



CITY OF EL MONTE



COMPREHENSIVE ANNUAL FINANCIAL REPORT



For Year Ended June 30, 2014

**Comprehensive Annual Financial Report
City of El Monte, California
Year ended June 30, 2014
With Report of Independent Auditors**

Prepared by: Finance Department

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CITY OF EL MONTE

CITY MANAGER'S OFFICE

Raúl Godínez II
City Manager

Jesus M. Gomez
Assistant City Manager

Gabriel A. Gonzalez
Assistant City Manager

December 29, 2014

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, 2014. This report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation rests with the City. These financial statements have been designed and presented in a manner that enhances your understanding of the City's financial position and activities.

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

The City of El Monte's financial statements have been audited by the independent certified public accounting firm of Vasquez & Company. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of El Monte for the fiscal year ended June 30, 2014 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.

Vasquez & Company, the City's auditor, have issued an unmodified, or "clean", opinion on the City's financial statements as management continued to address and improve key areas during the past year and the Finance Department has made significant progress in its accounting processes and procedures.

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.

The CAFR is comprised of three major sections: The introductory section, the financial statements, and the statistical section. The introductory section includes the letter of transmittal and the organizational chart of the City and its elected officials. The financial statements comprise of the MD&A, the government-wide financial statements (Statement of Net Assets and Statement of Activities) and the fund financial statements (the Balance Sheets, the Statements of Revenues, Expenditures/Expenses and Changes in Fund Balances/Net Assets). Additional details are described in the attached Notes to the Financial Statements. This section also includes the Independent Auditors' Report. Finally, the Statistical Section provides financial trend information based on the information presented in this and prior years' annual reports as well as demographic information about the City.

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 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.

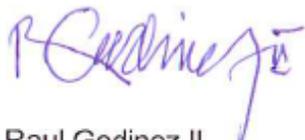
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement in Financial Reporting to the City of El Monte for its Comprehensive Annual Financial Report for the year ended June 30, 2013. This was the first year in many that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,

Sincerely,



Raul Godinez II
City Manager

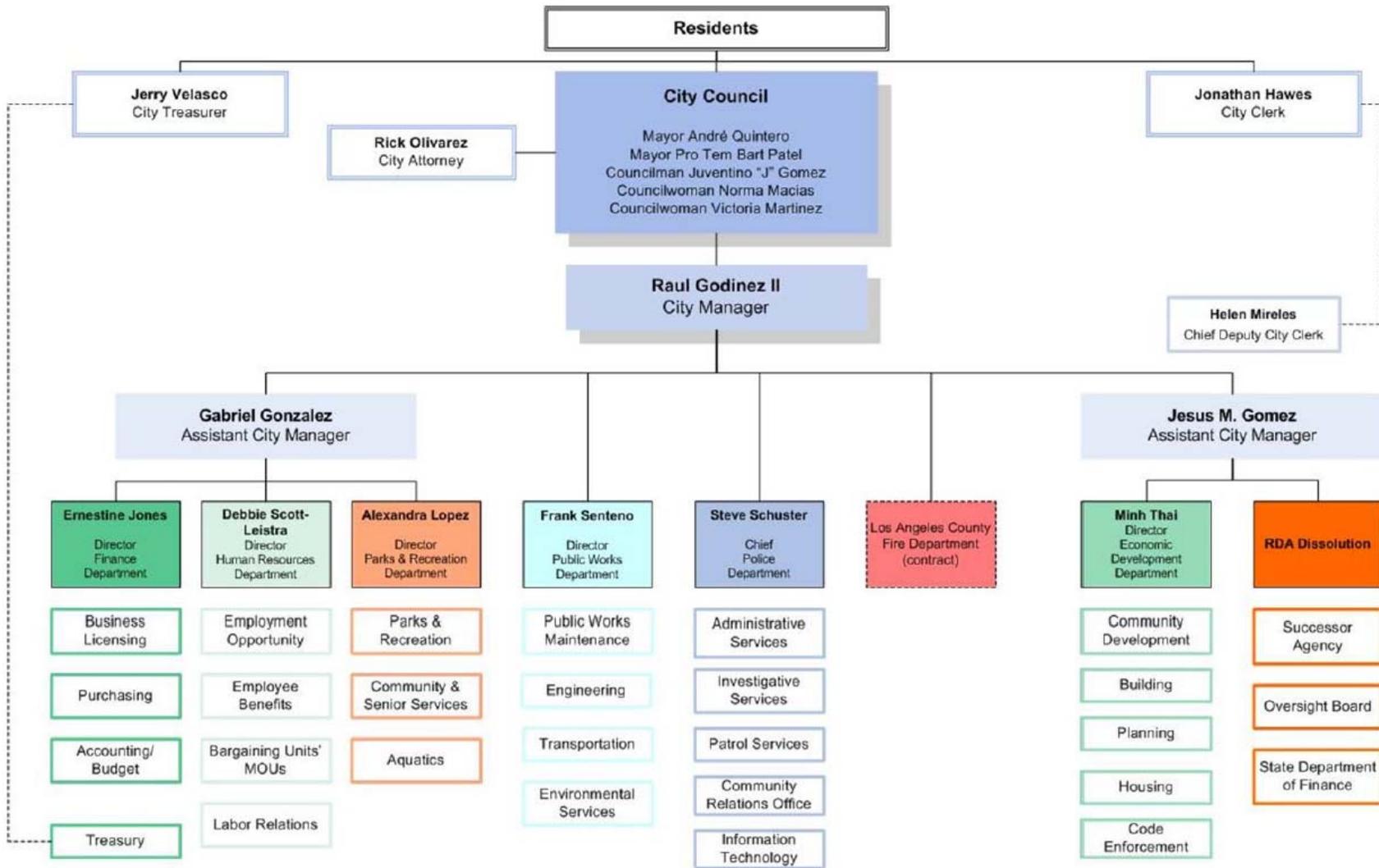
CITY OF EL MONTE

ELECTED OFFICIALS

MAYOR ANDRE QUINTERO
MAYOR PRO-TEM B. BART PATEL
COUNCILMAN JUVENTINO “J” GOMEZ
COUNCILWOMAN NORMA MACIAS
COUNCILWOMAN VICTORIA “VICKY” MARTINEZ
CITY TREASURER JERRY VELASCO
CITY CLERK JONATHAN HAWES

ADMINISTRATIVE STAFF

CITY MANAGER RAÚL GODINEZ II
ASSISTANT CITY MANAGER JESUS M. GOMEZ
ASSISTANT CITY MANAGER GABRIEL GONZALEZ
POLICE CHIEF STEVE SCHUSTER
FINANCE DIRECTOR ERNESTINE JONES
DIRECTOR OF PUBLIC WORKS FRANK SENTENO
ECONOMIC DEVELOPMENT DIRECTOR MINH THAI
COMMUNITY SERVICES DIRECTOR ALEXANDRA LOPEZ
HUMAN RESOURCES DIRECTOR DEBORAH SCOTT- LEISTRA





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, 2013

Executive Director/CEO

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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, 2014, and the related notes to financial statements which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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



Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of El Monte, California, as of June 30, 2014, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and budgetary comparison information and funded status of pension and other postemployment benefit plans on pages 83 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining and individual nonmajor fund financial statements, budgetary comparison schedules on pages 92 through 141, and internal service funds financial statements 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 on pages 92 through 141, and internal service funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2014, 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of El Monte's internal control over financial reporting and compliance.

Vasquez + Company LLP

**Los Angeles, California
December 29, 2014**

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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, 2014. 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
- Unqualified 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 2013-14 by \$481.8 million. The City's total net position increased by \$1.4 million over fiscal year 2012-13.
- During the year, the City had revenues that were \$1.0 million greater than the \$85.7 million in expenses recorded by the City in its governmental activities.
- In fiscal year 2013-2014, the City's business-type activities (water and sewer) expenses exceeded revenues by \$390 thousand. A total of \$6.0 million in expenses was 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 the Management's Discussion and Analysis (MD&A). Additional details are described in the Notes to the Financial Statements. Finally, the statistical section provides financial trend information based on the information presented in this fiscal year and prior years' annual reports as well as demographic information about the City.

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

REPORTING THE CITY AS A WHOLE

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

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

Statement of Net Position (Balance Sheet) presents information on all of the City's assets, liabilities and deferred inflows and outflows. Deferred inflows are defined as the acquisition of net assets applicable to a future reporting period while deferred outflows are defined as the consumption of net assets applicable to a future reporting period. The difference between net assets plus deferred outflows less liabilities and deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Statement of Activities (Income Statement) provides a snapshot of the City's annual operating revenues and expenses and the impact of net operating income (deficit) on the Net Position of the City. Revenues include property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies and other revenues that finance the City's activities. The Statement of Activities covers all of the current year's revenues and expenses taken into account regardless of when cash is received or paid. Net

position is the difference between assets plus deferred outflows and liabilities plus deferred outflows, which is one way to measure the City's financial health or financial position.

We separate the City's activities into two main activities: Governmental Activities and Business-type Activities

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

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

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

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

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

Governmental Funds

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

Proprietary Funds

- Water Fund
- Sewer Fund
- Self-Insurance Fund

Fiduciary Funds

- SEIU Retiree Medical Insurance Fund
- Successor Agency to the Dissolved El Monte Redevelopment Agency

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financial decisions.

Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between **governmental funds** and **governmental activities**.

Proprietary Funds. Proprietary Funds are funds that charge customers for the services that they provide. These include the City's business-type activities: Water Authority and the Sewer Fund, plus the City's Internal Service Fund (i.e., Self-Insurance Funds for General Liability and Worker's Compensation Costs). Proprietary Funds are reported on 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 assets may serve over time as a useful indicator of a government's financial position. When compared to the prior year, the City's combined balance sheet (net position) for this fiscal year increased by \$1.4 million from \$480.0 million to \$481.8 million, as summarized in Table 1 below. This change is primarily reflected in the cash and other (non-capital) assets which increased due to notes receivable relative to the City's Gateway Project and advances to the Successor Agency.

The largest portion of the City's net position at June 30, 2014 (\$414 million or 86% 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.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2014

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
ASSETS						
Cash and other assets	\$ 129,167	\$ 119,829	\$ 11,451	\$ 10,730	\$ 140,618	\$ 130,559
Capital assets net of accumulated depreciation	442,309	441,868	37,772	38,912	480,081	480,780
Total assets	<u>571,475</u>	<u>561,697</u>	<u>49,224</u>	<u>49,642</u>	<u>620,699</u>	<u>611,339</u>
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on defeasance of debt	30	-	682	714	712	714
Total deferred outflows of resources	<u>30</u>	<u>-</u>	<u>682</u>	<u>714</u>	<u>712</u>	<u>714</u>
LIABILITIES						
Current and other liabilities	26,541	19,225	18,956	19,338	45,497	38,563
Long-term liabilities	77,467	75,941	16,622	17,080	94,089	93,021
Total liabilities	<u>104,008</u>	<u>95,166</u>	<u>35,578</u>	<u>36,418</u>	<u>139,586</u>	<u>131,584</u>
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	410,145	408,943	3,575	14,198	413,720	423,141
Restricted	62,080	67,566	-	-	62,080	67,566
Unrestricted	(4,728)	(9,978)	10,752	(260)	6,024	(10,238)
Total net position	<u>\$ 467,497</u>	<u>\$ 466,531</u>	<u>\$ 14,327</u>	<u>\$ 13,938</u>	<u>\$ 481,825</u>	<u>\$ 480,469</u>

Statement of Activities (Statement of Revenues, Expenses/Expenditures and Changes in Net Position/Fund Balances) - Given the current economic climate, a review of operating income can provide a telling picture of the City's overall financial health. Overall, the City generated \$1.4 million more in revenues than expenses for the fiscal year 2013-14 as compared to the \$3.0 million excess of expenses over revenues in fiscal year 2012-13, as illustrated in Table 2 below.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2014

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Program revenues						
Charges for services	\$ 6,103	\$ 6,512	\$ 6,579	\$ 6,499	\$ 12,682	\$ 13,011
Operating grants and contributions	12,338	12,051	62	42	12,400	12,093
Capital grants and contributions	3,788	2,961	-	-	3,788	2,961
General revenues						
Taxes						
Property taxes	24,510	23,682	-	-	24,510	23,682
Sales taxes	22,812	21,908	-	-	22,812	21,908
Franchise taxes	3,284	2,428	-	-	3,284	2,428
Other taxes	10,245	9,920	-	-	10,245	9,920
Motor vehicle in-lieu taxes	54	65	-	-	54	65
Use of money and property	1,146	1,302	47	43	1,193	1,345
Other revenue	1,582	597	-	-	1,582	597
Net change in fair value of investments	509	(929)	-	-	509	(929)
Total	86,370	80,497	6,689	6,583	93,059	87,081
Expenses						
Governmental activities						
General government	22,732	20,789	-	-	22,732	20,789
Public safety	35,303	33,814	-	-	35,303	33,814
Community services	2,928	3,164	-	-	2,928	3,164
Public works	16,274	15,097	-	-	16,274	15,097
Economic development	5,679	8,240	-	-	5,679	8,240
Interest on long-term debt	2,618	2,492	-	-	2,618	2,492
Bond issue costs	166	-	-	-	166	-
Water and sewer	-	-	6,003	6,498	6,003	6,498
Total	85,701	83,595	6,003	6,498	91,704	90,094
Change in net position before transfers	669	(3,098)	686	85	1,355	(3,013)
Transfers in/(out)	296	200	(296)	(200)	-	-
Change in net position	966	(2,898)	390	(115)	1,355	(3,013)
Net position, beginning as restated	466,532	469,429	13,938	14,053	480,469	483,482
Net position, ending	\$ 467,497	\$ 466,531	\$ 14,327	\$ 13,938	\$ 481,825	\$ 480,469

A separate review of the change in net position in the governmental and business-type activities showed the following: the business-type activities generated a marginal net operating surplus of \$390 thousand while the governmental activities had a combined \$1.0 million operating surplus, which resulted primarily from an increase in property, sales and franchise taxes compared to the prior year.

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

THE CITY AS A WHOLE

Capital Assets

The majority of the City's assets comprised of land and rights of way, totaling \$342 million of the total \$480 million in Net Capital Assets. At the end of fiscal year 2014, the City had \$480 million invested in a broad range of capital assets.

**CAPITAL ASSETS
JUNE 30, 2014
(Net of Depreciation, In Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$ 74,443	\$ 74,742	\$ 311	\$ 311	\$ 74,754	\$ 75,052
Rights-of-way	266,802	266,802	-	-	266,802	266,802
Construction in progress	17,128	11,364	-	-	17,128	11,364
Equipment in progress	-	869	-	-	-	869
Improvement other than buildings	6,590	6,929	-	-	6,590	6,929
Structures and improvements	18,919	20,493	558	572	19,477	21,065
Land and improvements	-	-	710	761	710	761
Furniture and equipment	3,429	3,033	864	940	4,293	3,973
Infrastructure	54,998	57,637	35,330	36,328	90,329	93,965
Totals	<u>\$ 442,309</u>	<u>\$ 441,868</u>	<u>\$ 37,772</u>	<u>\$ 38,912</u>	<u>\$ 480,081</u>	<u>\$ 480,780</u>

Additional information on the City's Capital Assets can be found in the Note 6 of the Notes to Financial Statements.

Long-term Debt

At year-end, the City's combined long-term debt increased by \$1.1 million to \$94.0 million. The net increase in the City's long-term debt resulted from the following as summarized in the Table 4 below:

- \$2.9 million net increase in OPEB liability and claims, compensated absence, and judgments payable.
- \$1.8 million decrease in bonded indebtedness due to principal retirements and the issuance of the 2013 Certificates of Participation to defease the 2003 Certificates of Participation.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2014

LONG-TERM DEBT
JUNE 30, 2014
(In Thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Lease revenue bonds	\$ 28,430	\$ 28,755	\$ -	\$ -	\$ 28,430	\$ 28,755
Certificates of Participation	3,920	4,435	-	-	3,920	4,435
Notes payable	6,843	7,399	-	-	6,843	7,399
Revenue bonds	-	-	16,120	16,570	16,120	16,570
Lease payable	312	342	-	-	312	342
OPEB liability	23,152	19,896	-	-	23,152	19,896
Compensated absences	4,991	5,351	402	405	5,393	5,756
Claims and judgments	10,288	10,371	-	-	10,288	10,371
Unamortized bond premium and discount	(469)	(608)	100	105	(369)	(503)
Totals	\$ <u>77,467</u>	\$ <u>75,941</u>	\$ <u>16,622</u>	\$ <u>17,080</u>	\$ <u>94,089</u>	\$ <u>93,021</u>

Four bond issues comprise the City's long-term debt: the 2011 Lease Revenue Bond, Series 2011 (EB5 Bonds), 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 materially meet all its legal debt covenants and pay its current debt obligations in a timely manner.

Other Postemployment Benefits (OPEB) - The City currently pays the annual pay-as-you-go costs (actual costs of bills) as opposed to the recommended Annual Required Contribution ("ARC") of \$5.0 million. GASB 45 requires the City to accrue the net difference between the ARC and the actual amount paid for pay-as-you-go costs (\$1.7 million) plus any additional amount set-aside to fund future OPEB payments. A net amount of \$3.3 million was added to the City's Net OPEB liability, which has now increased to \$23.2 million as of June 30, 2014.

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

Additional information on the City's long-term debt can be found in Note 9 of the Notes to Financial Statements.

Governmental Funds

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

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

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 \$92.9 million. The City's governmental funds report \$9.1 million and \$1.4 million in its assigned and unassigned fund balance respectively. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for special projects, capital projects or debt service or classified as non-spendable as it represents assets that are long-term in nature and thus, do not represent available spendable resources.

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 \$35.0 million.

Unassigned Fund Balance, Cash on Hand and Working Capital – The General Fund's unassigned fund balance is \$3.2 million, which represents 6.03% of total General Fund expenditures of \$54.4 million. The working capital balance consists of \$12.9 million in cash and investments plus \$13.8 million in net receivables and other current assets, less \$8.2 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 \$12.9 million at the end of the fiscal year as compared to \$9.9 million at the end of the prior fiscal year (June 30, 2013). However, this amount only represents 87 days of cash on hand. The City has a stated goal of at least \$10 million in cash reserves in order to provide adequate self-liquidity to the General Fund.

Increases in fund balances for the general fund is a result of passage of the Measure GG sales tax initiative while keeping tight rein on expenditures, while decreases in the retirement fund balances is a result of revenue losses to the successor agency. The fund balances for the housing and community development fund and the housing assets fund were consistent with those of the previous years.

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 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 be approximately \$55.6 million in FY2014-15, an increase of \$6.5 million over the FY2013-14 budget of \$49.1 million due largely to increases in Sales taxes over Fiscal year 2014 estimates. Fiscal year 2015 budgeted expenditures also increase to approximately \$57.1 million from \$56.4 million in fiscal year 2014 as the City is still recovering from structural deficits from past financial crisis and the reallocation of personnel costs from the former Community Redevelopment Agency. Except for slight increases in the Economic Development function, the FY2014-15 budget is status quo with the previous year.

Other Funds estimated revenues and appropriations are anticipated to increase in fiscal year 2015 from fiscal year 2014, due to a more aggressive capital improvement program funded through federal, state and local programs.

General Fund Budgetary Highlights

Revenues - The City received \$4.6 million more in taxes as well as \$1.1 million more in charges for services, \$171 thousand more for fines and forfeitures and \$451 thousand for miscellaneous revenues than budgeted due to conservative budget estimates. This is magnified somewhat by a \$509 thousand change in the fair value of investments which increased in 2013-14 due primarily to less volatility in interest rates in the fiscal year. Overall, General Fund revenues totaled \$55.6 million in fiscal year 2013-14, which is 13% higher than the original budgeted amount of \$49.1 million.

Expenses – The City reported a total of \$54.4 million in General Fund expenditures for the fiscal year, which was \$2.0 million less than the budgeted amount of \$56.4 million. All department expenditures were less than budgeted with Public safety expenditures accounting for \$1.7 million of that savings.

Economic Development Initiatives - The City, through its Economic Development Department continues to pursue a number of economic development initiatives and other new business opportunities in order to broaden and realign the City's economic base. The City continued the approval process for the construction of a new Norm's Restaurant and continues to make commercial improvements along Valley Boulevard including the construction of the Santa Fe Trail Plaza, a life-style retail center that will feature 110,000 square feet of nationally and regionally branded stores and restaurants to provide grocery, soft goods, retail, and casual dining options for El Monte residents and visitors. This project is the first newly constructed project of its kind and size in El Monte in more than 25 years. The project is slated to open in time for the 2015 holiday season. Additionally, work is underway at a transit oriented commercial and residential project adjacent to the Metropolitan Transit Authority Bus Station.

UNMODIFIED AUDIT OPINION

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

Telephone number: (626) 580-2023

BASIC FINANCIAL STATEMENTS

City of El Monte
Statement of Net Position
June 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 69,975,852	\$ 10,132,932	\$ 80,108,784
Receivables			
Accounts	2,181,557	956,702	3,138,259
Taxes	2,975,056	-	2,975,056
Notes and loans, net	15,377,682	-	15,377,682
Accrued interest - other	110,423	45,496	155,919
Internal balances	90,255	(90,255)	-
Prepaid costs	1,168,325	3,158	1,171,483
Due from other governments	3,241,067	-	3,241,067
Advances to Successor Agency	2,498,549	-	2,498,549
Land held for resale	1,759,645	-	1,759,645
Capital lease receivable (payable)	17,977,364	(17,977,364)	-
Restricted assets:			
Cash and investments with fiscal agents	11,810,727	403,422	12,214,149
Capital assets, not being depreciated	358,372,674	310,748	358,683,422
Capital assets, net of accumulated depreciation	83,936,180	37,461,715	121,397,895
Total assets	<u>571,475,356</u>	<u>31,246,554</u>	<u>602,721,910</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on defeasance of debt	29,826	681,734	711,560
Total deferred outflows of resources	<u>29,826</u>	<u>681,734</u>	<u>711,560</u>
LIABILITIES			
Accounts payable	3,479,720	211,503	3,691,223
Accrued liabilities	1,972,404	-	1,972,404
Accrued interest	990,087	249,840	1,239,927
Unearned revenues	5,724	-	5,724
Deposits payable	4,494,109	517,606	5,011,715
Due to other governments	15,598,531	-	15,598,531
Noncurrent liabilities:			
Due within one year	4,477,476	565,503	5,042,979
Due in more than one year	72,990,012	16,056,428	89,046,440
Total liabilities	<u>104,008,063</u>	<u>17,600,880</u>	<u>121,608,943</u>
DEFERRED INFLOWS OF RESOURCES			
	-	-	-
NET POSITION			
Net investment in capital assets	410,145,295	3,575,181	413,720,476
Restricted for:			
Public works projects	16,000,750	-	16,000,750
Public safety	5,070,411	-	5,070,411
Parks, recreation and cultural	1,879,096	-	1,879,096
Community development	18,080,684	-	18,080,684
Debt service	1,826,837	-	1,826,837
Retirement	19,222,421	-	19,222,421
Unrestricted (deficit)	(4,728,375)	10,752,227	6,023,852
Total net position	<u>\$ 467,497,119</u>	<u>\$ 14,327,408</u>	<u>\$ 481,824,527</u>

See notes to financial statements.

