the governmental funds.		
		53,707,852
Deferred inflows of resources related to pensions are not current obligation and therefore, are not reported in the governmental funds.		
		(21,018,279)
Net pension liability is not due and payable in the current period and therefore, are not reported in the governmental funds.		
		(148,275,786)
Deferred inflows of resources related to OPEB are not current obligation and therefore, are not reported in the governmental funds.		
		(10,978,629)
Net OPEB liability is not due and payable in the current period and therefore, are not reported in the governmental funds.		
		(105,420,521)
Accrued interest payable for the interest due on bonds that has not been reported in the governmental funds.		
		(636,284)
Revenues reported as unavailable revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities.		
		2,429,256
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 of the governmental activities.		
		<u>(10,445,290)</u>
Net position of governmental activities	\$	<u>275,388,038</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, 2018

	Special Revenue Funds					Total
	General Fund	Retirement Fund	Housing and Community Development	Housing Assets	Nonmajor Governmental Funds	
Revenues						
Taxes	\$ 54,617,437	\$ 11,417,247	\$ -	\$ -	\$ 10,138,812	\$ 76,173,496
Licenses and permits	1,658,607	-	-	-	34,536	1,693,143
Intergovernmental	96,536	-	3,084,814	-	3,705,619	6,886,969
Charges for services	3,895,153	-	-	-	1,308,490	5,203,643
Use of money and property	460,150	86,984	84,731	50,740	963,482	1,646,087
Fines and forfeitures	1,026,931	-	-	-	203,607	1,230,538
Contributions	107,394	-	-	-	364,068	471,462
Miscellaneous	1,554,753	75,785	785,730	199,891	254,211	2,870,370
Net change in fair value of investments	(150,512)	-	-	-	-	(150,512)
Total revenues	<u>63,266,449</u>	<u>11,580,016</u>	<u>3,955,275</u>	<u>250,631</u>	<u>16,972,825</u>	<u>96,025,196</u>
Expenditures						
Current:						
General government	10,602,656	15,684,978	-	-	228,022	26,515,656
Public safety	38,722,111	-	-	-	1,338,674	40,060,785
Parks, recreation and cultural	4,238,950	-	30,501	-	358,485	4,627,936
Public works	13,024,136	-	3,484	-	4,560,608	17,588,228
Economic development	-	-	1,869,902	292,547	1,253,955	3,416,404
Capital outlay	2,365,329	-	2,553,608	-	2,933,955	7,852,892
Debt service:						
Principal retirement	865,000	-	2,180,000	-	395,000	3,440,000
Interest and fiscal charges	52,209	-	209,996	-	1,514,486	1,776,691
Total expenditures	<u>69,870,391</u>	<u>15,684,978</u>	<u>6,847,491</u>	<u>292,547</u>	<u>12,583,185</u>	<u>105,278,592</u>
Excess (deficiency) of revenues over expenditures	<u>(6,603,942)</u>	<u>(4,104,962)</u>	<u>(2,892,216)</u>	<u>(41,916)</u>	<u>4,389,640</u>	<u>(9,253,396)</u>
Other financing sources (uses)						
Transfers in	3,501,607	-	-	-	903,211	4,404,818
Transfers out	(1,003,211)	-	-	-	(3,501,607)	(4,504,818)
Net other financing sources (uses)	<u>2,498,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,598,396)</u>	<u>(100,000)</u>
Net change in fund balances	<u>(4,105,546)</u>	<u>(4,104,962)</u>	<u>(2,892,216)</u>	<u>(41,916)</u>	<u>1,791,244</u>	<u>(9,353,396)</u>
Fund balance, beginning 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>
Fund balance, end of year	<u>\$ 40,355,143</u>	<u>\$ 9,067,838</u>	<u>\$ 2,723,599</u>	<u>\$ 3,150,964</u>	<u>\$ 38,637,237</u>	<u>\$ 93,934,781</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, 2018**

Change in fund balance - governmental funds	\$	(9,353,396)
<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		7,138,431
Depreciation expense		(5,657,235)
<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	\$ 1,260,000	
Principal repayment of notes payable	2,180,000	
Amortization of deferred bond premium	14,337	
Amortization of deferred bond discount	<u>(130,203)</u>	3,324,134
<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 net amount of adjustment to OPEB expense, deferred inflows of resources, and net OPEB liability during the year.</p>		
		(873,748)
<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>		
		(2,096,910)
<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>		
		52,451
<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>		
		(412,481)
<p>Certain revenues are reported as unavailable revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities.</p>		
		1,675,497
<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>		
		(3,528,571)
Change in net position of governmental activities	\$	<u>(9,731,828)</u>

See notes to financial statements.

**City of El Monte
Statement of Net Position
Proprietary Funds
June 30, 2018**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Funds
	Fund	Fund		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 723,196	\$ 10,494,584	\$ 11,217,780	\$ 4,543,553
Receivables:				
Accounts	930,134	162,526	1,092,660	10
Other	28,314	-	28,314	-
Prepaid accounts	3,118	180	3,298	-
Restricted:				
Cash with fiscal agents	403,491	-	403,491	-
Total current assets	<u>2,088,253</u>	<u>10,657,290</u>	<u>12,745,543</u>	<u>4,543,563</u>
Noncurrent assets				
Capital assets	47,012,613	23,491,290	70,503,903	209,924
Accumulated depreciation	(20,484,300)	(10,684,666)	(31,168,966)	(24,895)
Net capital assets	<u>26,528,313</u>	<u>12,806,624</u>	<u>39,334,937</u>	<u>185,029</u>
Total noncurrent assets	<u>26,528,313</u>	<u>12,806,624</u>	<u>39,334,937</u>	<u>185,029</u>
Total assets	<u>28,616,566</u>	<u>23,463,914</u>	<u>52,080,480</u>	<u>4,728,592</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on defeasance of debt	553,891	-	553,891	-
Deferred outflows related to pensions	1,353,659	1,447,734	2,801,393	-
Total deferred outflows of resources	<u>1,907,550</u>	<u>1,447,734</u>	<u>3,355,284</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	258,700	281,927	540,627	19,551
Accrued interest	234,009	-	234,009	-
Deposits payable	350,782	-	350,782	-
Accrued compensated absences, current portion	56,995	30,665	87,660	-
Accrued claims and judgments	-	-	-	2,516,324
Bonds, notes, and capital leases	545,000	-	545,000	-
Total current liabilities	<u>1,445,486</u>	<u>312,592</u>	<u>1,758,078</u>	<u>2,535,875</u>
Noncurrent liabilities				
Advances from other funds	623,475	-	623,475	300,000
Accrued compensated absences	170,985	91,993	262,978	-
Accrued claims and judgments	-	-	-	12,999,408
Capital lease payable	17,977,364	-	17,977,364	-
Net OPEB liability	2,774,224	2,774,224	5,548,448	-
Net pension liability	4,090,954	4,423,465	8,514,419	-
Bonds and notes	13,677,458	-	13,677,458	-
Total liabilities	<u>40,759,946</u>	<u>7,602,274</u>	<u>48,362,220</u>	<u>15,835,283</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	488,047	514,884	1,002,931	-
Deferred inflows related to OPEB	288,911	288,911	577,822	-
Total deferred inflows of resources	<u>776,958</u>	<u>803,795</u>	<u>1,580,753</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	(6,294,984)	12,806,624	6,511,640	-
Restricted for debt service	403,491	-	403,491	-
Unrestricted	(5,121,295)	3,698,955	(1,422,340)	(11,106,691)
Total net position	<u>\$ (11,012,788)</u>	<u>\$ 16,505,579</u>	<u>\$ 5,492,791</u>	<u>\$ (11,106,691)</u>

Reconciliation of net position to statement of net position:

Net position per statement of net position for proprietary funds	\$ 5,492,791
Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(421,779)
Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(239,622)
Net position per statement of net position	<u>\$ 4,831,390</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, 2018

	Business-type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities
	Fund	Fund		Internal Service Funds
Operating revenues				
Sales and service charges	\$ 4,329,275	\$ 3,474,861	\$ 7,804,136	\$ -
Use of money and property	111,302	1,065	112,367	-
Interdepartmental charges	-	-	-	2,506,631
Total operating revenues	<u>4,440,577</u>	<u>3,475,926</u>	<u>7,916,503</u>	<u>2,506,631</u>
Operating expenses				
Personnel services	726,143	952,912	1,679,055	-
Contractual services	456,047	275,894	731,941	-
Maintenance and supplies	183,696	81,592	265,288	479
Public works	14,639	5,102	19,741	-
Administrative and general	803,268	235,219	1,038,487	-
Facility lease	199,616	299,420	499,036	-
Claims expenses	-	-	-	6,449,449
Depreciation expense	890,100	486,944	1,377,044	24,895
Total operating expenses	<u>3,273,509</u>	<u>2,337,083</u>	<u>5,610,592</u>	<u>6,474,823</u>
Operating income (loss)	1,167,068	1,138,843	2,305,911	(3,968,192)
Nonoperating revenues (expenses)				
Interest revenue	4,200	139,055	143,255	-
Interest expense	(734,068)	-	(734,068)	-
Net nonoperating revenues (expenses)	<u>(729,868)</u>	<u>139,055</u>	<u>(590,813)</u>	<u>-</u>
Operating income (loss) before other financing sources	437,200	1,277,898	1,715,098	(3,968,192)
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	437,200	1,177,898	1,615,098	(3,768,192)
Net position, beginning of year, as restated	<u>(11,449,988)</u>	<u>15,327,681</u>	<u>3,877,693</u>	<u>(7,338,499)</u>
Net position, end of year	<u>\$ (11,012,788)</u>	<u>\$ 16,505,579</u>	<u>\$ 5,492,791</u>	<u>\$ (11,106,691)</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	\$ 1,615,098
Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds	(239,622)
Change in Net Position Business-type Activities Statement of Activities	<u>\$ 1,375,476</u>

See notes to financial statements.

City of El Monte
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2018

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
Cash flows from operating activities				
Cash received from customers and users	\$ 4,335,384	\$ 3,378,175	\$ 7,713,559	\$ -
Cash received for interfund charges	-	-	-	2,531,622
Cash paid to suppliers for goods and services	(1,081,441)	(876,531)	(1,957,972)	(4,732,790)
Cash paid to employees for services	(1,263,859)	(1,082,105)	(2,345,964)	-
Net cash provided by (used in) operating activities	<u>1,990,084</u>	<u>1,419,539</u>	<u>3,409,623</u>	<u>(2,201,168)</u>
Cash flows from non-capital and related financing activities				
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>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>200,000</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(405,407)	(1,085,611)	(1,491,018)	(123,387)
Principal paid on capital debt	(529,731)	-	(529,731)	-
Interest paid on capital debt	(679,864)	-	(679,864)	-
Principal paid on advances	(192,008)	-	(192,008)	-
Interest paid on advances	(32,619)	-	(32,619)	-
Net cash provided by (used in) capital and related financing activities	<u>(1,839,629)</u>	<u>(1,085,611)</u>	<u>(2,925,240)</u>	<u>(123,387)</u>
Cash flows from investing activities				
Interest received	4,200	139,055	143,255	-
Change in cash and cash equivalents	154,655	372,983	527,638	(2,124,555)
Beginning cash and cash equivalents	972,032	10,121,601	11,093,633	6,668,108
Ending cash and cash equivalents	<u>\$ 1,126,687</u>	<u>\$ 10,494,584</u>	<u>\$ 11,621,271</u>	<u>\$ 4,543,553</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 1,167,068	\$ 1,138,843	\$ 2,305,911	\$ (3,968,192)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	890,100	486,944	1,377,044	24,895
(Increase) decrease in:				
Accounts receivable	(122,583)	(97,751)	(220,334)	24,990
Other receivable	17,390	-	17,390.00	-
Prepaid accounts	(1,958)	(180)	(2,138.00)	-
Deferred outflows of resources	(200,283)	(212,470)	(412,753)	-
Increase (decrease):				
Accounts payable	(80,213)	(183,990)	(264,203)	2,407
Due to other funds	-	-	-	-
Deposits payable	4,270	-	4,270	-
Deferred inflows of resources	428,479	437,365	865,844	-
Compensated absences payable	45,972	9,592	55,564	-
Net pension liability	107,760	107,104	214,864	-
Net OPEB liability	(265,918)	(265,918)	(531,836)	-
Accrued claims and judgments	-	-	-	1,714,732
Net cash provided by operating activities	<u>\$ 1,990,084</u>	<u>\$ 1,419,539</u>	<u>\$ 3,409,623</u>	<u>\$ (2,201,168)</u>
Non-cash investing, capital and financing activities:				
Amortization of premium and loss on defeasance of long-term liabilities	<u>\$ (31,786)</u>	<u>\$ -</u>	<u>\$ (31,786)</u>	<u>\$ -</u>

See notes to financial statements.

City of El Monte
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	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	\$ 3,884,077	\$ 739,273
Cash with fiscal agents	22,283	-
Cash held in escrow accounts	1,441,106	-
Receivables:		
Accounts	678	2,360
Notes and loans	328,982	-
Prepaid items	5,000	-
Land held for resale	6,178,496	-
Total assets	11,860,622	741,633
LIABILITIES		
Accounts payable	3,195	-
Interest payable	392,940	-
Deposits payable	6,600	-
Long-term liabilities		
Due within one year	1,090,000	-
Due in more than one year	30,851,672	-
Advances from City of El Monte	42,582,571	-
Total liabilities	74,926,978	-
NET POSITION		
Net position restricted for pensions	-	741,633
Net position (deficit)	(63,066,356)	-
Total net position (deficit)	\$ (63,066,356)	\$ 741,633

See notes to financial statements.

City of El Monte
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2018

	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	\$ 2,801,451	\$ -
Use of money and property	131,399	-
Rental income	43,504	-
Gain on sale of property	57,968	-
Contributions:		
Employers	-	235,000
Employees	-	57,560
Retirees	-	34,160
Investment earnings:		
Interest and change in fair value of investments	-	10,770
Miscellaneous	115,817	-
Total additions	3,150,139	337,490
Expenses and deductions:		
Community development	1,159,823	-
Debt service		
Interest and fiscal charges	1,812,575	-
Benefits	-	244,674
Total deductions	2,972,398	244,674
Change in net position	177,741	92,816
Net position (deficit) held in trust - beginning of the year	(63,244,097)	648,817
Net position (deficit) held in trust - end of the year	\$ (63,066,356)	\$ 741,633

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 2017-2018. 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. Revenues reported during the year include interest and loans collected.

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 the funds from the retirees used to pay for health insurance benefits of the 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, 2018, 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, 2018, the City has assigned \$19.6 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. Prepaids are amortized on a consumption basis. 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, 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, 2018.

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)**

Long-term Obligations (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.

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.

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2018, the City adopted the following new Statement of the Governmental Accounting Standards Board (GASB):

GASB statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The scope of this Statement addresses accounting and financial reporting for OPEB that is provided to the employees of state and local governmental employers. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this Statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosure and required supplementary information requirements about defined benefit OPEB are also addressed in this Statement. Refer also to Note 13.

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.

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 2017-2018, the following funds had no legally adopted budget:

- Special Revenue Funds
 - Urban Development Action Grant (UDAG)
 - Road Maintenance and Rehabilitation

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

At June 30, 2018, the following funds had deficit fund balances or net position:

Special Revenue Funds:	
MTA Call for Projects	\$ (96,909)
Children's Lunch Program	(2,889)
Miscellaneous Grants	(1,089,399)
Internal Service Fund:	
Self-Insurance	(12,912,117)
Enterprise Fund	
Water Fund	(11,012,788)

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

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

	Expenditures		Appropriations		Excess
Public Safety	\$ 38,722,111		\$ 38,028,879		\$ (693,232)

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

NOTE 3 CASH AND INVESTMENTS

As of June 30, 2018, cash and investments were reported in the accompanying financial statements as follows:

	Cash and Investments		Cash and Investments with Fiscal Agent		Total
Governmental activities	\$ 69,127,836		\$ 8,654,000		\$ 77,781,836
Business-type activities	11,217,780		403,491		11,621,271
Fiduciary funds	4,623,350		1,463,389		6,086,739
Total Cash and Investments	\$ 84,968,966		\$ 10,520,880		\$ 95,489,846

Cash and investments at June 30, 2018, consisted of the following:

Cash on hand	\$ 16,950
Deposits with financial institutions	8,227,354
Deposits with escrow	1,441,106
Investments	85,804,436
Total Cash and Investments	\$ 95,489,846

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, 2018, the carrying amount of the City's deposits was \$8,227,354 and the bank balance was \$8,751,047. The \$523,693 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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

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

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds	5 years	20%	5%
U.S. Treasury Obligations	5 years	None	30%
Registered State (CA) warrants or treasury notes or bonds	5 years	20%	5%
Other State of California local agency bonds, notes, warrants, or other evidences of indebtedness	5 years	10%	5%
U.S. Agency Securities	5 years	None	40%
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit	360 days	25%	5%
Repurchase Agreements	1 year	30%	5%
Reverse Repurchase Agreements	90 days	20%	None
Securities Lending	90 days	20%	None
Medium-Term Notes	5 years	30%	5%
Mutual Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Time Certificates of Deposit	1 year	None	None

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2018, 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 5% of the total investment pool. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement. As of June 30, 2018, there were no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City investments.

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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2018, the City had the following investments and original maturities:

Investment Type	Investment Maturity (in Years)			
	Total	Less than 1 year	1 to 3 Years	3 to 5 Years
Local Agency Investment Fund	\$ 47,910,090	\$ 47,910,090	\$ -	\$ -
Bank of America Corp	400,510	400,510	-	-
Goldman Sachs Group, Inc	488,450	-	488,450	-
Harley Davidson Financial Services	196,174	-	196,174	-
JP Morgan Chase	489,995	-	489,995	-
JP Morgan Securities LLC Commercial Paper - Discount	500,000	500,000	-	-
Morgan Stanley	485,400	-	485,400	-
Nissan Motor Acceptance	776,484	776,484	-	-
Novartis Sec Invest LTD	659,237	659,237	-	-
PNC Bank NA	364,930	364,930	-	-
Swed Bank Commercial Paper	496,215	496,215	-	-
United Health Group, Inc	745,080	745,080	-	-
Wells Fargo and Co	481,590	-	-	481,590
US Treasury Note	14,919,791	11,262,022	3,657,769	-
US Treasury Note/Bond	7,810,716	1,488,220	5,839,321	483,175
Held by Fiscal Agents:				
Held by Fiscal Agents	9,079,774	9,079,774	-	-
	<u>\$ 85,804,436</u>	<u>\$ 73,682,562</u>	<u>\$ 11,157,109</u>	<u>\$ 964,765</u>

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	Investment Maturity (in Years)			
	Total	Less than 1 year	1 to 3 Years	3 to 5 Years
Local Agency Investment Fund	\$ 47,910,090	\$ 47,910,090	\$ -	\$ -
Bank of America Corp	400,510	400,510	-	-
Goldman Sachs Group, Inc	488,450	-	488,450	-
Harley Davidson Financial Services	196,174	-	196,174	-
JP Morgan Chase	489,995	-	489,995	-
JP Morgan Securities LLC Commercial Paper - Discount	500,000	500,000	-	-
Morgan Stanley	485,400	-	485,400	-
Nissan Motor Acceptance	776,484	776,484	-	-
Novartis Sec Invest LTD	659,237	659,237	-	-
PNC Bank NA	364,930	364,930	-	-
Swed Bank Commercial Paper	496,215	496,215	-	-
United Health Group, Inc	745,080	745,080	-	-
Wells Fargo and Co	481,590	-	-	481,590
US Treasury Note	14,919,791	11,262,022	3,657,769	-
US Treasury Note/Bond	7,810,716	1,488,220	5,839,321	483,175
Held by Fiscal Agents:				
Held by Fiscal Agents	9,079,774	9,079,774	-	-
	<u>\$ 85,804,436</u>	<u>\$ 73,682,562</u>	<u>\$ 11,157,109</u>	<u>\$ 964,765</u>

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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 Active Markets for Identical Assets (Level 1)	Fair Value Measurement Using Significant other Observable Inputs (Level 2)
Bank of America Corp	\$ 400,510	\$ 400,510	-
Goldman Sachs Group, Inc	488,450	488,450	-
Harley Davidson Financial Services	196,174	196,174	-
JP Morgan Chase	489,995	489,995	-
JP Morgan Securities LLC Commercial Paper - Discount	500,000	500,000	-
Morgan Stanley	485,400	485,400	-
Nissan Motor Acceptance	776,484	776,484	-
Novartis Sec Invest LTD	659,237	659,237	-
PNC Bank NA	364,930	364,930	-
Swed Bank Commercial Paper	496,215	496,215	-
United Health Group, Inc	745,080	745,080	-
Wells Fargo and Co	481,590	481,590	-
US Treasury Note	14,919,791	-	14,919,791
US Treasury Note/Bond	7,810,716	-	7,810,716
Held by Fiscal Agents:			
Money Market Funds	<u>9,079,774</u>	-	<u>9,079,774</u>
Total	\$ <u>37,894,346</u>	\$ <u>6,084,065</u>	\$ <u>31,810,281</u>
Uncategorized:			
Local Agency Investment Fund	<u>47,910,090</u>		
	\$ <u>85,804,436</u>		

For Level 2 investments, the City and the third-party trustees that hold the City's assets utilize the Market Approach in valuing the investment portfolio through the use of a pricing service that utilized matrix pricing. The market approach utilizes prices and other relevant data from market transactions for similar assets.

