

# CITY OF EL MONTE CALIFORNIA



## Comprehensive Annual Financial Report for the year ended June 30, 2016



**Comprehensive Annual Financial Report  
City of El Monte, California  
Year ended June 30, 2016  
With Report of Independent Auditors**

***Prepared by: Finance Department***



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# **CITY OF EL MONTE**

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## **CITY MANAGER'S OFFICE**

Jesus M. Gomez  
*City Manager*

Alexander Hamilton  
*Assistant City Manager*

December 22, 2016

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, 2016. This report is prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation rests with the City. These financial statements have been designed and presented in a manner that enhances your understanding of the City's financial position and activities.

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

The City of El Monte's financial statements have been audited by the independent certified public accounting firm of Vasquez & Company LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of El Monte for the fiscal year ended June 30, 2016 are free of material misstatements. The audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall presentation of financial statements. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of El Monte's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP.

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

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 contain 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, 2015. This was the third year in a row that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



JESUS M. GOMEZ  
City Manager

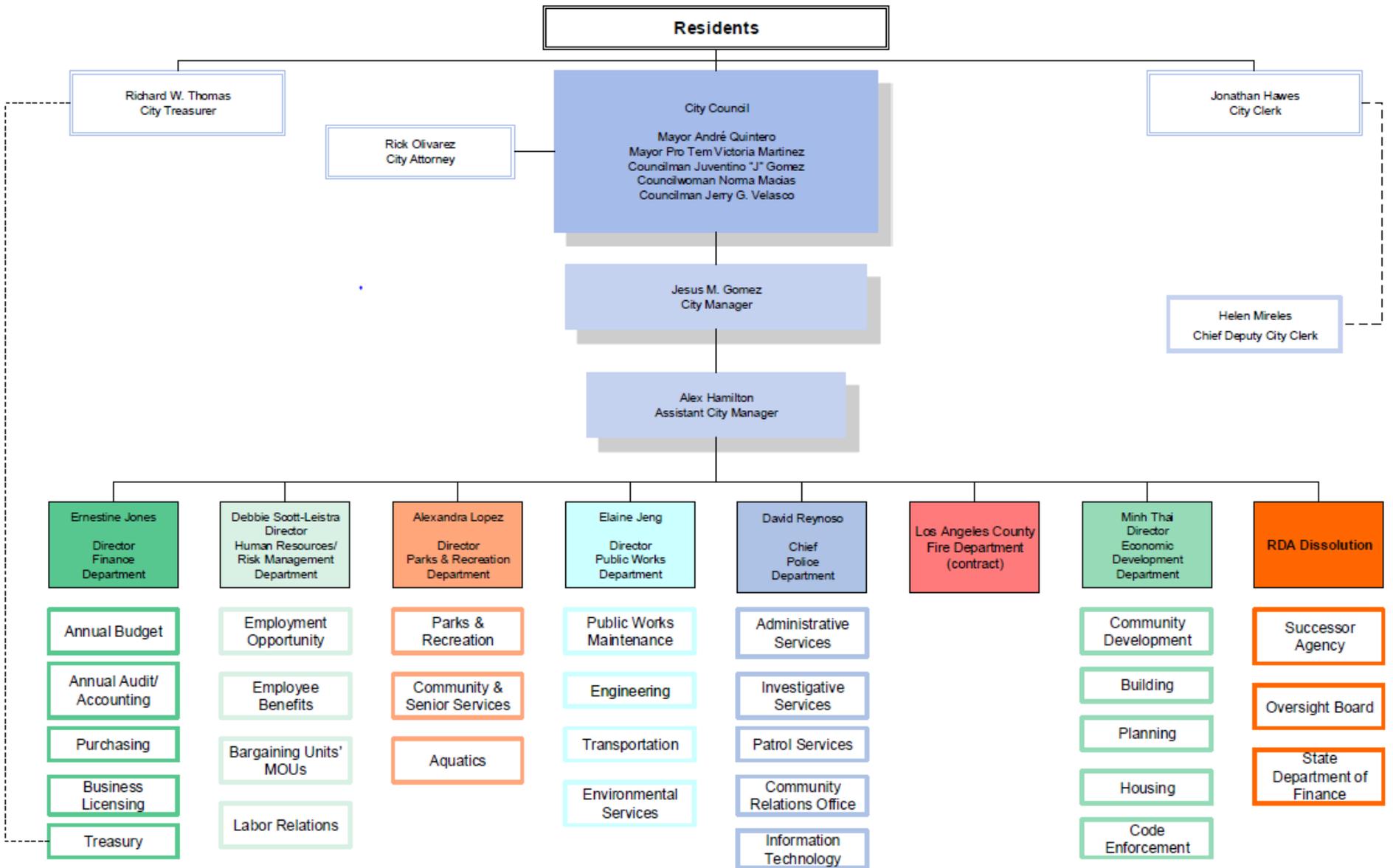
# CITY OF EL MONTE

## ELECTED OFFICIALS

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

## ADMINISTRATIVE STAFF

CITY MANAGER ..... JESUS M. GOMEZ  
ASSISTANT CITY MANAGER ..... ALEX HAMILTON  
COMMUNITY SERVICES DIRECTOR ..... ALEXANDRA LOPEZ  
ECONOMIC DEVELOPMENT DIRECTOR ..... MINH THAI  
FINANCE DIRECTOR ..... ERNESTINE JONES  
HUMAN RESOURCES DIRECTOR ..... DEBORAH SCOTT-LEISTRA  
DIRECTOR OF PUBLIC WORKS ..... ELAINE JENG  
POLICE CHIEF ..... DAVID REYNOSO  
CITY ATTORNEY..... RICARDO OLIVAREZ





Government Finance Officers Association

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

Presented to

**City of El Monte  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

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, 2016, 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, 2016, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15 and Required Supplementary Information on pages 88 through 99, 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 102 through 154, 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 102 through 154, 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 22, 2016, 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 22, 2016**

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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, 2016. We recommend that you read this in conjunction with additional financial information that we have furnished in the financial statements that follow, our letter of transmittal and the City's annual budget in order to develop a more comprehensive perspective of the City's overall financial position.

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

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

## **FINANCIAL HIGHLIGHTS**

- The combined assets and deferred outflows of the City exceeded its liabilities and deferred inflows for fiscal year 2015-16 by \$363.8 million. The City's total net position increased by \$11.3 million over fiscal year 2014-15.
- During the year, the City had revenues that were \$10.4 million greater than the \$87.3 million in expenses recorded by the City in its governmental activities.
- In fiscal year 2015-2016, the City's business-type activities (water and sewer) revenues exceeded expenses by \$0.8 million. A total of \$6.0 million in expenses were recorded for the Water and the Sewer Funds.

## **USING THIS ANNUAL REPORT**

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

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

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

## **REPORTING THE CITY AS A WHOLE**

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

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

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

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

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

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

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

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

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

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

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

**Governmental Funds**

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

**Proprietary Funds**

- Water Fund
- Sewer Fund
- Self-Insurance Fund

**Fiduciary Funds**

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

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

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

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

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

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

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

**RESULTS OF OPERATIONS**

*Statement of Net Position (Balance Sheet)* - As noted earlier, net position may serve over time as a useful indicator of a government's financial position. When compared to the prior fiscal year's combined balance sheet, the City's net position fiscal year increased by \$11.3 million from \$352.5 million to \$363.8 million. This \$11.3 million increase is primarily reflected in the increase of deferred outflows of resources over the increase in the deferred inflows of resources related to the pension liability under GASB No. 68 and increases in Capital Assets. The increase in financial position is a direct result of the City's investment in capital assets and changes in pension funding.

The largest portion of the City's net position at June 30, 2016 (\$484.2 million or 76.7 % of the total assets) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. These assets are not available for future spending.

	Net Position (In thousands)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>ASSETS</b>						
Cash and other assets	\$ 134,771	\$ 135,421	\$ 12,266	\$ 12,712	\$ 147,037	\$ 148,133
Capital assets net of accumulated depreciation	<u>447,384</u>	<u>444,381</u>	<u>36,880</u>	<u>36,473</u>	<u>484,264</u>	<u>480,855</u>
Total assets	<u>582,155</u>	<u>579,802</u>	<u>49,146</u>	<u>49,185</u>	<u>631,301</u>	<u>628,987</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Unamortized loss on defeasance of debt	-	11	617	648	617	659
Deferred outflows of resources related to pensions	<u>26,194</u>	<u>10,817</u>	<u>1,358</u>	<u>462</u>	<u>27,551</u>	<u>11,279</u>
Total deferred outflows of resources	<u>26,194</u>	<u>10,828</u>	<u>1,975</u>	<u>1,110</u>	<u>28,169</u>	<u>11,938</u>
<b>LIABILITIES</b>						
Current and other liabilities	24,345	26,144	1,008	994	25,353	27,138
Long-term liabilities	<u>203,217</u>	<u>198,294</u>	<u>41,027</u>	<u>41,267</u>	<u>244,245</u>	<u>239,561</u>
Total liabilities	<u>227,562</u>	<u>224,438</u>	<u>42,035</u>	<u>42,261</u>	<u>269,598</u>	<u>266,699</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred inflows of resources related to pensions	<u>24,928</u>	<u>20,755</u>	<u>1,114</u>	<u>950</u>	<u>26,042</u>	<u>21,705</u>
Total deferred inflows of resources	<u>24,928</u>	<u>20,755</u>	<u>1,114</u>	<u>950</u>	<u>26,042</u>	<u>21,705</u>
<b>NET POSITION</b>						
Net investment in capital assets	417,936	413,507	4,259	2,745	422,195	416,252
Restricted	59,314	63,168	-	-	59,314	63,168
Unrestricted	<u>(121,391)</u>	<u>(131,238)</u>	<u>3,712</u>	<u>4,339</u>	<u>(117,679)</u>	<u>(126,899)</u>
Total net position	<u>\$ 355,858</u>	<u>\$ 345,437</u>	<u>\$ 7,971</u>	<u>\$ 7,084</u>	<u>\$ 363,830</u>	<u>\$ 352,521</u>

**City of El Monte  
Management's Discussion and Analysis  
Year ended June 30, 2016**

*Statement of Activities (Statement of Revenues, Expenses/Expenditures and Changes in Net Assets/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 \$11.3 million more in revenues than expenses for the fiscal year 2016 which is virtually the same as fiscal year 2015, as illustrated in Table 2 below.

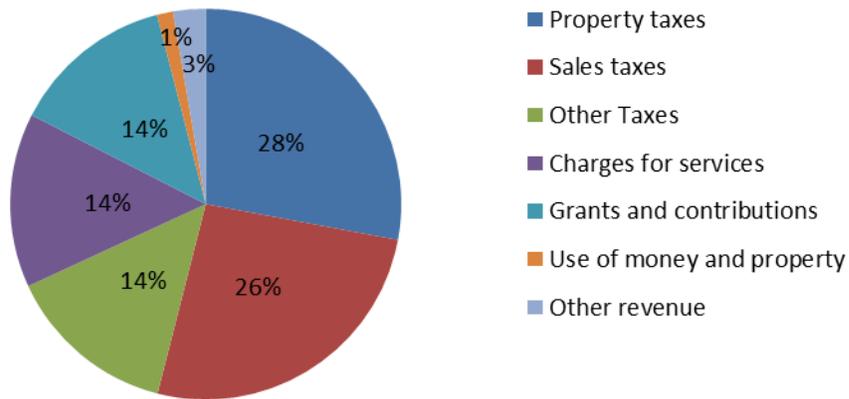
The net position balance at the beginning of fiscal year 2015 was restated to retroactively report the net pension liability as of the beginning of the fiscal year as a result of implementing GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. The net pension liability reported at the beginning of the fiscal year was \$140.6 million. For purposes of presenting the summarized statement of activities in this section of the report, the 2014 financial statements were not restated due to lack of information.

	Changes in Net Position (In thousands)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Program revenues						
Charges for services	\$ 7,322	\$ 8,301	\$ 6,877	\$ 6,654	\$ 14,199	\$ 14,955
Operating grants and contributions	9,333	12,033	-	185	9,333	12,218
Capital grants and contributions	3,938	3,712	-	-	3,938	3,712
General revenues						
Taxes						
Property taxes	27,533	26,099	-	-	27,533	26,099
Sales taxes	25,665	23,527	-	-	25,665	23,527
Franchise taxes	3,475	3,138	-	-	3,475	3,138
Other taxes	10,472	10,256	-	-	10,472	10,256
Motor vehicle in-lieu taxes	47	52	-	-	47	52
Use of money and property	1,160	1,103	61	43	1,221	1,146
Other revenue	1,422	3,086	6	-	1,428	3,086
Net change in fair value of investments	98	181	-	-	98	181
Transfer from Successor Agency	1,166	-	-	-	1,166	-
Total	<u>91,631</u>	<u>91,488</u>	<u>6,944</u>	<u>6,882</u>	<u>98,575</u>	<u>98,370</u>
Expenses						
Governmental activities						
General government	24,849	23,641	-	-	24,849	23,641
Public safety	33,013	33,364	-	-	33,013	33,364
Community services	2,793	2,968	-	-	2,793	2,968
Public works	16,586	15,953	-	-	16,586	15,953
Economic development	1,635	2,609	-	-	1,635	2,609
Interest on long-term debt	2,435	2,456	-	-	2,435	2,456
Water and sewer	-	-	5,958	6,045	5,958	6,045
Total	<u>81,310</u>	<u>80,992</u>	<u>5,958</u>	<u>6,045</u>	<u>87,268</u>	<u>87,036</u>
Change in net position before transfers	10,321	10,496	986	837	11,307	11,334
Transfers in/(out)	<u>100</u>	<u>100</u>	<u>(100)</u>	<u>(100)</u>	<u>-</u>	<u>-</u>
Change in net position	10,421	10,596	886	737	11,307	11,334
Net position, beginning as restated for 2015	345,438	334,841	7,085	6,347	352,522	341,188
Net position, ending	<u>\$ 355,858</u>	<u>\$ 345,437</u>	<u>\$ 7,971</u>	<u>\$ 7,084</u>	<u>\$ 363,830</u>	<u>\$ 352,522</u>

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

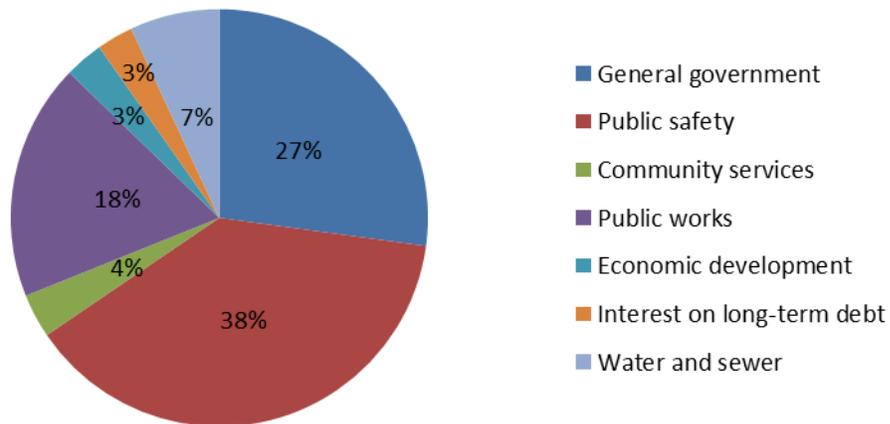
A separate review of the change in net assets in the governmental and business-type activities showed the following: the business-type activities generated a net operating surplus of \$1.0 million while the governmental activities had a combined \$10.3 million operating surplus, which resulted from the delay of projected expenditures. A \$4.1 million increase in property, sales and other taxes was offset by decreases in grant revenues and charges for services resulting in a small decrease in total revenues.

### 2016 Revenues



Increases in general government and public works expenditures were offset by decreases in economic development and public safety expenditures for a \$0.3 million increase in total expenditures compared to the prior year.

### 2016 Expenses



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 \$341.5 million of the total \$484.2 million in Net Capital Assets. At the end of fiscal year 2016, the City had the other \$142.7 million invested in a broad range of capital assets. These amounts approximate the carrying values of the Capital Assets in the previous year.

	Capital Assets (net of Depreciation, In Thousands)					
	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 74,443	\$ 74,443	\$ 311	\$ 311	\$ 74,754	\$ 74,754
Rights-of-way	266,802	266,802	-	-	266,802	266,802
Construction in progress	9,314	11,835	1,665	-	10,979	11,835
Improvement other than buildings	6,027	6,250	-	-	6,027	6,250
Structures and improvements	26,649	27,478	530	544	27,178	28,022
Land and improvements	95	-	615	659	710	659
Furniture and equipment	6,990	3,085	688	759	7,678	3,844
Infrastructure	57,066	54,488	33,071	34,201	90,137	88,689
<b>Totals</b>	<b>\$ 447,384</b>	<b>\$ 444,381</b>	<b>\$ 36,880</b>	<b>\$ 36,474</b>	<b>\$ 484,264</b>	<b>\$ 480,855</b>

Included in additions to furniture and equipment is the acquisition of seven clean burning compressed natural gas buses. Additional information on the City's Capital Assets can be found in the notes to the basic financial statements.

**Long-term Debt**

At year-end, the City's combined long-term debt increased by \$4.7 million to \$244.2 million. The net increase in the City's long-term debt resulted from the following as summarized in the Table 4 below:

- \$3.4 million net increase to the net pension liability
- \$2.8 million net increase in OPEB liability.
- \$2.1 million increase in claims and judgments and compensated absence liabilities.
- \$3.6 million in principal payments on bonded indebtedness.

**City of El Monte  
Management's Discussion and Analysis  
Year ended June 30, 2016**

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

	Long-Term Debt (In Thousands)					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Lease revenue bonds	\$ 27,730	\$ 28,090	\$ -	\$ -	\$ 27,730	\$ 28,090
Certificates of Participation	2,170	2,975	-	-	2,170	2,975
Notes payable	4,389	6,252	-	-	4,389	6,252
Revenue bonds	-	-	15,170	15,655	15,170	15,655
Capital lease payable	-	280	17,977	17,977	17,977	18,257
OPEB liability	28,685	25,879	-	-	28,685	25,879
Net pension liability	122,237	119,038	7,484	7,283	129,721	126,321
Compensated absences	6,013	5,495	305	257	6,318	5,751
Claims and judgments	12,445	10,743	-	-	12,445	10,743
Unamortized bond premium and discount	(452)	(459)	91	95	(361)	(364)
<b>Totals</b>	<b>\$ 203,217</b>	<b>\$ 198,294</b>	<b>\$ 41,027</b>	<b>\$ 41,267</b>	<b>\$ 244,245</b>	<b>\$ 239,561</b>

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 meet all its legal debt covenants and pay its current debt obligations in a timely manner.

*Other Postemployment Benefits (OPEB)* - The City currently pays the annual pay-as-you-go costs (actual costs of bills) as opposed to the recommended Annual Required Contribution ("ARC") of \$4.8 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 (\$1.6 million) plus any additional amount set-aside to fund future OPEB payments. A net amount of \$2.8 million was added to the City's Net OPEB liability, which has now increased to \$28.6 million as of June 30, 2016.

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

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

**Governmental Funds**

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

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

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$102.5 million. The City's governmental funds report a balance of \$6.2 million in its *unassigned fund balance*. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for special projects, capital projects or debt service or classified as non-spendable as it represents assets that are long-term in nature and thus, do not represent available spendable resources. Fund balances increased due to operations during the fiscal year as previously described in the *Results of Operations* Section.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund's total fund balance was \$45.5 million. The fund balance of the General Fund increased as a result of the results of operations as the City's expenditures were less than its revenues. Fund balances in the Retirement Fund continue to decrease as the City's special levy generates less revenue than the cost of funding the city's current pension obligation. The city is exploring methods to mitigate such decreases in future years. Housing and Community Development Fund balance increases represent program income which will be utilized in future years, while the fund balances of the Housing Assets Fund were used to fund a portion of a capital project in FY2015-16.

*Assigned Fund Balance* - The City has a formal reserve policy which establishes a series of general fund reserves including a general fund restricted reserve (cash flow reserve) representing between 10% and 20% of the general fund budget and a reserve to set aside a portion of Measure GG Sales Tax receipts annually. Other reserves established consist of reserves for economic uncertainty, catastrophic emergency, capital projects and to set aside amounts for the City's liabilities for compensated absences and other post-employment benefits. These assignments of fund balance total \$19.5 million of the total \$45.5 million of general fund balance.

*Unassigned Fund Balance, Cash on Hand and Working Capital* –The General Fund's unassigned fund balance is \$6.1 million, which represents 10.4% of total General Fund expenditures of \$58.5 million. The general fund working capital balance of \$25.3 million consists of \$25.0 million in cash and investments plus \$7.6 million in net accounts receivable and other current assets, less \$9.4 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 \$25.0 million at the end of the fiscal year as compared to \$20.3 million at the end of the prior fiscal year (June 30, 2015). However, this amount only represents 156 days of cash on hand.

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

## **THE CITY AS TRUSTEE**

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

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

General Fund Revenues are projected to increase by approximately \$800,000 over Fiscal year 2016 estimates due to estimated increases in sales taxes revenues and development activities. Fiscal year 2017 budgeted expenditures also increase to approximately \$66.5 million from \$63.8 million in fiscal year 2016 largely due to: 1) City goal of more efficient and effective operations, 2) an increase in permanent full-time city staff, 3) bargaining unit contract restoration for Cost of Living Allowances and health and other benefits, an increase in contract fire department services, and increases in operations and maintenance costs.

Other Funds estimated revenues and appropriations are expected to be approximately \$85 million.

### **General Fund Budgetary Highlights**

Revenues - The City received \$2.1 million more in taxes, \$1 million more for charges for services and \$0.3 million more in license and permit revenues than budgeted due to conservative budget estimates. Total General Fund revenues were \$59.9 million in fiscal year 2015-16, which is higher than the budgeted amount of \$56.3 million.

Expenditures – The City reported a total of \$58.5 million in General Fund expenditures for the fiscal year, which was \$5.4 million less than the budgeted amount of \$63.8 million. Expenditures for all governmental functions were less than appropriations with general government and public safety costs less than budgeted by \$1.9 million and \$1.4 million, respectively.

**Economic Development Initiatives** - The City, through its Economic Development Department, continues to implement the vision and the economic development initiatives of the Vision El Monte General Plan. The City actively engages the development and business communities and provides guidance to facilitate the approval process and the construction of over a billion dollars of private and public development investments within the City. In November of 2015, the Santa Fe Trail Plaza opened for business. The Center is a life-style retail shopping center that features over 110,000 square feet of nationally and regionally branded stores and restaurants providing 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. Other development projects recently completed or currently under construction within the City include a 500,000 square-foot industrial flex space development, a 133 room Hilton Garden Inn Hotel, a 96,000 square-foot office complex serving as the corporate headquarters for a local news media company, and several mixed use development projects located within target development areas like Downtown El Monte and the in Garvey Mixed-Use Corridor. This diversity of development projects within the City is a sounding board for the Vision El Monte General Plan and serves as the catalyst for other new developments to bring in new business opportunities, high quality jobs, retail opportunities, and to broaden and realign the City's economic base.

#### **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, 2016**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 78,612,889	\$ 12,401,394	\$ 91,014,283
Receivables			
Accounts	4,131,659	698,378	4,830,037
Taxes	5,822,873	-	5,822,873
Notes and loans, net	13,443,537	-	13,443,537
Accrued interest - other	114,592	45,496	160,088
Internal balances	1,286,692	(1,286,692)	-
Prepaid costs	140,806	3,761	144,567
Due from other governments	2,461,247	-	2,461,247
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	9,019,354	403,506	9,422,860
Capital assets, not being depreciated	350,653,759	1,975,742	352,629,501
Capital assets, net of accumulated depreciation	96,730,399	34,904,212	131,634,611
Total assets	<u>582,154,816</u>	<u>31,168,433</u>	<u>613,323,249</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized loss on defeasance of debt	-	617,476	617,476
Deferred outflows related to pensions	26,193,784	1,357,642	27,551,426
Total deferred outflows of resources	<u>26,193,784</u>	<u>1,975,118</u>	<u>28,168,902</u>
<b>LIABILITIES</b>			
Accounts payable	4,626,053	427,851	5,053,904
Accrued liabilities	1,230,315	-	1,230,315
Accrued interest	777,532	253,999	1,031,531
Unearned revenues	866	-	866
Deposits payable	3,658,010	326,318	3,984,328
Due to other governments	14,052,190	-	14,052,190
Noncurrent liabilities:			
Due within one year	5,215,244	581,303	5,796,547
Due in more than one year	75,765,162	14,984,740	90,749,902
Net pension liability	122,237,053	7,484,031	129,721,084
Total liabilities	<u>227,562,425</u>	<u>24,058,242</u>	<u>251,620,667</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows related to pensions	24,927,758	1,114,215	26,041,973
Total deferred inflows of resources	<u>24,927,758</u>	<u>1,114,215</u>	<u>26,041,973</u>
<b>NET POSITION</b>			
Net investment in capital assets	417,936,017	4,259,232	422,195,249
Restricted for:			
Public works projects	17,273,963	-	17,273,963
Public safety	4,216,069	-	4,216,069
Parks, recreation and cultural	2,707,396	-	2,707,396
Community development	17,443,412	-	17,443,412
Debt service	1,868,605	-	1,868,605
Retirement	15,804,389	-	15,804,389
Unrestricted (deficit)	(121,391,436)	3,711,862	(117,679,573)
Total net position	<u>\$ 355,858,416</u>	<u>\$ 7,971,094</u>	<u>\$ 363,829,511</u>

*See notes to financial statements.*

**City of El Monte**  
**Statement of Activities**  
**Year ended June 30, 2016**

	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	\$ 24,848,509	\$ 378,402	\$ 1,501,223	\$ -	\$ (22,968,884)	\$ -	\$ (22,968,884)
Public safety	33,012,638	1,398,239	1,917,186	-	(29,697,213)	-	(29,697,213)
Parks, recreation and cultural	2,792,932	1,150,647	602,165	-	(1,040,120)	-	(1,040,120)
Public works	16,585,908	1,000,247	721,255	3,938,321	(10,926,085)	-	(10,926,085)
Economic development	1,635,333	3,394,330	4,591,340	-	6,350,337	-	6,350,337
Interest on long-term debt	2,434,888	-	-	-	(2,434,888)	-	(2,434,888)
Total governmental activities	<u>81,310,208</u>	<u>7,321,865</u>	<u>9,333,169</u>	<u>3,938,321</u>	<u>(60,716,853)</u>	<u>-</u>	<u>(60,716,853)</u>
Business-type activities:							
Water and Sewer Funds	5,957,680	6,876,895	-	-	-	919,215	919,215
Total business-type activities	<u>5,957,680</u>	<u>6,876,895</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>919,215</u>	<u>919,215</u>
Total primary government	<u>\$ 87,267,887</u>	<u>\$ 14,198,760</u>	<u>\$ 9,333,169</u>	<u>\$ 3,938,321</u>	<u>(60,716,853)</u>	<u>919,215</u>	<u>(59,797,637)</u>
General revenues							
Taxes:							
Property taxes levied for general purposes					27,532,723	-	27,532,723
Transient occupancy taxes					419,552	-	419,552
Sales taxes					25,664,884	-	25,664,884
Franchise taxes					3,474,799	-	3,474,799
Business license taxes					2,501,208	-	2,501,208
Utility users taxes					6,869,855	-	6,869,855
Other taxes					681,879	-	681,879
Motor vehicle in lieu - unrestricted					46,713	-	46,713
Use of money and property					1,160,164	60,936	1,221,100
Other revenue					1,421,951	6,259	1,428,210
Net change in fair value of investments					98,088	-	98,088
Transfers in/out					100,000	(100,000)	-
Transfer from Successor Agency					1,165,708	-	1,165,708
Total general revenues					<u>71,137,524</u>	<u>(32,805)</u>	<u>71,104,719</u>
Net change in net position					10,420,671	886,410	11,307,082
Net position - beginning of year					<u>345,437,745</u>	<u>7,084,684</u>	<u>352,522,429</u>
Net position - end of year					<u>\$ 355,858,416</u>	<u>\$ 7,971,094</u>	<u>\$ 363,829,511</u>