City of El Monte
Statement of Activities
Year ended June 30, 2014

	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	\$ 22,732,447	\$ 377,054	\$ 1,490,228	\$ -	\$ (20,865,165)	-	\$ (20,865,165)
Public safety	35,302,886	1,516,786	2,816,082	-	(30,970,018)	-	(30,970,018)
Parks, recreation and cultural	2,928,453	505,314	591,244	-	(1,831,895)	-	(1,831,895)
Public works	16,274,135	1,505,903	888,108	3,788,170	(10,091,954)	-	(10,091,954)
Economic development	5,679,490	2,198,057	6,551,875	-	3,070,442	-	3,070,442
Interest on long-term debt	2,617,503	-	-	-	(2,617,503)	-	(2,617,503)
Bond issue costs	166,147	-	-	-	(166,147)	-	(166,147)
Total governmental activities	<u>85,701,061</u>	<u>6,103,114</u>	<u>12,337,537</u>	<u>3,788,170</u>	<u>(63,472,240)</u>	<u>-</u>	<u>(63,472,240)</u>
Business-type activities:							
Water and Sewer Funds	6,003,145	6,579,007	62,487	-	-	638,349	638,349
Total business-type activities	<u>6,003,145</u>	<u>6,579,007</u>	<u>62,487</u>	<u>-</u>	<u>-</u>	<u>638,349</u>	<u>638,349</u>
Total primary government	<u>\$ 91,704,206</u>	<u>\$ 12,682,121</u>	<u>\$ 12,400,024</u>	<u>\$ 3,788,170</u>	<u>(63,472,240)</u>	<u>638,349</u>	<u>(62,833,891)</u>
General revenues							
Taxes:							
Property taxes levied for general purposes					24,509,692	-	24,509,692
Transient occupancy taxes					318,023	-	318,023
Sales taxes					22,812,015	-	22,812,015
Franchise taxes					3,284,097	-	3,284,097
Business license taxes					2,183,836	-	2,183,836
Utility users taxes					7,134,428	-	7,134,428
Other taxes					608,814	-	608,814
Motor vehicle in lieu - unrestricted					53,652	-	53,652
Use of money and property					1,146,044	47,440	1,193,484
Other revenue					1,581,528	-	1,581,528
Net change in fair value of investments					509,360	-	509,360
Transfers in/out					296,273	(296,273)	-
Total general revenues					<u>64,437,762</u>	<u>(248,833)</u>	<u>64,188,929</u>
Net change in net position					<u>965,522</u>	<u>389,516</u>	<u>1,355,038</u>
Net position - beginning of year, as restated					<u>466,531,597</u>	<u>13,937,892</u>	<u>480,469,489</u>
Net position - end of year					<u>\$ 467,497,119</u>	<u>\$ 14,327,408</u>	<u>\$ 481,824,527</u>

See notes to financial statements.

**City of El Monte
Governmental Funds
Balance Sheet
June 30, 2014**

	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	\$ 12,877,981	\$ 20,074,230	\$ 2,666,160	\$ 193,475	\$ 24,907,036	\$ 60,718,882
Receivables:						
Accounts	1,874,908	15,310	(4,645)	3,332	292,652	2,181,557
Taxes	2,828,842	120,285	-	-	25,929	2,975,056
Notes and loans, net	4,946,542	-	13,116,115	1,308,200	2,607,946	21,978,803
Accrued interest	110,423	-	-	-	-	110,423
Prepaid items	1,113,714	-	-	-	54,611	1,168,325
Due from other governments	-	-	289,030	-	2,952,037	3,241,067
Due from other funds	2,903,268	-	-	-	-	2,903,268
Advances to other funds	300,000	-	-	-	-	300,000
Advances to Successor Agency	2,498,549	-	-	-	-	2,498,549
Land held for resale	-	-	420,000	1,339,645	-	1,759,645
Capital lease receivable	17,977,364	-	-	-	-	17,977,364
Restricted assets:						
Cash and investments with fiscal agents	501,994	-	-	1,982,072	9,326,661	11,810,727
Total assets	<u>47,933,585</u>	<u>20,209,825</u>	<u>16,486,660</u>	<u>\$ 4,826,724</u>	<u>40,166,872</u>	<u>129,623,666</u>
Deferred outflows of resources						
-	-	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 47,933,585</u>	<u>\$ 20,209,825</u>	<u>\$ 16,486,660</u>	<u>\$ 4,826,724</u>	<u>\$ 40,166,872</u>	<u>\$ 129,623,666</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 1,963,042	\$ 405,344	142,451	-	\$ 964,633	\$ 3,475,470
Accrued liabilities	1,390,344	582,060	-	-	-	1,972,404
Advances from grantors	-	-	-	-	5,724	5,724
Deposits payable	2,810,442	-	65,452	8,525	1,609,690	4,494,109
Due to other governments	2,051,165	-	12,809,116	-	738,250	15,598,531
Due to other funds	-	-	-	-	2,903,268	2,903,268
Total liabilities	<u>8,214,993</u>	<u>987,404</u>	<u>13,017,019</u>	<u>8,525</u>	<u>6,221,565</u>	<u>28,449,506</u>
Deferred inflows of resources:						
Unavailable revenue	4,672,208	-	-	-	3,637,682	8,309,890
Total deferred inflows of resources	<u>4,672,208</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,637,682</u>	<u>8,309,890</u>
Fund Balances:						
Nonspendable						
Loans receivable	274,334	-	820,000	1,308,200	-	2,402,534
Prepaid items	1,113,714	-	-	-	54,611	1,168,325
Advances to other funds	300,000	-	-	-	-	300,000
Advances to Successor Agency	2,498,549	-	-	-	-	2,498,549
Land held for resale	-	-	420,000	1,339,645	-	1,759,645
Capital lease receivable	17,977,364	-	-	-	-	17,977,364
Restricted						
Special revenue funds	-	19,222,421	2,229,641	2,170,354	30,730,845	54,353,261
Capital projects funds	-	-	-	-	31,216	31,216
Debt service funds	501,994	-	-	-	1,324,843	1,826,837
Assigned	9,100,000	-	-	-	-	9,100,000
Unassigned	3,280,429	-	-	-	(1,833,890)	1,446,539
Total fund balances	<u>35,046,384</u>	<u>19,222,421</u>	<u>3,469,641</u>	<u>4,818,199</u>	<u>30,307,625</u>	<u>92,864,270</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,933,585</u>	<u>\$ 20,209,825</u>	<u>\$ 16,486,660</u>	<u>\$ 4,826,724</u>	<u>\$ 40,166,872</u>	<u>\$ 129,623,666</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, 2014

Fund balance of governmental funds	\$	92,864,270
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	\$	537,557,813
Accumulated depreciation	<u>(95,248,959)</u>	442,308,854
Deferred outflows of resources represent loss on bond defeasance which is deferred and amortized over the life of the debt. This loss is reported as an expenditure of current financial resources in the governmental funds.		
		29,826
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Long-term liabilities	(62,188,680)	
Compensated absences	<u>(4,990,808)</u>	(67,179,488)
Accrued interest payable for the interest due on bonds bonds that has has not been reported in the governmental funds		
		(990,087)
Revenues reported as unavailable revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities.		
		8,309,890
Receivables that are not expected to be collected are reduced by an allowance for uncollectible accounts in the Statement of Net Position. This does not affect the governmental fund financial statements.		
		(6,601,121)
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.		
		<u>(1,245,025)</u>
Net position of governmental activities	\$	<u>467,497,119</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, 2014

	Special Revenue Funds					Total
	General Fund	Retirement Fund	Housing and Community Development	Housing Assets	Nonmajor Governmental Funds	
Revenues						
Taxes	\$ 48,467,609	\$ 8,415,745	\$ -	\$ -	\$ 8,958,210	\$ 65,841,564
Licenses and permits	986,933	-	-	-	-	986,933
Intergovernmental	104,354	-	4,402,966	-	5,814,942	10,322,262
Charges for services	3,060,749	-	-	-	805,580	3,866,329
Use of money and property	211,131	99,110	41,413	60,336	712,574	1,124,564
Fines and forfeitures	1,441,434	-	-	-	-	1,441,434
Contributions	150	-	-	-	89,770	89,920
Miscellaneous	851,326	228,720	380,795	29,730	728,390	2,218,961
Net change in fair value of Investments	509,360	-	-	-	-	509,360
Total revenues	55,633,046	8,743,575	4,825,174	90,066	17,109,466	86,401,327
Expenditures						
Current:						
General government	10,489,019	10,139,093	-	-	306,124	20,934,236
Public safety	32,653,767	-	60,379	-	562,333	33,276,479
Parks, recreation and cultural	2,066,130	-	172,048	-	495,998	2,734,176
Public works	7,764,207	-	-	-	3,451,602	11,215,809
Economic development	-	-	3,499,692	5,220	1,925,752	5,430,664
Capital outlay	278,601	-	211,457	77,039	6,721,009	7,288,106
Debt service:						
Principal retirement	820,000	-	556,000	-	325,000	1,701,000
Interest and fiscal charges	183,663	-	296,076	-	2,151,935	2,631,674
Issuance costs and underwriter's discount	166,147	-	-	-	-	166,147
Total expenditures	54,421,534	10,139,093	4,795,652	82,259	15,939,753	85,378,291
Excess (deficiency) of revenues over expenditures	1,211,512	(1,395,518)	29,522	7,807	1,169,713	1,023,036
Other financing sources (uses)						
Transfers in	3,352,674	-	-	-	12,016,199	15,368,873
Transfers out	(463,007)	-	-	-	(14,799,993)	(15,263,000)
Defeasance of debt	(4,372,671)	-	-	-	-	(4,372,671)
Proceeds from bond issuance, net	4,803,723	-	-	-	-	4,803,723
Net other financing sources (uses)	3,320,719	-	-	-	(2,783,794)	536,925
Net change in fund balances	4,532,231	(1,395,518)	29,522	7,807	(1,614,081)	1,559,961
Fund balance, beginning of year, as restated	30,514,153	20,617,939	3,440,119	4,810,392	31,921,706	91,304,309
Fund balance, end of year	\$ 35,046,384	\$ 19,222,421	\$ 3,469,641	\$ 4,818,199	\$ 30,307,625	\$ 92,864,270

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, 2014**

Change in fund balance - governmental funds \$ 1,559,961

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:

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:

Capital outlay, net of disposals	6,791,643
Depreciation expense	(6,350,469)

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.

Issuance of bonds	\$ (4,740,000)	
Defeasance of bonds	4,372,671	
Principal repayment of bonds	1,145,000	
Principal repayment of capital lease obligation	30,033	
Principal repayment of notes payable	556,000	
Bond premium	(71,685)	
Bond discount	7,962	
Loss on defeasance	61,744	
Amortization of deferred bond premium	13,034	
Amortization of deferred bond discount	(25,492)	
Amortization of deferred loss on bond defeasance	<u>(31,918)</u>	1,317,349

Governmental funds report only contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures; however, in the Statement of Activities, the total ARC is an expense. This is the change in OPEB liability for the current period. (3,256,891)

Accrued interest for long-term liabilities is not reported in the governmental fund financial statements until due. This is the net change in accrued interest for the current period (3,197)

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. 360,325

Certain revenues are reported as unavailable revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities. 6,570,104

Receivables that are not expected to be collected are provided with allowance for uncollectible accounts in the Statement of Activities. This does not affect the governmental fund financial statements. (6,601,121)

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. 577,818

Change in net position of governmental activities \$ 965,522

See notes to financial statements.

City of El Monte
Statement of Net Position
Proprietary Funds
June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Funds
	Fund	Fund		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,029,385	\$ 9,103,547	\$ 10,132,932	\$ 9,256,970
Receivables:				
Accounts	906,424	50,278	956,702	-
Other	45,496	-	45,496	-
Prepaid accounts	3,158	-	3,158	-
Restricted:				
Cash with fiscal agents	403,422	-	403,422	-
Total current assets	<u>2,387,885</u>	<u>9,153,825</u>	<u>11,541,710</u>	<u>9,256,970</u>
Noncurrent assets				
Capital assets	43,739,456	19,909,821	63,649,277	-
Accumulated depreciation	(16,999,309)	(8,877,505)	(25,876,814)	-
Net capital assets	<u>26,740,147</u>	<u>11,032,316</u>	<u>37,772,463</u>	<u>-</u>
Total noncurrent assets	<u>26,740,147</u>	<u>11,032,316</u>	<u>37,772,463</u>	<u>-</u>
Total assets	<u>29,128,032</u>	<u>20,186,141</u>	<u>49,314,173</u>	<u>9,256,970</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on defeasance of debt	681,734	-	681,734	-
Total deferred outflows of resources	<u>681,734</u>	<u>-</u>	<u>681,734</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	147,613	63,890	211,503	4,250
Accrued interest	249,840	-	249,840	-
Deposits payable	517,606	-	517,606	-
Accrued compensated absences, current portion	45,877	54,626	100,503	-
Accrued claims and judgments	-	-	-	1,322,000
Bonds, notes, and capital leases	465,000	-	465,000	-
Total current liabilities	<u>1,425,936</u>	<u>118,516</u>	<u>1,544,452</u>	<u>1,326,250</u>
Noncurrent liabilities				
Advances from other funds	-	-	-	300,000
Accrued compensated absences	137,633	163,877	301,510	-
Accrued claims and judgments	-	-	-	8,966,000
Capital lease payable	17,977,364	-	17,977,364	-
Bonds and notes	15,754,918	-	15,754,918	-
Total liabilities	<u>35,295,851</u>	<u>282,393</u>	<u>35,578,244</u>	<u>10,592,250</u>
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	(7,457,135)	11,032,316	3,575,181	-
Unrestricted	<u>1,971,050</u>	<u>8,871,432</u>	<u>10,842,482</u>	<u>(1,335,280)</u>
Total net position	<u>\$ (5,486,085)</u>	<u>\$ 19,903,748</u>	<u>\$ 14,417,663</u>	<u>\$ (1,335,280)</u>

Reconciliation of net position to statement of net position:

Net position per statement of net position for proprietary funds	\$ 14,417,663
Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	137,183
Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(227,438)
Net position per statement of net position	<u>\$ 14,327,408</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, 2014

	Business-type Activities - Enterprise Funds			Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	Self Insurance
Operating revenues				
Sales and service charges	\$ 3,199,184	\$ 3,607,261	\$ 6,806,445	\$ -
Interdepartmental charges	-	-	-	2,300,500
Total operating revenues	3,199,184	3,607,261	6,806,445	2,300,500
Operating expenses				
Personnel services	607,384	717,603	1,324,987	-
Contractual services	275,032	375,599	650,631	-
Maintenance and supplies	194,684	145,595	340,279	-
Administrative and general	726,022	167,044	893,066	-
Facility lease	204,421	306,630	511,051	-
Bad debts	-	180,106	180,106	-
Claims expense	-	-	-	2,140,520
Depreciation expense	872,374	446,331	1,318,705	-
Total operating expenses	2,879,917	2,338,908	5,218,825	2,140,520
Operating income (loss)	319,267	1,268,353	1,587,620	159,980
Nonoperating revenues (expenses)				
Intergovernmental	-	62,487	62,487	-
Interest revenue	6,060	41,380	47,440	-
Interest expense	(784,320)	-	(784,320)	-
Net nonoperating revenues (expenses)	(778,260)	103,867	(674,393)	-
Operating income (loss) before other financing sources	(458,993)	1,372,220	913,227	159,980
Transfers				
Transfers in	4,554	99,759	104,313	190,400
Transfers out	-	(400,586)	(400,586)	-
	<u>4,554</u>	<u>(300,827)</u>	<u>(296,273)</u>	<u>190,400</u>
Net changes in net position	(454,439)	1,071,393	616,954	350,380
Net position, beginning of year	(5,031,646)	18,832,355	13,800,709	(1,685,660)
Net position, end of year	\$ (5,486,085)	\$ 19,903,748	\$ 14,417,663	\$ (1,335,280)
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			\$ 616,954	
Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds			(227,438)	
Change in Net Position Business-type Activities Statement of Activities			<u>\$ 389,516</u>	

See notes to financial statements.

City of El Monte
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Total	Self
	Fund	Fund		Insurance
Cash flows from operating activities				
Cash received from customers and users	\$ 2,881,124	\$ 3,603,553	\$ 6,484,677	\$ -
Cash received for interfund charges	-	-	-	2,308,000
Cash paid to suppliers for goods and services	(812,919)	(855,481)	(1,668,400)	(2,219,644)
Cash paid to employees for services	(1,152,651)	(865,092)	(2,017,743)	-
Cash received(payment to) others	(2,724)	-	(2,724)	-
Net cash provided by operating activities	<u>912,830</u>	<u>1,882,980</u>	<u>2,795,810</u>	<u>88,356</u>
Cash flows from non-capital and related financing activities				
Intergovernmental	-	62,487	62,487	190,400
Net transfers from(to) other funds	4,555	(300,827)	(296,272)	-
Net cash provided by (used in) non-capital and related financing activities	<u>4,555</u>	<u>(238,340)</u>	<u>(233,785)</u>	<u>190,400</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(23,885)	(155,133)	(179,018)	-
Principal paid on capital debt	(450,000)	-	(450,000)	-
Interest paid on capital debt	(761,948)	-	(761,948)	-
Payments on capital lease	(413,395)	-	(413,395)	-
Net cash provided by (used in) capital and related financing activities	<u>(1,649,228)</u>	<u>(155,133)</u>	<u>(1,804,361)</u>	<u>-</u>
Cash flows from investing activities				
Interest received	6,060	41,380	47,440	-
Change in cash and cash equivalents	(725,783)	1,530,887	805,104	278,756
Beginning cash and cash equivalents	<u>2,158,590</u>	<u>7,572,660</u>	<u>9,731,250</u>	<u>8,978,214</u>
Ending cash and cash equivalents	<u>\$ 1,432,807</u>	<u>\$ 9,103,547</u>	<u>\$ 10,536,354</u>	<u>\$ 9,256,970</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 319,267	\$ 1,268,353	\$ 1,587,620	\$ 159,980
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	872,374	446,331	1,318,705	-
(Increase) decrease in:				
Accounts receivable	(318,060)	46,478	(271,582)	-
Notes receivable	-	129,920	129,920	7,500
Prepaid accounts	(2,725)	-	(2,725)	-
Increase (decrease):				
Accounts payable	(19,079)	42,033	22,954	3,876
Deposits payable	14,065	-	14,065	-
Compensated absences payable	46,988	(50,135)	(3,147)	-
Accrued claims and judgments	-	-	-	(83,000)
Net cash provided by operating activities	<u>\$ 912,830</u>	<u>\$ 1,882,980</u>	<u>\$ 2,795,810</u>	<u>\$ 88,356</u>
Non-cash investing, capital and financing Activities:				
Amortization of premium and loss on defeasance of long-term liabilities	<u>\$ 27,922</u>	<u>\$ -</u>	<u>\$ 27,922</u>	<u>\$ -</u>

See notes to financial statements.

City of El Monte
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund		Service Employees International Union (SEIU) Retiree Insurance
ASSETS			
Cash and investments	\$ 3,672,133	\$	336,974
Cash with fiscal agents	4,437,396		-
Receivables:			
Accounts	1,000		2,497
Notes and loans	508,523		-
Others			630
Prepaid items	352,000		-
Land held for resale	6,972,993		-
Total assets	15,944,045		340,101
DEFERRED OUTFLOWS OF RESOURCES			
	-		-
LIABILITIES			
Accounts payable	29,776		-
Interest payable	91,163		-
Deposits payable	109,305		-
Due to other governments	548,284		-
Due to City of El Monte	2,498,549		-
Long-term liabilities			
Due within one year	850,000		-
Due in more than one year	24,937,230		-
Advances from City of El Monte	42,246,869		-
Total liabilities	71,311,176		-
DEFERRED INFLOWS OF RESOURCES			
	-		-
NET POSITION			
Held in trust for pension	-		340,101
Net position (deficit)	(55,367,131)		-
Total net position (deficit)	\$ (55,367,131)	\$	340,101

See notes to financial statements.

City of El Monte
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2014

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund	Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
Revenue and additions:		
Taxes	\$ 4,851,427	\$ -
Use of money and property	39,936	-
Rental income	35,970	-
Contributions:		
Employers	-	197,500
Employees	-	59,895
Retirees	-	53,640
Investment earnings:		
Interest and change in fair value of investments	-	1,900
Total additions	4,927,333	312,935
Expenses and deductions		
Community development	3,166,827	-
Debt service		
Interest and fiscal charges	1,214,533	-
Benefits	-	240,000
Total deductions	4,381,360	240,000
Change in net position	545,973	72,935
Net position held in trust - beginning of the year as restated	(55,913,104)	267,166
Net position (deficit) held in trust - end of the year	\$ (55,367,131)	\$ 340,101

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 (commending 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 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.

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.

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

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, with the exception of state gas tax which is 120 days. 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 preceding 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.
- Housing Asset Fund accounts for housing assets approved by the State Department of Finance to remain with the City after the dissolution of the former Redevelopment Agency.

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

Use of Estimates

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

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

Fund Balance Reporting

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

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

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

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. As of June 30, 2014, 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, 2014, the City has assigned \$9.1 million of its fund balance for 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 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 include 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 include 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. The General Fund inventory is accounted for using the consumption method and is equally offset by nonspendable fund balance in the fund level statements, which indicates that it does not constitute "available spendable resources."

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

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

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, rights-of-way, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if not purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

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, 2014.

Compensated Absences

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

Long-term Obligations

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

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

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

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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

For fiscal year 2013-2014, the following funds had no legally adopted budget:

- Special Revenue Funds:
 - Quimby*
 - Parking and Business Improvement
 - Art in Public Places*
 - El Monte Development Corporation

- Capital Projects Funds:
 - 2010 Lease Revenue Bond Capital Projects
 - 2011 Lease Revenue Bond Capital Projects

* City had no expenditures in these funds during fiscal year 2013-14.

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

At June 30, 2014, the following funds had deficit fund balances or net position:

Special Revenue Funds:	
Emergency Shelter Grant	\$ (26,819)
Tree Mitigation & Planting Fund	(126,707)
Miscellaneous Grants	(1,455,490)
Park Facility Impact Fee	(41,350)
Storm Drain	(48,562)
Federal Stimulus	(27,611)
CalHome Grant	(107,351)
Governmental Activities:	
Internal Service Fund	(1,335,280)

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 functions of the General Fund:

	Expenditures	Appropriations	Excess
General government			
City attorney	\$ 2,026,987	\$ 1,980,000	\$ (46,987)
General city expense	4,869,377	3,030,000	(1,839,377)
Transfers out	463,007	352,200	(110,807)

NOTE 3 CASH AND INVESTMENTS

As of June 30, 2014, cash and investments were reported in the accompanying financial statements as follows:

	Cash and Investments	Cash and Investments with Fiscal Agent	Total
Governmental activities	\$ 69,975,852	\$ 11,810,727	\$ 81,786,579
Business-type activities	10,132,932	403,422	10,536,354
Fiduciary funds	4,009,107	4,437,396	8,446,503
Total Cash and Investments	\$ 84,117,891	\$ 16,651,545	\$ 100,769,436

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

Cash on hand	\$ 18,400
Deposits with financial institutions	4,353,550
Investments	96,397,486
Total Cash and Investments	\$ 100,769,436

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, 2014, the carrying amount of the City's deposits was \$4,353,550 and the bank balance was \$5,601,581. The \$1,248,031 difference represents outstanding checks, deposits in transit and other reconciling items.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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

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

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

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

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the portion in the investment pool is the same as the value of the pool shares.

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, 2014, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: Treasury Securities (100%), LAIF (100%), Bankers Acceptances (40%), Commercial Paper (15%), Medium Term Notes (30%) and Certificates of Deposit (100%). With respect to concentration risk as of June 30, 2014, the City is in compliance with the investment policy's restrictions.