NOTE 4 LONG-TERM RECEIVABLES

As of June 30, 2018, the following loans receivable were outstanding:

Pacific Place Expansion Project	\$	4,009,037	
Singing Wood Senior Housing		2,390,594	
First Time Homebuyer Loans		618,000	
San Gabriel Valley Habitat for Humanity, Inc.		300,000	
Various Housing Deferred Loans and Other Assistance		6,244,181	
Mercy Housing, California - Veterans Village Project			
Authority HOME Funds Loan	\$	400,000	
Site Acquisition Loan		288,854	
Special Development Loan		350,000	1,038,854
Mercy Housing, California - Family Veterans Project			
HOME Development Project Loan		1,272,155	
Development Project Mitigation Loan		177,845	1,450,000
Tyler Court Associates, L.P.			
Property Acquisition Loan		610,000	
HOME Project Loan		712,264	
Project Capital Fee Loan		221,250	1,543,514
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		429,095	
Project Gap Loan		1,035,070	
Long-term Project Note		709,266	2,173,431
		Subtotal	30,136,902
Allowance for doubtful accounts			(17,186,000)
Total	\$		12,950,902

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 2017-2018.

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 - Veterans Village Project

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.

Mercy Housing California - Family Veterans Project

The El Monte Housing Authority entered into a disposition and development agreement with Mercy Housing California on October 14, 2015, related to the construction of Mercy Housing Family Veterans Affordable Rental Housing Project. As part of the Authority's financial assistance, the Authority provided a HOME Development Project Loan in the amount of \$1,272,155 on December 14, 2017. The proceeds of the loan were used to acquire the land and improve an affordable rental housing development project. The Authority provided a second loan, the Development Project Mitigation Fee Loan amounting to \$177,845. Mercy Housing executed promissory notes for each loan bearing 2% interest for a term of 57 years. The promissory notes are payable from not less than 12.51% 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.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

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.

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

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

TELACU Housing-El Monte II Inc. (Continued)

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.

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, 2018. The balance of the lease at June 30, 2018 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, 2018, the details of the City's investment in land held for resale are as follows:

General Fund	\$	138,266
Housing and Community Development Fund		420,000
Housing Asset Fund		<u>1,504,095</u>
	\$	<u><u>2,062,361</u></u>

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 74,442,896	\$ -	\$ -	\$ 74,442,896
Rights-of-way	266,801,532	-	-	266,801,532
Construction-in-progress	13,129,516	7,550,036	12,457,684	8,221,868
Total capital assets not being depreciated	354,373,944	7,550,036	12,457,684	349,466,296
Capital assets being depreciated:				
Land improvements	13,114,258	202,379	-	13,316,637
Structures and improvements	42,449,986	417,549	-	42,867,535
Furniture and equipment	26,108,732	1,210,116	3,158,826	24,160,022
Infrastructure	120,636,792	10,347,945	-	130,984,737
Total capital assets being depreciated	202,309,768	12,177,989	3,158,826	211,328,931
Less accumulated depreciation:				
Land improvements	7,459,179	343,707	-	7,802,886
Structures and improvements	16,893,463	1,092,018	-	17,985,481
Furniture and equipment	19,521,060	1,418,232	3,150,303	17,788,989
Infrastructure	66,408,883	2,828,173	-	69,237,056
Total accumulated depreciation	110,282,585	5,682,130	3,150,303	112,814,412
Capital assets being depreciated, net	92,027,183	6,495,859	8,523	98,514,519
Governmental activities capital assets, net	\$ 446,401,127	\$ 14,045,895	\$ 12,466,207	\$ 447,980,815

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

Governmental Activities:	
General government	\$ 1,563,645
Public safety	467,912
Parks, recreation and leisure	62,762
Public works	3,587,811
Total	\$ 5,682,130

NOTE 6 CAPITAL ASSETS (CONTINUED)

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.

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 310,748	\$ -	\$ -	\$ 310,748
Construction-in-progress	3,885,781	673,815	-	4,559,596
Total capital assets not being depreciated	4,196,529	673,815	-	4,870,344
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	3,709,619	807,651	-	4,517,270
Infrastructure	23,069,803	9,553	-	23,079,356
Total capital assets being depreciated	64,816,356	817,204	-	65,633,560
Less accumulated depreciation:				
Water rights	12,294,882	683,049	-	12,977,931
Structures and improvements	218,492	13,978	-	232,470
Land improvements	2,578,425	43,417	-	2,621,842
Furniture and equipment	3,118,817	190,601	-	3,309,418
Infrastructure	11,581,307	445,999	-	12,027,306
Total accumulated depreciation	29,791,923	1,377,044	-	31,168,967
Capital assets being depreciated, net	35,024,433	(559,840)	-	34,464,593
Business-type activities capital assets, net	\$ 39,220,962	\$ 113,975	\$ -	\$ 39,334,937

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

	Amount
Business-type Activities:	
Water Fund	\$ 890,100
Sewer Fund	486,944
Total	\$ 1,377,044

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2018, is as follows:

Advances To/From Other Funds

Advances From Other Funds	Advances To Other Funds		
	Water Fund	Internal Service Fund	Total
General Fund	\$ 623,475	\$ 300,000	\$ 923,475
	<u>\$ 623,475</u>	<u>\$ 300,000</u>	<u>\$ 923,475</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	\$ -	\$ -	\$ 903,211	\$ 903,211	\$ 100,000	\$ 1,003,211
Nonmajor governmental funds	3,501,607	-	-	3,501,607	-	3,501,607
Business-type funds:						
Sewer Fund	-	-	-	-	100,000	100,000
	<u>\$ 3,501,607</u>	<u>\$ -</u>	<u>\$ 903,211</u>	<u>\$ 4,404,818</u>	<u>200,000</u>	<u>\$ 4,604,818</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 2017-2018, the City transferred \$3.5 million from its special revenue funds (nonmajor governmental funds) into its General Fund. The City also transfers \$845,000 from the General Fund to Storm Drain Fund to fund deficits in the Storm Drain Fund during fiscal year 2017-2018.

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). During fiscal year 2018, the Successor Agency recorded interest on the loans amounting to \$3,024,670. 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 \$42.5 million (including \$13.9 million of adjusted accrued interest) has been reserved as potentially uncollectible as of June 30, 2018. (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, 2018:

	Balance at July 1, 2017	Additions	Retirements	Balance at June 30, 2018	Amount due within one Year
2010 Lease revenue bonds	\$ 17,355,000	\$ -	\$ 395,000	\$ 16,960,000	\$ 415,000
Certificates of Participation					
Series 2013-A	1,335,000	-	865,000	470,000	470,000
Notes and loans payable	4,129,000	-	2,180,000	1,949,000	406,000
Accrued compensated absences	6,242,210	979,546	567,065	6,654,691	1,663,673
Net pension liability	140,784,991	66,668,340	59,177,545	148,275,786	-
Net OPEB liability	115,525,402	873,748	10,978,629	105,420,521	-
Claims and judgments	13,801,000	4,224,165	2,509,433	15,515,732	2,516,323
	<u>\$ 299,172,603</u>	<u>\$ 72,745,799</u>	<u>\$ 76,672,672</u>	<u>295,245,730</u>	<u>\$ 5,470,996</u>
Unamortized bond discount	(464,258)			(334,055)	
Unamortized bond premium	19,549			5,212	
	<u>\$ 298,727,894</u>			<u>\$ 294,916,887</u>	

NOTE 9 LONG-TERM DEBT (CONTINUED)

The General Fund and Enterprise Funds have been used in prior years to liquidate the pension liability and net OPEB liability.

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, 2018:

Year Ending June 30,	2010 Lease Revenue Bonds Series A	
	Principal	Interest
2019	\$ -	\$ 1,318,263
2020	-	1,318,263
2021	-	1,318,263
2022	-	1,318,263
2023	120,000	1,318,263
2024-2028	2,910,000	6,052,750
2029-2033	3,680,000	4,649,513
2034-2038	4,680,000	2,835,000
2038-2041	3,400,000	621,900
Total	\$ 14,790,000	\$ 20,750,475

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 American Recovery and Reinvestment Act of 2009. City Management expects approximately \$9.3 million of the interest amount to be repaid using the Recovery Zone Economic Development subsidy.

Based on the annual payments expected from the former Redevelopment Agency, City management expects \$15.3 million 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, 2018:

Year Ending June 30,	2010 Lease Revenue Bonds Series B	
	Principal	Interest
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	\$ 2,170,000	\$ 496,867

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 American Recovery and Reinvestment Act of 2009. City Management expects approximately \$173,903 of the interest amount to be repaid using the Buy America Bonds subsidy.

Based on the annual payments expected from the Agency, City management expects \$1,455,891 to be repaid using the Agency's tax increment revenues.

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.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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
2019	\$ 470,000	\$ 15,863
Total	\$ 470,000	\$ 15,863

Notes and Loans Payable

HUD Section 108 Loan 2008-A (Superstore)

In 2008, the City issued \$2,200,000 of U.S. Government Guaranteed Notes, 2008-A to refinance the preciously issued Section 108 Loan, 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 2008 to 2018 and bear varying interest rates. The principal balance outstanding as of June 30, 2018, 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.

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, 2018, was \$622,000.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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
2019	\$ 194,000	\$ 11,375
2020	207,000	7,536
2021	221,000	2,707
Total	\$ 622,000	\$ 21,618

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, 2018, was \$1,090,000.

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
2019	\$ 125,000	\$ 24,397
2020	130,000	22,344
2021	140,000	19,736
2022	150,000	16,588
2023	155,000	12,926
2024-2025	390,000	11,641
Total	\$ 1,090,000	\$ 107,633

NOTE 9 LONG-TERM DEBT (CONTINUED)

HUD Section 108 Loan 2008-A (Pacific Place)

In 2008, the City issued U.S. Government Guaranteed Notes, Series 2008-A to refinance the previously issued series 2004-A Government Guaranteed Notes issued on August 25, 2004, guaranteed by the Secretary of Housing and Urban Development. The notes mature from 2008 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 City defeased this note in December 2017 for a total of \$2,168,915.

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 outstanding principal under this Note shall be made as follows:

Ending June 30,	Principal
2022	\$ 150,000
Total	\$ <u>150,000</u>

Claims and Judgments

As of June 30, 2018, 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, 2018, the total estimated liability for claims was \$15,515,732. (See Note 12).

Business-type Activities

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2018:

	Balance at July 1, 2017	Additions	Retirements	Balance at June 30, 2018	Amount due within one Year
2006 Refunding revenue bonds	\$ 14,665,000	\$ -	\$ 525,000	\$ 14,140,000	\$ 545,000
Accrued compensated absences	295,074	104,616	49,051	350,639	87,660
Net pension liability (Note 11)	8,299,556	3,401,875	3,187,011	8,514,420	-
Net OPEB liability (Note 13)	6,080,284	45,986	577,822	5,548,448	-
Capital lease payable	17,977,364	-	-	17,977,364	-
	\$ 47,317,278	\$ 3,552,477	\$ 4,338,884	46,530,871	\$ 632,660
Unamortized bond premium				82,456	
				\$ 46,613,327	

NOTE 9 LONG-TERM DEBT (CONTINUED)

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
2019	\$ 545,000	\$ 660,310
2020	565,000	637,272
2021	595,000	612,764
2022	620,000	586,635
2023	640,000	558,750
2024-2028	3,685,000	2,320,025
2029-2033	4,660,000	1,312,500
2034-2037	2,830,000	205,750
Total	\$ 14,140,000	\$ 6,894,006

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, 2018 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, 2018, is \$22,280,000. 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.

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.

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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, 2018, 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% @ 55	2% @ 62	3% @ 50	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	1.4% to 2.4%	1.0% to 2.5%	3%	2.0% to 2.7%	1%
Required employee contribution rates	7%	6.25%	9%	13.00%	N/A
Required employer contribution rates	9.067%	9.067%	23.968%	23.968%	34.30%

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms of the Plan:

	CalPERS		PARS
	Miscellaneous	Safety	
Inactive employees or beneficiaries currently receiving benefits	329	267	119
Inactive employees entitled but not yet receiving benefits	199	58	21
Active employees	153	111	89
Total	681	436	229

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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The net pension liability of PARS Plan is measured as of June 30, 2017 using an actuarial valuation date of June 30, 2017. 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
	<u>Miscellaneous</u>	<u>Safety</u>	
Valuation Date	June 30, 2016	June 30, 2016	June 30, 2017
Measurement Date	June 30, 2017	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method		Entry-Age Normal Cost Method
Actuarial Assumptions:			
Discount Rate	7.15%	7.15%	6.50%
Inflation	2.75%	2.75%	2.75%
Payroll Growth	3.00%	3.00%	3.00%
Projected Salary Increase	(1)	(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, 2016 valuation was based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 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 June 30, 2017.

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 Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.00%	4.90%	5.38%
Global Fixed Income	19.00%	0.80%	2.27%
Inflation Sensitive	6.00%	0.60%	1.39%
Private Equity	12.00%	6.60%	6.63%
Real Estate	11.00%	2.80%	5.21%
Infrastructure and Forestland	3.00%	3.90%	5.36%
Liquidity	<u>2.00%</u>	-0.40%	-0.90%
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	4.36%	0.36%	0.35%
US Core Fixed Income	Barclay Aggregate	46.31%	2.17%	2.04%
US Equity Market	Russel 3000	35.55%	4.83%	3.57%
Developed Foreign Equities	MSCI EAFE	9.46%	5.76%	4.15%
Emerging Market Equities	MSCI Emerging Markets	2.86%	8.06%	4.84%
US Real Estate	FTSE NAREIT Equity REIT	1.47%	5.04%	3.27%
Assumed Inflation - Mean			2.32%	2.30%
Assumed Inflation - Standard Deviation			1.89%	1.85%
Portfolio Real Mean Return			3.59%	3.22%
Portfolio Nominal Mean Return			5.90%	5.59%
Portfolio Standard Deviation				8.32%
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, 2016 (Measurement date)	\$ 147,956,558	\$ 104,308,477	\$ 43,648,081
Changes Recognized for the			
Service Cost	1,808,688	-	1,808,688
Interest on the total pension liability	10,805,162	-	10,805,162
Differences between expected and actual experiences	(2,848,478)	-	(2,848,478)
Changes of assumptions	9,183,934	-	9,183,934
Contributions from the employer	-	4,322,644	(4,322,644)
Contributions from the employee	-	806,051	(806,051)
Net investment income	-	11,531,597	(11,531,597)
Benefit payments	(8,150,427)	(8,150,427)	-
Administrative expenses	-	(154,004)	154,004
Net Changes during measurement period 2016-2017	<u>10,798,879</u>	<u>8,355,861</u>	<u>2,443,018</u>
Balance at June 30, 2017 (Measurement date)	<u>\$ 158,755,437</u>	<u>\$ 112,664,338</u>	<u>\$ 46,091,099</u>

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

CalPERS – Safety Plan

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016 (Measurement date)	\$ 290,924,172	\$ 206,016,963	\$ 84,907,209
Changes Recognized for the			
Service Cost	4,712,074	-	4,712,074
Interest on the total pension liability	21,269,142	-	21,269,142
Differences between expected and actual experiences	(6,149,797)	-	(6,149,797)
Changes of assumptions	18,142,293	-	18,142,293
Contributions from the employer	-	8,168,448	(8,168,448)
Contributions from the employee	-	1,209,042	(1,209,042)
Net investment income	-	22,641,870	(22,641,870)
Benefit payments	(15,604,395)	(15,604,395)	-
Administrative expenses	-	(304,170)	304,170
Net Changes during measurement period 2016-2017	<u>22,369,317</u>	<u>16,110,795</u>	<u>6,258,522</u>
Balance at June 30, 2017 (Measurement date)	<u>\$ 313,293,489</u>	<u>\$ 222,127,758</u>	<u>\$ 91,165,731</u>

PARS

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2016 (Measurement date)	\$ 39,433,232	\$ 18,903,975	\$ 20,529,257
Changes Recognized for the			
Service Cost	459,664	-	459,664
Interest on the total pension liability	2,530,571	-	2,530,571
Plan changes	202,891	-	202,891
Economic/demographic gains or losses	489,846	-	489,846
Contributions from the employer	-	3,081,984	(3,081,984)
Contributions from the employee	-	-	-
Net investment income	-	1,604,645	(1,604,645)
Benefit payments	(1,952,800)	(1,952,800)	-
Administrative expenses	-	(7,776)	7,776
Net Changes during measurement period 2016-2017	<u>1,730,172</u>	<u>2,726,053</u>	<u>(995,881)</u>
Balance at June 30, 2017 (Measurement date)	<u>\$ 41,163,404</u>	<u>\$ 21,630,028</u>	<u>\$ 19,533,376</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:

	<u>CalPERS</u>		<u>PARS</u>
	<u>Miscellaneous</u>	<u>Safety</u>	
1% Decrease	6.15%	6.15%	5.50%
Net Pension Liability	\$ 68,146,207	\$ 135,029,320	\$ 24,809,650
Current Discount Rate	7.15%	7.15%	6.50%
Net Pension Liability	\$ 46,091,099	\$ 91,165,731	\$ 19,533,376
1% Increase	8.15%	8.15%	7.50%
Net Pension Liability	\$ 28,012,317	\$ 55,413,136	\$ 15,149,344

Pension Plan Fiduciary Net Position

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

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

For the year ended June 30, 2018, the City recognized pension expense of \$5,968,143 and \$11,175,292 for CalPERS Miscellaneous Plan and Safety Plan respectively. The City recognized pension expense of \$2,358,129 for PARS Plan for the year ended June 30, 2018. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>CalPERS</u>				<u>PARS</u>	
	<u>Miscellaneous</u>		<u>Safety</u>		<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>		
Pension contributions subsequent to measurement date	\$ 5,132,314	\$ -	\$ 10,595,066	\$ -	\$ 2,715,844	\$ -
Differences between actual and expected experience	-	(1,921,278)	-	(4,362,890)	-	-
Changes in assumptions	5,357,295	-	11,164,488	-	-	-
Economic/demographic gains or losses	-	-	-	-	336,769	-
Net differences between projected and actual earnings on plan investments	<u>6,843,216</u>	<u>(5,252,060)</u>	<u>13,511,980</u>	<u>(10,212,971)</u>	<u>852,273</u>	<u>(272,012)</u>
Total	<u>\$ 17,332,825</u>	<u>\$ (7,173,338)</u>	<u>\$ 35,271,534</u>	<u>\$ (14,575,861)</u>	<u>\$ 3,904,886</u>	<u>\$ (272,012)</u>

NOTE 11 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

\$18,443,224 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, 2019.

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 Ending June 30	Amount		
	CalPERS		PARS
	Miscellaneous	Safety	
2019	\$ 2,315,668	\$ 3,969,221	\$ 421,857
2020	2,881,928	6,396,600	421,859
2021	669,976	1,364,533	141,317
2022	(840,399)	(1,629,748)	(68,003)
2023	-	-	-
Thereafter	-	-	-

Payable to the Pension Plan

At June 30, 2018, the City reported a payable of \$641,162 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2018.

Allocation to Proprietary Funds

The City allocated net pension liability and related costs to the Water Fund and Sewer Fund based upon the enterprise funds' proportionate share of the total pension contribution during the fiscal year ended June 30, 2018.

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, 2018, 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 \$4.2 million for the worker's compensation claims and general liability claims, respectively, for a total of \$15.5 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
2018	13,801,000	4,224,165	(2,509,433)	15,515,732

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.

NOTE 12 INSURANCE (CONTINUED)

The ICRMA has published its own financial report for the year ended June 30, 2018, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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 City contributes the CalPERS Minimum Employer Contribution (PEMHCA). Employees who retire from the City, receive a PERS pension and continue their CalPERS medical coverage, are eligible to receive the PEMHCA minimum benefit. This benefit continues throughout the life of the retiree and surviving spouse.

Benefits Provided

All retiring employees are eligible to receive the PEMHCA minimum benefit.

Employees who retired prior to July 2, 2000

Retirees receive a benefit which, when added to the PEMHCA minimum, brings the total up to the Los Angeles Area Kaiser Premium rate. When a retiree becomes eligible for Medicare, the benefit will be limited to the Kaiser Medicare Supplement rate. This additional retiree and spousal benefit ceases when the retiree reaches age 70.

Employees who retire after July 2, 2000

Employees who receive a service retirement at age 50 or older with at least 10 years of service with the City, or a nonindustrial disability retirement with at least 10 years of service with the City or an industrial disability annuity from PERS receive a lifetime benefit which, when added to the PEMHCA minimum benefit, brings the total up to the Los Angeles Area Kaiser single employee premium rate. Retirees who live outside the Los Angeles Area receive a benefit up to the "Other Southern California" Kaiser single employee rate. When a retiree becomes eligible for Medicare the benefit will be limited to the Kaiser Medicare Supplement rate.

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Spousal and dependent child benefits are provided if the employee receives a service retirement after 25 or more years of continuous service with the City, or a disability pension annuity with at least 10 years of service with the City or an industrial disability annuity from PERS. The City contributes a benefit which, when added to the PEMHCA minimum benefit, brings the total up to the Los Angeles Area Kaiser Premium rate. Spouses and dependent children of retirees who live outside the Los Angeles Area receive a benefit up to the "Other Southern California" Kaiser rates. When a participating spouse becomes eligible for Medicare, the benefit will be limited to the Kaiser Medicare Supplement rate.

