

**Comprehensive Annual Financial Report
City of El Monte, California
Year ended June 30, 2013
With Report of Independent Auditors**

Prepared by: Finance Department

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CITY OF EL MONTE

CITY MANAGER'S OFFICE

Raúl Godínez II
City Manager

Jesus M. Gomez
Assistant City Manager

December 12, 2013

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, 2013. 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.

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, 2013 are free of material misstatements. The audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall presentation of financial statements.

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

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

The CAFR is composed of three major sections: The introductory section, the financial statements, and the statistical section. The introductory section includes the letter of transmittal and the organizational chart of the City and its elected officials. The financial statements comprise of the MD&A, the government-wide financial statements (Statement of Net Position and Statement of Activities) and the fund financial statements (the Balance Sheets, the Statements of Revenues, Expenditures/Expenses and Changes in Fund Balances/Net Position). Additional details are described in the attached Notes to the Financial Statements. This section also includes the Independent Auditor's 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 and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain understanding of the City's financial affairs have been included.

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 auditor, Vasquez & Company, LLP, for its 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 the unfailing patience and support.

Respectfully submitted,


RAÚL GODÍNEZ II
City Manager

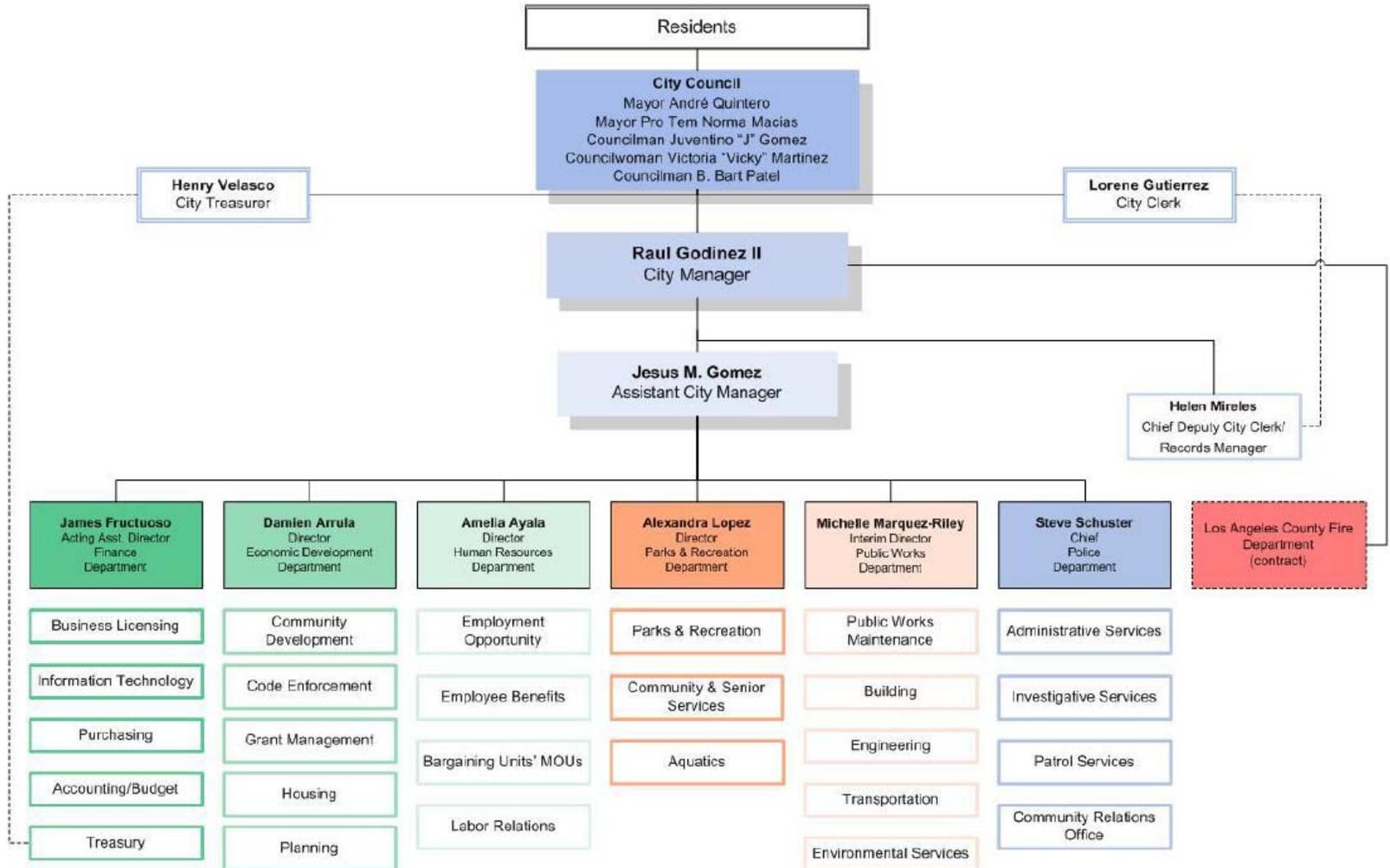
CITY OF EL MONTE

ELECTED OFFICIALS

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

ADMINISTRATIVE STAFF

CITY MANAGERRAUL GODINEZ II
ASSISTANT CITY MANAGER JESUS M. GOMEZ
POLICE CHIEF STEVE SCHUSTER
INTERIM ASSISTANT FINANCE DIRECTOR JAMES FRUCTOUSO
INTERIM DIRECTOR OF PUBLIC WORKS MICHELLE MARQUEZ-RILEY
ECONOMIC DEVELOPMENT DIRECTOR DAMIEN ARRULA
COMMUNITY SERVICES DIRECTORALEXANDRA LOPEZ
HUMAN RESOURCES DIRECTORAMELIA AYALA



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, 2013, 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, 2013, and the respective changes in financial position, and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 14 and budgetary comparison information and funded status of pension and other postemployment benefit plans on pages 80 through 84 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 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 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.

Implementation of New Accounting Standards

As disclosed in the Note 1 to the financial statements, the City of El Monte implemented Governmental Accounting Standards Board (GASB) Statement Nos. 61 and 63 and implemented GASB Statement No. 65 in advance during the fiscal year 2013. Among these new GASB Statements, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, has significant impact over the City of El Monte's financial statements. Our opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013, 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.

Vargay + Company LLP

**Los Angeles, California
December 12, 2013**

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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, 2013. 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 City's combined assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources for fiscal year 2012-13 by \$480 million. The City's total net position decreased by \$3 million over fiscal year 2011-12.
- During the year, the City had revenues that were \$3 million lesser than the \$83.6 million in expenses recorded by the City in its governmental activities.
- In fiscal year 2012-2013, the City's business-type activities (water and sewer) expenses exceeded revenues by \$115,000. A total of \$6.5 million in expenses was recorded for the Water and the Sewer Funds.

USING THIS ANNUAL REPORT

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

This annual report comprises 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 elected officials and management. The financial section provides the Government-wide Financial Statements, the Fund Financial Statements and the Management's Discussion and Analysis (MD&A). Additional details are described in the Notes to the Financial Statements. Finally, the statistical section provides financial trend information based on the information presented in this fiscal year and prior years' annual reports as well as demographic information about the City.

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

REPORTING THE CITY AS A WHOLE

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

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

Statement of Net Position presents information on all of the City's assets, liabilities and deferred inflows and outflows. Deferred inflows of resources are defined as the acquisition of net assets applicable to a future reporting period while deferred outflows of resources are defined as the consumption of net assets applicable to a future reporting period. The difference between assets plus deferred outflows of resources less liabilities and deferred inflows of resources 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 provides a snapshot of the City's annual operating revenues and expenses and the impact of net operating income (deficit) on the Net Position of the City. Revenues include property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies and other revenues that finance the City's activities. The Statement of Activities covers all of the current year's revenues and expenses taken into account regardless of when cash is received or paid.

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

Governmental Activities – The majority of the City's 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
- Nonmajor Governmental Funds

Proprietary Funds

- Water Fund
- Sewer Fund
- Self-Insurance Fund

Fiduciary Funds

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

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

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

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

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

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

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

RESULTS OF OPERATIONS

Statement of Net Position - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. When compared to the prior year, the City's net position for this fiscal year decreased by \$3 million from \$482.9 million to \$479.9 million, as summarized in Table 1 below.

The largest portion of the City's net position at June 30, 2013 (\$423 million or 88% of the total net position) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. These assets are not available for future spending.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2013

TABLE 1
NET POSITION
(In Thousands)

	Net Position					
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
ASSETS						
Cash and other assets	\$ 119,345	\$ 121,124	\$ 10,729	\$ 9,859	\$ 130,075	\$ 130,982
Capital assets net of accumulated depreciation	441,868	439,439	38,912	40,233	480,780	479,672
Total assets	<u>561,213</u>	<u>560,562</u>	<u>49,642</u>	<u>50,092</u>	<u>610,855</u>	<u>610,654</u>
DEFERRED OUTFLOWS OF RESOURCES						
Unamortized loss on defeasance of debt	-	-	714	747	714	747
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>714</u>	<u>747</u>	<u>714</u>	<u>747</u>
LIABILITIES						
Current and other liabilities	19,225	18,618	19,338	19,223	38,563	37,842
Long-term liabilities	75,941	72,999	17,080	17,561	93,021	90,561
Total liabilities	<u>95,166</u>	<u>91,617</u>	<u>36,418</u>	<u>36,038</u>	<u>131,584</u>	<u>127,656</u>
DEFERRED INFLOWS OF RESOURCES						
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION						
Net investment in capital assets	408,943	405,431	14,198	14,213	423,141	419,644
Restricted	67,082	70,501	403.42	623	67,486	71,124
Unrestricted	(9,978)	(6,987)	(664)	(783)	(10,642)	(7,770)
Total net position	<u>\$ 466,047</u>	<u>\$ 468,945</u>	<u>\$ 13,938</u>	<u>\$ 14,053</u>	<u>\$ 479,985</u>	<u>\$ 482,998</u>

Statement of Activities (Statement of Revenues, Expenses/Expenditures and Changes in Net Position/Fund Balances) - Given the current economic climate, a review of operating income can provide a telling picture of the City's overall financial health. Overall, the City generated \$3 million less in revenues than expenses for the fiscal year 2013 as compared to the \$4.4 million in 2012, as illustrated in Table 2 below.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2013

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2012
Program revenues						
Charges for services	\$ 6,512	\$ 8,497	\$ 6,301	\$ 6,573	\$ 12,813	\$ 15,070
Operating grants and contributions	12,051	9,245	42	25	12,092	9,270
Capital grants and contributions	2,961	7,220	-	-	2,961	7,220
General revenues						
Taxes						
Property taxes	23,682	29,762	-	-	23,682	29,762
Sales taxes	21,908	19,909	-	-	21,908	19,909
Franchise taxes	2,428	3,127	-	-	2,428	3,127
Other taxes	9,920	9,805	-	-	9,920	9,805
Motor vehicle in-lieu taxes	65	329	-	-	65	329
Use of money and property	1,302	1,468	43	26	1,345	1,494
Other revenue	597	716	198	20	795	737
Net change in fair value of investments	(929)	(21)			(929)	(21)
Total	80,497	90,058	6,583	6,645	87,080	96,702
Expenses						
Governmental activities						
General government	20,789	31,035	-	-	20,789	31,035
Public safety	33,814	31,374	-	-	33,814	31,374
Community services	3,164	3,293	-	-	3,164	3,293
Public works	15,097	12,274	-	-	15,097	12,274
Economic development	8,240	3,795	-	-	8,240	3,795
Interest on long-term debt	2,492	4,376	-	-	2,492	4,376
Water and sewer	-	-	6,498	6,200	6,498	6,200
Total	83,595	86,147	6,498	6,200	90,094	92,347
Change in net position before transfers and extraordinary item	(3,098)	3,911	85	445	(3,013)	4,356
Transfers in/(out)	200	284	(200)	(284)	-	-
Extraordinary item	-	15,324	-	(461)	-	14,863
Change in net position	(2,898)	19,519	(115)	(300)	(3,013)	19,219
Net position, beginning as restated	468,945	449,426	14,053	14,353	482,998	463,780
Net position, ending	\$ 466,047	\$ 468,945	\$ 13,938	\$ 14,053	\$ 479,985	\$ 482,998

A separate review of the change in net position in the governmental and business-type activities showed the following: the business-type activities generated a marginal net operating surplus of \$85,000 while the governmental activities had a combined \$3,098,000 operating deficit, which resulted primarily from decrease in revenues compared to the prior year.

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

THE CITY AS A WHOLE

Capital Assets

The majority of the City's assets comprised of land and rights of way, totaling \$342 million of the total \$481 million in Net Capital Assets. At the end of fiscal year 2013, the City had \$481 million invested in a broad range of capital assets. This amount increased by a net of \$1 million due to completion of the new Public Works Yard.

**CAPITAL ASSETS
JUNE 30, 2013
(Net of Depreciation, In Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 74,742	\$ 74,742	\$ 311	\$ 311	\$ 75,052	\$ 75,052
Rights-of-way	266,802	266,802	-	-	266,802	266,802
Construction in progress	11,364	13,272	-	-	11,364	13,272
Equipment in progress	869	864	-	-	869	864
Improvement other than buildings	6,929	3,088	-	-	6,929	3,088
Structures and improvements	20,493	20,016	572	586	21,065	20,602
Land and improvements	-	-	761	813	761	813
Furniture and equipment	3,033	3,497	940	1,070	3,973	4,567
Infrastructure	57,637	57,160	36,328	37,453	93,965	94,613
Totals	\$ 441,868	\$ 439,439	\$ 38,912	\$ 40,233	\$ 480,780	\$ 479,672

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 \$2.4 million to \$93.5 million. The net increase in the City's long-term debt resulted from the following as summarized in Table 4 below:

- \$4.2 million net increase in OPEB liability and claims and judgments payable.
- \$1.8 million in principal payments on bonded indebtedness.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2013

LONG-TERM DEBT
JUNE 30, 2013
(In Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2013	2012	2013	2012	2013	2011
Lease revenue bonds	28,148	29,065	-	-	28,148	29,065
Certificates of Participation	4,435	5,205	-	-	4,435	5,205
Notes payable	7,399	7,621	-	-	7,399	7,621
Revenue bonds	-	-	16,570	17,010	16,570	17,010
Lease payable	342	371	-	-	342	371
OPEB liability	19,895	15,677	-	-	19,895	15,677
Compensated absences	5,351	5,588	405	442	5,756	6,030
Claims and judgments	10,371	10,105	-	-	10,371	10,105
Totals	\$ 75,941	\$ 73,632	\$ 16,975	\$ 17,452	\$ 92,917	\$ 91,084

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 2003 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 \$5.4 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 \$4.2 million was added to the City's Net OPEB liability, which has now increased to \$19.9 million as of June 30, 2013.

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

Additional information on the City's long-term debt can be found in 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 M as well as a number of other specific programs (e.g., Senior Lunch, Emergency Shelter Assistance Program and CHRP).

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94.8 million. The City's governmental funds report a balance of \$10.4 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.

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 \$30.5 million.

Unassigned Fund Balance, Cash on Hand and Working Capital – The General Fund's unassigned fund balance is \$11.5 million, which represents 22.9% of total General Fund expenditures of \$50.1 million. The working capital balance consists of \$9.9 million in cash and investments plus \$8.2 million in net accounts receivable and other current assets, less \$6.0 million in current liabilities and deposits payable. A true measure of General Fund's liquidity is the ending balance of cash and investments. This amount totaled \$9.9 million at the end of the fiscal year as compared to \$6.2 million at the end of the prior fiscal year (June 30, 2012). However, this amount only represents 71 days of cash on hand. The City has a stated goal of at least \$10 million in cash reserves in order to provide adequate self-liquidity to the General Fund.

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

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities - The City is the trustee, or *fiduciary*, for certain funds held on behalf of those entities outside of the government. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Position. 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 \$700,000 due to an estimated increase in sales taxes over fiscal year 2013 estimates. Fiscal year 2014 budgeted expenditures also increase to approximately \$53 million from \$50.9 million in fiscal year 2013 largely due to an increase in contracted fire department services.

Other Funds estimated revenues are anticipated to decrease approximately \$4.2 million in fiscal year 2014 from fiscal year 2013, due to a decrease from redevelopment activities and in grant funding. Similarly appropriations in other funds are projected to decrease in 2014 from fiscal year 2013.

General Fund Budgetary Highlights

Revenues - The City received \$2.8 million more in taxes as well as \$554,000 more for fines and forfeitures and \$699,000 more for miscellaneous revenues than budgeted due to conservative budget estimates. This is offset by approximately \$929,000 decline in the fair value of investments in 2012-13 due primarily to an uptick in interest rates in the last quarter of the fiscal year. Overall, General Fund revenues totaled \$50.7 million in fiscal year 2012-13, which is slightly higher than the budgeted amount of \$47.4 million.

Expenses – The City reported a total of \$50.1 million in General Fund expenditures for the fiscal year, which was approximately \$876,000 less than the budgeted amount of \$51 million. Public safety expenditures were \$2.1 million less than budgeted. However, General Government expenditures were \$1.6 million more than its appropriations because of more than budgeted actual legal expenses, and Parks and Recreation and Public Works expenditures each exceeded the budget by approximately \$165,000.

Economic Development Initiatives - The City, through its Economic Development Department, continues to pursue a number of economic development initiatives and other new business opportunities in order to broaden and realign the City's economic base. The City continued the approval process for the construction of a new Norm's Restaurant and continues to make commercial improvements along Valley Boulevard. Over the past year, the City completed the construction of the new Public Works Yard and the improvements at Valley and Santa Anita Boulevard. The City also completed some major sidewalk improvements in 2012-13.