In accordance with GASB 40 requirements, the City reports its exposure to concentration risk whenever it has invested more than 5% of its total investments in any one issuer. As of June 30, 2014, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal Home Loan Bank	\$ 12,877,830	13%
Federal Farm Credit Banks Consolidated	17,924,720	19%

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

Interest Rate Risk

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

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2014, the City had the following investments and original maturities:

Investment Type	Total	Investment Maturity (in Years)		
		Less than 1 year	1 to 3 Years	3 to 5 Years
Local Agency Investment Fund	\$ 44,013,145	\$ 44,013,145	\$ -	\$ -
General Electric Capital Corporation	994,130	-	-	994,130
Federal Agency Securities:				
Federal National Mortgage Association	3,936,080	-	-	3,936,080
Federal Home Loan Bank	12,877,830	-	-	12,877,830
Federal Farm Credit Banks Consolidated	17,924,720	-	-	17,924,720
FNMA Strip	36	-	-	36
Held by Fiscal Agents:				
Held by Fiscal Agents:	16,651,545	16,651,545	-	-
	<u>\$ 96,397,486</u>	<u>\$ 60,664,690</u>	<u>\$ -</u>	<u>\$ 35,732,796</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	Amount	Minimum Legal Rating	Not Rated	Rating AA+
Local Agency Investment Fund	\$ 44,013,145	N/A	\$ 44,013,145	\$ -
General Electric Corp	994,130	A	-	994,130
Federal Agency Securities:				
Federal National Mortgage Association	3,936,080	A	-	3,936,080
Federal Home Loan Bank	12,877,830	A	-	12,877,830
Federal Farm Credit Banks Consolidated	17,924,720	A	-	17,924,720
FNMA Strip	36	A	36	-
Held by Fiscal Agents:				
Held by Fiscal Agents:	16,651,545	N/A	16,651,545	-
Total	<u>\$ 96,397,486</u>		<u>\$ 60,664,726</u>	<u>\$ 35,732,760</u>

NOTE 4 LONG-TERM RECEIVABLES

As of June 30, 2014, the following loans receivable were outstanding:

		<u>Amount</u>
Pacific Place Expansion Project	\$	4,009,037
Singing Wood Senior Housing		2,198,002
RTS Group		63,918
Blessed Rock Senior Housing		65,152
First Time Homebuyer Loans		796,000
San Gabriel Valley Habitat for Humanity, Inc.		300,000
San Gabriel Conservation Corps		242,513
Various Housing Deferred Loans and Other Assistance Mercy Housing, California		9,516,272
Authority HOME Funds Loan	\$	400,000
Site Acquisition Loan		300,000
Special Development Loan		350,000
		<u>1,050,000</u>
Tyler Court Associates, L.P.		
Property Acquisition Loan		610,000
Project Loan		800,000
Project Capital Fee Loan		221,251
		<u>1,631,251</u>
El Monte Housing Partner LP		
Site Acquisition Loan		4,500,000
HOME Project Loan		2,500,000
Project Capital Fee Loan		1,410,673
		<u>8,410,673</u>
TDF Senior Housing		
Special Construction Loan		372,701
Project Gap Loan		763,436
Long-term Project Note		956,849
		<u>2,092,986</u>
		<u>Subtotal</u>
		30,375,804
Allowance for doubtful accounts		<u>(14,998,122)</u>
Total	\$	<u><u>15,377,682</u></u>

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

Pacific Place Expansion Project

On September 14, 2005, the City of El Monte provided a loan to JT LLC for the Pacific Place Expansion Project. Principal payments are due annually beginning July 15, 2007, and range from \$130,000 to \$340,000 over the term of the loan which ends March 14, 2023. Interest payments on this note are due in quarterly installments on the first day of every calendar year quarter at a rate equal to the rate payable by the City to HUD. No payment was received during the fiscal year 2013-2014.

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.

RTS Group

On August 10, 1993, the City and the former El Monte Community Redevelopment Agency sold to RTS Group a property within the Ramona Boulevard Project Area. The RTS Group executed a promissory note in favor of the Agency for \$500,000. The note bears interest at the rate of 6.0% per annum. Partial interest monthly payments of \$2,500 commenced on December 1, 1993, with the balance of such interest added to the principal balance of the note. Principal and interest monthly payments of \$3,582 commenced March 1, 1994. The remaining principal and unpaid interest is due upon sale of the property.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

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.

San Gabriel Valley Conservation Corps

On April 30, 2014, the City entered into a loan agreement with San Gabriel Valley Conservation Corps (SGVCC) in the amount of \$350,000 to provide interim cash flow to SGVCC to pay for costs and expenditures eligible for reimbursement under the Grant so as to facilitate the timely completion of the Lambert Park Watershed Improvements. Interest on the all loan proceeds shall accrue at a rate of 10% per annum simple interest commencing from the date of the first disbursement. In the event all outstanding loan proceeds have been repaid to the City by or before June 30, 2014, the City shall waive all accrued interest on the Loan. If the principal amount of all loan proceeds disbursed by the City to SGVCC has not been paid in full by June 30, 2014, then interest will accrue on such outstanding loan proceeds at the rate indicated above, commencing from the date of first disbursement. All outstanding loan proceeds shall be repaid to the City in full, plus any applicable interest by August 31, 2014. As of June 30, 2014, the outstanding balance on the loan was \$242,513.

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.

Mercy Housing California

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

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

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 note will mature and the remaining principal balance and all accrued and unpaid interest shall be due and payable after 55 years.

El Monte Housing Partners LP

The City entered into an affordable rental project acquisition and financing agreement with El Monte Housing Partners LP on September 25, 2013 for purposes of the Gateway Phase 1A Housing, a HOME Investment Partnership Program (HOME) – funded activity that would result in the development of a 132 unit workforce family housing building and amenities (the “Jamboree Project” To enable the construction of the project, the City provided a HOME Project Loan amounting to \$2,500,000, Site Acquisition Loan amounting to \$4,500,000 and a Project Capital Fee Loan amounting to \$1,410,673. These loans were evidenced by three 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 note will mature and the remaining principal balance and all accrued and unpaid interest shall be due and payable after 55 years.

TDF Senior Housing

This “Original Project Gap Loan” was approved on January 1, 2003. The note bears interest at 3% for a term of 45 years.

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. The balance of the lease at June 30, 2014 is \$17,977,364. The lease receivable and capitalized lease obligation have been eliminated similar to internal balances in the 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, 2014, the details of the City's investment in land held for resale are as follows:

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

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 74,741,638	\$ -	\$ (298,742)	\$ 74,442,896
Rights-of-way	266,801,532	-	-	266,801,532
Construction-in-progress	11,363,701	5,764,545	-	17,128,246
Equipment-in-progress	868,931	10,237	(879,168)	-
Total capital assets not being depreciated	<u>353,775,802</u>	<u>5,774,782</u>	<u>(1,177,910)</u>	<u>358,372,674</u>
Capital assets being depreciated:				
Land improvements	12,902,275	-	-	12,902,275
Structures and improvements	33,851,701	-	-	33,851,701
Furniture and equipment	17,255,430	2,196,184	(104,928)	19,346,686
Infrastructure	<u>113,084,477</u>	<u>-</u>	<u>-</u>	<u>113,084,477</u>
Total capital assets being depreciated	<u>177,093,883</u>	<u>2,196,184</u>	<u>(104,928)</u>	<u>179,185,139</u>
Less accumulated depreciation:				
Land improvements	5,973,483	339,184	-	6,312,667
Structures and improvements	13,358,331	1,574,355	-	14,932,686
Furniture and equipment	14,222,437	1,798,668	(103,515)	15,917,590
Infrastructure	<u>55,447,754</u>	<u>2,638,262</u>	<u>-</u>	<u>58,086,016</u>
Total accumulated depreciation	<u>89,002,005</u>	<u>6,350,469</u>	<u>(103,515)</u>	<u>95,248,959</u>
Capital assets being depreciated, net	<u>88,091,878</u>	<u>(4,154,285)</u>	<u>(1,413)</u>	<u>83,936,180</u>
Governmental activities capital assets, net	<u>\$ 441,867,680</u>	<u>\$ 1,620,497</u>	<u>\$ (1,179,323)</u>	<u>\$ 442,308,854</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:	
General government	\$ 1,747,563
Public safety	522,949
Parks, recreation and leisure	70,143
Public works	4,009,814
Total	<u>\$ 6,350,469</u>

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 310,748	\$ -	\$ -	\$ 310,748
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	3,588,224	47,770	-	3,635,994
Infrastructure	21,534,353	131,248	-	21,665,601
Total capital assets being depreciated	<u>63,159,511</u>	<u>179,018</u>	<u>-</u>	<u>63,338,529</u>
Less accumulated depreciation:				
Water rights	9,562,686	683,049	-	10,245,735
Structures and improvements	162,582	13,978	-	176,560
Land improvements	2,388,834	51,592	-	2,440,426
Furniture and equipment	2,648,090	123,797	-	2,771,887
Infrastructure	9,795,917	446,289	-	10,242,206
Total accumulated depreciation	<u>24,558,109</u>	<u>1,318,705</u>	<u>-</u>	<u>25,876,814</u>
Capital assets being depreciated, net	<u>38,601,402</u>	<u>(1,139,687)</u>	<u>-</u>	<u>37,461,715</u>
Business-type activities capital assets, net	<u>\$ 38,912,150</u>	<u>\$ (1,139,687)</u>	<u>\$ -</u>	<u>\$ 37,772,463</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Business-type Activities:		<u>Amount</u>
Water Fund	\$	872,374
Sewer Fund		446,331
Total	\$	<u><u>1,318,705</u></u>

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2014, is as follows:

Due To/From Other Funds

	<u>Due To Other Funds</u>	
	Nonmajor	
	Governmental	
	<u>Funds</u>	
<u>Due From Other Funds</u>		
General Fund	\$	<u><u>2,903,268</u></u>

The amounts owed by the Nonmajor Governmental Funds to the General Fund were due to temporary deficit cash balances in those funds, which the City expects to eliminate with future revenues.

Interfund Transfers

Transfers Out:	Transfers In						Total
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	Business-type funds		Internal Service Funds	
	Water Fund	Sewer Fund					
Governmental Funds:							
General Fund	\$ -	\$ 372,607	\$ 372,607	\$ -	\$ -	\$ 90,400	\$ 463,007
Nonmajor governmental funds	3,352,674	11,343,006	14,695,680	4,554	99,759	-	14,799,993
Business-type funds							
Sewer Fund	-	300,586	300,586	-	-	100,000	400,586
	<u>\$ 3,352,674</u>	<u>\$ 12,016,199</u>	<u>\$ 15,368,873</u>	<u>\$ 4,554</u>	<u>\$ 99,759</u>	<u>\$ 190,400</u>	<u>\$ 15,663,586</u>

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

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 2013-2014, the City transferred \$3 million from its special revenue funds (nonmajor governmental funds) into its General Fund. \$9.1 million was transferred from the 2011 Lease Revenue Capital Projects Fund to El Monte Housing Development Corporation Fund for payment of transit oriented development. \$1.3 million was transferred from El Monte Economic Development Fund to Capital Projects Fund for the payment of such capital projects.

NOTE 8 ADVANCES TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY

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

In June 2011, AB X1 26 dissolved the former Redevelopment Agency, effective (after some litigation on the matter) February 1, 2012. As part of the dissolution process set forth in that bill and a later bill clarifying and modifying the terms of the dissolution (Assembly Bill 1484, adopted in June 2012), the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. With the issuance of Findings of Completion to the Successor Agency in April 2013, the Department of Finance allowed the inclusion of the loan agreements between the former Redevelopment Agency and the City on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4(b)(1). In compliance with the provisions of Section 34191.4(2) of AB1484, interest receivable was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in interest receivable by \$51 million. 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 \$42.2 million (including \$12.2 million of adjusted accrued interest) has been reserved as potentially uncollectible as of June 30, 2014. (See Note 18).

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, 2014:

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014	Amount due within one Year
2010 Lease revenue bonds	\$ 18,755,000	\$ -	\$ 325,000	\$ 18,430,000	\$ 340,000
2011 Lease revenue bonds	10,000,000	-	-	10,000,000	-
Certificates of Participation					-
Series 2003-A	2,970,000	-	2,970,000	-	-
Series 2003-B	1,465,000	-	1,465,000	-	-
Series 2013-A	-	3,125,000	-	3,125,000	150,000
Series 2013-B	-	1,615,000	820,000	795,000	795,000
Notes and loans payable	7,399,000	-	556,000	6,843,000	591,000
Capital leases payable	342,230	-	30,033	312,197	31,774
Accrued compensated absences	5,351,133	173,096	533,421	4,990,808	1,247,702
OPEB liability (Note 13)	19,895,404	5,003,376	1,746,485	23,152,295	-
Claims and judgments	10,371,000	1,147,809	1,230,809	10,288,000	1,322,000
	<u>\$ 76,548,767</u>	<u>\$ 11,064,281</u>	<u>\$ 9,676,748</u>	77,936,300	<u>\$ 4,477,476</u>
Unamortized bond discount				(527,463)	
Unamortized bond premium				58,651	
				<u>\$ 77,467,488</u>	
Unamortized loss on defeasance of debt				\$ 29,826	

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:

NOTE 9 LONG-TERM DEBT (CONTINUED)

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. These Taxable Lease Revenue Bonds and the related capital outlay are recorded in the 2010 Lease Revenue Capital Projects Fund.

\$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, 2014:

Year Ending June 30,	2010 Lease Revenue Bonds Series A	
	Principal	Interest
2015	\$ -	\$ 1,318,262
2016	-	1,318,262
2017	-	1,318,262
2018	-	1,318,262
2019	-	1,318,262
2020-2024	650,000	6,580,810
2025-2029	3,050,000	5,798,128
2030-2034	3,855,000	4,323,574
2035-2039	4,915,000	2,413,800
2039-2041	2,320,000	315,900
Total	\$ 14,790,000	\$ 26,023,522

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

NOTE 9 LONG-TERM DEBT (CONTINUED)

Based on the annual payments expected from the former Redevelopment Agency, City management expects \$23,835,000 of the above debt to be repaid using the Agency's tax increment revenues.

\$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, 2014:

Year Ending June 30,	2010 Lease Revenue Bonds Series B	
	Principal	Interest
2015	\$ 340,000	\$ 278,460
2016	360,000	252,450
2017	375,000	224,910
2018	395,000	196,222
2019	415,000	166,006
2020-2023	1,755,000	330,862
Total	\$ 3,640,000	\$ 1,448,910

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

Based on the annual payments expected from the Agency, City management expects \$2,972,000 to be repaid using the Agency's tax increment revenues.

Revenue Bonds Series 2011

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

The proceeds of the Bonds were supposed to be loaned to the Agency pursuant to a Loan Agreement (the "Loan Agreement") between the Authority and the former Redevelopment Agency for the purpose of assisting the Agency with its obligations to assist the City with the financing of the Improvements. With the dissolution of the former Redevelopment Agency, the proceeds of the Bonds were deposited directly to the City's trust account.

NOTE 9 LONG-TERM DEBT (CONTINUED)

As of June 30, 2014 the outstanding balance of the bonds of \$10 million are reported in the City’s financial statements. The remaining proceeds of the bond were transferred to the El Monte Economic Development Corporation in August 2013 as further describes in Note 7.

Payment of principal is due and payable on March 1, 2017 (the “Maturity Date”). The Authority may, without penalty, prepay solely as to the entire outstanding principal balance of this Bond anytime on or after March 1, 2014, or prior to such date upon the consent of the Bondholder. Interest is payable on the first day of the beginning of each quarter commencing on July 1, 2011. The Bonds bear interest at the rate of 5.25% per annum.

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2014:

Year Ending June 30,	<u>2011 Lease Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2015	\$ -	\$ 525,000
2016	-	525,000
2017	<u>10,000,000</u>	<u>525,000</u>
Total	<u>\$ 10,000,000</u>	<u>\$ 1,575,000</u>

Based on annual payments from the agency, city management expects approximately \$1,575,000 to be repaid using Agency 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. As of June 30, 2014, the unamortized loss on defeasance of debt was \$29,826.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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

Year Ending June 30,	Certificates of Participation Series 2013-A		Certificates of Participation Series 2013-B	
	Principal	Interest	Principal	Interest
2015	\$ 150,000	\$ 120,563	\$ 795,000	\$ 15,900
2016	805,000	116,062	-	-
2016	835,000	83,863	-	-
2017	865,000	50,462	-	-
2018	470,000	15,863	-	-
Total	\$ <u>3,125,000</u>	\$ <u>386,813</u>	\$ <u>795,000</u>	\$ <u>15,900</u>

Notes and Loans Payable

HUD Section 108 Loan 1999-A

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

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

The notes mature from 1999 to 2018 and bear varying interest rates. The principal balance outstanding as of June 30, 2014, was \$820,000.

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

Ending June 30,	HUD Section 108 Loan 1999-A	
	Principal	Interest
2015	\$ 145,000	\$ 33,401
2016	155,000	27,044
2017	165,000	19,992
2018	175,000	12,306
2019	180,000	4,158
Total	\$ <u>820,000</u>	\$ <u>96,901</u>

NOTE 9 LONG-TERM DEBT (CONTINUED)

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, 2014, was \$1,288,000.

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

Ending June 30,	HUD Section 108 Loan 2011-A	
	Principal	Interest
2015	\$ 151,000	\$ 19,996
2016	161,000	18,742
2017	172,000	16,944
2018	182,000	14,493
2019	194,000	11,375
2020-2021	428,000	10,243
Total	\$ 1,288,000	\$ 91,793

HUD Section 108 Loan 2004-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. The notes mature from 2005 to 2024, with interest payments ranging from \$6,461 to \$57,998. The principal balance outstanding as of June 30, 2014, was \$1,520,000.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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

Ending June 30,	HUD Section 108 Loan 2004-A	
	Principal	Interest
2015	\$ 100,000	\$ 84,751
2016	105,000	79,342
2017	110,000	73,514
2018	115,000	67,286
2019	125,000	60,522
2020-2024	750,000	181,697
2025	215,000	6,461
Total	\$ 1,520,000	\$ 553,573

On August 25, 2004, the City issued \$4,000,000 of U.S. Government Guaranteed Notes, Series 2004-A, guaranteed by the Secretary of Housing and Urban Development. The notes mature from 2007 to 2024 with interest payments due quarterly bearing a variable interest rate equal to 0.2% of the applicable LIBOR Rate, and shall be adjusted monthly. The principal balance outstanding as of June 30, 2014, was \$2,915,000. The total debt service payment requirements with respect to the loan are as follows:

Ending June 30,	Section 108 Loan - Pacific Place	
	Principal	Interest
2015	\$ 195,000	\$ 137,172
2016	205,000	128,697
2017	220,000	119,331
2018	230,000	109,159
2019	245,000	98,255
2020-2024	1,480,000	288,082
2025	340,000	8,925
Total	\$ 2,915,000	\$ 889,621

NOTE 9 LONG-TERM DEBT (CONTINUED)

Alameda Corridor East Construction Authority (ACE) Promissory Note

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

Ending June 30,	Principal
2017	\$ 150,000
2022	150,000
Total	<u>\$ 300,000</u>

Capital Lease Payable

Helicopter Lease

On February 6, 2007, the City entered into a 15-year equipment lease/purchase agreement with Government Capital Corporation for \$505,000 for the purchase of a helicopter for the Police Department. Principal matures in annual increments ranging from \$22,658 to \$47,139 with interest payable annually at 5.797%.

The following is a schedule, by year, of future minimum lease payments:

Ending June 30,	Principal
2015	\$ 49,872
2016	49,872
2017	49,872
2018	49,872
2019	49,872
2020-2022	149,614
Total payments	<u>398,974</u>
Less amount representing interest	<u>(86,777)</u>
	<u>\$ 312,197</u>

Claims and Judgments

As of June 30, 2014, 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, 2014, the total estimated liability for claims was \$10,288,000.

NOTE 9 LONG-TERM DEBT (CONTINUED)

Business-type Activities

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2014:

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014	Amount due within one Year
2006 Refunding revenue bonds	\$ 16,570,000	\$ -	\$ 450,000	\$ 16,120,000	\$ 465,000
Accrued compensated absences	405,160	16,087	19,234	402,013	100,503
Capital lease payable	18,390,759	-	413,395	17,977,364	-
	\$ 35,365,919	\$ 16,087	\$ 882,629	34,499,377	\$ 565,503
Unamortized bond premium				99,918	
				\$ 34,599,295	
Unamortized loss on defeasance of debt				\$ 681,734	

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
2015	\$ 465,000	\$ 740,801
2016	485,000	722,383
2017	505,000	702,583
2018	525,000	681,983
2019	545,000	660,310
2020-2024	3,095,000	2,924,584
2025-2029	3,855,000	2,144,238
2030-2034	4,890,000	1,073,750
2035-2036	1,755,000	91,125
Total	\$ 16,120,000	\$ 9,741,757

NOTE 9 LONG-TERM DEBT (CONTINUED)

Capital lease payable

A lease payable is recorded in the City's Water Fund. The lease is the remainder due to the City from the sale of the water rights to the Water Authority. The Water Authority is obligated to pay this lease from surplus revenues over the 50-year life of the lease ending September 1, 2049. Payments vary with the level of surplus revenues. The balance of the lease at June 30, 2014 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, 2014, is \$27,305,000. 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 RETIREMENT PLAN

Public Employees Retirement System (PERS)

Plan Description

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

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate. The current rate is 26.393% for non-safety (miscellaneous) employees and 46.117% for safety employees, of annual covered payroll.

NOTE 11 RETIREMENT PLAN (CONTINUED)

The contribution requirements of plan members and the City are established and may be amended by PERS.

For fiscal year ended June 30, 2014, the City's annual pension cost of \$10.0 million (\$7.0 million for safety and \$3.0 million for miscellaneous) for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: a) 7.50% investment rate of return (net of administrative expenses), b) projected annual salary increases between 3.30% and 14.20% that vary by age, duration of service, and c) 3% per year cost-of-living adjustments. Both a) and b) included an inflation component of 2.75%. The actuarial value of PERS assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a 15 year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2014 was 24 years.

Three-Year Trend Information for PERS
(Amounts in Thousands)

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 10,288	100.0%	\$ -
6/30/2013	9,878	100.0%	-
6/30/2014	9,958	100.0%	-

Refer to the Required Supplementary Information for the Schedule of Funding Progress for PERS.

Public Agency Retirement System (PARS)

Plan Description

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. Upon retirement at age 55, this plan provides the 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.

Sample rates are as follows:

Age	Factor	Age	Factor
55	1.000%	60	0.738%
56	0.948%	61	0.686%
57	0.896%	62	0.634%
58	0.844%	63	0.582%
59	0.790%	64+	0.582%

The City has the right to amend, modify or terminate the plan at any time. Separate audited financial statements are not prepared.

Benefits are increased by 2% annual cost of living adjustments after retirement. There are no employee contributions.

Funding Policy

The City's funding policy is to contribute the annual required contribution. The annual required contribution equals the sum of:

- normal cost, and
- amortization of the unfunded actuarial accrued liability

Annual Pension Cost (APC)

For fiscal year ended June 30, 2014, the City's annual pension cost of \$1.07 million for PARS was equal to the City's required and actual contributions. The required contribution was based on the July 1, 2012 actuarial valuation using the entry age normal (level percentage of pay) actuarial cost method. The actuarial assumption included:

Valuation Date:	July 1, 2012
Investment Return:	6.50%
Inflation:	3.00%
Salary Increases:	3.25%
Cost of living adjustment:	2.00% compounded annually

The unfunded actuarial accrued liability is being amortized as a level percent of pay over a closed period based on a 20-year amortization from July 1, 2010 (previously from July 1, 2002). The amortization period for the unfunded actuarial liability was reset to 20 years from July 1, 2010 which resulted in a decrease in employer contribution by 5.16%.