Retirees between 2000 and December 2015 receive Medicare reimbursement when qualified under their MOU. Current POA MOU no longer provides this benefit. Employees hired after July 2012, upon retirement, will be eligible to purchase medical benefits at City rates and will receive a Retiree Medical Subsidy equal to the CalPERS PEMHCA. This is for a Regular Service Retirement and not an Industrial Disability Retirement. Industrial Disability Retirement benefits will not be altered.

Firefighters who retired prior to outsourcing

Benefits are provided to a closed group of retired Firefighters. These retirees are eligible to receive the PEMHCA minimum benefit. In addition, they receive City-paid coverage which, when added to the PEMHCA minimum benefit, brings the total up to 100% of the premium rate for the CalPERS medical plan they select. Both the retiree and spouse are covered. This additional benefit ends when the retiree reaches age 70. Since all retired Firefighters have reached the age of 70, no one is receiving this additional coverage.

Mid Management Employees

All retiring employees are eligible to receive the PEMHCA minimum benefit. In addition, employees who retire at age 55 or older with at least 15 years of service with the City are eligible to receive a benefit which, when added to the PEMHCA minimum benefit, brings the total up to the CalPERS Los Angeles Area single party Kaiser premium rate. Retirees who live outside the Los Angeles Area receive a benefit up to the "Other Southern California" single-party Kaiser rate. When a retiree becomes eligible for Medicare the benefit will be limited to the single party Kaiser Medicare Supplement rate.

SEIU, General Unit Employees

All retiring employees are eligible to receive the PEMHCA minimum benefit. In addition, employees who retire from the City and receive a PERS pension are eligible to receive a benefit which, when added to the PEMHCA minimum benefit, brings the total up to the CalPERS single party Kaiser premium rate. This is paid out of the SEIU Retiree Medical Insurance Fund, to which the City currently contributes \$235,000. Separately, retirees must contribute \$40 per month to the SEIU Retiree Medical Insurance Fund (actives also contribute \$40 per month).

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Top Management and City Council

All retiring employees are eligible to receive the PEMHCA minimum benefit. Up to 2014, retirees, their spouses and surviving spouses receive full CalPERS medical benefit coverage (including, not in addition to, the PEMHCA minimum benefit.) Medicare Part B premiums, CalPERS long-term care coverage, full dental and vision benefits are provided for retirees and their spouses. 100% of the above benefits are paid by the City. In addition, the City will pay retirees \$50 per month toward a life insurance plan until age 70.

Funding Policy and Contributions

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. The City intends to pay benefit costs as they occur.

Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016.

Employees Covered by Benefit Terms

At June 30, 2016 (the valuation date), the following employees were covered by the benefit terms:

Category	Count
Active employees	260
Inactive employees or beneficiaries currently receiving benefit payments	267
Inactive employees entitled to but not yet receiving benefit payment	-

Actuarial Assumptions

Projection of benefits are based on the substantive plan (the plan as understood by the employer and the plan members) based on written plan documents and historical information regarding practices with respect to employer and employee contributions and other factors. In the June 30, 2016 actuarial valuation, the Entry Age Normal method was used. This is an actuarial cost method under which the Actuarial Present Value of the projected benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost.

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The total OPEB liability for the June 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00%
Salary increases	3.25% annual increases
Discount Rate	3.58% [a]
Healthcare cost trend rates	7.90% in the first year, trending down to 5% over 12 years
Mortality rates were based on the most CalPERS valuations.	

[a] Based on a yield for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or better.

Discount Rate

The Plan is not funded. The discount rate used to measure the total OPEB liability was 3.58%. The discount rate is based on a yield or index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better for benefits not covered by plan assets. The Bond Buyer 20-Bond General Obligation Index was used in determining the discount rate used to measure the Total OPEB Liability as of valuation date of June 30, 2016.

Change in the Net OPEB Liability

	<u>Increases (Decreases)</u>		
	Total OPEB	Plan Fiduciary Net Position	Net OPEB
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
Balance at June 30, 2016	\$ 121,605,686	\$ -	\$ 121,605,686
Changes for the year:			
Service cost	3,217,336	-	3,217,336
Interest on the total OPEB liability	3,529,564	-	3,529,564
Difference between actual and expected experience	(1,096,829)	-	(1,096,829)
Changes in assumptions	(14,315,629)	-	(14,315,629)
Contribution - employer	-	1,971,159	(1,971,159)
Benefit payments	(1,971,159)	(1,971,159)	-
Net Changes	<u>(10,636,717)</u>	<u>-</u>	<u>(10,636,717)</u>
Balance at June 30, 2017 (measurement date)	<u>\$ 110,968,969</u>	<u>\$ -</u>	<u>\$ 110,968,969</u>

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the City's Net OPEB Liability if it were calculated using a discount rate that is 1% point lower (2.58%) or 1% point higher (4.58%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	2.58%	3.58%	4.58%
Net OPEB liability	\$ 131,632,884	\$ 110,968,969	\$ 94,802,228

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates

The following presents the City's Net OPEB Liability if it were calculated using a healthcare cost trend rates that is 1% point lower or 1% point higher than the current rate:

	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Net OPEB liability	\$ 94,115,815	\$ 110,968,969	\$ 132,767,616

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the year ended June 30, 2018, the City recognized OPEB expense of \$2,890,894. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to measurement date	\$ -	\$ -
Differences between actual and expected experience	-	822,415
Change of assumptions	-	10,734,036
	\$ -	\$ 11,556,451

NOTE 13 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

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

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Deferred Outflows/ Inflows of Resources</u>
2019	\$ (3,856,006)
2020	(3,856,006)
2021	(3,844,440)
2022	-
2023	-
Thereafter	-
	<u>\$ (11,556,452)</u>

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 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. During FY17-18 the City spent \$848,883 of the \$2,051,605 and still needs to spend the additional \$1,202,722.

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, 2018		
	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	\$ -	\$ 553,891	\$ 553,891
Total	\$ -	\$ 553,891	\$ 553,891

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, 2018</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>2,429,256</u>

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

Refer to Note 13 for deferred outflows and inflows of resources related to OPEB.

NOTE 16 SUBSEQUENT EVENTS

On August 23, 2018, the City issued \$18,880,000 El Monte Water Authority Revenue Bonds Series 2018A to: (i) refund all of the outstanding El Monte Water Authority Refunding Revenue Bonds, 2006 Series; (ii) finance the cost of certain improvements to the City's Water Enterprise; (iii) purchase a municipal bond insurance policy from Build America Mutual Assurance Company to guarantee the scheduled payment of principal of and interest on the 2018 Bonds; (iv) purchase a municipal bond debt service reserve insurance policy from Build America Mutual Assurance Company for deposit in the Reserve Fund; and (v) pay costs of issuance of the 2018 Bonds. The General Fund Advance to the Water Fund (Note 7) was repaid from the proceeds as well.

The City has evaluated events subsequent to June 30, 2018 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 20, 2018, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that, except as discussed above and in Note 19, no other subsequent events occurred that require recognition or additional disclosure in the financial statements.

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, 2018:

Year Ending June 30,	Taxable Tax Allocation Refunding Bond, Series 2017	
	Principal	Interest
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	1,180,000	1,068,369
2024-2028	6,505,000	4,760,506
2029-2033	4,920,000	3,617,894
2034-2038	3,945,000	2,811,750
2039-2043	4,870,000	1,869,316
2044-2048	6,030,000	681,844
Total	\$ 31,935,000	\$ 19,354,966

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, 2018, the principal balance outstanding together with accrued interest through that date was \$44,771.

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, 2018, the principal balance outstanding was \$809,796.

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.

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. During fiscal year 2018, the Successor Agency recorded interest on the loans amounting to \$3,024,670. Details of the balance of the loan of \$42.5 million at June 30, 2018 (including \$13.9 million of adjusted accrued interest) are as follows:

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 12/31/17 at statutory 3%	Outstanding Balance as of 6/30/18
El Monte Center							
3	1-C	9/1/1988	Loans From the City of El Monte (R-383, 222)	\$ 1,313,497		\$ 1,112,124	\$ 2,425,621.00
4	1-D	4/1/1998	Loan from City to K-mart Deferred Fees	133,560	LAIF + 2.00%	78,834	212,394
5	1-E	1/6/2000	Loan from the City of El Monte Longo Expansion	2,800,000	6.5%	1,509,200	4,309,200
6	1-H	1/6/2000	Loan from City (CDBG) - Longo Expansion	1,200,000	6.5%	664,700	1,864,700
7	1-I	5/10/1993	Loan from the City of El Monte - ERAF	50,561	6.0%	36,870	87,431
8	2-A	2003/2004	Loan from the City of El Monte - Nelson Honda Jobs Grant	1,444,234	4%	637,269	2,081,503
9	2-C	Feb. 4, 2004	City Cooperation Agreement Longo New Jobs Grant Agreement	2,500,000	5%	976,875	3,476,875
10	2-E	Feb. 3, 2004	Longo Construction Loan	3,000,000	LAIF + 2.00%	1,252,000	4,252,000
Loan Totals				\$ 12,441,852		\$ 6,267,872	\$ 18,709,724
Center Amended							
3	1-C	1998/1989	Loans From the City of El Monte (R-356, 385)	702,000	10%	597,708	1,299,708
4	1-I	3/25/1997	CDBG Loan From Bank	694,602	LAIF + 2.00%	443,098	1,137,700
Loan Totals				\$ 1,396,602		\$ 1,040,806	\$ 2,437,408

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte (Continued)

Details of Outstanding Loans (Continued)

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 12/31/17 at statutory 3%	Outstanding Balance as of 6/30/18
Downtown El Monte							
3	1-A	4/6/2005	Loans from the City of El Monte - King Court (Home Fund)	\$ 513,000	10%	\$ 196,052	\$ 709,052
4	1-D	1986-1990	Loans From the City of El Monte (R-360, 364)	1,350,590	10%	1,197,778	2,548,368
5	1-E	11/12/1991	Loan from the City of El Monte (R-428) Nelson Honda	222,950	LAIF + 2.00%	174,811	397,761
6	1-F	12/1/1991	Loan from the City of El Monte (R-436) Orchard	15,000	8%	11,738	26,738
7	1-G	6/1/1995	Loan from the City of El Monte (R-598) Food Barn	75,000	7.5%	50,906	125,906
10	2-B	9/27/1994	Loan from the City of El Monte CDBG (R-562) Orchard	42,880	7.0%	30,563	73,443
11	2-F	1991-1992	Loan from the City of El Monte R-432 - Edwards Theater	725,000	9%	567,615	1,292,615
12	2-F	1991-1992	Loans from the City of El Monte UDAG (R417)	20,000	9%	15,933	35,933
13	2-G	5/3/1993	Loan from the City of El Monte - ERAF	59,549	6%	43,066	102,615
14	2-K	2003/2004	Gabae Loan and Section 108 Loan - Peck/Ramona Triangle	2,886,061		81,000	2,967,061
15	3-A	6/1/07	DDA- Agreement- Festial -Capri Santa Fe Trail Associates	5,390,000	4.5% & LAIF + 2.0%	1,711,325	7,101,325
Loan Totals				\$ 11,300,030		\$ 4,080,787	\$ 15,380,817
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%	1,559,216	3,283,170
2	1-B	1991/1992	Loans From the City of El Monte (R-411, 465)	500,000	12% & 7%	384,017	884,017
3	1-C	1992/1993	Loan From the City of El Monte (R-484)	350,000	7%	258,300	608,300
4	1-D	1994/1995	Loan From the City of El Monte (R-463)	90,000	8%	68,085	158,085
5	1-F	1994-1995	Loan from the City of El Monte - Water Fund (R-570)	150,000	7%	103,875	253,875
6	1-I	2005-2006	Loans from the City of El Monte - ERAF	213,231	2.5%	79,962	293,193
Loan Totals				\$ 3,027,185		\$ 2,453,455	\$ 5,480,640
Valley Durfee							
1	1-C	4/16/2006	Loan from the City of El Monte - ERAF	213,231	5%	74,862	288,093
2	1-D	9/19/2006	Loan from the City of El Monte For Improvement Costs	217,406	LAIF + 2.00%	68,483	285,889
Loan Totals				\$ 430,637		\$ 143,345	\$ 573,982
Grand Total				\$ 28,596,306		\$ 13,986,265	\$ 42,582,571

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.

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans (Continued)

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 2017-2018, the Successor Agency paid the City \$405,298.

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 totaling \$1,723,954. 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 20, 2018, the Oversight Board has not yet made findings that all the loans were for legitimate redevelopment purposes.

NOTE 18 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS ISSUED, NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) has issued several pronouncements, that have effective dates that may impact future financial presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

GASB No. 83

In November 2016, the Governmental Accounting Standards Board issued Statement No. 83 "Certain Asset Retirement Obligations". The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB No. 84

In January 2017, the Governmental Accounting Standards Board issued Statement No. 84 "Fiduciary Activities". The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB No. 87

In June 2017, the Governmental Accounting Standards Board issued Statement No. 87 "Leases". The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**NOTE 18 GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) STATEMENTS
ISSUED, NOT YET EFFECTIVE (CONTINUED)**

GASB No. 88

In April 2018, the Governmental Accounting Standards Board issued Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements". The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB No. 89

In June 2018, the Governmental Accounting Standards Board issued Statement No. 89 "Accounting for Interest Cost Incurred before the End of a Construction Period". The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

GASB No. 90

In August 2018, the Governmental Accounting Standards Board issued Statement No. 90 "Majority Equity Interests-an amendment of GASB Statements No. 14 and No. 61". The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

NOTE 19 SALE OF PROPERTY

In January 2018, the City entered into a Ground Lease and Option to Purchase Agreement (the Agreement) whereby the lessor will have the option to purchase the property for the fair market value of \$1,980,000. The City recorded the transaction in the fiscal year 2017-18 as a capital lease and reported the sale of the property with a gain of \$1.2 million.

In October 2018, the lessor exercised the purchase option in the Agreement and paid the City the full purchase amount including all unpaid lease payments for a total of \$2.1 million.

NOTE 20 RESTATEMENT OF BEGINNING NET POSITION AND FUND BALANCES

The accompanying financial statements reflect adjustments that resulted in the restatement of beginning fund balances in the governmental and proprietary funds financial statements and net position of Governmental and Business-type Activities in the government-wide financial statements. The following schedule summarizes the effect of the restatement of the fund balances and net position as of July 1, 2017:

Proprietary Funds

	Water Fund	Sewer Fund
Fund balance at July 1, 2017, as previously reported	\$ (9,814,049)	\$ 18,367,821
Prior Period Adjustments:		
Transfer of capital assets (1)	1,404,201	-
Recognition of net OPEB liability under GASB Statement No. 75 (2)	(3,040,140)	(3,040,140)
Fund balance at July 1, 2017, as restated	\$ (11,449,988)	\$ 15,327,681

Government-wide Financial Statements

	Governmental Activities	Business type Activities
Net Position at July 1, 2017, as previously reported	\$ 368,988,282	\$ 8,131,992
Prior Period Adjustments:		
Transfer of capital assets (1)	-	1,404,202
Recognition of net OPEB liability under GASB Statement No. 75 (2)	(83,868,416)	(6,080,280)
Net Position at July 1, 2017, as restated	\$ 285,119,866	\$ 3,455,914

- 1) This adjustment is to transfer infrastructure assets from governmental activities to proprietary fund (business-type activities).
- 2) This adjustment is to recognize the retroactive effect of implementing GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

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REQUIRED SUPPLEMENTARY INFORMATION

City of El Monte
Budgetary Comparison by Department
General Fund
Year ended June 30, 2018

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 54,190,000	\$ 55,191,053	\$ 54,617,437	\$ (573,616)
Licenses and permits	1,674,000	2,049,000	1,658,607	(390,393)
Intergovernmental	150,000	150,000	96,536	(53,464)
Charges for services	3,336,000	3,787,415	3,895,153	107,738
Use of money and property	335,000	335,000	460,150	125,150
Fines and forfeitures	1,175,000	1,191,500	1,026,931	(164,569)
Contributions	10,000	10,000	107,394	97,394
Miscellaneous	1,090,000	1,109,895	1,554,753	444,858
Net change in fair value of investments	90,000	90,000	(150,512)	(240,512)
Total revenues	<u>62,050,000</u>	<u>63,913,863</u>	<u>63,266,449</u>	<u>(647,414)</u>
Expenditures				
General Government				
City council	450,900	299,495	286,205	13,290
Administrative office				
City manager	1,201,200	1,223,975	1,036,831	187,144
City clerk	703,400	809,236	623,042	186,194
Commissions and community promotion	6,100	157,311	115,370	41,941
Public information office	184,600	316,738	263,165	53,573
Total administrative office	<u>2,095,300</u>	<u>2,507,260</u>	<u>2,038,408</u>	<u>468,852</u>
Human Resources	932,600	932,600	629,892	302,708
Finance				
Accounting and administration	1,364,000	1,419,376	945,778	473,598
City treasurer	260,300	184,741	246,089	(61,348)
Purchasing	80,700	80,700	9,876	70,824
License collection	201,000	199,900	190,900	9,000
Insurance and surety	1,376,200	1,376,200	1,376,285	(85)
Information technology	357,600	352,600	283,887	68,713
Total finance	<u>3,639,800</u>	<u>3,613,517</u>	<u>3,052,815</u>	<u>560,702</u>
City attorney	1,500,000	1,650,000	1,647,857	2,143
General city expense	3,852,400	3,770,183	2,947,479	822,704
Total general government	<u>12,471,000</u>	<u>12,773,055</u>	<u>10,602,656</u>	<u>2,170,399</u>
Public safety				
Police	24,665,000	24,717,979	25,391,302	(673,323)
Fire department	12,681,700	12,681,700	12,705,534	(23,834)
Police helicopter	476,600	442,600	470,358	(27,758)
Civil defense	11,500	11,500	6,771	4,729
Parking enforcement	175,100	175,100	148,146	26,954
Total public safety	<u>38,009,900</u>	<u>38,028,879</u>	<u>38,722,111</u>	<u>(693,232)</u>
Parks, recreation and cultural				
Administration	529,300	541,300	546,453	(5,153)
Parks	1,062,600	992,167	1,056,257	(64,090)
Sports/playgrounds	43,000	43,000	41,958	1,042
Adult sports	64,400	64,400	58,861	5,539
Senior services	538,100	482,510	455,111	27,399
Aquatic center project	909,200	2,064,947	1,836,726	228,221
Communications and marketing	9,700	9,700	6,688	3,012
Contracted classes	39,000	46,000	40,558	5,442
El Monte Museum	60,400	56,284	25,355	30,929
Special facilities	161,400	161,400	170,983	(9,583)
Total parks, recreation and cultural	<u>3,417,100</u>	<u>4,461,708</u>	<u>4,238,950</u>	<u>222,758</u>

**City of El Monte
Budgetary Comparison by Department
General Fund (Continued)
Year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Economic development				
Community development	\$ 564,400	\$ 973,700	\$ 886,455	\$ 87,245
City planning	2,324,600	2,463,717	2,475,967	(12,250)
Building regulation	1,637,000	1,837,000	1,192,065	644,935
Environmental services	471,400	451,400	449,435	1,965
Code enforcement	1,283,500	1,234,262	636,947	597,315
Home Foreclosure Program	50,000	50,000	27,670	22,330
Total economic development	<u>6,330,900</u>	<u>7,010,079</u>	<u>5,668,539</u>	<u>1,341,540</u>
Engineering and public works				
Engineering	1,068,200	1,147,855	878,362	269,493
Public works administration	828,500	813,205	700,954	112,251
Building and grounds maintenance	1,482,700	1,835,621	1,437,923	397,698
Parks and building maintenance	1,099,800	1,154,005	1,049,342	104,663
Street maintenance	625,900	640,851	346,419	294,432
Street signs and striping	420,000	453,500	489,132	(35,632)
Median maintenance	790,900	807,973	801,771	6,202
Traffic signal maintenance	264,600	242,100	189,892	52,208
Street lights	741,800	740,524	724,389	16,135
Street trees and parkways	531,100	531,100	449,733	81,367
Equipment maintenance	349,600	349,600	266,537	83,063
Valley Mall	68,500	44,000	21,143	22,857
Total engineering and public works	<u>8,271,600</u>	<u>8,760,334</u>	<u>7,355,597</u>	<u>1,404,737</u>
Total public works	<u>14,602,500</u>	<u>15,770,413</u>	<u>13,024,136</u>	<u>2,746,277</u>
Capital outlay	4,921,100	2,913,990	2,365,329	548,661
Debt service:				
Principal retirement	865,000	865,000	865,000	-
Interest and fiscal charges	135,500	95,500	52,209	43,291
Total expenditures	<u>74,422,100</u>	<u>74,908,545</u>	<u>69,870,391</u>	<u>5,038,154</u>
Excess(deficiency) of revenues over expenditures	(12,372,100)	(10,994,682)	(6,603,942)	4,390,740
Other financing sources (uses)				
Transfers in	3,450,000	3,450,000	3,501,607	51,607
Transfers out	(100,000)	(999,050)	(1,003,211)	(4,161)
Net other financing sources (uses)	<u>3,350,000</u>	<u>2,450,950</u>	<u>2,498,396</u>	<u>47,446</u>
Change in fund balance	(9,022,100)	(8,543,732)	(4,105,546)	4,438,186
Fund balance, beginning of year	44,460,689	44,460,689	44,460,689	-
Fund balance, end of year	<u>\$ 35,438,589</u>	<u>\$ 35,916,957</u>	<u>\$ 40,355,143</u>	<u>\$ 4,438,186</u>