*See notes to financial statements.*

**City of El Monte  
Governmental Funds  
Balance Sheet  
June 30, 2016**

	Special Revenue Funds				Nonmajor Governmental Funds	Total
	General	Retirement	Housing and Community Development	Housing Assets		
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>						
Assets:						
Cash and investments	\$ 25,046,307	\$ 16,645,608	\$ 3,710,467	\$ 472,823	\$ 25,025,772	\$ 70,900,977
Receivables:						
Accounts	1,731,446	22,318	109,198	2,105	2,265,321	4,130,388
Taxes	5,619,477	190,995	-	-	12,401	5,822,873
Notes and loans, net	26,751	-	11,548,279	1,157,386	711,121	13,443,537
Accrued interest	114,592	-	-	-	-	114,592
Prepaid items	135,741	-	1,000	-	4,065	140,806
Due from other governments	-	-	217,122	-	2,244,125	2,461,247
Due from other funds	2,466,198	-	-	-	-	2,466,198
Advances to other funds	1,300,000	-	-	-	-	1,300,000
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	524,431	-	-	88,632	8,406,291	9,019,354
<b>Total assets</b>	<b>54,942,307</b>	<b>16,858,921</b>	<b>16,006,066</b>	<b>\$ 3,060,591</b>	<b>38,669,096</b>	<b>129,536,981</b>
Deferred outflows of resources						
	-	-	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ 54,942,307</b>	<b>\$ 16,858,921</b>	<b>\$ 16,006,066</b>	<b>\$ 3,060,591</b>	<b>\$ 38,669,096</b>	<b>\$ 129,536,981</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 2,539,924	\$ 1,054,532	88,900	2,139	939,878	4,625,373
Accrued liabilities	1,230,315	-	-	-	-	1,230,315
Advances from grantors	-	-	-	-	866	866
Deposits payable	3,549,590	-	65,452	8,525	34,443	3,658,010
Due to other governments	2,051,165	-	11,212,389	-	788,636	14,052,190
Due to other funds	-	-	-	-	2,466,198	2,466,198
<b>Total liabilities</b>	<b>9,370,994</b>	<b>1,054,532</b>	<b>11,366,741</b>	<b>10,664</b>	<b>4,230,021</b>	<b>26,032,952</b>
Deferred inflows of resources:						
Unavailable revenue	22,139	-	-	-	999,098	1,021,237
<b>Total deferred inflows of resources</b>	<b>22,139</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>999,098</b>	<b>1,021,237</b>
Fund Balances:						
Nonspendable						
Loans receivable	4,612	-	335,890	1,157,386	-	1,497,888
Prepaid items	135,741	-	1,000	-	4,065	140,806
Advances to other funds	1,300,000	-	-	-	-	1,300,000
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	-	15,804,389	3,882,435	552,896	32,908,249	53,147,969
Debt service funds	524,431	-	-	-	1,384,350	1,908,781
Assigned	19,476,714	-	-	-	-	19,476,714
Unassigned	6,130,312	-	-	-	(856,687)	5,273,625
<b>Total fund balances</b>	<b>45,549,174</b>	<b>15,804,389</b>	<b>4,639,325</b>	<b>3,049,927</b>	<b>33,439,977</b>	<b>102,482,792</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 54,942,307</b>	<b>\$ 16,858,921</b>	<b>\$ 16,006,066</b>	<b>\$ 3,060,591</b>	<b>\$ 38,669,096</b>	<b>\$ 129,536,981</b>

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, 2016**

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Fund balance of governmental funds		\$ 102,482,792
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	\$ 551,823,628	
Accumulated depreciation	<u>(104,439,470)</u>	447,384,158
Deferred outflows of resources related to pension are not recognized in the governmental funds.		
		26,193,784
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Long-term liabilities	(62,522,431)	
Compensated absences	<u>(6,012,975)</u>	(68,535,406)
Deferred inflows of resources related to pension are not reported in the governmental funds.		
		(24,927,758)
Net pension liability is not due and payable in the current period and therefore, are not reported in the governmental funds.		
		(122,237,053)
Accrued interest payable for the interest due on bonds bonds that has not been reported in the governmental funds.		
		(777,532)
Revenues reported as unavailable revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities.		
		1,021,237
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>(4,745,805)</u>
Net position of governmental activities		<u>\$ 355,858,416</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, 2016**

	Special Revenue Funds					Total
	General Fund	Retirement Fund	Housing and Community Development	Housing Assets	Nonmajor Governmental Funds	
<b>Revenues</b>						
Taxes	\$ 52,260,708	\$ 10,173,463	\$ -	\$ -	\$ 8,261,079	\$ 70,695,250
Licenses and permits	1,413,277	-	-	-	-	1,413,277
Intergovernmental	85,091	-	2,509,574	-	7,246,807	9,841,472
Charges for services	3,043,913	-	-	-	1,161,725	4,205,638
Use of money and property	268,114	85,995	37,244	49,921	718,811	1,160,085
Fines and forfeitures	1,374,249	-	-	-	-	1,374,249
Contributions	246,351	-	-	-	364,583	610,934
Miscellaneous	1,095,942	72,669	420,065	10,000	676,720	2,275,396
Net change in fair value of investments	98,088	-	-	-	-	98,088
<b>Total revenues</b>	<u>59,885,733</u>	<u>10,332,127</u>	<u>2,966,883</u>	<u>59,921</u>	<u>18,429,725</u>	<u>91,674,389</u>
<b>Expenditures</b>						
Current:						
General government	9,491,559	12,158,199	78,693	-	291,276	22,019,727
Public safety	34,260,010	-	-	-	650,914	34,910,924
Parks, recreation and cultural	2,485,195	-	21,149	-	427,651	2,933,995
Public works	10,854,226	-	81,002	-	4,074,801	15,010,029
Economic development	-	-	480,846	11,813	1,248,304	1,740,963
Capital outlay	441,269	-	-	404,745	6,752,775	7,598,789
Debt service:						
Principal retirement	805,000	-	1,863,000	-	360,000	3,028,000
Interest and fiscal charges	118,609	-	249,222	-	2,099,613	2,467,444
<b>Total expenditures</b>	<u>58,455,868</u>	<u>12,158,199</u>	<u>2,773,912</u>	<u>416,558</u>	<u>15,905,334</u>	<u>89,709,871</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>1,429,865</u>	<u>(1,826,072)</u>	<u>192,971</u>	<u>(356,637)</u>	<u>2,524,391</u>	<u>1,964,518</u>
<b>Other financing sources (uses)</b>						
Transfers in	3,476,174	-	287,130	65,727	1,437,569	5,266,600
Transfers out	(973,978)	-	-	-	(4,392,622)	(5,366,600)
Transfers from Successor Agency	-	-	-	-	1,165,708	1,165,708
<b>Net other financing sources (uses)</b>	<u>2,502,196</u>	<u>-</u>	<u>287,130</u>	<u>65,727</u>	<u>(1,789,345)</u>	<u>1,065,708</u>
<b>Net change in fund balances</b>	<u>3,932,061</u>	<u>(1,826,072)</u>	<u>480,101</u>	<u>(290,910)</u>	<u>735,046</u>	<u>3,030,226</u>
<b>Fund balance, beginning of year</b>	<u>41,617,113</u>	<u>17,630,461</u>	<u>4,159,224</u>	<u>3,340,837</u>	<u>32,704,931</u>	<u>99,452,566</u>
<b>Fund balance, end of year</b>	<u>\$ 45,549,174</u>	<u>\$ 15,804,389</u>	<u>\$ 4,639,325</u>	<u>\$ 3,049,927</u>	<u>\$ 33,439,977</u>	<u>\$ 102,482,792</u>

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, 2016**

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Change in fund balance - governmental funds		\$ 3,030,226
<p>Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>		
Capital outlay, net of disposals		8,375,564
Depreciation expense		(5,372,529)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in Statement of Net Position .</p>		
Principal repayment of bonds	\$ 1,165,000	
Principal repayment of capital lease obligation	280,423	
Principal repayment of notes payable	1,863,000	
Amortization of deferred bond premium	13,034	
Amortization of deferred bond discount	(20,184)	
Amortization of deferred loss on bond defeasance	<u>(12,134)</u>	3,289,139
<p>Governmental funds report only contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures; however, in the Statement of Activities, the total ARC is an expense. This is the change in OPEB liability for the current period.</p>		
		(2,805,999)
<p>Pension expense reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported in the governmental funds. This is the net amount of adjustment to pension expense, deferred outflows of resources, deferred inflows of resources and net pension liability during the year.</p>		
		8,004,964
<p>Accrued interest for long-term liabilities is not reported in the governmental fund financial until due. This is the net change in accrued interest for the current period.</p>		
		51,840
<p>Compensated absences liability reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in compensated absences for the current period.</p>		
		(518,233)
<p>Certain revenues are reported as unavailable revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities.</p>		
		(1,209,218)
<p>Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The net revenues (expenses) of the internal service funds is reported with governmental activities.</p>		
		(2,425,082)
Change in net position of governmental activities		<u>\$ 10,420,671</u>

*See notes to financial statements.*

**City of El Monte  
Statement of Net Position  
Proprietary Funds  
June 30, 2016**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Fund	Sewer Fund	Total	Internal Service Funds
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 767,602	\$ 11,633,792	\$ 12,401,394	\$ 7,711,912
Receivables:				
Accounts	627,988	70,390	698,378	1,271
Other	45,496	-	45,496	-
Prepaid accounts	3,761	-	3,761	-
Restricted:				
Cash with fiscal agents	403,506	-	403,506	-
Total current assets	<u>1,848,353</u>	<u>11,704,182</u>	<u>13,552,535</u>	<u>7,713,183</u>
Noncurrent assets				
Capital assets	45,186,548	20,184,893	65,371,441	-
Accumulated depreciation	<u>(18,732,764)</u>	<u>(9,758,723)</u>	<u>(28,491,487)</u>	<u>-</u>
Net capital assets	<u>26,453,784</u>	<u>10,426,170</u>	<u>36,879,954</u>	<u>-</u>
Total noncurrent assets	<u>26,453,784</u>	<u>10,426,170</u>	<u>36,879,954</u>	<u>-</u>
Total assets	<u>28,302,137</u>	<u>22,130,352</u>	<u>50,432,489</u>	<u>7,713,183</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Unamortized loss on defeasance of debt	617,476	-	617,476	-
Deferred outflows related to pensions	658,162	699,480	1,357,642	-
Total deferred outflows of resources	<u>1,275,638</u>	<u>699,480</u>	<u>1,975,118</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	285,570	142,281	427,851	680
Accrued interest	253,999	-	253,999	-
Deposits payable	326,318	-	326,318	-
Accrued compensated absences, current portion	49,688	26,615	76,303	-
Accrued claims and judgments	-	-	-	2,392,000
Bonds, notes, and capital leases	505,000	-	505,000	-
Total current liabilities	<u>1,420,575</u>	<u>168,896</u>	<u>1,589,471</u>	<u>2,392,680</u>
Noncurrent liabilities				
Advances from other funds	1,000,000	-	1,000,000	300,000
Accrued compensated absences	149,063	79,843	228,906	-
Accrued claims and judgments	-	-	-	10,053,000
Capital lease payable	17,977,364	-	17,977,364	-
Net pension liability	3,585,671	3,898,360	7,484,031	-
Bonds and notes	14,755,834	-	14,755,834	-
Total liabilities	<u>38,888,507</u>	<u>4,147,099</u>	<u>43,035,606</u>	<u>12,745,680</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows related to pensions	543,118	571,097	1,114,215	-
Total deferred inflows of resources	<u>543,118</u>	<u>571,097</u>	<u>1,114,215</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	(6,166,938)	10,426,170	4,259,232	-
Unrestricted	<u>(3,686,912)</u>	<u>7,685,466</u>	<u>3,998,554</u>	<u>(5,032,497)</u>
Total net position	<u>\$(9,853,850)</u>	<u>\$ 18,111,636</u>	<u>\$ 8,257,786</u>	<u>\$(5,032,497)</u>

**Reconciliation of net position to statement of net position:**

Net position per statement of net position for proprietary funds	\$ 8,257,786
Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(178,627)
Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	(108,065)
<b>Net position per statement of net position</b>	<u>\$ 7,971,094</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, 2016**

	Business-type Activities - Enterprise Funds			Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	Self Insurance
<b>Operating revenues</b>				
Sales and service charges	\$ 3,427,606	\$ 3,449,289	\$ 6,876,895	\$ -
Interdepartmental charges	-	-	-	2,507,013
<b>Total operating revenues</b>	<u>3,427,606</u>	<u>3,449,289</u>	<u>6,876,895</u>	<u>2,507,013</u>
<b>Operating expenses</b>				
Personnel services	830,501	725,399	1,555,900	-
Contractual services	341,708	242,520	584,228	-
Maintenance and supplies	262,185	32,962	295,147	-
Public works	32,084	22,430	54,514	-
Administrative and general	506,412	284,625	791,037	-
Facility lease	199,862	299,792	499,654	-
Claims expenses	-	-	-	5,240,160
Depreciation expense	866,519	440,351	1,306,870	-
<b>Total operating expenses</b>	<u>3,039,271</u>	<u>2,048,079</u>	<u>5,087,350</u>	<u>5,240,160</u>
<b>Operating income (loss)</b>	388,335	1,401,210	1,789,545	(2,733,147)
<b>Nonoperating revenues (expenses)</b>				
Interest revenue	3,562	57,374	60,936	-
Interest expense	(762,265)	-	(762,265)	-
Miscellaneous	5,459	800	6,259	-
<b>Net nonoperating revenues (expenses)</b>	<u>(753,244)</u>	<u>58,174</u>	<u>(695,070)</u>	<u>-</u>
<b>Operating income (loss) before other financing sources</b>	(364,909)	1,459,384	1,094,475	(2,733,147)
<b>Transfers</b>				
Transfers in	-	-	-	200,000
Transfers out	-	(100,000)	(100,000)	-
	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>200,000</u>
<b>Net changes in net position</b>	(364,909)	1,359,384	994,475	(2,533,147)
<b>Net position, beginning of year</b>	<u>(9,488,941)</u>	<u>16,752,252</u>	<u>7,263,311</u>	<u>(2,499,350)</u>
<b>Net position, end of year</b>	<u>\$ (9,853,850)</u>	<u>\$ 18,111,636</u>	<u>\$ 8,257,786</u>	<u>\$ (5,032,497)</u>
<b>Reconciliation of Statement of Changes in Net Position to the Statement of Activities:</b>				
Change in Net Position per Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds			\$ 994,475	
Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds			(108,065)	
Change in Net Position Business-type Activities Statement of Activities			<u>\$ 886,410</u>	

*See notes to financial statements.*

**City of El Monte**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year ended June 30, 2016**

	Business-type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities Internal
	Fund	Fund		Service Funds
				Self Insurance
<b>Cash flows from operating activities</b>				
Cash received from customers and users	\$ 3,439,486	\$ 3,428,418	\$ 6,867,904	\$ -
Cash received for interfund charges	-	-	-	2,515,127
Cash paid to suppliers for goods and services	(915,248)	(681,474)	(1,596,722)	(3,603,772)
Cash paid to employees for services	(1,389,914)	(1,271,757)	(2,661,671)	-
<b>Net cash provided by operating activities</b>	<b>1,134,324</b>	<b>1,475,187</b>	<b>2,609,511</b>	<b>(1,088,645)</b>
<b>Cash flows from non-capital and related financing activities</b>				
Net transfers from (to) other funds	-	(100,000)	(100,000)	200,000
<b>Net cash provided by (used in) non-capital and related financing activities</b>	<b>-</b>	<b>(100,000)</b>	<b>(100,000)</b>	<b>200,000</b>
<b>Cash flows from capital and related financing activities</b>				
Proceeds from advances	1,000,000	-	1,000,000	-
Acquisition and construction of capital assets	(1,442,956)	(270,935)	(1,713,891)	-
Principal paid on capital debt	(485,000)	-	(485,000)	-
Interest paid on capital debt	(725,048)	-	(725,048)	-
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(1,647,545)</b>	<b>(270,135)</b>	<b>(1,917,680)</b>	<b>-</b>
<b>Cash flows from investing activities</b>				
Interest received	3,562	57,374	60,936	-
<b>Change in cash and cash equivalents</b>	<b>(509,659)</b>	<b>1,162,426</b>	<b>652,767</b>	<b>(888,645)</b>
<b>Beginning cash and cash equivalents</b>	<b>1,680,767</b>	<b>10,471,366</b>	<b>12,152,133</b>	<b>8,600,557</b>
<b>Ending cash and cash equivalents</b>	<b>\$ 1,171,108</b>	<b>\$ 11,633,792</b>	<b>\$ 12,804,900</b>	<b>\$ 7,711,912</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ 388,335	\$ 1,401,210	\$ 1,789,545	\$ (2,733,147)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	866,519	440,351	1,306,870	-
(Increase) decrease in:				
Accounts receivable	11,880	(20,872)	(8,992)	8,114
Deferred outflows of resources	(432,676)	(462,676)	(895,352)	-
Increase (decrease):				
Accounts payable	84,782	(91,505)	(6,723)	(65,612)
Deposits payable	11,022	-	11,022	-
Deferred inflows of resources	77,697	86,320	164,017	-
Compensated absences payable	30,422	18,205	48,627	-
Accrued claims and judgments	-	-	-	1,702,000
Net pension liability	96,946	104,154	201,100	-
<b>Net cash provided by operating activities</b>	<b>\$ 1,134,324</b>	<b>\$ 1,475,187</b>	<b>\$ 2,609,511</b>	<b>\$ (1,088,645)</b>
Non-cash investing, capital and financing Activities:				
Amortization of premium and loss on defeasance of long-term liabilities	\$ 27,246	\$ -	\$ 27,246	\$ -

See notes to financial statements.

**City of El Monte**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund		Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
<b>ASSETS</b>			
Cash and investments	\$ 2,437,645	\$	544,582
Cash with fiscal agents	3,287,331		-
Cash held in escrow accounts	1,441,105		-
Receivables:			
Accounts	2,641		1,755
Notes and loans	423,807		-
Others	-		430
Land held for resale	6,178,496		-
Total assets	13,771,025		546,767
<b>LIABILITIES</b>			
Accounts payable	53,181		-
Interest payable	89,991		-
Deposits payable	6,600		-
Due to other governments	548,284		-
Long-term liabilities			
Due within one year	920,000		-
Due in more than one year	23,159,050		-
Advances from City of El Monte	42,979,635		-
Total liabilities	67,756,741		-
<b>NET POSITION</b>			
Held in trust for pension	-		546,767
Net position (deficit)	(53,985,716)		-
Total net position (deficit)	\$ (53,985,716)	\$	546,767

*See notes to financial statements.*

**City of El Monte**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**Year ended June 30, 2016**

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund	Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
<b>Revenues and additions:</b>		
Taxes	\$ 3,098,718	\$ -
Use of money and property	36,751	-
Rental income	46,006	-
Contributions:		
Employers	-	197,500
Employees	-	57,365
Retirees	-	40,140
Investment earnings:		
Interest and change in fair value of investments	387	3,104
Total additions	3,181,862	298,109
<b>Expenses and deductions:</b>		
Community development	1,718,757	-
Debt service		
Interest and fiscal charges	1,112,619	-
Benefits	-	199,752
Total deductions	2,831,376	199,752
<b>Change in net assets before transfers</b>	350,486	98,357
<b>Transfers</b>		
Transfers to Capital Projects Fund of the City	(1,165,708)	-
<b>Change in net position</b>	(815,222)	98,357
<b>Net position (deficit) held in trust - beginning of the year</b>	(53,170,494)	448,410
<b>Net position (deficit) held in trust - end of the year</b>	\$ (53,985,716)	\$ 546,767

*See notes to financial statements.*

**NOTE 1      REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

**Description of Reporting Entity**

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

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

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

*El Monte Public Financing Authority (Authority)*

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

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

*El Monte Community Development Corporation (Corporation)*

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

*El Monte Water Authority (Water Authority)*

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

*El Monte Economic Development Corporation*

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

*El Monte Housing Authority*

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

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

*El Monte Parking Authority*

The El Monte Parking Authority was formed on November 1, 2016 for the purpose of administering the public Parking lots lands owned by the City in accordance with California Streets and Highways Code. The City Council members act as the members of the Governing Board of the Parking Authority. There was no financial activity during FY 2015-2016. The financial activity of the Authority will be reported in the City's financial statements as a governmental activity. There are no separate financial statements prepared for the Parking Authority.

**Government-wide and Fund Financial Statements**

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

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

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

**Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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

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

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

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

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

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

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

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

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

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

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

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

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

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

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

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

**Use of Estimates**

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

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

**Fund Balance Reporting**

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

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

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

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. As of June 30, 2016, 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, 2016, the City has assigned \$19.5 million of its fund balance for various contingency, capital, Measure GG and cash reserves.

Unassigned fund balance is the residual classification for the City's fund balance and includes all spendable amounts not contained in the other classifications. This category also provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

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

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

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

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

**Assets, Liabilities and Net Position or Equity**

Cash and Investments

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

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

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

Receivables and Payables

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

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

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

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

Functional Classifications

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

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

Long-term Receivables

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

Inventories, Prepaid Costs and Land Held for Resale

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

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

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

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

Restricted Assets

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

Capital Assets

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

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, 2016.

Compensated Absences

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

Long-term Obligations

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

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

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

**Implementation of New Accounting Pronouncements**

During the fiscal year ended June 30, 2016, the City adopted the following new Statements of the Governmental Accounting Standards Board (GASB):

- GASB Statement No. 72, *Fair Value measurements and Applications*. This statement provides guidance for determining a fair value measurement for financial reporting purposes and for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement did not have a significant impact on the City's financial statements for the fiscal year ended June 30, 2016.
  
- GASB Statement No. 76, *the Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The implementation of this statement did not materially impact the City's financial statements for the fiscal year ended June 30, 2016.

***Pensions***

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

**NOTE 2      STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**General Budget Policies**

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

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)**

At June 30, 2016, the following funds had deficit fund balances or net position:

Special Revenue Funds:		
MTA Call for Projects	\$	(11,100)
CalHome Grant		(42,325)
Miscellaneous Grants		(803,262)
Internal Service Fund:		
Self-Insurance		(3,730,150)

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

**Excess of Expenditures Over Appropriations**

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

	Expenditures	Appropriations	Excess
General government			
City attorney	\$ 1,574,019	\$ 1,300,000	\$ (274,019)

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

**NOTE 3 CASH AND INVESTMENTS**

As of June 30, 2016, cash and investments were reported in the accompanying financial statements as follows:

	Cash and Investments	Cash and Investments with Fiscal Agent	Total
Governmental activities	\$ 78,612,889	\$ 9,019,354	\$ 87,632,243
Business-type activities	12,401,394	403,506	12,804,900
Fiduciary funds	2,982,227	4,728,436	7,710,663
Total Cash and Investments	\$ 93,996,510	\$ 14,151,296	\$ 108,147,806

Cash and investments at June 30, 2016, consisted of the following:

Cash on hand	\$	18,200
Deposits with financial institutions		13,940,202
Deposits with escrow		1,441,105
Investments		92,748,299
Total Cash and Investments	\$	108,147,806

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, 2016, the carrying amount of the City's deposits was \$13,940,202 and the bank balance was \$17,690,484. The \$3,750,282 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, 2016, 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, 2016, 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, 2016, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal Farm Credit Banks Consolidated	\$	8,000,300	9%
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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, 2016, 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	\$ 65,040,377	\$ 65,040,377	\$ -	\$ -
General Electric Capital Corporation	996,480	-	996,480	-
Federal Agency Securities:				
Federal National Mortgage Association	4,000,840	-	4,000,840	-
Federal Home Loan Bank	1,000,000	-	1,000,000	-
Federal Farm Credit Banks Consolidated	8,000,300	-	8,000,300	-
Federal Home Loan Mortgage Corporation	1,000,110	-	1,000,110	-
FNMA Strip	1	-	1	-
Held by Fiscal Agents:				
Held by fiscal Agents	12,710,191	12,710,191	-	-
	<u>\$ 92,748,299</u>	<u>\$ 77,750,568</u>	<u>\$ 14,997,731</u>	<u>\$ -</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	\$ 65,040,377	N/A	\$ 65,040,377	-
General Electric Corp	996,480	A	-	996,480
Federal Agency Securities:				
Federal National Mortgage Association	4,000,840	A	-	4,000,840
Federal Home Loan Bank	1,000,000	A	-	1,000,000
Federal Farm Credit Banks Consolidated	8,000,300	A	-	8,000,300
Federal Home Loan Mtg Corp	1,000,110	A	-	1,000,110
FNMA Strip	1	A	1	-
Held by Fiscal Agents:				
Held by fiscal Agents	12,710,191	N/A	12,710,191	-
Total	<u>\$ 92,748,299</u>		<u>\$ 77,750,569</u>	<u>\$ 14,997,730</u>

**Fair Value Measurement**

During the fiscal year ended June 30 2016, the City implemented GASB Statement No. 72, *Fair Value Measurement and Application*. GASB 72 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

**NOTE 3 CASH AND INVESTMENTS (CONTINUED)**

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

Investment Type	Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Fair Value Measurement Using Significant other Observable Inputs (Level 2)
General Electric Corp	\$ 996,480	\$ 996,480	-
Federal Agency Securities:			
Federal National Mortgage Association	4,000,840	-	4,000,840
Federal Home Loan Bank	1,000,000	-	1,000,000
Federal Farm Credit Banks Consolidated	8,000,300	-	8,000,300
Federal Home Loan Mtg Corp	1,000,110	-	1,000,110
FNMA Strip	1	-	1
Held by Fiscal Agents:			
Money Market Funds	12,710,191	-	12,710,191
Total	\$ 27,707,922	\$ 996,480	\$ 26,711,442
Uncategorized:			
Local Agency Investment Fund	65,040,377		
	\$ 92,748,299		

**NOTE 4      LONG-TERM RECEIVABLES**

As of June 30, 2016, the following loans receivable were outstanding:

		Amount
Pacific Place Expansion Project	\$	4,009,037
Singing Wood Senior Housing		2,235,467
First Time Homebuyer Loans		756,000
San Gabriel Valley Habitat for Humanity, Inc.		300,000
Rio Hondo Community Development Corporation		556,475
Various Housing Deferred Loans and Other Assistance		7,419,675
Mercy Housing, California		
Authority HOME Funds Loan	\$	400,000
Site Acquisition Loan		300,000
Special Development Loan		350,000
		1,050,000
Tyler Court Associates, L.P.		
Property Acquisition Loan		610,000
Project Loan		800,000
Project Capital Fee Loan		221,251
		1,631,251
El Monte Housing Partner LP		
Site Acquisition Loan		4,500,000
HOME Project Loan		2,500,000
Project Capital Fee Loan		1,410,673
Predevelopment Loan		1,500,000
		9,910,673
TDF Senior Housing		
Special Construction Loan		404,095
Project Gap Loan		917,494
Long-term Project Note		1,124,508
		2,446,097
		Subtotal
		30,314,675
Allowance for doubtful accounts		(16,871,138)
Total	\$	13,443,537

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 2015-2016.