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, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 65,463,319	\$ 9,327,828	\$ 74,791,147
Receivables			
Accounts	2,706,109	685,120	3,391,229
Taxes	2,929,050	-	2,929,050
Notes and loans, net	12,041,444	129,920	12,171,364
Accrued interest - other	101,115	45,497	146,612
Internal balances	(137,183)	137,183	-
Prepaid costs	58,476	433	58,909
Due from other governments	2,408,746	-	2,408,746
Inventories	266,495	-	266,495
Land held for resale	1,759,645	-	1,759,645
Capital lease receivable (payable)	18,390,759	(18,390,759)	-
Restricted assets:			
Cash and investments with fiscal agents	13,357,406	403,422	13,760,828
Capital assets, not being depreciated	353,775,802	310,748	354,086,550
Capital assets, net of accumulated depreciation	88,091,878	38,601,402	126,693,280
Total assets	<u>561,213,061</u>	<u>31,250,794</u>	<u>592,463,855</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized loss on defeasance	-	714,198	714,198
Total deferred outflows of resources	<u>-</u>	<u>714,198</u>	<u>714,198</u>
LIABILITIES			
Accounts payable	3,250,569	188,549	3,439,118
Accrued liabilities	1,567,476	-	1,567,476
Accrued interest	986,890	255,390	1,242,280
Deposits payable	3,368,495	503,541	3,872,036
Due to other governments	10,025,220	-	10,025,220
Noncurrent liabilities:			
Due within one year	4,578,816	551,289	5,130,105
Due in more than one year	71,362,629	16,528,331	87,890,960
Total liabilities	<u>95,166,174</u>	<u>18,027,100</u>	<u>113,193,274</u>
DEFERRED INFLOWS OF RESOURCES			
	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Net investment in capital assets	408,942,772	14,198,071	423,140,843
Restricted for:			
Public works projects	14,931,659	-	14,931,659
Public safety	4,236,952	-	4,236,952
Parks, recreation and cultural	618,138	-	618,138
Community development	25,429,246	-	25,429,246
Debt service	1,248,318	403,422	1,651,740
Retirement	20,617,939	-	20,617,939
Unrestricted (deficit)	(9,978,137)	(663,601)	(10,641,738)
Total net position	<u>\$ 466,046,887</u>	<u>\$ 13,937,892</u>	<u>\$ 479,984,779</u>

See notes to financial statements.

City of El Monte
Statement of Activities
Year ended June 30, 2013

	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	\$ 20,788,814	\$ 417,889	\$ 119,720	\$ -	\$ (20,251,205)	\$ -	\$ (20,251,205)
Public safety	33,813,668	1,758,649	2,707,783	-	(29,347,236)	-	(29,347,236)
Parks, recreation and cultural	3,163,505	1,337,638	406,738	-	(1,419,129)	-	(1,419,129)
Public works	15,096,927	1,254,749	971,963	2,961,085	(9,909,130)	-	(9,909,130)
Economic development	8,240,078	1,743,141	7,844,346	-	1,347,409	-	1,347,409
Interest on long-term debt	2,492,205	-	-	-	(2,492,205)	-	(2,492,205)
Total governmental activities	<u>83,595,197</u>	<u>6,512,066</u>	<u>12,050,550</u>	<u>2,961,085</u>	<u>(62,071,496)</u>	<u>-</u>	<u>(62,071,496)</u>
Business-type activities:							
Water and Sewer Funds	6,498,416	6,301,092	41,601	-	-	(155,723)	(155,723)
Total business-type activities	<u>6,498,416</u>	<u>6,301,092</u>	<u>41,601</u>	<u>-</u>	<u>-</u>	<u>(155,723)</u>	<u>(155,723)</u>
Total primary government	<u>\$ 90,093,613</u>	<u>\$ 12,813,158</u>	<u>\$ 12,092,151</u>	<u>\$ 2,961,085</u>	<u>(62,071,496)</u>	<u>(155,723)</u>	<u>(62,227,219)</u>
General revenues							
Taxes:							
Property taxes levied for general purposes					23,681,773	-	23,681,773
Transient occupancy taxes					298,784	-	298,784
Sales taxes					21,908,497	-	21,908,497
Franchise taxes					2,427,661	-	2,427,661
Business license taxes					2,024,962	-	2,024,962
Utility users taxes					7,087,818	-	7,087,818
Other taxes					508,683	-	508,683
Motor vehicle in lieu - unrestricted					64,828	-	64,828
Use of money and property					1,302,410	42,639	1,345,049
Other revenue					597,391	197,930	795,321
Net change in fair value of investments					(929,376)	-	(929,376)
Transfers in/out					200,000	(200,000)	-
Total general revenues					<u>59,173,431</u>	<u>40,569</u>	<u>59,214,000</u>
Net change in net position					(2,898,065)	(115,154)	(3,013,219)
Net position - beginning of year, as restated					468,944,952	14,053,046	482,997,998
Net position - end of year					<u>\$ 466,046,887</u>	<u>\$ 13,937,892</u>	<u>\$ 479,984,779</u>

See notes to financial statements.

**City of El Monte
Governmental Funds
Balance Sheet
June 30, 2013**

	Special Revenue Funds				Total
	General	Retirement	Housing and Community Development	Nonmajor Governmental Funds	
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and investments	\$ 9,867,345	\$ 21,303,666	\$ 2,636,587	\$ 22,677,507	\$ 56,485,105
Receivables:					
Accounts	2,173,167	12,644	20,902	491,896	2,698,609
Taxes	2,729,468	159,349	-	40,233	2,929,050
Notes and loans, net	117,911	-	10,139,703	1,783,830	12,041,444
Accrued interest	101,115	-	-	-	101,115
Prepaid items	58,476	-	-	-	58,476
Due from other governments	-	-	507,381	1,901,365	2,408,746
Due from other funds	2,438,449	-	-	-	2,438,449
Advances to other funds	300,000	-	-	-	300,000
Advances to Successor Agency	266,495	-	-	-	266,495
Land held for resale	-	-	420,000	1,339,645	1,759,645
Capital lease receivable	18,390,759	-	-	-	18,390,759
Restricted assets:					
Cash and investments with fiscal agents	81,350	-	-	13,276,056	13,357,406
Total assets	<u>36,524,535</u>	<u>21,475,659</u>	<u>13,724,573</u>	<u>41,510,532</u>	<u>113,235,299</u>
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>36,524,535</u>	\$ <u>21,475,659</u>	\$ <u>13,724,573</u>	\$ <u>41,510,532</u>	\$ <u>113,235,299</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,740,693	\$ 371,059	\$ 94,347	\$ 1,044,096	\$ 3,250,195
Accrued liabilities	1,080,815	486,661	-	-	1,567,476
Advances from grantors	-	-	-	26,079	26,079
Deposits payable	3,100,171	-	69,927	198,397	3,368,495
Due to other governments	-	-	9,697,704	327,516	10,025,220
Due to other funds	-	-	422,476	2,015,973	2,438,449
Total liabilities	<u>5,921,679</u>	<u>857,720</u>	<u>10,284,454</u>	<u>3,612,061</u>	<u>20,675,914</u>
Deferred inflows of resources:					
Unavailable revenue	88,703	-	-	1,651,083	1,739,786
Total deferred inflows of resources	<u>88,703</u>	<u>-</u>	<u>-</u>	<u>1,651,083</u>	<u>1,739,786</u>
Fund Balances:					
Nonspendable					
Loans receivable	29,208	-	955,000	856,223	1,840,431
Prepaid items	58,476	-	-	-	58,476
Advances to other funds	300,000	-	-	-	300,000
Advances to Successor Agency	266,495	-	-	-	266,495
Land held for resale	-	-	420,000	1,339,645	1,759,645
Capital lease receivable	18,390,759	-	-	-	18,390,759
Restricted					
Special revenue funds	-	20,617,939	2,065,119	24,073,748	46,756,806
Capital projects funds	-	-	-	9,783,516	9,783,516
Debt service funds	-	-	-	1,248,318	1,248,318
Unassigned	11,469,215	-	-	(1,054,062)	10,415,153
Total fund balances (deficit)	<u>30,514,153</u>	<u>20,617,939</u>	<u>3,440,119</u>	<u>36,247,388</u>	<u>90,819,599</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>36,524,535</u>	\$ <u>21,475,659</u>	\$ <u>13,724,573</u>	\$ <u>41,510,532</u>	\$ <u>113,235,299</u>

See notes to financial statements.

City of El Monte
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund balance of governmental funds	\$	90,819,599
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	\$	530,869,684
Accumulated depreciation		<u>(89,002,004)</u> 441,867,680
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Long-term liabilities		(60,219,312)
Compensated absences		<u>(5,351,133)</u> (65,570,445)
Accrued interest payable for the interest due on bonds that has not been reported in the governmental funds		
		(986,890)
Revenues reported as unavailable revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities.		
		1,739,786
Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the Statement of Net Position.		
		<u>(1,822,843)</u>
Net position of governmental activities	\$	<u>466,046,887</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, 2013

	Special Revenue Funds				Total
	General Fund	Retirement Fund	Housing and Community Development	Nonmajor Governmental Funds	
Revenues					
Taxes	\$ 45,732,583	\$ 8,014,371	\$ -	\$ 8,530,580	\$ 62,277,534
Licenses and permits	762,214	-	-	-	762,214
Intergovernmental	135,235	-	5,453,362	5,274,070	10,862,667
Charges for services	1,871,670	-	-	1,147,383	3,019,053
Use of money and property	191,942	106,330	35,296	714,962	1,048,530
Fines and forfeitures	1,825,943	-	-	-	1,825,943
Contributions	-	-	-	181,140	181,140
Miscellaneous	1,105,878	557,893	599,232	191,368	2,454,371
Net change in fair value of Investments	(929,376)	-	-	-	(929,376)
Total revenues	<u>50,696,089</u>	<u>8,678,594</u>	<u>6,087,890</u>	<u>16,039,503</u>	<u>81,502,076</u>
Expenditures					
Current:					
General government	9,141,159	9,956,704	-	445,098	19,542,961
Public safety	30,721,344	-	140,818	700,216	31,562,378
Parks, recreation and cultural	2,110,202	-	113,003	734,104	2,957,309
Public works	7,250,858	-	-	3,066,653	10,317,511
Economic development	-	-	6,322,238	1,671,562	7,993,800
Capital outlay	76,672	-	2,439,412	5,346,112	7,862,196
Debt service:					
Principal retirement	770,000	-	522,000	310,000	1,602,000
Interest and fiscal charges	42,096	-	313,299	2,175,721	2,531,116
Total expenditures	<u>50,112,331</u>	<u>9,956,704</u>	<u>9,850,770</u>	<u>14,449,466</u>	<u>84,369,271</u>
Excess (deficiency) of revenues over expenditures	<u>583,758</u>	<u>(1,278,110)</u>	<u>(3,762,880)</u>	<u>1,590,037</u>	<u>(2,867,195)</u>
Other financing sources (uses)					
Transfers in	3,049,504	-	-	4,409,860	7,459,364
Transfers out	(649,871)	-	-	(6,909,493)	(7,559,364)
Proceeds from long-term debt	-	-	-	300,000	300,000
Net other financing sources (uses)	<u>2,399,633</u>	<u>-</u>	<u>-</u>	<u>(2,199,633)</u>	<u>200,000</u>
Change in fund balances	2,983,391	(1,278,110)	(3,762,880)	(609,596)	(2,667,195)
Fund balance, beginning of year, as restated	<u>27,530,762</u>	<u>21,896,049</u>	<u>7,202,999</u>	<u>36,856,984</u>	<u>93,486,794</u>
Fund balance, end of year	<u>\$ 30,514,153</u>	<u>\$ 20,617,939</u>	<u>\$ 3,440,119</u>	<u>\$ 36,247,388</u>	<u>\$ 90,819,599</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, 2013**

Change in fund balance - governmental funds	\$	(2,667,195)
<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 disposal		5,780,277
Depreciation expense		(3,351,456)
<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>		
Proceeds from long-term debt	\$	(300,000)
Principal repayment of bonds		1,080,000
Principal repayment of capital lease obligation		28,387
Principal repayment of notes payable		522,000
Amortization of deferred bond discount		(25,851)
		1,304,536
<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>		
		(4,217,542)
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>		
		64,762
<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>		
		236,692
<p>Certain revenues are reported as unavailable revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities.</p>		
		(1,004,944)
<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>		
		956,805
Change in net position of governmental activities	\$	(2,898,065)

See notes to financial statements.

City of El Monte
Statement of Net Position
Proprietary Funds
June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental
	Water	Sewer	Total	Activities
	Fund	Fund		Internal Service Funds
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,755,168	\$ 7,572,660	\$ 9,327,828	\$ 8,978,214
Receivables:				
Accounts	588,364	96,756	685,120	7,500
Notes and loans, net	-	129,920	129,920	-
Other	45,497	-	45,497	-
Prepaid accounts	433	-	433	-
Restricted:				
Cash with fiscal agents	403,422	-	403,422	-
Total current assets	<u>2,792,884</u>	<u>7,799,336</u>	<u>10,592,220</u>	<u>8,985,714</u>
Noncurrent assets				
Capital assets	43,715,579	19,754,688	63,470,267	-
Accumulated depreciation	<u>(16,126,943)</u>	<u>(8,431,174)</u>	<u>(24,558,117)</u>	<u>-</u>
Net capital assets	<u>27,588,636</u>	<u>11,323,514</u>	<u>38,912,150</u>	<u>-</u>
Total noncurrent assets	<u>27,588,636</u>	<u>11,323,514</u>	<u>38,912,150</u>	<u>-</u>
Total assets	<u>30,381,520</u>	<u>19,122,850</u>	<u>49,504,370</u>	<u>8,985,714</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized loss on defeasance of debt	714,198	-	714,198	-
Total deferred outflows of resources	<u>714,198</u>	<u>-</u>	<u>714,198</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	166,692	21,857	188,549	374
Accrued interest	255,390	-	255,390	-
Deposits payable	503,541	-	503,541	-
Accrued compensated absences, current portion	34,130	67,159	101,289	-
Accrued claims and judgments	-	-	-	1,530,000
Bonds, notes, and capital leases	450,000	-	450,000	-
Total current liabilities	<u>1,409,753</u>	<u>89,016</u>	<u>1,498,769</u>	<u>1,530,374</u>
Noncurrent liabilities				
Advances from other funds	-	-	-	300,000
Accrued compensated absences	102,392	201,479	303,871	-
Accrued claims and judgments	-	-	-	8,841,000
Capital lease payable	18,390,759	-	18,390,759	-
Bonds, notes, and capital leases	<u>16,224,460</u>	<u>-</u>	<u>16,224,460</u>	<u>-</u>
Total liabilities	<u>36,127,364</u>	<u>290,495</u>	<u>36,417,859</u>	<u>10,671,374</u>
DEFERRED INFLOWS OF RESOURCES				
	-	-	-	-
NET POSITION				
Net investment in capital assets	2,874,557	11,323,514	14,198,071	-
Restricted for debt service	403,422	-	403,422	-
Unrestricted	<u>(8,309,625)</u>	<u>7,508,841</u>	<u>(800,784)</u>	<u>(1,685,660)</u>
Total net position	<u>\$ (5,031,646)</u>	<u>\$ 18,832,355</u>	<u>\$ 13,800,709</u>	<u>\$ (1,685,660)</u>

Reconciliation of net position to statement of net position:

Net assets per statement of net position per proprietary funds	\$ 13,800,709
Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	100,625
Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	<u>36,558</u>
Net position per statement of net position	\$ <u>13,937,892</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, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	Self Insurance
Operating revenues				
Sales and service charges	\$ 2,869,660	\$ 3,394,874	\$ 6,264,534	\$ -
Interdepartmental charges	-	-	-	2,995,359
Total operating revenues	<u>2,869,660</u>	<u>3,394,874</u>	<u>6,264,534</u>	<u>2,995,359</u>
Operating expenses				
Administration and general	2,194,400	2,178,941	4,373,341	-
Claims expense	-	-	-	2,301,996
Depreciation expense	874,756	446,111	1,320,867	-
Total operating expenses	<u>3,069,156</u>	<u>2,625,052</u>	<u>5,694,208</u>	<u>2,301,996</u>
Operating income (loss)	(199,496)	769,822	570,326	693,363
Nonoperating revenues (expenses)				
Intergovernmental	7,218	34,383	41,601	-
Interest revenue	7,809	34,830	42,639	-
Interest expense	(804,208)	-	(804,208)	-
Miscellaneous	5,248	192,682	197,930	-
Net nonoperating revenues (expenses)	<u>(783,933)</u>	<u>261,895</u>	<u>(522,038)</u>	<u>-</u>
Operating income (loss) before other financing sources	(983,429)	1,031,717	48,288	693,363
Other financing sources				
Transfers in	-	-	-	300,000
Transfers out	-	(200,000)	(200,000)	-
	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>300,000</u>
Net changes in net position	(983,429)	831,717	(151,712)	993,363
Net position - beginning as restated	<u>(4,048,217)</u>	<u>18,000,638</u>	<u>13,952,421</u>	<u>(2,679,023)</u>
Net position - ending	<u>\$ (5,031,646)</u>	<u>\$ 18,832,355</u>	<u>\$ 13,800,709</u>	<u>\$ (1,685,660)</u>
Reconciliation of Statement of Changes in Net Position to the Statement of Activities:				
Change in Net Position per Statement of Revenues, Expenses, and Changes in Net Position - Proprietary Funds			\$ (151,712)	
Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds			36,558	
Change in Net Position Business-type Activities Statement of Activities			<u>\$ (115,154)</u>	

See notes to financial statements.

City of El Monte
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2013

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	Self Insurance
Cash flows from operating activities				
Cash received from customers and users	\$ 3,316,683	\$ 3,154,280	\$ 6,470,963	\$ -
Cash received for interfund charges	-	-	-	2,987,994
Cash paid to suppliers for goods and services	(1,143,402)	(918,238)	(2,061,640)	(2,035,690)
Cash paid to employees for services	(911,987)	(1,270,242)	(2,182,229)	-
Cash received(payment to) others	(285)	-	(285)	-
Net cash provided by operating activities	<u>1,261,009</u>	<u>965,800</u>	<u>2,226,809</u>	<u>952,304</u>
Cash flows from non-capital and related financing activities				
Intergovernmental	7,218	(165,617)	(158,399)	300,000
Others	(23,569)	-	(23,569)	-
Net cash provided by (used in) non-capital and related financing activities	<u>(16,351)</u>	<u>(165,617)</u>	<u>(181,968)</u>	<u>300,000</u>
Cash flows from capital and related financing activities				
Principal paid on capital debt	(440,000)	-	(440,000)	-
Interest paid on capital debt	(778,022)	-	(778,022)	-
Miscellaneous	5,248	192,682	197,930	-
Net cash provided by (used in) capital and related financing activities	<u>(1,212,774)</u>	<u>192,682</u>	<u>(1,020,092)</u>	<u>-</u>
Cash flows from investing activities				
Interest received	7,809	34,830	42,639	-
Change in cash and cash equivalents	39,693	1,027,695	1,067,388	1,252,304
Beginning cash and cash equivalents	<u>2,118,897</u>	<u>6,544,965</u>	<u>8,663,862</u>	<u>7,725,910</u>
Ending cash and cash equivalents	<u>\$ 2,158,590</u>	<u>\$ 7,572,660</u>	<u>\$ 9,731,250</u>	<u>\$ 8,978,214</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (199,496)	\$ 769,822	\$ 570,326	\$ 693,363
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	874,756	446,111	1,320,867	-
(Increase) decrease in:				
Accounts receivable	397,023	(60,674)	336,349	(7,365)
Notes receivable	50,000	(129,920)	(79,920)	-
Prepaid accounts	(285)	-	(285)	-
Increase (decrease):				
Accounts payable	121,138	(47,568)	73,570	306
Accrued liabilities	(47)	-	(47)	-
Deposits payable	43,206	-	43,206	-
Compensated absences payable	(25,286)	(11,971)	(37,257)	-
Accrued claims and judgments	-	-	-	266,000
Net cash provided by operating activities	<u>\$ 1,261,009</u>	<u>\$ 965,800</u>	<u>\$ 2,226,809</u>	<u>\$ 952,304</u>
Non-cash investing, capital and financing Activities:				
Amortization of discounts, loss on defeasance of long-term liabilities and write-off of deferred bond issue costs	<u>\$ 426,793</u>	<u>\$ -</u>	<u>\$ 426,793</u>	<u>\$ -</u>

See notes to financial statements.