**City of El Monte
Budgetary Comparison
Retirement Fund
Year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 11,963,000	\$ 11,963,000	\$ 11,417,247	\$ (545,753)
Use of money and property	102,000	102,000	86,984	(15,016)
Miscellaneous	235,000	235,000	75,785	(159,215)
Total revenues	<u>12,300,000</u>	<u>12,300,000</u>	<u>11,580,016</u>	<u>(719,984)</u>
Expenditures				
General government	17,914,300	17,878,200	15,684,978	2,193,222
Total expenditures	<u>17,914,300</u>	<u>17,878,200</u>	<u>15,684,978</u>	<u>2,193,222</u>
Net change in fund balances	(5,614,300)	(5,578,200)	(4,104,962)	1,473,238
Fund balances, beginning of year	13,172,800	13,172,800	13,172,800	-
Fund balances, end of year	<u>\$ 7,558,500</u>	<u>\$ 7,594,600</u>	<u>\$ 9,067,838</u>	<u>\$ 1,473,238</u>

**City of El Monte
Budgetary Comparison
Housing and Community Development Fund
Year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,941,900	\$ 5,941,900	\$ 3,084,814	\$ (2,857,086)
Use of money and property	74,200	74,200	84,731	10,531
Program income	853,300	777,750	785,730	7,980
Total revenues	<u>6,869,400</u>	<u>6,793,850</u>	<u>3,955,275</u>	<u>(2,838,575)</u>
Expenditures				
Current:				
Parks, recreation and cultural	56,900	57,000	30,501	26,499
Public works	111,900	111,900	3,484	108,416
Economic development	919,000	3,057,074	1,869,902	1,187,172
Capital outlay	5,622,200	3,420,213	2,553,608	866,605
Debt service:				
Principal retirement	115,000	2,180,000	2,180,000	-
Interest and fiscal charges	44,400	233,288	209,996	23,292
Total expenditures	<u>6,869,400</u>	<u>9,059,475</u>	<u>6,847,491</u>	<u>2,211,984</u>
Net change in fund balances	-	(2,265,625)	(2,892,216)	(626,591)
Fund balances, beginning of year	<u>5,615,815</u>	<u>5,615,815</u>	<u>5,615,815</u>	-
Fund balances, end of year	<u>\$ 5,615,815</u>	<u>\$ 3,350,190</u>	<u>\$ 2,723,599</u>	<u>\$ (626,591)</u>

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**City of El Monte
Budgetary Comparison
Housing Assets Fund
Year ended June 30, 2018**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ 8,000	\$ 8,000	\$ 50,740	\$ 42,740
Miscellaneous	-	-	199,891	199,891
Total revenues	<u>8,000</u>	<u>8,000</u>	<u>250,631</u>	<u>242,631</u>
Expenditures				
Current:				
Economic development	335,000	335,000	292,547	42,453
Total expenditures	<u>335,000</u>	<u>335,000</u>	<u>292,547</u>	<u>42,453</u>
Net change in fund balances	(327,000)	(327,000)	(41,916)	285,084
Fund balances, beginning of year	<u>3,192,880</u>	<u>3,192,880</u>	<u>3,192,880</u>	-
Fund balances, end of year	<u>\$ 2,865,880</u>	<u>\$ 2,865,880</u>	<u>\$ 3,150,964</u>	<u>\$ 285,084</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	2016-2017
Total Pension Liability				
Service Cost	\$ 1,413,675	\$ 1,398,531	\$ 1,649,003	\$ 1,808,688
Interest on total pension liability	10,356,614	10,529,069	10,734,759	10,805,162
Differences between expected and actual experience	-	(1,904,480)	(1,557,996)	(2,848,478)
Changes in assumptions	-	(2,620,669)	-	9,183,934
Benefit payments, including refunds of employee contributions	(7,622,269)	(7,759,491)	(7,852,687)	(8,150,427)
Net change in total pension liability	<u>4,148,020</u>	<u>(357,040)</u>	<u>2,973,079</u>	<u>10,798,879</u>
Total pension liability - beginning	141,192,499	145,340,519	144,983,479	147,956,558
Total pension liability - ending (a)	<u>\$ 145,340,519</u>	<u>\$ 144,983,479</u>	<u>\$ 147,956,558</u>	<u>\$ 158,755,437</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 2,469,291	\$ 2,877,899	\$ 3,606,881	\$ 4,322,644
Contributions - employee	849,234	726,230	753,952	806,051
Net investment income	16,546,367	2,394,089	507,287	11,531,597
Benefit payments	(7,622,269)	(7,759,491)	(7,852,687)	(8,150,427)
Administrative expenses	-	(120,827)	(65,429)	(154,004)
Net change in plan fiduciary net position	<u>12,242,623</u>	<u>(1,882,100)</u>	<u>(3,049,996)</u>	<u>8,355,861</u>
Plan fiduciary net position - beginning	96,997,950	109,240,573	107,358,473	104,308,477
Plan fiduciary net position - ending (b)	<u>\$ 109,240,573</u>	<u>\$ 107,358,473</u>	<u>\$ 104,308,477</u>	<u>\$ 112,664,338</u>
Net pension liability - ending (a)-(b)	<u>\$ 36,099,946</u>	<u>\$ 37,625,006</u>	<u>\$ 43,648,081</u>	<u>\$ 46,091,099</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>	<u>70.97%</u>
Covered - employee payroll	<u>\$ 9,288,883</u>	<u>\$ 9,287,631</u>	<u>\$ 10,689,767</u>	<u>\$ 10,659,405</u>
Net pension liability as percentage of covered-employee payroll	<u>388.64%</u>	<u>405.11%</u>	<u>408.32%</u>	<u>432.40%</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, 2016 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect 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 four 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	2017-2018
Actuarially determined contributions	\$ 2,877,899	\$ 3,606,881	\$ 5,032,657	\$ 5,132,314
Contributions in relation to the actuarially determined contributions	(2,877,899)	(3,606,881)	(5,032,657)	(5,132,314)
Contribution deficiency / (excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 9,286,371	\$ 9,853,856	\$ 10,684,485	\$ 11,970,320
Contributions as a percentage of Covered-Employee Payroll	30.99%	36.60%	47.10%	42.88%

Notes to Schedule:

Valuation Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016
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The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016-17 were from the June 30, 2014 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization method / Period	For details, see June 30, 2014 Funding Valuation Report.
Asset valuation method	Market Value of Assets. For details, see June 30, 2014 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society Actuaries.

* Fiscal year 2015 was the first year of implementation, therefore only four 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	2016-2017
Total Pension Liability				
Service Cost	\$ 4,209,379	\$ 4,080,356	\$ 3,854,169	\$ 4,712,074
Interest on total pension liability	20,146,739	20,530,962	21,083,754	21,269,142
Differences between expected and actual experience	-	(5,343,596)	(2,506,398)	(6,149,797)
Changes in assumptions	-	(5,126,822)	-	18,142,293
Changes in benefits	-	-	-	-
Benefit payments, including refunds of employee contributions	(13,982,615)	(14,149,001)	(15,382,567)	(15,604,395)
Net change in total pension liability	<u>10,373,503</u>	<u>(8,101)</u>	<u>7,048,958</u>	<u>22,369,317</u>
Total pension liability - beginning	<u>273,509,812</u>	<u>283,883,315</u>	<u>283,875,214</u>	<u>290,924,172</u>
Total pension liability - ending (a)	<u>\$ 283,883,315</u>	<u>\$ 283,875,214</u>	<u>\$ 290,924,172</u>	<u>\$ 313,293,489</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 5,853,271	\$ 6,433,171	\$ 7,088,089	\$ 8,168,448
Contributions - employee	1,231,838	1,219,054	1,145,343	1,209,042
Net investment income	32,363,060	4,802,759	987,096	22,641,870
Benefit payments	(13,982,615)	(14,149,001)	(15,382,567)	(15,604,395)
Administrative expense	-	(238,927)	(129,391)	(304,170)
Net change in plan fiduciary net position	<u>25,465,554</u>	<u>(1,932,944)</u>	<u>(6,291,430)</u>	<u>16,110,795</u>
Plan fiduciary net position - beginning	<u>188,775,783</u>	<u>214,241,337</u>	<u>212,308,393</u>	<u>206,016,963</u>
Plan fiduciary net position - ending (b)	<u>\$ 214,241,337</u>	<u>\$ 212,308,393</u>	<u>\$ 206,016,963</u>	<u>\$ 222,127,758</u>
Net pension liability - ending (a)-(b)	<u>\$ 69,641,978</u>	<u>\$ 71,566,821</u>	<u>\$ 84,907,209</u>	<u>\$ 91,165,731</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>	<u>70.90%</u>
Covered - employee payroll	<u>\$ 12,907,061</u>	<u>\$ 13,042,114</u>	<u>\$ 12,062,372</u>	<u>\$ 12,935,662</u>
Net pension liability as percentage of covered-employee payroll	<u>539.56%</u>	<u>548.74%</u>	<u>703.90%</u>	<u>704.76%</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, 2016 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 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect 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 four 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	2017-2018
Actuarially determined contributions	\$ 6,433,171	\$ 7,088,089	\$ 9,253,254	\$ 10,595,066
Contributions in relation to the actuarially determined contributions	(6,433,171)	(7,088,089)	(9,253,254)	(10,595,066)
Contribution deficiency / (excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 11,726,459	\$ 11,417,560	\$ 12,250,848	\$ 13,129,258
Contributions as a percentage of Covered-Employee Payroll	54.86%	62.08%	75.53%	80.70%
Notes to Schedule:				
Valuation Date	6/30/2013	6/30/2014	6/30/2015	6/30/2016

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016-2017 were from the June 30, 2014 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization method / Period	For details, see June 30, 2014 Funding Valuation Report.
Asset valuation method	Market Value of Assets. For details, see June 30, 2014 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 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society Actuaries.

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

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

	Measurement Period		
	2014-2015	2015-2016	2016-2017
Total Pension Liability			
Service Cost	\$ 482,698	\$ 497,179	\$ 459,664
Interest on total pension liability	2,405,253	2,468,145	2,530,571
Differences between expected and actual experience	-	-	-
Effect of plan changes	-	-	202,891
Effect of economic/demographic gains or losses	-	-	489,846
Changes in assumptions	-	-	-
Changes in benefits	-	-	-
Benefit payments, including refunds of employee contributions	<u>(1,889,598)</u>	<u>(1,981,558)</u>	<u>(1,952,800)</u>
Net change in total pension liability	998,353	983,766	1,730,172
Total pension liability - beginning	37,451,113	38,449,466	39,433,232
Total pension liability - ending (a)	<u>\$ 38,449,466</u>	<u>\$ 39,433,232</u>	<u>\$ 41,163,404</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 1,655,324	2,385,392	3,081,984
Contributions - employee	345,022	345,242	-
Net investment income	345,266	291,774	1,604,645
Administrative expenses	(5,811)	(7,097)	(7,776)
Benefit payments	<u>(1,889,598)</u>	<u>(1,981,558)</u>	<u>(1,952,800)</u>
Net change in plan fiduciary net position	450,203	1,033,753	2,726,053
Plan fiduciary net position - beginning	17,420,019	17,870,222	18,903,975
Plan fiduciary net position - ending (b)	<u>\$ 17,870,222</u>	<u>\$ 18,903,975</u>	<u>\$ 21,630,028</u>
Net pension liability - ending (a)-(b)	<u>\$ 20,579,244</u>	<u>\$ 20,529,257</u>	<u>\$ 19,533,376</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>46.48%</u>	<u>47.94%</u>	<u>52.55%</u>
Covered - employee payroll	<u>\$ 6,900,440</u>	<u>\$ 6,904,840</u>	<u>\$ 6,547,942</u>
Net pension liability as percentage of covered-employee payroll	<u>298.23%</u>	<u>297.32%</u>	<u>298.31%</u>

Notes to Schedule:

Benefit changes - There have been no significant changes between the valuation date and the measurement date of June 30, 2017.

Changes in assumption - There have been no significant changes between the valuation date and the measurement date of June 30, 2017.

* Fiscal year 2015 was the first year of implementation. Information shown was based on GASB 68 Accounting valuation report for 3 measurement periods prepared since 2015 implementation year.

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

	Fiscal Year			
	2014-2015	2015-2016	2016-2017	2017-2018
Actuarially determined contributions	\$ 2,047,953	\$ 2,368,360	\$ 2,752,653	\$ 2,715,844
Contributions in relation to the actuarially determined contributions	(1,655,324)	(2,385,392)	(2,752,653)	(2,715,844)
Contribution deficiency / (excess)	\$ 392,629	\$ (17,032)	\$ -	\$ -
Covered-Employee Payroll	\$ 6,896,823	\$ 6,911,135	\$ 7,004,154	\$ 6,910,543
Contributions as a percentage of Covered-Employee Payroll	24.00%	34.52%	39.30%	39.30%
Notes to Schedule:				
Valuation date	7/1/2014	7/1/2014	7/1/2014	6/30/2017

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were from the June 30, 2017 valuations.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level dollar, closed, 13 years at 6/30/2017
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 2011.
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 four years are shown.

City of El Monte
Postemployment Health Benefits
Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years*

	Fiscal Year Ending June 30, 2018 *
Total OPEB Liability	
Service cost	\$ 3,217,336
Interest on total OPEB liability	3,529,564
Differences between expected and actual experience	(1,096,829)
Changes in assumptions	(14,315,629)
Benefit payments, including refunds of employee contributions	(1,971,159)
Net change in total OPEB liability	(10,636,717)
Total OPEB liability - beginning of year	121,605,686
Total OPEB liability - end of year (a)	\$ 110,968,969
 Plan Fiduciary Net Position	
Net investment income	\$ -
Contributions - employer	1,971,159
Benefit payments, including refunds of employee contributions	(1,971,159)
Administrative expenses	-
Net change in plan fiduciary net position	-
Plan fiduciary net position - beginning of year	-
Plan fiduciary net position - end of year (b)	\$ -
 Net OPEB liability - end of year (a)-(b)	\$ 110,968,969
 Plan fiduciary net position as a percentage of the total pension liability	0%
 Covered - employee payroll [a]	N/A
 Net OPEB liability as percentage of covered-employee payroll	N/A

[a] Covered payroll not available.

* Fiscal year 2018 was the first year of implementation, therefore only one year is shown.

**City of El Monte
Postemployment Health Benefits
Schedule of OPEB Contribution**

The Plan is not funded. The City finances the benefits on a pay-as-you-go basis, thus, this schedule is not required.

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.

Budgets for the General and Special Revenue Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. The modified accrual basis of accounting is employed in the preparation of the budget.

TRANSFERS OUT IN EXCESS OF APPROPRIATIONS

Transfers out for the year ended June 30, 2018 exceeded the appropriations by the following amounts in the following funds:

Major Fund		
General Fund	\$	4,161 (1)
Nonmajor Special Revenue Fund		
Traffic Safety Fund		51,607 (2)

These transfers represented 1) grant costs incurred in the miscellaneous grant fund that was funded by general fund and 2) more traffic safety funds received than anticipated that was transferred to general fund.

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SUPPLEMENTARY INFORMATION

	Special Revenue Funds			
	Proposition A	Proposition C	Special Gas Tax	Transportation Development Act Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and investments	\$ 2,556,070	\$ 6,366,484	\$ 345,520	\$ -
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	2,906	22,957	593,476	116,784
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid expenses	26,832	10,000	-	-
Due from other governments	-	-	-	-
Total assets	<u>2,585,808</u>	<u>6,399,441</u>	<u>938,996</u>	<u>116,784</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 2,585,808</u>	<u>\$ 6,399,441</u>	<u>\$ 938,996</u>	<u>\$ 116,784</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 302,143	\$ 79,231	\$ -	\$ 189
Advances from grantors	-	-	-	-
Deposits payable	-	950	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	72,294
Total liabilities	<u>302,143</u>	<u>80,181</u>	<u>-</u>	<u>72,483</u>
Deferred inflows of resources				
Unavailable revenue	-	-	593,476	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>593,476</u>	<u>-</u>
Fund Balances (Deficit)				
Restricted				
Special revenue funds	2,283,665	6,319,260	345,520	44,301
Debt service funds	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>2,283,665</u>	<u>6,319,260</u>	<u>345,520</u>	<u>44,301</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,585,808</u>	<u>\$ 6,399,441</u>	<u>\$ 938,996</u>	<u>\$ 116,784</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

Special Revenue Funds						
Measure R	MTA Call for Projects	Road Maintenance and Rehabilitation	Measure M	AB 939	Air Quality Improvement Fund	Affordable Housing
\$ 6,672,097	\$ -	\$ 428,680	\$ 1,132,993	\$ 921,823	\$ 130,236	\$ 122,644
-	-	-	-	-	-	-
-	587,752	242,190	-	266,647	-	-
-	-	-	-	5,864	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	96,908	-	-	-	37,620	-
<u>6,672,097</u>	<u>684,660</u>	<u>670,870</u>	<u>1,132,993</u>	<u>1,194,334</u>	<u>167,856</u>	<u>122,644</u>
-	-	-	-	-	-	-
<u>\$ 6,672,097</u>	<u>\$ 684,660</u>	<u>\$ 670,870</u>	<u>\$ 1,132,993</u>	<u>\$ 1,194,334</u>	<u>\$ 167,856</u>	<u>\$ 122,644</u>
\$ 48,065	\$ 69,477	\$ -	\$ 5,182	\$ 55,800	\$ 4,800	\$ -
-	-	-	-	-	-	-
824	-	-	-	-	-	-
-	-	-	-	-	-	-
-	60,290	-	-	-	-	-
<u>48,889</u>	<u>129,767</u>	<u>-</u>	<u>5,182</u>	<u>55,800</u>	<u>4,800</u>	<u>-</u>
-	651,802	-	-	-	-	-
<u>-</u>	<u>651,802</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
6,623,208	-	670,870	1,127,811	1,138,534	163,056	122,644
-	-	-	-	-	-	-
-	(96,909)	-	-	-	-	-
<u>6,623,208</u>	<u>(96,909)</u>	<u>670,870</u>	<u>1,127,811</u>	<u>1,138,534</u>	<u>163,056</u>	<u>122,644</u>
<u>\$ 6,672,097</u>	<u>\$ 684,660</u>	<u>\$ 670,870</u>	<u>\$ 1,132,993</u>	<u>\$ 1,194,334</u>	<u>\$ 167,856</u>	<u>\$ 122,644</u>

	Special Revenue Funds		
	Tree Mitigation & Planting Fund	CalHome Grant	Urban Development Action Grant (UDAG)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ 62,066	\$ 623	\$ 163,450
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	166	-	-
Taxes	-	-	-
Notes and loans	-	668,173	-
Prepaid expenses	-	-	-
Due from other governments	-	42,325	-
Total assets	<u>62,232</u>	<u>711,121</u>	<u>163,450</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 62,232</u>	<u>\$ 711,121</u>	<u>\$ 163,450</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)			
Restricted			
Special revenue funds	62,232	623	85,935
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>62,232</u>	<u>623</u>	<u>85,935</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 62,232</u>	<u>\$ 711,121</u>	<u>\$ 163,450</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018**

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	
\$ -	\$ 1,033,038	\$ 2,699,058	\$ -	\$ 46,158	\$ -	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
130,193	-	-	4,252	9,959	12,254	
<u>130,193</u>	<u>1,033,038</u>	<u>2,699,058</u>	<u>4,252</u>	<u>56,117</u>	<u>12,254</u>	
-	-	-	-	-	-	
<u>\$ 130,193</u>	<u>\$ 1,033,038</u>	<u>\$ 2,699,058</u>	<u>\$ 4,252</u>	<u>\$ 56,117</u>	<u>\$ 12,254</u>	
\$ 80,614	\$ -	\$ 29,676	\$ -	\$ 7,686	\$ 4,872	
-	-	-	-	-	-	
-	-	2,375	-	-	-	
-	-	-	-	-	-	
49,577	-	-	2,885	-	10,271	
<u>130,191</u>	<u>-</u>	<u>32,051</u>	<u>2,885</u>	<u>7,686</u>	<u>15,143</u>	
-	-	-	-	-	-	
-	-	-	-	-	-	
2	1,033,038	2,667,007	1,367	48,431	-	
-	-	-	-	-	-	
-	-	-	-	-	(2,889)	
<u>2</u>	<u>1,033,038</u>	<u>2,667,007</u>	<u>1,367</u>	<u>48,431</u>	<u>(2,889)</u>	
<u>\$ 130,193</u>	<u>\$ 1,033,038</u>	<u>\$ 2,699,058</u>	<u>\$ 4,252</u>	<u>\$ 56,117</u>	<u>\$ 12,254</u>	