**NOTE 4      LONG-TERM RECEIVABLES (CONTINUED)**

**Singing Wood Senior Housing**

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

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

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

**San Gabriel Valley Habitat for Humanity, Inc.**

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

**NOTE 4            LONG-TERM RECEIVABLES (CONTINUED)**

**Rio Hondo Community Development Corporation**

On June 20, 2014, the City entered into a non-profit participation agreement with the Rio Hondo Community Development Corporation (RHDC) to develop certain property into affordable rental housing. On November 13, 2014 the City advanced to RHDC \$556,475 of HOME funds for the purchase of such property as a deferred loan to mature within 20 years, commencing with the second anniversary of the recording of the deed of trust. The loan may be forgiven or extended in the sole discretion of the City for another term. This loan was satisfied in September 2016 with the transfer of the property to the City.

**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.

**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.

**NOTE 4            LONG-TERM RECEIVABLES (CONTINUED)**

**El Monte Housing Partners LP**

The City entered into an affordable rental project acquisition and financing agreement with El Monte Housing Partners LP on September 25, 2013 for purposes of the Gateway Phase 1A Housing, a HOME Investment Partnership Program (HOME) – funded activity that would result in the development of a 132 unit workforce family housing building and amenities (the “Jamboree Project” To enable the construction of the project, the City provided a HOME Project Loan amounting to \$2,500,000, Site Acquisition Loan amounting to \$4,500,000 and a Project Capital Fee Loan amounting to \$1,410,673. 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**

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

**Capital lease receivable**

A lease receivable is recorded in the City's General Fund. The lease is the remainder due to the City from the sale of the water rights to the Water Authority. The Water Authority is obligated to pay this lease from surplus revenues over the 50-year life of the lease ending September 1, 2049. Payments vary with the level of surplus revenues. There were no surplus revenues for the year ended June 30, 2016. The balance of the lease at June 30, 2016 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, 2016, 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
		1,759,645
	\$	1,759,645

**NOTE 6 CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2016:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 74,442,896	\$ -	\$ -	\$ 74,442,896
Rights-of-way	266,801,532	-	-	266,801,532
Landscaping-infrastructure	-	95,462	-	95,462
Construction-in-progress	<u>11,835,258</u>	<u>3,129,936</u>	<u>(5,651,325)</u>	<u>9,313,869</u>
Total capital assets not being depreciated	<u>353,079,686</u>	<u>3,225,398</u>	<u>(5,651,325)</u>	<u>350,653,759</u>
Capital assets being depreciated:				
Land improvements	12,902,275	128,263	-	13,030,538
Structures and improvements	42,160,950	289,036	-	42,449,986
Furniture and equipment	20,097,066	5,037,939	(82,452)	25,052,553
Infrastructure	<u>115,208,087</u>	<u>5,428,705</u>	<u>-</u>	<u>120,636,792</u>
Total capital assets being depreciated	<u>190,368,378</u>	<u>10,883,943</u>	<u>(82,452)</u>	<u>201,169,869</u>
Less accumulated depreciation:				
Land improvements	6,651,851	352,010	-	7,003,861
Structures and improvements	14,683,145	1,118,300	-	15,801,445
Furniture and equipment	17,011,951	1,133,375	(82,452)	18,062,874
Infrastructure	<u>60,719,994</u>	<u>2,851,296</u>	<u>-</u>	<u>63,571,290</u>
Total accumulated depreciation	<u>99,066,941</u>	<u>5,454,981</u>	<u>(82,452)</u>	<u>104,439,470</u>
Capital assets being depreciated, net	<u>91,301,437</u>	<u>5,428,962</u>	<u>-</u>	<u>96,730,399</u>
Governmental activities capital assets, net	<u>\$ 444,381,123</u>	<u>\$ 8,654,360</u>	<u>\$ (5,651,325)</u>	<u>\$ 447,384,158</u>

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

<b>Governmental Activities:</b>	
General government	\$ 1,501,137
Public safety	449,208
Parks, recreation and leisure	60,253
Public works	<u>3,444,384</u>
Total	<u>\$ 5,454,981</u>

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

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b><u>Business-type Activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 310,748	\$ -	\$ -	\$ 310,748
Construction-in-progress	-	1,664,994	-	1,664,994
Total capital assets not being depreciated	310,748	1,664,994	-	1,975,742
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	3,644,266	48,898	-	3,693,164
Infrastructure	21,665,601	-	-	21,665,601
Total capital assets being depreciated	63,346,801	48,898	-	63,395,699
Less accumulated depreciation:				
Water rights	10,928,784	683,049	-	11,611,833
Structures and improvements	190,536	13,978	-	204,514
Land improvements	2,491,358	43,650	-	2,535,008
Furniture and equipment	2,885,224	119,839	-	3,005,063
Infrastructure	10,688,715	446,354	-	11,135,069
Total accumulated depreciation	27,184,617	1,306,870	-	28,491,487
Capital assets being depreciated, net	36,162,184	1,257,972	-	34,904,212
Business-type activities capital assets, net	\$ 36,472,932	\$ 2,922,966	\$ -	\$ 36,879,954

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

Business-type Activities:	<u>Amount</u>
Water Fund	\$ 866,519
Sewer Fund	440,351
Total	\$ 1,306,870

**NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS**

The composition of interfund balances as of June 30, 2016, is as follows:

**Advances To/From Other Funds**

Advances From Other Funds	Advances To Other Funds	
	Water Fund	Internal Service Fund
General Fund	\$ 1,000,000	\$ 300,000
	\$ 1,000,000	\$ 300,000

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	Housing and Community Development	Housing Assets	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	
Governmental Funds:							
General Fund	\$ -	\$ 287,130	-	\$ 586,848	\$ 873,978	\$ 100,000	\$ 973,978
Nonmajor governmental funds	3,476,174	-	65,727	850,721	4,392,622	-	4,392,622
Business-type funds:							
Sewer Fund	-	-	-	-	-	100,000	100,000
	\$ 3,476,174	\$ 287,130	\$ 65,727	\$ 1,437,569	\$ 5,266,600	\$ 200,000	\$ 5,466,600

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 2015-2016, the City transferred \$3.5 million from its special revenue funds (nonmajor governmental funds) into its General Fund.

**NOTE 8      ADVANCES TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY**

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

In June 2011, AB X1 26 dissolved the former Redevelopment Agency, effective (after some litigation on the matter) February 1, 2012. As part of the dissolution process set forth in that bill and a later bill clarifying and modifying the terms of the dissolution (Assembly Bill 1484, adopted in June 2012), the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. With the issuance of Findings of Completion to the Successor Agency in April 2013, the Department of Finance allowed the inclusion of the loan agreements between the former Redevelopment Agency and the City on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4(b) (1). In compliance with the provisions of Section 34191.4(2) of AB1484, interest receivable was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in interest receivable by \$51 million. During fiscal year 2016, the Successor Agency recorded interest on the loans amounting to approximately \$43,000. Because of the uncertainty as to when the former Redevelopment Agency will have excess property tax distribution to pay for the loan, the full amount of the loan of \$43 million (including \$12.8 million of adjusted accrued interest) has been reserved as potentially uncollectible as of June 30, 2016. (See Note 17).

**NOTE 9      LONG-TERM DEBT**

**Governmental Activities**

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2016:

	Balance at July 1, 2015 (Restated)	Additions	Retirements	Balance at June 30, 2016	Amount due within one Year
2010 Lease revenue bonds	\$ 18,090,000	\$ -	\$ 360,000	\$ 17,730,000	\$ 375,000
2011 Lease revenue bonds	10,000,000	-	-	10,000,000	-
Certificates of Participation					-
Series 2003-A					-
Series 2003-B					-
Series 2013-A	2,975,000	-	805,000	2,170,000	835,000
Notes and loans payable	6,252,000	-	1,863,000	4,389,000	110,000
Capital leases payable	280,423	-	280,423	-	-
Accrued compensated absences	5,494,742	775,021	256,788	6,012,975	1,503,244
Net pension liability	119,038,237	37,570,800	34,371,984	122,237,053	-
OPEB liability (Note 13)	25,879,291	4,677,143	1,871,144	28,685,290	-
Claims and judgments	10,743,000	5,651,047	3,949,047	12,445,000	2,392,000
	<u>\$ 198,752,693</u>	<u>\$ 48,674,011</u>	<u>\$ 43,757,386</u>	<u>203,669,318</u>	<u>\$ 5,215,244</u>
Unamortized bond discount				(484,442)	
Unamortized bond premium				32,583	
				<u>\$ 203,217,459</u>	

**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.

*\$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, 2016:

Year Ending June 30,	2010 Lease Revenue Bonds Series A	
	Principal	Interest
2017	\$ -	\$ 1,318,262
2018	-	1,318,262
2019	-	1,318,262
2020	-	1,318,262
2021	-	1,318,262
2022-2026	1,785,000	6,418,500
2027-2031	3,350,000	5,251,687
2032-2036	4,245,000	3,618,000
2037-2041	5,410,000	1,507,500
Total	\$ 14,790,000	\$ 23,386,997

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 \$16,743,000 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, 2016:

Year Ending June 30,	2010 Lease Revenue Bonds Series B	
	Principal	Interest
	2017	\$ 375,000
2018	395,000	196,222
2019	415,000	166,006
2020	435,000	134,257
2021	455,000	100,980
2022-2023	865,000	95,625
Total	\$ 2,940,000	\$ 918,000

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

Based on the annual payments expected from the Agency, City management expects \$1,507,000 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, 2016 the outstanding balance of the bonds of \$10 million are reported in the City's financial statements. The remaining proceeds of the bonds 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, 2016:

Year Ending June 30,	<u>2011 Lease Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 10,000,000	\$ 349,521
Total	<u>\$ 10,000,000</u>	<u>\$ 349,521</u>

Based on annual payments from the agency, city management expects all of this obligation 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.

**NOTE 9      LONG-TERM DEBT (CONTINUED)**

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

Year Ending June 30,	Certificates of Participation Series 2013-A	
	Principal	Interest
2017	\$ 835,000	\$ 83,863
2018	865,000	50,462
2019	470,000	15,863
Total	\$ 2,170,000	\$ 150,188

**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, 2016, was \$87,000.

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
2017	\$ -	\$ 4,019
2018	-	4,019
2019	87,000	2,010
Total	\$ 87,000	\$ 10,048

**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, 2016, was \$622,000.

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

Ending June 30,	HUD Section 108 Loan 2011-A	
	Principal	Interest
2017	\$ -	\$ 13,092
2018	-	13,092
2019	194,000	11,375
2020	207,000	7,536
2021	221,000	2,707
Total	\$ 622,000	\$ 47,802

HUD Section 108 Loan 2015-A

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

In May 2015, the notes were refinanced through the issuance of \$1,420,000 Guaranteed Notes, Series 2015-A. The U.S. Government Guaranteed Notes, series 2004-A were considered defeased. The principal balance outstanding of the Series 2015-A note as of June 30, 2016, was \$1,315,000.

**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 2015-A	
	Principal	Interest
2017	\$ 110,000	\$ 26,755
2018	115,000	25,763
2019	125,000	24,397
2020	130,000	22,344
2021	140,000	19,736
2022-2025	695,000	41,155
Total	\$ 1,315,000	\$ 160,150

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, 2016, was \$2,065,000. The total debt service payment requirements with respect to the loan are as follows:

Ending June 30,	Section 108 Loan - Pacific Place	
	Principal	Interest
2017	\$ -	\$ 103,915
2018	-	103,915
2019	245,000	98,255
2020	260,000	86,264
2021	275,000	73,113
2022-2025	1,285,000	137,629
Total	\$ 2,065,000	\$ 603,091

**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	<u>150,000</u>
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 lease was fully paid in fiscal year 2015-2016.

**Claims and Judgments**

As of June 30, 2016, 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, 2016, the total estimated liability for claims was \$12,445,000.

**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, 2016:

	Balance at July 1, 2015 (Restated)	Additions	Retirements	Balance at June 30, 2016	Amount due within one Year
2006 Refunding revenue bonds	\$ 15,655,000	\$ -	\$ 485,000	\$ 15,170,000	\$ 505,000
Accrued compensated absences	256,582	68,325	19,698	305,209	76,303
Net pension liability	7,282,931	2,300,293	2,099,193	7,484,031	-
Capital lease payable	17,977,364	-	-	17,977,364	-
	<u>\$ 41,171,877</u>	<u>\$ 2,368,618</u>	<u>\$ 2,603,891</u>	<u>\$ 40,936,604</u>	<u>\$ 581,303</u>
Unamortized bond premium				90,834	
				<u>\$ 41,027,438</u>	

**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
2017	\$ 505,000	\$ 702,583
2018	525,000	681,983
2019	545,000	660,310
2020	565,000	637,272
2021	595,000	612,763
2022-2026	3,370,000	2,638,710
2027-2031	4,235,000	1,754,950
2032-2036	4,510,000	582,000
2037	320,000	8,000
Total	<u>\$ 15,170,000</u>	<u>\$ 8,278,571</u>

**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, 2016 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, 2016, is \$24,915,000. The City is not liable for the repayment of this debt. For this reason, neither the debt nor the related debt service payments are recorded in the City's financial statements.

**NOTE 11            DEFINED BENEFIT PENSION PLANS**

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

**General Information about the Pension Plans**

***Plan Description***

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

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

***Benefits Provided***

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

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

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

	CalPERS				PARS
	Miscellaneous		Safety		Prior to July 1, 2008
	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013	
Hire date	January 1, 2013	January 1, 2013	January 1, 2013	January 1, 2013	July 1, 2008
Benefit formula	2.7% @ 55	2% @ 62	3% @ 55	2.7% @ 57	1% @ 55
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67	50	50-57	55
Monthly benefits , as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%	3%	2.0% to 2.7%	1%
Required employee contribution rates	8%	7%	9%	13.50%	5%
Required employer contribution rates	28.99%	28.99%	50.836%	50.836%	34.30%

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

***Employees Covered***

At June 30, 2016, the following employees were covered by the benefit terms of the Plan:

	CalPERS		PARS
	Miscellaneous	Safety	
Inactive employees or beneficiaries currently receiving benefits	322	258	109
Inactive employees entitled but not yet receiving benefits	201	56	22
Active employees	138	115	109
Total	661	429	240

***Contributions***

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

***Net Pension Liability***

The City's net pension liability for the Plans is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the CalPERS Plans is measured as of June 30, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The net pension liability of PARS Plan is measured as of June 30, 2015 rolled forward to June 30, 2016 using standard updated procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

***Actuarial Assumptions***

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

	CalPERS		PARS
	Miscellaneous	Safety	
Valuation Date	June 30, 2014	June 30, 2014	July 1, 2015
Measurement Date	June 30, 2015	June 30, 2015	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method		Entry-Age Normal Cost Method
Actuarial Assumptions:			
Discount Rate	7.65%	7.65%	6.50%
Inflation	2.75%	2.75%	2.75%
Payroll Growth	3.00%	3.00%	2.00%
Projected Salary Increase	3.3% - 14.2% (1)	3.3% - 14.2% (1)	3.5% - 12.2% (1)
Investment Rate of Return	7.65% (2)	7.65% (2)	6.5% (2)
Mortality	(3)	(3)	(3)

(1) Varies by entry age and service

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

***Discount Rate***

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

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

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

***Discount Rate (Continued)***

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

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

CalPERS

<u>Asset Class</u>	<u>New Strategic Allocatio</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infras tructure and Forestland	2.00%	4.50%	5.09%
Liquidity	<u>2.00%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

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

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

NOTE 11      **DEFINED BENEFIT PENSION PLANS (CONTINUED)**

*Discount Rate (Continued)*

PARS

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

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

***Changes in the Net Pension Liability***

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

**CalPERS – Miscellaneous Plan**

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014 (Measurement date)	\$ 145,340,519	\$ 109,240,573	\$ 36,099,946
Changes Recognized for the			
Service Cost	1,398,531	-	1,398,531
Interest on the Total Pension Liability	10,529,069	-	10,529,069
Differences between expected and actual experiences	(1,904,480)	-	(1,904,480)
Changes of assumptions	(2,620,669)	-	(2,620,669)
Contributions from the employer	-	2,877,899	(2,877,899)
Contributions from the employee	-	726,230	(726,230)
Net Investment Income	-	2,394,089	(2,394,089)
Benefit payments	(7,759,491)	(7,759,491)	-
Administrative Expenses	-	(120,827)	120,827
Net Changes during measurement period 2014-2015	<u>(357,040)</u>	<u>(1,882,100)</u>	<u>1,525,060</u>
Balance at June 30, 2015 (Measurement date)	<u>\$ 144,983,479</u>	<u>\$ 107,358,473</u>	<u>\$ 37,625,006</u>

**CalPERS – Safety Plan**

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014 (Measurement date)	\$ 283,883,315	\$ 214,241,337	\$ 69,641,978
Changes Recognized for the			
Service Cost	4,080,356	-	4,080,356
Interest on the Total Pension Liability	20,530,962	-	20,530,962
Differences between expected and actual experiences	(5,343,596)	-	(5,343,596)
Changes of assumptions	(5,126,822)	-	(5,126,822)
Contributions from the employer	-	6,433,171	(6,433,171)
Contributions from the employee	-	1,219,054	(1,219,054)
Net Investment Income	-	4,802,759	(4,802,759)
Benefit payments	(14,149,001)	(14,149,001)	-
Administrative Expenses	-	(238,927)	238,927
Net Changes during measurement period 2014-2015	<u>(8,101)</u>	<u>(1,932,944)</u>	<u>1,924,843</u>
Balance at June 30, 2015 (Measurement date)	<u>\$ 283,875,214</u>	<u>\$ 212,308,393</u>	<u>\$ 71,566,821</u>

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**PARS**

	Total Pension Liability (Asset)	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2014 (Measurement date)	\$ 38,449,466	\$ 17,870,222	\$ 20,579,244
Changes Recognized for the			
Service Cost	497,179	-	497,179
Interest on the Total Pension Liability	2,468,145	-	2,468,145
Contributions from the employer	-	2,385,392	(2,385,392)
Contributions from the employee	-	345,242	(345,242)
Net Investment Income	-	291,774	(291,774)
Benefit payments	(1,981,558)	(1,981,558)	-
Administrative Expenses	-	(7,097)	7,097
Net Changes during measurement period 2014-2015	983,766	1,033,753	(49,987)
Balance at June 30, 2015 (Measurement date)	\$ 39,433,232	\$ 18,903,975	\$ 20,529,257

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

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

	CalPERS		PARS
	Miscellaneous	Safety	
1% Decrease	6.65%	6.65%	5.50%
Net Pension Liability	\$ 57,243,723	\$ 110,354,159	\$ 25,657,328
Current Discount Rate	7.65%	7.65%	6.50%
Net Pension Liability	\$ 37,625,006	\$ 71,566,821	\$ 20,529,257
1% Increase	8.65%	8.65%	7.50%
Net Pension Liability	\$ 21,515,038	\$ 39,842,479	\$ 16,272,011

***Pension Plan Fiduciary Net Position***

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

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

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

For the year ended June 30, 2016, the City recognized pension expense of \$446,020 and \$2,336,760 for CalPERS Miscellaneous Plan and Safety Plan respectively. The City recognized pension expense of \$1,778,663 for PARS Plan for the year ended June 30, 2016. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS				PARS	
	Miscellaneous		Safety		Deferred Outflows of Resources	Deferred Inflows of Resources
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources		
Pension contributions subsequent to measurement date	\$ 4,380,520	\$ -	\$ 8,299,413	\$ -	\$ -	\$ -
Differences between actual and expected experience	-	(1,076,444)	-	(3,435,169)	-	-
Changes in assumptions	-	(1,481,248)	-	(3,295,814)	-	-
Net differences between projected and actual earnings on plan investments	<u>4,624,175</u>	<u>(5,671,370)</u>	<u>9,058,261</u>	<u>(11,081,928)</u>	<u>1,189,056</u>	<u>-</u>
Total	<u>\$ 9,004,695</u>	<u>\$ (8,229,062)</u>	<u>\$ 17,357,674</u>	<u>\$ (17,812,911)</u>	<u>\$ 1,189,056</u>	<u>\$ -</u>

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

\$12,679,933 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

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

Year Ended June 30	Amount		
	CalPERS		PARS
	Miscellaneous	Safety	
2016	\$ (2,701,868)	\$ (5,168,846)	\$ 336,783
2017	(1,324,649)	(4,420,959)	336,783
2018	(734,414)	(1,429,411)	336,785
2019	1,156,043	2,264,566	178,705
Thereafter	-	-	-

***Payable to the Pension Plan***

At June 30, 2016, the City reported a payable of \$528,973 for the outstanding amount of contributions to the pension plans required for the year ended June 30, 2016.

**NOTE 11      DEFINED BENEFIT PENSION PLANS (CONTINUED)**

**Allocation to Proprietary Funds**

The City allocated net pension liability and related costs to the Water Fund and Sewer Fund based upon the enterprise and internal service funds' proportionate share of the total pension contribution during the fiscal year ended June 30, 2016.

**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, 2016, which can be obtained from the California State Association of Counties Excess Insurance Authority, Moraga, California.

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

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end. The accruals are in the amounts of \$11.1 million and \$1.3 million for the worker's compensation claims and general liability claims, respectively, for a total of \$12.4 million.

**NOTE 12 INSURANCE (CONTINUED)**

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
2014	\$ 10,371,000	1,147,809	(1,230,809)	10,288,000
2015	10,288,000	2,936,829	(2,481,829)	10,743,000
2016	10,743,000	5,651,047	(3,949,047)	12,445,000

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, 2016, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

**NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS**

**Plan Description**

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

**Funding Policy**

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

**NOTE 13      POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)**

**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	
	2016	2015
Annual required contribution	\$ 4,849,661	\$ 4,538,277
Interest on net OPEB obligation	1,158,626	1,041,853
Adjustments to annual required contribution	(1,331,144)	(1,153,706)
Annual pension cost	4,677,143	4,426,424
Annual contribution made	(1,871,144)	(1,699,428)
Increase in net OPEB obligation	2,805,999	2,726,996
OPEB obligation, beginning of year	25,879,291	23,152,295
OPEB obligation, end of year	\$ 28,685,290	\$ 25,879,291

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 5,003,376	34.91%	\$ 23,152,295
6/30/2015	4,426,424	38.39%	25,879,291
6/30/2016	4,677,143	40.01%	28,685,290

**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.

**NOTE 13      POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)**

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

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

**Actuarial Methods and Assumptions**

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

In the July 1, 2014, actuarial valuation, the Entry Age Normal Cost Method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 3% per year for dental and vision programs and 5% for long-term care premiums. Both rates included a payroll increase rate of 3.25%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2016, was twenty-three years. As of the actuarial valuation date, the City had 257 retirees receiving benefits.

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

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

**NOTE 14      COMMITMENTS AND CONTINGENCIES**

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

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

On August 7, 2015, the City received the Fiscal Year 2015 On-Site Monitoring report from the U.S. Department of Housing and Urban Development (HUD) regarding its administration of CDBG and HOME programs. The letter reflected findings for disallowable and unsupported costs amounting to \$2,875,658 consisting of uncleared and outstanding 2012 findings and additional FY 2015 findings. The City intends to remit \$285,110 to HUD in satisfaction of 2 findings. This has been accrued and recorded in the June 30, 2016 financial statements. Management asserts that it can provide to HUD the necessary documents supporting the alleged unallowable remaining program expenditures of \$2.6 million. The City has assigned a portion of fund balance equal to the City's estimate of the potential loss that may arise.

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

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

**NOTE 15      DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

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

**NOTE 15 DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES (CONTINUED)**

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, 2016		
	Governmental Activities	Business-type Activities	Total
Deferred Outflow of Resources			
Unamortized difference between the reacquisition amount and the net carrying amount of the refunded debt	\$ -	\$ 617,476	\$ 617,476
Total	\$ -	\$ 617,476	\$ 617,476

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, 2016
Governmental Activities	
Deferred inflow of resources:	
Unavailable revenue - receivables that were not collected within the availability period and were not recognized as revenues	\$ 1,021,237

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

**NOTE 16 SUBSEQUENT EVENTS**

The City has evaluated events subsequent to June 30, 2016 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 22, 2016, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES**

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

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, 2016 were as follows:

RHDCDC Working Capital (Center)	\$	<u>423,807</u>
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**Rio Hondo Community Development Corporation (RHDCDC) Working Capital**

On August 26, 2003, the former El Monte Community Redevelopment Agency provided a loan to RHDCDC for the purchase of rental properties. The original loan amount was \$1,091,000 at an interest rate of 5.65% per annum. The outstanding balance as of June 30, 2016 was \$467,359. The promissory note expires on August 26, 2023.

**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 Agency at June 30, 2016 were as follows:

	Balance at		Retirements	Balance at	Amount due
	<u>July 1, 2015</u>	<u>Additions</u>		<u>June 30, 2016</u>	<u>within one</u>
					<u>Year</u>
Tax allocation bonds	\$ 24,070,000	\$ -	880,000	23,190,000	920,000
Loans from other governments					
County of Los Angeles	906,571	41,189	57,000	890,760	-
Advances from City of El Monte	<u>43,023,233</u>	<u>166,482</u>	<u>210,080</u>	<u>42,979,635</u>	-
	<u>\$ 67,999,804</u>	<u>\$ 207,671</u>	<u>\$ 1,147,080</u>	<u>\$ 67,060,395</u>	<u>\$ 920,000</u>

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**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.

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 \$35,270,665 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, 2016:

Year Ending June 30,	Senior Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2017	\$ 825,000	\$ 949,444
2018	865,000	908,194
2019	895,000	871,431
2020	935,000	833,394
2021	980,000	793,656
2022-2026	5,590,000	3,267,406
2027-2031	5,235,000	1,905,669
2032-2036	3,645,000	941,925
2037-2038	1,710,000	122,787
Total	\$ 20,680,000	\$ 10,593,906

**NOTE 17      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, 2016:

Year Ending June 30,	Subordinate Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2017	\$ 95,000	\$ 130,451
2018	95,000	125,939
2019	105,000	121,379
2020	115,000	116,260
2021	110,000	110,625
2022-2026	665,000	460,225
2027-2031	640,000	269,770
2032-2036	465,000	134,355
2037-2039	220,000	17,755
Total	\$ 2,510,000	\$ 1,486,759

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, 2016, the principal balance outstanding together with accrued interest through that date was \$154,251.