NOTE 11 RETIREMENT PLAN (CONTINUED)

The following table provides 3 years of historical information of the annual pension cost:

Three-Year Trend Information for PARS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2012	\$ 1,225,954	100.0%	\$ -
6/30/2013	1,185,242	100.0%	-
6/30/2014	1,069,757	100.0%	-

Refer to the Required Supplementary Information for the Schedule of Funding Progress for PARS.

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).

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, 2014, 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.

NOTE 12 INSURANCE (CONTINUED)

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 \$8.6 million and \$1.7 million for the worker's compensation claims and general liability claims, respectively, for a total of \$10.3 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
2012	\$ 9,576,811	\$ 1,888,129	\$ (1,359,940)	\$ 10,105,000
2013	10,105,000	1,703,092	(1,437,092)	10,371,000
2014	10,371,000	1,147,809	(1,230,809)	10,288,000

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

The ICRMA has published its own financial report for the year ended June 30, 2014, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS

Plan Description

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

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Funding Policy

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

Annual OPEB Costs and Net OPEB Obligation

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

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

	Fiscal year ended June 30	
	2014	2013
Annual required contribution	\$ 5,061,009	\$ 5,842,059
Interest on net OPEB obligation	833,477	705,504
Adjustments to annual required contribution	(891,110)	(729,441)
Annual pension cost	5,003,376	5,818,122
Annual contribution made	(1,746,485)	(1,600,580)
Increase in net OPEB obligation	3,256,891	4,217,542
OPEB obligation, beginning of year	19,895,404	15,677,862
OPEB obligation, end of year	\$ 23,152,295	\$ 19,895,404

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2013-14 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 5,435,153	29.52%	\$ 15,677,862
6/30/2013	5,818,122	27.51%	19,895,404
6/30/2014	5,003,376	34.91%	23,152,295

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Funded Status and Funding Progress

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

The funded status of the plan as of June 30, 2012 based on the plan's most recent actuarial valuation date of July 1, 2012, was:

Actuarial Accrued Liability (AAL)	\$ 65,524,898
Actuarial Value of Assets	-
Unfunded Actuarial Accrued Liability	<u>\$ 65,524,898</u>
Funded Ratio	0%
Covered Payroll	23,541,000
Unfunded Actuarial Accrued Liability as Percentage of Payroll	278.3%

Actuarial Methods and Assumptions

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

In the July 1, 2012, actuarial valuation, the Entry Age Normal Cost Method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 3% per year for dental and vision programs and 5% for long-term care premiums. Both rates included a payroll increase rate of 3.25%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2014, was twenty-six years. As of the actuarial valuation date, the City had 217 retirees receiving benefits.

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

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

Schedule of Funding Progress (Amounts in Thousands)						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (c)/(b-a)
6/30/2008	\$ -	\$ 52,584	\$ 52,584	0.0%	\$ 28,500	184.5%
6/30/2010	-	64,759	64,759	0.0%	24,750	261.7%
6/30/2012	-	65,525	65,525	0.0%	23,541	278.3%

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 \$2.7 million, \$513,000 of which was required to be returned to HUD. The City reduced the amount of its fiscal year 2013-2014 HOME program allocations in the amount of \$513,000. However, no confirmation was received from HUD that the finding is cleared. Hence, the City accrued the \$513,000 in the June 30, 2014 financial statements. Management asserts that it has provided HUD the necessary documents supporting the alleged unallowable remaining program expenditures of \$2.2 million. As of December 29, 2014, HUD has not cleared the findings based upon the information provided by the City during the past year. The City has assigned a portion of fund balance equal to the City's estimate of the potential loss that may arise.

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 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, 2014		
	Governmental Activities	Business-type Activities	Total
Deferred outflow of resources:			
Remaining difference between the reacquisition amount and the net carrying amount of the refunded debt	\$ 29,826	\$ 681,734	\$ 711,560

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 June 30, 2014
Governmental Activities	
Deferred inflow of resources:	
Unavailable revenue - receivables that were not received within the availability period and were not recognized as revenues	\$ 8,309,890

NOTE 16 PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the Housing Asset Fund and the governmental activities beginning net position was increased by \$484,710 to properly report the transfer in fiscal year 2012-2013 of a note receivable from the Successor Agency of the former Redevelopment Agency to the Housing Asset Funds during the dissolution of the former redevelopment agency. The effect of this adjustment is as follows:

		Housing Assets Fund
Fund balance beginning of year, as previously reported	\$	4,325,682
Adjustment to correct the balance of notes receivable		484,710
Fund balance beginning of year, as restated	\$	4,810,392
		Governmental Activities
Net position beginning of year, as previously reported	\$	466,046,887
Adjustment to correct the balance of notes receivable		484,710
Net position beginning of year, as restated	\$	466,531,597

NOTE 17 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2014 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 29, 2014, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements other than the following:

- 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 finding regarding deficit fund balance in the City’s Special Gas Tax Street Improvement Fund, and required the City to replenish the gas tax fund by \$201,554. The City has made an adjustment in the June 30, 2014 financial statements to replenish the gas tax fund. In addition, the SCO determined 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. The City recorded the \$2,051,605 as expenditure in the June 30, 2014 financial statements of the General Fund.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES

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

Disclosures related to the certain assets and long-term liabilities of the Successor Agency are as follows:

Notes and Loans Receivable

Details of loans receivable as of June 30, 2014 were as follows:

RHCDC Working Capital (Center)		\$	508,523
Pacific Place (Northwest):			
JT LLC Working Capital	\$		532,800
JT LLC Participation Note			400,000
Legal Fees			<u>155,553</u>
Sub-total			<u>1,088,353</u>
Allowance for doubtful accounts			<u>(1,088,353)</u>
Total		\$	<u><u>508,523</u></u>

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

Rio Hondo Community Development Corporation (RHCDC) Working Capital

On August 26, 2003, the former El Monte Community Redevelopment Agency provided a loan to RHCDC for the purchase of rental properties. The original loan amount was \$1,091,000 at an interest rate of 5.65% per annum. The promissory note expires on August 26, 2023.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

JT LLC (formerly L.T. Titan, Limited Partnership)

On April 13, 2000, the former El Monte Community Redevelopment Agency gave a loan of \$500,000 to L.T. Titan, Limited Partnership, backed by a deed of trust on the property at 10501-10507 Valley Boulevard. The principal was due January 12, 2001, and the interest rate was variable, based on the "East/West Bank Reference Rate." The Agency took out a corresponding \$500,000 loan from the East/West Bank due January 12, 2001, the quarterly interest payments of which are reimbursed by L.T. Titan, Limited Partnership. Both notes have been extended.

On December 27, 2001, the former El Monte Community Redevelopment Agency provided a loan to L. T. Titan, Limited Partnership, in the amount of \$200,000. This loan is for interest only until July 2004, at which time the principal balance is due. Interest accrued at a rate of 7.0% until February 28, 2003, at which time it changed to 4.0% until the note is due. These notes are in dispute, and are doubtful of collection. Accordingly, a hundred percent allowance for doubtful accounts was provided as of June 30, 2014.

Land Held for Resale

The former Redevelopment Agency acquired several parcels of land or initiated condemnation proceedings to acquire land for redevelopment purposes. The carrying amount of land is reported at cost which approximates fair value.

Long-term Liabilities

The long-term liabilities of the Successor at June 30, 2014 were as follows:

	Balance at July 1, 2013	Additions	Retirements	Balance at June 30, 2014	Amount due within one Year
Tax allocation bonds	\$ 25,730,000	\$ -	\$ 810,000	\$ 24,920,000	\$ 850,000
Loans from other governments					
County of Los Angeles	894,216	34,822	61,808	867,230	-
Advances from City of El Monte	42,246,869	-	-	42,246,869	-
	<u>\$ 68,871,085</u>	<u>\$ 34,822</u>	<u>\$ 871,808</u>	<u>\$ 68,034,099</u>	<u>\$ 850,000</u>

Tax Allocation Bonds Payable

The El Monte Public Financing Authority has issued the following tax allocation bonds, the proceeds of which were loaned to the former Redevelopment Agency to finance certain redevelopment activities of the former Redevelopment Agency and, in some cases, to refinance prior debt. The bonds are special obligations of the Authority payable from and secured by revenues consisting primarily of amounts payable by the former Redevelopment Agency under the loan agreements.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

The former Redevelopment Agency has pledged a portion of the future property tax increment revenue, including Low and Moderate Income Housing set-aside, that it receives to repay tax allocation bonds that were issued to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. The bonds are payable solely from the property tax increment generated by the former Redevelopment Agency. The former Redevelopment Agency has committed to appropriate each year, from these resources, amounts sufficient to cover the principal and interest requirements on the debt. Total principal and interest remaining on the debt is \$41,259,830 payable through 2038.

Senior Tax Allocation Revenue Bonds, Series 2007

The Bonds are dated July 3, 2007, and were issued to provide funds to the Agency to be applied (i) to refund the \$9,655,000 Tax Allocation Revenue Bonds, Series 1998 (Multiple Redevelopment Project Area Loans), \$3,810,000 Housing Set-Aside Revenue Bonds, Series 1998 (El Monte Community Redevelopment Agency Loan) and a portion of the \$10,010,000 Subordinate Tax Allocation Revenue Bonds, Series 2005 (Multiple Redevelopment Project Area Loans) (collectively, the "Prior Bonds"); (ii) to finance redevelopment activity in the Downtown Project Area and the El Monte Center Project Area, including El Monte Center Amendment No. 1 (collectively, the "Project Areas"), and to fund a reserve fund and costs of issuance of the Bonds.

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2014:

Year Ending June 30,	Senior Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2015	\$ 755,000	\$ 1,011,244
2016	790,000	981,044
2017	825,000	949,444
2018	865,000	908,194
2019	895,000	871,431
2020-2024	5,115,000	3,735,994
2025-2029	6,385,000	2,468,688
2030-2034	3,325,000	1,262,819
2035-2038	3,270,000	397,338
Total	\$ 22,225,000	\$ 12,586,196

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Subordinate Tax Allocation Revenue Bonds, Series 2007

The Bonds are dated July 3, 2007, and were issued to provide funds to the Agency to be applied (i) to refund a portion of the Authority's Subordinate Tax Allocation Revenue Bonds, Series 2005 (Multiple Redevelopment Project Area Loans) (the "2005 Bonds"); (ii) to finance redevelopment activity in the Project Areas; and (iii) to fund a reserve account and costs of issuance of the Bonds.

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2014:

Year Ending June 30,	Subordinate Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2015	\$ 95,000	\$ 139,075
2016	90,000	134,681
2017	95,000	130,451
2018	95,000	125,939
2019	105,000	121,379
2020-2024	605,000	523,870
2025-2029	775,000	348,475
2030-2034	415,000	179,405
2035-2039	420,000	57,240
Total	\$ 2,695,000	\$ 1,760,515

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, 2014, the principal balance outstanding together with accrued interest through that date was \$201,009.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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, 2014, the principal balance outstanding was \$666,221.

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

Non-committal debt

Multi-Family Housing Revenue Refunding Bonds

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

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

Advances from the City of El Monte

During the previous fiscal years, the City of El Monte made loans to the former Redevelopment Agency. With the dissolution of all redevelopment agencies in California effective February 1, 2012, the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. In addition, the loan may be reinstated (but is not required to be) under Assembly Bill 1484 following the completion of a due diligence process and issuance of Finding of Completion by the Department of Finance. In compliance with the provisions of Section 34191.4(2) of AB1484, interest on the loans was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in accrued interest by \$51 million. Details of the balance of the loan of \$42.2 million at June 30, 2014 (including \$12.2 million of adjusted accrued interest) are as follows:

City of El Monte
Notes to Financial Statements
Year ended June 30, 2014

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/12 and 6/30/14	Outstanding Balance as of 06/30/12 and 6/30/14
El Monte Center							
3	1-C	9/1/1988	Loans From the City of El Monte (R-383, 222)	\$ 1,313,497		\$ 1,247,518	\$ 2,561,015
4	1-D	4/1/1998	Loan from City to K-mart Deferred Fees	133,560	LAIF + 2.00%	59,049	192,609
5	1-E	1/6/2000	Loan from the city of El Monte Longo Expansion	2,800,000	6.5%	984,295	3,784,295
6	1-H	1/6/2000	Loan from City (CDBG) - Longo Expansion	1,200,000	6.5%	389,851	1,589,851
7	1-I	5/10/1993	Loan from the city of El Monte - ERAF	50,561	6.0%	34,970	85,531
8	2-A	2003/2004	Loan from the city of El Monte - Nelson Honda Jobs Grant	1,444,234	4%	105,672	1,549,906
9	2-C	Feb. 4, 2004	City Cooperation Agreement Longo New Jobs Grant Agreement	2,500,000	5%	339,416	2,839,416
10	2-E	Feb. 3, 2004	Longo Construction Loan	3,000,000	LAIF + 2.00%	614,310	3,614,310
			Loan Totals	\$ 12,441,852		\$ 3,775,081	\$ 16,216,933
Center Amended							
3	1-C	1998/1989	Loans From the City of El Monte (R-356, 385)	702,000	10%	678,647	1,380,647
4	1-I	3/25/1997	CDBG Loan From Bank	694,602	LAIF + 2.00%	351,858	1,046,460
			Loan Totals	\$ 1,396,602		\$ 1,030,505	\$ 2,427,107

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/12 and 6/30/14	Outstanding Balance as of 06/30/12 and 6/30/14
Downtown El Monte							
3	1-A	4/6/2005	Loans from the City of El Monte - King Court (Home Fund)	\$ 513,000	10%	\$ 88,347	\$ 601,347
4	1-D	1986-1990	Loans From the City of El Monte (R-360, 364)	1,350,590	10%	1,442,855	2,793,445
5	1-E	11/12/1991	Loan from the city of El Monte (R-428) Nelson Honda	222,950	LAIF + 2.00%	175,649	398,599
6	1-F	12/1/1991	Loan from the city of El Monte (R-436) Orchard	15,000	8%	11,769	26,769
7	1-G	6/1/1995	Loan from the city of El Monte (R-598) Food Barn	75,000	7.5%	45,683	120,683
8	1-J	1986-1990	Loans from the city of El Monte CDBG (R-251)	326,000	10%	396,749	722,749
9	2-A	1990-1992	Loans from the city of El Monte CDBG (R-410, 345, 331)	803,000	LAIF + 2.00% & 9.5%	874,174	1,677,174
Downtown El Monte (Continued)							
10	2-B	9/27/1994	Loan from the city of El Monte CDBG (R-562) Orchard	42,880	7.0%	27,628	70,508
11	2-F	1991-1992	Loan from the City of El Monte R-432 - Edwards Theater	725,000	9%	585,734	1,310,734
12	2-F	1991-1992	Loans from the city of El Monte UDAG (R417)	20,000	9%	-	20,000
13	2-G	5/3/1993	Loan from the city of El Monte - ERAF	59,549	6%	40,601	100,150
14	2-K	2003/2004	Gabae Loan and Section 108 Loan - Peck/Ramona Triangle	3,191,941		492,408	3,684,349
15	3-A	6/1/07	DDA- Agreement- Festial -Capri Santa Fe Trail Associates	5,390,000	4.5% & LAIF + 2.0%	436,996	5,826,996
Loan Totals				\$ 12,734,910		\$ 4,618,593	\$ 17,353,503

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/12 and 6/30/14	Outstanding Balance as of 06/30/12 and 6/30/14
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%	\$ 1,910,550	\$ 3,634,504
2	1-B	1991/1992	Loans From the City of El Monte (R-411, 465)	500,000	12% & 7%	380,143	880,143
3	1-C	1992/1993	Loan From the City of El Monte (R-484)	350,000	7%	247,137	597,137
4	1-D	1994/1995	Loan From the City of El Monte (R-463)	90,000	8%	66,162	156,162
5	1-F	1994-1995	Loan from the city of El Monte - Water Fund (R-570)	150,000	7%	95,192	245,192
6	1-I	2005-2006	Loan from the city of El Monte - ERAF	213,231	2.5%	37,927	251,158
			Loan Totals	\$ 3,027,185		\$ 2,737,111	\$ 5,764,296
Valley Durfee							
1	1-C	4/16/2006	Loan from the City of El Monte - ERAF	213,231	5%	28,979	242,210
2	1-D	9/19/2006	Loan from the city of El Monte For Improvement Costs	217,406	LAIF + 2.00%	25,411	242,817
			Loan Totals	\$ 430,637		\$ 54,390	\$ 485,027
Grand total				\$ 30,031,186		\$ 12,215,680	\$ 42,246,866

During fiscal year 2013-2014, the City of El Monte provided loans to the Successor Agency of the former Redevelopment Agency amounting to \$2,498,549. Approximately \$978,000 of these advances were repaid in July 2014, with the remaining \$1.5 million scheduled to be repaid after the sale of certain property in fiscal year 2014-15. The total advances of the Successor Agency of the former Redevelopment Agency from the City of El Monte as of June 30, 2014 is \$44,745,418.

Details of Outstanding Loans

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.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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.

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.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Downtown El Monte

Loan (1-A)

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

Loan (1-D)

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

Loan (1-E)

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

Loan (1-F)

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

Loan (1-G)

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

Loan (1-J)

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

Loan (2-A)

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

Loan (2-B)

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

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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.

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.

Northwest

Loan (1-A)

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

Loan (1-B)

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

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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.

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 29, 2014, the Oversight Board has not yet made a finding that the loans were for legitimate redevelopment purposes.

NOTE 18 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Prior Period Adjustment

Prior period adjustments of \$919,228 were made to record the transfer of a note receivable from the Successor Agency of the former Redevelopment Agency to the Housing Assets Fund and to record unfunded prior year pass-through payments owed for fiscal years 2006/2007 and 2007/2008 to the El Monte City School District, El Monte Union High School District and the Rosemead School District from the City of El Monte Northwest RP project area. Both transactions relate to years prior to 2013/14.

The effect on the fund balance of the Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund is as follows:

Fund balance beginning of year, as previously reported	\$	(54,993,876)
Adjustment to correct the balance of notes receivable		(484,710)
Unclaimed prior year pass-through payments		(434,518)
Fund balance beginning of year, as restated	\$	(55,913,104)

REQUIRED SUPPLEMENTARY INFORMATION

City of El Monte
Budgetary Comparison by Department
General Fund
Year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 43,869,700	\$ 43,869,700	\$ 48,467,609	\$ 4,597,909
Licenses and permits	571,300	1,389,800	986,933	(402,867)
Intergovernmental	48,000	48,000	104,354	56,354
Charges for services	1,923,800	1,923,800	3,060,749	1,136,949
Use of money and property	155,000	155,000	211,131	56,131
Fines and forfeitures	1,270,000	1,270,000	1,441,434	171,434
Contributions	6,500	6,500	150	(6,350)
Miscellaneous	400,800	400,800	851,326	450,526
Net change in fair value of investments	-	-	509,360	509,360
Total revenues	<u>48,245,100</u>	<u>49,063,600</u>	<u>55,633,046</u>	<u>6,569,446</u>
Expenditures				
General Government				
City council	205,400	245,300	211,328	33,972
Administrative office				
City manager	608,200	794,700	426,704	367,996
City clerk	440,600	483,600	500,754	(17,154)
Commissions and community promotion	3,400	3,400	-	3,400
Public information office	162,700	166,700	118,216	48,484
Total administrative office	<u>1,214,900</u>	<u>1,448,400</u>	<u>1,045,674</u>	<u>402,726</u>
Human Resources	288,200	361,700	311,357	50,343
Finance				
Accounting and administration	714,800	717,800	442,960	274,840
City treasurer	160,300	200,300	195,755	4,545
Purchasing	45,400	46,900	43,741	3,159
License collection	86,600	88,600	157,622	(69,022)
Insurance and surety	1,054,300	1,054,300	1,052,057	2,243
Information technology	164,200	164,200	132,161	32,039
Total finance	<u>2,225,600</u>	<u>2,272,100</u>	<u>2,024,296</u>	<u>247,804</u>
City attorney	1,200,000	1,980,000	2,026,987	(46,987)
General city expense	2,951,500	3,030,000	4,869,377	(1,839,377)
Total general government	<u>8,085,600</u>	<u>9,337,500</u>	<u>10,489,019</u>	<u>(1,151,519)</u>
Public safety				
Police	21,960,100	21,948,657	20,598,892	1,349,765
Fire department	11,341,200	11,341,200	11,152,491	188,709
Police helicopter	927,300	927,300	805,754	121,546
Civil defense	12,000	12,000	12,350	(350)
Traffic safety program	10,500	10,500	8,189	2,311
Parking enforcement	146,400	146,400	76,091	70,309
Total public safety	<u>34,397,500</u>	<u>34,386,057</u>	<u>32,653,767</u>	<u>1,732,290</u>
Parks, recreation and cultural				
Administration	433,400	428,400	328,071	100,329
Parks	750,400	750,400	699,168	51,232
Sports/playgrounds	5,400	5,400	10,289	(4,889)
Adult sports	89,700	89,700	83,954	5,746
Senior services	200,500	204,100	126,836	77,264
Aquatic center project	575,900	673,400	618,397	55,003
Communications and marketing	12,000	12,000	11,467	533
Contracted classes	36,500	27,500	48,573	(21,073)
El Monte Museum	29,600	48,300	31,193	17,107
Special facilities	-	135,000	108,182	26,818
Total parks, recreation and cultural	<u>2,133,400</u>	<u>2,374,200</u>	<u>2,066,130</u>	<u>308,070</u>

City of El Monte
Budgetary Comparison by Department
General Fund (Continued)
Year ended June 30, 2014

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Economic development				
Community development	\$ 548,600	\$ 1,198,904	\$ 240,154	\$ 958,750
City planning	633,400	719,547	483,347	236,200
Building regulation	253,500	253,500	916,301	(662,801)
Environmental services	219,900	364,449	294,472	69,977
Code enforcement	225,200	236,643	266,740	(30,097)
Home Foreclosure Program	-	-	86,587	(86,587)
Total economic development	<u>1,880,600</u>	<u>2,773,043</u>	<u>2,287,601</u>	<u>485,442</u>
Engineering and public works				
Engineering	106,800	178,300	164,332	13,968
Public works administration	723,400	880,000	711,213	168,787
Building and grounds maintenance	899,400	1,033,000	1,009,891	23,109
Parks and building maintenance	1,266,500	1,512,000	1,331,433	180,567
Street maintenance	143,400	116,400	222,683	(106,283)
Street signs and striping	124,600	94,600	123,413	(28,813)
Street sweeping	53,700	53,700	52,844	856
Median maintenance	217,700	237,700	301,871	(64,171)
Traffic signal maintenance	265,000	261,000	222,012	38,988
Street lights	788,000	788,000	737,736	50,264
Street trees and parkways	364,400	470,000	449,707	20,293
Equipment maintenance	194,500	194,500	101,956	92,544
Valley Mall	42,000	42,000	39,013	2,987
Transportation	8,700	8,700	8,502	198
Total engineering and public works	<u>5,198,100</u>	<u>5,869,900</u>	<u>5,476,606</u>	<u>393,294</u>
Total public works	<u>7,078,700</u>	<u>8,642,943</u>	<u>7,764,207</u>	<u>878,736</u>
Capital outlay	170,000	694,700	278,601	416,099
Debt service:				
Principal retirement	785,000	785,000	820,000	(35,000)
Issuance costs and underwriter's discount	-	-	166,147	(166,147)
Interest and fiscal charges	172,600	172,600	183,663	(11,063)
Total expenditures	<u>52,822,800</u>	<u>56,393,000</u>	<u>54,421,534</u>	<u>1,971,466</u>
Excess(deficiency) of revenues over expenditures	(4,577,700)	(7,329,400)	1,211,512	8,540,912
Other financing sources (uses)				
Proceeds from bond issuance, net	-	-	4,803,723	4,803,723
Defeasance of debt	-	-	(4,372,671)	(4,372,671)
Transfers in	3,025,000	3,025,000	3,352,674	327,674
Transfers out	(130,400)	(352,200)	(463,007)	(110,807)
Net other financing sources (uses)	<u>2,894,600</u>	<u>2,672,800</u>	<u>3,320,719</u>	<u>647,919</u>
Change in fund balance	(1,683,100)	(4,656,600)	4,532,231	9,188,831
Fund balance, beginning of year	<u>30,514,153</u>	<u>30,514,153</u>	<u>30,514,153</u>	<u>-</u>
Fund balance, end of year	<u>\$ 28,831,053</u>	<u>\$ 25,857,553</u>	<u>\$ 35,046,384</u>	<u>\$ 9,188,831</u>