	Special Revenue Funds			
	Quimby	Art in Public Places	Public Facilities	Storm Drain
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and investments	\$ 2,022,213	\$ 1,755,692	\$ 2,316,316	\$ 338,741
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>2,022,213</u>	<u>1,755,692</u>	<u>2,316,316</u>	<u>338,741</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 2,022,213</u>	<u>\$ 1,755,692</u>	<u>\$ 2,316,316</u>	<u>\$ 338,741</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 5,328	\$ 31,162
Advances from grantors	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>5,328</u>	<u>31,162</u>
Deferred inflows of resources	-	-	-	-
Unavailable revenue	-	-	-	-
Deferred inflows of resources	-	-	-	-
Fund Balances (Deficit)				
Restricted				
Special revenue funds	2,022,213	1,755,692	2,310,988	307,579
Debt service funds	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>2,022,213</u>	<u>1,755,692</u>	<u>2,310,988</u>	<u>307,579</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,022,213</u>	<u>\$ 1,755,692</u>	<u>\$ 2,316,316</u>	<u>\$ 338,741</u>

City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018

Special Revenue Funds				
Parking and Business Improvement	Cable Television Corporation	Mountain View CFD 13-1	Economic Development Corporation	El Monte Housing Authority
\$ 769,885	\$ -	\$ 27,920	\$ 22	\$ 13
-	-	-	6,884,506	-
-	72,080	-	6,149	-
-	-	209	-	-
-	-	-	-	-
3,750	-	-	-	-
-	-	-	-	-
<u>773,635</u>	<u>72,080</u>	<u>28,129</u>	<u>6,890,677</u>	<u>13</u>
-	-	-	-	-
<u>\$ 773,635</u>	<u>\$ 72,080</u>	<u>\$ 28,129</u>	<u>\$ 6,890,677</u>	<u>\$ 13</u>
\$ 529	\$ 3,168	\$ -	\$ -	\$ -
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	7,854.00	-	-	-
<u>529</u>	<u>11,022</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
773,106	61,058	28,129	6,890,677	13
-	-	-	-	-
<u>773,106</u>	<u>61,058</u>	<u>28,129</u>	<u>6,890,677</u>	<u>13</u>
<u>\$ 773,635</u>	<u>\$ 72,080</u>	<u>\$ 28,129</u>	<u>\$ 6,890,677</u>	<u>\$ 13</u>

	Special Revenue Funds		
	Special Programs	Special Programs II	Gateway CFD
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ 333,192	\$ 80,203	\$ 31,489
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	624	100	-
Taxes	-	-	-
Notes and loans	-	-	-
Prepaid expenses	485	-	-
Due from other governments	-	-	-
Total assets	<u>334,301</u>	<u>80,303</u>	<u>31,489</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ <u>334,301</u>	\$ <u>80,303</u>	\$ <u>31,489</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 23,931	\$ -	\$ -
Advances from grantors	-	-	-
Deposits payable	-	12,468	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>23,931</u>	<u>12,468</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue	-	-	-
Deferred inflows of resources	-	-	-
Fund Balances (Deficit)			
Restricted			
Special revenue funds	310,370	67,835	31,489
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>310,370</u>	<u>67,835</u>	<u>31,489</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>334,301</u>	\$ <u>80,303</u>	\$ <u>31,489</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2018**

Special Revenue Funds		Capital Projects Fund	Debt Service Fund		Totals
Traffic Safety Fund	Miscellaneous Grants		2010 Lease Revenue Bonds		
\$ -	\$ -	\$ 1,271,048	\$ 2,191	\$ -	\$ 31,629,865
-	-	-	1,274,842	-	8,159,348
40,092	14,550	-	-	-	1,966,473
-	-	-	-	-	6,073
-	-	-	-	-	668,173
-	-	-	-	-	41,067
-	1,136,582	-	-	-	1,470,093
<u>40,092</u>	<u>1,151,132</u>	<u>1,271,048</u>	<u>1,277,033</u>	<u>-</u>	<u>43,941,092</u>
-	-	-	-	-	-
<u>\$ 40,092</u>	<u>\$ 1,151,132</u>	<u>\$ 1,271,048</u>	<u>\$ 1,277,033</u>	<u>\$ -</u>	<u>\$ 43,941,092</u>
\$ -	\$ 178,015	\$ 7,631	\$ -	\$ -	\$ 937,499
-	152,548	-	-	-	152,548
-	5,576	10,669	-	-	32,862
-	-	-	-	-	745,688
40,092	821,486	-	-	-	1,064,749
<u>40,092</u>	<u>1,157,625</u>	<u>18,300</u>	<u>-</u>	<u>-</u>	<u>2,933,346</u>
-	1,082,906	-	-	-	2,370,509
-	<u>1,082,906</u>	-	-	-	<u>2,370,509</u>
-	-	1,252,748	-	-	38,549,401
-	-	-	1,277,033	-	1,277,033
-	(1,089,399)	-	-	-	(1,189,197)
<u>-</u>	<u>(1,089,399)</u>	<u>1,252,748</u>	<u>1,277,033</u>	<u>-</u>	<u>38,637,237</u>
<u>\$ 40,092</u>	<u>\$ 1,151,132</u>	<u>\$ 1,271,048</u>	<u>\$ 1,277,033</u>	<u>\$ -</u>	<u>\$ 43,941,092</u>

	Special Revenue Funds			
	Proposition A	Proposition C	Special Gas Tax	Transportation Development Act Fund
Revenues				
Taxes	\$ 2,124,327	\$ 1,753,959	\$ 2,389,206	\$ -
Licenses and permits	34,536	-	-	-
Intergovernmental	162,647	48,048	-	116,783
Charges for services	1,007	-	-	-
Use of money and property	32,704	85,473	13,996	-
Fines and forfeitures	2,000	-	-	-
Contributions	-	-	-	-
Miscellaneous	10,964	-	-	-
Total revenues	<u>2,368,185</u>	<u>1,887,480</u>	<u>2,403,202</u>	<u>116,783</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	2,265,807	1,610,385	-	39,049
Economic development	-	-	-	-
Capital outlay	-	165,809	4,760	26,684
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>2,265,807</u>	<u>1,776,194</u>	<u>4,760</u>	<u>65,733</u>
Excess (deficiency) of revenues over expenditures	<u>102,378</u>	<u>111,286</u>	<u>2,398,442</u>	<u>51,050</u>
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	(3,300,000)	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(3,300,000)</u>	<u>-</u>
	102,378	111,286	(901,558)	51,050
Fund balances, beginning of year	<u>2,181,287</u>	<u>6,207,974</u>	<u>1,247,078</u>	<u>(6,749)</u>
Fund balances, end of year	<u>\$ 2,283,665</u>	<u>\$ 6,319,260</u>	<u>\$ 345,520</u>	<u>\$ 44,301</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2018

Special Revenue Funds						
Measure R	MTA Call for Projects	Road Maintenance and Rehabilitation	Measure M	AB 939	Air Quality Improvement Fund	Affordable Housing
\$ 1,319,774	\$ -	\$ 669,560	\$ 1,196,017	\$ 641,193	\$ -	\$ -
-	-	-	-	-	-	-
51,021	-	-	-	-	144,829	-
-	-	-	-	539,407	-	-
90,236	-	1,310	7,541	-	1,328	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	105,672	-	-	-	20,000	-
<u>1,461,031</u>	<u>105,672</u>	<u>670,870</u>	<u>1,203,558</u>	<u>1,180,600</u>	<u>166,157</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	79,160	-
-	-	-	-	1,029,674	-	-
958,494	153,647	-	75,747	7,623	60,014	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>958,494</u>	<u>153,647</u>	<u>-</u>	<u>75,747</u>	<u>1,037,297</u>	<u>139,174</u>	<u>-</u>
502,537	(47,975)	670,870	1,127,811	143,303	26,983	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
502,537	(47,975)	670,870	1,127,811	143,303	26,983	-
6,120,671	(48,934)	-	-	995,231	136,073	122,644
<u>\$ 6,623,208</u>	<u>\$ (96,909)</u>	<u>\$ 670,870</u>	<u>\$ 1,127,811</u>	<u>\$ 1,138,534</u>	<u>\$ 163,056</u>	<u>\$ 122,644</u>

	Special Revenue Funds		
	Tree Mitigation & Planting Fund	CallHome Grant	Urban Development Action Grant (UDAG)
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Use of money and property	-	-	2,255
Fines and forfeitures	-	-	-
Contributions	-	-	-
Miscellaneous	19,925	-	-
Total revenues	<u>19,925</u>	<u>-</u>	<u>2,255</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>19,925</u>	<u>-</u>	<u>2,255</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	19,925	-	2,255
Fund balances, beginning of year	<u>42,307</u>	<u>623</u>	<u>83,680</u>
Fund balances, end of year	<u>\$ 62,232</u>	<u>\$ 623</u>	<u>\$ 85,935</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2018

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	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
130,191	243,963	166,986	49,950	106,488	30,679	-
-	13,694	44,454	-	567	-	-
-	-	-	-	-	-	-
-	-	-	-	19,817	-	-
-	-	22,944	-	-	-	-
<u>130,191</u>	<u>257,657</u>	<u>234,384</u>	<u>49,950</u>	<u>126,872</u>	<u>30,679</u>	-
-	-	-	-	-	-	-
-	202	1,053,642	-	-	-	-
-	-	-	58,469	171,754	36,762	-
-	-	-	-	-	-	-
130,189	-	-	-	-	-	-
-	122,089	269,233	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>130,189</u>	<u>122,291</u>	<u>1,322,875</u>	<u>58,469</u>	<u>171,754</u>	<u>36,762</u>	-
<u>2</u>	<u>135,366</u>	<u>(1,088,491)</u>	<u>(8,519)</u>	<u>(44,882)</u>	<u>(6,083)</u>	-
-	-	-	8,519	45,450	-	-
-	-	-	-	-	-	-
-	-	-	8,519	45,450	-	-
2	135,366	(1,088,491)	-	568	(6,083)	-
-	897,672	3,755,498	1,367	47,863	3,194	-
<u>\$ 2</u>	<u>\$ 1,033,038</u>	<u>\$ 2,667,007</u>	<u>\$ 1,367</u>	<u>\$ 48,431</u>	<u>\$ (2,889)</u>	-

	Special Revenue Funds		
	Quimby	Art in Public Places	Public Facilities
Revenues			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental	399,652	-	-
Charges for services	-	-	344,082
Use of money and property	-	-	30,523
Fines and forfeitures	-	-	-
Contributions	-	304,503	-
Miscellaneous	-	-	-
Total revenues	<u>399,652</u>	<u>304,503</u>	<u>374,605</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	-	103,966
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>103,966</u>
Excess (deficiency) of revenues over expenditures	<u>399,652</u>	<u>304,503</u>	<u>270,639</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	399,652	304,503	270,639
Fund balances, beginning of year	1,622,561	1,451,189	2,040,349
Fund balances, end of year	<u>\$ 2,022,213</u>	<u>\$ 1,755,692</u>	<u>\$ 2,310,988</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2018

Special Revenue Funds					
Storm Drain	Parking and Business Improvement	Cable Television Corporation	Mountain View CFD 13-1	Economic Development Corporation	El Monte Housing Authority
\$ -	\$ -	\$ -	\$ 7,662	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	229,582	192,769	-	-	-
-	-	-	-	39,105	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	326	-	-
<u>-</u>	<u>229,582</u>	<u>192,769</u>	<u>7,988</u>	<u>39,105</u>	<u>-</u>
-	51,446	176,576	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
566,207	-	-	-	-	-
-	-	-	-	-	-
49,483	-	4,724	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>615,690</u>	<u>51,446</u>	<u>181,300</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(615,690)</u>	<u>178,136</u>	<u>11,469</u>	<u>7,988</u>	<u>39,105</u>	<u>-</u>
845,000	-	-	-	-	-
-	-	-	-	-	-
<u>845,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
229,310	178,136	11,469	7,988	39,105	-
78,269	594,970	49,589	20,141	6,851,572	13
<u>\$ 307,579</u>	<u>\$ 773,106</u>	<u>\$ 61,058</u>	<u>\$ 28,129</u>	<u>\$ 6,890,677</u>	<u>\$ 13</u>

	Special Revenue Funds		
	Special Programs	Special Programs II	Gateway CFD
Revenues			
Taxes	\$ 23,989	\$ -	\$ 13,125
Licenses and permits	-	-	-
Intergovernmental	-	-	-
Charges for services	1,643	-	-
Use of money and property	66,577	-	319
Fines and forfeitures	-	-	-
Contributions	39,748	-	-
Miscellaneous	2,500	-	-
Total revenues	<u>134,457</u>	<u>-</u>	<u>13,444</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	27,396	-	-
Parks, recreation and cultural	91,500	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>118,896</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>15,561</u>	<u>-</u>	<u>13,444</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	15,561	-	13,444
Fund balances, beginning of year	294,809	67,835	18,045
Fund balances, end of year	<u>\$ 310,370</u>	<u>\$ 67,835</u>	<u>\$ 31,489</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2018

<u>Special Revenue Funds</u>			<u>Debt Service Fund</u>		
Traffic Safety Fund	Miscellaneous Grants	Capital Projects Fund	2010 Lease Revenue Bonds	Totals	
\$ -	\$ -	\$ -	\$ -	\$ 10,138,812	
-	-	-	-	34,536	
-	664,119	-	1,390,263	3,705,619	
-	-	-	-	1,308,490	
-	-	-	533,400	963,482	
201,607	-	-	-	203,607	
-	-	-	-	364,068	
-	71,880	-	-	254,211	
<u>201,607</u>	<u>735,999</u>	<u>-</u>	<u>1,923,663</u>	<u>16,972,825</u>	
-	-	-	-	228,022	
-	257,434	-	-	1,338,674	
-	-	-	-	358,485	
-	-	-	-	4,560,608	
-	94,092	-	-	1,253,955	
-	876,920	54,762	-	2,933,955	
-	-	-	395,000	395,000	
-	-	-	1,514,486	1,514,486	
<u>-</u>	<u>1,228,446</u>	<u>54,762</u>	<u>1,909,486</u>	<u>12,583,185</u>	
<u>201,607</u>	<u>(492,447)</u>	<u>(54,762)</u>	<u>14,177</u>	<u>4,389,640</u>	
-	4,242	-	-	903,211	
<u>(201,607)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,501,607)</u>	
<u>(201,607)</u>	<u>4,242</u>	<u>-</u>	<u>-</u>	<u>(2,598,396)</u>	
-	(488,205)	(54,762)	14,177	1,791,244	
-	(601,194)	1,307,510	1,262,856	36,845,993	
\$ -	\$ (1,089,399)	\$ 1,252,748	\$ 1,277,033	\$ 38,637,237	

**City of El Monte
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,854,100	\$ 1,854,100	\$ 2,124,327	\$ 270,227
Licenses and permits	-	-	34,536	34,536
Intergovernmental	306,000	306,000	162,647	(143,353)
Charges for services	3,400	3,400	1,007	(2,393)
Use of money and property	10,500	10,500	32,704	22,204
Fines and forfeitures	83,200	83,200	2,000	(81,200)
Miscellaneous	348,800	348,800	10,964	(337,836)
Total revenues	<u>2,606,000</u>	<u>2,606,000</u>	<u>2,368,185</u>	<u>(237,815)</u>
Expenditures				
Current:				
Public works	2,571,900	2,571,900	2,265,807	306,093
Capital outlay	54,300	34,100	-	34,100
Total expenditures	<u>2,626,200</u>	<u>2,606,000</u>	<u>2,265,807</u>	<u>340,193</u>
Change in fund balance	(20,200)	-	102,378	102,378
Fund balances, beginning of year	<u>2,181,287</u>	<u>2,181,287</u>	<u>2,181,287</u>	-
Fund balances, end of year	<u>\$ 2,161,087</u>	<u>\$ 2,181,287</u>	<u>\$ 2,283,665</u>	<u>\$ 102,378</u>

City of El Monte
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,759,500	\$ 1,759,500	\$ 1,753,959	\$ (5,541)
Intergovernmental	69,800	69,800	48,048	(21,752)
Use of money and property	36,700	36,700	85,473	48,773
Total revenues	<u>1,866,000</u>	<u>1,866,000</u>	<u>1,887,480</u>	<u>21,480</u>
Expenditures				
Current:				
Public works	2,220,000	2,277,500	1,610,385	667,115
Capital outlay	2,522,100	2,542,300	165,809	2,376,491
Total expenditures	<u>4,742,100</u>	<u>4,819,800</u>	<u>1,776,194</u>	<u>3,043,606</u>
Change in fund balance	(2,876,100)	(2,953,800)	111,286	(3,065,086)
Fund balances, beginning of year	6,207,974	6,207,974	6,207,974	-
Fund balances, end of year	\$ <u>3,331,874</u>	\$ <u>3,254,174</u>	\$ <u>6,319,260</u>	\$ <u>(3,065,086)</u>

City of El Monte
Budgetary Comparison Schedule
Special Gas Tax
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 3,775,000	\$ 3,775,000	\$ 2,389,206	\$ (1,385,794)
Use of money and property	26,000	26,000	13,996	(12,004)
Total revenues	3,801,000	3,801,000	2,403,202	(1,397,798)
Expenditures				
Capital outlay	4,800	4,800	4,760	40
Total expenditures	4,800	4,800	4,760	40
Excess (deficiency) of revenues over expenditures	3,796,200	3,796,200	2,398,442	(1,397,758)
Other financing sources (uses)				
Transfers out	(3,300,000)	(3,300,000)	(3,300,000)	-
Change in fund balance	496,200	496,200	(901,558)	(1,397,758)
Fund balances, beginning of year	1,247,078	1,247,078	1,247,078	-
Fund balances, end of year	\$ 1,743,278	\$ 1,743,278	\$ 345,520	\$ (1,397,758)

**City of El Monte
Budgetary Comparison Schedule
Transportation Development Act Fund
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 180,000	\$ 121,810	\$ 116,783	\$ (5,027)
Total revenues	<u>180,000</u>	<u>121,810</u>	<u>116,783</u>	<u>(5,027)</u>
Expenditures				
Current:				
Public works	-	-	39,049	(39,049)
Capital outlay	180,000	121,810	26,684	95,126
Total expenditures	<u>180,000</u>	<u>121,810</u>	<u>65,733</u>	<u>56,077</u>
Change in fund balance	-	-	51,050	51,050
Fund balances, beginning of year	(6,749)	(6,749)	(6,749)	-
Fund balances, end of year	<u>\$ (6,749)</u>	<u>\$ (6,749)</u>	<u>\$ 44,301</u>	<u>\$ 51,050</u>

City of El Monte
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 2,682,300	\$ 2,682,300	\$ 1,319,774	\$ (1,362,526)
Intergovernmental	-	-	51,021	51,021
Use of money and property	-	-	90,236	90,236
Total revenues	<u>2,682,300</u>	<u>2,682,300</u>	<u>1,461,031</u>	<u>(1,221,269)</u>
Expenditures				
Capital outlay	4,388,800	5,437,500	958,494	4,479,006
Total expenditures	<u>4,388,800</u>	<u>5,437,500</u>	<u>958,494</u>	<u>4,479,006</u>
Change in fund balance	(1,706,500)	(2,755,200)	502,537	3,257,737
Fund balances, beginning of year	<u>6,120,671</u>	<u>6,120,671</u>	<u>6,120,671</u>	-
Fund balances, end of year	<u>\$ 4,414,171</u>	<u>\$ 3,365,471</u>	<u>\$ 6,623,208</u>	<u>\$ 3,257,737</u>

City of El Monte
Budgetary Comparison Schedule
MTA Call for Projects
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous	\$ 1,568,400	\$ 1,568,400	\$ 105,672	\$ (1,462,728)
Total revenues	1,568,400	1,568,400	105,672	(1,462,728)
Expenditures				
Capital outlay	1,568,400	1,568,400	153,647	1,414,753
Total expenditures	1,568,400	1,568,400	153,647	1,414,753
Change in fund balance	-	-	(47,975)	(47,975)
Fund balances, beginning of year	(48,934)	(48,934)	(48,934)	-
Fund balances, end of year	\$ (48,934)	\$ (48,934)	\$ (96,909)	\$ (47,975)

**City of El Monte
Budgetary Comparison Schedule
Road Maintenance and Rehabilitation
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 669,560	\$ 669,560
Use of money and property	-	-	1,310	1,310
Total revenues	-	-	670,870	670,870
Net change in fund balance	-	-	670,870	670,870
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 670,870	\$ 670,870

**City of El Monte
Budgetary Comparison Schedule
Measure M
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 580,600	\$ 580,600	\$ 1,196,017	\$ 615,417
Use of money and property	-	-	7,541	7,541
Total revenues	580,600	580,600	1,203,558	622,958
Expenditures				
Current:				
Capital outlay	546,200	505,000	75,747	(429,253)
Total expenditures	546,200	505,000	75,747	(429,253)
Net change in fund balance	34,400	75,600	1,127,811	1,052,211
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ 34,400	\$ 75,600	\$ 1,127,811	\$ 1,052,211

City of El Monte
Budgetary Comparison Schedule
AB 939
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 650,000	\$ 650,000	\$ 641,193	\$ (8,807)
Charges for services	360,000	360,000	539,407	179,407
Total revenues	<u>1,010,000</u>	<u>1,010,000</u>	<u>1,180,600</u>	<u>170,600</u>
Expenditures				
Current:				
Economic development	1,328,000	1,425,000	1,029,674	395,326
Capital outlay	2,000	2,000	7,623	(5,623)
Total expenditures	<u>1,330,000</u>	<u>1,427,000</u>	<u>1,037,297</u>	<u>389,703</u>
Change in fund balance	(320,000)	(417,000)	143,303	560,303
Fund balances, beginning of year	<u>995,231</u>	<u>995,231</u>	<u>995,231</u>	<u>-</u>
Fund balances, end of year	<u>\$ 675,231</u>	<u>\$ 578,231</u>	<u>\$ 1,138,534</u>	<u>\$ 560,303</u>