**NOTE 17      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, 2016, the principal balance outstanding was \$734,509.

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

**Non-committal debt**

Multi-Family Housing Revenue Refunding Bonds

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

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

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Advances from the City of El Monte**

During the previous fiscal years, the City of El Monte made loans to the former Redevelopment Agency. With the dissolution of all redevelopment agencies in California effective February 1, 2012, the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. In addition, the loan may be reinstated (but is not required to be) under Assembly Bill 1484 following the completion of a due diligence process and issuance of Finding of Completion by the Department of Finance. In compliance with the provisions of Section 34191.4(2) of AB1484, interest on the loans was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in accrued interest by \$51 million. During fiscal year 2015, the Successor Agency recorded interest on the loans amounting to \$776,364. Details of the balance of the loan of \$43 million at June 30, 2016 (including \$12.28 million of adjusted accrued interest) are as follows:

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

**City of El Monte**  
**Notes to Financial Statements**  
**Year ended June 30, 2016**

**NOTE 17 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 06/30/2016	Outstanding Balance as of 06/30/16
<b>Downtown El Monte</b>							
3	1-A	4/6/2005	Loans from the City of El Monte - King Court (Home Fund)	\$ 513,000	10%	\$ 96,765	\$ 609,765
4	1-D	1986-1990	Loans From the City of El Monte (R-360, 364)	1,350,590	10%	1,465,018	2,815,608
5	1-E	11/12/1991	Loan from the city of El Monte (R-428) Nelson Honda	222,950	LAIF + 2.00%	179,308	402,258
6	1-F	12/1/1991	Loan from the city of El Monte (R-436) Orchard	15,000	8%	12,015	27,015
7	1-G	6/1/1995	Loan from the city of El Monte (R-598) Food Barn	75,000	7.5%	46,913	121,913
8	1-J	1986-1990	Loans from the city of El Monte CDBG (R-251)	326,000	10%	402,098	728,098
9	2-A	1990-1992	Loans from the city of El Monte CDBG (R-410, 345, 331)	803,000	LAIF + 2.00% & 9.5%	884,797	1,687,797
<b>Downtown El Monte (Continued)</b>							
10	2-B	9/27/1994	Loan from the city of El Monte CDBG (R-562) Orchard	42,880	7.0%	28,332	71,213
11	2-F	1991-1992	Loan from the City of El Monte R-432 - Edwards Theater	725,000	9%	581,335	1,306,335
12	2-F	1991-1992	Loans from the city of El Monte UDAG (R417)	20,000	9%	16,624	36,624
13	2-G	5/3/1993	Loan from the city of El Monte - ERAF	59,549	6%	41,578	101,127
14	2-K	2003/2004	Gabae Loan and Section 108 Loan - Peck/Ramona Triangle	3,388,667		596,758	3,985,426
15	3-A	6/1/07	DDA- Agreement- Fesial - Capri Santa Fe Trail Associates	5,390,000	4.5% & LAIF + 2.0%	525,445	5,915,445
<b>Loan Totals</b>				<b>\$ 12,931,636</b>		<b>\$ 4,876,986</b>	<b>\$ 17,808,624</b>
<b>Northwest el Monte</b>							
1	1-A	1986-1990	Loans From the City of El Monte (R-221, 296, 323, 337, 391)	\$ 1,723,954	12%	1,938,846	3,662,800
2	1-B	1991/1992	Loans From the City of El Monte (R-411, 465)	500,000	12% & 7%	388,348	888,348
3	1-C	1992/1993	Loan From the City of El Monte (R-484)	350,000	7%	252,881	602,881
4	1-D	1994/1995	Loan From the City of El Monte (R-463)	90,000	8%	67,639	157,639
5	1-F	1994-1995	Loan from the city of El Monte - Water Fund (R-570)	150,000	7%	97,002	247,002
6	1-I	2005-2006	Loan from the city of El Monte - ERAF	213,231	2.5%	39,085	252,316
<b>Loan Totals</b>				<b>\$ 3,027,185</b>		<b>\$ 2,783,801</b>	<b>\$ 5,810,986</b>
<b>Valley Durfee</b>							
1	1-C	4/16/2006	Loan from the City of El Monte - ERAF	213,231	5%	32,478	245,709
2	1-D	9/19/2006	Loan from the city of El Monte For Improvement Costs	217,406	LAIF + 2.00%	29,766	247,172
<b>Loan Totals</b>				<b>\$ 430,637</b>		<b>\$ 62,244</b>	<b>\$ 492,881</b>
<b>Grand total</b>				<b>\$ 30,227,912</b>		<b>\$ 12,751,721</b>	<b>\$ 42,979,635</b>

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Advances from the City of El Monte**

**Details of Outstanding Loans (Continued)**

**El Monte Center**

Loan (1-C)

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

Loan (1-D)

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

Loan (1-E & 1-H)

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

Loan (1-I)

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

Loan (2-A/D/G)

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

Loan (2-C / 2-F)

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

Loan (2-E)

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

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Details of Outstanding Loans (Continued)**

**Center Amended**

Loan (1-C)

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

Loan (1-I)

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

**Downtown El Monte**

Loan (1-A)

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

Loan (1-D)

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

Loan (1-E)

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

Loan (1-F)

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

Loan (1-G)

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

Loan (1-J)

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

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Details of Outstanding Loans (Continued)**

Loan (2-A)

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

Loan (2-B)

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

Loan (2-F)

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

Loan (2-G)

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

Loan (2-K)

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

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%.

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**Details of Outstanding Loans (Continued)**

Loan (1-B)

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

Loan (1-C)

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

Loan (1-D)

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

Loan (1-F)

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

Loan (1-I)

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

**Valley / Durfee**

Loan (1-C)

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

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.

**NOTE 17      SUCCESSOR AGENCY DISCLOSURES (CONTINUED)**

**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 23, 2015, the Oversight Board has not yet made a finding that the loans were for legitimate redevelopment purposes.

**REQUIRED SUPPLEMENTARY INFORMATION**

**City of El Monte**  
**Budgetary Comparison by Department**  
**General Fund**  
**Year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 46,986,700	\$ 50,194,000	\$ 52,260,708	\$ 2,066,708
Licenses and permits	1,660,000	1,063,500	1,413,277	349,777
Intergovernmental	98,000	98,000	85,091	(12,909)
Charges for services	2,032,800	2,073,600	3,043,913	970,313
Use of money and property	155,000	435,000	268,114	(166,886)
Fines and forfeitures	1,213,000	1,270,300	1,374,249	103,949
Contributions	6,500	235,655	246,351	10,696
Miscellaneous	434,000	765,800	1,095,942	330,142
Net change in fair value of investments	-	175,000	98,088	(76,912)
<b>Total revenues</b>	<b>52,586,000</b>	<b>56,310,855</b>	<b>59,885,733</b>	<b>3,574,878</b>
<b>Expenditures</b>				
<b>General Government</b>				
City council	345,900	345,900	240,835	105,065
<b>Administrative office</b>				
City manager	824,900	824,900	813,164	11,736
City clerk	635,800	635,800	500,873	134,927
Commissions and community promotion	3,600	35,600	22,315	13,285
Public information office	189,600	261,855	217,189	44,666
Total administrative office	1,653,900	1,758,155	1,553,541	204,614
Human Resources	765,200	765,200	641,068	124,132
<b>Finance</b>				
Accounting and administration	839,400	839,400	779,552	59,848
City treasurer	213,500	213,500	239,649	(26,149)
Purchasing	110,700	110,700	68,063	42,637
License collection	168,600	168,600	176,457	(7,857)
Insurance and surety	1,261,200	1,261,200	1,251,035	10,165
Information technology	233,700	262,700	222,311	40,389
Total finance	2,827,100	2,856,100	2,737,067	119,033
City attorney	1,300,000	1,300,000	1,574,019	(274,019)
General city expense	4,232,300	4,414,468	2,745,029	1,669,439
Total general government	11,124,400	11,439,823	9,491,559	1,948,264
<b>Public safety</b>				
Police	22,365,400	22,376,829	21,253,208	1,123,621
Fire department	12,280,000	12,280,000	12,104,539	175,461
Police helicopter	837,500	837,500	717,359	120,141
Civil defense	11,500	11,500	4,315	7,185
Traffic safety program	50,400	50,400	19,707	30,693
Parking enforcement	136,900	136,900	160,882	(23,982)
Total public safety	35,681,700	35,693,129	34,260,010	1,433,119
<b>Parks, recreation and cultural</b>				
Administration	409,300	422,800	345,107	77,693
Parks	792,100	1,176,800	939,202	237,598
Sports/playgrounds	-	-	834	(834)
Adult sports	76,907	76,907	69,711	7,196
Senior services	459,300	455,900	298,461	157,439
Aquatic center project	618,600	615,200	636,748	(21,548)
Communications and marketing	9,600	9,600	7,448	2,152
Contracted classes	17,900	17,900	20,701	(2,801)
El Monte Museum	53,200	53,200	38,644	14,556
Special facilities	104,500	104,500	128,339	(23,839)
Total parks, recreation and cultural	2,541,407	2,932,807	2,485,195	447,612

**City of El Monte**  
**Budgetary Comparison by Department**  
**General Fund (Continued)**  
**Year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Economic development				
Community development	\$ 868,700	\$ 816,750	\$ 338,633	\$ 478,117
City planning	1,685,000	1,810,380	2,126,940	(316,560)
Building regulation	1,508,900	1,508,900	1,394,227	114,673
Environmental services	178,600	178,600	195,592	(16,992)
Code enforcement	530,400	586,275	602,865	(16,590)
Home Foreclosure Program	75,000	75,000	88,307	(13,307)
Total economic development	<u>4,846,600</u>	<u>4,975,905</u>	<u>4,746,564</u>	<u>229,341</u>
Engineering and public works				
Engineering	393,700	442,662	405,363	37,299
Public works administration	685,500	726,371	695,407	30,964
Building and grounds maintenance	1,332,800	1,332,800	1,130,390	202,410
Parks and building maintenance	975,900	998,550	979,825	18,725
Street maintenance	534,500	518,070	495,442	22,628
Street signs and striping	281,700	281,700	292,838	(11,138)
Median maintenance	513,800	513,800	553,869	(40,069)
Traffic signal maintenance	172,300	172,300	182,377	(10,077)
Street lights	741,400	741,400	743,863	(2,463)
Street trees and parkways	413,000	368,740	346,486	22,254
Equipment maintenance	266,400	281,400	209,662	71,738
Valley Mall	84,300	84,300	62,505	21,795
Transportation	-	-	49	(49)
Urban Forest Management	37,600	50,100	9,586	40,514
Total engineering and public works	<u>6,432,900</u>	<u>6,512,193</u>	<u>6,107,662</u>	<u>404,531</u>
Total public works	<u>11,279,500</u>	<u>11,488,098</u>	<u>10,854,226</u>	<u>633,872</u>
Capital outlay	940,500	1,323,508	441,269	882,239
Debt service:				
Principal retirement	805,000	805,000	805,000	-
Interest and fiscal charges	125,000	125,000	118,609	6,391
<b>Total expenditures</b>	<u>62,497,507</u>	<u>63,807,365</u>	<u>58,455,868</u>	<u>5,351,497</u>
Excess(deficiency) of revenues over expenditures	(9,911,507)	(7,496,510)	1,429,865	8,926,375
<b>Other financing sources (uses)</b>				
Transfers in	3,025,000	3,476,200	3,476,174	(26)
Transfers out	(100,000)	(975,263)	(973,978)	1,285
<b>Net other financing sources (uses)</b>	<u>2,925,000</u>	<u>2,500,937</u>	<u>2,502,196</u>	<u>1,259</u>
<b>Change in fund balance</b>	(6,986,507)	(4,995,573)	3,932,061	8,927,634
<b>Fund balance, beginning of year</b>	<u>41,617,113</u>	<u>41,617,113</u>	<u>41,617,113</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 34,630,606</u>	<u>\$ 36,621,540</u>	<u>\$ 45,549,174</u>	<u>\$ 8,927,634</u>

**City of El Monte  
Budgetary Comparison  
Retirement Fund  
Year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 8,220,000	\$ 8,663,000	\$ 10,173,463	\$ 1,510,463
Use of money and property	80,000	102,000	85,995	(16,005)
Miscellaneous	200,000	235,000	72,669	(162,331)
<b>Total revenues</b>	<u>8,500,000</u>	<u>9,000,000</u>	<u>10,332,127</u>	<u>1,332,127</u>
<b>Expenditures</b>				
General government	12,403,500	12,403,500	12,158,199	245,301
<b>Total expenditures</b>	<u>12,403,500</u>	<u>12,403,500</u>	<u>12,158,199</u>	<u>245,301</u>
Change in fund balance	(3,903,500)	(3,403,500)	(1,826,072)	1,577,428
<b>Fund balances, beginning of year</b>	<u>17,630,461</u>	<u>17,630,461</u>	<u>17,630,461</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 13,726,961</u>	<u>\$ 14,226,961</u>	<u>\$ 15,804,389</u>	<u>\$ 1,577,428</u>

**City of El Monte  
Budgetary Comparison  
Housing and Community Development Fund  
Year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental	\$ 4,074,300	\$ 3,788,300	\$ 2,509,574	\$ (1,278,726)
Use of money and property	-	1,409,000	37,244	(1,371,756)
Program income	-	322,400	420,065	97,665
<b>Total revenues</b>	<u>4,074,300</u>	<u>5,519,700</u>	<u>2,966,883</u>	<u>(2,552,817)</u>
<b>Expenditures</b>				
Current:				
General government	-	-	78,693	(78,693)
Parks, recreation and cultural	189,200	189,200	21,149	168,051
Public works	729,000	804,000	81,002	722,998
Economic development	1,996,300	1,996,300	480,846	1,515,454
Capital outlay	1,871,500	1,796,500	-	1,796,500
Debt service:				
Principal retirement	626,000	626,000	1,863,000	(1,237,000)
Interest and fiscal charges	259,000	259,000	249,222	9,778
<b>Total expenditures</b>	<u>5,671,000</u>	<u>5,671,000</u>	<u>2,773,912</u>	<u>2,897,088</u>
Excess(deficiency) of revenues over expenditures	<u>(1,596,700)</u>	<u>(151,300)</u>	<u>192,971</u>	<u>344,271</u>
<b>Other financing sources</b>				
Transfers in	-	287,200	287,130	70
Total other financing sources	<u>-</u>	<u>287,200</u>	<u>287,130</u>	<u>70</u>
<b>Net change in fund balances</b>	(1,596,700)	135,900	480,101	344,201
<b>Fund balances, beginning of year</b>	4,159,224	4,159,224	4,159,224	-
<b>Fund balances, end of year</b>	<u>\$ 2,562,524</u>	<u>\$ 4,295,124</u>	<u>\$ 4,639,325</u>	<u>\$ 344,201</u>

**City of El Monte  
Budgetary Comparison  
Housing Assets Fund  
Year ended June 30, 2016**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 49,921	\$ 49,921
Miscellaneous	-	-	10,000	10,000
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>59,921</u>	<u>59,921</u>
<b>Expenditures</b>				
Current:				
Economic development	-	-	11,813	(11,813)
Capital outlay	-	481,800	404,745	77,055
<b>Total expenditures</b>	<u>-</u>	<u>481,800</u>	<u>416,558</u>	<u>65,242</u>
Excess(deficiency) of revenues over expenditures	<u>-</u>	<u>(481,800)</u>	<u>(356,637)</u>	<u>125,163</u>
<b>Other financing sources</b>				
Transfers in	-	66,876	65,727	1,149
Total other financing sources	<u>-</u>	<u>66,876</u>	<u>65,727</u>	<u>1,149</u>
<b>Net change in fund balances</b>	-	(414,924)	(290,910)	124,014
<b>Fund balances, beginning of year</b>	<u>3,340,837</u>	<u>3,340,837</u>	<u>3,340,837</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 3,340,837</u>	<u>\$ 2,925,913</u>	<u>\$ 3,049,927</u>	<u>\$ 124,014</u>

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

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

**Notes to Schedule:**

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

**Changes in assumption** - The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

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

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

	<b>Measurement Period</b>	
	2013-2014	2014-2015
Actually determined contributions	\$ 2,469,291	\$ 2,877,899
Contributions in relation to the actuarially determined contributions	<u>(2,469,291)</u>	<u>(2,877,899)</u>
Contribution deficiency / (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	<u>\$ 9,288,883</u>	<u>\$ 9,287,631</u>
Contributions as a percentage of Covered-Employee Payroll	<u>26.58%</u>	<u>30.99%</u>
Notes to Schedule:		
Valuation date	6/30/2013	6/30/2014

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll
Asset valuation method	15 year Smoothed Market
Inflation	2.75%
Salary increases	Varies by Entry age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense and administrative expenses including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

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

	Measurement Period	
	2013-2014	2014-2015
<b>Total Pension Liability</b>		
Service Cost	\$ 4,209,379	\$ 4,080,356
Interest on total pension liability	20,146,739	20,530,962
Differences between expected and actual experience	-	(5,343,596)
Changes in assumptions	-	(5,126,822)
Changes in benefits	-	-
Benefit payments, including refunds of employee contributions	<u>(13,982,615)</u>	<u>(14,149,001)</u>
<b>Net change in total pension liability</b>	10,373,503	(8,101)
<b>Total pension liability - beginning</b>	<u>273,509,812</u>	<u>283,883,315</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 283,883,315</u>	<u>\$ 283,875,214</u>
 <b>Plan Fiduciary Net Position</b>		
Contributions - employer	\$ 5,853,271	\$ 6,433,171
Contributions - employee	1,231,838	1,219,054
Net investment income	32,363,060	4,802,759
Benefit payments	(13,982,615)	(14,149,001)
Administrative expense	<u>-</u>	<u>(238,927)</u>
<b>Net change in plan fiduciary net position</b>	25,465,554	(1,932,944)
<b>Plan fiduciary net position - beginning</b>	<u>188,775,783</u>	<u>214,241,337</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 214,241,337</u>	<u>\$ 212,308,393</u>
 <b>Net pension liability - ending (a)-(b)</b>	<u>\$ 69,641,978</u>	<u>\$ 71,566,821</u>
 Plan fiduciary net position as a percentage of the total pension liability	<u>75.47%</u>	<u>74.79%</u>
 Covered - employee payroll	<u>\$ 12,907,061</u>	<u>\$ 13,042,114</u>
 Net pension liability as percentage of covered-employee payroll	<u>539.56%</u>	<u>548.74%</u>

**Notes to Schedule:**

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

**Changes in assumption** - The discount rate was changed from 7.5% (net of administrative expense) to 7.65%.

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

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

	<u>Measurement Period</u>	
	<u>2013-2014</u>	<u>2014-2015</u>
Actually determined contributions	\$ 5,853,271	\$ 6,433,171
Contributions in relation to the actuarially determined contributions	(5,853,271)	(6,433,171)
Contribution deficiency / (excess)	<u>\$ -</u>	<u>\$ -</u>
 Covered-Employee Payroll	 <u>\$ 12,907,061</u>	 <u>\$ 13,042,114</u>
 Contributions as a percentage of Covered-Employee Payroll	 <u>45.35%</u>	 <u>49.33%</u>
 Notes to Schedule:		
Valuation date	6/30/2013	6/30/2014

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2014-15 were from the June 30, 2012 funding valuation report.

Actuarial Cost Method	Entry age normal
Amortization method / Period	Level percent of payroll
Asset valuation method	15 year Smoothed Market
Inflation	2.75%
Salary increases	Varies by Entry age and Service
Payroll Growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expense and administrative expenses including inflation.
Retirement age	The probabilities of retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

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

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

**Notes to Schedule:**

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

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

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

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

	<b>Measurement Period</b>	
	2014-2015	2015-2016
Actually determined contributions	\$ 2,047,953	\$ 2,368,360
Contributions in relation to the actuarially determined contributions	(1,655,324)	(2,385,392)
Contribution deficiency / (excess)	\$ 392,629	\$ (17,032)
 Covered-Employee Payroll	 \$ 6,900,440	 \$ 6,904,840
 Contributions as a percentage of Covered-Employee Payroll	 23.99%	 34.55%
 Notes to Schedule:		
Valuation date	7/1/2014	7/1/2015

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

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

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

**City of El Monte**  
**Postemployment Health Benefits**  
**Schedule of Funding Progress**  
**June 30, 2016**

**Postemployment Health Benefits**

Schedule of Funding Progress  
(Amounts in Thousands)

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

## **BUDGETARY CONTROL AND ACCOUNTING**

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

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

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

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

**TRANSFERS OUT IN EXCESS OF APPROPRIATIONS**

Transfers out for the year ended June 30, 2016 exceeded the appropriations by the following amounts in the following funds:

Nonmajor Special Revenue Funds:		
Transportation Development Act Fund	\$	65,727
Park Bond Act		26

Transportation Development Act (TDA) funds were utilized for a portion of a major capital project. The City did not carryover appropriated TDA funds from the previous fiscal year.

**SUPPLEMENTARY INFORMATION**

	Special Revenue Funds		
	Proposition A	Proposition C	Special Gas Tax
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash and investments	\$ 1,503,701	\$ 4,970,680	\$ 2,398,081
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	10,921	1,489,280	-
Taxes	-	-	-
Notes and loans	-	-	-
Prepaid expenses	3,304	-	-
Due from other governments	-	-	-
Total assets	<u>1,517,926</u>	<u>6,459,960</u>	<u>2,398,081</u>
Deferred outflows of resources	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ <u>1,517,926</u></b>	<b>\$ <u>6,459,960</u></b>	<b>\$ <u>2,398,081</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 179,392	\$ 53,714	\$ -
Advances from grantors	-	-	-
Deposits payable	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>179,392</u>	<u>53,714</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue	-	-	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)			
Nonspendable			
Prepaid items	3,304	-	-
Restricted			
Special revenue funds	1,335,230	6,406,246	2,398,081
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>1,338,534</u>	<u>6,406,246</u>	<u>2,398,081</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ <u>1,517,926</u></b>	<b>\$ <u>6,459,960</u></b>	<b>\$ <u>2,398,081</u></b>

**City of El Monte  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2016**

		Special Revenue Funds				
Transportation Development Act Fund	Measure R	MTA Call for Projects	AB 939	Air Quality Improvement Fund	Affordable Housing	
\$ -	\$ 6,207,107	\$ -	\$ 714,543	\$ 46,069	\$ 122,644	
-	-	-	-	-	-	
-	-	105,200	314,393	-	-	
-	-	-	3,303	-	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
77,939	-	91,220	-	39,611	-	
<u>77,939</u>	<u>6,207,107</u>	<u>196,420</u>	<u>1,032,239</u>	<u>85,680</u>	<u>122,644</u>	
-	-	-	-	-	-	
<u>\$ 77,939</u>	<u>\$ 6,207,107</u>	<u>\$ 196,420</u>	<u>\$ 1,032,239</u>	<u>\$ 85,680</u>	<u>\$ 122,644</u>	
\$ -	\$ 18,328	\$ -	\$ 98,556	\$ 3,796	\$ -	
-	-	-	-	-	-	
-	156	-	-	-	-	
-	-	-	-	-	-	
77,939	-	116,300	-	-	-	
<u>77,939</u>	<u>18,484</u>	<u>116,300</u>	<u>98,556</u>	<u>3,796</u>	<u>-</u>	
-	-	91,220	-	-	-	
-	-	<u>91,220</u>	-	-	-	
-	-	-	-	-	-	
-	6,188,623	-	933,683	81,884	122,644	
-	-	-	-	-	-	
-	-	(11,100)	-	-	-	
<u>-</u>	<u>6,188,623</u>	<u>(11,100)</u>	<u>933,683</u>	<u>81,884</u>	<u>122,644</u>	
<u>\$ 77,939</u>	<u>\$ 6,207,107</u>	<u>\$ 196,420</u>	<u>\$ 1,032,239</u>	<u>\$ 85,680</u>	<u>\$ 122,644</u>	

	Special Revenue Funds		
	Tree Mitigation & Planting Fund	Federal Stimulus	CalHome Grant
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash and investments	\$ 2,733	\$ -	\$ -
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Notes and loans	-	-	711,121
Prepaid expenses	-	-	-
Due from other governments	-	-	42,325
Total assets	<u>2,733</u>	<u>-</u>	<u>753,446</u>
Deferred outflows of resources	-	-	-
<b>Total assets and deferred outflows of resources</b>	<u>\$ 2,733</u>	<u>\$ -</u>	<u>\$ 753,446</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 2,234	\$ -	\$ -
Advances from grantors	-	-	-
Deposits payable	-	-	-
Due to other governments	-	-	711,121
Due to other funds	-	-	42,325
Total liabilities	<u>2,234</u>	<u>-</u>	<u>753,446</u>
Deferred inflows of resources			
Unavailable revenue	-	-	42,325
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>42,325</u>
Fund Balances (Deficit)			
Nonspendable			
Prepaid items	-	-	-
Restricted			
Special revenue funds	499	-	-
Debt service funds	-	-	-
Unassigned	-	-	(42,325)
Total fund balances (deficit)	<u>499</u>	<u>-</u>	<u>(42,325)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 2,733</u>	<u>\$ -</u>	<u>\$ 753,446</u>

**City of El Monte  
Combining Balance Sheet  
Nonmajor Governmental Funds (Continued)  
June 30, 2016**

Special Revenue Funds						
Urban Development Grant (UDAG)	Emergency Shelter Grant	Supplemental Law Enforcement Safety Fund (SLES)	Police/ Narcotics Forfeiture	Older Americans Act	Senior Citizen Program	Children's Lunch Program
160,204	\$ -	\$ 655,318	\$ 3,744,988	-	\$ 51,283	209
-	-	-	-	-	-	-
-	-	9,006	-	-	-	-
-	-	-	-	-	-	-
-	298,027	-	-	3,319	4,290	29,498
<u>160,204</u>	<u>298,027</u>	<u>664,324</u>	<u>3,744,988</u>	<u>3,319</u>	<u>55,573</u>	<u>29,707</u>
-	-	-	-	-	-	-
<u>160,204</u>	<u>\$ 298,027</u>	<u>\$ 664,324</u>	<u>\$ 3,744,988</u>	<u>\$ 3,319</u>	<u>\$ 55,573</u>	<u>\$ 29,707</u>
-	186,727	-	213,507	-	7,128	21,915
-	-	-	-	-	-	-
-	-	-	2,375	-	-	-
77,515	-	-	-	-	-	-
-	111,300	-	-	1,952	-	-
<u>77,515</u>	<u>298,027</u>	<u>-</u>	<u>215,882</u>	<u>1,952</u>	<u>7,128</u>	<u>21,915</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
82,689	-	664,324	3,529,106	1,367	48,445	7,792
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>82,689</u>	<u>-</u>	<u>664,324</u>	<u>3,529,106</u>	<u>1,367</u>	<u>48,445</u>	<u>7,792</u>
<u>160,204</u>	<u>\$ 298,027</u>	<u>\$ 664,324</u>	<u>\$ 3,744,988</u>	<u>\$ 3,319</u>	<u>\$ 55,573</u>	<u>\$ 29,707</u>