City of El Monte
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund		Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
ASSETS			
Cash and investments	\$ 2,533,562	\$	264,713
Cash with fiscal agents	4,437,101		-
Receivables:			
Accounts	-		2,453
Notes and loans	1,046,396		-
Land held for resale	6,972,993		-
Total assets	14,990,052		267,166
DEFERRED OUTFLOWS OF RESOURCES			
	-		-
LIABILITIES			
Accounts payable	73,264		-
Interest payable	93,762		-
Deposits payable	565,555		-
Due to other governments	113,767		-
Advances from City of El Monte	42,513,364		-
Long-term liabilities			
Due within one year	810,000		-
Due in more than one year	25,814,216		-
Total liabilities	69,983,928		-
DEFERRED INFLOWS OF RESOURCES			
	-		-
NET POSITION			
Held in trust for pension	-		267,166
Net position	(54,993,876)		-
Total net position	\$ (54,993,876)	\$	267,166

See notes to financial statements.

City of El Monte
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year ended June 30, 2013

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund	Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
<u>Revenue and additions:</u>		
Taxes	\$ 4,367,682	\$ -
Use of money and property	45,550	-
Rental income	436,183	-
Contributions:		
Employers	-	197,500
Employees	-	58,297
Retirees	-	55,890
Investment earnings:		
Interest and change in fair value of investments	-	1,640
Total additions	4,849,415	313,327
<u>Expenses and deductions</u>		
Community development	1,384,628	-
Debt service		
Interest and fiscal charges	1,248,866	-
Benefits	-	288,034
Total deductions	2,633,494	288,034
Change in net position	2,215,921	25,293
Net position held in trust - beginning of the year	(57,209,797)	241,873
Net position (deficit) held in trust - end of the year	\$ (54,993,876)	\$ 267,166

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:

El Monte Public Financing Authority (Authority)

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

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

El Monte Community Development Corporation (Corporation)

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

El Monte Water Authority (Water Authority)

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

Implementation of New Accounting Pronouncements

During the fiscal year ended June 30, 2013, the City adopted the following Governmental Accounting Standards Board (GASB) statements which impacted the City's financial statements:

- GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB statement nos. 34 and 14*. This statement modifies certain requirements for inclusion of component units in the financial reporting entity. The City determined that the City and the component units blended with the City's financial statements comply with the new requirements noted in the amendments.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement amends the net asset reporting requirements in GASB Statement No. 34 by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets. As of June 30, 2013, the City's deferred outflows of resources represent unamortized loss on defeasance of debt which resulted from refunding of bonded debt in the prior years.

- GASB Statement No. 65 *Items Previously Reported as Assets and Liabilities*. The statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. Adoption of this statement resulted in restatement of the City's beginning net position balance because of the write-off of deferred bond issuance cost which was recognized as an asset in the prior years.

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.

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

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.

Governmental fund financial statements are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, with the exception of state gas tax which is 120 days. Revenues considered susceptible to accrual in those funds wherein revenue is recognized on a modified accrual basis is as follows: property and sales taxes, revenue from the use of money and property, interfund transfers, unbilled service receivables and intergovernmental revenue are all considered measurable and are recognized as revenue on a modified accrual basis; licenses, permits, fines and forfeitures and similar items are, for the most part, not susceptible to accrual and, consequently, are not recorded until received. Agency funds are purely custodial (assets equal liabilities) and thus, do not involve measurement of results of operations. Fiduciary funds are accounted for on a full accrual basis.

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

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

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

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.

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 City reports the following major proprietary funds:

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

Additionally, the City reports the following fund types:

- Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.
- The Capital Project Fund accounts for the accumulation of resources to fund capital projects within the City, other than those for proprietary funds.
- The Debt Service Fund accounts for the accumulation of resources for the payment of long-term debt principal and interest relating to the debt of the City.

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

- 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).
- 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.

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

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.

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, 2013, 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. The City does not have assigned fund balance as of June 30, 2013.

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.

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

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.

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.

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

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.

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.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

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

Long-term Receivables

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

Inventories, Prepaid Costs and Land Held for Resale

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

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

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

Restricted Assets

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

Capital Assets

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

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

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

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.

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 and 65, 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, 2013.

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.

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

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.

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

General Budget Policies

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

Budget Basis of Accounting

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

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

For fiscal year 2012-2013, the following funds had no legally adopted budget:

- Special Revenue Funds:
 - Tree Mitigation & Planting Fund
 - El Monte Housing Authority
 - Transportation Development Act

This constitutes a violation of the City's budgetary policy.

At June 30, 2013, the following funds had deficit fund balances or net position:

Special Revenue Funds:		
Emergency Shelter Grant	\$	(45,437)
MTA Call for Projects		(395,598)
Miscellaneous Grants		(537,277)
Park Facility Impact Fee		(41,350)
Federal Stimulus		(27,611)
CalHome Grant		(3,611)
Capital Projects Fund		(3,178)
Governmental Activities:		
Internal Service Fund		(1,685,660)

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

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

	Expenditures	Appropriations	Excess
General government			
City attorney	\$ 3,007,027	\$ 1,503,708	\$ (1,503,319)
Parks, recreation and cultural	2,110,202	1,945,000	(165,202)
Public works			
Engineering and public works	5,692,688	5,527,800	(164,888)
Transfers out	649,871	145,000	(504,871)

NOTE 3 CASH AND INVESTMENTS

As of June 30, 2013, cash and investments were reported in the accompanying financial statements as follows:

	Cash and Investments	Cash and Investments with Fiscal Agent	Total
Governmental activities	\$ 65,463,319	\$ 13,357,406	\$ 78,820,725
Business-type activities	9,327,828	403,422	9,731,250
Fiduciary funds	2,798,275	4,437,101	7,235,376
Total Cash and Investments	\$ 77,589,422	\$ 18,197,929	\$ 95,787,351

Cash and investments at June 30, 2013, consisted of the following:

Cash on hand	\$ 18,400
Deposits with financial institutions	5,344,804
Investments	90,424,147
Total Cash and Investments	\$ 95,787,351

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, 2013, the carrying amount of the City's deposits was \$5,344,804 and the bank balance was \$6,293,015. The \$948,211 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, 2013, 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, 2013, 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, 2013, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal Home Loan Bank	\$ 12,706,880	14%
Federal Farm Credit Banks Consolidated	17,621,548	20%

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, 2013, 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	\$ 38,000,000	\$ 38,000,000	\$ -	\$ -
General Electric Capital Corporation	989,610	-	-	989,610
Federal Agency Securities:				
Federal National Mortgage Association	2,908,125	-	-	2,908,125
Federal Home Loan Bank	12,706,880	-	-	12,706,880
Federal Farm Credit Banks Consolidated	17,621,548	-	-	17,621,548
FNMA Strip	55	-	-	55
Held by Fiscal Agents:				
Held by Fiscal Agents:	18,197,929	18,197,929	-	-
	<u>\$ 90,424,147</u>	<u>\$ 56,197,929</u>	<u>\$ -</u>	<u>\$ 34,226,218</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	\$ 38,000,000	N/A	\$ 38,000,000	-
General Electric Capital Corporation	989,610	A	-	989,610
Federal Agency Securities:				
Federal National Mortgage Association	2,908,125	A	-	2,908,125
Federal Home Loan Bank	12,706,880	A	-	12,706,880
Federal Farm Credit Banks Consolidated	17,621,548	A	-	17,621,548
FNMA Strip	55	A	55	-
Held by Fiscal Agents:				
Held by Fiscal Agents:	18,197,929	N/A	18,197,929	-
Total	<u>\$ 90,424,147</u>		<u>\$ 56,197,984</u>	<u>\$ 34,226,163</u>

NOTE 4 LONG-TERM RECEIVABLES

As of June 30, 2013, the following loans receivable were outstanding:

		Amount
Pacific Place Expansion Project	\$	4,009,037
Singing Wood Senior Housing		1,711,030
RTS Group		63,918
Blessed Rock Senior Housing		60,223
First Time Homebuyer Loans		796,000
San Gabriel Valley Habitat for Humanity, Inc.		300,000
Various Housing Deferred Loans and Other Assistance		8,633,890
Mercy Housing, California		
Authority HOME Funds Loan	\$	400,000
Site Acquisition Loan		300,000
Special Development Loan		350,000
Tyler Court Associates, L.P.		
Property Acquisition Loan		610,000
Project Loan		800,000
Project Capital Fee Loan		221,251
TDF Senior Housing		
Special Construction Loan		372,701
Project Gao Lian		763,436
Long-term Project Note		956,849
	Subtotal	20,348,335
Allowance for doubtful accounts		(8,176,971)
Total	\$	12,171,364

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 2012-2013.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

RTS Group

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

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.

Furthermore, 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.

TDF Senior Housing

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

First-time Homebuyer Program and Various Deferred Loans

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

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

Mercy Housing California

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

Tyler Court Associates L.P.

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

Capital lease receivable

A lease receivable is recorded in the City's General Fund. The lease is the remainder due to the City from the sale of the water rights to the Water Authority. The Water Authority is obligated to pay this lease from surplus revenues over the 50-year life of the lease ending September 1, 2049. Payments vary with the level of surplus revenues. The balance of the lease at June 30, 2013 is \$18,390,759. The lease receivable and capitalized lease obligation have been eliminated similar to internal balances in the statement of net position. The Water Authority has not generated sufficient surplus revenues to make payments on this loan during the past 2 years and management has not ascertained when payment will commence.

NOTE 5 LAND HELD FOR RESALE

The carrying amount of land is reported at cost which approximates fair value. As of June 30, 2013, 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, 2013:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 74,741,638	\$ -	\$ -	\$ 74,741,638
Rights-of-way	266,801,532	-	-	266,801,532
Construction-in-progress	13,271,561	6,432,189	(8,340,049)	11,363,701
Equipment-in-progress	863,730	5,201	-	868,931
Total capital assets not being depreciated	355,678,461	6,437,390	(8,340,049)	353,775,802
Capital assets being depreciated:				
Land improvements	8,722,347	4,179,928	-	12,902,275
Structures and improvements	32,711,701	1,140,000	-	33,851,701
Furniture and equipment	17,913,829	631,435	(1,289,834)	17,255,430
Infrastructure	110,063,069	3,021,408	-	113,084,477
Total capital assets being depreciated	169,410,946	8,972,771	(1,289,834)	177,093,883
Less accumulated depreciation:				
Land improvements	5,634,299	339,184	-	5,973,483
Structures and improvements	12,695,976	662,355	-	13,358,331
Furniture and equipment	14,417,095	1,074,678	(1,269,336)	14,222,437
Infrastructure	52,903,178	2,544,576	-	55,447,754
Total accumulated depreciation	85,650,548	4,620,793	(1,269,336)	89,002,005
Capital assets being depreciated, net	83,760,398	4,351,978	(20,498)	88,091,878
Governmental activities capital assets, net	\$ 439,438,859	\$ 10,789,368	\$ (8,360,547)	\$ 441,867,680

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General government	\$ 1,271,580
Public safety	380,514
Parks, recreation and leisure	51,038
Public works	<u>2,917,661</u>
Total	<u>\$ 4,620,793</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.

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 310,748	\$ -	\$ -	\$ 310,748
Capital assets being depreciated:				
Water rights	34,152,450	-	-	34,152,450
Structures and improvements	734,410	-	-	734,410
Land improvements	3,150,074	-	-	3,150,074
Furniture and equipment	3,588,224	-	-	3,588,224
Infrastructure	<u>21,534,353</u>	-	-	<u>21,534,353</u>
Total capital assets being depreciated	<u>63,159,511</u>	<u>-</u>	<u>-</u>	<u>63,159,511</u>
Less accumulated depreciation:				
Water rights	8,879,637	683,049	-	9,562,686
Structures and improvements	148,604	13,978	-	162,582
Land improvements	2,337,241	51,593	-	2,388,834
Furniture and equipment	2,517,817	130,273	-	2,648,090
Infrastructure	<u>9,353,943</u>	<u>441,974</u>	-	<u>9,795,917</u>
Total accumulated depreciation	<u>23,237,242</u>	<u>1,320,867</u>	<u>-</u>	<u>24,558,109</u>
Capital assets being depreciated, net	<u>39,922,269</u>	<u>(1,320,867)</u>	<u>-</u>	<u>38,601,402</u>
Business-type activities capital assets, net	<u>\$ 40,233,017</u>	<u>\$ (1,320,867)</u>	<u>\$ -</u>	<u>\$ 38,912,150</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Business-type Activities:	Amount
Water Fund	\$ 874,756
Sewer Fund	446,111
Total	<u>\$ 1,320,867</u>

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2013, is as follows:

Due To/From Other Funds

<u>Due From Other Funds</u>	<u>Due To Other Funds</u>		
	<u>Housing and Community Development Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
General Fund	\$ <u>422,476</u>	\$ <u>2,015,973</u>	\$ <u>2,438,449</u>

The amounts owed by the Housing and Community Development Fund and 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

<u>Transfers Out:</u>	<u>Transfers In</u>				<u>Total</u>
	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Internal Service Funds</u>	
Governmental Funds:					
General Fund	\$ -	\$ 549,871	\$ 549,871	\$ 100,000	\$ 649,871
Housing and Community Development	-		-	-	-
Nonmajor governmental funds	3,049,504	3,859,989	6,909,493	-	6,909,493
Business-type funds:					
Sewer Fund	-	-	-	200,000	200,000
	<u>\$ 3,049,504</u>	<u>\$ 4,409,860</u>	<u>\$ 7,459,364</u>	<u>\$ 300,000</u>	<u>\$ 7,759,364</u>

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

For record-keeping purposes, the City accounts for its Gas Tax monies in a separate fund. Each year the City transfers these monies into the General Fund to fund allowable projects. In fiscal year 2012-2013, the City transferred \$3 million from its special revenue funds (nonmajor governmental funds) into its General Fund. \$3.8 million was transferred from the 2010 Lease Revenue Capital Projects Fund to Capital Projects Fund for the payment of certain capital projects.

NOTE 8 ADVANCES TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY

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

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

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, 2013:

	Balance at July 1, 2012	Additions	Retirements	Balance at June 30, 2013	Amount due within one Year
2010 Lease revenue bonds	\$ 19,065,000	\$ -	\$ 310,000	\$ 18,755,000	\$ 325,000
2011 Lease revenue bonds	10,000,000	-	-	10,000,000	-
Certificates of Participation					
Series 2003-A	3,495,000	-	525,000	2,970,000	545,000
Series 2003-B	1,710,000	-	245,000	1,465,000	255,000
Notes and loans payable	7,621,000	300,000	522,000	7,399,000	556,000
Capita leases payable	370,617	-	28,387	342,230	30,033
Accrued compensated absences	5,587,824	-	236,691	5,351,133	1,337,783
OPEB liability (Note 13)	15,677,862	5,818,122	1,600,580	19,895,404	-
Claims and judgments	10,105,000	1,703,092	1,437,092	10,371,000	1,530,000
	<u>\$ 73,632,303</u>	<u>\$ 7,821,214</u>	<u>\$ 4,904,750</u>	<u>\$ 76,548,767</u>	<u>\$ 4,578,816</u>
Unamortized bond discount				(607,322)	
				<u>\$ 75,941,445</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:

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

NOTE 9 LONG-TERM DEBT (CONTINUED)

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 General Fund to be applied by the City for the payment of the lease payments as follows:
- \$200,000 Water Enterprise Fund
 - \$300,000 Sewer Enterprise Fund

The Agency Cooperation Agreement provides that the Agency may incur bonded indebtedness superior to any Agency obligation under the Agency Cooperation Agreement. These Taxable Lease Revenue Bonds and the related capital outlay are recorded in the 2010 Lease Revenue Capital Projects Fund.

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

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2013:

Year Ending June 30,	2010 Lease Revenue Bonds Series A	
	Principal	Interest
2014	\$ -	\$ 1,318,262
2015	-	1,318,262
2016	-	1,318,262
2017	-	1,318,262
2018	-	1,318,262
2019-2023	120,000	6,591,310
2024-2028	2,910,000	6,052,752
2029-2033	3,680,000	4,649,512
2034-2038	4,680,000	2,835,000
2038-2041	3,400,000	621,900
Total	<u>\$ 14,790,000</u>	<u>\$ 27,341,784</u>

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

Based on the annual payments expected from the former Redevelopment Agency, City management expects \$8,637,360 of the above debt to be repaid using the Agency’s tax increment revenues.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2013:

Year Ending June 30,	2010 Lease Revenue Bonds Series B	
	Principal	Interest
2014	\$ 325,000	\$ 303,322
2015	340,000	278,460
2016	360,000	252,450
2017	375,000	224,910
2018	395,000	196,222
2017-2023	2,170,000	496,868
Total	\$ 3,965,000	\$ 1,752,232

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

Based on the annual payments expected from the Agency, City management expects \$2,607,560 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, 2013 the outstanding balance of the bonds and unspent bond proceeds of \$10 million and \$9.7 million, respectively, are reported in the City's financial statements.