**City of El Monte
Budgetary Comparison Schedule
Air Quality Improvement Fund
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 144,829	\$ 4,829
Use of money and property	200	200	1,328	1,128
Miscellaneous	-	-	20,000	20,000
Total revenues	140,200	140,200	166,157	25,957
Expenditures				
Current:				
Public works	104,900	104,900	79,160	25,740
Capital outlay	73,300	73,300	60,014	13,286
Total expenditures	178,200	178,200	139,174	39,026
Change in fund balance	(38,000)	(38,000)	26,983	64,983
Fund balances, beginning of year	136,073	136,073	136,073	-
Fund balances, end of year	\$ 98,073	\$ 98,073	\$ 163,056	\$ 64,983

**City of El Monte
Budgetary Comparison Schedule
Tree Mitigation & Planting Fund
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous	\$ 46,500	\$ 46,500	\$ 19,925	\$ (26,575)
Total revenues	<u>46,500.00</u>	<u>46,500</u>	<u>19,925</u>	<u>(26,575)</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	46,500	46,500	19,925	(26,575)
Fund balances, beginning of year	42,307	42,307	42,307	-
Fund balances, end of year	<u>\$ 88,807</u>	<u>\$ 88,807</u>	<u>\$ 62,232</u>	<u>\$ (26,575)</u>

**City of El Monte
 Budgetary Comparison Schedule
 Urban Development Action Grant (UDAG)
 Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 2,255	\$ 2,255
Total revenues	-	-	2,255	2,255
 Change in fund balance	-	-	2,255	2,255
 Fund balances, beginning of year	83,680	83,680	83,680	-
Fund balances, end of year	\$ 83,680	\$ 83,680	\$ 85,935	\$ 2,255

**City of El Monte
Budgetary Comparison Schedule
Emergency Shelter Grant
Year ended June 30, 2018**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 168,200	\$ 168,200	\$ 130,191	\$ (38,009)
Total revenues	<u>168,200</u>	<u>168,200</u>	<u>130,191</u>	<u>(38,009)</u>
Expenditures				
Current:				
Economic development	168,200	168,200	130,189	38,011
Total expenditures	<u>168,200</u>	<u>168,200</u>	<u>130,189</u>	<u>38,011</u>
Change in fund balance	-	-	2	2
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

City of El Monte
Budgetary Comparison Schedule
Supplemental Law Enforcement Safety Fund (SLES)
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 220,000	\$ 220,000	\$ 243,963	\$ 23,963
Use of money and property	4,000	4,000	13,694	9,694
Total revenues	224,000	224,000	257,657	33,657
Expenditures				
Current:				
Public safety	40,000	40,000	202	39,798
Capital outlay	224,000	294,000	122,089	171,911
Total expenditures	264,000	334,000	122,291	211,709
Change in fund balance	(40,000)	(110,000)	135,366	245,366
Fund balances, beginning of year	897,672	897,672	897,672	-
Fund balances, end of year	\$ 857,672	\$ 787,672	\$ 1,033,038	\$ 245,366

**City of El Monte
Budgetary Comparison Schedule
Police/Narcotics Forfeiture
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 166,986	\$ 166,986
Use of money and property	-	-	44,454	44,454
Miscellaneous	-	-	22,944	22,944
Total revenues	<u>-</u>	<u>-</u>	<u>234,384</u>	<u>234,384</u>
Expenditures				
Current:				
Public safety	-	437,873	1,053,642	(615,769)
Capital outlay	-	18,636	269,233	(250,597)
Total expenditures	<u>-</u>	<u>456,509</u>	<u>1,322,875</u>	<u>(866,366)</u>
Change in fund balance	-	(456,509)	(1,088,491)	(631,982)
Fund balances, beginning of year	<u>3,755,498</u>	<u>3,755,498</u>	<u>3,755,498</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,755,498</u>	<u>\$ 3,298,989</u>	<u>\$ 2,667,007</u>	<u>\$ (631,982)</u>

**City of El Monte
Budgetary Comparison Schedule
Older Americans Act
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 57,000	\$ 57,000	\$ 49,950	\$ (7,050)
Total revenues	<u>57,000</u>	<u>57,000</u>	<u>49,950</u>	<u>(7,050)</u>
Expenditures				
Current:				
Parks, recreation and cultural	57,000	57,000	58,469	(1,469)
Total expenditures	<u>57,000</u>	<u>57,000</u>	<u>58,469</u>	<u>(1,469)</u>
Excess (deficiency) of revenues over expenditures	-	-	(8,519)	(8,519)
Other financing sources (uses)				
Transfers in	-	8,550	8,519	(31)
Net other financing sources (uses)	<u>-</u>	<u>8,550</u>	<u>8,519</u>	<u>(31)</u>
Change in fund balance	-	8,550	-	(8,550)
Fund balances, beginning of year	1,367	1,367	1,367	-
Fund balances, end of year	<u>\$ 1,367</u>	<u>\$ 9,917</u>	<u>\$ 1,367</u>	<u>\$ (8,550)</u>

**City of El Monte
Budgetary Comparison Schedule
Senior Citizen Program
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 116,900	\$ 116,900	\$ 106,488	\$ (10,412)
Use of money and property	-	-	567	567
Contributions	25,000	25,000	19,817	(5,183)
Total revenues	141,900	141,900	126,872	(15,028)
Expenditures				
Current:				
Parks, recreation and cultural	141,900	141,900	171,754	(29,854)
Total expenditures	141,900	141,900	171,754	(29,854)
Excess (deficiency) of revenues over expenditures	-	-	(44,882)	(44,882)
Other financing sources (uses)				
Transfers in	-	45,500	45,450	(50)
Change in fund balance	-	45,500	568	(44,932)
Fund balances, beginning of year	47,863	47,863	47,863	-
Fund balances, end of year	\$ 47,863	\$ 93,363	\$ 48,431	\$ (44,932)

**City of El Monte
 Budgetary Comparison Schedule
 Children's Lunch Program
 Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 53,800	\$ 53,800	\$ 30,679	\$ (23,121)
Total revenues	53,800	53,800	30,679	(23,121)
Expenditures				
Current:				
Parks, recreation and cultural	53,800	53,800	36,762	17,038
Total expenditures	53,800	53,800	36,762	17,038
Change in fund balance	-	-	(6,083)	(6,083)
Fund balances, beginning of year	3,194	3,194	3,194	-
Fund balances, end of year	\$ 3,194	\$ 3,194	\$ (2,889)	\$ (6,083)

City of El Monte
Budgetary Comparison Schedule
Quimby
Year ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 399,652	\$ 299,652
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>399,652</u>	<u>299,652</u>
 Change in fund balance	 100,000	 100,000	 399,652	 299,652
 Fund balances, beginning of year	 <u>1,622,561</u>	 <u>1,622,561</u>	 <u>1,622,561</u>	 <u>-</u>
Fund balances, end of year	<u>\$ 1,722,561</u>	<u>\$ 1,722,561</u>	<u>\$ 2,022,213</u>	<u>\$ 299,652</u>

**City of El Monte
Budgetary Comparison Schedule
Art in Public Places
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Contributions	\$ 50,000	\$ 50,000	\$ 304,503	\$ 254,503
Total revenues	50,000	50,000	304,503	254,503
Expenditures				
Capital outlay	(50,000)	50,000	-	50,000
Total expenditures	(50,000)	50,000	-	50,000
Change in fund balance	100,000	-	304,503	304,503
Fund balances, beginning of year	1,451,189	1,451,189	1,451,189	-
Fund balances, end of year	\$ 1,551,189	\$ 1,451,189	\$ 1,755,692	\$ 304,503

**City of El Monte
Budgetary Comparison Schedule
Public Facilities
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 292,500	\$ 292,500	\$ 344,082	\$ 51,582
Use of money and property	-	-	30,523	30,523
Total revenues	292,500	292,500	374,605	82,105
Expenditures				
Capital outlay	292,500	576,818	103,966	472,852
Total expenditures	292,500	576,818	103,966	472,852
Change in fund balance	-	(284,318)	270,639	554,957
Fund balances, beginning of year	2,040,349	2,040,349	2,040,349	-
Fund balances, end of year	\$ 2,040,349	\$ 1,756,031	\$ 2,310,988	\$ 554,957

**City of El Monte
Budgetary Comparison Schedule
Storm Drain
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Public works	(60,000)	(35,000)	566,207	(601,207)
Capital outlay	60,000	60,000	49,483	10,517
Total expenditures	<u>-</u>	<u>25,000</u>	<u>615,690</u>	<u>(590,690)</u>
Excess (deficiency) of revenues over expenditures	-	(25,000)	(615,690)	(590,690)
Other financing sources (uses)				
Transfers in	-	845,000	845,000	-
Net other financing sources (uses)	<u>-</u>	<u>845,000</u>	<u>845,000</u>	<u>-</u>
Change in fund balance	-	820,000	229,310	(590,690)
Fund balances, beginning of year	<u>78,269</u>	<u>78,269</u>	<u>78,269</u>	<u>-</u>
Fund balances, end of year	<u>\$ 78,269</u>	<u>\$ 898,269</u>	<u>\$ 307,579</u>	<u>\$ (590,690)</u>

**City of El Monte
Budgetary Comparison Schedule
Parking and Business Improvement
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 200,000	\$ 200,000	\$ 229,582	\$ 29,582
Total revenues	<u>200,000</u>	<u>200,000</u>	<u>229,582</u>	<u>29,582</u>
Expenditures				
Current:				
General government	95,200	95,200	51,446	43,754
Total expenditures	<u>95,200</u>	<u>95,200</u>	<u>51,446</u>	<u>43,754</u>
Change in fund balance	54,800	54,800	178,136	123,336
Fund balances, beginning of year	594,970	594,970	594,970	-
Fund balances, end of year	<u>\$ 649,770</u>	<u>\$ 649,770</u>	<u>\$ 773,106</u>	<u>\$ 123,336</u>

**City of El Monte
Budgetary Comparison Schedule
Cable Television Corporation
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 146,500	\$ 146,500	\$ 192,769	\$ 46,269
Total revenues	<u>184,400</u>	<u>184,400</u>	<u>192,769</u>	<u>8,369</u>
Expenditures				
Current:				
General government	184,400	184,400	176,576	7,824
Capital outlay	-	-	4,724	(4,724)
Total expenditures	<u>184,400</u>	<u>184,400</u>	<u>181,300</u>	<u>3,100</u>
Change in fund balance	-	-	11,469	11,469
Fund balances, beginning of year	49,589	49,589	49,589	-
Fund balances, end of year	<u>\$ 49,589</u>	<u>\$ 49,589</u>	<u>\$ 61,058</u>	<u>\$ 11,469</u>

**City of El Monte
 Budgetary Comparison Schedule
 Mountain View CFD 13-1
 Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 7,662	\$ 7,662
Miscellaneous	-	-	326	326
Total revenues	<u>-</u>	<u>-</u>	<u>7,988</u>	<u>7,988</u>
 Change in fund balance	 -	 -	 7,988	 7,988
 Fund balances, beginning of year	 <u>20,141</u>	 <u>20,141</u>	 <u>20,141</u>	 <u>-</u>
Fund balances, end of year	<u>\$ 20,141</u>	<u>\$ 20,141</u>	<u>\$ 28,129</u>	<u>\$ 7,988</u>

**City of El Monte
Budgetary Comparison Schedule
Economic Development Corporation
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 39,105	\$ 39,105
Total revenues	<u>-</u>	<u>-</u>	<u>39,105</u>	<u>39,105</u>
Excess (deficiency) of revenues over expenditures	-	-	39,105	39,105
Other financing sources (uses)				
Transfers out	(6,705,000)	(6,705,000)	-	6,705,000
Net other financing sources (uses)	<u>(6,705,000)</u>	<u>(6,705,000)</u>	<u>-</u>	<u>6,705,000</u>
Change in fund balance	(6,705,000)	(6,705,000)	39,105	6,744,105
Fund balances, beginning of year	<u>6,851,572</u>	<u>6,851,572</u>	<u>6,851,572</u>	<u>-</u>
Fund balances, end of year	<u>\$ 146,572</u>	<u>\$ 146,572</u>	<u>\$ 6,890,677</u>	<u>\$ 6,744,105</u>

**City of El Monte
Budgetary Comparison Schedule
El Monte Housing Authority
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous	\$ 2,600,000	\$ 2,600,000	\$ -	\$ (2,600,000)
Total revenues	2,600,000	2,600,000	-	(2,600,000)
Expenditures				
Current:				
Economic development	780,000	780,000	-	780,000
Capital outlay	2,600,000	2,600,000	-	2,600,000
Total expenditures	3,380,000	3,380,000	-	3,380,000
Excess (deficiency) of revenues over expenditures	(780,000)	(780,000)	-	780,000
Other financing sources (uses)				
Proceeds from long-term debt	780,000	944,450	-	(944,450)
Net other financing sources (uses)	780,000	944,450	-	(944,450)
Change in fund balance	-	164,450	-	(164,450)
Fund balances, beginning of year	13	13	13	-
Fund balances, end of year	\$ 13	\$ 164,463	\$ 13	\$ (164,450)

City of El Monte
Budgetary Comparison Schedule
Special Programs
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 23,989	\$ 23,989
Charges for services	16,500	16,500	1,643	(14,857)
Use of money and property	61,000	61,000	66,577	5,577
Contributions	47,500	47,500	39,748	(7,752)
Miscellaneous	7,000	7,000	2,500	(4,500)
Total revenues	<u>132,000</u>	<u>132,000</u>	<u>134,457</u>	<u>2,457</u>
Expenditures				
Current:				
Public safety	-	-	27,396	(27,396)
Parks, recreation and cultural	132,000	132,000	91,500	40,500
Total expenditures	<u>132,000</u>	<u>132,000</u>	<u>118,896</u>	<u>13,104</u>
Change in fund balance	-	-	15,561	15,561
Fund balances, beginning of year	294,809	294,809	294,809	-
Fund balances, end of year	<u>\$ 294,809</u>	<u>\$ 294,809</u>	<u>\$ 310,370</u>	<u>\$ 15,561</u>

City of El Monte
Budgetary Comparison Schedule
Gateway CFD
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 9,300	\$ 9,300	\$ 13,125	\$ 3,825
Use of money and property	-	-	319	319
Total revenues	<u>9,300</u>	<u>9,300</u>	<u>13,444</u>	<u>4,144</u>
Expenditures				
Current:				
Public works	9,300	9,300	-	9,300
Total expenditures	<u>9,300</u>	<u>9,300</u>	<u>-</u>	<u>9,300</u>
Net change in fund balance	-	-	13,444	13,444
Fund balances, beginning of year	18,045	18,045	18,045	-
Fund balances, end of year	<u>\$ 18,045</u>	<u>\$ 18,045</u>	<u>\$ 31,489</u>	<u>\$ 13,444</u>

City of El Monte
Budgetary Comparison Schedule
Traffic Safety Fund
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Fines and forfeitures	\$ 150,000	\$ 150,000	\$ 201,607	\$ 51,607
Total revenues	150,000	150,000	201,607	51,607
Excess (deficiency) of revenues over expenditures	150,000	150,000	201,607	51,607
Other financing sources (uses)				
Transfers out	(150,000)	(150,000)	(201,607)	(51,607)
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, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 5,726,500	\$ 5,996,500	\$ 664,119	\$ (5,332,381)
Miscellaneous	-	-	71,880	71,880
Total revenues	5,726,500	5,996,500	735,999	(5,260,501)
Expenditures				
Current:				
Public safety	-	173,000	257,434	(84,434)
Public works	-	-	-	-
Economic development	61,800	113,300	94,092	19,208
Capital outlay	5,664,700	5,888,554	876,920	5,011,634
Total expenditures	5,726,500	6,174,854	1,228,446	4,946,408
Excess (deficiency) of revenues over expenditures	-	(178,354)	(492,447)	(314,093)
Other financing sources (uses)				
Transfers in	-	-	4,242	4,242
Net change in fund balance	-	(178,354)	(488,205)	(309,851)
Fund balances, beginning of year	(601,194)	(601,194)	(601,194)	-
Fund balances, end of year	\$ (601,194)	\$ (779,548)	\$ (1,089,399)	\$ (309,851)

City of El Monte
Budgetary Comparison Schedule
Capital Projects
Year ended June 30, 2018

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures				
Capital outlay	\$ 1,318,000	\$ 1,318,000	\$ 54,762	\$ 1,263,238
Total expenditures	<u>1,318,000</u>	<u>1,318,000</u>	<u>54,762</u>	<u>1,263,238</u>
Excess (deficiency) of revenues over expenditures	(1,318,000)	(1,318,000)	(54,762)	1,263,238
Other financing sources (uses)				
Transfers in	1,318,000	54,900	-	(54,900)
Net other financing sources (uses)	<u>1,318,000</u>	<u>54,900</u>	<u>-</u>	<u>(54,900)</u>
Change in fund balance	-	(1,263,100)	(54,762)	1,208,338
Fund balances, beginning of year	1,307,510	1,307,510	1,307,510	-
Fund balances, end of year	\$ <u>1,307,510</u>	\$ <u>44,410</u>	\$ <u>1,252,748</u>	\$ <u>1,208,338</u>

**City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Bond Debt Service
Year ended June 30, 2018**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 1,396,200	\$ 1,396,200	\$ 1,390,263	\$ (5,937)
Use of money and property	520,000	520,000	533,400	13,400
Total revenues	<u>1,916,200</u>	<u>1,916,200</u>	<u>1,923,663</u>	<u>7,463</u>
Expenditures				
Debt service:				
Principal retirement	395,000	395,000	395,000	-
Interest and fiscal charges	1,519,500	1,519,500	1,514,486	5,014
Total expenditures	<u>1,914,500</u>	<u>1,914,500</u>	<u>1,909,486</u>	<u>5,014</u>
Change in fund balance	1,700	1,700	14,177	12,477
Fund balances, beginning of year	1,262,856	1,262,856	1,262,856	-
Fund balances, end of year	<u>\$ 1,264,556</u>	<u>\$ 1,264,556</u>	<u>\$ 1,277,033</u>	<u>\$ 12,477</u>

City of El Monte
Combining Statement of Net Position
All Internal Service Funds
June 30, 2018

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
ASSETS				
Current assets				
Cash and investments	\$ 2,923,156	\$ 748,633	\$ 871,764	\$ 4,543,553
Receivables:				
Accounts	10	-	-	10
Total current assets	<u>2,923,166</u>	<u>748,633</u>	<u>871,764</u>	<u>4,543,563</u>
Noncurrent assets				
Capital assets	-	191,288	18,636	209,924
Accumulated depreciation	-	(24,895)	-	(24,895)
Capital assets	<u>-</u>	<u>166,393</u>	<u>18,636</u>	<u>185,029</u>
Total assets	<u>2,923,166</u>	<u>915,026</u>	<u>890,400</u>	<u>4,728,592</u>
LIABILITIES				
Current liabilities				
Accounts payable	19,551	-	-	19,551
Accrued claims and judgments	2,516,324	-	-	2,516,324
Total current liabilities	<u>2,535,875</u>	<u>-</u>	<u>-</u>	<u>2,535,875</u>
Noncurrent liabilities				
Advances from other funds	300,000	-	-	300,000
Accrued claims and judgments	12,999,408	-	-	12,999,408
Total liabilities	<u>15,835,283</u>	<u>-</u>	<u>-</u>	<u>15,835,283</u>
NET POSITION				
Unrestricted net position (deficit)	(12,912,117)	915,026	890,400	(11,106,691)
Total net position	<u>\$ (12,912,117)</u>	<u>\$ 915,026</u>	<u>\$ 890,400</u>	<u>\$ (11,106,691)</u>

City of El Monte
Combining Statement of Revenues, Expenses and Changes in Net Position
All Internal Service Funds
Year Ended June 30, 2018

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Operating revenues				
Interdepartmental charges	\$ 2,506,631	\$ -	\$ -	\$ 2,506,631
Total operating revenues	<u>2,506,631</u>	<u>-</u>	<u>-</u>	<u>2,506,631</u>
Operating expenses				
Claims expenses	6,449,449	-	-	6,449,449
Depreciation expense	-	24,895	-	24,895
Maintenance and supplies	-	479	-	479
Total operating expenses	<u>6,449,449</u>	<u>25,374</u>	<u>-</u>	<u>6,474,823</u>
Operating loss	(3,942,818)	(25,374)	-	(3,968,192)
Other financing sources				
Transfers in	-	100,000	100,000	200,000
Changes in net position	(3,942,818)	74,626	100,000	(3,768,192)
Net position (deficit) - beginning	<u>(8,969,299)</u>	<u>840,400</u>	<u>790,400</u>	<u>(7,338,499)</u>
Net position (deficit) - ending	<u>\$ (12,912,117)</u>	<u>\$ 915,026</u>	<u>\$ 890,400</u>	<u>\$ (11,106,691)</u>

City of El Monte
Combining Statement of Cash Flows
All Internal Service Funds
Year ended June 30, 2018

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Cash flows from operating activities				
Cash received for interfund service provided	\$ 2,531,622	\$ -	\$ -	\$ 2,531,622
Cash paid to suppliers for goods and services	<u>(4,732,311)</u>	<u>(479)</u>	<u>-</u>	<u>(4,732,790)</u>
Net cash used in operating activities	<u>(2,200,689)</u>	<u>(479)</u>	<u>-</u>	<u>(2,201,168)</u>
Cash flows from non-capital financing activities				
Transfers from other funds	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
Net cash provided by 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	<u>-</u>	<u>(104,751)</u>	<u>(18,636)</u>	<u>(123,387)</u>
Net cash used in capital and related financing activities	<u>-</u>	<u>(104,751)</u>	<u>(18,636)</u>	<u>(123,387)</u>
Change in cash and cash equivalents	(2,200,689)	(5,230)	81,364	(2,124,555)
Beginning cash and cash equivalents	<u>5,123,845</u>	<u>753,863</u>	<u>790,400</u>	<u>6,668,108</u>
Ending cash and cash equivalents	<u>\$ 2,923,156</u>	<u>\$ 748,633</u>	<u>\$ 871,764</u>	<u>\$ 4,543,553</u>
Reconciliation of operating loss to net cash provided by (used in) operating activities:				
Operating loss	\$ (3,942,818)	\$ (25,374)	\$ -	\$ (3,968,192)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	-	24,895	-	24,895
(Increase) decrease in:				
Accounts receivable	24,990	-	-	24,990
Increase (decrease):				
Accounts payable	2,407	-	-	2,407
Accrued claims and judgments	1,714,732	-	-	1,714,732
Net cash used in operating activities	<u>\$ (2,200,689)</u>	<u>\$ (479)</u>	<u>\$ -</u>	<u>\$ (2,201,168)</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.