	Special Revenue Funds			
	Quimby	Park Bond Act	Art in Public Places	Park Facility Impact Fee
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Assets:				
Cash and investments	\$ 971,029	\$ -	\$ 938,985	\$ -
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other governments	-	-	-	-
Total assets	<u>971,029</u>	<u>-</u>	<u>938,985</u>	<u>-</u>
Deferred outflows of resources	-	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ <u>971,029</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>938,985</u></b>	<b>\$ <u>-</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advances from grantors	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred inflows of resources	-	-	-	-
Unavailable revenue	-	-	-	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable				
Prepaid items	-	-	-	-
Restricted				
Special revenue funds	971,029	-	938,985	-
Debt service funds	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>971,029</u>	<u>-</u>	<u>938,985</u>	<u>-</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ <u>971,029</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>938,985</u></b>	<b>\$ <u>-</u></b>

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

Special Revenue Funds					
Public Facilities	Storm Drain	Parking and Business Improvement	Cable Television Corporation	Mountain View CFD 13-1	Economic Development Corporation
\$ 1,330,196	\$ 157,106	\$ 467,146	\$ 60,578	\$ 14,369	\$ -
-	-	-	-	-	7,150,512
-	-	-	15,748	-	59
-	-	-	-	92	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,330,196</u>	<u>157,106</u>	<u>467,146</u>	<u>76,326</u>	<u>14,461</u>	<u>7,150,571</u>
-	-	-	-	-	-
<u>\$ 1,330,196</u>	<u>\$ 157,106</u>	<u>\$ 467,146</u>	<u>\$ 76,326</u>	<u>\$ 14,461</u>	<u>\$ 7,150,571</u>
\$ -	\$ 79,832	\$ -	\$ 1,500	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	253,678
<u>-</u>	<u>79,832</u>	<u>-</u>	<u>1,500</u>	<u>-</u>	<u>253,678</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,330,196	77,274	467,146	74,826	14,461	6,896,893
-	-	-	-	-	-
<u>1,330,196</u>	<u>77,274</u>	<u>467,146</u>	<u>74,826</u>	<u>14,461</u>	<u>6,896,893</u>
<u>\$ 1,330,196</u>	<u>\$ 157,106</u>	<u>\$ 467,146</u>	<u>\$ 76,326</u>	<u>\$ 14,461</u>	<u>\$ 7,150,571</u>

	Special Revenue Funds		
	Special Programs	Special Programs II	Gateway CFD
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Assets:			
Cash and investments	\$ 260,874	\$ 87,381	\$ 9,327
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	4,525	-	-
Taxes	-	-	-
Notes and loans	-	-	-
Prepaid expenses	761	-	-
Due from other governments	-	-	-
Total assets	<u>266,160</u>	<u>87,381</u>	<u>9,327</u>
Deferred outflows of resources	-	-	-
<b>Total assets and deferred outflows of resources</b>	<b>\$ <u>266,160</u></b>	<b>\$ <u>87,381</u></b>	<b>\$ <u>9,327</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities:			
Accounts payable	\$ 2,535	\$ 1,503	\$ -
Advances from grantors	-	-	-
Deposits payable	3,200	18,043	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	<u>5,735</u>	<u>19,546</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	761	-	-
Restricted			
Special revenue funds	259,664	67,835	9,327
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	<u>260,425</u>	<u>67,835</u>	<u>9,327</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ <u>266,160</u></b>	<b>\$ <u>87,381</u></b>	<b>\$ <u>9,327</u></b>

**City of El Monte**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2016**

Special Revenue Funds		Debt Service Funds			
Miscellaneous Grants	Capital Projects Fund	2010 Lease Revenue Bonds	2011 Lease Revenue Bond	Totals	
\$ -	\$ 62,826	\$ 5,289	\$ 83,106	\$ 25,025,772	
-	-	1,255,779	-	8,406,291	
325,195	-	-	-	2,265,321	
-	-	-	-	12,401	
-	-	-	-	711,121	
-	-	-	-	4,065	
<u>1,657,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,244,125</u>	
<u>1,983,091</u>	<u>62,826</u>	<u>1,261,068</u>	<u>83,106</u>	<u>38,669,096</u>	
-	-	-	-	-	
<u>\$ 1,983,091</u>	<u>\$ 62,826</u>	<u>\$ 1,261,068</u>	<u>\$ 83,106</u>	<u>\$ 38,669,096</u>	
\$ 57,230	\$ 11,981	\$ -	\$ -	\$ 939,878	
866	-	-	-	866	
-	10,669	-	-	34,443	
-	-	-	-	788,636	
<u>1,862,704</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,466,198</u>	
<u>1,920,800</u>	<u>22,650</u>	<u>-</u>	<u>-</u>	<u>4,230,021</u>	
<u>865,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,098</u>	
<u>865,553</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>999,098</u>	
-	-	-	-	4,065	
-	-	-	-	32,908,249	
-	40,176	1,261,068	83,106	1,384,350	
<u>(803,262)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(856,687)</u>	
<u>(803,262)</u>	<u>40,176</u>	<u>1,261,068</u>	<u>83,106</u>	<u>33,439,977</u>	
<u>\$ 1,983,091</u>	<u>\$ 62,826</u>	<u>\$ 1,261,068</u>	<u>\$ 83,106</u>	<u>\$ 38,669,096</u>	

	Special Revenue Funds		
	Proposition A	Proposition C	Special Gas Tax
	A	C	Tax
<b>Revenues</b>			
Taxes	\$ 2,076,934	\$ 1,730,014	\$ 2,487,143
Intergovernmental	-	1,509,413	-
Charges for services	2,842	-	-
Use of money and property	11,391	36,671	15,931
Contributions	-	-	-
Miscellaneous	70,264	-	-
<b>Total revenues</b>	<u>2,161,431</u>	<u>3,276,098</u>	<u>2,503,074</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	-	-	-
Public works	2,340,793	1,099,328	-
Economic development	-	-	-
Capital outlay	837,810	2,434,943	23,769
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>3,178,603</u>	<u>3,534,271</u>	<u>23,769</u>
Excess (deficiency) of revenues over expenditures	<u>(1,017,172)</u>	<u>(258,173)</u>	<u>2,479,305</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	-	-
Transfers out	-	-	(3,284,000)
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>(3,284,000)</u>
<b>Change in fund balances</b>	(1,017,172)	(258,173)	(804,695)
<b>Fund balances, beginning of year</b>	2,355,706	6,664,419	3,202,776
<b>Fund balances, end of year</b>	<u>\$ 1,338,534</u>	<u>\$ 6,406,246</u>	<u>\$ 2,398,081</u>

**City of El Monte**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year ended June 30, 2016**

Transportation Development Act Fund	Special Revenue Funds				
	Measure R	MTA Call for Projects	AB 939	Air Quality Improvement Fund	Affordable Housing
\$ -	\$ 1,292,853	\$ -	\$ 614,601	\$ -	\$ -
77,939	-	-	-	145,508	-
-	-	-	479,526	-	-
-	29,924	-	-	249	-
-	-	-	-	-	-
-	-	56,250	-	-	-
<u>77,939</u>	<u>1,322,777</u>	<u>56,250</u>	<u>1,094,127</u>	<u>145,757</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	98,463	139,902	-
-	-	-	859,913	-	-
3,783	29,608	67,350	-	-	-
-	-	-	-	-	-
<u>3,783</u>	<u>29,608</u>	<u>67,350</u>	<u>958,376</u>	<u>139,902</u>	<u>-</u>
74,156	1,293,169	(11,100)	135,751	5,855	-
-	-	-	-	-	-
<u>(65,727)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(65,727)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
8,429	1,293,169	(11,100)	135,751	5,855	-
<u>(8,429)</u>	<u>4,895,454</u>	<u>-</u>	<u>797,932</u>	<u>76,029</u>	<u>122,644</u>
<u>\$ -</u>	<u>\$ 6,188,623</u>	<u>\$ (11,100)</u>	<u>\$ 933,683</u>	<u>\$ 81,884</u>	<u>\$ 122,644</u>

	Special Revenue Funds		
	Tree Mitigation & Planting Fund	Federal Stimulus	CallHome Grant
<b>Revenues</b>			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Charges for services	-	-	-
Use of money and property	-	-	-
Contributions	-	-	-
Miscellaneous	6,229	-	-
<b>Total revenues</b>	<u>6,229</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	11,234	-	-
Public works	-	-	-
Economic development	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>11,234</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(5,005)	-	-
<b>Other financing sources (uses)</b>			
Transfers in	-	27,611	-
Transfers out	-	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>27,611</u>	<u>-</u>
<b>Change in fund balances</b>	(5,005)	27,611	-
<b>Fund balances, beginning of year</b>	5,504	(27,611)	(42,325)
<b>Fund balances, end of year</b>	<u>\$ 499</u>	<u>\$ -</u>	<u>\$ (42,325)</u>

**City of El Monte**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**Year ended June 30, 2016**

Special Revenue Funds						
Urban Development Grant (UDAG)	Emergency Shelter Grant	Supplemental Law Enforcement Safety Fund (SLES)	Police/ Narcotics Forfeiture	Older Americans Act	Senior Citizen Program	Children's Lunch Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	298,081	207,529	736,580	47,666	114,372	73,198
-	-	-	-	-	-	-
855	-	4,137	21,664	-	-	-
-	-	-	-	-	23,463	-
-	-	-	124	-	-	-
<u>855</u>	<u>298,081</u>	<u>211,666</u>	<u>758,368</u>	<u>47,666</u>	<u>137,835</u>	<u>73,198</u>
-	-	-	-	-	-	-
-	-	39,868	323,750	-	-	-
-	-	-	-	54,816	154,993	73,406
-	-	-	-	-	-	-
-	295,609	-	-	-	-	-
-	-	278,120	846,362	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>295,609</u>	<u>317,988</u>	<u>1,170,112</u>	<u>54,816</u>	<u>154,993</u>	<u>73,406</u>
855	2,472	(106,322)	(411,744)	(7,150)	(17,158)	(208)
-	26,819	-	-	7,150	17,156	8,000
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>26,819</u>	<u>-</u>	<u>-</u>	<u>7,150</u>	<u>17,156</u>	<u>8,000</u>
855	29,291	(106,322)	(411,744)	-	(2)	7,792
81,834	(29,291)	770,646	3,940,850	1,367	48,447	-
<u>\$ 82,689</u>	<u>\$ -</u>	<u>\$ 664,324</u>	<u>\$ 3,529,106</u>	<u>\$ 1,367</u>	<u>\$ 48,445</u>	<u>\$ 7,792</u>

	Special Revenue Funds			
	Quimby	Park Bond Act	Art in Public Places	Park Facility Impact Fee
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	423,104	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Contributions	-	-	286,025	-
Miscellaneous	-	-	-	-
<b>Total revenues</b>	<u>423,104</u>	<u>-</u>	<u>286,025</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>423,104</u>	<u>-</u>	<u>286,025</u>	<u>-</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	41,350
Transfers out	-	(192,174)	-	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>(192,174)</u>	<u>-</u>	<u>41,350</u>
<b>Change in fund balances</b>	423,104	(192,174)	286,025	41,350
<b>Fund balances, beginning of year</b>	547,925	192,174	652,960	(41,350)
<b>Fund balances, end of year</b>	<u>\$ 971,029</u>	<u>\$ -</u>	<u>\$ 938,985</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, 2016**

Special Revenue Funds						
Public Facilities	Storm Drain	Parking and Business Improvement	Cable Television Corporation	Mountain View CFD 13-1	Economic Development Corporation	
\$ -	\$ -	\$ -	\$ -	\$ 7,642	\$ -	
-	-	-	-	-	-	-
237,415	148,621	174,760	118,561	-	-	-
-	-	-	-	-	-	767
-	-	-	-	-	-	-
-	-	80	1,591	54	-	-
<u>237,415</u>	<u>148,621</u>	<u>174,840</u>	<u>120,152</u>	<u>7,696</u>	<u>767</u>	
-	-	95,200	196,076	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	336,178	-	-	-	-	-
-	-	-	-	-	-	-
-	40,365	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>376,543</u>	<u>95,200</u>	<u>196,076</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>237,415</u>	<u>(227,922)</u>	<u>79,640</u>	<u>(75,924)</u>	<u>7,696</u>	<u>767</u>	
-	457,000	-	-	-	-	-
-	-	-	-	-	-	(850,721)
-	<u>457,000</u>	-	-	-	-	<u>(850,721)</u>
237,415	229,078	79,640	(75,924)	7,696	(849,954)	
<u>1,092,781</u>	<u>(151,804)</u>	<u>387,506</u>	<u>150,750</u>	<u>6,765</u>	<u>7,746,847</u>	
\$ <u>1,330,196</u>	\$ <u>77,274</u>	\$ <u>467,146</u>	\$ <u>74,826</u>	\$ <u>14,461</u>	\$ <u>6,896,893</u>	

				Special Revenue Funds		
				Special Programs	Special Programs II	Gateway CFD
<b>Revenues</b>						
	Taxes		\$	42,611	\$	9,281
	Intergovernmental			-		-
	Charges for services			-		-
	Use of money and property			68,318		46
	Contributions			55,067	28	-
	Miscellaneous			17,128	-	-
	<b>Total revenues</b>			<u>183,124</u>	<u>28</u>	<u>9,327</u>
<b>Expenditures</b>						
	Current:					
	General government			-	-	-
	Public safety			60,397	-	-
	Parks, recreation and cultural			133,202	-	-
	Public works			-	-	-
	Economic development			-	-	-
	Capital outlay			-	-	-
	Debt service:					
	Principal retirement			-	-	-
	Interest and fiscal charges			-	-	-
	<b>Total expenditures</b>			<u>193,599</u>	<u>-</u>	<u>-</u>
	Excess (deficiency) of revenues over expenditures			<u>(10,475)</u>	<u>28</u>	<u>9,327</u>
<b>Other financing sources (uses)</b>						
	Transfers in			967	-	-
	Transfers out			-	-	-
	<b>Net other financing sources (uses)</b>			<u>967</u>	<u>-</u>	<u>-</u>
	<b>Change in fund balances</b>			(9,508)	28	9,327
	<b>Fund balances, beginning of year</b>			<u>269,933</u>	<u>67,807</u>	<u>-</u>
	<b>Fund balances, end of year</b>		\$	<u><u>260,425</u></u>	\$	<u><u>67,835</u></u>
					\$	<u><u>9,327</u></u>

**City of El Monte**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**Year ended June 30, 2016**

Special Revenue Funds		Debt Service Funds			
Miscellaneous Grants	Capital Projects Fund	2010 Lease Revenue Bonds	2011 Lease Revenue Bond	Totals	
\$ -	\$ -	\$ -	\$ -	\$ 8,261,079	
2,185,429	-	1,427,988	-	7,246,807	
-	-	-	-	1,161,725	
-	-	528,415	443	718,811	
-	-	-	-	364,583	
-	-	-	525,000	676,720	
<u>2,185,429</u>	<u>-</u>	<u>1,956,403</u>	<u>525,443</u>	<u>18,429,725</u>	
-	-	-	-	291,276	
226,899	-	-	-	650,914	
-	-	-	-	427,651	
60,137	-	-	-	4,074,801	
92,782	-	-	-	1,248,304	
695,435	1,495,230	-	-	6,752,775	
-	-	360,000	-	360,000	
-	-	1,574,613	525,000	2,099,613	
<u>1,075,253</u>	<u>1,495,230</u>	<u>1,934,613</u>	<u>525,000</u>	<u>15,905,334</u>	
<u>1,110,176</u>	<u>(1,495,230)</u>	<u>21,790</u>	<u>443</u>	<u>2,524,391</u>	
795	2,016,429	-	-	2,603,277	
-	-	-	-	(4,392,622)	
<u>795</u>	<u>2,016,429</u>	<u>-</u>	<u>-</u>	<u>(1,789,345)</u>	
1,110,971	521,199	21,790	443	735,046	
(1,914,233)	(481,023)	1,239,278	82,663	32,704,931	
<u>\$ (803,262)</u>	<u>\$ 40,176</u>	<u>\$ 1,261,068</u>	<u>\$ 83,106</u>	<u>\$ 33,439,977</u>	

**City of El Monte  
Budgetary Comparison Schedule  
Proposition A  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 2,003,800	\$ 2,077,800	\$ 2,076,934	\$ (866)
Intergovernmental	695,600	642,200	-	(642,200)
Charges for services	4,400	4,500	2,842	(1,658)
Use of money and property	13,400	12,200	11,391	(809)
Miscellaneous	59,500	115,500	70,264	(45,236)
<b>Total revenues</b>	<u>2,776,700</u>	<u>2,852,200</u>	<u>2,161,431</u>	<u>(690,769)</u>
<b>Expenditures</b>				
Current:				
Public works	2,534,400	2,534,400	2,340,793	193,607
Capital outlay	870,000	870,000	837,811	32,189
<b>Total expenditures</b>	<u>3,404,400</u>	<u>3,404,400</u>	<u>3,178,604</u>	<u>225,796</u>
<b>Change in fund balance</b>	(627,700)	(552,200)	(1,017,173)	(464,973)
<b>Fund balances, beginning of year</b>	<u>2,355,706</u>	<u>2,355,706</u>	<u>2,355,706</u>	-
<b>Fund balances, end of year</b>	<u>\$ 1,728,006</u>	<u>\$ 1,803,506</u>	<u>\$ 1,338,533</u>	<u>\$ (464,973)</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Proposition C**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,662,100	\$ 1,723,500	\$ 1,730,014	\$ 6,514
Intergovernmental	1,504,800	1,507,800	1,509,413	1,613
Use of money and property	29,100	30,600	36,671	6,071
<b>Total revenues</b>	<u>3,196,000</u>	<u>3,261,900</u>	<u>3,276,098</u>	<u>14,198</u>
<b>Expenditures</b>				
Current:				
Public works	1,246,900	1,335,550	1,099,328	236,222
Capital outlay	5,650,600	5,669,400	2,434,943	3,234,457
<b>Total expenditures</b>	<u>6,897,500</u>	<u>7,004,950</u>	<u>3,534,271</u>	<u>3,470,679</u>
<b>Change in fund balance</b>	(3,701,500)	(3,743,050)	(258,173)	3,484,877
<b>Fund balances, beginning of year</b>	<u>6,664,419</u>	<u>6,664,419</u>	<u>6,664,419</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 2,962,919</u>	<u>\$ 2,921,369</u>	<u>\$ 6,406,246</u>	<u>\$ 3,484,877</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Special Gas Tax**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 3,025,000	\$ 3,300,000	\$ 2,487,143	\$ (812,857)
Use of money and property	-	25,000	15,931	(9,069)
<b>Total revenues</b>	<u>3,025,000</u>	<u>3,325,000</u>	<u>2,503,074</u>	<u>(821,926)</u>
<b>Expenditures</b>				
Capital outlay	1,200,000	1,200,000	23,769	1,176,231
<b>Total expenditures</b>	<u>1,200,000</u>	<u>1,200,000</u>	<u>23,769</u>	<u>1,176,231</u>
Excess (deficiency) of revenues over expenditures	<u>1,825,000</u>	<u>2,125,000</u>	<u>2,479,305</u>	<u>354,305</u>
<b>Other financing sources (uses)</b>				
Transfers out	<u>(3,284,000)</u>	<u>(3,284,000)</u>	<u>(3,284,000)</u>	<u>-</u>
<b>Change in fund balance</b>	(1,459,000)	(1,159,000)	(804,695)	354,305
<b>Fund balances, beginning of year</b>	<u>3,202,776</u>	<u>3,202,776</u>	<u>3,202,776</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 1,743,776</u>	<u>\$ 2,043,776</u>	<u>\$ 2,398,081</u>	<u>\$ 354,305</u>

**City of El Monte  
Budgetary Comparison Schedule  
Transportation Development Act Fund  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 159,331	\$ 77,939	\$ (81,392)
Use of money and property	-	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>159,331</u>	<u>77,939</u>	<u>(81,392)</u>
<b>Expenditures</b>				
Capital outlay	10,900	92,455	3,783	88,672
<b>Total expenditures</b>	<u>10,900</u>	<u>92,455</u>	<u>3,783</u>	<u>88,672</u>
Excess (deficiency) of revenues over expenditures	(10,900)	66,876	74,156	7,280
<b>Other financing sources</b>				
Transfers out	-	-	(65,727)	(65,727)
<b>Change in fund balance</b>	(10,900)	66,876	8,429	(58,447)
<b>Fund balances, beginning of year</b>	<u>(8,429)</u>	<u>(8,429)</u>	<u>(8,429)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (19,329)</u>	<u>\$ 58,447</u>	<u>\$ -</u>	<u>\$ (58,447)</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Measure R**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 1,216,200	\$ 1,210,000	\$ 1,292,853	\$ 82,853
Use of money and property	-	-	29,924	29,924
<b>Total revenues</b>	<u>1,216,200</u>	<u>1,210,000</u>	<u>1,322,777</u>	<u>112,777</u>
<b>Expenditures</b>				
Capital Outlay	-	96,373	29,608	66,765
<b>Total expenditures</b>	<u>-</u>	<u>96,373</u>	<u>29,608</u>	<u>66,765</u>
Excess (deficiency) of revenues over expenditures	1,216,200	1,113,627	1,293,169	179,542
<b>Other financing sources</b>				
Transfers out	-	(205,000)	-	205,000
<b>Change in fund balance</b>	1,216,200	908,627	1,293,169	384,542
<b>Fund balances, beginning of year</b>	4,895,454	4,895,454	4,895,454	-
<b>Fund balances, end of year</b>	<u>\$ 6,111,654</u>	<u>\$ 5,804,081</u>	<u>\$ 6,188,623</u>	<u>\$ 384,542</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**MTA Call for Projects**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Miscellaneous	\$ -	\$ -	\$ 56,250	\$ 56,250
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>56,250</u>	<u>56,250</u>
<b>Expenditures</b>				
Capital outlay	7,717,500	7,925,400	67,350	7,858,050
<b>Total expenditures</b>	<u>7,717,500</u>	<u>7,925,400</u>	<u>67,350</u>	<u>7,858,050</u>
<b>Change in fund balance</b>	(7,717,500)	(7,925,400)	(11,100)	7,914,300
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ (7,717,500)</u>	<u>\$ (7,925,400)</u>	<u>\$ (11,100)</u>	<u>\$ 7,914,300</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**AB 939**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ 599,000	\$ 679,100	\$ 614,601	\$ (64,499)
Charges for services	431,000	334,000	479,526	145,526
<b>Total revenues</b>	<u>1,030,000</u>	<u>1,013,100</u>	<u>1,094,127</u>	<u>81,027</u>
<b>Expenditures</b>				
Current:				
Public works	588,900	652,780	98,463	554,317
Economic development	329,700	329,700	859,913	(530,213)
<b>Total expenditures</b>	<u>918,600</u>	<u>982,480</u>	<u>958,376</u>	<u>24,104</u>
<b>Change in fund balance</b>	111,400	30,620	135,751	105,131
<b>Fund balances, beginning of year</b>	<u>797,932</u>	<u>797,932</u>	<u>797,932</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 909,332</u>	<u>\$ 828,552</u>	<u>\$ 933,683</u>	<u>\$ 105,131</u>

**City of El Monte  
Budgetary Comparison Schedule  
Air Quality Improvement Fund  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 139,200	\$ 140,000	\$ 145,508	\$ 5,508
Use of money and property	3,800	2,000	249	(1,751)
<b>Total revenues</b>	<u>143,000</u>	<u>142,000</u>	<u>145,757</u>	<u>3,757</u>
<b>Expenditures</b>				
Current:				
Public works	167,800	189,800	139,902	49,898
<b>Total expenditures</b>	<u>167,800</u>	<u>189,800</u>	<u>139,902</u>	<u>49,898</u>
<b>Change in fund balance</b>	(24,800)	(47,800)	5,855	53,655
<b>Fund balances, beginning of year</b>	<u>76,029</u>	<u>76,029</u>	<u>76,029</u>	-
<b>Fund balances, end of year</b>	<u>\$ 51,229</u>	<u>\$ 28,229</u>	<u>\$ 81,884</u>	<u>\$ 53,655</u>

**City of El Monte  
Budgetary Comparison Schedule  
Tree Mitigation & Planting Fund  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Miscellaneous	\$ -	\$ 19,000	\$ 6,229	\$ (12,771)
<b>Total revenues</b>	<u>-</u>	<u>19,000</u>	<u>6,229</u>	<u>(12,771)</u>
<b>Expenditures</b>				
Current:				
Parks, recreation and cultural	-	19,000	11,234	7,766
<b>Total expenditures</b>	<u>-</u>	<u>19,000</u>	<u>11,234</u>	<u>7,766</u>
<b>Change in fund balance</b>	-	-	(5,005)	(5,005)
<b>Fund balances, beginning of year</b>	5,504	5,504	5,504	-
<b>Fund balances, end of year</b>	<u>\$ 5,504</u>	<u>\$ 5,504</u>	<u>\$ 499</u>	<u>\$ (5,005)</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Federal Stimulus**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Other financing sources</b>				
Transfers in	\$ -	\$ 27,612	\$ 27,611	\$ 1
<b>Net other financing sources (uses)</b>	-	27,612	27,611	1
<b>Change in fund balance</b>	-	27,612	27,611	-
<b>Fund balances, beginning of year</b>	(27,611)	(27,611)	(27,611)	-
<b>Fund balances, end of year</b>	\$ (27,611)	\$ 1	\$ -	-

**City of El Monte  
 Budgetary Comparison Schedule  
 Urban Development Grant (UDAG)  
 Year ended June 30, 2016**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 855	\$ 855
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>855</u>	<u>855</u>
 <b>Change in fund balance</b>	 <u>-</u>	 <u>-</u>	 <u>855</u>	 <u>855</u>
 <b>Fund balances, beginning of year</b>	 <u>81,834</u>	 <u>81,834</u>	 <u>81,834</u>	 <u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 81,834</u>	<u>\$ 81,834</u>	<u>\$ 82,689</u>	<u>\$ 855</u>

**City of El Monte  
Budgetary Comparison Schedule  
Emergency Shelter Grant  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 190,900	\$ 419,784	\$ 298,081	\$ (121,703)
<b>Total revenues</b>	<u>190,900</u>	<u>419,784</u>	<u>298,081</u>	<u>(121,703)</u>
<b>Expenditures</b>				
Current:				
Economic development	155,600	434,471	295,609	138,862
<b>Total expenditures</b>	<u>155,600</u>	<u>434,471</u>	<u>295,609</u>	<u>138,862</u>
<b>Other financing sources (uses)</b>				
Transfers in	-	26,900	26,819	(81)
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>26,900</u>	<u>26,819</u>	<u>(81)</u>
<b>Change in fund balance</b>	35,300	12,213	29,291	(260,646)
<b>Fund balances, beginning of year</b>	<u>(29,291)</u>	<u>(29,291)</u>	<u>(29,291)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 6,009</u>	<u>\$ (17,078)</u>	<u>\$ -</u>	<u>\$ (260,646)</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Supplemental Law Enforcement Safety Fund (SLES)**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 264,000	\$ 207,529	\$ (56,471)
Use of money and property	-	-	4,137	4,137
<b>Total revenues</b>	<u>-</u>	<u>264,000</u>	<u>211,666</u>	<u>(52,334)</u>
<b>Expenditures</b>				
Current:				
Public Safety	40,000	160,000	39,868	120,132
Capital outlay	224,000	512,454	278,120	234,334
<b>Total expenditures</b>	<u>264,000</u>	<u>672,454</u>	<u>317,988</u>	<u>354,466</u>
<b>Change in fund balance</b>	(264,000)	(408,454)	(106,322)	302,132
<b>Fund balances, beginning of year</b>	<u>770,646</u>	<u>770,646</u>	<u>770,646</u>	-
<b>Fund balances, end of year</b>	<u>\$ 506,646</u>	<u>\$ 362,192</u>	<u>\$ 664,324</u>	<u>\$ 302,132</u>