Payment of principal shall be 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 shall be paid 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, 2013:

Year Ending June 30,	2011 Lease Revenue Bonds	
	Principal	Interest
2014	\$ -	\$ 525,000
2015	-	525,000
2016	-	525,000
2017	10,000,000	525,000
Total	\$ <u>10,000,000</u>	\$ <u>2,100,000</u>

2003 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. The total debt service payment requirements with respect to the above certificates are as follows:

Year Ending June 30,	Certificates of Participation Series 2003-A		Certificates of Participation Series 2003-B	
	Principal	Interest	Principal	Interest
2014	\$ 545,000	\$ 86,724	\$ 255,000	\$ 71,931
2015	565,000	70,810	275,000	59,412
2016	595,000	54,312	295,000	45,908
2017	620,000	36,938	310,000	31,424
2018	645,000	18,834	330,000	16,204
Total	\$ <u>2,970,000</u>	\$ <u>267,618</u>	\$ <u>1,465,000</u>	\$ <u>224,879</u>

NOTE 9 LONG-TERM DEBT (CONTINUED)

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.

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, 2013, was \$955,000.

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
2014	\$ 135,000	\$ 39,103
2015	145,000	33,401
2016	155,000	27,044
2017	165,000	19,992
2018	175,000	12,306
2019	180,000	4,158
Total	\$ 955,000	\$ 136,004

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, 2013, was \$1,429,000.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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

Ending June 30,	HUD Section 108 Loan 2011-A	
	Principal	Interest
2014	\$ 141,000	\$ 20,805
2015	151,000	19,996
2016	161,000	18,742
2017	172,000	16,944
2018	182,000	14,493
2018-2021	622,000	21,618
Total	\$ 1,429,000	\$ 112,598

HUD Section 108 Loan 2004-A

On June 16, 2004, the City issued \$2,200,000 of U.S. Government Guaranteed Notes, Series 2004-A, guaranteed by the Secretary of Housing and Urban Development. The notes mature from 2005 to 2024, with interest payments ranging from \$6,461 to \$57,998. The principal balance outstanding as of June 30, 2013, was \$1,615,000.

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

Ending June 30,	HUD Section 108 Loan 2004-A	
	Principal	Interest
2014	\$ 95,000	\$ 89,759
2015	100,000	84,751
2016	105,000	79,342
2017	110,000	73,514
2018	115,000	67,286
2019-2023	700,000	224,073
2024-2025	390,000	24,607
Total	\$ 1,615,000	\$ 643,332

NOTE 9 LONG-TERM DEBT (CONTINUED)

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, 2013, was \$3,100,000. The total debt service payment requirements with respect to the loan are as follows:

Ending June 30,	Section 108 Loan - Pacific Place	
	Principal	Interest
2014	\$ 185,000	\$ 144,908
2015	195,000	137,172
2016	205,000	128,697
2017	220,000	119,331
2018	230,000	109,159
2019-2023	1,390,000	359,794
2024-2025	675,000	35,468
Total	\$ 3,100,000	\$ 1,034,529

Alameda Corridor East Construction Authority (ACE) Promissory Note

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

Ending June 30,	Principal
2017	\$ 150,000
2022	150,000
Total	\$ 300,000

NOTE 9 LONG-TERM DEBT (CONTINUED)

Capital Lease Payable

Helicopter Lease

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

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

Ending June 30,	Principal
2014	\$ 49,872
2015	49,872
2016	49,872
2017	49,872
2018	49,872
2019-2022	199,486
Total payments	448,846
Less amount representing interest	(106,616)
	<u>\$ 342,230</u>

Claims and Judgments

As of June 30, 2013, 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, 2013, the total estimated liability for claims was \$10,371,000.

Business-type Activities

	Balance at July 1, 2012	Additions	Retirements	Balance at June 30, 2013	Amount due within one Year
2006 Refunding revenue bonds	\$ 17,010,000	\$ -	\$ 440,000	\$ 16,570,000	\$ 450,000
Accrued employee benefits	442,418	-	37,258	405,160	101,289
	<u>\$ 17,452,418</u>	<u>\$ -</u>	<u>\$ 477,258</u>	<u>\$ 16,975,160</u>	<u>\$ 551,289</u>
Unamortized bond premium				104,460	
				<u>\$ 17,079,620</u>	

NOTE 9 LONG-TERM DEBT (CONTINUED)

2006 Refunding Revenue Bonds

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

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

Year Ending June 30,	2006 Refunding Revenue Bonds	
	Principal	Interest
2014	\$ 450,000	\$ 757,845
2015	465,000	740,801
2016	485,000	722,383
2017	505,000	702,583
2018	525,000	681,983
2019-2023	2,965,000	3,055,731
2024-2028	3,685,000	2,320,025
2029-2033	4,660,000	1,312,500
2033-2036	2,830,000	205,750
Total	\$ 16,570,000	\$ 10,499,601

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, 2013, is \$28,420,000. The City is not liable for the repayment of this debt. For this reason, neither the debt nor the related debt service payments are recorded in the City's financial statements.

NOTE 11 RETIREMENT PLAN

Public Employees Retirement System (PERS)

Plan Description

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

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate. The current rate is 23.311% for non-safety (miscellaneous) employees and 44.669% for safety employees, of annual covered payroll.

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

For fiscal year ended June 30, 2013, the City's annual pension cost of \$9.9 million for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included: a) 7.75% investment rate of return (net of administrative expenses), b) projected annual salary increases between 3.25% and 13.15% that vary by age, duration of service, and c) 3% per year cost-of-living adjustments. Both a) and b) included an inflation

NOTE 11 RETIREMENT PLAN (CONTINUED)

component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a 15 year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2013 was 25 years.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 8,626	100.0%	\$ -
6/30/2012	10,288	100.0%	-
6/30/2013	9,878	100.0%	-

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

Public Agency Retirement System (PARS)

Plan Description

Effective July 2000, the City of El Monte entered into a multi-employer agreement with a Public Agency Retirement System (PARS) program, an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California. The City participates in CalPERS 2% at 55 retirement plan for miscellaneous employees. PARS provides an offset to CalPERS benefit for a maximum of 3% retirement. Upon retirement at age 55, this plan provides the employees with 1% times their years of service times their highest annual salary. To receive benefits, the miscellaneous employees must be at least 55 years of age, have at least five years full-time employment with the City of El Monte and have terminated his or her employment with the City of El Monte and concurrently retire from PERS. The benefit is equal to a percentage of highest pay multiplied by years of service with the percentage varying by retirement age based on a 3.0% at 55 target offset by CalPERS 2% at 55 formula.

Sample rates are as follows:

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

NOTE 11 RETIREMENT PLAN (CONTINUED)

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

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

Funding Policy

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

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

Annual Pension Cost (APC)

For fiscal year ended June 30, 2013, the City's annual pension cost of \$1.19 million for PARS was equal to the City's required and actual contributions. The required contribution was based on the July 1, 2012 actuarial valuation using the entry age normal (level percentage of pay) actuarial cost method. The actuarial assumption included:

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

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

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

Three-Year Trend Information for PARS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2011	\$ 1,269,834	100.0%	\$ -
6/30/2012	1,225,954	100.0%	-
6/30/2013	1,185,242	100.0%	-

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

NOTE 12 INSURANCE

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

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

CSAC-EIA publishes its own financial report for the year ended June 30, 2013, 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 \$8.5 million and \$1.9 million for the worker's compensation claims and general liability claims, respectively, for a total of \$10.4 million.

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

Fiscal Year	Liability at Beginning	Claims Incurred (Including IBNRs)	Claim Payments	Liability at End
2011	\$ 8,593,848	\$ 2,367,720	\$ (1,384,757)	\$ 9,576,811
2012	9,576,811	1,888,129	(1,359,940)	10,105,000
2013	10,105,000	1,703,092	(1,437,092)	10,371,000

NOTE 12 INSURANCE (CONTINUED)

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, 2013, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS

Plan Description

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

Funding Policy

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

Annual OPEB Costs and Net OPEB Obligation

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

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

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	
	2013	2012
Annual required contribution	\$ 5,842,059	\$ 5,435,859
Interest on net OPEB obligation	705,504	533,130
Adjustments to annual required contribution	(729,441)	(533,836)
Annual pension cost	5,818,122	5,435,153
Annual contribution made	(1,600,580)	(1,604,620)
Increase in net OPEB obligation	4,217,542	3,830,533
OPEB obligation, beginning of year	15,677,862	11,847,329
OPEB obligation, end of year	\$ 19,895,404	\$ 15,677,862

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2012-13 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2011	\$ 5,070,784	23.27%	\$ 11,847,239
6/30/2012	5,435,153	29.52%	15,677,862
6/30/2013	5,818,122	27.51%	19,895,404

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.

Actuarial Methods and Assumptions

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

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

In the July 1, 2012, actuarial valuation, the Entry Age Normal Cost Method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 3% per year for dental and vision programs and 5% for long-term care premiums. Both rates included a payroll increase rate of 3.25%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2013, was twenty-seven years. As of the actuarial valuation date, the City had 217 retirees receiving benefits.

Refer to the Required Supplementary Information for the Schedule of Funding Progress for postemployment health benefits plan.

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.

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

NOTE 15 DEFERRED OUTFLOWS OF RESOURCES

Pursuant to GASB Statement No. 63, *"Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position"* and GASB Statement No. 65, *"Items Previously Reported as Assets and Liabilities,"* the City recognized deferred outflows of resources in the City's financial statements. The deferred outflow of resources pertains to the unamortized loss on defeasance of debt. Previous financial reporting standards require this amount to be presented as part of the City's long-term debt. This deferred outflow of resources is recognized as a component of interest expense in a systematic and rational manner over the remaining life of the old debt or the life of the new debt, whichever is shorter.

NOTE 15 DEFERRED OUTFLOWS OF RESOURCES (CONTINUED)

	<u>Balance at June 30, 2013</u>
Business-type Activities	
Deferred outflow of resources:	
Unamortized loss on defeasance of debt	\$ <u>714,198</u>

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

	<u>Balance at June 30, 2013</u>
Governmental Activities	
Deferred inflow of resources:	
Unavailable Revenue - Receivables that were not received within the availability period and were not recognized as revenues	\$ <u>1,739,786</u>

NOTE 16 PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$558,333 was made to decrease the Housing and Community Development Fund balance and the governmental activities beginning net position. The adjustment was made due to a prior period sale of land held for resale, which was not reported in the prior year's financial statements.

	<u>Housing and Community Development Fund</u>
Fund balance beginning of year, as previously reported	\$ 7,761,332
Adjustment to correct the balance of land held for resale	<u>(558,333)</u>
Fund balance beginning of year, as restated	<u>\$ 7,202,999</u>

NOTE 17 CHANGE IN ACCOUNTING PRINCIPLE

Pursuant to GASB Statement Number 65, "Items Previously Reported as Assets and Liabilities," the City no longer amortizes the cost of debt issuance. These amounts should be expensed in the year they are incurred. The City made adjustments for these items as a cumulative effect of change in accounting principle in the current fiscal year. This resulted in the beginning Net Position for governmental activities and business-type activities being reduced by \$759,739 and \$431,335, respectively. Total impact to Net Position was a decrease of \$1,191,074.

NOTE 18 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2013 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 12, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements other than the following:

- In July, 2013, the City issued \$3,125,000 2013 Certificates of Participation, Series A and \$1,615,000 Certificates of Participation 2013 B Taxable. The proceeds of the bonds were used to refinance 2003 Certificates of Participation Series A and B.

NOTE 19 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, 2013 were as follows:

Singing Wood (Northwest)	\$		484,710
RHCDC Working Capital (Center)			546,414
Edwards (Downtown)			15,272
Pacific Place (Northwest):			
JT LLC Working Capital	\$	532,800	
JT LLC Participation Note		400,000	
Legal Fees		<u>155,553</u>	
Sub-total		1,088,353	
Allowance for doubtful accounts		<u>(1,088,353)</u>	-
Total	\$		<u><u>1,046,396</u></u>

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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

Rio Hondo Community Development Corporation (RHCDC) Working Capital

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

Singing Wood Senior Housing

On July 15, 2002, 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 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.

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

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

On December 27, 2001, the former El Monte Community Redevelopment Agency provided a loan to L. T. Titan, Limited Partnership, in the amount of \$200,000. This loan is for interest only until July 2004, at which time the principal balance is due. Interest accrued at a rate of 7.0% until February 28, 2003, at which time it changed to 4.0% until the note is due. These notes are in dispute, and are doubtful of collection. Accordingly, a hundred percent allowance for doubtful accounts was provided as of June 30, 2013.

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.

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-term Liabilities

The long-term liabilities of the Successor at June 30, 2013 were as follows:

	Balance at July 1, 2012	Additions	Retirements	Balance at June 30, 2013	Amount due within one Year
Tax allocation bonds	\$ 26,505,000	\$ -	\$ 775,000	\$ 25,730,000	\$ 810,000
Loans from other governments					
County of Los Angeles	856,438	37,778	-	894,216	-
	<u>\$ 27,361,438</u>	<u>\$ 37,778</u>	<u>\$ 775,000</u>	<u>\$ 26,624,216</u>	<u>\$ 810,000</u>

Tax Allocation Bonds Payable

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

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

Senior Tax Allocation Revenue Bonds, Series 2007

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2013:

Year Ending June 30,	Senior Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2014	\$ 730,000	\$ 1,040,444
2015	755,000	1,011,244
2016	790,000	981,044
2017	825,000	949,444
2018	865,000	908,194
2019-2023	4,895,000	3,951,694
2024-2028	6,105,000	2,748,188
2029-2033	3,990,000	1,449,050
2034-2038	4,000,000	587,338
Total	\$ 22,955,000	\$ 13,626,640

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, 2013:

Year Ending June 30,	Subordinate Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2014	\$ 80,000	\$ 142,675
2015	95,000	139,075
2016	90,000	134,681
2017	95,000	130,451
2018	95,000	125,939
2019-2023	575,000	552,764
2024-2028	745,000	387,960
2029-2033	490,000	205,375
2034-2038	510,000	84,270
Total	\$ 2,775,000	\$ 1,903,190

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

County of Los Angeles Reimbursement Agreement

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

This obligation to the County, together with accrued interest thereon, is to be paid in full from tax increment revenues by a date no later than July 1, 2027. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2013, the principal balance outstanding together with accrued interest through that date was \$259,720.

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, 2013, the principal balance outstanding was \$634,496.

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 19 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. Details of the balance of the loan of \$42.2 million (including \$12.2 million of adjusted accrued interest) are as follows:

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/2012	Outstanding Balance as of 06/30/12
El Monte Center							
3	1-C	9/1/1988	Loans From the City of El Monte (R-383, 222)	\$ 1,313,497	10%	\$ 1,247,518	\$ 2,561,015
4	1-D	4/1/1998	Loan from City to K-mart Deferred Fees	133,560	LAIF + 2.00%	59,049	192,609
5	1-E	1/6/2000	Loan from the city of El Monte Longo Expansion	2,800,000	6.5%	984,295	3,784,295
6	1-H	1/6/2000	Loan from City (CDBG) - Longo Expansion	1,200,000	6.5%	389,851	1,589,851
7	1-I	5/10/1993	Loan from the city of El Monte - ERAF	50,561	6% & 7.5%	34,970	85,531
8	2-A/D/G	2003/2004	Loan from the city of El Monte - Nelson Honda Jobs Grant	1,444,234	4%	105,672	1,549,906
9	2-C/2-F	Feb. 4, 2004	City Cooperation Agreement Longo New Jobs Grant Agreement	2,500,000	5%	339,416	2,839,416
10	2-E	Feb. 3, 2004	Longo Construction Loan	3,000,000	LAIF + 2.00%	614,310	3,614,310
			Loan Totals	\$ 12,441,852		\$ 3,775,081	\$ 16,216,933
Center Amended							
3	1-C	1998/1989	Loans From the City of El Monte (R-356, 385)	702,000	10%	678,647	1,380,647
4	1-I	3/25/1997	CDBG Loan From Bank	694,602	LAIF + 2.00%	351,858	1,046,460
			Loan Totals	\$ 1,396,602		\$ 1,030,505	\$ 2,427,107

City of El Monte
Notes to Financial Statements
Year ended June 30, 2013

NOTE 19 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 06/30/2012	Outstanding Balance as of 06/30/12
Downtown El Monte							
3	1-A	4/6/2005	Loans from the City of El Monte - King Court (Home Fund)	\$ 513,000	10%	\$ 88,347	\$ 601,347
4	1-D	1986-1990	Loans From the City of El Monte (R-360, 364)	1,350,590	10%	1,442,855	2,793,445
5	1-E	11/12/1991	Loan from the City of El Monte (R-428) Nelson Honda	222,950	LAIF + 2.00%	175,649	398,599
6	1-F	12/1/1991	Loan from the City of El Monte (R-436) Orchard	15,000	8%	11,769	26,769
7	1-G	6/1/1995	Loan from the City of El Monte (R-598) Food Barn	75,000	7.5%	45,683	120,683
8	1-J	1986-1990	Loans from the City of El Monte CDBG (R-251)	326,000	10%	396,749	722,749
9	2-A	1990-1992	Loans from the City of El Monte CDBG (R-410, 345, 331)	803,000	LAIF + 2.00% & 9.5%	874,174	1,677,174
10	2-B	9/27/1994	Loan from the City of El Monte CDBG (R-562) Orchard	42,880	7.0%	27,628	70,508
11	2-F	1991-1992	Loan from the City of El Monte R-432 - Edwards Theater	725,000	9%	585,734	1,310,734
12	2-F	1991-1992	Loans from the City of El Monte UDAG (R417)	20,000	9%	-	20,000
13	2-G	5/3/1993	Loan from the City of El Monte - ERAF	59,549	6% & 7.5%	40,601	100,150
14	2-K	2003/2004	Gabae Loan and Section 108 Loan - Peck/Ramona Triangle	3,191,941	adjustable rate & 5%	492,408	3,684,349
15	3-A	6/1/07	DDA- Agreement- Festial - Capri Santa Fe Trail Associates	5,390,000	9% & 4.5% & LAIF + 2.0%	436,996	5,826,996
Loan Totals				\$ 12,734,910		\$ 4,618,593	\$ 17,353,503

NOTE 19 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 06/30/2012	Outstanding Balance as of 06/30/12
Northwest El Monte							
1	1-A	1986-1990	Loans From the City of El Monte (R-221, 296, 323, 337, 391)	\$ 1,723,954	12%	\$ 1,910,550	\$ 3,634,504
2	1-B	1991/1992	Loans From the City of El Monte (R-411, 465)	500,000	12% & 7%	380,143	880,143
3	1-C	1992/1993	Loan From the City of El Monte (R-484)	350,000	7%	247,137	597,137
4	1-D	1994/1995	Loan From the City of El Monte (R-463)	90,000	8%	66,162	156,162
5	1-F	1994-1995	Loan from the City of El Monte - Water Fund (R-570)	150,000	7%	95,192	245,192
6	1-I	2005-2006	Loan from the City of El Monte - ERAF	213,231	LAIF + 2.00%	37,927	251,158
			Loan Totals	\$ 3,027,185		\$ 2,737,111	\$ 5,764,296
Valley Durfee							
1	1-C	4/16/2006	Loan from the City of El Monte - ERAF	213,231	LAIF + 2.00%	28,979	242,210
2	1-D	9/19/2006	Loan from the City of El Monte For Improvement Costs	217,406	LAIF + 2.00%	25,411	242,817
			Loan Totals	\$ 430,637		\$ 54,390	\$ 485,027
Grand total				\$ 30,031,186		\$ 12,215,680	\$ 42,246,866

During fiscal year 2012-2013, the City of El Monte provided loans to the Successor Agency of the former Redevelopment Agency amounting to \$266,495. These loans were paid in July 2013. The total advances of the Successor Agency of the former Redevelopment Agency from the City of El Monte as of June 30, 2013 is \$42,513,364.