**City of El Monte
Budgetary Comparison
Retirement Fund
Year ended June 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,470,600	\$ 9,470,600	\$ 8,415,745	\$ (1,054,855)
Use of money and property	-	-	99,110	99,110
Miscellaneous	460,000	460,000	228,720	(231,280)
Total revenues	<u>9,930,600</u>	<u>9,930,600</u>	<u>8,743,575</u>	<u>(1,187,025)</u>
Expenditures				
General government	9,900,000	9,900,000	10,139,093	(239,093)
Total expenditures	<u>9,900,000</u>	<u>9,900,000</u>	<u>10,139,093</u>	<u>(239,093)</u>
Change in fund balance	<u>30,600</u>	<u>30,600</u>	<u>(1,395,518)</u>	<u>(1,426,118)</u>
Fund balances, beginning of year	<u>20,617,939</u>	<u>20,617,939</u>	<u>20,617,939</u>	-
Fund balances, end of year	<u>\$ 20,648,539</u>	<u>\$ 20,648,539</u>	<u>\$ 19,222,421</u>	<u>\$ (1,426,118)</u>

**City of El Monte
Budgetary Comparison
Housing and Community Development Fund
Year ended June 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 7,023,900	\$ 7,023,900	\$ 4,402,966	\$ (2,620,934)
Use of money and property	-	-	41,413	41,413
Miscellaneous	435,100	501,100	380,795	(120,305)
Total revenues	<u>7,459,000</u>	<u>7,525,000</u>	<u>4,825,174</u>	<u>(2,699,826)</u>
Expenditures				
Current:				
Public safety	119,400	60,273	60,379	(106)
Parks, recreation and cultural	205,500	232,062	172,048	60,014
Economic development	1,789,800	1,909,665	3,499,692	(1,590,027)
Capital outlay	4,420,700	4,368,466	211,457	4,157,009
Debt service:				
Principal retirement	568,500	568,500	556,000	12,500
Interest and fiscal charges	348,500	348,500	296,076	52,424
Total expenditures	<u>7,452,400</u>	<u>7,487,466</u>	<u>4,795,652</u>	<u>2,691,814</u>
Net change in fund balances	6,600	37,534	29,522	(8,012)
Fund balances, beginning of year	3,440,119	3,440,119	3,440,119	-
Fund balances, end of year	<u>\$ 3,446,719</u>	<u>\$ 3,477,653</u>	<u>\$ 3,469,641</u>	<u>\$ (8,012)</u>

**City of El Monte
Budgetary Comparison
Housing Assets Fund
Year ended June 30, 2014**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Use of money and property	\$ -	\$ -	\$ 60,336	\$ 60,336
Miscellaneous	-	-	29,730	29,730
Total revenues	<u>-</u>	<u>-</u>	<u>90,066</u>	<u>90,066</u>
Expenditures				
Current:				
Economic development	-	-	5,220	(5,220)
Capital outlay	-	1,500,000	77,039	1,422,961
Total expenditures	<u>-</u>	<u>1,500,000</u>	<u>82,259</u>	<u>1,417,741</u>
Net change in fund balances	-	(1,500,000)	7,807	1,507,807
Fund balances, beginning of year	<u>4,810,392</u>	<u>4,810,392</u>	<u>4,810,392</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,810,392</u>	<u>\$ 3,310,392</u>	<u>\$ 4,818,199</u>	<u>\$ 1,507,807</u>

City of El Monte
Schedule of Funding Progress – Retirement Plans
Year ended June 30, 2014

California Public Employees' Retirement System

*Schedule of Funding Progress for PERS
Most Current Available
(Amount in Thousands)*

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2011:						
Miscellaneous	\$ 107,296	\$ 127,238	\$ 19,942	84.3%	\$ 9,996	199.5%
Safety	201,013	239,373	38,360	84.0%	13,545	283.2%
Total	<u>\$ 308,309</u>	<u>\$ 366,611</u>	<u>\$ 58,302</u>	<u>84.1%</u>	<u>\$ 23,541</u>	<u>247.7%</u>
6/30/2012:						
Miscellaneous	\$ 107,829	\$ 130,762	\$ 22,933	82.5%	\$ 9,887	232.0%
Safety	207,277	252,749	45,472	82.0%	13,503	336.8%
Total	<u>\$ 315,106</u>	<u>\$ 383,511</u>	<u>\$ 68,405</u>	<u>82.2%</u>	<u>\$ 23,390</u>	<u>292.5%</u>
6/30/2013:						
Miscellaneous	\$ 96,861	\$ 135,112	\$ 38,251	71.7%	\$ 9,018	424.2%
Safety	188,408	259,120	70,712	72.7%	12,531	564.3%
Total	<u>\$ 285,269</u>	<u>\$ 394,232</u>	<u>\$ 108,963</u>	<u>72.4%</u>	<u>\$ 21,549</u>	<u>505.7%</u>

Postemployment Health Benefits

*Schedule of Funding Progress
(Amounts in Thousands)*

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

City of El Monte
Schedule of Funding Progress – Retirement Plans
Year ended June 30, 2014

PARS

Schedule of Funding Progress
(Most recent information available)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Valuation Payroll	UAAL as a % of Valuation Payroll
	(A)	(B)	(B-A)	(A/B)	(C)	((B-A)/C)
7/1/2006	\$ 9,289,313	\$ 21,619,147	\$ 12,329,834	42.97%	\$ 13,044,550	94.52%
7/1/2009	12,463,855	27,750,420	15,286,565	44.91%	10,174,049	150.25%
7/1/2012	16,054,899	34,482,848	18,427,949	46.56%	8,065,940	228.47%

Note: Information through June 30, 2006 was based on 7.5% investment return assumption. The July 1, 2009 and 2012 valuation changed the assumed interest rate to 6.5%.

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.

EXPENDITURES AND TRANSFERS OUT IN EXCESS OF APPROPRIATIONS

Expenditures for the year ended June 30, 2014 exceeded the appropriations by the following amounts in the following funds:

Major Special Revenue Fund		
Retirement	\$	239,093
Nonmajor Special Revenue Funds:		
AB 939		41,081
Supplemental Law Enforcement Safety Fund		15,714
Senior Citizen Program		25,637
Parking and Business Improvement		95,200
Special Programs		36,340
Special Programs II		284
Storm Drain		13,519

Transfers out for the year ended June 30, 2014 exceeded the appropriations by the following amounts in the following funds:

Nonmajor Special Revenue Funds:		
Miscellaneous Grants	\$	98,007
Storm Drain		270,487
El Monte Development Corporation		1,322,145
Nonmajor Capital Projects Funds:		
2010 Lease Revenue Bond Capital Projects Fund		20,548
2011 Lease Revenue Bond Capital Projects Fund		9,781,050
Capital Projects		282,756

SUPPLEMENTARY INFORMATION

	Special Revenue Funds		
	Emergency Shelter Grant	Urban Development Grant (UDAG)	Proposition A
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ -	\$ 158,690	\$ 2,471,109
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	5,622
Taxes	-	-	-
Notes and loans	-	-	-
Prepaid expenses	-	-	10,658
Due from other governments	118,195	-	-
Total assets	<u>118,195</u>	<u>158,690</u>	<u>2,487,389</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ <u>118,195</u>	\$ <u>158,690</u>	\$ <u>2,487,389</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 63,394	\$ -	\$ 135,037
Advances from grantors	-	-	-
Deposits payable	-	-	-
Due to other governments	-	77,516	-
Due to other funds	81,620	-	-
Total liabilities	<u>145,014</u>	<u>77,516</u>	<u>135,037</u>
Deferred inflows of resources	-	-	-
Unavailable revenue	-	-	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable			
Prepaid items	-	-	10,658
Restricted			
Special revenue funds	-	81,174	2,341,694
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	(26,819)	-	-
Total fund balances (deficit)	<u>(26,819)</u>	<u>81,174</u>	<u>2,352,352</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>118,195</u>	\$ <u>158,690</u>	\$ <u>2,487,389</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2014**

Special Revenue Funds					
Tree Mitigation & Planting Fund	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ -	\$ 90,788	\$ 4,405,782	\$ 5,884,505	\$ 3,579,038	\$ 852,099
-	-	-	-	-	-
-	-	-	17,280	-	228,245
-	-	-	-	-	643
-	-	-	-	-	-
-	-	13,750	-	-	-
140,501	36,867	-	-	-	-
<u>140,501</u>	<u>127,655</u>	<u>4,419,532</u>	<u>5,901,785</u>	<u>3,579,038</u>	<u>1,080,987</u>
-	-	-	-	-	-
<u>\$ 140,501</u>	<u>\$ 127,655</u>	<u>\$ 4,419,532</u>	<u>\$ 5,901,785</u>	<u>\$ 3,579,038</u>	<u>\$ 1,080,987</u>
\$ 16,491	\$ -	\$ 5,465	\$ 49,542	\$ 297,014	\$ 80,007
-	-	-	-	-	-
-	-	2,375	-	-	-
-	-	-	-	-	-
110,216	-	-	-	-	-
<u>126,707</u>	<u>-</u>	<u>7,840</u>	<u>49,542</u>	<u>297,014</u>	<u>80,007</u>
140,501	-	-	-	-	-
<u>140,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	13,750	-	-	-
-	127,655	4,397,942	5,852,243	3,282,024	1,000,980
-	-	-	-	-	-
-	-	-	-	-	-
(126,707)	-	-	-	-	-
<u>(126,707)</u>	<u>127,655</u>	<u>4,411,692</u>	<u>5,852,243</u>	<u>3,282,024</u>	<u>1,000,980</u>
<u>\$ 140,501</u>	<u>\$ 127,655</u>	<u>\$ 4,419,532</u>	<u>\$ 5,901,785</u>	<u>\$ 3,579,038</u>	<u>\$ 1,080,987</u>

	Special Revenue Funds		
	Supplemental Law Enforcement Safety Fund (SLES)	MTA Call for Projects	EI Monte Housing Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ 553,844	\$ -	\$ -
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Taxes	25,286	-	-
Notes and loans	-	-	300,000
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Total assets	<u>579,130</u>	<u>-</u>	<u>300,000</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 579,130</u>	<u>\$ -</u>	<u>\$ 300,000</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Advances from grantors	-	-	-
Deposits payable	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue	-	-	300,000
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>300,000</u>
Fund Balances (Deficit)			
Nonspendable			
Prepaid items	-	-	-
Restricted			
Special revenue funds	579,130	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>579,130</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 579,130</u>	<u>\$ -</u>	<u>\$ 300,000</u>

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

Special Revenue Funds					
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Senior Citizen Program	Children's Lunch Program
\$ -	\$ 498,216	\$ 182,245	\$ -	\$ 25,100	\$ -
-	-	-	-	-	-
-	-	-	26	-	-
-	-	-	-	-	-
-	280,989	1,065,360	-	-	-
-	-	-	-	-	-
<u>2,127,425</u>	<u>-</u>	<u>-</u>	<u>11,366</u>	<u>43,583</u>	<u>34,181</u>
<u>2,127,425</u>	<u>779,205</u>	<u>1,247,605</u>	<u>11,392</u>	<u>68,683</u>	<u>34,181</u>
-	-	-	-	-	-
<u>\$ 2,127,425</u>	<u>\$ 779,205</u>	<u>\$ 1,247,605</u>	<u>\$ 11,392</u>	<u>\$ 68,683</u>	<u>\$ 34,181</u>
\$ 145,692	\$ 62,377	\$ -	\$ 62	\$ 20,236	\$ 26,660
866	-	-	-	-	4,858
47,226	-	-	-	-	-
-	-	-	-	-	-
<u>1,942,900</u>	<u>-</u>	<u>-</u>	<u>9,963</u>	<u>-</u>	<u>2,663</u>
<u>2,136,684</u>	<u>62,377</u>	<u>-</u>	<u>10,025</u>	<u>20,236</u>	<u>34,181</u>
-	-	-	-	-	-
<u>1,446,231</u>	<u>280,989</u>	<u>1,065,360</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,446,231</u>	<u>280,989</u>	<u>1,065,360</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	435,839	182,245	1,367	48,447	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>(1,455,490)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,455,490)</u>	<u>435,839</u>	<u>182,245</u>	<u>1,367</u>	<u>48,447</u>	<u>-</u>
<u>\$ 2,127,425</u>	<u>\$ 779,205</u>	<u>\$ 1,247,605</u>	<u>\$ 11,392</u>	<u>\$ 68,683</u>	<u>\$ 34,181</u>

	Special Revenue Funds				
	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee	Art in Public Places	Special Programs
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and investments	\$ 296,195	\$ 136,120	\$ -	\$ 330,218	\$ 113,087
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	32,947	-	-	8,465
Taxes	-	-	-	-	-
Notes and loans	-	-	-	235,958	-
Prepaid expenses	23,800	2,025	-	-	4,378
Due from other governments	-	-	-	-	-
Total assets	<u>319,995</u>	<u>171,092</u>	<u>-</u>	<u>566,176</u>	<u>125,930</u>
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ 319,995	\$ 171,092	\$ -	\$ 566,176	\$ 125,930
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 4	\$ -	\$ -	\$ 1,081
Advances from grantors	-	-	-	-	-
Deposits payable	-	-	-	-	51,934
Due to other governments	-	-	-	-	-
Due to other funds	-	-	41,350	-	-
Total liabilities	<u>-</u>	<u>4</u>	<u>41,350</u>	<u>-</u>	<u>53,015</u>
Deferred inflows of resources	-	-	-	-	-
Unavailable revenue	-	-	-	235,958	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,958</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable					
Prepaid items	23,800	2,025	-	-	4,378
Restricted					
Special revenue funds	296,195	169,063	-	330,218	68,537
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned	-	-	(41,350)	-	-
Total fund balances (deficit)	<u>319,995</u>	<u>171,088</u>	<u>(41,350)</u>	<u>330,218</u>	<u>72,915</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 319,995	\$ 171,092	\$ -	\$ 566,176	\$ 125,930

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

Special Revenue Funds					
Special Programs II	Measure R	Storm Drain	El Monte Economic Devt Corp	Federal Stimulus	CalHome Grant
\$ 84,318	\$ 3,596,574	\$ -	\$ -	\$ -	\$ -
-	-	-	8,075,211	-	-
-	-	-	67	-	-
-	-	64,905	-	-	660,734
-	-	-	-	-	-
-	-	-	-	-	439,919
<u>84,318</u>	<u>3,596,574</u>	<u>64,905</u>	<u>8,075,278</u>	<u>-</u>	<u>1,100,653</u>
-	-	-	-	-	-
<u>\$ 84,318</u>	<u>\$ 3,596,574</u>	<u>\$ 64,905</u>	<u>\$ 8,075,278</u>	<u>\$ -</u>	<u>\$ 1,100,653</u>
\$ 1,106	\$ -	\$ 30	\$ -	\$ -	\$ 27,223
-	-	-	-	-	-
10,289	156	-	-	-	3,690
-	-	-	-	-	660,734
-	-	48,532	216,524	27,611	412,619
<u>11,395</u>	<u>156</u>	<u>48,562</u>	<u>216,524</u>	<u>27,611</u>	<u>1,104,266</u>
-	-	64,905	-	-	103,738
-	-	64,905	-	-	103,738
-	-	-	-	-	-
72,923	3,596,418	-	7,858,754	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(48,562)	-	(27,611)	(107,351)
<u>72,923</u>	<u>3,596,418</u>	<u>(48,562)</u>	<u>7,858,754</u>	<u>(27,611)</u>	<u>(107,351)</u>
<u>\$ 84,318</u>	<u>\$ 3,596,574</u>	<u>\$ 64,905</u>	<u>\$ 8,075,278</u>	<u>\$ -</u>	<u>\$ 1,100,653</u>

	Special Revenue Funds		
	Transportation Development Act Fund	COPS Hiring Recovery Program	Energy Efficiency Block Grant
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ 7,997	\$ -	\$ -
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Notes and loans	-	-	-
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Total assets	<u>7,997</u>	<u>-</u>	<u>-</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	\$ <u>7,997</u>	\$ <u>-</u>	\$ <u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Advances from grantors	-	-	-
Deposits payable	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue	-	-	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable			
Prepaid items	-	-	-
Restricted			
Special revenue funds	7,997	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>7,997</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>7,997</u>	\$ <u>-</u>	\$ <u>-</u>

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

Capital Projects Funds					
2010 Lease Revenue Bonds	2011 Lease Revenue Bond	Capital Projects Fund	2010 Lease Revenue Bonds	2011 Lease Revenue Bond	Totals
\$ -	\$ -	\$ 1,558,448	\$ -	\$ 82,663	\$ 24,907,036
-	-	-	1,251,450	-	9,326,661
-	-	-	-	-	292,652
-	-	-	-	-	25,929
-	-	-	-	-	2,607,946
-	-	-	-	-	54,611
-	-	-	-	-	2,952,037
<u>-</u>	<u>-</u>	<u>1,558,448</u>	<u>1,251,450</u>	<u>82,663</u>	<u>40,166,872</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,558,448</u>	<u>\$ 1,251,450</u>	<u>\$ 82,663</u>	<u>\$ 40,166,872</u>
\$ -	\$ -	\$ 33,212	\$ -	\$ -	\$ 964,633
-	-	-	-	-	5,724
-	-	1,494,020	-	-	1,609,690
-	-	-	-	-	738,250
-	-	-	9,270	-	2,903,268
<u>-</u>	<u>-</u>	<u>1,527,232</u>	<u>9,270</u>	<u>-</u>	<u>6,221,565</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,637,682</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,637,682</u>
-	-	-	-	-	54,611
-	-	-	-	-	30,730,845
-	-	31,216	-	-	31,216
-	-	-	1,242,180	82,663	1,324,843
-	-	-	-	-	(1,833,890)
<u>-</u>	<u>-</u>	<u>31,216</u>	<u>1,242,180</u>	<u>82,663</u>	<u>30,307,625</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,558,448</u>	<u>\$ 1,251,450</u>	<u>\$ 82,663</u>	<u>\$ 40,166,872</u>

	Special Revenue Funds		
	Emergency	Urban	Proposition
	Shelter Grant	Development Grant (UDAG)	Proposition A
Revenues			
Taxes	\$ -	\$ -	\$ 1,942,184
Intergovernmental	118,195	-	154,381
Charges for services	-	-	-
Use of money and property	-	810	12,150
Contributions	-	-	-
Miscellaneous	-	-	63,324
Total revenues	<u>118,195</u>	<u>810</u>	<u>2,172,039</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	2,032,125
Economic development	99,577	-	-
Capital outlay	-	-	1,732.00
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>99,577</u>	<u>-</u>	<u>2,033,857</u>
Excess (deficiency) of revenues over expenditures	<u>18,618</u>	<u>810</u>	<u>138,182</u>
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>(45,437)</u>	<u>80,364</u>	<u>2,214,170</u>
Fund balances, end of year	<u>\$ (26,819)</u>	<u>\$ 81,174</u>	<u>\$ 2,352,352</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2014

Special Revenue Funds					
Tree Mitigation & Planting Fund	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ -	\$ -	\$ -	\$ 1,618,296	\$ 3,788,170	\$ 347,581
-	140,049	1,751,811	58,911	-	-
-	-	-	-	-	511,560
-	960	19,990	30,550	20,960	-
-	-	-	-	-	-
17,617	-	-	2,000	-	-
<u>17,617</u>	<u>141,009</u>	<u>1,771,801</u>	<u>1,709,757</u>	<u>3,809,130</u>	<u>859,141</u>
-	-	-	-	-	-
-	-	303,328	-	-	-
15,215	-	-	-	-	-
-	326,151	-	746,924	2,914	-
-	-	-	-	-	1,204,721
140,501	-	394,414	1,216,160	1,897,762	115,160
-	-	-	-	-	-
-	-	-	-	-	-
<u>155,716</u>	<u>326,151</u>	<u>697,742</u>	<u>1,963,084</u>	<u>1,900,676</u>	<u>1,319,881</u>
<u>(138,099)</u>	<u>(185,142)</u>	<u>1,074,059</u>	<u>(253,327)</u>	<u>1,908,454</u>	<u>(460,740)</u>
-	-	-	-	201,554	-
-	-	-	-	(3,025,000)	-
-	-	-	-	(2,823,446)	-
<u>11,392</u>	<u>312,797</u>	<u>3,337,633</u>	<u>6,105,570</u>	<u>4,197,016</u>	<u>1,461,720</u>
<u>\$ (126,707)</u>	<u>\$ 127,655</u>	<u>\$ 4,411,692</u>	<u>\$ 5,852,243</u>	<u>\$ 3,282,024</u>	<u>\$ 1,000,980</u>

	Special Revenue Funds		
	Supplemental Law Enforcement Safety Fund (SLES)	MTA Call for Projects	El Monte Housing Authority
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	201,005	346,515	-
Charges for services	-	-	-
Use of money and property	2,430	-	-
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>203,435</u>	<u>346,515</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	36,714	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>36,714</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>166,721</u>	<u>346,515</u>	<u>-</u>
Other financing sources (uses)			
Transfers in	-	49,083	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>49,083</u>	<u>-</u>
Fund balances, beginning of year	<u>412,409</u>	<u>(395,598)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 579,130</u>	<u>\$ -</u>	<u>\$ -</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2014

Special Revenue Funds				
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Senior Citizen Program
\$ -	\$ -	\$ -	\$ -	\$ -
875,333	-	111,221	49,870	123,859
-	7,044	-	-	-
-	2,120	-	-	-
-	-	-	-	-
-	-	-	-	22,477
<u>875,333</u>	<u>9,164</u>	<u>111,221</u>	<u>49,870</u>	<u>146,336</u>
-	-	-	-	-
177,847	-	-	-	-
125	-	-	58,192	163,437
2,362	116,995	-	-	-
166,064	-	-	-	-
1,349,141	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>1,695,539</u>	<u>116,995</u>	<u>-</u>	<u>58,192</u>	<u>163,437</u>
<u>(820,206)</u>	<u>(107,831)</u>	<u>111,221</u>	<u>(8,322)</u>	<u>(17,101)</u>
-	156,210	-	8,322	17,101
<u>(98,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(98,007)</u>	<u>156,210</u>	<u>-</u>	<u>8,322</u>	<u>17,101</u>
<u>(537,277)</u>	<u>387,460</u>	<u>71,024</u>	<u>1,367</u>	<u>48,447</u>
<u>\$ (1,455,490)</u>	<u>\$ 435,839</u>	<u>\$ 182,245</u>	<u>\$ 1,367</u>	<u>\$ 48,447</u>