**City of El Monte  
Budgetary Comparison Schedule  
Police/Narcotics Forfeiture  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ -	\$ 736,580	\$ 736,580
Use of money and property	10,000	25,000	21,664	(3,336)
Miscellaneous	-	-	124	124
<b>Total revenues</b>	<u>10,000</u>	<u>25,000</u>	<u>758,368</u>	<u>733,368</u>
<b>Expenditures</b>				
Current:				
Public Safety	-	329,700	323,750	5,950
Capital outlay	-	876,300	846,362	29,938
<b>Total expenditures</b>	<u>-</u>	<u>1,206,000</u>	<u>1,170,112</u>	<u>35,888</u>
<b>Change in fund balance</b>	10,000	(1,181,000)	(411,744)	769,256
<b>Fund balances, beginning of year</b>	<u>3,940,850</u>	<u>3,940,850</u>	<u>3,940,850</u>	-
<b>Fund balances, end of year</b>	<u>\$ 3,950,850</u>	<u>\$ 2,759,850</u>	<u>\$ 3,529,106</u>	<u>\$ 769,256</u>

**City of El Monte  
Budgetary Comparison Schedule  
Older Americans Act  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 52,100	\$ 52,059	\$ 47,666	\$ (4,393)
<b>Total revenues</b>	<u>52,100</u>	<u>52,059</u>	<u>47,666</u>	<u>(4,393)</u>
<b>Expenditures</b>				
Current:				
Parks, recreation and cultural	51,900	60,142	54,816	5,326
<b>Total expenditures</b>	<u>51,900</u>	<u>60,142</u>	<u>54,816</u>	<u>5,326</u>
Excess (deficiency) of revenues over expenditures	200	(8,083)	(7,150)	933
<b>Other financing sources (uses)</b>				
Transfers in	-	8,083	7,150	(933)
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>8,083</u>	<u>7,150</u>	<u>(933)</u>
<b>Change in fund balance</b>	200	-	-	-
<b>Fund balances, beginning of year</b>	1,367	1,367	1,367	-
<b>Fund balances, end of year</b>	<u>\$ 1,567</u>	<u>\$ 1,367</u>	<u>\$ 1,367</u>	<u>\$ -</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Senior Citizen Program**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 96,300	\$ 113,483	\$ 114,372	\$ 889
Miscellaneous	-	25,300	23,463	(1,837)
<b>Total revenues</b>	<u>96,300</u>	<u>138,783</u>	<u>137,835</u>	<u>(948)</u>
<b>Expenditures</b>				
Current:				
Parks, recreation and cultural	122,500	156,131	154,993	1,138
<b>Total expenditures</b>	<u>122,500</u>	<u>156,131</u>	<u>154,993</u>	<u>1,138</u>
Excess (deficiency) of revenues over expenditures	(26,200)	(17,348)	(17,158)	190
<b>Other financing sources (uses)</b>				
Transfers in	-	17,348	17,156	(192)
<b>Change in fund balance</b>	(26,200)	-	(2)	(2)
<b>Fund balances, beginning of year</b>	<u>48,447</u>	<u>48,447</u>	<u>48,447</u>	-
<b>Fund balances, end of year</b>	<u>\$ 22,247</u>	<u>\$ 48,447</u>	<u>\$ 48,445</u>	<u>\$ (2)</u>

**City of El Monte  
Budgetary Comparison Schedule  
Children's Lunch Program  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 172,000	\$ 115,400	\$ 73,198	\$ (42,202)
<b>Total revenues</b>	<u>172,000</u>	<u>115,400</u>	<u>73,198</u>	<u>(42,202)</u>
<b>Expenditures</b>				
Current:				
Parks, recreation and cultural	102,300	110,300	73,406	36,894
<b>Total expenditures</b>	<u>102,300</u>	<u>110,300</u>	<u>73,406</u>	<u>36,894</u>
Excess (deficiency) of revenues over expenditures	69,700	5,100	(208)	(5,308)
<b>Other financing sources</b>				
Transfers in	-	8,000	8,000	-
<b>Change in fund balance</b>	69,700	13,100	7,792	(5,308)
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ 69,700</u>	<u>\$ 13,100</u>	<u>\$ 7,792</u>	<u>\$ (5,308)</u>

**City of El Monte  
Budgetary Comparison Schedule  
Quimby  
Year ended June 30, 2016**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 642,400	\$ 423,104	\$ (219,296)
<b>Total revenues</b>	-	642,400	423,104	(219,296)
 <b>Change in fund balance</b>	 -	 642,400	 423,104	 (219,296)
<b>Fund balances, beginning of year</b>	547,925	547,925	547,925	-
<b>Fund balances, end of year</b>	\$ 547,925	\$ 1,190,325	\$ 971,029	\$ (219,296)

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Park Bond Act**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Expenditures</b>				
Current:				
Park, recreation and cultural	\$ 15,000	\$ -	\$ -	\$ -
Capital outlay	176,400	-	-	-
<b>Total expenditures</b>	<u>191,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(191,400)	-	-	-
<b>Other financing sources (uses)</b>				
Transfers out	<u>-</u>	<u>(192,200)</u>	<u>(192,174)</u>	<u>(26)</u>
<b>Change in fund balance</b>	(191,400)	(192,200)	(192,174)	(26)
<b>Fund balances, beginning of year</b>	<u>192,174</u>	<u>192,174</u>	<u>192,174</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 774</u>	<u>\$ (26)</u>	<u>\$ -</u>	<u>\$ (26)</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Art in Public Places**  
**Year ended June 30, 2016**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Contributions	\$ 10,000	\$ 50,800	\$ 286,025	\$ 235,225
<b>Total revenues</b>	<u>10,000</u>	<u>50,800</u>	<u>286,025</u>	<u>235,225</u>
<b>Expenditures</b>				
Capital outlay	-	49,200	-	49,200
<b>Total expenditures</b>	<u>-</u>	<u>49,200</u>	<u>-</u>	<u>49,200</u>
<b>Change in fund balance</b>	10,000	1,600	286,025	284,425
<b>Fund balances, beginning of year</b>	<u>652,960</u>	<u>652,960</u>	<u>652,960</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 662,960</u>	<u>\$ 654,560</u>	<u>\$ 938,985</u>	<u>\$ 284,425</u>

**City of El Monte  
 Budgetary Comparison Schedule  
 Park Facility Impact Fees  
 Year ended June 30, 2016**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Other financing sources</b>				
Transfers in	\$ -	\$ 41,350	\$ 41,350	\$ -
<b>Change in fund balance</b>	-	41,350	41,350	-
<b>Fund balances, beginning of year</b>	(41,350)	(41,350)	(41,350)	-
<b>Fund balances, end of year</b>	\$ (41,350)	\$ -	\$ -	\$ -

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Public Facilities**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ -	\$ 1,029,000	\$ 237,415	\$ (791,585)
<b>Total revenues</b>	<u>-</u>	<u>1,029,000</u>	<u>237,415</u>	<u>(791,585)</u>
<b>Expenditures</b>				
Capital outlay	356,100	356,100	-	356,100
<b>Total expenditures</b>	<u>356,100</u>	<u>356,100</u>	<u>-</u>	<u>356,100</u>
<b>Change in fund balance</b>	(356,100)	672,900	237,415	(435,485)
<b>Fund balances, beginning of year</b>	1,092,781	1,092,781	1,092,781	-
<b>Fund balances, end of year</b>	<u>\$ 736,681</u>	<u>\$ 1,765,681</u>	<u>\$ 1,330,196</u>	<u>\$ (435,485)</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Storm Drain**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 140,000	\$ -	\$ 148,621	\$ 148,621
<b>Total revenues</b>	<u>140,000</u>	<u>-</u>	<u>148,621</u>	<u>148,621</u>
<b>Expenditures</b>				
Current:				
Public works	400,600	634,525	336,178	298,347
Capital outlay	56,400	56,400	40,365	16,035
<b>Total expenditures</b>	<u>457,000</u>	<u>690,925</u>	<u>376,543</u>	<u>314,382</u>
Excess (deficiency) of revenues over expenditures	(317,000)	(690,925)	(227,922)	463,003
<b>Other financing sources (uses)</b>				
Transfers in	-	457,000	457,000	-
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>457,000</u>	<u>457,000</u>	<u>-</u>
<b>Change in fund balance</b>	(317,000)	(233,925)	229,078	463,003
<b>Fund balances, beginning of year</b>	<u>(151,804)</u>	<u>(151,804)</u>	<u>(151,804)</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ (468,804)</u>	<u>\$ (385,729)</u>	<u>\$ 77,274</u>	<u>\$ 463,003</u>

**City of El Monte  
Budgetary Comparison Schedule  
Parking and Business Improvement  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 153,000	\$ 160,000	\$ 174,760	\$ 14,760
Miscellaneous	-	-	80	80
<b>Total revenues</b>	<u>153,000</u>	<u>160,000</u>	<u>174,840</u>	<u>14,840</u>
<b>Expenditures</b>				
Current:				
General government	95,200	95,200	95,200	-
<b>Total expenditures</b>	<u>95,200</u>	<u>95,200</u>	<u>95,200</u>	<u>-</u>
<b>Change in fund balance</b>	57,800	64,800	79,640	14,840
<b>Fund balances, beginning of year</b>	<u>387,506</u>	<u>387,506</u>	<u>387,506</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 445,306</u>	<u>\$ 452,306</u>	<u>\$ 467,146</u>	<u>\$ 14,840</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Cable Television Corporation**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Charges for services	\$ 120,000	\$ 120,000	\$ 118,561	\$ (1,439)
Miscellaneous	-	-	1,591	1,591
<b>Total revenues</b>	<u>120,000</u>	<u>120,000</u>	<u>120,152</u>	<u>152</u>
<b>Expenditures</b>				
Current:				
General government	114,200	211,200	196,076	15,124
<b>Total expenditures</b>	<u>114,200</u>	<u>211,200</u>	<u>196,076</u>	<u>15,124</u>
<b>Change in fund balance</b>	5,800	(91,200)	(75,924)	15,276
<b>Fund balances, beginning of year</b>	150,750	150,750	150,750	-
<b>Fund balances, end of year</b>	<u>\$ 156,550</u>	<u>\$ 59,550</u>	<u>\$ 74,826</u>	<u>\$ 15,276</u>

**City of El Monte  
Budgetary Comparison Schedule  
Mountain View CFD 13-1  
Year ended June 30, 2016**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ -	\$ 5,300	\$ 7,642	\$ 2,342
Miscellaneous	-	-	54	54
<b>Total revenues</b>	<u>-</u>	<u>5,300</u>	<u>7,696</u>	<u>2,396</u>
 <b>Change in fund balance</b>	 -	 5,300	 7,696	 2,396
 <b>Fund balances, beginning of year</b>	 <u>6,765</u>	 <u>6,765</u>	 <u>6,765</u>	 -
<b>Fund balances, end of year</b>	<u>\$ 6,765</u>	<u>\$ 12,065</u>	<u>\$ 14,461</u>	<u>\$ 2,396</u>

**City of El Monte  
Budgetary Comparison Schedule  
Economic Development Corporation  
Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Use of money and property	\$ -	\$ 1,000	\$ 767	\$ (233)
<b>Total revenues</b>	<u>-</u>	<u>1,000</u>	<u>767</u>	<u>(233)</u>
Excess (deficiency) of revenues over expenditures	-	1,000	767	(233)
<b>Other financing sources (uses)</b>				
Transfers out	<u>(7,629,700)</u>	<u>(7,629,700)</u>	<u>(850,721)</u>	<u>6,778,979</u>
<b>Net other financing sources (uses)</b>	<u>(7,629,700)</u>	<u>(7,629,700)</u>	<u>(850,721)</u>	<u>6,778,979</u>
<b>Change in fund balance</b>	(7,629,700)	(7,628,700)	(849,954)	6,778,746
<b>Fund balances, beginning of year</b>	<u>7,746,847</u>	<u>7,746,847</u>	<u>7,746,847</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 117,147</u>	<u>\$ 118,147</u>	<u>\$ 6,896,893</u>	<u>\$ 6,778,746</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Special Programs**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 42,611	\$ 42,611
Use of money and property	27,500	61,000	68,318	7,318
Contributions	102,600	45,000	55,067	10,067
	-	9,900	17,128	7,228
<b>Total revenues</b>	<u>130,100</u>	<u>115,900</u>	<u>183,124</u>	<u>67,224</u>
<b>Expenditures</b>				
Current:				
Public safety	-	61,000	60,397	603
Parks, recreation and cultural	58,700	168,730	133,202	35,528
Capital outlay	-	9,900	-	9,900
<b>Total expenditures</b>	<u>58,700</u>	<u>239,630</u>	<u>193,599</u>	<u>46,031</u>
Excess (deficiency) of revenues over expenditures	71,400	(123,730)	(10,475)	113,255
<b>Other financing sources</b>				
Transfers in	-	-	967	967
<b>Change in fund balance</b>	71,400	(123,730)	(9,508)	114,222
<b>Fund balances, beginning of year</b>	269,933	269,933	269,933	-
<b>Fund balances, end of year</b>	<u>\$ 341,333</u>	<u>\$ 146,203</u>	<u>\$ 260,425</u>	<u>\$ 114,222</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Special Programs II**  
**Year ended June 30, 2016**

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	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Contributions	\$ 6,500	\$ -	\$ 28	\$ 28
<b>Total revenues</b>	<u>6,500</u>	<u>-</u>	<u>28</u>	<u>28</u>
 <b>Change in fund balance</b>	 6,500	 -	 28	 28
 <b>Fund balances, beginning of year</b>	 <u>67,807</u>	 <u>67,807</u>	 <u>67,807</u>	 <u>-</u>
<b>Fund balances, end of year</b>	<u>\$ 74,307</u>	<u>\$ 67,807</u>	<u>\$ 67,835</u>	<u>\$ 28</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Gateway CFD**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Taxes	\$ -	\$ -	\$ 9,281	\$ 9,281
Use of money and property	-	-	46	46
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>9,327</u>	<u>9,327</u>
<b>Net change in fund balance</b>	-	-	9,327	9,327
<b>Fund balances, beginning of year</b>	-	-	-	-
<b>Fund balances, end of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,327</u>	<u>\$ 9,327</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Miscellaneous Grants**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ 102,400	\$ 5,384,648	\$ 2,185,429	\$ (3,199,219)
<b>Total revenues</b>	102,400	5,384,648	2,185,429	(3,199,219)
<b>Expenditures</b>				
Current:				
Public safety	-	324,041	226,899	97,142
Public works	197,000	197,000	60,137	136,863
Economic development	-	95,000.00	92,782	2,218
Capital outlay	3,723,700	4,768,607	695,435	4,073,172
<b>Total expenditures</b>	3,920,700	5,384,648	1,075,253	4,309,395
Excess (deficiency) of revenues over expenditures	(3,818,300)	-	1,110,176	1,110,176
<b>Other financing sources (uses)</b>				
Transfers in	-	800	795	(5)
<b>Net change in fund balance</b>	(3,818,300)	800	1,110,971	1,110,171
<b>Fund balances, beginning of year</b>	-	-	(1,914,233)	-
<b>Fund balances, end of year</b>	\$ (3,818,300)	\$ 800	\$ (803,262)	\$ 1,110,171

**City of El Monte**  
**Budgetary Comparison Schedule**  
**Capital Project Fund**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Expenditures</b>				
Capital outlay	\$ 8,786,700	\$ 8,866,495	\$ 1,495,230	\$ 7,371,265
<b>Total expenditures</b>	<u>8,786,700</u>	<u>8,866,495</u>	<u>1,495,230</u>	<u>7,371,265</u>
Excess (deficiency) of revenues over expenditures	(8,786,700)	(8,866,495)	(1,495,230)	7,371,265
<b>Other financing sources (uses)</b>				
Transfers in	-	7,629,700	2,016,429	(5,613,271)
<b>Net other financing sources (uses)</b>	<u>-</u>	<u>7,629,700</u>	<u>2,016,429</u>	<u>(5,613,271)</u>
<b>Change in fund balance</b>	(8,786,700)	(1,236,795)	521,199	1,757,994
<b>Fund balances, beginning of year</b>	(481,023)	(481,023)	(481,023)	-
<b>Fund balances, end of year</b>	<u>\$ (9,267,723)</u>	<u>\$ (1,717,818)</u>	<u>\$ 40,176</u>	<u>\$ 1,757,994</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**2010 Lease Revenue Bond Debt Service**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 1,428,500	\$ 1,427,988	\$ (512)
Use of money and property	-	530,000	528,415	(1,585)
<b>Total revenues</b>	<u>-</u>	<u>1,958,500</u>	<u>1,956,403</u>	<u>(2,097)</u>
<b>Expenditures</b>				
Debt service:				
Principal retirement	360,000	360,000	360,000	-
Interest and fiscal charges	<u>1,588,700</u>	<u>1,588,700</u>	<u>1,574,613</u>	<u>14,087</u>
<b>Total expenditures</b>	<u>1,948,700</u>	<u>1,948,700</u>	<u>1,934,613</u>	<u>14,087</u>
<b>Change in fund balance</b>	(1,948,700)	9,800	21,790	11,990
<b>Fund balances, beginning of year</b>	<u>1,239,278</u>	<u>1,239,278</u>	<u>1,239,278</u>	-
<b>Fund balances, end of year</b>	<u>\$ (709,422)</u>	<u>\$ 1,249,078</u>	<u>\$ 1,261,068</u>	<u>\$ 11,990</u>

**City of El Monte**  
**Budgetary Comparison Schedule**  
**2011 Lease Revenue Bond Debt Service Fund**  
**Year ended June 30, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
<b>Revenues</b>				
Use of money and property	\$ -	\$ -	\$ 443	\$ 443
Miscellaneous	-	525,000	525,000	-
<b>Total revenues</b>	<u>-</u>	<u>525,000</u>	<u>525,443</u>	<u>443</u>
<b>Expenditures</b>				
Debt service:				
Principal retirement	360,000	-	-	-
Interest and fiscal charges	1,588,700	525,000	525,000	-
<b>Total expenditures</b>	<u>1,948,700</u>	<u>525,000</u>	<u>525,000</u>	<u>-</u>
<b>Change in fund balance</b>	(1,948,700)	-	443	443
<b>Fund balances, beginning of year</b>	82,663	82,663	82,663	-
<b>Fund balances, end of year</b>	<u>\$ (1,866,037)</u>	<u>\$ 82,663</u>	<u>\$ 83,106</u>	<u>\$ 443</u>

**City of El Monte  
Combining Statement of Net Position  
All Internal Service Funds  
Year ended June 30, 2016**

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
<b>ASSETS</b>				
Current assets				
Cash and investments	\$ 6,281,112	\$ 740,400	\$ 690,400	\$ 7,711,912
Receivables:				
Accounts	1,271	-	-	1,271
Total assets	<u>6,282,383</u>	<u>740,400</u>	<u>690,400</u>	<u>7,713,183</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	680	-	-	680
Accrued claims and judgments	2,392,000	-	-	2,392,000
Total current liabilities	2,392,680	-	-	2,392,680
Noncurrent liabilities				
Advances from other funds	300,000	-	-	300,000
Accrued claims and judgments	10,053,000	-	-	10,053,000
Total liabilities	<u>12,745,680</u>	<u>-</u>	<u>-</u>	<u>12,745,680</u>
<b>NET POSITION</b>				
Unrestricted net position (deficit)	(6,463,297)	740,400	690,400	(5,032,497)
Total net position	<u>\$ (6,463,297)</u>	<u>\$ 740,400</u>	<u>\$ 690,400</u>	<u>\$ (5,032,497)</u>

**City of El Monte**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**All Internal Service Funds**  
**June 30, 2016**

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
<b>Operating revenues</b>				
Interdepartmental charges	\$ 2,507,013	\$ -	\$ -	\$ 2,507,013
<b>Total operating revenues</b>	<u>2,507,013</u>	<u>-</u>	<u>-</u>	<u>2,507,013</u>
<b>Operating expenses</b>				
Claims expenses	5,240,160	-	-	5,240,160
<b>Total operating expenses</b>	<u>5,240,160</u>	<u>-</u>	<u>-</u>	<u>5,240,160</u>
Operating income (loss)	(2,733,147)	-	-	(2,733,147)
<b>Other financing sources</b>				
Transfers in	-	100,000	100,000	200,000
<b>Changes in net position</b>	(2,733,147)	100,000	100,000	(2,533,147)
<b>Net position (deficit) - beginning</b>	<u>(3,730,150)</u>	<u>640,400</u>	<u>590,400</u>	<u>(2,499,350)</u>
<b>Net position (deficit) - ending</b>	<u>\$ (6,463,297)</u>	<u>\$ 740,400</u>	<u>\$ 690,400</u>	<u>\$ (5,032,497)</u>

**City of El Monte**  
**Combining Statement of Cash Flows**  
**All Internal Service Funds**  
**Year ended June 30, 2016**

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
<b>Cash flows from operating activities</b>				
Cash received for interfund service provided	\$ 2,515,127	\$ -	\$ -	\$ 2,515,127
Cash paid to suppliers for goods and services	<u>(3,603,772)</u>	<u>-</u>	<u>-</u>	<u>(3,603,772)</u>
<b>Net cash provided by (used in) operating activities</b>	<u>(1,088,645)</u>	<u>-</u>	<u>-</u>	<u>(1,088,645)</u>
<b>Cash flows from non-capital financing activities</b>				
Transfers from other funds	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
<b>Net cash provided by (used in) non-capital and related financing activities</b>	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>200,000</u>
<b>Change in cash and cash equivalents</b>	(1,088,645)	100,000	100,000	(888,645)
<b>Beginning cash and cash equivalents</b>	<u>7,369,757</u>	<u>640,400</u>	<u>590,400</u>	<u>8,600,557</u>
<b>Ending cash and cash equivalents</b>	<u>\$ 6,281,112</u>	<u>\$ 740,400</u>	<u>\$ 690,400</u>	<u>\$ 7,711,912</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>				
Operating income (loss)	\$ (2,733,147)	\$ -	\$ -	\$ (2,733,147)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	8,114	-	-	8,114
Increase (decrease):				
Accounts payable	(65,612)	-	-	(65,612)
Accrued claims and judgments	<u>1,702,000</u>	<u>-</u>	<u>-</u>	<u>1,702,000</u>
<b>Net cash provided by (used in) operating activities</b>	<u>\$ (1,088,645)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,088,645)</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.

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Table 2	Changes in Net position
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These schedules contain information to help reader assess the City's most significant local revenue source, the property tax.

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Table 9	Principal Property Taxpayers
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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.

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#### **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.

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

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 400,525,216	\$ 387,726,129	\$ 393,169,859	\$ 382,391,198	\$ 382,386,047	\$ 406,191,154	\$ 408,942,772	\$ 410,145,295	\$ 413,506,843	\$ 417,936,017
Restricted	45,706,053	45,093,002	45,444,013	68,553,946	66,201,676	71,058,861	67,082,252	62,080,199	63,168,424	59,313,835
Unrestricted	<u>5,863,237</u>	<u>17,981,867</u>	<u>6,706,495</u>	<u>(3,841,062)</u>	<u>2,156,436</u>	<u>(6,986,991)</u>	<u>(5,969,100)</u>	<u>(4,728,375)</u>	<u>(131,237,522)</u>	<u>(121,391,436)</u>
<b>Total governmental activities net assets</b>	<b><u>\$ 452,094,506</u></b>	<b><u>\$ 450,800,998</u></b>	<b><u>\$ 445,320,367</u></b>	<b><u>\$ 447,104,082</u></b>	<b><u>\$ 450,744,159</u></b>	<b><u>\$ 470,263,024</u></b>	<b><u>\$ 470,055,924</u></b>	<b><u>\$ 467,497,119</u></b>	<b><u>\$ 345,437,745</u></b>	<b><u>\$ 355,858,416</u></b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 3,699,586	\$ 3,681,347	\$ 3,884,727	\$ 17,144,056	\$ 15,773,348	\$ 14,644,182	\$ 14,198,071	\$ 3,575,181	\$ 2,745,186	\$ 4,259,232
Restricted	515,422	402,693	403,419	411,743	403,419	623,422	403,422	-	-	-
Unrestricted	<u>(15,489,929)</u>	<u>(15,067,058)</u>	<u>(15,364,273)</u>	<u>(2,461,586)</u>	<u>(1,392,384)</u>	<u>(783,223)</u>	<u>(663,601)</u>	<u>10,752,227</u>	<u>4,339,498</u>	<u>3,711,862</u>
<b>Total business-type activities net assets</b>	<b><u>\$ (11,274,921)</u></b>	<b><u>\$ (10,983,018)</u></b>	<b><u>\$ (11,076,127)</u></b>	<b><u>\$ 15,094,213</u></b>	<b><u>\$ 14,784,383</u></b>	<b><u>\$ 14,484,381</u></b>	<b><u>\$ 13,937,892</u></b>	<b><u>\$ 14,327,408</u></b>	<b><u>\$ 7,084,684</u></b>	<b><u>\$ 7,971,094</u></b>
<b>Primary government</b>										
Invested in capital assets, net of related debt	\$ 404,224,802	\$ 391,407,476	\$ 397,054,586	\$ 399,535,254	\$ 398,159,395	\$ 420,835,336	\$ 423,140,843	\$ 413,720,476	\$ 416,252,029	\$ 422,195,249
Restricted	46,221,475	45,495,695	45,847,432	68,965,689	66,605,095	71,682,283	67,485,674	62,080,199	63,168,424	59,313,835
Unrestricted	<u>(9,626,692)</u>	<u>2,914,809</u>	<u>(8,657,778)</u>	<u>(6,302,648)</u>	<u>764,052</u>	<u>(7,770,214)</u>	<u>(6,632,701)</u>	<u>6,023,852</u>	<u>(126,898,024)</u>	<u>(117,679,574)</u>
<b>Total primary government net assets</b>	<b><u>\$ 440,819,585</u></b>	<b><u>\$ 439,817,980</u></b>	<b><u>\$ 434,244,240</u></b>	<b><u>\$ 462,198,295</u></b>	<b><u>\$ 465,528,542</u></b>	<b><u>\$ 484,747,405</u></b>	<b><u>\$ 483,993,816</u></b>	<b><u>\$ 481,824,527</u></b>	<b><u>\$ 352,522,429</u></b>	<b><u>\$ 363,829,510</u></b>

The City of El Monte implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.  
The City of El Monte implemented GASB 34 Infrastructure Valuation Services for the fiscal year ended June 30, 2007.  
The City of El Monte implemented GASB 68 Accounting and Financial Reporting for Pensions for the fiscal year ended June 30, 2015.