Details of Outstanding Loans

El Monte Center

Loan (1-C)

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans

Loan (1-D)

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

Loan (1-E & 1-H)

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

Loan (1-I)

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

Loan (2-A/D/G)

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

Loan (2-C / 2-F)

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

Loan (2-E)

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

Center Amended

Loan (1-C)

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

Loan (1-I)

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans

Downtown El Monte

Loan (1-A)

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

Loan (1-D)

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

Loan (1-E)

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

Loan (1-F)

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

Loan (1-G)

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

Loan (1-J)

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

Loan (2-A)

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

Loan (2-B)

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans

Loan (2-F)

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

Loan (2-G)

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

Loan (2-K)

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

Loan (3-A)

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

Northwest

Loan (1-A)

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

Loan (1-B)

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Loan (1-C)

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

Loan (1-D)

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

Loan (1-F)

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

Loan (1-I)

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

Valley / Durfee

Loan (1-C)

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

Loan (1-D)

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

Management's Evaluation of Outstanding Loans

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

With the issuance of Findings of Completion to the Successor Agency in April 2013, the Department of Finance allowed the inclusion of the loan agreements between the former Redevelopment Agency and the City on the Recognized Obligation Payment Schedule (ROPS), as an enforceable obligation, provided the Oversight Board makes a finding that the loan was for legitimate redevelopment purposes per HSC Section 34191.4(b)(1). As of December 12, 2013, 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, 2013

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Revenues				
Taxes	\$ 43,134,700	\$ 43,099,700	\$ 45,732,583	\$ 2,632,883
Licenses and permits	536,300	571,300	762,214	190,914
Intergovernmental	48,000	48,000	135,235	87,235
Charges for services	1,923,800	1,878,800	1,871,670	(7,130)
Use of money and property	155,000	155,000	191,942	36,942
Fines and forfeitures	1,270,000	1,271,800	1,825,943	554,143
Miscellaneous	407,300	407,300	1,105,878	698,578
Net change in fair value of investments	-	-	(929,376)	(929,376)
Total revenues	<u>47,475,100</u>	<u>47,431,900</u>	<u>50,696,089</u>	<u>3,264,189</u>
Expenditures				
General Government				
City council	127,900	127,900	119,130	8,770
Administrative office				
City manager	356,900	356,900	323,694	33,206
City clerk	370,100	370,100	346,808	23,292
Commissions and community promotion	900	900	-	900
Public information office	132,600	132,600	88,985	43,615
Total administrative office	<u>860,500</u>	<u>860,500</u>	<u>759,487</u>	<u>101,013</u>
Human Resources	396,800	396,800	384,964	11,836
Finance				
Accounting and administration	550,900	547,400	448,976	98,424
City treasurer	174,400	174,400	200,969	(26,569)
Purchasing	39,600	39,600	37,594	2,006
License collection	79,500	79,500	168,824	(89,324)
Insurance and surety	1,209,300	1,209,300	1,210,735	(1,435)
Information technology	139,600	139,600	111,560	28,040
Total finance	<u>2,193,300</u>	<u>2,189,800</u>	<u>2,178,658</u>	<u>11,142</u>
City attorney	1,101,900	1,503,708	3,007,027	(1,503,319)
General city expense	3,107,600	2,865,599	2,691,893	173,706
Total general government	<u>7,788,000</u>	<u>7,944,307</u>	<u>9,141,159</u>	<u>(1,196,852)</u>
Public safety				
Police	22,904,800	22,904,800	21,324,648	1,580,152
Fire department	8,641,000	8,641,000	8,454,680	186,320
Police helicopter	987,300	987,300	694,737	292,563
Civil defense	12,000	12,000	24,548	(12,548)
Traffic safety program	133,400	133,400	76,140	57,260
Parking enforcement	152,500	152,500	146,591	5,909
Total public safety	<u>32,831,000</u>	<u>32,831,000</u>	<u>30,721,344</u>	<u>2,109,656</u>
Parks, recreation and cultural				
Administration	342,300	342,300	300,652	41,648
Parks	656,600	656,600	634,859	21,741
Sports/playgrounds	6,300	6,300	23,036	(16,736)
Adult sports	108,100	108,100	137,970	(29,870)
Senior services	224,800	224,800	145,269	79,531
Aquatic center project	-	524,800	630,068	(105,268)
Communications and marketing	13,100	13,100	14,900	(1,800)
Contracted classes	39,400	39,400	58,462	(19,062)
El Monte Museum	29,600	29,600	30,471	(871)
Special facilities	-	-	134,515	(134,515)
Total parks, recreation and cultural	<u>1,420,200</u>	<u>1,945,000</u>	<u>2,110,202</u>	<u>(165,202)</u>

City of El Monte
Budgetary Comparison by Department
General Fund (Continued)
Year ended June 30, 2013

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Economic development				
Community development	\$ 106,300	\$ 237,400	\$ 155,169	\$ 82,231
City planning	402,600	728,440	451,547	276,893
Building regulation	280,500	370,500	335,654	34,846
Environmental services	202,100	207,450	267,576	(60,126)
Code enforcement	195,000	234,262	157,651	76,611
Home Foreclosure Program	49,700	49,700	190,573	(140,873)
Total economic development	<u>1,236,200</u>	<u>1,827,752</u>	<u>1,558,170</u>	<u>269,582</u>
Engineering and public works				
Engineering	2,000	90,000	71,995	18,005
Public works administration	399,300	669,300	910,912	(241,612)
Building and grounds maintenance	1,105,800	1,074,800	1,061,378	13,422
Parks and building maintenance	2,562,100	1,148,600	1,294,678	(146,078)
Street maintenance	122,400	451,900	420,094	31,806
Street signs and striping	-	212,500	190,309	22,191
Street sweeping	75,000	100,500	98,486	2,014
Median maintenance	37,500	251,000	232,215	18,785
Traffic signal maintenance	70,000	308,500	277,925	30,575
Street lights	750,000	750,000	722,834	27,166
Street trees and parkways	37,500	320,500	288,454	32,046
Equipment maintenance	-	90,000	82,861	7,139
Valley Mall	42,000	42,000	32,929	9,071
Transportation	6,200	18,200	7,618	10,582
Total engineering and public works	<u>5,209,800</u>	<u>5,527,800</u>	<u>5,692,688</u>	<u>(164,888)</u>
Total public works	<u>6,446,000</u>	<u>7,355,552</u>	<u>7,250,858</u>	<u>104,694</u>
Capital outlay	114,000	136,524	76,672	59,852
Debt service:				
Principal retirement	775,000	775,000	770,000	5,000
Interest and fiscal charges	403,300	403,300	42,096	361,204
Total expenditures	<u>49,777,500</u>	<u>51,390,683</u>	<u>50,112,331</u>	<u>1,278,352</u>
Excess(deficiency) of revenues over expenditures	(2,302,400)	(3,958,783)	583,758	4,542,541
Other financing sources (uses)				
Transfers in	3,025,000	3,025,000	3,049,504	24,504
Transfers out	(145,000)	(145,000)	(649,871)	(504,871)
Net other financing sources (uses)	<u>2,880,000</u>	<u>2,880,000</u>	<u>2,399,633</u>	<u>(480,367)</u>
Change in fund balance	<u>577,600</u>	<u>(1,078,783)</u>	<u>2,983,391</u>	<u>4,062,174</u>
Fund balance, beginning of year	<u>27,530,762</u>	<u>27,530,762</u>	<u>27,530,762</u>	<u>-</u>
Fund balance, end of year	<u>\$ 28,108,362</u>	<u>\$ 26,451,979</u>	<u>\$ 30,514,153</u>	<u>\$ 4,062,174</u>

**City of El Monte
Budgetary Comparison
Retirement Fund
Year ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 10,500,000	\$ 10,500,000	\$ 8,014,371	\$ (2,485,629)
Use of money and property	\$ -	-	106,330	106,330
Miscellaneous	-	-	557,893	557,893
Total revenues	<u>10,500,000</u>	<u>10,500,000</u>	<u>8,678,594</u>	<u>(1,821,406)</u>
Expenditures				
General government	10,400,000	10,400,000	9,956,704	443,296
Total expenditures	<u>10,400,000</u>	<u>10,400,000</u>	<u>9,956,704</u>	<u>443,296</u>
Change in fund balance	<u>100,000</u>	<u>100,000</u>	<u>(1,278,110)</u>	<u>(1,378,110)</u>
Fund balances, beginning of year	<u>21,896,049</u>	<u>21,896,049</u>	<u>21,896,049</u>	<u>-</u>
Fund balances, end of year	<u>\$ 21,996,049</u>	<u>\$ 21,996,049</u>	<u>\$ 20,617,939</u>	<u>\$ (1,378,110)</u>

**City of El Monte
Budgetary Comparison
Housing and Community Development Fund
Year ended June 30, 2013**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 5,888,226	\$ 5,888,226	\$ 5,453,362	\$ (434,864)
Use of money and property	-	-	35,296	35,296
Miscellaneous	3,428,300	3,523,300	599,232	(2,924,068)
Total revenues	<u>9,316,526</u>	<u>9,411,526</u>	<u>6,087,890</u>	<u>(3,323,636)</u>
Expenditures				
Current:				
Public safety	145,800	145,800	140,818	4,982
Parks, recreation and cultural	113,000	113,000	113,003	(3)
Economic development	2,094,656	2,094,656	6,322,238	(4,227,582)
Capital outlay	6,371,526	6,371,526	2,439,412	3,932,114
Debt service:				
Principal retirement	522,000	522,000	522,000	-
Interest and fiscal charges	311,900	311,900	313,299	(1,399)
Total expenditures	<u>9,558,882</u>	<u>9,558,882</u>	<u>9,850,770</u>	<u>(291,888)</u>
Excess(deficiency) of revenues over expenditures	<u>(242,356)</u>	<u>(147,356)</u>	<u>(3,762,880)</u>	<u>(3,615,524)</u>
Other financing sources				
Transfers in	-	391,000	-	391,000
Total other financing sources	<u>-</u>	<u>391,000</u>	<u>-</u>	<u>391,000</u>
Net change in fund balances	(242,356)	243,644	(3,762,880)	(4,006,524)
Fund balances, beginning of year	<u>7,202,999</u>	<u>7,202,999</u>	<u>7,202,999</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,960,643</u>	<u>\$ 7,446,643</u>	<u>\$ 3,440,119</u>	<u>\$ (4,006,524)</u>

City of El Monte
Schedule of Funding Progress – Retirement Plans
Year ended June 30, 2013

California Public Retirement System

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/2010:						
Miscellaneous	\$ 104,134	\$ 122,218	\$ 18,084	85.2%	\$ 11,001	164.4%
Safety	192,248	229,066	36,818	83.9%	13,749	267.8%
Total	<u>\$ 296,382</u>	<u>\$ 351,284</u>	<u>\$ 54,902</u>	<u>84.4%</u>	<u>\$ 24,750</u>	<u>221.8%</u>
6/30/2011:						
Miscellaneous	\$ 107,296	\$ 127,238	\$ 19,942	84.3%	\$ 9,996	199.5%
Safety	201,013	239,373	38,360	84.0%	13,545	283.2%
Total	<u>\$ 308,309</u>	<u>\$ 366,611</u>	<u>\$ 58,302</u>	<u>84.1%</u>	<u>\$ 23,541</u>	<u>247.7%</u>
6/30/2012:						
Miscellaneous	\$ 107,289	\$ 130,762	\$ 23,473	82.0%	\$ 9,887	237.4%
Safety	207,277	252,749	45,472	82.0%	13,503	336.8%
Total	<u>\$ 314,566</u>	<u>\$ 383,511</u>	<u>\$ 68,945</u>	<u>82.0%</u>	<u>\$ 23,390</u>	<u>294.8%</u>

Postemployment Health Benefits

*Schedule of Funding Progress
(Amounts in Thousands)*

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (c)/(b-a)
6/30/2008	\$ -	\$ 52,584	\$ 52,584	0.0%	\$ 28,500	54.2%
6/30/2010	-	64,759	64,759	0.0%	24,750	38.2%
6/30/2012		65,525	65,525	0.0%	23,541	34.4%

City of El Monte
Schedule of Funding Progress – Retirement Plans
Year ended June 30, 2013

PARS

Schedule of Funding Progress
(Most recent information available)

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

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

BUDGETARY CONTROL AND ACCOUNTING

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

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

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

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

EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures for the year ended June 30, 2013 exceeded the appropriations by the following amounts in the following fund:

Nonmajor Special Revenue Funds:	
Tree Mitigation & Planting	\$ 22,263
Police/Narcotics Forfeiture	156,626
El Monte Housing Authority	300,000
Public Facilities	87,675
Quimby	53,293
Senior Citizen Program	11,393
Parking and Business Improvement	95,199
Special Programs	211,333
Federal Stimulus	69,895
Transportation Development Act	668
COPS Hiring Recovery Program	217,617
Family Caregiver Support Services III E	6,625
Energy Efficiency Block Grant	17,607
Capital Projects Fund	3,187,462
2010 Lease Revenue Bond Debt Service Fund	1,959,221

SUPPLEMENTARY INFORMATION

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	Special Revenue Funds			
	Emergency Shelter Grant	Urban Development Grant (UDAG)	Proposition A	Housing Assets
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and investments	\$ -	\$ 157,880	\$ 2,357,712	\$ 153,669
Cash and investments with fiscal agent	-	-	-	1,981,938
Receivables:				
Accounts	-	-	169,468	2,732
Taxes	-	-	-	-
Notes and loans	-	-	-	856,223
Due from other governments	-	-	-	-
Land held for resale	-	-	-	1,339,645
Total assets	<u>-</u>	<u>157,880</u>	<u>2,527,180</u>	<u>4,334,207</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>-</u>	\$ <u>157,880</u>	\$ <u>2,527,180</u>	\$ <u>4,334,207</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 340	\$ -	\$ 278,548	\$ -
Advances from grantors	-	-	-	-
Deposits payable	-	-	34,462	8,525
Due to other governments	-	77,516	-	-
Due to other funds	45,097	-	-	-
Total liabilities	<u>45,437</u>	<u>77,516</u>	<u>313,010</u>	<u>8,525</u>
Deferred inflows of resources	-	-	-	-
Unavailable revenue	-	-	-	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit)				
Nonspendable				
Loans receivable	-	-	-	856,223
Land held for resale	-	-	-	1,339,645
Restricted				
Special revenue funds	-	80,364	2,214,170	2,129,814
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	(45,437)	-	-	-
Total fund balances (deficit)	<u>(45,437)</u>	<u>80,364</u>	<u>2,214,170</u>	<u>4,325,682</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>-</u>	\$ <u>157,880</u>	\$ <u>2,527,180</u>	\$ <u>4,334,207</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2013**

Special Revenue Funds					
Tree Mitigation & Planting Fund	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ 18,446	\$ 276,816	\$ 3,344,287	\$ 6,117,352	\$ 4,199,896	\$ 1,349,073
-	-	-	-	-	-
-	-	796	684	-	215,744
-	-	-	-	-	-
-	35,981	-	-	-	-
-	-	-	-	-	-
<u>18,446</u>	<u>312,797</u>	<u>3,345,083</u>	<u>6,118,036</u>	<u>4,199,896</u>	<u>1,564,817</u>
-	-	-	-	-	-
<u>\$ 18,446</u>	<u>\$ 312,797</u>	<u>\$ 3,345,083</u>	<u>\$ 6,118,036</u>	<u>\$ 4,199,896</u>	<u>\$ 1,564,817</u>
\$ 7,054	-	\$ 5,075	\$ 12,466	\$ 2,880	\$ 18,950
-	-	-	-	-	-
-	-	2,375	-	-	84,147
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,054</u>	<u>-</u>	<u>7,450</u>	<u>12,466</u>	<u>2,880</u>	<u>103,097</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
11,392	312,797	3,337,633	6,105,570	4,197,016	1,461,720
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>11,392</u>	<u>312,797</u>	<u>3,337,633</u>	<u>6,105,570</u>	<u>4,197,016</u>	<u>1,461,720</u>
<u>\$ 18,446</u>	<u>\$ 312,797</u>	<u>\$ 3,345,083</u>	<u>\$ 6,118,036</u>	<u>\$ 4,199,896</u>	<u>\$ 1,564,817</u>

	Special Revenue Funds		
	Supplemental Law Enforcement Safety Fund (SLES)	MTA Call for Projects	El Monte Housing Authority
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Assets:			
Cash and investments	\$ 372,176	\$ -	\$ -
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Taxes	40,233	-	-
Notes and loans	-	-	300,000
Due from other governments	-	469,800	-
Land held for resale	-	-	-
Total assets	<u>412,409</u>	<u>469,800</u>	<u>300,000</u>
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	<u>\$ 412,409</u>	<u>\$ 469,800</u>	<u>\$ 300,000</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 11,742	\$ -
Advances from grantors	-	-	-
Deposits payable	-	-	-
Due to other governments	-	-	-
Due to other funds	-	458,058	-
Total liabilities	<u>-</u>	<u>469,800</u>	<u>-</u>
Deferred inflows of resources			
Unavailable revenue	-	395,598	300,000
Deferred inflows of resources	<u>-</u>	<u>395,598</u>	<u>300,000</u>
Fund Balances (Deficit)			
Nonspendable			
Loans receivable	-	-	-
Land held for resale	-	-	-
Restricted			
Special revenue funds	412,409	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	-	(395,598)	-
Total fund balances (deficit)	<u>412,409</u>	<u>(395,598)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 412,409</u>	<u>\$ 469,800</u>	<u>\$ 300,000</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2013**