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

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

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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.

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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

	<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>	<u>2018</u>
Governmental activities										
Net Investment in capital assets	\$ 383,169,072	\$ 382,391,198	\$382,386,047	\$ 406,191,154	\$ 408,942,772	\$ 410,145,295	\$413,506,843	\$417,936,017	\$ 428,069,299	\$ 430,694,629
Restricted	63,286,236	68,553,946	66,201,676	71,058,861	67,082,252	62,080,199	63,168,424	59,313,835	60,732,597	55,253,361
Unrestricted	<u>3,184,520</u>	<u>(3,841,062)</u>	<u>2,156,436</u>	<u>(6,986,991)</u>	<u>(9,978,137)</u>	<u>(4,728,375)</u>	<u>(131,237,522)</u>	<u>(121,391,436)</u>	<u>(119,813,615)</u>	<u>(210,559,952)</u>
Total governmental activities net position	<u>\$ 449,639,828</u>	<u>\$ 447,104,082</u>	<u>\$450,744,159</u>	<u>\$ 470,263,024</u>	<u>\$ 466,046,887</u>	<u>\$ 467,497,119</u>	<u>\$345,437,745</u>	<u>\$355,858,416</u>	<u>\$ 368,988,281</u>	<u>\$ 275,388,038</u>
Business-type activities										
Net Investment in capital assets	\$ 8,368,490	\$ 7,672,327	\$ 6,403,743	\$ 5,901,252	\$ 3,846,931	\$ 3,575,181	\$ 2,745,186	\$ 2,641,756	\$ 4,271,724	\$ 6,511,640
Restricted	403,419	411,743	403,419	623,422	403,422	403,422	403,445	403,506	404,024	403,491
Unrestricted	<u>5,745,421</u>	<u>7,010,143</u>	<u>7,977,221</u>	<u>7,959,707</u>	<u>9,687,539</u>	<u>10,348,805</u>	<u>3,936,053</u>	<u>4,925,832</u>	<u>3,456,244</u>	<u>(2,083,741)</u>
Total business-type activities net position	<u>\$ 14,517,330</u>	<u>\$ 15,094,213</u>	<u>\$ 14,784,383</u>	<u>\$ 14,484,381</u>	<u>\$ 13,937,892</u>	<u>\$ 14,327,408</u>	<u>\$ 7,084,684</u>	<u>\$ 7,971,094</u>	<u>\$ 8,131,992</u>	<u>\$ 4,831,390</u>
Primary government										
Net Investment in capital assets	\$ 391,537,562	\$ 390,063,525	\$388,789,790	\$ 412,092,406	\$ 412,789,703	\$ 413,720,476	\$416,252,029	\$420,577,773	\$ 432,341,023	\$ 437,206,269
Restricted	63,689,655	68,965,689	66,605,095	71,682,283	67,485,674	62,483,621	63,571,869	59,717,341	61,136,621	55,656,852
Unrestricted	<u>8,929,941</u>	<u>3,169,081</u>	<u>10,133,657</u>	<u>972,716</u>	<u>(290,598)</u>	<u>5,620,430</u>	<u>(127,301,469)</u>	<u>(116,465,604)</u>	<u>(116,357,371)</u>	<u>(212,643,693)</u>
Total primary government net position	<u>\$ 464,157,158</u>	<u>\$ 462,198,295</u>	<u>\$465,528,542</u>	<u>\$ 484,747,405</u>	<u>\$ 479,984,779</u>	<u>\$ 481,824,527</u>	<u>\$352,522,429</u>	<u>\$363,829,510</u>	<u>\$ 377,120,273</u>	<u>\$ 280,219,428</u>

2009 restated for Effect of Prior Period adjustment in 2010

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.

The City of El Monte implemented GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB) for the fiscal year ended June 30, 2018.

Source: Finance Department, City of El Monte

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental activities:										
General government	\$ 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	\$ 33,049,702
Public safety	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	41,819,319
Parks, recreation, and cultural	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	4,839,794
Public works	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	22,457,132
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	3,526,468
Interest on long-term debt and issue costs	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	1,840,106
Total governmental activities expenses	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	107,532,521
Business-type activities:										
Water authority and sewer fund	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	6,584,282
Total business-type activities expenses	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	6,584,282
Total primary government expenses	\$ 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	\$ 114,116,803
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,983,176	\$ 2,114,853	\$ 3,139,208	\$ 2,660,459	\$ 417,889	\$ 377,054	\$ 349,516	\$ 378,402	\$ 326,524	\$ 421,440
Public safety	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	1,082,746
Community development	1,179,197	-	-	-	-	-	-	-	-	-
Parks, recreation, and cultural	485,483	3,228,325	828,110	899,689	1,337,638	505,314	1,213,806	1,150,647	1,374,211	979,217
Public works	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	1,592,969
Economic development	-	-	3,368,408	3,668,748	1,743,141	2,198,057	1,819,589	3,394,330	3,458,458	3,809,550
Operating grants and contributions	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	9,634,788
Capital grants and contributions	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	2,259,303
Total governmental activities program revenues	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	19,780,013
Business-type activities:										
Charges for services:										
Water authority and sewer fund	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	7,916,503
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	3,103,221	6,454,284	6,849,948	6,598,469	6,342,693	6,641,494	6,836,491	6,876,895	6,408,015	7,916,503
Total primary government program revenues	\$ 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	\$ 27,696,516
Net (expense) revenue										
Governmental activities	\$(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)	\$(87,752,508)
Business-type activities	(96,470)	472,127	36,295	398,342	(155,723)	638,349	794,630	919,215	157,732	1,332,221
Total primary government net expense	\$(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)	\$(86,420,287)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes, levied for general purposes	\$ 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	\$ 30,744,183
Transient occupancy taxes	306,710	273,128	266,460	277,629	298,784	318,023	379,991	419,552	475,614	819,545
Sales taxes	12,819,325	13,482,687	18,365,147	19,908,564	21,908,497	22,812,015	23,527,026	25,864,884	25,478,114	26,818,074
Franchise taxes	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	3,770,535
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	2,725,845
Utility user taxes	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	6,644,912
Other taxes	2,145,353	2,080,476	496,829	403,452	508,683	608,814	587,024	681,879	729,201	1,420,683
Intergovernmental, unrestricted:										
Motor vehicle in-lieu	362,920	373,048	406,053	328,956	64,828	53,652	51,826	46,713	51,019	60,149
Use of money and property	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	1,681,735
Gain on sale of assets	-	-	-	-	-	-	-	-	-	1,203,448
Other	324,017	92,990	269,038	341,432	597,391	1,581,528	3,085,984	1,421,951	1,920,584	2,182,083
Special item	-	-	(864,036)	-	(929,376)	509,360	181,143	98,088	(123,407)	(150,512)
Transfers	-	-	200,000	283,612	200,000	296,273	100,000	1,265,708	12,136,205	100,000
Total governmental activities	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	78,020,680
Business-type activities:										
Property taxes, levied for general purposes	-	-	-	-	-	-	-	-	-	-
Investment earnings	57,847	60,528	53,387	25,894	42,639	47,440	43,243	60,936	73,603	143,255
Other	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)	(100,000)
Total business-type activities	60,700	69,261	(60,997)	(237,437)	40,569	(248,833)	(56,615)	(32,805)	3,166	43,255
Total primary program	\$ 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	\$ 78,063,935
Change in Net Position										
Governmental activities	\$ (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	\$ (9,731,828)
Business-type activities	(35,770)	541,388	(24,702)	160,905	(115,154)	389,516	738,015	886,410	160,898	1,375,476
Total primary government program	\$ (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	\$ (8,356,352)

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>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>	<u>2018</u>
General Fund										
Reserved	\$ 56,247,468	\$ 102,055,636								
Unreserved	<u>1,100,064</u>	<u>4,160,710</u>								
Total general fund	<u>\$ 57,347,532</u>	<u>\$ 106,216,346</u>								
All other governmental funds										
Reserved	\$ 26,364,717	\$ 26,280,794								
Unreserved, reported in:										
Special revenue funds	26,288,132	27,665,852								
Debt service funds	3,307,179	8,757,158								
Capital projects funds	<u>(61,031,642)</u>	<u>(95,571,019)</u>								
Total all other governmental funds	<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	\$20,194,593
Restricted			-	-	-	501,994	370,531	524,431	508,609	494,652
Assigned			-	-	-	9,100,000	18,673,000	19,476,714	21,756,795	19,655,898
Unassigned			<u>8,440,216</u>	<u>8,644,339</u>	<u>11,469,215</u>	<u>3,280,429</u>	<u>1,653,074</u>	<u>5,605,880</u>	<u>1,757,121</u>	<u>-</u>
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>	<u>40,345,143</u>
All other governmental funds										
Nonspendable			13,525	4,327	-	54,611	29,667	5,065	10,638	-
Restricted										
Special revenue funds			40,764,700	53,485,668	54,336,711	58,241,106	59,179,911	56,306,497	56,903,361	53,491,802
Capital projects funds			20,786,130	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	1,277,033
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>	<u>(1,189,197)</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>	<u>53,579,638</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>	<u>\$93,924,781</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

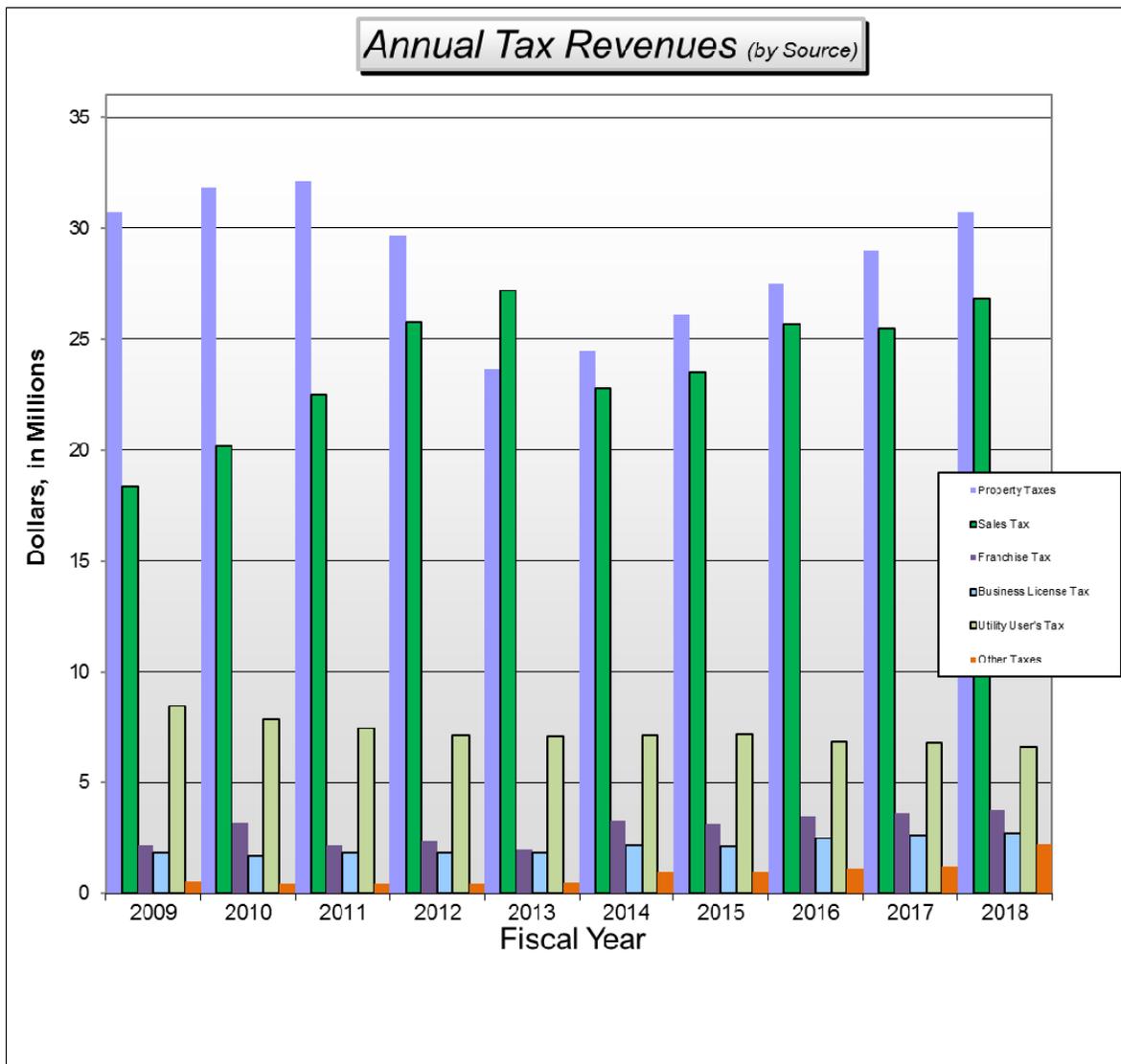
City of El Monte
Table 5 - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

	<u>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>	<u>2018</u>
Revenues										
Taxes	\$ 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	\$ 76,173,496
Licenses and permits	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	1,693,143
Intergovernmental	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	6,886,969
Charges for services	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	5,203,643
Use of money and property	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	1,646,087
Fines and forfeitures	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	1,230,538
Contributions	494,993	203,687	193,006	199,637	181,140	89,920	405,663	610,934	674,085	471,462
Miscellaneous	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	2,870,370
Net change in fair value of investments	-	-	-	-	(929,376)	509,360	181,143	98,088	(123,407)	(150,512)
Total revenues	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	96,025,196
Expenditures										
Current:										
General government	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	26,515,656
Public safety	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	40,060,785
Parks, recreation and cultural	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	4,627,936
Public works	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	17,588,228
Economic development	-	-	3,703,687	3,431,716	3,984,763	5,430,664	2,694,122	1,740,963	2,022,309	3,416,404
Capital outlay	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	7,852,892
Debt Service:										
Principal retirement	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	3,440,000
Interest and fiscal charges	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	1,776,691
Bond issuance cost	-	-	908,543	-	-	166,147	-	-	-	-
Total expenditures	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	105,278,592
Revenues over (under) expenditures	(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)	(9,253,396)
Other Financing Sources (Uses)										
Transfers in	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	4,404,818
Transfers out	(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)	(4,504,818)
Refunding bonds issued	-	-	-	-	-	4,803,723	-	-	-	-
Notes and loans issued	-	450,082	-	-	-	-	-	-	-	-
Proceeds from sale of land held for resale	-	-	-	-	300,000	-	-	-	-	-
Other debts issued	-	-	19,255,000	10,000,000	-	(4,372,671)	-	-	-	-
Proceeds from sale of capital assets	19,499	-	-	-	-	-	-	-	-	-
Miscellaneous	-	(70,593)	(894,193)	-	-	-	-	1,165,708	12,036,205	-
Net other financing sources (uses)	19,499	379,489	18,310,807	9,983,612	200,000	536,925	(90,400)	1,065,708	11,936,205	(100,000)
Change in fund balances	\$ (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	\$ (9,353,396)
Debt service as a percentage of noncapital expenditures	8.46%	9.77%	4.71%	6.67%	5.54%	5.51%	5.72%	6.76%	15.02%	5.19%

Source: Finance Department, City of El Monte

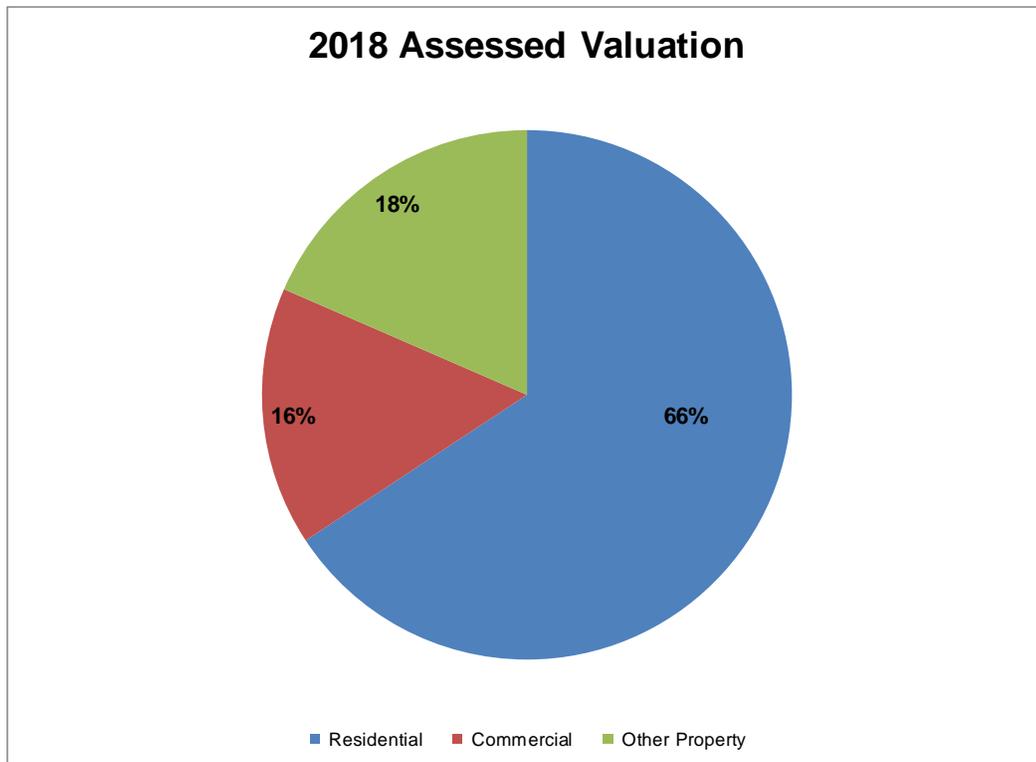
City of El Monte
Table 6 - Tax Revenues by Source - Governmental Activities
Last Ten Fiscal Years

Fiscal Year	Property Taxes	Sales Tax	Franchise Tax	Business License Tax	Utility User's Tax	Other Taxes	Total
2009	\$ 30,732,496	\$18,384,471	\$ 2,163,859	\$ 1,867,774	\$ 8,477,622	\$ 514,218	\$62,140,440
2010	31,838,003	20,166,807	3,183,144	1,726,195	7,850,115	429,525	65,193,789
2011	32,111,760	22,508,705	2,172,957	1,874,218	7,436,906	419,768	66,524,314
2012	29,669,759	25,752,700	2,361,886	1,861,976	7,129,350	418,463	67,194,134
2013	23,639,094	27,212,202	2,008,816	1,866,412	7,087,818	463,191	62,277,533
2014	24,509,692	22,812,015	3,284,097	2,183,836	7,134,428	980,489	60,904,557
2015	26,099,320	23,527,026	3,138,337	2,110,351	7,177,685	967,015	63,019,734
2016	27,532,723	25,664,884	3,474,799	2,501,208	6,869,855	1,101,431	67,144,900
2017	28,984,080	25,478,114	3,623,293	2,644,494	6,824,008	1,204,815	68,758,804
2018	30,744,183	26,818,074	3,770,535	2,725,845	6,644,912	2,240,228	72,943,777



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				
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	1,022,161,177	(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
2018	5,001,077,169	1,202,655,929	1,405,155,859	204,663,986	7,404,224,971	0.24776%	7,404,224,971



(1) Assessed Value is equal to Estimated Taxable Value and Actual Value
Source: HdL Coren & Cone, Los Angeles County Assessor 2017/18 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	
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
2018	1.000	0.150	1.150	0.000000	0.000000	0.035670	0.396080	0.003500	0.435250	1.585250

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 2008/09 - 2017/18 Tax Rate Table