Source: Finance Department, City of El Monte

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

City of El Monte, California										
Table 2 - Changes in Net Assets										
Last Ten Fiscal Years										
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 34,683,409	\$ 38,252,969	\$ 36,766,602	\$ 37,182,894	\$ 29,578,242	\$ 31,035,167	\$ 20,788,814	\$ 22,732,447	\$ 23,640,914	\$ 24,848,509
Public safety	37,829,869	39,990,879	34,909,950	29,821,998	32,851,129	31,373,685	33,813,668	35,302,886	33,364,275	33,012,638
Parks, recreation, and cultural	5,138,300	5,710,017	4,581,714	4,148,973	4,745,831	3,292,920	3,163,505	2,928,453	2,968,162	2,792,932
Public works	7,622,037	9,662,975	10,587,267	11,013,617	10,677,438	12,273,857	15,096,927	16,274,135	15,952,980	16,585,908
Economic development	-	-	-	-	3,703,687.00	3,795,416.00	4,231,041.00	5,679,490.00	2,608,571.00	1,635,333
Interest on long-term debt and issue costs	5,912,027	5,642,085	5,904,551	6,560,377	1,826,698	4,375,648	2,492,205	2,783,650	2,455,645	2,434,888
<b>Total governmental activities expenses</b>	<b>91,185,642</b>	<b>99,258,925</b>	<b>92,750,084</b>	<b>88,727,858</b>	<b>83,383,025</b>	<b>86,146,693</b>	<b>79,586,160</b>	<b>85,701,061</b>	<b>80,990,547</b>	<b>81,310,208</b>
<b>Business-type activities:</b>										
Water authority and sewer fund	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127	6,448,416	6,003,145	6,044,861	5,957,680
<b>Total business-type activities expenses</b>	<b>3,298,506</b>	<b>3,162,041</b>	<b>3,199,691</b>	<b>5,982,157</b>	<b>6,813,653</b>	<b>6,200,127</b>	<b>6,448,416</b>	<b>6,003,145</b>	<b>6,044,861</b>	<b>5,957,680</b>
<b>Total primary government expenses</b>	<b>\$ 94,484,148</b>	<b>\$ 102,420,966</b>	<b>\$ 95,949,775</b>	<b>\$ 94,710,015</b>	<b>\$ 90,196,678</b>	<b>\$ 92,346,820</b>	<b>\$ 86,034,576</b>	<b>\$ 91,704,206</b>	<b>\$ 87,035,408</b>	<b>\$ 87,267,888</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 2,333,233	\$ 4,068,360	\$ 1,983,176	\$ 2,114,853	\$ 3,139,208	\$ 2,660,459	\$ 417,889	\$ 377,054	\$ 349,516	\$ 378,402
Public safety	2,298,313	2,226,196	2,548,125	2,323,037	2,429,210	2,136,780	1,758,649	1,516,786	1,528,004	1,398,239
Community development	-	-	1,179,197.00	-	-	-	-	-	-	1,150,647.00
Parks, recreation, and cultural	534,834	587,291	485,483	3,228,325	828,110	899,689	1,337,638	505,314	1,213,806	1,000,247
Public works	2,152,880	2,051,314	4,940,139	2,382,772	861,338	994,082	1,254,749	1,505,903	3,389,613	3,394,330
Economic development	-	-	-	-	3,368,408.00	3,668,748.00	1,743,141.00	2,198,057.00	1,819,589.00	-
Operating grants and contributions	14,265,917	8,393,235	7,147,776	7,757,105	6,909,382	9,245,274	12,050,550	12,337,537	12,032,841	9,333,169
Capital grants and contributions	166,456	5,917,284	3,010,609	3,426,688	7,471,458	7,219,958	2,961,085	3,788,170	3,712,045	2,938,321
<b>Total governmental activities program revenues</b>	<b>21,751,633</b>	<b>23,243,680</b>	<b>21,294,505</b>	<b>21,232,780</b>	<b>25,007,114</b>	<b>26,824,990</b>	<b>21,523,701</b>	<b>22,228,821</b>	<b>24,045,414</b>	<b>20,593,355</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Water authority and sewer fund	2,957,009	3,165,031	2,985,694	6,318,772	6,761,971	6,573,474	6,301,092	6,579,007	6,651,294	6,876,895
<b>Operating Contributions and Grants:</b>										
Water authority and sewer fund	-	-	117,527	135,512	87,977	24,995	41,601	62,487	185,197	-
<b>Total business-type activities program revenues</b>	<b>2,957,009</b>	<b>3,165,031</b>	<b>3,103,221</b>	<b>6,454,284</b>	<b>6,849,948</b>	<b>6,598,469</b>	<b>6,342,693</b>	<b>6,641,494</b>	<b>6,836,491</b>	<b>6,876,895</b>
<b>Total primary government program revenues</b>	<b>\$ 24,708,642</b>	<b>\$ 26,408,711</b>	<b>\$ 24,397,726</b>	<b>\$ 27,687,064</b>	<b>\$ 31,857,062</b>	<b>\$ 33,423,459</b>	<b>\$ 27,866,394</b>	<b>\$ 28,870,315</b>	<b>\$ 30,881,905</b>	<b>\$ 27,470,250</b>
<b>Net (expense) revenue</b>										
Governmental activities	\$ (69,434,009)	\$ (76,015,245)	\$ (71,455,579)	\$ (67,495,078)	\$ (58,375,911)	\$ (59,321,703)	\$ (58,062,459)	\$ (63,472,240)	\$ (56,945,133)	\$ (60,716,853)
Business-type activities	(341,497)	2,990	(96,470)	472,127	36,295	398,342	(155,723)	638,349	794,630	919,215
<b>Total primary government net expense</b>	<b>\$ (69,775,506)</b>	<b>\$ (76,012,255)</b>	<b>\$ (71,552,049)</b>	<b>\$ (67,022,951)</b>	<b>\$ (58,339,616)</b>	<b>\$ (58,923,361)</b>	<b>\$ (58,218,182)</b>	<b>\$ (62,833,891)</b>	<b>\$ (56,150,503)</b>	<b>\$ (59,797,638)</b>
<b>General Revenues and Other Changes in Net Assets</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes, levied for general purposes	\$ 27,375,152	\$ 29,357,486	\$ 30,781,923	\$ 31,914,717	\$ 32,108,113	\$ 29,761,876	\$ 23,681,773	\$ 24,509,692	\$ 26,099,320	\$ 27,532,723
Transient occupancy taxes	326,312	315,076	306,710	273,128	266,460	277,629	298,784	318,023	379,991	419,552
Sales taxes	21,915,042	22,397,169	12,819,325	13,482,687	18,365,147	19,908,564	21,908,497	22,812,015	23,527,026	25,664,884
Franchise taxes	2,118,032	2,627,027	2,799,335	3,841,747	2,658,124	3,127,463	2,427,661	3,284,097	3,138,337	3,474,799
Business licenses taxes	-	-	60,319	135,156	143,629	132,044	2,024,962	2,183,836	2,110,351	2,501,208
Utility user taxes	8,744,118	8,820,706	8,477,622	7,850,115	7,436,906	7,129,350	7,087,818	7,134,428	7,177,685	6,869,855
Other taxes	717,016	2,496,140	2,145,353	2,080,476	496,829	403,452	508,683	608,814	587,024	681,879
<b>Intergovernmental, unrestricted:</b>										
Motor vehicle in-lieu	786,789	538,617	362,920	373,048	406,053	328,956	64,828	53,652	51,826	46,713
Use of money and property	5,359,739	5,987,192	5,010,702	4,915,268	1,366,333	1,822,085	1,302,410	1,146,044	1,103,442	1,160,164
Gain on sale of assets	-	-	-	-	-	-	-	-	-	-
Other	3,208,128	1,999,663	324,017	92,990	269,038	341,432	597,391	1,581,528	3,085,984	1,421,951
Special item	-	-	-	-	(864,036)	0	(929,376)	509,360	181,143	98,088
Transfers	-	-	-	-	200,000	283,612	200,000	296,273	100,000	1,265,708
<b>Total governmental activities</b>	<b>70,550,328</b>	<b>74,539,076</b>	<b>63,088,226</b>	<b>64,959,332</b>	<b>62,852,596</b>	<b>63,516,463</b>	<b>59,173,431</b>	<b>64,437,762</b>	<b>67,542,129</b>	<b>71,137,524</b>
<b>Business-type activities:</b>										
Property taxes, levied for general purposes	-	-	-	-	-	-	-	-	-	-
Investment earnings	107,997	111,021	57,847	60,528	53,387	25,894	42,639	47,440	43,243	60,936
Other	9,103	177,892	2,853	8,733	85,616	20,281	197,930	-	142	6,259
Transfers	-	-	-	-	(200,000)	(283,612)	(200,000)	(296,273)	(100,000)	(100,000)
<b>Total business-type activities</b>	<b>117,100</b>	<b>288,913</b>	<b>60,700</b>	<b>69,261</b>	<b>(60,997)</b>	<b>(237,437)</b>	<b>40,569</b>	<b>(248,833)</b>	<b>(56,615)</b>	<b>(32,805)</b>
<b>Total primary program</b>	<b>\$ 70,667,428</b>	<b>\$ 74,827,989</b>	<b>\$ 63,148,926</b>	<b>\$ 65,028,593</b>	<b>\$ 62,791,599</b>	<b>\$ 63,279,026</b>	<b>\$ 59,214,000</b>	<b>\$ 64,188,929</b>	<b>\$ 67,485,514</b>	<b>\$ 71,104,719</b>
<b>Change in Net Assets</b>										
Governmental activities	\$ 1,116,319	\$ (1,476,169)	\$ (8,367,353)	\$ (2,535,746)	\$ 4,476,685	\$ 4,194,760	\$ 1,110,972	\$ 965,522	\$ 10,596,996	\$ 10,420,671
Business-type activities	(224,397)	291,903	(35,770)	541,388	(24,702)	160,905	(115,154)	389,516	738,015	886,410
<b>Total primary government program</b>	<b>\$ 891,922</b>	<b>\$ (1,184,266)</b>	<b>\$ (8,403,123)</b>	<b>\$ (1,994,358)</b>	<b>\$ 4,451,983</b>	<b>\$ 4,355,665</b>	<b>\$ 995,818</b>	<b>\$ 1,355,038</b>	<b>\$ 11,335,011</b>	<b>\$ 11,307,081</b>

The City of El Monte implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.  
\* The 2011 and 2010 amounts represent a change in recognition of interest income and interest expense on loans between the General Fund and the Redevelopment Agency.

Source: Finance Department, City of El Monte

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Fund</b>										
Reserved	\$ 51,379,590	\$ 50,842,563	\$ 56,247,468	\$ 102,055,636						
Unreserved	11,931,805	5,273,348	1,100,064	4,160,710						
<b>Total general fund</b>	<b>\$ 63,311,395</b>	<b>\$ 56,115,911</b>	<b>\$ 57,347,532</b>	<b>\$ 106,216,346</b>						
<b>All other governmental funds</b>										
Reserved	\$ 29,115,933	\$ 27,687,724	\$ 26,364,717	\$ 26,280,794						
<b>Unreserved, reported in:</b>										
Special revenue funds	22,820,501	23,211,013	26,288,132	27,665,852						
Debt service funds	4,047,455	2,936,723	3,307,179	8,757,158						
Capital projects funds	(64,094,608)	(55,119,435)	(61,031,642)	(95,571,019)						
<b>Total all other governmental fund</b>	<b>\$ (8,110,719)</b>	<b>\$ (1,283,975)</b>	<b>\$ (5,071,614)</b>	<b>\$ (32,867,215)</b>						
<b>GASB 54 Fund Balance Classification:</b>										
<b>General Fund</b>										
Nonspendable					\$ 18,873,079	\$ 18,886,423	\$ 19,044,938	\$ 22,163,961	\$ 20,920,508	\$ 19,942,149
Restricted					-	-	-	501,994	370,531	524,431
Assigned					-	-	-	9,100,000	18,673,000	19,476,714
Unassigned					8,440,216	8,644,339	11,469,215	3,280,429	1,653,074	5,605,880
<b>Total general fund</b>					<b>27,313,295</b>	<b>27,530,762</b>	<b>30,514,153</b>	<b>35,046,384</b>	<b>41,617,113</b>	<b>45,549,174</b>
<b>All other governmental funds</b>										
Nonspendable					36,948,151	8,621,007	7,066,904	3,942,456	3,610,008	3,257,986
Restricted										
Special revenue funds					15,088,458	44,868,988	47,269,807	54,353,261	55,599,570	53,053,576
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	1,321,941	1,344,174
Committed					78,804,828	-	-	-	-	-
Unassigned					(92,056,922)	(915,551)	(1,054,062)	(1,833,890)	(2,696,066)	(722,118)
<b>Total all other governmental funds</b>					<b>54,814,303</b>	<b>66,514,365</b>	<b>64,314,483</b>	<b>57,817,886</b>	<b>57,835,453</b>	<b>56,933,618</b>
<b>Total Governmental Funds</b>					<b>\$ 82,127,598</b>	<b>\$ 94,045,127</b>	<b>\$ 94,828,636</b>	<b>\$ 92,864,270</b>	<b>\$ 99,452,566</b>	<b>\$ 102,482,792</b>

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

Source: Finance Department, City of El Monte

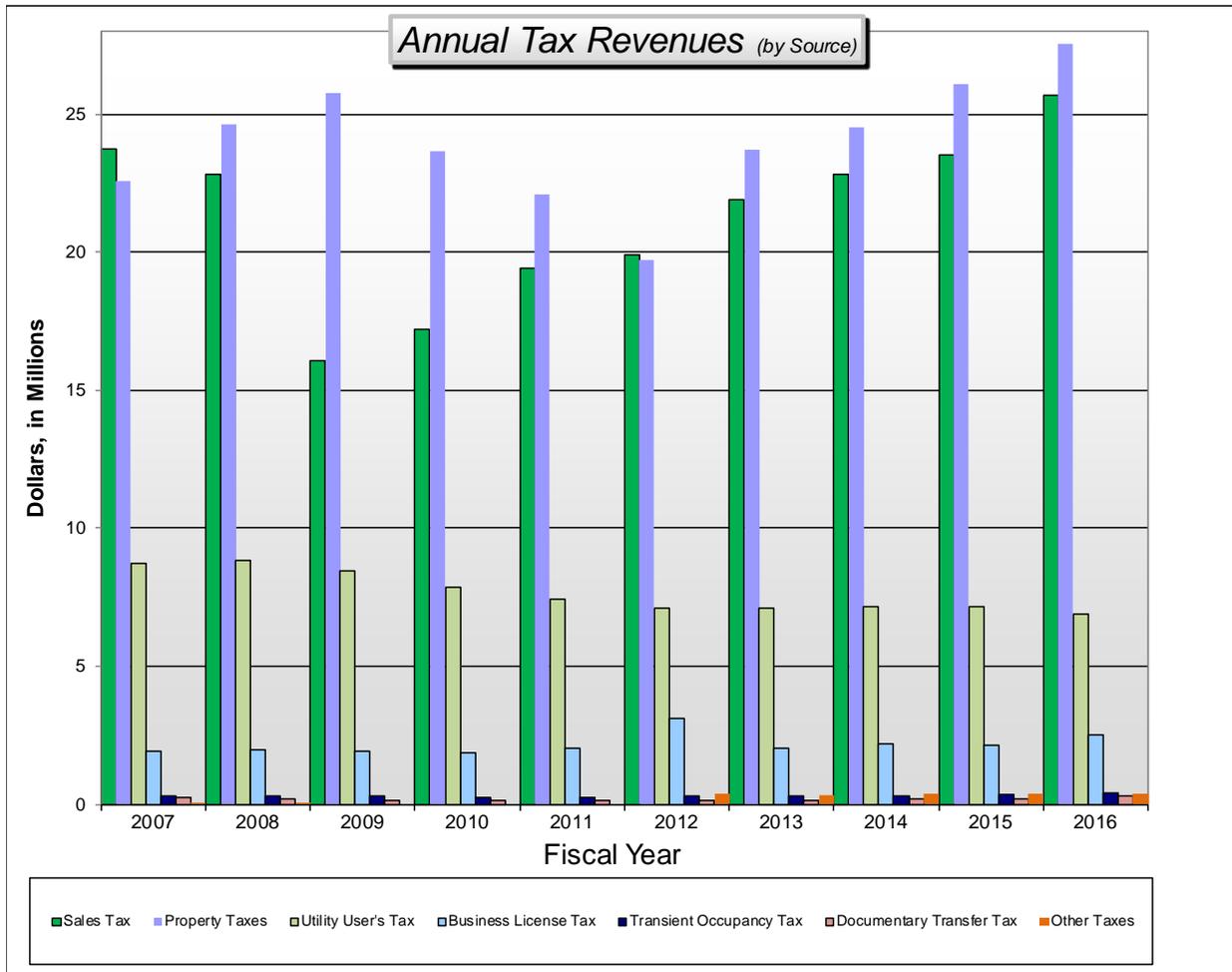
**City of El Monte**  
**Table 5 - Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
<b>Revenues</b>										
Taxes	\$ 63,543,334	\$ 65,000,743	\$ 60,272,665	\$ 63,467,593	\$ 64,650,097	\$ 65,332,159	\$ 62,277,534	\$ 65,841,564	\$ 67,674,576	\$ 70,695,250
Licenses and permits	3,077,238	3,135,488	6,853,145	2,517,044	2,643,806	2,518,997	762,214	986,933	1,482,638	1,413,277
Intergovernmental	12,783,195	14,855,965	7,059,621	10,164,303	15,543,494	13,218,295	10,862,667	10,322,262	8,368,013	9,841,472
Charges for services	3,027,193	2,937,085	2,366,960	2,980,376	2,747,434	2,760,338	3,019,053	3,866,329	4,790,410	4,205,638
Use of money and property	5,311,219	5,306,137	4,636,653	4,915,268	1,608,928	1,776,326	1,048,530	1,124,564	1,044,042	1,160,085
Fines and forfeitures	1,192,177	1,218,477	1,513,547	1,298,040	1,561,288	1,719,778	1,825,943	1,441,434	1,362,878	1,374,249
Contributions	273,891	456,021	494,993	203,687	193,006	199,637	181,140	89,920	405,663	610,934
Developer participation	-	1,482,986	-	-	-	-	-	-	-	-
Miscellaneous	1,331,028	987,590	547,653	4,488,670	2,549,143	2,531,484	2,454,371	2,218,961	5,656,492	2,275,396
Net Change in Fair Value of Investments	-	-	-	-	-	-	(929,376)	509,360	181,143	98,088
<b>Total revenues</b>	<b>90,539,275</b>	<b>95,380,492</b>	<b>83,745,237</b>	<b>90,034,981</b>	<b>91,497,196</b>	<b>90,057,014</b>	<b>81,502,076</b>	<b>86,401,327</b>	<b>90,965,855</b>	<b>91,674,389</b>
<b>Expenditures</b>										
<b>Current:</b>										
General government	30,300,361	36,713,532	30,959,376	35,030,299	27,553,572	29,329,966	19,542,961	20,934,236	20,430,156	22,019,727
Public safety	36,612,697	39,293,878	34,716,300	28,728,032	31,049,574	29,393,872	31,562,378	33,276,479	34,296,919	34,910,924
Parks, recreation and cultural	5,085,450	5,510,146	4,541,136	4,003,571	4,522,463	3,076,821	2,957,309	2,734,176	2,956,668	2,933,995
Public works	4,209,203	6,535,553	7,818,511	5,445,472	7,622,183	7,941,927	10,317,511	11,215,809	12,659,130	15,010,029
Economic development	-	-	-	-	3,703,687	3,431,716	3,984,763	5,430,664	2,694,122	1,740,963
Capital outlay	9,995,244	5,256,934	3,891,957	5,992,383	21,923,576	12,762,314	7,862,196	7,288,106	6,785,299	7,598,789
<b>Debt Service:</b>										
Principal retirement	2,339,751	9,732,787	1,630,725	2,221,482	1,942,000	1,853,000	1,602,000	1,701,000	1,876,000	3,028,000
Interest and fiscal charges	5,760,158	5,577,604	5,649,471	6,029,713	1,806,114	3,469,859	2,531,116	2,631,674	2,588,865	2,467,444
Bond issuance cost	-	1,515,390	-	-	908,543	-	-	166,147	-	-
Payment to refunded bond escrow agent	-	2,152,727.00	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>94,302,864</b>	<b>112,288,551</b>	<b>89,207,476</b>	<b>87,450,952</b>	<b>101,031,712</b>	<b>91,259,475</b>	<b>80,360,234</b>	<b>85,378,291</b>	<b>84,287,159</b>	<b>89,709,871</b>
<b>Revenues over (under) expenditures</b>	<b>(3,763,589)</b>	<b>(16,908,059)</b>	<b>(5,462,239)</b>	<b>2,584,029</b>	<b>(9,534,516)</b>	<b>(1,202,461)</b>	<b>1,141,842</b>	<b>1,023,036</b>	<b>6,678,696</b>	<b>1,964,518</b>
<b>Other Financing Sources (Uses)</b>										
Transfers in	4,154,344	7,294,579	6,074,214	10,250,309	19,367,784	9,367,779	7,459,364	15,368,873	9,939,319	5,266,600
Transfers out	(4,154,344)	(10,294,579)	(6,074,214)	(10,250,309)	(19,417,784)	(9,384,167)	(7,559,364)	(15,263,000)	(4,029,719)	(5,366,600)
Transfers from Successor Agency	-	-	-	-	-	-	-	-	-	1,165,708
Refunding bonds issued	-	30,090,000	-	-	-	-	-	4,803,723	-	-
Notes and loans issued	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	-	-	-	(70,593.00)	(894,193.00)	-	-	-	-	-
<b>Net other financing sources (uses)</b>	<b>1,228,691</b>	<b>14,470,160</b>	<b>19,499</b>	<b>379,489</b>	<b>18,310,807</b>	<b>9,983,612</b>	<b>200,000</b>	<b>536,925</b>	<b>(90,400)</b>	<b>1,065,708</b>
<b>Change in fund balances</b>	<b>\$ (2,534,898)</b>	<b>\$ (2,437,899)</b>	<b>\$ (5,442,740)</b>	<b>\$ 2,963,518</b>	<b>\$ 8,776,291</b>	<b>\$ 8,781,151</b>	<b>\$ 1,341,842</b>	<b>\$ 1,559,961</b>	<b>\$ 6,588,296</b>	<b>\$ 3,030,226</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>9.39%</b>	<b>14.17%</b>	<b>8.46%</b>	<b>9.77%</b>	<b>4.71%</b>	<b>6.67%</b>	<b>5.54%</b>	<b>5.51%</b>	<b>5.72%</b>	<b>6.76%</b>

Source: Finance Department, City of El Monte

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

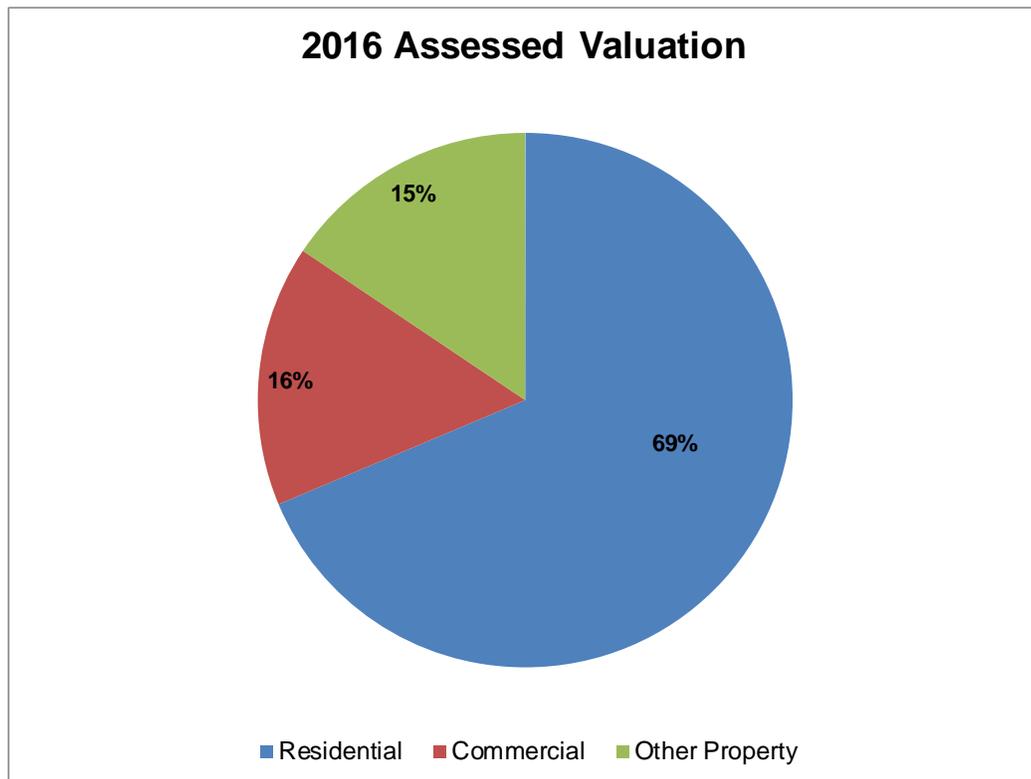
Fiscal Year	Property Taxes	Documentary Transfer Tax	Business License Tax	Utility User's Tax	Transient Occupancy Tax	Sales Tax	Other Taxes	Total
2007	\$ 22,582,996	\$ 266,729	\$ 1,935,003	\$ 8,744,118	\$ 326,312	\$23,732,619	\$ 30,193	\$54,519,680
2008	24,601,338	174,847	1,999,419	8,820,706	315,076	22,790,292	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
2015	26,099,320	179,949	2,110,351	7,177,685	379,991	23,527,026	407,075	59,881,397
2016	27,532,723	285,002	2,501,208	6,869,855	419,552	25,664,884	396,877	63,670,101



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

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

Fiscal Year	Real Property		Other Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value (1)
	Residential	Commercial					
2006	\$3,026,168,369	\$ 689,874,221	\$ 932,736,944	\$ 38,423,340	\$ 4,610,356,194	0.33015%	\$ 4,610,356,194
2007	3,420,937,638	779,987,905	1,022,742,963	42,927,022	5,180,741,484	0.34297%	5,180,741,484
2008	3,754,978,088	841,808,323	1,065,634,917	42,862,053	5,619,559,275	0.34048%	5,619,559,275
2009	3,955,072,498	894,157,102	1,086,518,219	41,041,565	5,894,706,254	0.35048%	5,894,706,254
2010	3,836,445,196	967,476,562	1,179,202,504	46,540,442	5,936,583,820	0.36092%	5,936,583,820
2011	3,801,709,215	940,004,168	1,120,153,954	49,631,071	5,812,236,266	0.35572%	5,812,236,266
2012	3,862,423,779	947,932,740	1,048,968,931	49,041,796	5,810,283,654	0.34806%	5,810,283,654
2013	3,924,119,452	965,154,088	1,041,804,256	58,039,660	5,873,038,136	0.34797%	5,873,038,136
2014	4,089,110,471	980,098,697	1,044,567,594	56,126,462	6,057,650,300	0.24770%	6,057,650,300
2015	4,327,685,408	1,018,947,908	1,217,554,355	55,404,795	6,345,825,284	0.24785%	6,345,825,284
2016	4,502,784,697	1,036,602,565	1,022,161,177	(52,992,652)	6,614,541,091	0.24776%	6,614,541,091