	Special Revenue Funds			
	Children's Lunch Program	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	134,362	-	-	-
Charges for services	-	158,231	118,934	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>134,362</u>	<u>158,231</u>	<u>118,934</u>	<u>-</u>
Expenditures				
Current:				
General government	-	95,200	113,295	-
Public safety	-	-	-	-
Parks, recreation and cultural	134,362	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>134,362</u>	<u>95,200</u>	<u>113,295</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	63,031	5,639	-
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	-	256,964	165,449	(41,350)
Fund balances, end of year	<u>\$ -</u>	<u>\$ 319,995</u>	<u>\$ 171,088</u>	<u>\$ (41,350)</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2014

Special Revenue Funds				
Art in Public Places	Special Programs	Special Programs II	Measure R	Storm Drain
\$ -	\$ 59,709	\$ -	\$ 1,202,270	\$ -
-	-	-	-	-
-	-	-	-	9,811
-	53,973	-	15,300	-
25,514	61,884	2,372	-	-
-	-	-	-	-
<u>25,514</u>	<u>175,566</u>	<u>2,372</u>	<u>1,217,570</u>	<u>9,811</u>
-	-	-	-	-
-	44,442	-	-	-
-	121,998	2,669	-	-
-	-	-	3,112	153,519
-	-	-	-	-
-	-	2,615	-	-
-	-	-	-	-
<u>-</u>	<u>166,440</u>	<u>5,284</u>	<u>3,112</u>	<u>153,519</u>
<u>25,514</u>	<u>9,126</u>	<u>(2,912)</u>	<u>1,214,458</u>	<u>(143,708)</u>
-	40,346	5,284	-	365,633
-	-	-	-	(270,487)
<u>-</u>	<u>40,346</u>	<u>5,284</u>	<u>-</u>	<u>95,146</u>
304,704	23,443	70,551	2,381,960	-
<u>\$ 330,218</u>	<u>\$ 72,915</u>	<u>\$ 72,923</u>	<u>\$ 3,596,418</u>	<u>\$ (48,562)</u>

	Special Revenue Funds		
	El Monte Economic Devt Corp	Federal Stimulus	CalHome Grant
Revenues			
Taxes	\$ -	-	\$ -
Intergovernmental	-	-	336,181
Charges for services	-	-	-
Use of money and property	2,431	-	-
Contributions	-	-	-
Miscellaneous	-	-	15,309
Total revenues	<u>2,431</u>	<u>-</u>	<u>351,490</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	-
Economic development	-	-	455,230
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>455,230</u>
Excess (deficiency) of revenues over expenditures	<u>2,431</u>	<u>-</u>	<u>(103,740)</u>
Other financing sources (uses)			
Transfers in	9,178,468	-	-
Transfers out	(1,322,145)	-	-
Net other financing sources (uses)	<u>7,856,323</u>	<u>-</u>	<u>-</u>
Fund balances, beginning of year	<u>-</u>	<u>(27,611)</u>	<u>(3,611)</u>
Fund balances, end of year	<u>\$ 7,858,754</u>	<u>(27,611)</u>	<u>\$ (107,351)</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2014

Special Revenue Funds		
Transportation Development Act Fund	COPS Hiring Recovery Program	Energy Efficiency Block Grant
\$ -	\$ -	\$ -
-	-	-
-	-	-
270	-	-
-	-	-
-	-	-
270	-	-
-	-	-
-	2	-
-	-	-
67,500	-	-
-	-	160
24,105	-	-
-	-	-
-	-	-
91,605	2	160
(91,335)	(2)	(160)
-	-	-
-	-	-
-	-	-
99,332	2	160
\$ 7,997	\$ -	\$ -

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2014

	Capital Projects Fund			Debt Service Funds		Totals
	2010	2011	Capital	2010	2,011	
	Lease Revenue Bonds	Lease Revenue Bonds	Projects Fund	Lease Revenue Bonds	Lease Revenue Bond	
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,958,210
Intergovernmental	-	-	-	1,413,249	-	5,814,942
Charges for services	-	-	-	-	-	805,580
Use of money and property	3	18,079	-	532,548	-	712,574
Contributions	-	-	-	-	-	89,770
Miscellaneous	-	-	-	-	607,663	728,390
Total revenues	<u>3</u>	<u>18,079</u>	<u>-</u>	<u>1,945,797</u>	<u>607,663</u>	<u>17,109,466</u>
Expenditures						
Current:						
General government	-	-	97,629	-	-	306,124
Public safety	-	-	-	-	-	562,333
Parks, recreation and cultural	-	-	-	-	-	495,998
Public works	-	-	-	-	-	3,451,602
Economic development	-	-	-	-	-	1,925,752
Capital outlay	-	-	1,579,419	-	-	6,721,009
Debt service:						
Principal retirement	-	-	-	325,000	-	325,000
Interest and fiscal charges	-	-	-	1,626,935	525,000	2,151,935
Total expenditures	<u>-</u>	<u>-</u>	<u>1,677,048</u>	<u>1,951,935</u>	<u>525,000</u>	<u>15,939,753</u>
Excess (deficiency) of revenues over expenditures	3	18,079	(1,677,048)	(6,138)	82,663	1,169,713
Other financing sources (uses)						
Transfers in	-	-	1,994,198	-	-	12,016,199
Transfers out	(20,548)	(9,781,050)	(282,756)	-	-	(14,799,993)
Net other financing sources (uses)	<u>(20,548)</u>	<u>(9,781,050)</u>	<u>1,711,442</u>	<u>-</u>	<u>-</u>	<u>(2,783,794)</u>
Fund balances, beginning of year	<u>20,545</u>	<u>9,762,971</u>	<u>(3,178)</u>	<u>1,248,318</u>	<u>-</u>	<u>31,921,706</u>
Fund balances, end of year	\$ <u>-</u>	\$ <u>-</u>	\$ <u>31,216</u>	\$ <u>1,242,180</u>	\$ <u>82,663</u>	\$ <u>30,307,625</u>

**City of El Monte
Budgetary Comparison Schedule
Emergency Shelter Grant
Year ended June 30, 2014**

		Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues					
Intergovernmental	\$	185,900	\$ 185,900	\$ 118,195	\$ (67,705)
Total revenues		185,900	185,900	118,195	(67,705)
Expenditures					
Current:					
Economic development		185,900	317,153	99,577	217,576
Total expenditures		185,900	317,153	99,577	217,576
Change in fund balance		-	(131,253)	18,618	149,871
Fund balances, beginning of year		(45,437)	(45,437)	(45,437)	-
Fund balances, end of year	\$	(45,437)	\$ (176,690)	\$ (26,819)	\$ 149,871

**City of El Monte
 Budgetary Comparison Schedule
 Urban Development Grant (UDAG)
 Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 810	\$ 810
Total revenues	-	-	810	810
 Change in fund balance	-	-	810	810
 Fund balances, beginning of year	80,364	80,364	80,364	-
Fund balances, end of year	\$ 80,364	\$ 80,364	\$ 81,174	\$ 810

City of El Monte
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,939,000	\$ 1,939,000	\$ 1,942,184	\$ 3,184
Intergovernmental	709,000	709,000	154,381	(554,619)
Charges for services	1,400	1,400	-	(1,400)
Use of money and property	9,600	9,600	12,150	2,550
Miscellaneous	57,500	57,500	63,324	5,824
Total revenues	<u>2,716,500</u>	<u>2,716,500</u>	<u>2,172,039</u>	<u>(544,461)</u>
Expenditures				
Public works	2,391,900	2,190,250	2,032,125	158,125
Capital outlay	1,287,300	1,047,560	1,732	1,045,828
Total expenditures	<u>3,679,200</u>	<u>3,237,810</u>	<u>2,033,857</u>	<u>1,203,953</u>
Change in fund balance	(962,700)	(521,310)	138,182	659,492
Fund balances, beginning of year	<u>2,214,170</u>	<u>2,214,170</u>	<u>2,214,170</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,251,470</u>	<u>\$ 1,692,860</u>	<u>\$ 2,352,352</u>	<u>\$ 659,492</u>

**City of El Monte
Budgetary Comparison Schedule
Tree Mitigation and Planting Fund
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 17,617	\$ 17,617
Total revenues	<u>-</u>	<u>-</u>	<u>17,617</u>	<u>17,617</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	11,825	15,215	(3,390)
Capital outlay	-	164,603	140,501	24,102
Total expenditures	<u>-</u>	<u>176,428</u>	<u>155,716</u>	<u>20,712</u>
Change in fund balance	-	(176,428)	(138,099)	38,329
Fund balances, beginning of year	<u>11,392</u>	<u>11,392</u>	<u>11,392</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,392</u>	<u>\$ (165,036)</u>	<u>\$ (126,707)</u>	<u>\$ 38,329</u>

City of El Monte
Budgetary Comparison Schedule
Air Quality
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 143,000	\$ 143,000	\$ 140,049	\$ (2,951)
Use of money and property	2,900	2,900	960	(1,940)
Total revenues	<u>145,900</u>	<u>145,900</u>	<u>141,009</u>	<u>(4,891)</u>
Expenditures				
Current:				
Public works	352,300	352,300	326,151	26,149
Total expenditures	<u>352,300</u>	<u>352,300</u>	<u>326,151</u>	<u>26,149</u>
Change in fund balance	(206,400)	(206,400)	(185,142)	21,258
Fund balances, beginning of year	312,797	312,797	312,797	-
Fund balances, end of year	\$ <u>106,397</u>	\$ <u>106,397</u>	\$ <u>127,655</u>	\$ <u>21,258</u>

**City of El Monte
Budgetary Comparison Schedule
Police/Narcotics Forfeiture
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 8,500	\$ 8,500	\$ 1,751,811	\$ 1,743,311
Use of money and property	-	-	19,990	19,990
Total revenues	<u>8,500</u>	<u>8,500</u>	<u>1,771,801</u>	<u>1,763,301</u>
Expenditures				
Current:				
Public Safety	8,500	58,500	303,328	(244,828)
Capital outlay	-	837,876	394,414	443,462
Total expenditures	<u>8,500</u>	<u>896,376</u>	<u>697,742</u>	<u>198,634</u>
Change in fund balance	-	(887,876)	1,074,059	1,961,935
Fund balances, beginning of year	<u>3,337,633</u>	<u>3,337,633</u>	<u>3,337,633</u>	-
Fund balances, end of year	<u>\$ 3,337,633</u>	<u>\$ 2,449,757</u>	<u>\$ 4,411,692</u>	<u>\$ 1,961,935</u>

City of El Monte
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,608,000	\$ 1,608,000	\$ 1,618,296	\$ 10,296
Intergovernmental	44,200	44,200	58,911	14,711
Use of money and property	17,500	17,500	30,550	13,050
Miscellaneous revenue	11,600	11,600	2,000	(9,600)
Total revenues	<u>1,681,300</u>	<u>1,681,300</u>	<u>1,709,757</u>	<u>28,457</u>
Expenditures				
Current:				
Public works	858,300	938,400	746,924	191,476
Capital outlay	3,366,800	4,014,464	1,216,160	2,798,304
Total expenditures	<u>4,225,100</u>	<u>4,952,864</u>	<u>1,963,084</u>	<u>2,989,780</u>
Change in fund balance	(2,543,800)	(3,271,564)	(253,327)	3,018,237
Fund balances, beginning of year	<u>6,105,570</u>	<u>6,105,570</u>	<u>6,105,570</u>	<u>-</u>
Fund balances, end of year	<u>\$ 3,561,770</u>	<u>\$ 2,834,006</u>	<u>\$ 5,852,243</u>	<u>\$ 3,018,237</u>

City of El Monte
Budgetary Comparison Schedule
Special Gas Tax
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 2,915,000	\$ 2,915,000	\$ 3,788,170	\$ 873,170
Use of money and property	-	-	20,960	20,960
Miscellaneous	700,000	700,000	-	(700,000)
Total revenues	<u>3,615,000</u>	<u>3,615,000</u>	<u>3,809,130</u>	<u>194,130</u>
Expenditures				
Current:				
Public works	48,600	-	2,914	(2,914)
Capital outlay	1,877,400	1,908,544	1,897,762	10,782
Total expenditures	<u>1,926,000</u>	<u>1,908,544</u>	<u>1,900,676</u>	<u>7,868</u>
Excess (deficiency) of revenues over expenditures	<u>1,689,000</u>	<u>1,706,456</u>	<u>1,908,454</u>	<u>201,998</u>
Other financing sources (uses)				
Transfers in	-	-	201,554	201,554
Transfers out	(3,025,000)	(3,025,000)	(3,025,000)	-
Change in fund balance	(1,336,000)	(1,318,544)	(914,992)	403,552
Fund balances, beginning of year	4,197,016	4,197,016	4,197,016	-
Fund balances, end of year	<u>\$ 2,861,016</u>	<u>\$ 2,878,472</u>	<u>\$ 3,282,024</u>	<u>\$ 403,552</u>

City of El Monte
Budgetary Comparison Schedule
AB 939
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 672,000	\$ 672,000	\$ 347,581	\$ (324,419)
Charges for services	412,400	412,400	511,560	99,160
Total revenues	<u>1,084,400</u>	<u>1,084,400</u>	<u>859,141</u>	<u>(225,259)</u>
Expenditures				
Current:				
Economic development	1,107,300	1,148,800	1,204,721	(55,921)
Capital outlay	130,000	130,000	115,160	14,840
Total expenditures	<u>1,237,300</u>	<u>1,278,800</u>	<u>1,319,881</u>	<u>(41,081)</u>
Change in fund balance	(152,900)	(194,400)	(460,740)	(266,340)
Fund balances, beginning of year	<u>1,461,720</u>	<u>1,461,720</u>	<u>1,461,720</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>1,308,820</u></u>	\$ <u><u>1,267,320</u></u>	\$ <u><u>1,000,980</u></u>	\$ <u><u>(266,340)</u></u>

City of El Monte
Budgetary Comparison Schedule
Supplemental Law Enforcement Safety (SLES)
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 60,900	\$ 60,900	\$ 201,005	\$ 140,105
Use of money and property	-	-	2,430	2,430
Total revenues	<u>60,900</u>	<u>60,900</u>	<u>203,435</u>	<u>142,535</u>
Expenditures				
Current:				
Public Safety	21,000	21,000	36,714	(15,714)
Total expenditures	<u>21,000</u>	<u>21,000</u>	<u>36,714</u>	<u>(15,714)</u>
Change in fund balance	39,900	39,900	166,721	126,821
Fund balances, beginning of year	412,409	412,409	412,409	-
Fund balances, end of year	<u>\$ 452,309</u>	<u>\$ 452,309</u>	<u>\$ 579,130</u>	<u>\$ 126,821</u>

City of El Monte
Budgetary Comparison Schedule
MTA Call for Projects
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 7,650,100	\$ 7,650,100	\$ 346,515	\$ (7,303,585)
Total revenues	7,650,100	7,650,100	346,515	(7,303,585)
Expenditures				
Capital outlay	7,650,100	7,650,100	-	7,650,100
Total expenditures	7,650,100	7,650,100	-	7,650,100
Excess (deficiency) of revenues over expenditures	-	-	346,515	346,515
Other financing sources (uses)				
Transfers in	-	-	49,083	49,083
Change in fund balance	-	-	395,598	395,598
Fund balances, beginning of year	(395,598)	(395,598)	(395,598)	-
Fund balances, end of year	\$ (395,598)	\$ (395,598)	\$ -	\$ 395,598

City of El Monte
Budgetary Comparison Schedule
Miscellaneous Grants
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 175,650	\$ 875,333	\$ 699,683
Miscellaneous	4,376,000	4,376,000	-	(4,376,000)
Total revenues	<u>4,376,000</u>	<u>4,551,650</u>	<u>875,333</u>	<u>(3,676,317)</u>
Expenditures				
Current:				
Public safety	-	175,650	177,847	(2,197)
Parks, recreation and culture	-	-	125	(125)
Public works	-	-	2,362	(2,362)
Economic development	-	-	166,064	(166,064)
Capital outlay	<u>24,064,500</u>	<u>23,899,897</u>	<u>1,349,141</u>	<u>22,550,756</u>
Total expenditures	<u>24,064,500</u>	<u>24,075,547</u>	<u>1,695,539</u>	<u>22,380,008</u>
Excess (deficiency) of revenues over expenditures	(19,688,500)	(19,523,897)	(820,206)	18,703,691
Other financing sources (uses)				
Transfers out	-	-	(98,007)	(98,007)
Net change in fund balance	<u>(19,688,500)</u>	<u>(19,523,897)</u>	<u>(918,213)</u>	<u>18,605,684</u>
Fund balances, beginning of year	<u>(537,277)</u>	<u>(537,277)</u>	<u>(537,277)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (20,225,777)</u>	<u>\$ (20,061,174)</u>	<u>\$ (1,455,490)</u>	<u>\$ 18,605,684</u>

City of El Monte
Budgetary Comparison Schedule
Public Facilities
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 7,044	\$ 7,044
Use of money and property	-	-	2,120	2,120
Total revenues	<u>-</u>	<u>-</u>	<u>9,164</u>	<u>9,164</u>
Expenditures				
Current:				
Public works	-	132,135	116,995	15,140
Total expenditures	<u>-</u>	<u>132,135</u>	<u>116,995</u>	<u>15,140</u>
Excess (deficiency) of revenues over expenditures	-	(132,135)	(107,831)	24,304
Other financing sources (uses)				
Transfers in	-	-	156,210	156,210
Change in fund balance	-	(132,135)	48,379	180,514
Fund balances, beginning of year	387,460	387,460	387,460	-
Fund balances, end of year	<u>\$ 387,460</u>	<u>\$ 255,325</u>	<u>\$ 435,839</u>	<u>\$ 180,514</u>

City of El Monte
Budgetary Comparison Schedule
Quimby
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 111,221	\$ 111,221
Total revenues	-	-	111,221	111,221
 Change in fund balance	 -	 -	 111,221	 111,221
Fund balances, beginning of year	71,024	71,024	71,024	-
Fund balances, end of year	\$ 71,024	\$ 71,024	\$ 182,245	\$ 111,221

**City of El Monte
Budgetary Comparison Schedule
Older Americans Act
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 58,500	\$ 58,500	\$ 49,870	\$ (8,630)
Total revenues	58,500	58,500	49,870	(8,630)
Expenditures				
Current:				
Parks, recreation and cultural	58,500	58,500	58,192	308
Total expenditures	58,500	58,500	58,192	308
Excess (deficiency) of revenues over expenditures	-	-	(8,322)	(8,322)
Other financing sources (uses)				
Transfers in	-	-	8,322	8,322
Net other financing sources (uses)	-	-	8,322	8,322
Change in fund balance	-	-	-	-
Fund balances, beginning of year	1,367	1,367	1,367	-
Fund balances, end of year	\$ 1,367	\$ 1,367	\$ 1,367	\$ -

**City of El Monte
Budgetary Comparison Schedule
Senior Citizen Program
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 86,400	\$ 86,400	\$ 123,859	\$ 37,459
Miscellaneous	18,000	18,000	22,477	4,477
Total revenues	<u>104,400</u>	<u>104,400</u>	<u>146,336</u>	<u>41,936</u>
Expenditures				
Current:				
Parks, recreation and cultural	137,800	137,800	163,437	(25,637)
Total expenditures	<u>137,800</u>	<u>137,800</u>	<u>163,437</u>	<u>(25,637)</u>
Excess (deficiency) of revenues over expenditures	(33,400)	(33,400)	(17,101)	16,299
Other financing sources (uses)				
Transfers in	-	-	17,101	17,101
Change in fund balance	(33,400)	(33,400)	-	33,400
Fund balances, beginning of year	48,447	48,447	48,447	-
Fund balances, end of year	<u>\$ 15,047</u>	<u>\$ 15,047</u>	<u>\$ 48,447</u>	<u>\$ 33,400</u>

City of El Monte
Budgetary Comparison Schedule
Children's Lunch Program
Year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 134,362	\$ (115,638)
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>134,362</u>	<u>(115,638)</u>
Expenditures				
Parks, recreation and cultural	218,700	218,700	134,362	84,338
Total expenditures	<u>218,700</u>	<u>218,700</u>	<u>134,362</u>	<u>84,338</u>
Change in fund balance	31,300	31,300	-	(31,300)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ 31,300</u>	<u>\$ 31,300</u>	<u>\$ -</u>	<u>\$ (31,300)</u>

**City of El Monte
Budgetary Comparison Schedule
Parking and Business Improvement
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	158,231	158,231
Total revenues	-	-	158,231	158,231
Expenditures				
Current:				
General government	-	-	95,200	(95,200)
Total expenditures	-	-	95,200	(95,200)
Change in fund balance	-	-	63,031	63,031
Fund balances, beginning of year	256,964	256,964	256,964	-
Fund balances, end of year	\$ 256,964	\$ 256,964	\$ 319,995	\$ 63,031

City of El Monte
Budgetary Comparison Schedule
Cable Television Corporation
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 99,100	\$ 99,100	\$ 118,934	\$ 19,834
Total revenues	99,100	99,100	118,934	19,834
Expenditures				
Current:				
General government	126,300	126,300	113,295	13,005
Total expenditures	126,300	126,300	113,295	13,005
Change in fund balance	(27,200)	(27,200)	5,639	32,839
Fund balances, beginning of year	165,449	165,449	165,449	-
Fund balances, end of year	\$ 138,249	\$ 138,249	\$ 171,088	\$ 32,839

City of El Monte
Budgetary Comparison Schedule
Art in Public Places
Year ended June 30, 2014

		Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues					
Contributions	\$	-	-	25,514	25,514
Total revenues		<u>-</u>	<u>-</u>	<u>25,514</u>	<u>25,514</u>
 Change in fund balance		 -	 -	 25,514	 25,514
 Fund balances, beginning of year		 304,704	 304,704	 304,704	 -
Fund balances, end of year	\$	<u>304,704</u>	<u>304,704</u>	<u>330,218</u>	<u>25,514</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 59,709	\$ 59,709
Use of money and property	53,700	53,700	53,973	273
Contributions	56,800	61,800	61,884	84
Total revenues	<u>110,500</u>	<u>115,500</u>	<u>175,566</u>	<u>60,066</u>
Expenditures				
Current:				
Public safety	-	-	44,442	(44,442)
Parks, recreation and cultural	130,100	130,100	121,998	8,102
Total expenditures	<u>130,100</u>	<u>130,100</u>	<u>166,440</u>	<u>(36,340)</u>
Excess (deficiency) of revenues over expenditures	(19,600)	(14,600)	9,126	23,726
Other financing sources				
Transfers in	-	-	40,346	40,346
Change in fund balance	(19,600)	(14,600)	49,472	64,072
Fund balances, beginning of year	23,443	23,443	23,443	-
Fund balances, end of year	<u>\$ 3,843</u>	<u>\$ 8,843</u>	<u>\$ 72,915</u>	<u>\$ 64,072</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs II
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Contributions	\$ 6,500	\$ 6,500	\$ 2,372	\$ (4,128)
Total revenues	6,500	6,500	2,372	(4,128)
Expenditures				
Current:				
Parks, recreation and cultural	5,000	5,000	2,669	2,331
Capital outlay	-	-	2,615	(2,615)
Total expenditures	5,000	5,000	5,284	(284)
Excess (deficiency) of revenues over expenditures	1,500	1,500	(2,912)	(4,412)
Other financing sources				
Transfers in	-	-	5,284	5,284
Change in fund balance	1,500	1,500	2,372	872
Fund balances, beginning of year	70,551	70,551	70,551	-
Fund balances, end of year	\$ 72,051	\$ 72,051	\$ 72,923	\$ 872