Special Revenue Funds						
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Park Bond Act	Senior Citizen Program	Children's Lunch Program
\$ 238,965	\$ 414,610	\$ 71,024	\$ -	\$ -	\$ 48,140	\$ 11,962
-	-	-	-	-	-	-
-	-	-	26	-	52	35,224
-	-	-	-	-	-	-
-	48,352	302,301	-	-	-	-
1,053,907	-	-	10,136	219,509	12,032	-
-	-	-	-	-	-	-
<u>1,292,872</u>	<u>462,962</u>	<u>373,325</u>	<u>10,162</u>	<u>219,509</u>	<u>60,224</u>	<u>47,186</u>
-	-	-	-	-	-	-
<u>\$ 1,292,872</u>	<u>\$ 462,962</u>	<u>\$ 373,325</u>	<u>\$ 10,162</u>	<u>\$ 219,509</u>	<u>\$ 60,224</u>	<u>\$ 47,186</u>
\$ 66,138	\$ 27,150	\$ -	\$ 130	\$ -	\$ 11,777	\$ 29,596
8,489	-	-	-	-	-	17,590
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,177,644	-	-	8,665	219,509	-	-
<u>1,252,271</u>	<u>27,150</u>	<u>-</u>	<u>8,795</u>	<u>219,509</u>	<u>11,777</u>	<u>47,186</u>
<u>577,878</u>	<u>48,352</u>	<u>302,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>577,878</u>	<u>48,352</u>	<u>302,301</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	387,460	71,024	1,367	-	48,447	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(537,277)	-	-	-	-	-	-
<u>(537,277)</u>	<u>387,460</u>	<u>71,024</u>	<u>1,367</u>	<u>-</u>	<u>48,447</u>	<u>-</u>
<u>\$ 1,292,872</u>	<u>\$ 462,962</u>	<u>\$ 373,325</u>	<u>\$ 10,162</u>	<u>\$ 219,509</u>	<u>\$ 60,224</u>	<u>\$ 47,186</u>

	Special Revenue Funds				
	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee	Art in Public Places	Special Programs
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES					
Assets:					
Cash and investments	\$ 256,964	\$ 136,606	\$ -	\$ 304,704	\$ 39,537
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	30,792	-	-	10,052
Taxes	-	-	-	-	-
Notes and loans	-	-	-	26,954	-
Due from other governments	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	<u>256,964</u>	<u>167,398</u>	<u>-</u>	<u>331,658</u>	<u>49,589</u>
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	<u>\$ 256,964</u>	<u>\$ 167,398</u>	<u>\$ -</u>	<u>\$ 331,658</u>	<u>\$ 49,589</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 1,949	\$ -	\$ -	\$ 2,533
Advances from grantors	-	-	-	-	-
Deposits payable	-	-	-	-	23,613
Due to other governments	-	-	-	-	-
Due to other funds	-	-	41,350	-	-
Total liabilities	<u>-</u>	<u>1,949</u>	<u>41,350</u>	<u>-</u>	<u>26,146</u>
Deferred inflows of resources	-	-	-	-	-
Unavailable revenue	-	-	-	26,954	-
Deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,954</u>	<u>-</u>
Fund Balances (Deficit)					
Nonspendable					
Loans receivable	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted					
Special revenue funds	256,964	165,449	-	304,704	23,443
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned	-	-	(41,350)	-	-
Total fund balances (deficit)	<u>256,964</u>	<u>165,449</u>	<u>(41,350)</u>	<u>304,704</u>	<u>23,443</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 256,964</u>	<u>\$ 167,398</u>	<u>\$ -</u>	<u>\$ 331,658</u>	<u>\$ 49,589</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2013**

Special Revenue Funds					
Special Programs II	Measure R	CDBG ARRA	State Stimulus	Federal Stimulus	CalHome Grant
\$ 85,164	\$ 2,383,731	\$ -	\$ 149	\$ -	\$ 64,586
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	250,000
-	-	-	-	-	-
<u>85,164</u>	<u>2,383,731</u>	<u>-</u>	<u>149</u>	<u>-</u>	<u>314,586</u>
-	-	-	-	-	-
<u>\$ 85,164</u>	<u>\$ 2,383,731</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 314,586</u>
\$ -	\$ 1,771	\$ -	\$ 149	\$ -	\$ 35,210
-	-	-	-	-	-
14,613	-	-	-	-	1,470
-	-	-	-	-	250,000
-	-	-	-	27,611	31,517
<u>14,613</u>	<u>1,771</u>	<u>-</u>	<u>149</u>	<u>27,611</u>	<u>318,197</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
70,551	2,381,960	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(27,611)	(3,611)
<u>70,551</u>	<u>2,381,960</u>	<u>-</u>	<u>-</u>	<u>(27,611)</u>	<u>(3,611)</u>
<u>\$ 85,164</u>	<u>\$ 2,383,731</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ -</u>	<u>\$ 314,586</u>

	Special Revenue Funds			
	Transportation Development Act Fund	COPS Hiring Recovery Program	Family Caregiver Support Services III E	Energy Efficiency Block Grant
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Assets:				
Cash and investments	\$ -	\$ 2	\$ -	\$ 160
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	-	1,934	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	100,000	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>100,000</u>	<u>2</u>	<u>1,934</u>	<u>160</u>
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	\$ <u>100,000</u>	\$ <u>2</u>	\$ <u>1,934</u>	\$ <u>160</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Advances from grantors	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	668	-	1,934	-
Total liabilities	<u>668</u>	<u>-</u>	<u>1,934</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				
Loans receivable	-	-	-	-
Land held for resale	-	-	-	-
Restricted				
Special revenue funds	99,332	2	-	160
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>99,332</u>	<u>2</u>	<u>-</u>	<u>160</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>100,000</u>	\$ <u>2</u>	\$ <u>1,934</u>	\$ <u>160</u>

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2013**

Capital Projects Funds			Debt Service Fund	
2010 Lease Revenue Bonds	2011 Lease Revenue Bond	Capital Projects Fund	2010 Lease Revenue Bonds	Totals
\$ -	\$ -	\$ 273,896	\$ -	\$ 22,677,507
20,545	9,738,579	282,756	1,252,238	13,276,056
-	24,392	-	-	491,896
-	-	-	-	40,233
-	-	-	-	1,783,830
-	-	-	-	1,901,365
-	-	-	-	1,339,645
<u>20,545</u>	<u>9,762,971</u>	<u>556,652</u>	<u>1,252,238</u>	<u>41,510,532</u>
-	-	-	-	-
<u>\$ 20,545</u>	<u>\$ 9,762,971</u>	<u>\$ 556,652</u>	<u>\$ 1,252,238</u>	<u>\$ 41,510,532</u>
\$ -	\$ -	\$ 530,638	\$ -	\$ 1,044,096
-	-	-	-	26,079
-	-	29,192	-	198,397
-	-	-	-	327,516
-	-	-	3,920	2,015,973
<u>-</u>	<u>-</u>	<u>559,830</u>	<u>3,920</u>	<u>3,612,061</u>
-	-	-	-	1,651,083
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,651,083</u>
-	-	-	-	856,223
-	-	-	-	1,339,645
-	-	-	-	24,073,748
20,545	9,762,971	-	-	9,783,516
-	-	-	1,248,318	1,248,318
-	-	(3,178)	-	(1,054,062)
<u>20,545</u>	<u>9,762,971</u>	<u>(3,178)</u>	<u>1,248,318</u>	<u>36,247,388</u>
<u>\$ 20,545</u>	<u>\$ 9,762,971</u>	<u>\$ 556,652</u>	<u>\$ 1,252,238</u>	<u>\$ 41,510,532</u>

	Special Revenue Funds			
	Emergency Shelter Grant	Urban Development Grant (UDAG)	Proposition A	Housing Assets
Revenues				
Taxes	\$ -	\$ -	\$ 1,954,180	\$ -
Intergovernmental	-	-	165,394	-
Charges for services	-	-	1,209	-
Use of money and property	-	800	13,360	761
Contributions	-	-	-	-
Miscellaneous	-	-	11,263	101,132
Total revenues	<u>-</u>	<u>800</u>	<u>2,145,406</u>	<u>101,893</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	-	-	1,767,791	-
Economic development	8,667	-	-	26,573
Capital outlay	-	-	847,652	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>8,667</u>	<u>-</u>	<u>2,615,443</u>	<u>26,573</u>
Excess (deficiency) of revenues over expenditures	<u>(8,667)</u>	<u>800</u>	<u>(470,037)</u>	<u>75,320</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(8,667)	800	(470,037)	75,320
Fund balances, beginning of year	<u>(36,770)</u>	<u>79,564</u>	<u>2,684,207</u>	<u>4,250,362</u>
Fund balances, end of year	<u>\$ (45,437)</u>	<u>\$ 80,364</u>	<u>\$ 2,214,170</u>	<u>\$ 4,325,682</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2013

Special Revenue Funds					
Tree Mitigation & Planting Fund	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ -	\$ -	\$ -	\$ 1,622,221	\$ 2,938,495	\$ 760,416
-	137,414	1,135,420	38,935	-	-
-	-	-	-	-	661,112
-	1,740	13,990	29,100	22,590	-
-	-	-	-	-	-
29,610	-	-	-	-	-
<u>29,610</u>	<u>139,154</u>	<u>1,149,410</u>	<u>1,690,256</u>	<u>2,961,085</u>	<u>1,421,528</u>
-	-	-	-	-	-
-	-	253,927	-	-	-
22,263	-	-	-	-	-
-	257,897	-	721,118	2,880	-
-	-	-	-	-	1,065,344
-	-	8,499	172,521	-	-
-	-	-	-	-	-
<u>22,263</u>	<u>257,897</u>	<u>262,426</u>	<u>893,639</u>	<u>2,880</u>	<u>1,065,344</u>
<u>7,347</u>	<u>(118,743)</u>	<u>886,984</u>	<u>796,617</u>	<u>2,958,205</u>	<u>356,184</u>
-	-	-	-	-	-
-	4,875	-	-	-	-
-	-	-	-	(3,025,000)	-
<u>-</u>	<u>4,875</u>	<u>-</u>	<u>-</u>	<u>(3,025,000)</u>	<u>-</u>
7,347	(113,868)	886,984	796,617	(66,795)	356,184
4,045	426,665	2,450,649	5,308,953	4,263,811	1,105,536
<u>\$ 11,392</u>	<u>\$ 312,797</u>	<u>\$ 3,337,633</u>	<u>\$ 6,105,570</u>	<u>\$ 4,197,016</u>	<u>\$ 1,461,720</u>

	Special Revenue Funds		
	Supplemental Law Enforcement Safety Fund (SLES)	MTA Call for Projects	El Monte Housing Authority
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	163,312	290,674	-
Charges for services	-	-	-
Use of money and property	1,650	-	-
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>164,962</u>	<u>290,674</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	51,281	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	-
Economic development	-	-	300,000
Capital outlay	-	686,272	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>51,281</u>	<u>686,272</u>	<u>300,000</u>
Excess (deficiency) of revenues over expenditures	<u>113,681</u>	<u>(395,598)</u>	<u>(300,000)</u>
Other financing sources (uses)			
Proceeds from long-term debt	-	-	300,000
Transfers in	-	-	-
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>300,000</u>
Net change in fund balances	113,681	(395,598)	-
Fund balances, beginning of year	298,728	-	-
Fund balances, end of year	<u>\$ 412,409</u>	<u>\$ (395,598)</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, 2013

Special Revenue Funds					
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Park Bond Act	Senior Citizen Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
551,779	-	124,387	46,080	419,509	109,061
-	209,947	-	-	-	-
-	1,560	-	-	-	-
-	-	-	-	-	-
-	-	-	850	-	20,011
<u>551,779</u>	<u>211,507</u>	<u>124,387</u>	<u>46,930</u>	<u>419,509</u>	<u>129,072</u>
-	-	-	-	-	-
83,186	-	-	-	-	-
13,143	45,315	53,293	54,360	-	150,793
-	42,360	-	-	-	-
111,080	-	-	-	-	-
642,682	-	-	-	-	-
-	-	-	-	-	-
<u>850,091</u>	<u>87,675</u>	<u>53,293</u>	<u>54,360</u>	<u>-</u>	<u>150,793</u>
<u>(298,312)</u>	<u>123,832</u>	<u>71,094</u>	<u>(7,430)</u>	<u>419,509</u>	<u>(21,721)</u>
-	-	-	-	-	-
238,965	-	-	7,430	-	22,425
-	-	-	-	-	(704)
<u>238,965</u>	<u>-</u>	<u>-</u>	<u>7,430</u>	<u>-</u>	<u>21,721</u>
(59,347)	123,832	71,094	-	419,509	-
<u>(477,930)</u>	<u>263,628</u>	<u>(70)</u>	<u>1,367</u>	<u>(419,509)</u>	<u>48,447</u>
<u>\$ (537,277)</u>	<u>\$ 387,460</u>	<u>\$ 71,024</u>	<u>\$ 1,367</u>	<u>\$ -</u>	<u>\$ 48,447</u>

	Special Revenue Funds			
	Children's Lunch Program	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	202,764	-	-	-
Charges for services	-	153,301	121,814	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>202,764</u>	<u>153,301</u>	<u>121,814</u>	<u>-</u>
Expenditures				
Current:				
General government	-	95,199	88,648	-
Public safety	-	-	-	-
Parks, recreation and cultural	202,764	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>202,764</u>	<u>95,199</u>	<u>88,648</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	58,102	33,166	-
Other financing sources (uses)				
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(23,800)	-	-
Net other financing sources (uses)	<u>-</u>	<u>(23,800)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	34,302	33,166	-
Fund balances, beginning of year	-	222,662	132,283	(41,350)
Fund balances, end of year	<u>\$ -</u>	<u>\$ 256,964</u>	<u>\$ 165,449</u>	<u>\$ (41,350)</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2013

Special Revenue Funds				
Art in Public Places	Special Programs	Special Programs II	Measure R	CDBG ARRA
\$ -	\$ 41,020	\$ -	\$ 1,214,248	\$ -
-	-	-	-	-
-	-	-	-	-
-	29,345	-	11,490	-
35,026	103,900	42,214	-	-
-	-	-	-	-
<u>35,026</u>	<u>174,265</u>	<u>42,214</u>	<u>1,225,738</u>	<u>-</u>
-	-	-	-	-
-	94,205	-	-	-
-	137,128	41,020	-	-
-	-	-	274,607	-
-	-	-	-	-
-	-	-	-	-
-	-	-	526,500	-
<u>-</u>	<u>231,333</u>	<u>41,020</u>	<u>801,107</u>	<u>-</u>
<u>35,026</u>	<u>(57,068)</u>	<u>1,194</u>	<u>424,631</u>	<u>-</u>
-	-	-	-	-
-	-	45,000	-	2,740
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>45,000</u>	<u>-</u>	<u>2,740</u>
35,026	(57,068)	46,194	424,631	2,740
269,678	80,511	24,357	1,957,329	(2,740)
<u>\$ 304,704</u>	<u>\$ 23,443</u>	<u>\$ 70,551</u>	<u>\$ 2,381,960</u>	<u>\$ -</u>

		Special Revenue Funds		
		State Stimulus	Federal Stimulus	CallHome Grant
Revenues				
Taxes	\$	-	-	\$ -
Intergovernmental		-	107,088	-
Charges for services		-	-	-
Use of money and property		-	-	190
Contributions		-	-	-
Miscellaneous		-	-	-
	Total revenues	<u>-</u>	<u>107,088</u>	<u>190</u>
Expenditures				
Current:				
General government		-	-	-
Public safety		-	-	-
Parks, recreation and cultural		-	-	-
Public works		-	-	-
Economic development		-	108,895	51,003
Capital outlay		-	-	-
Debt service:				
Principal retirement		-	-	-
Interest and fiscal charges		-	-	-
	Total expenditures	<u>-</u>	<u>108,895</u>	<u>51,003</u>
	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,807)</u>	<u>(50,813)</u>
Other financing sources (uses)				
Bond issuance		-	-	-
Transfers in		-	-	-
Transfers out		-	-	-
	Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
	Net change in fund balances	<u>-</u>	<u>(1,807)</u>	<u>(50,813)</u>
	Fund balances, beginning of year	<u>-</u>	<u>(25,804)</u>	<u>47,202</u>
	Fund balances, end of year	<u>\$ -</u>	<u>(27,611)</u>	<u>\$ (3,611)</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2013

Special Revenue Funds					
Transportation Development Act Fund	COPS Hiring Recovery Program	Family Caregiver Support Services III E	Energy Efficiency Block Grant		
\$ -	\$ -	\$ -	\$ -		
99,645	217,619	10,406	17,607		
-	-	-	-		
-	-	-	-		
-	-	-	-		
-	-	-	-		
99,645	217,619	10,406	17,607		
-	-	-	-		
-	217,617	-	-		
-	-	14,025	-		
-	-	-	-		
-	-	-	-		
668	-	-	17,607		
-	-	-	-		
-	-	-	-		
668	217,617	14,025	17,607		
98,977	2	(3,619)	-		
-	-	-	-		
-	-	3,619	-		
-	-	-	-		
-	-	3,619	-		
98,977	2	-	-		
355	-	-	160		
\$ <u>99,332</u>	\$ <u>2</u>	\$ <u>-</u>	\$ <u>160</u>		