(1) Assessed Value is equal to Estimated Taxable Value and Actual Value  
Source: HdL Coren & Cone, Los Angeles County Assessor 2015/16 Combined Tax Rolls

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

Fiscal Year	City Direct Rates			Overlapping Rates						Total Direct & Overlapping Rates
	General City	Debt Service	Total Direct	LA County General	Flood Control District	Community College	School Districts	Water Districts	Total Overlapping	
2006	1.000	0.150	1.150	0.001000	0.000000	0.018000	0.135000	0.005000	0.159000	1.309000
2007	1.000	0.150	1.150	0.001000	0.000000	0.015000	0.122000	0.005000	0.143000	1.293000
2008	1.000	0.150	1.150	0.000000	0.000000	0.014000	0.109000	0.005000	0.127000	1.277000
2009	1.000	0.150	1.150	0.000000	0.000000	0.023000	0.125000	0.004000	0.152000	1.302000
2010	1.000	0.150	1.150	0.000000	0.000000	0.027000	0.216000	0.004000	0.247000	1.397000
2011	1.000	0.150	1.150	0.000000	0.000000	0.034000	0.209000	0.004000	0.247000	1.397000
2012	1.000	0.150	1.150	0.000000	0.000000	0.054000	0.374000	0.004000	0.432000	1.582000
2013	1.000	0.150	1.150	0.000000	0.000000	0.049000	0.375000	0.004000	0.427000	1.577000
2014	1.000	0.150	1.150	0.000000	0.000000	0.047910	0.435920	0.004000	0.487830	1.637830
2015	1.000	0.150	1.150	0.000000	0.000000	0.038530	0.301260	0.004000	0.343790	1.493790
2016	1.000	0.150	1.150	0.000000	0.000000	0.035840	0.487940	0.003500	0.527280	1.677280

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

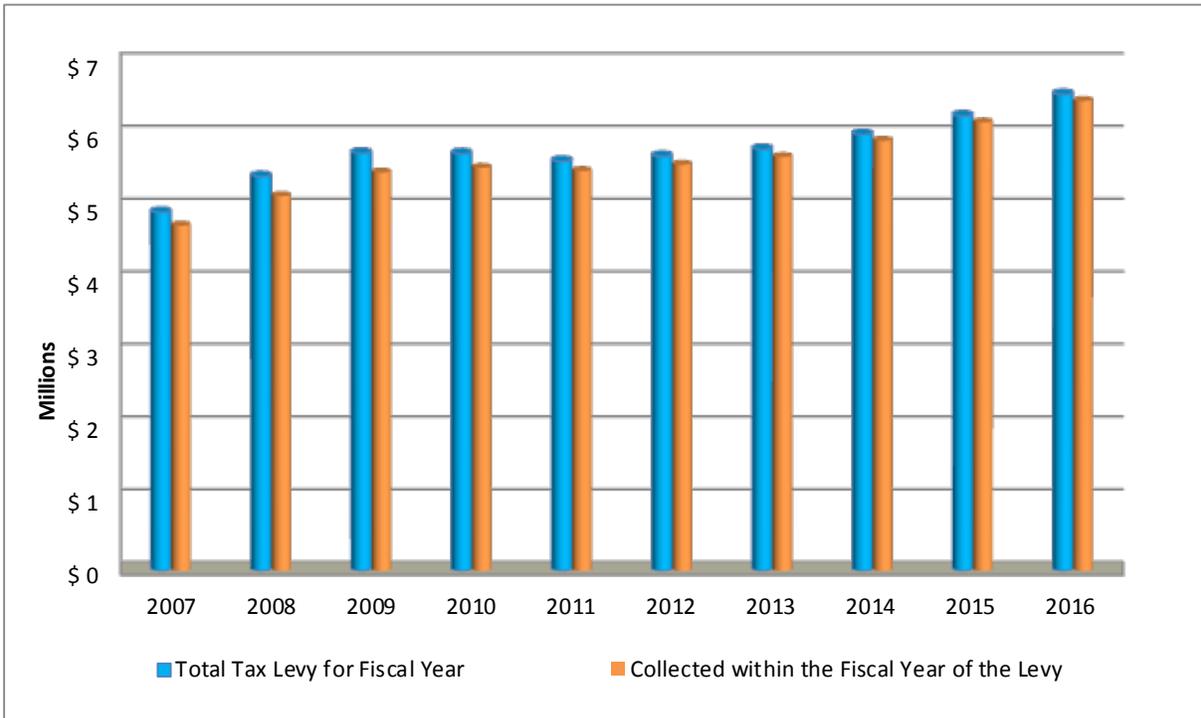
**City of El Monte**  
**Table 9 - Principal Property Taxpayers**  
**Current year and Ten Years Ago**

Taxpayer	2016			2007		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed	Rank	Percentage of Total Taxable Assessed Value
	Value (USD)			Value (USD)		
Wells Fargo Bank	\$ 43,019,243	1	0.65 %	37,708,580	3	0.71 %
GLC El Monte LLC	40,266,703	2	0.61 %			
Penske Realty Inc.	39,847,388	3	0.60 %	35,476,334	4	0.67 %
Multi Investment Associates	36,541,706	4	0.55 %	27,231,589	7	0.51 %
KW Telstar LLC	35,226,131	5	0.53 %			
Safeway Inc.	33,542,938	6	0.51 %			
Cathay Bank	26,640,737	8	0.40 %			
Pace Center LLC	25,171,484	9	0.38 %			
Gill Properties LLC	24,660,241	10	0.37 %			
Vons Companies Inc.				54,427,859	1	1.02 %
Xebec Building Company, LLC				49,841,136	2	0.94 %
DL Telstar Limited Partnership				34,833,000	5	0.65 %
KM El Monte Investors LLC				29,373,887	6	0.55 %
Navcom Defense Electronics, Inc.				20,449,962	8	0.38 %
Gregg Industries				19,490,495	9	0.37 %
GRE Arden Way Limited Partnership				19,052,770	10	0.36 %
Other TaxPayers	6,309,624,520		95.39 %	4,994,158,049		93.84 %
<b>Totals</b>	<b>6,614,541,091</b>		<b>100.00 %</b>	<b>5,322,043,661</b>		<b>100.00 %</b>

Source: HdL Coren & Cone, Los Angeles County Assessor 2015/16 Combined Tax Rolls and the SBE Non-Unitary Roll

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

<b>Year Ending June 30</b>	<b>Total Tax Levy for Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>	<b>Percentage of Levy</b>	<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	<b>Percentage of Levy</b>
<b>2007</b>	\$ 4,933,742	\$ 4,748,972	100.00 %	\$ 160,291	\$ 4,909,263	100.00 %
<b>2008</b>	5,425,596	5,156,381	100.00 %	237,675	5,394,056	100.00 %
<b>2009</b>	5,745,854	5,478,542	100.00 %	217,362	5,695,904	100.00 %
<b>2010</b>	5,739,762	5,544,085	100.00 %	78,066	5,622,151	100.00 %
<b>2011</b>	5,634,364	5,500,041	97.62 %	62,193	5,562,234	98.72 %
<b>2012</b>	5,703,916	5,585,883	97.93 %	76,733	5,662,616	99.28 %
<b>2013</b>	5,797,183	5,693,897	98.22 %	63,949	5,757,846	99.32 %
<b>2014</b>	6,003,620	5,915,751	98.54 %	81,628	5,997,379	99.90 %
<b>2015</b>	6,258,243	6,168,751	98.57 %	67,921	6,236,672	99.66 %
<b>2016</b>	6,554,310	6,462,057	98.59 %	61,646	6,523,703	99.53 %



Source: Los Angeles County Auditor-Controller

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

Fiscal Year	Governmental Activities					Business-type	Total Primary Government	% of Personal Income(1)	Per-Capita (1)
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds (2)	Notes and Loans Payable	Capital Leases	Revenue Bonds			
2007	\$ 3,195,000	\$ 8,510,000	\$ 17,745,000	\$ -	\$ 1,079,032	\$ 18,805,000	\$ 49,334,032	0.00%	391
2008	-	7,915,000	29,340,000	-	567,812	18,610,000	56,432,812	0.00%	448
2009	-	7,285,000	28,670,000	9,658,620	446,782	18,225,000	64,285,402	0.00%	521
2010	-	5,930,000	27,975,000	8,977,527	422,810	17,430,000	60,735,337	0.00%	552
2011	19,255,000	5,930,000	27,250,000	9,427,527	397,449	17,430,000	79,689,976	0.00%	724
2012	29,065,000	5,205,000	-	7,621,000	370,617	17,010,000	59,271,617	3.64%	521
2013	28,755,000	4,435,000	-	7,399,000	342,230	16,570,000	57,501,230	3.53%	505
2014	28,430,000	3,920,000	-	6,843,000	312,197	16,120,000	55,625,197	3.30%	483
2015	28,090,000	3,125,000	-	6,252,000	280,423	15,655,000	53,402,423	3.17%	464
2016	27,730,000	2,170,000	-	4,389,000	-	15,170,000	49,459,000	2.86%	434

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, 2016**

	Gross Bonded Debt Balance	Percent Applicable to City (1)	Net Bonded Debt (2)
<b>Direct Debt:</b>			
Net Pension Obligation	\$ 122,237,053	100.000	\$ 122,237,053
Other Obligations	80,980,406	100.000	80,980,406
<b>Total Direct Debt</b>			<b><u>\$ 203,217,459</u></b>
<b>Overlapping Debt:</b>			
Metropolitan Water District	\$ 44,916,916	0.571	\$ 256,383
El Monte School District 2004 Series B	1,835,991	62.614	1,149,592
El Monte City SD DS 2004 Series D (2009)	7,620,000	62.614	4,771,208
El Monte School District DS 2008 Series A	5,998,159	62.614	3,755,704
El Monte School District DS 2008 Series A-1 BABS	18,540,000	62.614	11,608,687
El Monte School District DS 2015	45,590,000	62.614	28,545,849
El Monte School District DS 2012 Refunding Bonds	9,068,273	62.614	5,678,034
El Monte School District DS 2008 Series A	29,360,000	62.614	18,383,552
Rosemead School District DS 2007 Series D	1,230,000	14.842	182,556
Rosemead School District DS 2008 Series A	7,880,000	14.842	1,169,548
Rosemead School District DS 2011 Refunding Bonds	5,295,000	14.842	785,883
Rosemead School District DS 2012 Refunding Bonds	8,216,503	14.842	1,219,492
Rosemead School District DS 2008 Series T 1	6,180,000	14.842	917,234
Rosemead School District DS 2014 Refunding Bonds	12,800,000	14.842	1,899,773
El Monte Union High School District 2002 Series A	1,772,970	52.490	930,635
El Monte Union High School District 2006 Refund Bonds	30,241,492	52.490	15,873,817
El Monte Union High School District 2002 Series C	26,525,000	52.490	13,923,023
El Monte Union High School District DS 2008 Series A	28,315,000	52.490	14,862,598
El Monte Union High School District DS 2008 Series B	53,785,000	52.490	28,231,849
Pasadena CCD DS 2006 Series B	1,740,000	1.881	32,735
Pasadena CCD DS 2002, 2006 SERIES D	6,870,000	1.881	129,245
Pasadena CCD 2002, 2009 SERIES E (BABS)	25,295,000	1.881	475,874
Pasadena CCD DS2014 Refunding Series A	50,725,000	1.881	954,288
Rio Hondo CCD DS 2005 Refunding Bonds	38,880,000	15.645	6,082,753
Rio Hondo CCD DS 2004 Series 2008	120,082,824	15.645	18,786,885
<b>Total - Overlapping Debt</b>	<b><u>\$ 588,763,128</u></b>		<b><u>\$ 180,607,197</u></b>
<b>Grand Total Direct and Overlapping Debt</b>			<b><u>\$ 383,824,656</u></b>

**2015/16 Assessed Valuation:** **\$ 5,858,159,942.00** after deducting **\$743,851,836** Incremental Value.

**Debt to Assessed Valuation Ratios:**

Direct debt	3.47%
Overlapping Debt	3.08%
Total Debt	6.55%

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed value	\$ 6,614,541,091
Debt limit (15% of assessed value)	992,181,164
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	<u>992,181,164</u>
Legal debt margin	<u>\$ 992,181,164</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>
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%
2015	951,873,793	-	951,873,793	100.00%
2016	992,181,164	-	992,181,164	100.00%

Source: City of El Monte Finance Department

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

<b>Water Revenue Bonds</b>								
<b>Fiscal Year</b>	<b>Gross Revenues</b>	<b>Rate Stabilization Fund</b>	<b>Less: Net Operating Expenses</b>	<b>Net Revenues</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>	
2007	\$ 2,966,112	\$ 400,000	\$ 1,982,031	\$ 1,384,081	\$ 205,000	\$ 703,030	1.52	
2008	3,165,031	400,000	2,039,591	1,525,440	215,000	693,600	1.68	
2009	2,985,694	400,000	2,077,333	1,308,361	385,000	831,095	1.08	
2010	2,922,555	400,000	1,731,545	1,591,010	390,000	817,822	1.32	
2011	3,256,851	400,000	1,929,974	1,726,877	405,000	804,008	1.43	
2012	3,266,501	403,422	1,879,627	1,790,296	420,000	789,465	1.48	
2013	3,423,700	403,422	1,924,815	1,902,307	445,000	774,100	1.56	
2014	3,199,184	403,422	2,007,543	1,595,063	450,000	784,320	1.29	
2015	3,353,355	403,445	2,081,396	1,675,404	465,000	740,801	1.39	
2016	3,436,627	403,471	2,172,752	1,667,346	485,000	747,709	1.35	

<b>Tax Allocation Bonds</b>					
<b>Fiscal Year</b>	<b>Tax Increment</b>	<b>Principal</b>	<b>Interest</b>	<b>Coverage</b>	
2007	\$ 4,770,182	\$ 545,000	\$ 1,159,388	2.80	
2008	3,349,188	750,000	1,235,832	1.69	
2009	6,709,829	670,000	1,326,361	3.36	
2010	6,603,164	695,000	1,299,421	3.31	
2011	6,803,496	725,000	1,271,411	3.41	
2012	-	-	-		
2013	-	-	-		
2014	-	-	-		
2015	-	-	-		
2016	-	-	-		

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

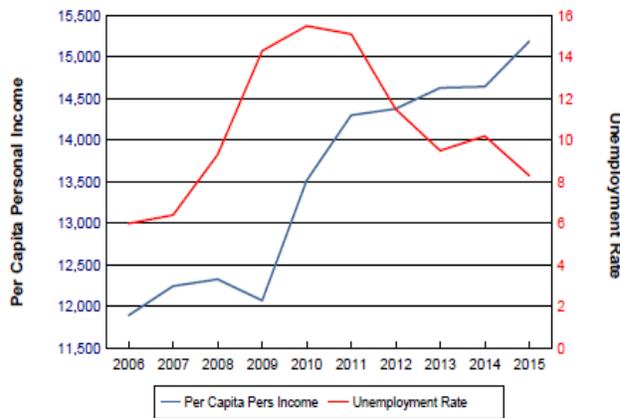
Expenditures do not include interest, depreciation or amortization expense

Source: Finance Department, City of El Monte

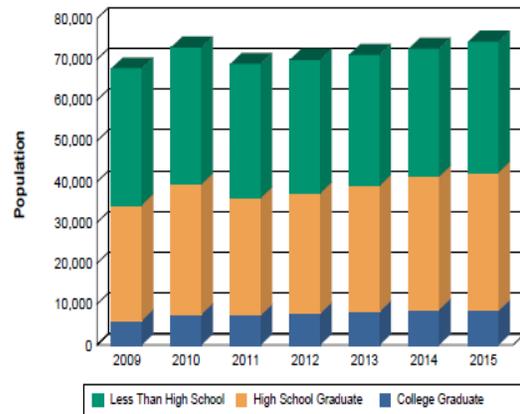
**City of El Monte**  
**Table 15 - Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

Calendar Year	Population <sup>(1)</sup>	Personal Income (thousands of dollars) <sup>(2)</sup>	Per-Capita Personal Income <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	Unemployment Rate <sup>(4)</sup>	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2006	124,880	\$1,485,561	\$11,896	21,317	6.00%			
2007	125,077	\$1,531,851	\$12,247	20,813	6.00%			
2008	125,136	\$1,542,736	\$12,328	20,246	9.00%			
2009	125,842	\$1,519,400	\$12,074	20,320	14.00%	27.4	50.6%	8.9%
2010	126,464	\$1,709,414	\$13,517	19,966	16.00%	30.9	54.0%	10.4%
2011	113,912	\$1,628,942	\$14,300	19,164	15.00%	31.6	52.3%	10.7%
2012	114,436	\$1,645,361	\$14,378	18,893	12.00%	32.2	53.2%	11.1%
2013	115,064	\$1,683,501	\$14,631	26,729	10.00%	32.8	54.9%	11.6%
2014	115,118	\$1,685,788	\$14,644	26,362	10.00%	33.5	56.8%	12.0%
2015	113,885	\$1,729,787	\$15,188	25,764	8.30%	34.7	56.9%	11.3%

**Personal Income and Unemployment**



**Education Level Attained for Population 25 and Over**



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

**Note:** Data are based on information provided by HdL Coren & Cone on calendar year basis. For example, fiscal year 2015 data is from calendar year 2014.

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

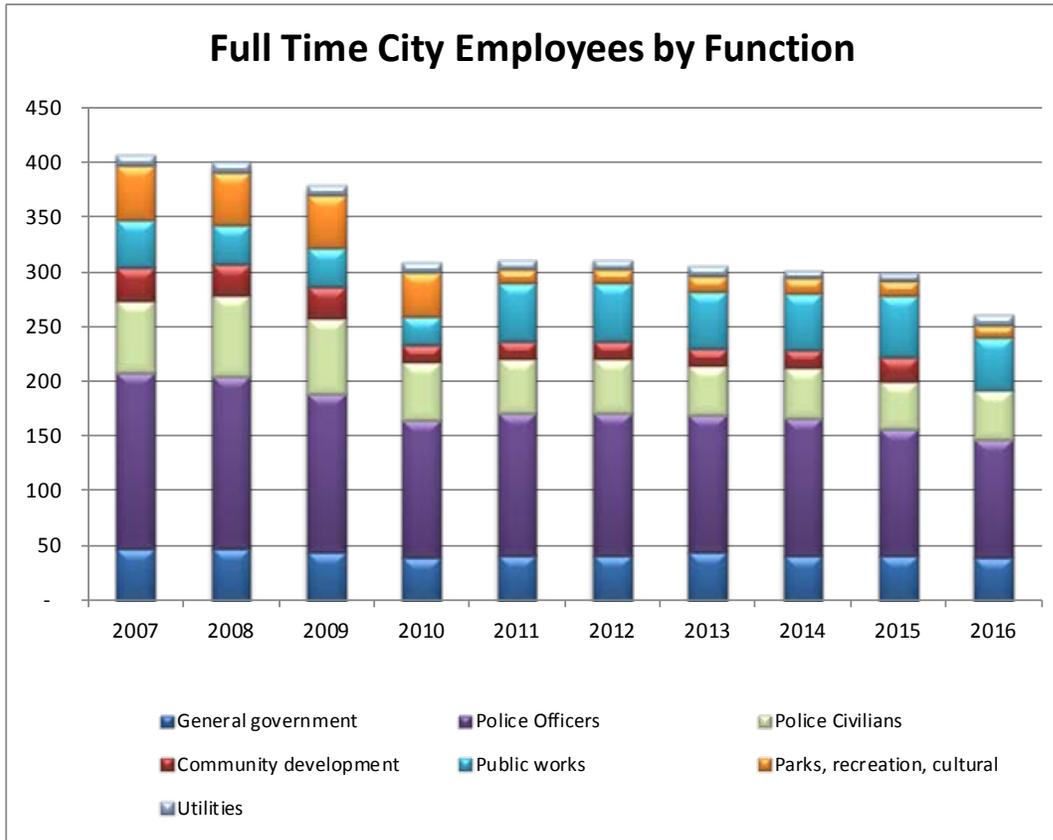
Employer	2016			2009		
	Employees	Percentage of Total City Employment	Rank	Employees	Percentage of Total City Employment	Rank
El Monte City Elementary District	1090	1.879%	1			
Mountain View Elementary	919	1.584%	2	1007	1.232%	3
Longo Toyota - Lexus	849	1.464%	3	600	0.734%	5
El Monte Union High School District	778	1.341%	4	1742	2.132%	2
McGill Corporation	440	0.759%	5	250	0.306%	9
San Gabriel Transit	397	0.684%	6			
City of El Monte	277	0.478%	7	526	0.644%	6
Driftwood Dairy	250	0.431%	8	250	0.306%	7
El Monte Adult School	206	0.355%	9			
Wells Fargo Bank				1800	2.203%	1
Vons Companies, Inc				736	0.901%	4
Cathay Bank				250	0.306%	8
<b>Total</b>	<b>5,206</b>	<b>8.976%</b>		<b>7,161</b>	<b>8.764%</b>	
<b>Total Employment</b>	<b>58,000</b>	<b>100%</b>		<b>81,707</b>		

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

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

**City of El Monte, California**  
**Table 17 - Full-Time Equivalent City Government Employees by Function**  
**Last Ten Fiscal Years**

<u>Function</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>	<u>2015</u>	<u>2016</u>
<b>General government</b>	47	48	44	39	42	42	44	41	41	39
<b>Public Safety</b>										
<b>Police Officers</b>	161	156	145	126	129	129	125	126	116	108
<b>Police Civilians</b>	65	75	69	53	50	50	46	45	43	45
<b>Community development</b>	31	28	29	15	16	16	15	17	22	16
<b>Public works</b>	43	36	35	26	53	53	52	51	56	48
<b>Parks, recreation, cultural</b>	50	47	48	41	12	12	14	14	14	11
<b>Utilities</b>	10	10	9	9	9	9	9	7	7	10
<b>Total full-time equivalent positions</b>	<b><u>407</u></b>	<b><u>400</u></b>	<b><u>379</u></b>	<b><u>309</u></b>	<b><u>311</u></b>	<b><u>311</u></b>	<b><u>305</u></b>	<b><u>301</u></b>	<b><u>299</u></b>	<b><u>277</u></b>



Source: Finance Department, City of El Monte

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

Function	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police Department</b>								
Physical arrests	3,741	3,128	3,126	3,103	3,272	3,370	3,398	3,443
Parking violations	26,716	18,686	20,893	18,885	17,719	12,230	17,126	15,374
Moving violations	13,914	11,384	12,454	4,682	4,476	4,122	4,129	2,802
<b>Water Department</b>								
Total number of customers	22,828	22,722	22,722	22,700	22,968	23,760	22,968	23,653
Average daily consumption	23,400	20,900	20,900	20,900	20,900	20,840	18,507	16,275

Source: Finance and Police Departments, City of El Monte

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

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

**Source: Various departments, City of El Monte**

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Service connection fee - 1 inch meter</b>	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
<b>Monthly Service Charge</b>										
Meter Size										
0 - 75 units <sup>(1)</sup>	\$ 0.1449	\$ 0.1517	\$ 0.1567	\$ 0.1567	\$ 0.1567	\$ 0.1567	\$ 0.1567	\$ 0.1567		
over 75 units	0.2203	0.2307	0.2384	0.2384	0.2384	0.2384	0.2384	0.2384		
0 - 125 units									0.1950	0.2140
over 125 units									0.3380	0.3700
- Domestic Service										
Meter Size										
5/8 "	\$ 12.3200	\$ 12.9000	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 13.3300	\$ 17.3300	\$ 18.9800
1.0 "	26.7200	27.9800	28.9100	28.9100	28.9100	28.9100	28.9100	28.9100	37.5800	41.1500
1.5 "	53.4500	55.9600	57.8100	57.8100	57.8100	57.8100	57.8100	57.8100	75.1500	82.2900
2.0 "	85.6500	89.6800	92.6400	92.6400	92.6400	92.6400	92.6400	92.6400	120.4300	131.8700
3.0 "	160.3200	167.8500	173.3900	173.3900	173.3900	173.3900	173.3900	173.3900	225.4100	246.8200
4.0 "	267.2000	279.7600	289.0000	289.0000	289.0000	289.0000	289.0000	289.0000	375.7000	411.3900
6.0 "	534.3900	559.5100	577.9800	577.9800	577.9800	577.9800	577.9800	577.9800	751.3700	822.7500
8.0 "	855.0200	895.2000	924.7500	924.7500	924.7500	924.7500	924.7500	924.7500	1,202.1800	1,316.3800
10.0 "	1,229.1000	1,286.8700	1,329.3400	1,329.3400	1,329.3400	1,329.3400	1,329.3400	1,329.3400	1,728.1400	1,892.3200
- Fire Service										
Meter Size										
2.0 "	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.0600	\$ 37.6100	\$ 41.1900
3.0 "	69.4300	69.4300	69.4300	69.4300	69.4300	69.4300	69.4300	69.4300	70.4600	77.1600
4.0 "	115.7200	115.7200	115.7200	115.7200	115.7200	115.7200	115.7200	115.7200	117.4400	128.6000
6.0 "	220.6600	220.6600	220.6600	220.6600	220.6600	220.6600	220.6600	220.6600	223.9300	245.2000
8.0 "	370.3100	370.3100	370.3100	370.3100	370.3100	370.3100	370.3100	370.3100	375.8000	411.5100
10.0 "	534.1100	534.1100	534.1100	534.1100	534.1100	534.1100	534.1100	534.1100	542.0300	593.5200

<sup>(1)</sup> Unit is equal to 100 gallons.

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

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

Customer	2016			2009		
	Total Revenue	Percentage of Total Water Revenue	Rank	Total Revenue	Percentage of Total Water Revenue	Rank
Driftwood Dairy	\$ 148,088	4.32 %	1	\$ 37,335	1.25 %	3
Los Angeles County Metropolitan Transportation Authority	53,232	1.55 %	2	52,184	1.75 %	2
David Wasserman	35,404	1.03 %	3	23,169	0.78 %	6
Mike Nijjar	26,734	0.78 %	4	22,499	0.75 %	7
TDF- LP	26,188	0.76 %	5			
El Monte Union High School District	25,747	0.75 %	6			
Los Angeles County Location 1	23,803	0.69 %	7	20,914	0.70 %	8
Los Angeles County Location 2	23,567	0.69 %	8			
Los Angeles County Metropolitan Transportation Authority	22,902	0.67 %	9			
Robert Maslow	17,797	0.52 %	10			
Valet Services Location 1				59,136	1.98 %	1
Valet Services Location 2				28,306	0.95 %	4
Valet Services Location 3				25,837	0.87 %	5
City of El Monte - Pioneer Park				17,509	0.59 %	9
Hermetic Seal				15,987	0.54 %	10
Other Customers	<u>3,024,144</u>	<u>88.23 %</u>		<u>2,682,818</u>	<u>89.86 %</u>	
Total Water Sales and Service Revenue	<u>\$ 3,427,606</u>	100.00 %		<u>\$2,985,694</u>	87.11 %	

Source: Finance Department, City of El Monte



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