City of El Monte
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,216,200	\$ 1,216,200	\$ 1,202,270	\$ (13,930)
Use of money and property	19,000	19,000	15,300	(3,700)
Total revenues	<u>1,235,200</u>	<u>1,235,200</u>	<u>1,217,570</u>	<u>(17,630)</u>
Expenditures				
Current:				
Public works	186,000	35,000	3,112	31,888
Total expenditures	<u>186,000</u>	<u>35,000</u>	<u>3,112</u>	<u>31,888</u>
Change in fund balance	1,049,200	1,200,200	1,214,458	14,258
Fund balances, beginning of year	<u>2,381,960</u>	<u>2,381,960</u>	<u>2,381,960</u>	-
Fund balances, end of year	<u>\$ 3,431,160</u>	<u>\$ 3,582,160</u>	<u>\$ 3,596,418</u>	<u>\$ 14,258</u>

City of El Monte
Budgetary Comparison Schedule
Storm Drain
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 9,811	\$ 9,811
Total revenues	<u>-</u>	<u>-</u>	<u>9,811</u>	<u>9,811</u>
Expenditures				
Current:				
Public works	-	140,000	153,519	(13,519)
Total expenditures	<u>-</u>	<u>140,000</u>	<u>153,519</u>	<u>(13,519)</u>
Excess (deficiency) of revenues over expenditures	-	(140,000)	(143,708)	(3,708)
Other financing sources (uses)				
Transfers in	-	100,000	365,633	265,633
Transfers out	-	-	(270,487)	(270,487)
Net other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>95,146</u>	<u>(4,854)</u>
Change in fund balance	-	(40,000)	(48,562)	(8,562)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (40,000)</u>	<u>\$ (48,562)</u>	<u>\$ (8,562)</u>

**City of El Monte
Budgetary Comparison Schedule
El Monte Development Corporation
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 2,431	\$ 2,431
Contributions			-	-
Total revenues	<u>-</u>	<u>-</u>	<u>2,431</u>	<u>2,431</u>
Excess (deficiency) of revenues over expenditures	-	-	2,431	2,431
Other financing sources (uses)				
Transfers in	-	-	9,178,468	9,178,468
Transfers out	-	-	<u>(1,322,145)</u>	<u>(1,322,145)</u>
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,856,323</u>	<u>7,856,323</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>7,858,754</u>	<u>7,858,754</u>
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,858,754</u>	<u>\$ 7,858,754</u>

City of El Monte
Budgetary Comparison Schedule
CalHome Grant
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 336,181	\$ 336,181
Miscellaneous	993,800	993,800	15,309	(978,491)
Total revenues	<u>993,800</u>	<u>993,800</u>	<u>351,490</u>	<u>(642,310)</u>
Expenditures				
Current:				
Economic development	993,800	993,800	455,230	538,570
Total expenditures	<u>993,800</u>	<u>993,800</u>	<u>455,230</u>	<u>538,570</u>
Change in fund balance	-	-	(103,740)	(103,740)
Fund balances, beginning of year	(3,611)	(3,611)	(3,611)	-
Fund balances, end of year	<u>\$ (3,611)</u>	<u>\$ (3,611)</u>	<u>\$ (107,351)</u>	<u>\$ (103,740)</u>

**City of El Monte
Budgetary Comparison Schedule
Transportation Development Act Fund
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 216,400	\$ -	\$ (216,400)
Use of money and property	-	-	270	270
Total revenues	<u>-</u>	<u>216,400</u>	<u>270</u>	<u>(216,130)</u>
Expenditures				
Current:				
Public works	-	49,500	67,500	(18,000)
Capital outlay	-	166,900	24,105	142,795
Total expenditures	<u>-</u>	<u>216,400</u>	<u>91,605</u>	<u>124,795</u>
Change in fund balance	-	-	(91,335)	(91,335)
Fund balances, beginning of year	<u>99,332</u>	<u>99,332</u>	<u>99,332</u>	<u>-</u>
Fund balances, end of year	<u>\$ 99,332</u>	<u>\$ 99,332</u>	<u>\$ 7,997</u>	<u>\$ (91,335)</u>

**City of El Monte
 Budgetary Comparison Schedule
 Energy Efficiency Block Grant
 Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures				
Current:				
Economic development	\$ -	\$ -	\$ 160	\$ (160)
Total expenditures	-	-	160	(160)
 Change in fund balance	 -	 -	 (160)	 (160)
 Fund balances, beginning of year	 160	 160	 160	 -
Fund balances, end of year	\$ 160	\$ 160	\$ -	\$ (160)

City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Bonds Capital Project Fund
Year ended June 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Use of money and property	\$ -	\$ -	\$ 3	\$ 3
Total revenues	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Other financing uses				
Transfers out	<u>-</u>	<u>-</u>	<u>(20,548)</u>	<u>(20,548)</u>
Change in fund balance	-	-	(20,545)	(20,545)
Fund balances, beginning of year	<u>20,545</u>	<u>20,545</u>	<u>20,545</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,545</u>	<u>\$ 20,545</u>	<u>\$ -</u>	<u>\$ (20,545)</u>

City of El Monte
Budgetary Comparison Schedule
2011 Lease Revenue Bonds Capital Project Fund
Year ended June 30, 2014

		Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues					
Use of money and property	\$	-	-	\$ 18,079	\$ 18,079
Total revenues		<u>-</u>	<u>-</u>	<u>18,079</u>	<u>18,079</u>
Other financing sources					
Transfers out		-	-	(9,781,050)	(9,781,050)
Change in fund balance		-	-	(9,762,971)	(9,762,971)
Fund balances, beginning of year		9,762,971	9,762,971	9,762,971	-
Fund balances, end of year	\$	<u>9,762,971</u>	<u>9,762,971</u>	<u>-</u>	<u>(9,762,971)</u>

City of El Monte
Budgetary Comparison Schedule
Capital Projects Fund
Year ended June 30, 2014

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Expenditures				
Current:				
General government	\$ -	\$ 97,800	\$ 97,629	\$ 171
Capital outlay	11,540,600	11,567,200	1,579,419	9,987,781
Total expenditures	<u>11,540,600</u>	<u>11,665,000</u>	<u>1,677,048</u>	<u>9,987,952</u>
Excess (deficiency) of revenues over expenditures	(11,540,600)	(11,665,000)	(1,677,048)	9,987,952
Other financing sources (uses)				
Transfers in	-	121,800	1,994,198	1,872,398
Transfers out	-	-	(282,756)	(282,756)
Net other financing sources (uses)	<u>-</u>	<u>121,800</u>	<u>1,711,442</u>	<u>1,589,642</u>
Change in fund balance	(11,540,600)	(11,543,200)	34,394	11,577,594
Fund balances, beginning of year	(3,178)	(3,178)	(3,178)	-
Fund balances, end of year	<u>\$ (11,543,778)</u>	<u>\$ (11,546,378)</u>	<u>\$ 31,216</u>	<u>\$ 11,577,594</u>

**City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Debt Service Fund
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,413,249	\$ 1,413,249
Use of money and property	-	-	532,548	532,548
Total revenues	<u>-</u>	<u>-</u>	<u>1,945,797</u>	<u>1,945,797</u>
Expenditures				
Debt service:				
Principal retirement	-	-	325,000	(325,000)
Interest and fiscal charges	\$ -	\$ -	\$ 1,626,935	\$ (1,626,935)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,951,935</u>	<u>(1,951,935)</u>
Change in fund balance	-	-	(6,138)	(6,138)
Fund balances, beginning of year	1,248,318	1,248,318	1,248,318	-
Fund balances, end of year	\$ <u>1,248,318</u>	\$ <u>1,248,318</u>	\$ <u>1,242,180</u>	\$ <u>(6,138)</u>

**City of El Monte
Budgetary Comparison Schedule
2011 Lease Revenue Debt Service Fund
Year ended June 30, 2014**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 607,663	\$ 607,663
Total revenues	<u>-</u>	<u>-</u>	<u>607,663</u>	<u>607,663</u>
Expenditures				
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	\$ -	\$ -	\$ 525,000	\$ (525,000)
Total expenditures	<u>-</u>	<u>-</u>	<u>525,000</u>	<u>(525,000)</u>
Change in fund balance	-	-	82,663	82,663
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 82,663</u>	<u>\$ 82,663</u>

City of El Monte
Combining Statement of Net position
All Internal Service Funds
Year ended June 30, 2014

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
ASSETS				
Current assets				
Cash and investments	\$ 8,216,570	\$ 545,200	\$ 495,200	\$ 9,256,970
Total assets	<u>8,216,570</u>	<u>545,200</u>	<u>495,200</u>	<u>9,256,970</u>
LIABILITIES				
Current liabilities				
Accounts payable	4,250	-	-	4,250
Accrued claims and judgments	1,322,000	-	-	1,322,000
Total current liabilities	<u>1,326,250</u>	<u>-</u>	<u>-</u>	<u>1,326,250</u>
Noncurrent liabilities				
Advances from other funds	300,000			300,000
Accrued claims and judgments	8,966,000	-	-	8,966,000
Total liabilities	<u>10,592,250</u>	<u>-</u>	<u>-</u>	<u>10,592,250</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Unrestricted	(2,375,680)	545,200	495,200	(1,335,280)
Total net position	<u>\$ (2,375,680)</u>	<u>\$ 545,200</u>	<u>\$ 495,200</u>	<u>\$ (1,335,280)</u>

City of El Monte
Combining Statement of Revenues, Expenses and Changes in Net position
All Internal Service Funds
June 30, 2014

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Operating revenues				
Interdepartmental charges	\$ 2,300,500	\$ -	\$ -	\$ 2,300,500
Total operating revenues	<u>2,300,500</u>	<u>-</u>	<u>-</u>	<u>2,300,500</u>
Operating expenses				
Claims expenses	2,140,520	-	-	2,140,520
Total operating expenses	<u>2,140,520</u>	<u>-</u>	<u>-</u>	<u>2,140,520</u>
Operating income (loss)	159,980	-	-	159,980
Other financing sources				
Transfers in	-	95,200	95,200	190,400
Changes in net position	159,980	95,200	95,200	350,380
Net position - beginning	<u>(2,535,660)</u>	<u>450,000</u>	<u>400,000</u>	<u>(1,685,660)</u>
Net position - ending	<u>\$ (2,375,680)</u>	<u>\$ 545,200</u>	<u>\$ 495,200</u>	<u>\$ (1,335,280)</u>

**City of El Monte
Combining Statement of Cash Flows
All Internal Service Funds
Year ended June 30, 2014**

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Cash flows from operating activities				
Cash received/(paid to) interfund service provided	\$ 2,308,000	\$ -	\$ -	\$ 2,308,000
Cash paid to suppliers for goods and services	(2,219,644)	-	-	(2,219,644)
Net cash provided by (used in) operating activities	<u>88,356</u>	<u>-</u>	<u>-</u>	<u>88,356</u>
Cash flows from non-capital financing activities				
Transfers from other funds	-	95,200	95,200	190,400
Net cash provided by (used in) non-capital and related financing activities	<u>-</u>	<u>95,200</u>	<u>95,200</u>	<u>190,400</u>
Change in cash and cash equivalents	88,356	95,200	95,200	278,756
Beginning cash and cash equivalents	8,128,214	450,000	400,000	8,978,214
Ending cash and cash equivalents	<u>\$ 8,216,570</u>	<u>\$ 545,200</u>	<u>\$ 495,200</u>	<u>\$ 9,256,970</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 159,980	\$ -	\$ -	\$ 159,980
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	7,500	-	-	7,500
Increase (decrease):				
Accounts payable	3,876	-	-	3,876
Accrued claims and judgments	(83,000)	-	-	(83,000)
Net cash provided by (used in) operating activities	<u>\$ 88,356</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 88,356</u>

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

Contents

Financial Trends

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

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

Revenue Capacity

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

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

Debt Capacity

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

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

Demographic and Economic Information

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

Table 15	Demographic and Economic Statistics
Table 16	Principal Employers

Operating Information

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

Table 17	Full-Time Equivalent City Employees by Function
Table 18	Operating Indicators by Function/Program
Table 19	Capital Assets by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Report for the relevant year. The City implemented GASB Statement 34 in 2003. Schedules presenting government-wide information include information beginning in 2003.

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

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental activities									
Invested in capital assets, net of related debt	\$ 7,692,808	\$ 400,525,216	\$ 387,726,129	\$ 393,169,859	\$ 382,391,198	\$ 382,386,047	\$ 406,191,154	\$ 408,942,772	\$ 410,145,295
Restricted	38,205,659	45,706,053	45,093,002	45,444,013	68,553,946	66,201,676	71,058,861	67,082,252	62,080,199
Unrestricted	10,602,832	5,863,237	17,981,867	6,706,495	(3,841,062)	2,156,436	(6,986,991)	(5,969,100)	(4,728,375)
Total governmental activities net assets	<u>56,501,299</u>	<u>452,094,506</u>	<u>450,800,998</u>	<u>445,320,367</u>	<u>447,104,082</u>	<u>450,744,159</u>	<u>470,263,024</u>	<u>470,055,924</u>	<u>467,497,119</u>
Business-type activities									
Invested in capital assets, net of related debt	3,906,527	3,699,586	3,681,347	3,884,727	17,144,056	15,773,348	14,644,182	14,198,071	3,575,181
Restricted	408,520	515,422	402,693	403,419	411,743	403,419	623,422	403,422	-
Unrestricted	(15,607,982)	(15,489,929)	(15,067,058)	(15,364,273)	(2,461,586)	(1,392,384)	(783,223)	(663,601)	10,752,227
Total business-type activities net assets	<u>(11,292,935)</u>	<u>(11,274,921)</u>	<u>(10,983,018)</u>	<u>(11,076,127)</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>
Primary government									
Invested in capital assets, net of related debt	11,599,335	404,224,802	391,407,476	397,054,586	399,535,254	398,159,395	420,835,336	423,140,843	413,720,476
Restricted	38,614,179	46,221,475	45,495,695	45,847,432	68,965,689	66,605,095	71,682,283	67,485,674	62,080,199
Unrestricted	(5,005,150)	(9,626,692)	2,914,809	(8,657,778)	(6,302,648)	764,052	(7,770,214)	(6,632,701)	6,023,852
Total primary government net assets	<u>45,208,364</u>	<u>440,819,585</u>	<u>439,817,980</u>	<u>434,244,240</u>	<u>462,198,295</u>	<u>465,528,542</u>	<u>484,747,405</u>	<u>483,993,816</u>	<u>481,824,527</u>

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.

Source: Finance Department, City of El Monte

City of El Monte
Table 2 - Changes in Net Position
Last Nine Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses									
Governmental activities:									
General government	\$ 34,196,489	\$ 34,683,409	\$ 38,252,969	\$ 36,766,602	\$ 37,182,894	\$ 29,578,242	\$ 31,035,167	\$ 20,788,814	\$ 22,732,447
Public safety	36,815,930	37,829,869	39,990,879	34,909,950	29,821,998	32,851,129	31,373,685	33,813,668	35,302,886
Parks, recreation, and cultural	5,561,304	5,138,300	5,710,017	4,581,714	4,148,973	4,745,831	3,292,920	3,163,505	2,928,453
Public works	8,041,318	7,622,037	9,662,975	10,587,267	11,013,617	10,677,438	12,273,857	15,096,927	16,274,135
Economic development	-	-	-	-	-	3,703,687	3,795,416	4,231,041	5,679,490
Interest on long-term debt and issue costs	4,734,489	5,912,027	5,642,085	5,904,551	6,560,377 *	1,826,698 *	4,375,648 *	2,492,205 *	2,783,650
Total governmental activities expenses	89,349,530	91,185,642	99,258,925	92,750,084	88,727,858	83,383,025	86,146,693	79,586,160	85,701,061
Business-type activities:									
Water authority and sewer fund	3,626,693	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127	6,448,416	6,003,145
Total business-type activities expenses	3,626,693	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127	6,448,416	6,003,145
Total primary government expenses	\$ 92,976,223	\$ 94,484,148	\$ 102,420,966	\$ 95,949,775	\$ 94,710,015	\$ 90,196,678	\$ 92,346,820	\$ 86,034,576	\$ 91,704,206
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 2,257,789	\$ 2,333,233	\$ 4,068,360	\$ 1,983,176	\$ 2,114,853	\$ 3,139,208	\$ 2,660,459	\$ 417,889	\$ 377,054
Public safety	1,815,573	2,298,313	2,226,196	2,548,125	2,323,037	2,429,210	2,136,780	1,758,649	1,516,786
Community development	-	-	-	1,179,197	-	-	-	-	505,314
Parks, recreation, and cultural	605,567	534,834	587,291	485,483	3,228,325	828,110	899,689	1,337,638	1,505,903
Public works	2,219,288	2,152,880	2,051,314	4,940,139	2,382,772	861,338	994,082	1,254,749	2,198,057
Economic development	-	-	-	-	-	3,368,408	3,668,748	1,743,141	-
Operating grants and contributions	11,631,433	14,265,917	8,393,235	7,147,776	7,757,105	6,909,382	9,245,274	12,050,550	12,337,537
Capital grants and contributions	732,022	166,456	5,917,284	3,010,609	3,426,688	7,471,458	7,219,958	2,961,085	3,788,170
Total governmental activities program revenues	19,261,672	21,751,633	23,243,680	21,294,505	21,232,780	25,007,114	26,824,990	21,523,701	22,228,821
Business-type activities:									
Charges for services:									
Water authority and sewer fund	\$ 2,986,262	\$ 2,957,009	\$ 3,165,031	\$ 2,985,694	\$ 6,318,772	\$ 6,761,971	\$ 6,573,474	\$ 6,301,092	\$ 6,579,007
Operating Contributions and Grants:									
Water authority and sewer fund	-	-	-	117,527	135,512	87,977	24,995	41,601	62,487
Total business-type activities program revenues	2,986,262	2,957,009	3,165,031	3,103,221	6,454,284	6,849,948	6,598,469	6,342,693	6,641,494
Total primary government program revenues	\$ 22,247,934	\$ 24,708,642	\$ 26,408,711	\$ 24,397,726	\$ 27,687,064	\$ 31,857,062	\$ 33,423,459	\$ 27,866,394	\$ 28,870,315
Net (expense) revenue									
Governmental activities	(70,087,858)	(69,434,009)	(76,015,245)	(71,455,579)	(67,495,078)	(58,375,911)	(59,321,703)	(58,062,459)	(63,472,240)
Business-type activities	(640,431)	(341,497)	2,990	(96,470)	472,127	36,295	398,342	(155,723)	638,349
Total primary government net expense	\$ (70,728,289)	\$ (69,775,506)	\$ (76,012,255)	\$ (71,552,049)	\$ (67,022,951)	\$ (58,339,616)	\$ (58,923,361)	\$ (58,218,182)	\$ (62,833,891)
General Revenues and Other Changes in Net Assets									
Governmental activities:									
Taxes									
Property taxes, levied for general purposes	\$ 17,830,887	\$ 27,375,152	\$ 29,357,486	\$ 30,781,923	\$ 31,914,717	\$ 32,108,113	\$ 29,761,876	\$ 23,681,773	\$ 24,509,692
Transient occupancy taxes	320,297	326,312	315,076	306,710	273,128	266,460	277,629	298,784	318,023
Sales taxes	22,025,619	21,915,042	22,397,169	12,819,325	13,482,687	18,365,147	19,908,564	21,908,497	22,812,015
Franchise taxes	3,021,236	2,118,032	2,627,027	2,799,335	3,841,747	2,658,124	3,127,463	2,427,661	3,284,097
Business licenses taxes	-	-	-	60,319	135,156	143,629	132,044	2,024,962	2,183,836
Utility user taxes	8,526,616	8,744,118	8,820,706	8,477,622	7,850,115	7,436,906	7,129,350	7,087,818	7,134,428
Other taxes	971,969	717,016	2,496,140	2,145,353	2,080,476	496,829	403,452	508,683	608,814
Total governmental activities	68,447,801	70,550,328	74,539,076	63,088,226	64,959,332	62,852,596	63,516,463	59,173,431	64,437,762
Business-type activities:									
Property taxes, levied for general purposes	210,637	-	111,021	57,847	-	-	-	-	-
Investment earnings	(106,105)	107,997	-	-	60,528	53,387	25,894	42,639	47,440
Other	2,700	9,103	177,892	2,853	8,733	85,616	20,281	197,930	-
Transfers	(430,631)	-	-	-	-	(200,000)	(283,612)	(200,000)	(296,273)
Total business-type activities	(323,399)	117,100	288,913	60,700	69,261	(60,997)	(237,437)	40,569	(248,833)
Total primary program	\$ 68,124,402	\$ 70,667,428	\$ 74,827,989	\$ 63,148,926	\$ 65,028,593	\$ 62,791,599	\$ 63,279,026	\$ 59,214,000	\$ 64,188,929
Change in Net Assets									
Governmental activities	(1,640,057)	1,116,319	(1,476,169)	(8,367,353)	(2,535,746)	4,476,685	4,194,760	1,110,972	965,522
Business-type activities	(963,830)	(224,397)	291,903	(35,770)	541,388	(24,702)	160,905	(115,154)	389,516
Total primary government program	\$ (2,603,887)	\$ 891,922	\$ (1,184,266)	\$ (8,403,123)	\$ (1,994,358)	\$ 4,451,983	\$ 4,355,665	\$ 995,818	\$ 1,355,038

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 Nine Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund									
Reserved	\$ 51,379,590	51,379,590	\$ 50,842,563	\$ 56,247,468	\$ 102,055,636				
Unreserved	11,931,805	11,931,805	5,273,348	1,100,064	4,160,710				
Total general fund	\$ 63,311,395	63,311,395	\$ 56,115,911	\$ 57,347,532	\$ 106,216,346	-	-	-	-
All other governmental funds									
Reserved	\$ 29,115,933	29,115,933	\$ 27,687,724	\$ 26,364,717	\$ 26,280,794				
Unreserved, reported in:									
Special revenue funds	22,820,501	22,820,501	23,211,013	26,288,132	27,665,852				
Debt service funds	4,047,455	4,047,455	2,936,723	3,307,179	8,757,158				
Capital projects funds	(64,094,608)	(64,094,608)	(55,119,435)	(61,031,642)	(95,571,019)				
Total all other governmental fund	\$ (8,110,719)	(8,110,719)	\$ (1,283,975)	\$ (5,071,614)	\$ (32,867,215)	-	-	-	-
GASB 54 Fund Balance Classification:									
General Fund									
Nonspendable						\$ 18,873,079	\$ 18,886,423	\$ 19,044,938	\$ 22,163,961
Restricted						-	-	-	501,994
Assigned						-	-	-	9,100,000
Unassigned						8,440,216	8,644,339	11,469,215	3,280,429
Total general fund						27,313,295	27,530,762	30,514,153	35,046,384
All other governmental funds									
Nonspendable						36,948,151	8,621,007	7,066,904	3,942,456
Restricted									
Special revenue funds						15,088,458	44,868,988	47,269,807	54,353,261
Capital projects funds						9,527,746	12,688,988	9,783,516	31,216
Debt service funds						6,502,042	1,250,933	1,248,318	1,324,843
Committed						78,804,828	-	-	-
Unassigned						(92,056,922)	(915,551)	(1,054,062)	(1,833,890)
Total all other governmental funds						54,814,303	66,514,365	64,314,483	57,817,886
Total Governmental Funds						\$ 82,127,598	\$ 94,045,127	\$ 94,828,636	\$ 92,864,270