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2013

	Capital Projects Funds			Debt Service Fund	Totals
	2010	2011	Capital	2010	
	Lease Revenue Bonds	Lease Revenue Bonds	Projects Fund	Lease Revenue Bonds	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 8,530,580
Intergovernmental	-	-	-	1,436,976	5,274,070
Charges for services	-	-	-	-	1,147,383
Use of money and property	2,054	66,661	41	519,630	714,962
Contributions	-	-	-	-	181,140
Miscellaneous	-	28,502	-	-	191,368
Total revenues	<u>2,054</u>	<u>95,163</u>	<u>41</u>	<u>1,956,606</u>	<u>16,039,503</u>
Expenditures					
Current:					
General government	-	-	261,251	-	445,098
Public safety	-	-	-	-	700,216
Parks, recreation and cultural	-	-	-	-	734,104
Public works	-	-	-	-	3,066,653
Economic development	-	-	-	-	1,671,562
Capital outlay	-	-	2,970,211	-	5,346,112
Debt service:					
Principal retirement	-	-	-	310,000	310,000
Interest and fiscal charges	-	-	-	1,649,221	2,175,721
Total expenditures	<u>-</u>	<u>-</u>	<u>3,231,462</u>	<u>1,959,221</u>	<u>14,449,466</u>
Excess (deficiency) of revenues over expenditures	2,054	95,163	(3,231,421)	(2,615)	1,590,037
Other financing sources (uses)					
Bond issuance	-	-	-	-	300,000
Transfers in	-	-	4,084,806	-	4,409,860
Transfers out	(3,585,511)	(274,478)	-	-	(6,909,493)
Net other financing sources (uses)	<u>(3,585,511)</u>	<u>(274,478)</u>	<u>4,084,806</u>	<u>-</u>	<u>(2,199,633)</u>
Net change in fund balances	(3,583,457)	(179,315)	853,385	(2,615)	(609,596)
Fund balances, beginning of year	3,604,002	9,942,286	(856,563)	1,250,933	36,856,984
Fund balances, end of year	\$ <u>20,545</u>	\$ <u>9,762,971</u>	\$ <u>(3,178)</u>	\$ <u>1,248,318</u>	\$ <u>36,247,388</u>

**City of El Monte
Budgetary Comparison Schedule
Emergency Shelter Grant
Year ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 341,900	\$ 341,900	\$ -	\$ (341,900)
Total revenues	<u>341,900</u>	<u>341,900</u>	<u>-</u>	<u>(341,900)</u>
Expenditures				
Current:				
Economic development	281,700	281,700	8,667	273,033
Total expenditures	<u>281,700</u>	<u>281,700</u>	<u>8,667</u>	<u>273,033</u>
Change in fund balance	60,200	60,200	(8,667)	(68,867)
Fund balances, beginning of year	<u>(36,770)</u>	<u>(36,770)</u>	<u>(36,770)</u>	<u>-</u>
Fund balances, end of year	<u>\$ 23,430</u>	<u>\$ 23,430</u>	<u>\$ (45,437)</u>	<u>\$ (68,867)</u>

**City of El Monte
 Budgetary Comparison Schedule
 Urban Development Grant (UDAG)
 Year ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 800	\$ 800
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>800</u>	<u>800</u>
 Change in fund balance	 <u>-</u>	 <u>-</u>	 <u>800</u>	 <u>800</u>
 Fund balances, beginning of year	 <u>79,564</u>	 <u>79,564</u>	 <u>79,564</u>	 <u>-</u>
Fund balances, end of year	<u>\$ 79,564</u>	<u>\$ 79,564</u>	<u>\$ 80,364</u>	<u>\$ 800</u>

City of El Monte
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,810,300	\$ 1,810,300	\$ 1,954,180	\$ 143,880
Intergovernmental	160,300	160,300	165,394	5,094
Charges for services	54,700	54,700	1,209	(53,491)
Use of money and property	18,000	18,000	13,360	(4,640)
Miscellaneous	9,000	156,740	11,263	(145,477)
Total revenues	<u>2,052,300</u>	<u>2,200,040</u>	<u>2,145,406</u>	<u>(54,634)</u>
Expenditures				
Public works	1,912,400	2,499,290	1,767,791	731,499
Capital outlay	1,064,800	1,779,800	847,652	932,148
Total expenditures	<u>2,977,200</u>	<u>4,279,090</u>	<u>2,615,443</u>	<u>1,663,647</u>
Change in fund balance	(924,900)	(2,079,050)	(470,037)	1,609,013
Fund balances, beginning of year	<u>2,684,207</u>	<u>2,684,207</u>	<u>2,684,207</u>	-
Fund balances, end of year	<u>\$ 1,759,307</u>	<u>\$ 605,157</u>	<u>\$ 2,214,170</u>	<u>\$ 1,609,013</u>

City of El Monte
Budgetary Comparison Schedule
Housing Assets
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 761	\$ 761
Miscellaneous	-	-	101,132	101,132
Total revenues	<u>-</u>	<u>-</u>	<u>101,893</u>	<u>101,893</u>
Expenditures				
Current:				
Economic development	-	-	26,573	(26,573)
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>26,573</u>	<u>(26,573)</u>
Excess (deficiency) of revenues over expenditures	-	-	75,320	75,320
Other financing sources				
Transfers in	-	-	-	-
Change in fund balance	-	-	75,320	75,320
Fund balances, beginning of year	<u>4,250,362</u>	<u>4,250,362</u>	<u>4,250,362</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,250,362</u>	<u>\$ 4,250,362</u>	<u>\$ 4,325,682</u>	<u>\$ 75,320</u>

**City of El Monte
Budgetary Comparison Schedule
Tree Mitigation and Planting Fund
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Miscellaneous	\$ -	\$ -	\$ 29,610	\$ 29,610
Total revenues	-	-	29,610	29,610
Expenditures				
Current:				
Parks, recreation and cultural	-	-	22,263	(22,263)
Total expenditures	-	-	22,263	(22,263)
Change in fund balance	-	-	7,347	7,347
Fund balances, beginning of year	4,045	4,045	4,045	-
Fund balances, end of year	\$ 4,045	\$ 4,045	\$ 11,392	\$ 7,347

City of El Monte
Budgetary Comparison Schedule
Air Quality
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 130,500	\$ 130,500	\$ 137,414	\$ 6,914
Use of money and property	2,900	2,900	1,740	(1,160)
Total revenues	<u>133,400</u>	<u>133,400</u>	<u>139,154</u>	<u>5,754</u>
Expenditures				
Current:				
Public works	272,000	272,000	257,897	14,103
Capital outlay	70,000	70,000	-	70,000
Total expenditures	<u>342,000</u>	<u>342,000</u>	<u>257,897</u>	<u>84,103</u>
Excess (deficiency) of revenues over expenditures	(208,600)	(208,600)	(118,743)	89,857
Other financing sources (uses)				
Transfers in	-	-	4,875	4,875
Change in fund balance	(208,600)	(208,600)	(113,868)	94,732
Fund balances, beginning of year	426,665	426,665	426,665	-
Fund balances, end of year	<u>\$ 218,065</u>	<u>\$ 218,065</u>	<u>\$ 312,797</u>	<u>\$ 94,732</u>

City of El Monte
Budgetary Comparison Schedule
Police/Narcotics Forfeiture
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 337,300	\$ 1,135,420	\$ 798,120
Use of money and property	-	11,000	13,990	2,990
Total revenues	<u>-</u>	<u>348,300</u>	<u>1,149,410</u>	<u>801,110</u>
Expenditures				
Current:				
Public Safety	-	105,800	253,927	(148,127)
Capital outlay	-	-	8,499	(8,499)
Total expenditures	<u>-</u>	<u>105,800</u>	<u>262,426</u>	<u>(156,626)</u>
Change in fund balance	-	242,500	886,984	644,484
Fund balances, beginning of year	<u>2,450,649</u>	<u>2,450,649</u>	<u>2,450,649</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,450,649</u>	<u>\$ 2,693,149</u>	<u>\$ 3,337,633</u>	<u>\$ 644,484</u>

City of El Monte
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,501,600	\$ 1,501,600	\$ 1,622,221	\$ 120,621
Intergovernmental	51,000	51,000	38,935	(12,065)
Use of money and property	35,000	35,000	29,100	(5,900)
Miscellaneous revenue	-	150,567	-	(150,567)
Total revenues	<u>1,587,600</u>	<u>1,738,167</u>	<u>1,690,256</u>	<u>(47,911)</u>
Expenditures				
Current:				
Public works	889,400	889,400	721,118	168,282
Capital outlay	1,359,400	1,518,967	172,521	1,346,446
Total expenditures	<u>2,248,800</u>	<u>2,408,367</u>	<u>893,639</u>	<u>1,514,728</u>
Change in fund balance	(661,200)	(670,200)	796,617	1,466,817
Fund balances, beginning of year	<u>5,308,953</u>	<u>5,308,953</u>	<u>5,308,953</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>4,647,753</u></u>	\$ <u><u>4,638,753</u></u>	\$ <u><u>6,105,570</u></u>	\$ <u><u>1,466,817</u></u>

City of El Monte
Budgetary Comparison Schedule
Special Gas Tax
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ 2,915,000	\$ 2,938,495	\$ 23,495
Use of money and property	-	-	22,590	22,590
Miscellaneous	-	700,000	-	(700,000)
Total revenues	<u>-</u>	<u>3,615,000</u>	<u>2,961,085</u>	<u>(653,915)</u>
Expenditures				
Public works	-	-	2,880	(2,880)
Capital outlay	-	688,940	-	688,940
Total expenditures	<u>-</u>	<u>688,940</u>	<u>2,880</u>	<u>686,060</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>2,926,060</u>	<u>2,958,205</u>	<u>32,145</u>
Other financing sources (uses)				
Transfers out	<u>-</u>	<u>(3,025,000)</u>	<u>(3,025,000)</u>	<u>-</u>
Change in fund balance	<u>-</u>	<u>(98,940)</u>	<u>(66,795)</u>	<u>32,145</u>
Fund balances, beginning of year	<u>4,263,811</u>	<u>4,263,811</u>	<u>4,263,811</u>	<u>-</u>
Fund balances, end of year	<u>\$ 4,263,811</u>	<u>\$ 4,164,871</u>	<u>\$ 4,197,016</u>	<u>\$ 32,145</u>

City of El Monte
Budgetary Comparison Schedule
AB 939
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 847,900	\$ 847,900	\$ 760,416	\$ (87,484)
Charges for services	306,100	306,100	661,112	355,012
Use of money and property	-	-	-	-
Total revenues	<u>1,154,000</u>	<u>1,154,000</u>	<u>1,421,528</u>	<u>267,528</u>
Expenditures				
Current:				
Economic development	1,154,000	1,054,000	1,065,344	(11,344)
Capital outlay	-	100,000	-	100,000
Total expenditures	<u>1,154,000</u>	<u>1,154,000</u>	<u>1,065,344</u>	<u>88,656</u>
Change in fund balance	-	-	356,184	356,184
Fund balances, beginning of year	<u>1,105,536</u>	<u>1,105,536</u>	<u>1,105,536</u>	-
Fund balances, end of year	<u>\$ 1,105,536</u>	<u>\$ 1,105,536</u>	<u>\$ 1,461,720</u>	<u>\$ 356,184</u>

City of El Monte
Budgetary Comparison Schedule
Supplemental Law Enforcement Safety (SLES)
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 60,900	\$ 60,900	\$ 163,312	\$ 102,412
Use of money and property	-	-	1,650	1,650
Total revenues	60,900	60,900	164,962	104,062
Expenditures				
Current:				
Public Safety	60,900	60,900	51,281	9,619
Total expenditures	60,900	60,900	51,281	9,619
Change in fund balance	-	-	113,681	113,681
Fund balances, beginning of year				
	298,728	298,728	298,728	-
Fund balances, end of year	\$ 298,728	\$ 298,728	\$ 412,409	\$ 113,681

City of El Monte
Budgetary Comparison Schedule
MTA Call for Projects
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 697,642	\$ 290,674	\$ (406,968)
Total revenues	<u>-</u>	<u>697,642</u>	<u>290,674</u>	<u>(406,968)</u>
Expenditures				
Capital outlay	-	697,642	686,272	11,370
Total expenditures	<u>-</u>	<u>697,642</u>	<u>686,272</u>	<u>11,370</u>
Change in fund balance	-	-	(395,598)	(395,598)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (395,598)</u>	<u>\$ (395,598)</u>

**City of El Monte
Budgetary Comparison Schedule
El Monte Housing Authority
Year ended June 30, 2013**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Expenditures				
Current:				
Economic development	-	-	300,000	(300,000)
Total expenditures	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>(300,000)</u>
Excess (deficiency) of revenues over expenditures	-	-	(300,000)	(300,000)
Other financing sources (uses)				
Proceeds from long-term debt	-	-	300,000	300,000
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>300,000</u>
Change in fund balance	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of El Monte
Budgetary Comparison Schedule
Miscellaneous Grants
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 876,350	\$ 551,779	\$ (324,571)
Miscellaneous	-	4,386,550	-	(4,386,550)
Total revenues	<u>-</u>	<u>5,262,900</u>	<u>551,779</u>	<u>(4,711,121)</u>
Expenditures				
Current:				
Public safety	-	51,750	83,186	(31,436)
Parks, recreation and culture	-	10,400	13,143	(2,743)
Economic development	-	-	111,080	(111,080)
Capital outlay	-	4,919,365	642,682	4,276,683
Total expenditures	<u>-</u>	<u>4,981,515</u>	<u>850,091</u>	<u>4,131,424</u>
Excess (deficiency) of revenues over expenditures	-	281,385	(298,312)	(579,697)
Other financing sources (uses)				
Transfers in	-	-	238,965	238,965
Net change in fund balance	<u>-</u>	<u>281,385</u>	<u>(59,347)</u>	<u>(340,732)</u>
Fund balances, beginning of year	<u>(477,930)</u>	<u>(477,930)</u>	<u>(477,930)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (477,930)</u>	<u>\$ (196,545)</u>	<u>\$ (537,277)</u>	<u>\$ (340,732)</u>

City of El Monte
Budgetary Comparison Schedule
Public Facilities
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ -	\$ 9,000	\$ 209,947	\$ 200,947
Use of money and property	-	5,000	1,560	(3,440)
Total revenues	<u>-</u>	<u>14,000</u>	<u>211,507</u>	<u>197,507</u>
Expenditures				
Current:				
Parks, recreation and culture	-	-	45,315	(45,315)
Public works	-	-	42,360	(42,360)
Total expenditures	<u>-</u>	<u>-</u>	<u>87,675</u>	<u>(87,675)</u>
Change in fund balance	-	14,000	123,832	109,832
Fund balances, beginning of year	263,628	263,628	263,628	-
Fund balances, end of year	<u>\$ 263,628</u>	<u>\$ 277,628</u>	<u>\$ 387,460</u>	<u>\$ 109,832</u>

City of El Monte
Budgetary Comparison Schedule
Quimby
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,000	\$ 124,387	\$ 123,387
Use of money and property	-	5,000	-	(5,000)
Total revenues	<u>-</u>	<u>6,000</u>	<u>124,387</u>	<u>118,387</u>
Expenditures				
Current:				
Parks, recreation and culture	-	-	53,293	(53,293)
Total expenditures	<u>-</u>	<u>-</u>	<u>53,293</u>	<u>(53,293)</u>
Change in fund balance	-	6,000	71,094	65,094
Fund balances, beginning of year	(70)	(70)	(70)	-
Fund balances, end of year	<u>\$ (70)</u>	<u>\$ 5,930</u>	<u>\$ 71,024</u>	<u>\$ 65,094</u>

City of El Monte
Budgetary Comparison Schedule
Older Americans Act
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 58,500	\$ 58,500	\$ 46,080	\$ (12,420)
Miscellaneous	-	-	850	850
Total revenues	58,500	58,500	46,930	(11,570)
Expenditures				
Current:				
Parks, recreation and cultural	68,600	68,600	54,360	14,240
Total expenditures	68,600	68,600	54,360	14,240
Excess (deficiency) of revenues over expenditures	(10,100)	(10,100)	(7,430)	2,670
Other financing sources (uses)				
Transfers in	-	-	7,430	7,430
Net other financing sources (uses)	-	-	7,430	7,430
Change in fund balance	(10,100)	(10,100)	-	10,100
Fund balances, beginning of year	1,367	1,367	1,367	-
Fund balances, end of year	\$ (8,733)	\$ (8,733)	\$ 1,367	\$ 10,100

City of El Monte
Budgetary Comparison Schedule
Park Bond Act
Year ended June 30, 2013

		Original Budget	Final Budget	Actual Amounts		Variance with Final Budget - Positive (Negative)
Revenues						
Intergovernmental	\$	-	250,000	419,509	\$	169,509
Total revenues		-	250,000	419,509	\$	169,509
Change in fund balance		-	250,000	419,509		169,509
Fund balances, beginning of year		(419,509)	(419,509)	(419,509)		-
Fund balances, end of year	\$	(419,509)	(169,509)	-	\$	169,509

**City of El Monte
Budgetary Comparison Schedule
Senior Citizen Program
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 86,400	\$ 86,400	\$ 109,061	\$ 22,661
Miscellaneous	30,800	30,800	20,011	(10,789)
Total revenues	<u>117,200</u>	<u>117,200</u>	<u>129,072</u>	<u>11,872</u>
Expenditures				
Current:				
Parks, recreation and cultural	139,400	139,400	150,793	(11,393)
Total expenditures	<u>139,400</u>	<u>139,400</u>	<u>150,793</u>	<u>(11,393)</u>
Excess (deficiency) of revenues over expenditures	(22,200)	(22,200)	(21,721)	479
Other financing sources (uses)				
Transfers in	-	-	22,425	22,425
Transfers out	-	-	(704)	(704)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>21,721</u>	<u>21,721</u>
Change in fund balance	(22,200)	(22,200)	-	22,200
Fund balances, beginning of year	48,447	48,447	48,447	-
Fund balances, end of year	<u>\$ 26,247</u>	<u>\$ 26,247</u>	<u>\$ 48,447</u>	<u>\$ 22,200</u>

City of El Monte
Budgetary Comparison Schedule
Children's Lunch Program
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 272,500	\$ 272,500	\$ 202,764	\$ (69,736)
Total revenues	272,500	272,500	202,764	(69,736)
Expenditures				
Parks, recreation and cultural	272,500	272,500	202,764	69,736
Total expenditures	272,500	272,500	202,764	69,736
Change in fund balance	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

**City of El Monte
Budgetary Comparison Schedule
Parking and Business Improvement
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ 135,000	\$ -	\$ (135,000)
Charges for services	-	-	153,301	153,301
Total revenues	-	135,000	153,301	18,301
Expenditures				
Current:				
General government	-	-	95,199	(95,199)
Total expenditures	-	-	95,199	(95,199)
Excess (deficiency) of revenues over expenditures	-	135,000	58,102	(76,898)
Other financing uses				
Transfers out	-	-	(23,800)	(23,800)
Change in fund balance	-	135,000	34,302	(100,698)
Fund balances, beginning of year	222,662	222,662	222,662	-
Fund balances, end of year	\$ 222,662	\$ 357,662	\$ 256,964	\$ (100,698)