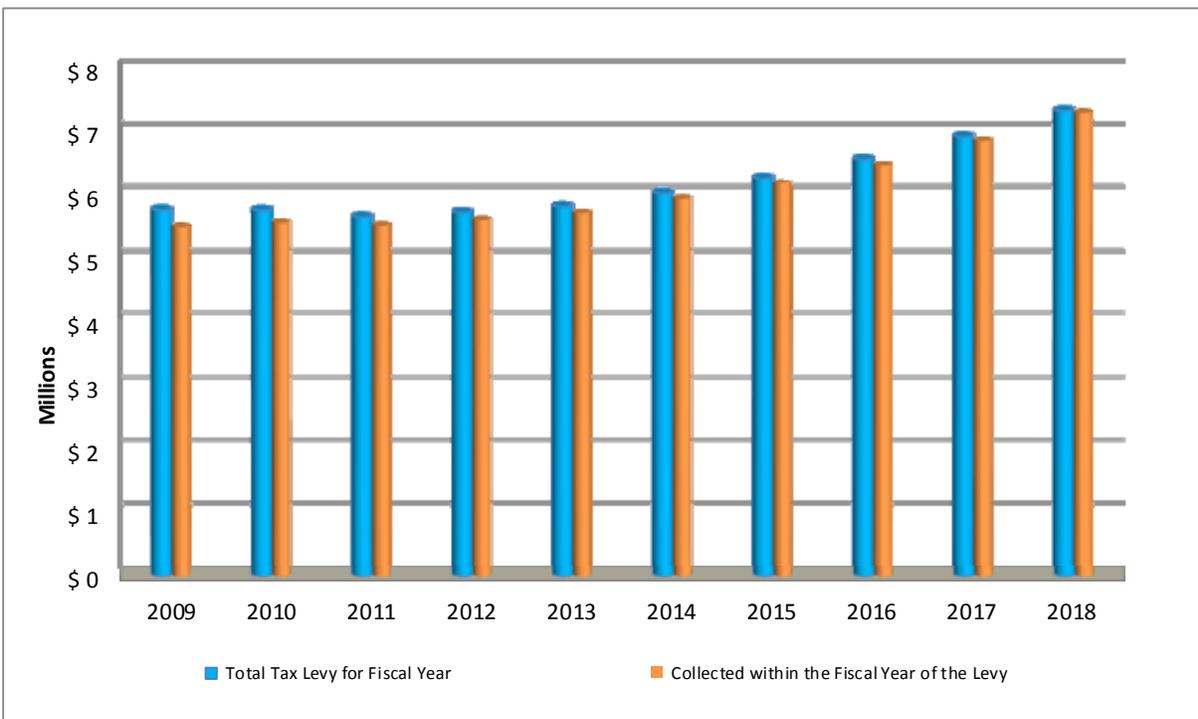
City of El Monte
Table 9 - Principal Property Taxpayers
Current year and Ten Years Ago

Taxpayer	2018			2008		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value
	Value (USD)			Value (USD)		
Vons Companies Inc.	\$ 125,743,325	1	1.70 %	\$ 78,243,780	1	1.39 %
MGP El Monte Center, LLC	86,190,000	2	1.16 %			
Gill Properties LLC	53,257,431	3	0.72 %			
Wells Fargo Bank	44,234,595	4	0.60 %	37,707,033	2	0.67 %
Penske Realty Inc.	41,264,139	5	0.56 %	36,422,000	3	0.65 %
Multi Investment Associates	37,840,937	6	0.51 %	29,171,888	7	0.52 %
Telstar Investments LLC	36,478,594	7	0.49 %			
Cathay Bank	27,471,989	8	0.37 %			
PI Properties No 66	27,130,715	9	0.37 %			
Pace Center LLC	26,066,451	10	0.35 %			
KM El Monte Investors LLC				29,171,888	6	0.52 %
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	6,898,546,795		93.17 %	5,351,877,065		95.24 %
Totals	\$ 7,404,224,971		96.41 %	\$ 5,619,559,275		100.01 %

Source: HdL Coren & Cone, Los Angeles County Assessor 2017/18 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
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 %
2018	7,307,999	7,274,549	99.54 %	11,699	7,286,248	99.70 %



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 Activities				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	Unamortized bond discount / premium	Revenue Bonds	Capital Leases	Notes Payable	Unamortized bond discount / premium			
2009	\$ -	\$ 7,285,000	\$ 28,670,000	\$ 9,658,620	\$ 446,782	\$ (1,112,474)	\$ 18,225,000	\$ 18,590,759	\$ -	\$ (721,426)	\$ 81,042,261	5.25%	648
2010	-	5,930,000	27,975,000	8,977,527	422,810	(1,045,128)	17,430,000	18,590,759	-	(693,504)	77,587,464	5.11%	617
2011	19,255,000	5,930,000	27,250,000	9,427,527	397,449	(1,586,927)	17,430,000	18,390,759	-	(665,582)	95,828,226	5.61%	758
2012	29,065,000	5,205,000	-	7,621,000	370,617	(633,172)	17,010,000	18,390,759	-	(637,660)	76,391,544	4.69%	671
2013	28,755,000	4,435,000	-	7,399,000	342,230	(607,322)	16,570,000	18,390,759	-	(609,738)	74,674,929	4.54%	653
2014	28,430,000	3,920,000	-	6,843,000	312,197	(468,812)	16,120,000	17,977,364	-	(581,816)	72,551,933	4.31%	631
2015	28,090,000	3,125,000	-	6,252,000	280,423	(459,009)	15,655,000	17,977,364	-	95,381	71,016,159	4.21%	617
2016	27,730,000	2,170,000	-	4,389,000	-	(451,859)	15,170,000	17,977,364	1,000,000	90,834	68,075,339	3.94%	598
2017	17,355,000	1,335,000	-	4,279,000	-	(444,709)	14,665,000	17,977,364	815,483	87,189	56,069,327	3.17%	491
2018	16,960,000	470,000	-	1,949,000	-	(328,843)	14,140,000	17,977,364	-	82,456	51,249,977	2.84%	437

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, 2018

	Gross Bonded Debt Balance	Percent Applicable to City (1)	Net Bonded Debt (2)
Direct Debt:			
Certificates of Participation, Lease Revenue Bonds and Notes Payable	\$ 19,010,805	100.000	\$ 19,010,805
Total Direct Debt			<u>19,010,805</u>
Overlapping Debt:			
Metropolitan Water District	\$ 29,354,442	0.558	\$ 163,798
El Monte School District 2004 Series B	1,209,988	63.026	762,607
El Monte City SD DS 2004 Series D (2009)	1,425,000	63.026	898,121
El Monte School District 2008 Series A-1 BABS	5,998,159	63.026	3,780,400
El Monte School District 2012 Refunding Bonds	8,891,434	63.026	5,603,915
El Monte School District 2014 Series A	10,755,000	63.026	6,778,446
El Monte School District 2015 Series A	53,615,000	63.026	33,791,390
El Monte School District 2014 Series B	9,605,000	63.026	6,053,647
El Monte School District 2017 Refunding Bond Series A	22,350,000	63.026	14,086,311
Mountain View School District 2016 Series A	18,000,000	72.835	13,110,300
Rosemead School District DS 2007 Series D	230,000	15.925	36,628
Rosemead School District DS 2008 Series A	420,000	15.925	66,885
Rosemead School District DS 2011 Refunding Bonds	6,780,000	15.925	1,079,715
Rosemead School District DS 2012 Refunding Bonds	5,205,000	15.925	828,896
Rosemead School District DS 2008 Series T 1	7,821,503	15.925	1,245,574
Rosemead School District DS 2014 Refunding Bonds	5,770,000	15.925	918,873
Rosemead School District DS 2016 Refunding Bonds	12,395,000	15.925	1,973,904
Rosemead School District DS 2008 Series C	1,800,000	15.925	286,650
Rosemead School District DS 2014 Series A	7,980,000	15.925	1,270,815
El Monte Union High School District DS 2008 Series A	617,055	52.730	325,373
El Monte Union High School District DS 2008 Series B	30,118,828	52.730	15,881,658
El Monte Union High School District DS 2015 Refunding	26,125,000	52.730	13,775,713
El Monte Union High School District DS 2016 Refunding	17,110,000	52.730	9,022,103
El Monte Union High School District DS 2008 Series C	52,990,000	52.730	27,941,627
El Monte Union High School District DS 2016 Ref Bonds	10,895,098	52.730	5,744,985
Pasadena CCD DS 2002, 2006 SERIES D	3,595,000	1.956	70,318
Pasadena CCD 2002, 2009 SERIES E (BABS)	25,295,000	1.956	494,770
Pasadena CCD DS2014 Refunding Series A	15,325,000	1.956	299,757
Pasadena CCD DS2016 Refunding Series A	32,900,000	1.956	643,524
Rio Hondo CCD DS 2005 Refunding Bonds	31,650,000	15.704	4,970,316
Rio Hondo CCD DS 2004 Series 2008	116,557,824	15.704	18,304,241
Total - Overlapping Debt	<u>\$ 572,784,331</u>		<u>\$ 190,211,260</u>
Grand Total Direct and Overlapping Debt			<u>\$ 209,222,065</u>

2017/18 Assessed Valuation: **\$ 6,381,913,134.00 after deducting \$1,005,539,291 Incremental Value.**

Debt to Assessed Valuation Ratios:

Direct debt	0.30%
Overlapping Debt	2.98%
Total Debt	3.28%

(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 2018

Assessed value	\$ 7,404,224,971
Debt limit (15% of assessed value)	1,110,633,746
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	<u>1,110,633,746</u>
Legal debt margin	<u>\$ 1,110,633,746</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>
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%
2018	1,110,633,746	-	1,110,633,746	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	
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	2,343,925	1,985,876	505,000	724,070	1.62	
2018	4,447,777	404,024	2,383,412	2,468,389	525,000	681,983	2.05	

Tax Allocation Bonds				
Fiscal Year	Tax Increment	Principal	Interest	Coverage
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	-	-	-	
2017	-	-	-	
2018	-	-	-	

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

Expenditures do not include interest, depreciation or amortization expense

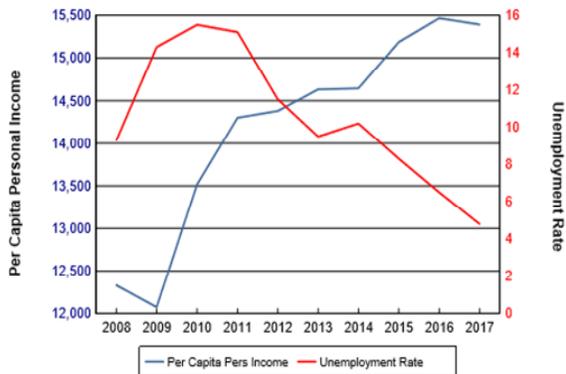
Source: Finance Department, City of El Monte

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

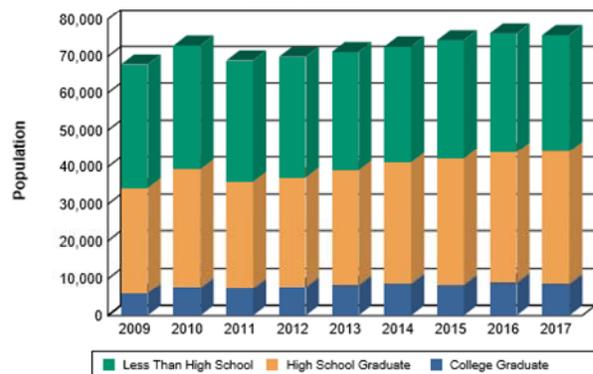
City of El Monte
Table 15 - Demographic and Economic Statistics
Last Ten Fiscal Years

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
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%
2017	117,204	\$1,804,044	\$15,392	23,886	4.80%	35.4	58.4%	11.4%

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.

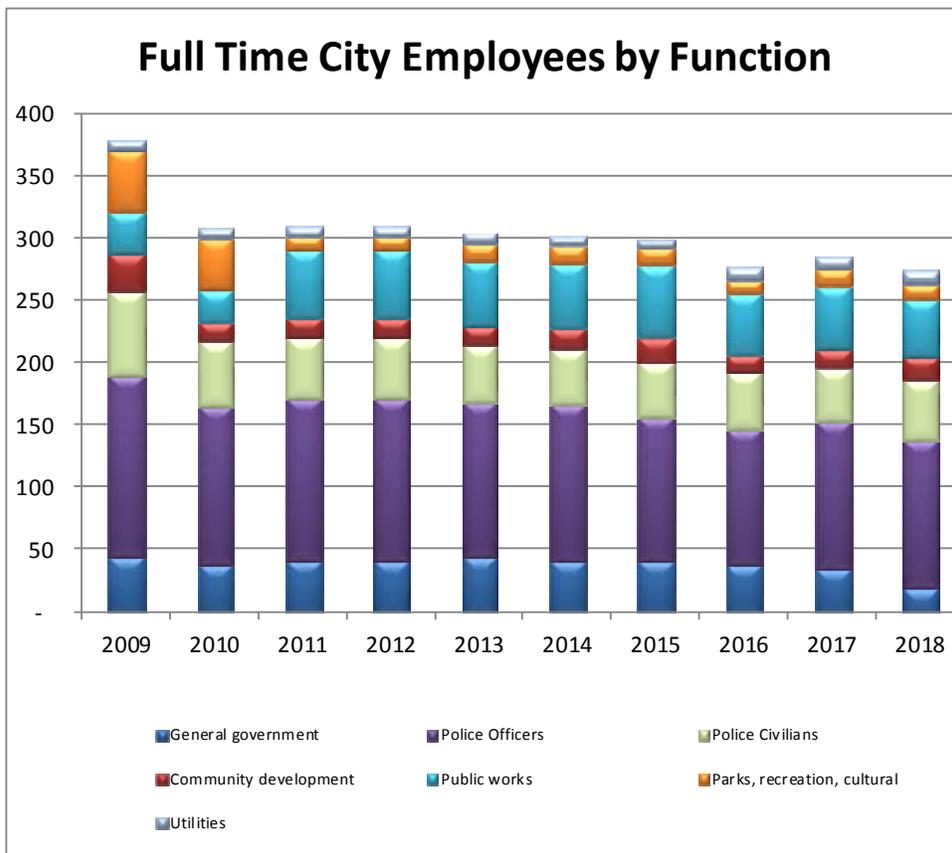
City of El Monte
Table 16 - Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment	Rank
El Monte City Elementary School District	1500	3.119%	1			
El Monte Union High School District	1400	2.911%	2	1742	2.132%	2
Moutain View Elementary School District	1000	2.079%	3	1007	1.232%	3
Longo -Toyota-Lexus-Scion	840	1.746%	4	600	0.734%	5
City of El Monte	505	1.050%	5	526	0.644%	6
McGill Corporation	460	0.956%	6	250	0.306%	7
Staffing Solutions	266	0.553%	7			
Asian Pacific Health Care Veture Inc.	260	0.541%	8			
The Home Depot	244	0.507%	9			
Sam's Club	203	0.422%	10			
Wells Fargo Bank				1800	2.203%	1
Vons Co. Inc.				736	0.901%	4
Drftwood Dairy				250	0.306%	8
Cathay Bank				250	0.306%	9
McConnell Cabinets				57	0.070%	10
Total	6,678	13.884%		7,218	8.834%	
Total Employment	48,097	100%		81,707		

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

City of El Monte
Table 17 - Full-time Equivalent City Employees by Function / Program
Last Ten 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>	<u>2018</u>
General government	44	39	42	42	44	41	41	39	36	20
<u>Public Safety</u>										
Police Officers	145	126	129	129	125	126	116	108	118	118
Police Civilians	69	53	50	50	46	45	43	45	42	48
Community development	29	15	16	16	15	17	22	16	16	20
Public works	35	26	53	53	52	51	56	48	50	46
Parks, recreation, cultural	48	41	12	12	14	14	14	11	13	12
Utilities	9	9	9	9	9	7	7	10	10	10
Total full-time equivalent positions	<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>	<u>274</u>



Source: Finance Department, City of El Monte

City of El Monte
Table 18 - Operating Indicators by Function / Program
Last Ten 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>	<u>2018</u>
Police Department										
Physical arrests	3,741	3,128	3,126	3,103	3,272	3,370	3,398	3,443	3,269	3,629
Parking violations	26,716	18,686	20,893	18,885	17,719	12,230	17,126	15,374	13,214	15,482
Moving violations	13,914	11,384	12,454	4,682	4,476	4,122	4,129	2,802	2,918	3,696
Water Department										
Total number of customers	22,828	22,722	22,722	22,700	22,968	23,760	22,968	23,653	23,405	22,732
Average daily consumption	23,400	20,900	20,900	20,900	20,900	20,840	18,507	16,275	16,932	17,570
Total active domestic service connections	3,445	3,525	3,536	3,554	3,557	3,578	3,544	3,453	3,575	3,560
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	1,968

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 Ten Fiscal Years

Function	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police										
Number of Police Stations	1	1	1	1	1	1	1	1	1	1
Number of Police Motor Vehicles	87	97	109	95+	95+	97	93	94	101	100
Fire										
Number of Fire Stations	4	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	151.65
Streetlights	4,500	4,500	4,500	4,500	4,784	4,784	4,784	4,799	4,785	4,785
Traffic signals	73	76	76	76	81	82	84	85	82	82
Culture and recreation										
Parks acreage	50	51	51	51	51	51	39.8	39.8	39.8	39.8
Parks	9	10	10	10	10	10	9	9	9	9
Ball diamonds	6	6	6	6	6	6	4	4	4	4
Basketball courts	5	5	5	5	5	5	5	5	5	5
Craft/Activity buildings	3	4	4	4	4	4	4	4	4	4
Gymnasium	1	1	1	1	1	1	1	1	1	1
Swimming pools	8	7	7	7	7	7	6	6	4	4
Community centers	6	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	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	5.8

Source: Various departments, City of El Monte

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Service connection fee - 1 inch meter	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 3,000
Monthly Service Charge										
Meter Size										
0 - 75 units ⁽¹⁾	\$ 0.1567	\$ 0.1567	\$ 0.1567	\$ 0.1567	\$ 0.1567	\$ 0.1567				
over 75 units	0.2384	0.2384	0.2384	0.2384	0.2384	0.2384				
0 - 125 units							0.1950	0.2140	0.2340	0.2560
over 125 units							0.3380	0.3700	0.4050	0.4440
- Domestic Service										
Meter Size										
5/8 "	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 17.3300	\$ 18.9800	\$ 20.7800	\$ 22.7500
1.0 "	28.9100	28.9100	28.9100	28.9100	28.9100	28.9100	37.5800	41.1500	45.0600	49.3400
1.5 "	57.8100	57.8100	57.8100	57.8100	57.8100	57.8100	75.1500	82.2900	90.1100	98.6700
2.0 "	92.6400	92.6400	92.6400	92.6400	92.6400	92.6400	120.4300	131.8700	144.4000	158.1200
3.0 "	173.3900	173.3900	173.3900	173.3900	173.3900	173.3900	225.4100	246.8200	270.2700	295.9400
4.0 "	289.0000	289.0000	289.0000	289.0000	289.0000	289.0000	375.7000	411.3900	450.4700	493.2700
6.0 "	577.9800	577.9800	577.9800	577.9800	577.9800	577.9800	751.3700	822.7500	900.9200	986.5000
8.0 "	924.7500	924.7500	924.7500	924.7500	924.7500	924.7500	1,202.1800	1,316.3800	1,441.4400	1,578.3700
10.0 "	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	2,268.9300
- Fire Service										
Meter Size										
2.0 "	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.6100	\$ 41.1900	\$ 45.1000	\$ 49.3800
3.0 "	69.4300	69.4300	69.4300	69.4300	69.4300	69.4300	70.4600	77.1600	84.4900	92.5100
4.0 "	115.7200	115.7200	115.7200	115.7200	115.7200	115.7200	117.4400	128.6000	140.8100	154.1900
6.0 "	220.6600	220.6600	220.6600	220.6600	220.6600	220.6600	223.9300	245.2000	268.4900	294.0000
8.0 "	370.3100	370.3100	370.3100	370.3100	370.3100	370.3100	375.8000	411.5100	450.6000	493.4100
10.0 "	534.1100	534.1100	534.1100	534.1100	534.1100	534.1100	542.0300	593.5200	649.9000	711.6400

⁽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	2018			2009		
	Total Revenue	Percentage of Total Water Revenue	Rank	Total Revenue	Percentage of Total Water Revenue	Rank
Driftwood Dairy	\$ 68,523	1.58 %	1	\$ 37,335	1.25 %	3
LA County Metropolitan Transportation Authority - Access Svcs	59,788	1.38 %	2	52,184	1.75 %	2
Los Angeles County Location 2 - Superior Court	41,736	0.96 %	3			
JDH Investments LLC	35,626	0.82 %	4			
El Monte Housing - Gateway Apts	32,539	0.75 %	5			
Mike Nijjar	31,659	0.73 %	6	22,499	0.75 %	7
Los Angeles County Location 1 - Health Center	30,790	0.71 %	7	20,914	0.70 %	8
LA County Metropolitan Transportation Authority - Bus Station	28,990	0.67 %	8			
TDF-LP	28,147	0.65 %	9			
El Monte Union High School District	26,976	0.62 %	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>3,944,502</u>	<u>91.11 %</u>		<u>2,682,818</u>	<u>89.86 %</u>	
Total Water Sales and Service Revenue	<u>\$ 4,329,276</u>	100.00 %		<u>\$2,985,694</u>	68.97 %	

Source: Finance Department, City of El Monte



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