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

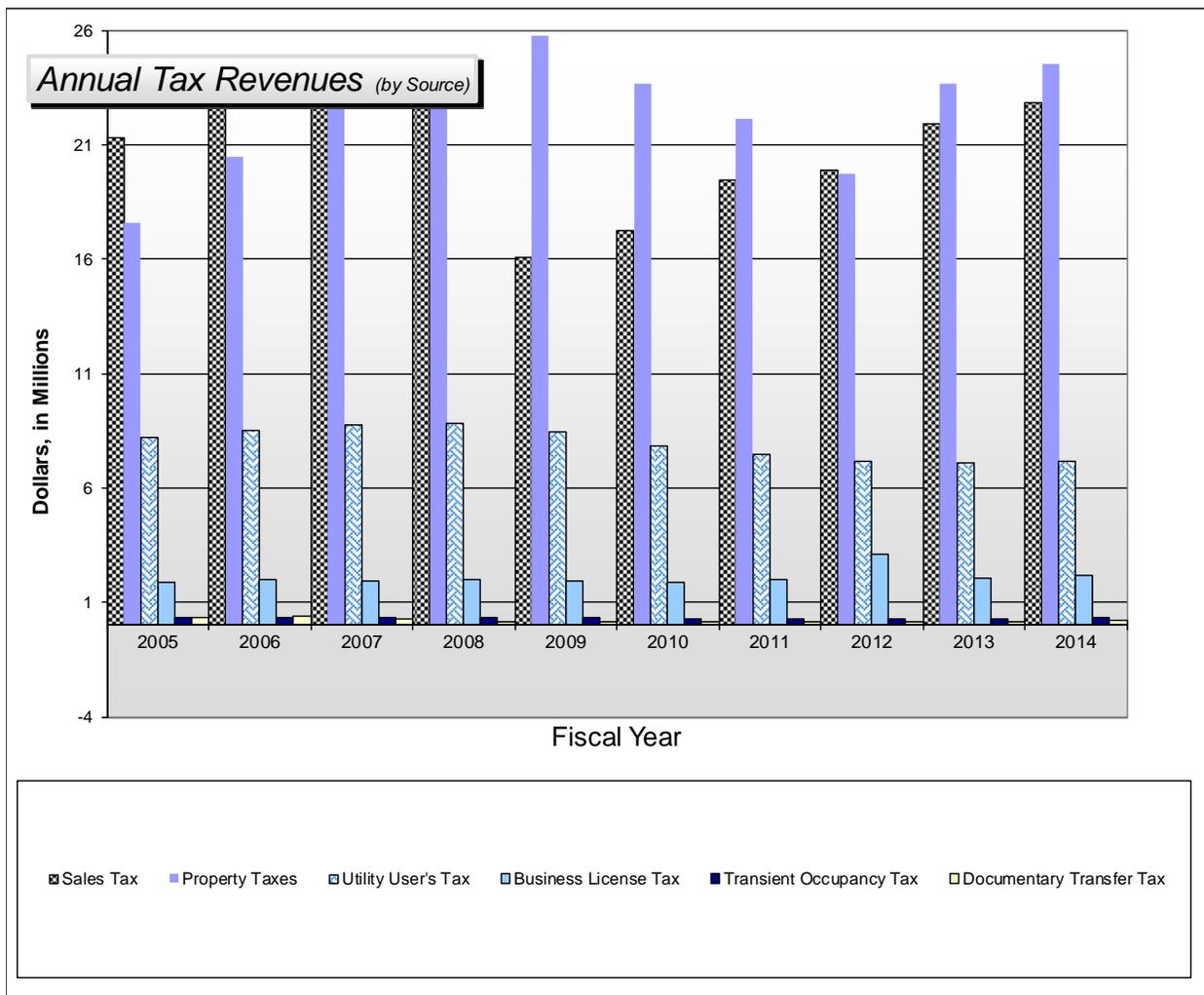
City of El Monte
Table 5 - Changes in Fund Balances of Governmental Funds
Last Nine Fiscal Years

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues									
Taxes	\$ 53,622,590	\$ 63,543,334	\$ 65,000,743	\$ 60,272,665	\$ 63,467,593	\$ 64,650,097	\$ 65,332,159	\$ 62,277,534	\$ 65,841,564
Licenses and permits	3,118,319	3,077,238	3,135,488	6,853,145	2,517,044	2,643,806	2,518,997	762,214	986,933
Intergovernmental	23,812,134	12,783,195	14,855,965	7,059,621	10,164,303	15,543,494	13,218,295	10,862,667	10,322,262
Charges for services	2,352,106	3,027,193	2,937,085	2,366,960	2,980,376	2,747,434	2,760,338	3,019,053	3,866,329
Use of money and property	4,517,647	5,311,219	5,306,137	4,636,653	4,915,268	1,608,928	1,776,326	1,048,530	1,124,564
Fines and forfeitures	1,309,596	1,192,177	1,218,477	1,513,547	1,298,040	1,561,288	1,719,778	1,825,943	1,441,434
Contributions	-	273,891	456,021	494,993	203,687	193,006	199,637	181,140	89,920
Developer participation	-	-	1,482,986	-	-	-	-	-	-
Miscellaneous	920,738	1,331,028	987,590	547,653	4,488,670	2,549,143	2,531,484	2,454,371	2,218,961
Net Change in Fair Value of Investments	-	-	-	-	-	-	-	(929,376)	509,360
Total revenues	89,653,130	90,539,275	95,380,492	83,745,237	90,034,981	91,497,196	90,057,014	81,502,076	86,401,327
Expenditures									
Current:									
General government	32,545,739	30,300,361	36,713,532	30,959,376	35,030,299	27,553,572	29,329,966	19,542,961	20,934,236
Public safety	35,833,305	36,612,697	39,293,878	34,716,300	28,728,032	31,049,574	29,393,872	31,562,378	33,276,479
Parks, recreation and cultural	5,402,783	5,085,450	5,510,146	4,541,136	4,003,571	4,522,463	3,076,821	2,957,309	2,734,176
Public works	8,002,578	4,209,203	6,535,553	7,818,511	5,445,472	7,622,183	7,941,927	10,317,511	11,215,809
Economic development	-	-	-	-	-	3,703,687	3,431,716	3,984,763	5,430,664
Capital outlay	2,774,513	9,995,244	5,256,934	3,891,957	5,992,383	21,923,576	12,762,314	7,862,196	7,288,106
Debt Service:									
Principal retirement	1,435,491	2,339,751	9,732,787	1,630,725	2,221,482	1,942,000	1,853,000	1,602,000	1,701,000
Interest and fiscal charges	4,716,140	5,760,158	5,577,604	5,649,471	6,029,713	1,806,114	3,469,859	2,531,116	2,631,674
Bond issuance cost	12,226	-	1,515,390	-	-	908,543	-	-	166,147
Payment to refunded bond escrow agent	-	-	2,152,727	-	-	-	-	-	-
Total expenditures	90,722,775	94,302,864	112,288,551	89,207,476	87,450,952	101,031,712	91,259,475	80,360,234	85,378,291
Revenues over (under) expenditures	(1,069,645)	(3,763,589)	(16,908,059)	(5,462,239)	2,584,029	(9,534,516)	(1,202,461)	1,141,842	1,023,036
Other Financing Sources (Uses)									
Transfers in	10,445,162	4,154,344	7,294,579	6,074,214	10,250,309	19,367,784	9,367,779	7,459,364	15,368,873
Transfers out	(10,014,531)	(4,154,344)	(10,294,579)	(6,074,214)	(10,250,309)	(19,417,784)	(9,384,167)	(7,559,364)	(15,263,000)
Refunding bonds issued	-	-	30,090,000	-	-	-	-	-	4,803,723
Notes and loans issued	630,007	675,000	5,182,241	-	450,082	-	-	-	-
Proceeds from sale of land held for resale	-	-	1,572,500	-	-	-	-	300,000	-
Other debts issued	-	553,691	(19,374,581)	-	-	19,255,000	10,000,000	-	(4,372,671)
Proceeds from sale of capital assets	-	-	-	19,499	-	-	-	-	-
Miscellaneous	-	-	-	-	(70,593)	(894,193)	-	-	-
Net other financing sources (uses)	1,060,638	1,228,691	14,470,160	19,499	379,489	18,310,807	9,983,612	200,000	536,925
Change in fund balances	\$ (9,007)	(2,534,898)	(2,437,899)	(5,442,740)	2,963,518	8,776,291	8,781,151	1,341,842	1,559,961
Debt service as a percentage of noncapital expenditures	7.01%	9.61%	17.73%	8.53%	10.13%	5.89%	6.78%	5.70%	5.76%

Source: Finance Department, City of El Monte

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

Fiscal Year	Property Taxes	Documentary Transfer Tax	Business License Tax	Utility User's Tax	Transient Occupancy Tax	Sales Tax	Other Taxes	Total
2005	\$ 17,595,824	\$ 341,808	\$ 1,893,113	\$ 8,202,719	\$ 310,189	\$ 21,321,728	\$ 16,864	\$ 43,787,513
2006	20,454,881	365,200	1,975,656	8,526,617	320,297	22,856,342	20,687	49,682,245
2007	22,582,996	266,729	1,935,003	8,744,118	326,312	23,732,619	30,193	54,519,680
2008	24,601,338	174,847	1,999,419	8,820,706	315,076	22,790,292	23,966	57,617,970
2009	25,764,716	158,080	1,928,093	8,477,622	306,710	16,043,743	-	58,725,644
2010	23,675,790	153,548	1,851,680	7,850,115	273,128	17,217,238	-	52,678,964
2011	22,096,855	151,201	2,017,847	7,436,906	266,460	19,424,297	-	51,021,499
2012	19,726,496	132,044	3,127,463	7,129,350	277,629	19,908,564	403,452	51,393,566
2013	23,681,773	159,157	2,024,962	7,087,818	298,784	21,908,497	349,526	55,510,517
2014	24,509,692	202,876	2,183,836	7,134,428	318,023	22,812,015	405,938	57,566,808



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

City of El Monte
Table 7 - Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(rate per \$1,000 of assessed value)

Fiscal Year	Real Property		Other Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial						
2005	\$ 2,713,440,078	640,141,492	871,667,407	36,949,377	4,188,299,600	0.32525%	4,188,299,600	100.00%
2006	3,026,168,369	689,874,221	932,736,944	38,423,340	4,610,356,194	0.33096%	4,610,356,194	100.00%
2007	3,420,937,638	779,987,905	1,022,742,963	42,927,022	5,180,741,484	0.33032%	5,180,741,484	100.00%
2008	3,754,978,088	841,808,323	1,065,634,917	42,862,053	5,619,559,275	0.33946%	5,619,559,275	100.00%
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	100.00%
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	100.00%
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	100.00%
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	100.00%
2013	3,924,119,452	965,154,088	1,041,804,256	58,039,660	5,873,038,136	0.34698%	5,873,038,136	100.00%
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	100.00%

Source: HdL, Coren & Cone

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	
2005	1.000	0.150	1.150	0.000923	0.000245	0.021695	0.111747	0.005800	0.140410	1.290410
2006	1.000	0.150	1.150	0.000795	0.000049	0.018021	0.134819	0.005200	0.158884	1.308884
2007	1.000	0.150	1.150	0.000663	0.000052	0.014688	0.122488	0.004700	0.142591	1.292591
2008	1.000	0.150	1.150	0.000000	0.000000	0.013700	0.108880	0.004500	0.127080	1.277080
2009	1.000	0.150	1.150	0.000000	0.000000	0.023200	0.124900	0.004300	0.152400	1.302400
2010	1.000	0.150	1.150	0.000000	0.000000	0.027140	0.215610	0.004300	0.247050	1.397050
2011	1.000	0.150	1.150	0.000000	0.000000	0.034390	0.208640	0.003700	0.246730	1.396730
2012	1.000	0.150	1.150	0.000000	0.000000	0.053740	0.374210	0.003700	0.431650	1.581650
2013	1.000	0.150	1.150	0.000000	0.000000	0.048670	0.375010	0.003500	0.427180	1.577180
2014	1.000	0.150	1.150	0.000000	0.000000	0.047910	0.435920	0.003500	0.487330	1.637330

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

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

Taxpayer	2014			2005		
	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value
Safeway Inc.	\$ 88,641,661	1	23%	\$		18%
Wells Fargo Bank	40,990,569	2	11%	32,117,535	3	13%
Penske Realty Inc.	38,846,187	3	10%	19,214,184	6	
KM El Monte Investors LLC	36,357,233	4	10%	28,113,303	4	11%
Multi Investment Associates	35,663,998	5	9%	20,436,195	5	
KW Telstar LLC	34,593,300	6	9%	15,865,661	9	6%
M C Gill Corporation	29,281,073	7	8%			0%
Cathay Bank	26,048,282	8	7%			
Pace Center LLC	24,566,879	9	7%	17,375,134	8	
Walmart Real Estate Business Trust	22,563,595	10	6%			
Vons Companies Inc.				47,825,753	1	19%
Saint Gobain Containers				41,750,019	2	16%
Gregg Industries				17,939,267	7	7%
Group III SGV Properties Limited				15,551,204	10	6%
Totals	\$ 377,552,777		100%	\$ 256,188,255		96%

Source: HdL Coren & Cone, Los Angeles County Assessor 2012/13 Combined Tax Rolls

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		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2005	\$ 3,969,590	3,877,177	97.7%	\$ 84,530	3,961,707	99.8%
2006	4,393,605	4,281,285	97.4%	94,764	4,376,049	99.6%
2007	4,933,742	4,748,972	96.3%	160,291	4,909,263	99.5%
2008	5,425,596	5,156,381	95.0%	237,675	5,394,056	99.4%
2009	5,745,854	5,478,542	95.3%	217,362	5,695,904	99.1%
2010	5,739,762	5,544,085	96.6%	78,066	5,622,151	98.0%
2011	5,634,364	5,500,041	97.6%	62,193	5,562,234	98.7%
2012	5,703,916	5,585,883	97.9%	76,733	5,662,616	99.3%
2013	5,797,183	5,693,897	98.2%	63,949	5,757,846	99.3%
2014	6,003,620	5,915,751	98.5%	81,628	5,997,379	99.9%

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	Revenue Bonds				Capital Leases
2005	\$ 3,350,000	9,620,000	18,395,000	-	-	18,415,000	-	49,780,000	1.156%	398
2006	3,275,000	9,080,000	18,210,000	-	-	18,805,000	-	49,370,000	1.097%	394
2007	3,195,000	8,510,000	17,745,000	-	1,079,032	18,805,000	-	49,334,032	1.043%	391
2008	-	7,915,000	29,340,000	-	567,812	18,610,000	-	56,432,812	1.194%	448
2009	-	7,285,000	28,670,000	9,658,620	446,782	18,225,000	-	64,285,402	1.391%	521
2010	-	5,930,000	27,975,000	8,977,527	422,810	17,430,000	-	60,735,337	1.303%	552
2011	19,255,000	5,930,000	27,250,000	9,427,527	397,449	17,430,000	-	79,689,976	1.709%	724
2012	29,065,000	5,205,000	-	7,621,000	370,617	17,010,000	-	59,271,617	3.639%	520
2013	28,755,000	4,435,000	-	7,399,000	342,230	16,570,000	-	57,501,230	3.530%	505
2014	28,430,000	3,920,000	-	6,843,000	312,197	16,120,000	-	55,625,197	3.304%	483

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, 2014

	Gross Bonded Debt Balance	Percent Applicable to City ⁽¹⁾	Net Bonded Debt ⁽²⁾
Direct Debt:			
2010 COPS	\$ 4,740,000	100%	\$ 4,740,000
Total Direct Debt			\$ 4,740,000
Overlapping Debt:			
Metropolitan Water District	64,271,492	0.590	\$ 379,307
El Monte City SD DS 1999 SER A	565,000	62.985	355,864
EL Monte City SD SD 2004 Refund Bonds	33,505,000	62.985	21,103,042
EL Monte City SD DS 2004 Series A 2005	13,852,013	62.985	8,724,656
El Monte City SD DS 2005 REF Bonds	1,359,250	62.985	856,120
El Monte School District 2004 Series B	8,495,000	62.985	5,350,555
El Monte School District DS 2008 SERIES A	9,150,747	62.985	5,763,576
El Monte School District DS 2008 SERIES A-1BABS	18,540,000	62.985	11,677,373
El Monte School District DS 2008 B	5,998,159	62.985	3,777,926
Rosemead School District DS 2000 Series C	6,250,000	15.497	968,543
Rosemead School District DS 2007 Series D	13,025,000	15.497	2,018,445
Rosemead School District DS 2008 Series A	8,326,503	15.497	1,290,333
Rosemead School District DS 2011 REF BOND	8,915,000	15.497	1,381,530
Rosemead School District DS 2012 REF BOND	5,385,000	15.497	834,497
El Monte Union High School District 2002 Series A	1,185,000	52.834	626,086
El Monte Union High School District 2002 Series B	1,210,000	52.834	639,295
El Monte Union High School District 2006 Refund Bonds	33,482,675	52.834	17,690,330
El Monte Union High School District 2002 Series C	27,565,000	52.834	14,563,769
El Monte Union High School District DS 2008 Series A	52,339,850	52.834	27,653,382
El Monte Union High School District DS 2008 Series B	30,297,787	52.834	16,007,617
Pasadena CCD DS 2006 Series B	26,985,000	2.028	547,291
Pasadena CCD DS 2006 Refunding Bond Series C	19,443,312	2.028	394,335
Pasadena CCD DS 2002, 2006 SERIES D	25,645,000	2.028	520,114
Pasadena CCD 2002, 2009 SERIES E (BABS)	25,295,000	2.028	513,015
Rio Hondo CCD DS Series 2004 A	1,870,000	15.721	293,992
Rio Hondo CCD DS 2005 Refunding Bonds	40,575,387	15.721	6,379,048
Rio Hondo CCD DS 2004 Series 2008	121,657,824	15.721	19,126,400
Total - Overlapping Debt	\$ 605,189,999		169,436,441
Grand Total Direct and Overlapping Debt			\$ 174,176,441

Assessed Valuation: **\$ 6,113,776,762**
2013/14 Assessed Valuation:

Debt to Assessed Valuation Ratios:

Direct debt	0.08%
Overlapping Debt	2.77%
Total Debt	2.85%

(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

Assessed value	\$ 6,057,650,300
Debt limit (15% of assessed value)	908,647,545
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	<u>908,647,545</u>
Legal debt margin	<u>\$ 908,647,545</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>
2005	\$ 628,244,940	\$ -	\$ 628,244,940	100.00%
2006	691,553,429	-	691,553,429	100.00%
2007	777,111,223	-	777,111,223	100.00%
2008	842,933,891	-	842,933,891	100.00%
2009	884,205,938	-	884,205,938	100.00%
2010	890,487,573	-	890,487,573	100.00%
2011	871,835,440	-	871,835,440	100.00%
2012	871,542,548	-	871,542,548	100.00%
2013	880,955,720	-	880,955,720	100.00%
2014	908,647,545	-	908,647,545	100.00%

Source: City of El Monte Finance Department

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

Tax Allocation Bonds					Water Revenue Bonds						
Debt Service					Debt Service						
Fiscal Year	Tax Increment	Principal	Interest	Coverage	Gross Revenues	Rate Stabilization Fund	Less: Net Operating Expenses	Net Available Revenues	Principal	Interest	Coverage
2005	\$ 2,799,818	\$ 365,000	\$ 1,287,463	0.00	\$ 3,090,865	\$ 400,000	\$ 2,490,441	\$ 1,000,424	\$ 185,000	\$ 937,835	0.89
2006	3,663,454	260,000	1,268,772	2.89	2,988,962	400,000	1,554,138	1,834,824	195,000	929,695	1.63
2007	4,770,182	545,000	1,159,388	2.80	2,966,112	400,000	1,982,031	1,384,081	205,000	703,030	1.52
2008	3,349,188	750,000	1,235,832	1.69	3,165,031	400,000	2,039,591	1,525,440	215,000	693,600	1.68
2009	6,709,829	670,000	1,326,361	3.36	2,985,694	400,000	2,077,333	1,308,361	385,000	831,095	1.08
2010	6,603,164	695,000	1,299,421	3.31	2,922,555	400,000	1,731,545	1,591,010	390,000	817,822	1.32
2011	6,803,496	725,000	1,271,411	3.41	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	-	-	-		3,197,432	403,422	2,007,543	1,593,311	450,000	784,320	1.29

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 expenses.

Source: Finance Department, City of El Monte

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

Fiscal Year	Population⁽¹⁾	Personal Income (thousands of dollars)⁽²⁾	Per-Capita Personal Income⁽²⁾	School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2004	123,076	1,355,242	11,011	21,840	8.10%
2005	124,943	1,420,256	11,367	21,540	6.70%
2006	124,880	1,485,561	11,896	21,317	6.00%
2007	125,077	1,531,851	12,247	20,813	6.40%
2008	125,136	1,542,736	12,328	20,246	9.30%
2009	125,842	1,519,400	12,074	20,320	14.30%
2010	126,464	1,709,414	13,517	19,966	15.50%
2011	113,912	1,628,942	14,300	19,164	15.10%
2012	114,436	1,645,361	14,378	18,893	11.50%
2013	115,064	1,683,501	14,631	n/a	9.50%

- 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) El Monte School Districts (Elementary) and El Monte High School District Budgets
 - (4) State Employment Development Department Data (percent of labor force, based on annual average)
 - (5) 2012 is the latest information as of August 2013

City of El Monte
Table 16 - Principal Employers

Employer	Employees	Rank	Percentage of Total City Employment
El Monte City Elementary District	838	1	3.414%
El Monte High School District	823	2	3.353%
Mountain View Elementary	820	3	3.341%
Longo Toyota - Lexus	800	4	3.259%
San Gabriel Transit	361	5	1.471%
McGill Corporation	311	6	1.267%
City of El Monte	301	7	1.226%
San Gabriel Transit	300	8	1.222%
El Monte Adult School	300	9	1.222%
Driftwood Dairy	240	10	0.978%
Total	5,094		20.754%
Total Employment	24,545		100%

Source: Finance Department, City of El Monte

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

Function	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	45	45	47	48	44	39	42	42	44	41
Public Safety										
Police										
Officers	157	161	161	156	145	126	129	129	125	126
Civilians	62	65	65	75	69	53	50	50	46	45
Community development	39	31	31	28	29	15	16	16	15	17
Public works	43	43	43	36	35	26	53	53	52	51
Parks, recreation, cultural	47	50	50	47	48	41	12	12	14	14
Utilities										
Water	10	10	10	10	9	9	9	9	9	7
Total full-time equivalent positions	<u>403</u>	<u>405</u>	<u>407</u>	<u>400</u>	<u>379</u>	<u>309</u>	<u>311</u>	<u>311</u>	<u>305</u>	<u>301</u>

* Fire Safety is contracted out to Los Angeles County beginning fiscal year 1998/99.

Source: Finance Department, City of El Monte

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

Function	2009	2010	2011	2012	2013	2014
Police Department						
Physical arrests	3,741	3,128	3,126	3,103	3,272	3,370
Parking violations	26,716	18,686	20,893	18,885	17,719	12,230
Moving violations	13,914	11,384	12,454	4,682	4,476	4,122
Water Department						
Total number of customers	22,828	22,722	22,722	22,700	22,968	23,760
Average daily consumption	23,400	20,900	20,900	20,900	20,900	20,840

Source: Finance and Police Departments, City of El Monte

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

Function	2012	2013	2014
Public safety			
Police			
Number of Police Stations	1	1	1
Number of Police Motor Vehicles	95+	95+	97
Fire			
Number of Fire Stations	4	4	4
Highways and streets			
Streets (miles)	151.4	151.4	151.4
Streetlights	4,500	4,784	4,784
Traffic signals	76	81	82
Culture and recreation			
Parks acreage	51	51	51
Parks	10	10	10
Ball diamonds	6	6	6
Basketball courts	5	5	5
Craft/Activity buildings	4	4	4
Gymnasium	1	1	1
Swimming pools	7	7	7
Community centers	6	6	6
Water			
Water mains (miles)	38.7	38.7	38.7
Maximum daily treatment capacity (millions of gallons)	6.5	6.5	6.5

Source: Various departments, City of El Monte