**City of El Monte
Budgetary Comparison Schedule
Cable Television Corporation
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 99,100	\$ 99,100	\$ 121,814	\$ 22,714
Total revenues	<u>99,100</u>	<u>99,100</u>	<u>121,814</u>	<u>22,714</u>
Expenditures				
Current:				
General government	99,100	99,100	88,648	10,452
Total expenditures	<u>99,100</u>	<u>99,100</u>	<u>88,648</u>	<u>10,452</u>
Change in fund balance	-	-	33,166	33,166
Fund balances, beginning of year	132,283	132,283	132,283	-
Fund balances, end of year	<u>\$ 132,283</u>	<u>\$ 132,283</u>	<u>\$ 165,449</u>	<u>\$ 33,166</u>

**City of El Monte
 Budgetary Comparison Schedule
 Park Facility Impact Fees
 Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ -	\$ 1,000	\$ -	\$ (1,000)
Use of money and property	-	2,000	-	(2,000)
Total revenues	-	3,000	-	(3,000)
 Change in fund balance	 -	 3,000	 -	 (3,000)
 Fund balances, beginning of year	 (41,350)	 (41,350)	 (41,350)	 -
Fund balances, end of year	\$ (41,350)	\$ (38,350)	\$ (41,350)	\$ (3,000)

City of El Monte
Budgetary Comparison Schedule
Art in Public Places
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ 2,500	\$ -	\$ (2,500)
Contributions	-	-	35,026	35,026
Total revenues	<u>-</u>	<u>2,500</u>	<u>35,026</u>	<u>32,526</u>
 Change in fund balance	 -	 2,500	 35,026	 32,526
 Fund balances, beginning of year	 <u>269,678</u>	 <u>269,678</u>	 <u>269,678</u>	 <u>-</u>
Fund balances, end of year	<u>\$ 269,678</u>	<u>\$ 272,178</u>	<u>\$ 304,704</u>	<u>\$ 32,526</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 41,020	\$ 41,020
Use of money and property	20,000	20,000	29,345	9,345
Contributions	-	-	103,900	103,900
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>174,265</u>	<u>154,265</u>
Expenditures				
Current:				
Parks, recreation and cultural	20,000	20,000	137,128	(117,128)
Public safety	-	-	94,205	(94,205)
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>231,333</u>	<u>(211,333)</u>
Change in fund balance	-	-	(57,068)	(57,068)
Fund balances, beginning of year	<u>80,511</u>	<u>80,511</u>	<u>80,511</u>	-
Fund balances, end of year	<u>\$ 80,511</u>	<u>\$ 80,511</u>	<u>\$ 23,443</u>	<u>\$ (57,068)</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs II
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Contributions	\$ -	\$ -	\$ 42,214	\$ 42,214
Total revenues	<u>-</u>	<u>-</u>	<u>42,214</u>	<u>42,214</u>
Expenditures				
Current:				
Parks, recreation and cultural	45,000	45,000	41,020	3,980
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>41,020</u>	<u>3,980</u>
Excess (deficiency) of revenues over expenditures	(45,000)	(45,000)	1,194	46,194
Other financing sources				
Transfers in	45,000	45,000	45,000	-
Change in fund balance	-	-	46,194	46,194
Fund balances, beginning of year	24,357	24,357	24,357	-
Fund balances, end of year	<u>\$ 24,357</u>	<u>\$ 24,357</u>	<u>\$ 70,551</u>	<u>\$ 46,194</u>

City of El Monte
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,216,200	\$ 1,216,200	\$ 1,214,248	\$ (1,952)
Use of money and property	19,000	19,000	11,490	(7,510)
Miscellaneous	-	44,337	-	(44,337)
Total revenues	<u>1,235,200</u>	<u>1,279,537</u>	<u>1,225,738</u>	<u>(53,799)</u>
Expenditures				
Current:				
Public works	925,100	969,437	274,607	694,830
Debt service				
Interests and fiscal charges	525,000	525,000	526,500	(1,500)
Total expenditures	<u>1,450,100</u>	<u>1,494,437</u>	<u>801,107</u>	<u>693,330</u>
Change in fund balance	(214,900)	(214,900)	424,631	639,531
Fund balances, beginning of year	<u>1,957,329</u>	<u>1,957,329</u>	<u>1,957,329</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,742,429</u>	<u>\$ 1,742,429</u>	<u>\$ 2,381,960</u>	<u>\$ 639,531</u>

City of El Monte
Budgetary Comparison Schedule
CDBG ARRA
Year ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Other financing sources				
Transfers in	\$ -	\$ -	\$ 2,740	\$ 2,740
Change in fund balance	-	-	2,740	2,740
Fund balances, beginning of year	<u>(2,740)</u>	<u>(2,740)</u>	<u>(2,740)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (2,740)</u>	<u>\$ (2,740)</u>	<u>\$ -</u>	<u>\$ 2,740</u>

City of El Monte
Budgetary Comparison Schedule
Federal Stimulus
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 107,088	\$ 107,088
Miscellaneous	-	408,400	-	(408,400)
Total revenues	<u>-</u>	<u>408,400</u>	<u>107,088</u>	<u>(301,312)</u>
Expenditures				
Current:				
Economic development	-	39,000	108,895	(69,895)
Total expenditures	<u>-</u>	<u>39,000</u>	<u>108,895</u>	<u>(69,895)</u>
Change in fund balance	-	369,400	(1,807)	(371,207)
Fund balances, beginning of year	<u>(25,804)</u>	<u>(25,804)</u>	<u>(25,804)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (25,804)</u>	<u>\$ 343,596</u>	<u>\$ (27,611)</u>	<u>\$ (371,207)</u>

City of El Monte
Budgetary Comparison Schedule
CalHome Grant
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,000,000	\$ -	\$ (1,000,000)
Use of money and property	-	-	190	190
Total revenues	<u>-</u>	<u>1,000,000</u>	<u>190</u>	<u>(999,810)</u>
Expenditures				
Current:				
Economic development	-	1,000,000	51,003	948,997
Total expenditures	<u>-</u>	<u>1,000,000</u>	<u>51,003</u>	<u>948,997</u>
Change in fund balance	-	-	(50,813)	(50,813)
Fund balances, beginning of year	<u>47,202</u>	<u>47,202</u>	<u>47,202</u>	-
Fund balances, end of year	<u>\$ 47,202</u>	<u>\$ 47,202</u>	<u>\$ (3,611)</u>	<u>\$ (50,813)</u>

**City of El Monte
Budgetary Comparison Schedule
Transportation Development Act Fund
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 99,645	\$ 99,645
Total revenues	<u>-</u>	<u>-</u>	<u>99,645</u>	<u>99,645</u>
Expenditures				
Current:				
Capital outlay	-	-	668	(668)
Total expenditures	<u>-</u>	<u>-</u>	<u>668</u>	<u>(668)</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>98,977</u>	<u>98,977</u>
Fund balances, beginning of year	355	355	355	-
Fund balances, end of year	<u>\$ 355</u>	<u>\$ 355</u>	<u>\$ 99,332</u>	<u>\$ 98,977</u>

**City of El Monte
 Budgetary Comparison Schedule
 COPS Hiring Recovery Program
 Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 811,900	\$ 217,619	\$ (594,281)
Total revenues	<u>-</u>	<u>811,900</u>	<u>217,619</u>	<u>(594,281)</u>
Expenditures				
Current:				
Public safety	-	-	217,617	(217,617)
Total expenditures	<u>-</u>	<u>-</u>	<u>217,617</u>	<u>(217,617)</u>
Change in fund balance	-	811,900	2	(811,898)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ 811,900</u>	<u>\$ 2</u>	<u>\$ (811,898)</u>

City of El Monte
Budgetary Comparison Schedule
Family Caregiver Support Services III
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 5,900	\$ 5,900	\$ 10,406	\$ 4,506
Total revenues	<u>5,900</u>	<u>5,900</u>	<u>10,406</u>	<u>4,506</u>
Expenditures				
Current:				
Parks, recreation and cultural	7,400	7,400	14,025	(6,625)
Total expenditures	<u>7,400</u>	<u>7,400</u>	<u>14,025</u>	<u>(6,625)</u>
Excess (deficiency) of revenues over expenditures	(1,500)	(1,500)	(3,619)	(2,119)
Other financing sources				
Transfers in	-	-	3,619	3,619
Change in fund balance	(1,500)	(1,500)	-	1,500
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ (1,500)</u>	<u>\$ (1,500)</u>	<u>\$ -</u>	<u>\$ 1,500</u>

**City of El Monte
Budgetary Comparison Schedule
Energy Efficiency Block Grant
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 17,607	\$ 17,607
Total revenues	<u>-</u>	<u>-</u>	<u>17,607</u>	<u>17,607</u>
Expenditures				
Current:				
Capital outlay	-	-	17,607	(17,607)
Total expenditures	<u>-</u>	<u>-</u>	<u>17,607</u>	<u>(17,607)</u>
Change in fund balance	-	-	-	-
Fund balances, beginning of year	160	160	160	-
Fund balances, end of year	<u>\$ 160</u>	<u>\$ 160</u>	<u>\$ 160</u>	<u>\$ -</u>

City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Bonds Capital Project Fund
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 2,054	\$ 2,054
Total revenues	-	-	2,054	2,054
Other financing uses				
Transfers out	-	-	(3,585,511)	(3,585,511)
Change in fund balance	-	-	(3,583,457)	(3,583,457)
Fund balances, beginning of year	3,604,002	3,604,002	3,604,002	-
Fund balances, end of year	\$ 3,604,002	\$ 3,604,002	\$ 20,545	\$ (3,583,457)

City of El Monte
Budgetary Comparison Schedule
2011 Revenue Bonds Capital Project Fund
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 66,661	\$ 66,661
Miscellaneous	-	-	28,502	28,502
Total revenues	<u>-</u>	<u>-</u>	<u>95,163</u>	<u>95,163</u>
Excess (deficiency) of revenues over expenditures	-	-	95,163	95,163
Other financing sources				
Transfers out	-	-	(274,478)	(274,478)
Change in fund balance	-	-	(179,315)	(179,315)
Fund balances, beginning of year	<u>9,942,286</u>	<u>9,942,286</u>	<u>9,942,286</u>	<u>-</u>
Fund balances, end of year	<u>\$ 9,942,286</u>	<u>\$ 9,942,286</u>	<u>\$ 9,762,971</u>	<u>\$ (179,315)</u>

City of El Monte
Budgetary Comparison Schedule
Capital Projects Fund
Year ended June 30, 2013

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 41	\$ 41
Total revenues	<u>-</u>	<u>-</u>	<u>41</u>	<u>41</u>
Expenditures				
Current:				
General government	-	-	261,251	(261,251)
Capital outlay	-	44,000	2,970,211	(2,926,211)
Total expenditures	<u>-</u>	<u>44,000</u>	<u>3,231,462</u>	<u>(3,187,462)</u>
Excess (deficiency) of revenues over expenditures	-	(44,000)	(3,231,421)	(3,187,421)
Other financing sources (uses)				
Transfers in	-	-	4,084,806	4,084,806
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,084,806</u>	<u>4,084,806</u>
Change in fund balance	-	(44,000)	853,385	897,385
Fund balances, beginning of year	<u>(856,563)</u>	<u>(856,563)</u>	<u>(856,563)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (856,563)</u>	<u>\$ (900,563)</u>	<u>\$ (3,178)</u>	<u>\$ 897,385</u>

**City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Debt Service Fund
Year ended June 30, 2013**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,436,976	\$ 1,436,976
Use of money and property	-	-	519,630	519,630
Total revenues	<u>-</u>	<u>-</u>	<u>1,956,606</u>	<u>1,956,606</u>
Expenditures				
Debt service:				
Principal retirement	-	-	310,000	(310,000)
Interest and fiscal charges	\$ -	\$ -	\$ 1,649,221	\$ (1,649,221)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,959,221</u>	<u>(1,959,221)</u>
Change in fund balance	-	-	(2,615)	(2,615)
Fund balances, beginning of year	<u>1,250,933</u>	<u>1,250,933</u>	<u>1,250,933</u>	-
Fund balances, end of year	<u>\$ 1,250,933</u>	<u>\$ 1,250,933</u>	<u>\$ 1,248,318</u>	<u>\$ (2,615)</u>

City of El Monte
Combining Statement of Net position
All Internal Service Funds
Year ended June 30, 2013

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
ASSETS				
Current assets				
Cash and investments	\$ 8,128,214	\$ 450,000	\$ 400,000	\$ 8,978,214
Receivables:				
Accounts	7,500	-	-	7,500
Total assets	<u>8,135,714</u>	<u>450,000</u>	<u>400,000</u>	<u>8,985,714</u>
DEFERRED OUTFLOWS OF RESOURCES				
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
LIABILITIES				
Current liabilities				
Accounts payable	374	-	-	374
Accrued claims and judgments	1,530,000	-	-	1,530,000
Total current liabilities	<u>1,530,374</u>	<u>-</u>	<u>-</u>	<u>1,530,374</u>
Noncurrent liabilities				
Advances from other funds	300,000	-	-	300,000
Accrued claims and judgments	8,841,000	-	-	8,841,000
Total liabilities	<u>10,671,374</u>	<u>-</u>	<u>-</u>	<u>10,671,374</u>
DEFERRED INFLOWS OF RESOURCES				
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Unrestricted	(2,535,660)	450,000	400,000	(1,685,660)
Total net position	<u>\$ (2,535,660)</u>	<u>\$ 450,000</u>	<u>\$ 400,000</u>	<u>\$ (1,685,660)</u>

City of El Monte
Combining Statement of Revenues, Expenses and Changes in Net position
All Internal Service Funds
June 30, 2013

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Operating revenues				
Interdepartmental charges	\$ 2,995,359	\$ -	\$ -	\$ 2,995,359
Total operating revenues	<u>2,995,359</u>	<u>-</u>	<u>-</u>	<u>2,995,359</u>
Operating expenses				
Claims expenses	2,301,996	-	-	2,301,996
Total operating expenses	<u>2,301,996</u>	<u>-</u>	<u>-</u>	<u>2,301,996</u>
Operating income (loss)	693,363	-	-	693,363
Other financing sources				
Transfers in	-	150,000	150,000	300,000
Changes in net position	693,363	150,000	150,000	993,363
Total net position - beginning	<u>(3,229,023)</u>	<u>300,000</u>	<u>250,000</u>	<u>(2,679,023)</u>
Total net position - ending	<u>\$ (2,535,660)</u>	<u>\$ 450,000</u>	<u>\$ 400,000</u>	<u>\$ (1,685,660)</u>

**City of El Monte
Combining Statement of Cash Flows
All Internal Service Funds
Year ended June 30, 2013**

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Cash flows from operating activities				
Cash received/(paid to) interfund service provided	\$ 2,987,994	\$ -	\$ -	\$ 2,987,994
Cash paid to suppliers for goods and services	(2,035,690)	-	-	(2,035,690)
Net cash provided by (used in) operating activities	<u>952,304</u>	<u>-</u>	<u>-</u>	<u>952,304</u>
Cash flows from non-capital financing activities				
Transfers from other funds	-	150,000	150,000	300,000
Net cash provided by (used in) non-capital and related financing activities	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>300,000</u>
Change in cash and cash equivalents	952,304	150,000	150,000	1,252,304
Beginning cash and cash equivalents	7,175,910	300,000	250,000	7,725,910
Ending cash and cash equivalents	<u>\$ 8,128,214</u>	<u>\$ 450,000</u>	<u>\$ 400,000</u>	<u>\$ 8,978,214</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 693,363	\$ -	\$ -	\$ 693,363
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	(7,365)	-	-	(7,365)
Increase (decrease):				
Accounts payable	306	-	-	306
Accrued claims & judgments	266,000	-	-	266,000
Net cash provided by (used in) operating activities	<u>\$ 952,304</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 952,304</u>

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

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

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Revenue Capacity

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

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

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Operating Information

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

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Table 19	Capital Assets by Function

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

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

	2007	2008	2009	2010	2011	2012	2013
Governmental activities							
Net investment in capital assets	\$ 400,525,216	\$ 387,726,129	\$ 393,169,859	\$ 382,391,198	\$ 382,386,047	\$ 406,191,154	408,942,772
Restricted	45,706,053	45,093,002	45,444,013	68,553,946	66,201,676	71,058,861	67,082,252
Unrestricted	5,863,237	17,981,867	6,706,495	(3,841,062)	2,156,436	(6,986,991)	(9,978,137)
Total governmental activities net assets	<u>452,094,506</u>	<u>450,800,998</u>	<u>445,320,367</u>	<u>447,104,082</u>	<u>450,744,159</u>	<u>470,263,024</u>	<u>466,046,887</u>
Business-type activities							
Net investment in capital assets	3,699,586	3,681,347	3,884,727	17,144,056	15,773,348	14,644,182	14,198,071
Restricted	515,422	402,693	403,419	411,743	403,419	623,422	403,422
Unrestricted	(15,489,929)	(15,067,058)	(15,364,273)	(2,461,586)	(1,392,384)	(783,223)	(663,601)
Total business-type activities net assets	<u>\$ (11,274,921)</u>	<u>\$ (10,983,018)</u>	<u>\$ (11,076,127)</u>	<u>\$ 15,094,213</u>	<u>\$ 14,784,383</u>	<u>\$ 14,484,381</u>	<u>\$ 13,937,892</u>
Primary government							
Net investment in capital assets	404,224,802	391,407,476	397,054,586	399,535,254	398,159,395	420,835,336	423,140,843
Restricted	46,221,475	45,495,695	45,847,432	68,965,689	66,605,095	71,682,283	67,485,674
Unrestricted	(9,626,692)	2,914,809	(8,657,778)	(6,302,648)	764,052	(7,770,214)	(10,641,738)
Total primary government net assets	<u>\$ 440,819,585</u>	<u>\$ 439,817,980</u>	<u>\$ 434,244,240</u>	<u>\$ 462,198,295</u>	<u>\$ 465,528,542</u>	<u>\$ 484,747,405</u>	<u>\$ 479,984,779</u>

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

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

Source: Finance Department, City of El Monte

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

	2007	2008	2009	2010	2011	2012	2013
Expenses							
Governmental activities:							
General government	\$ 34,683,409	\$ 38,252,969	\$ 36,766,602	\$ 37,182,894	\$ 29,578,242	\$ 31,035,167	\$ 20,788,814
Public safety	37,829,869	39,990,879	34,909,950	29,821,998	32,851,129	31,373,685	33,813,668
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
Public works	7,622,037	9,662,975	10,587,267	11,013,617	10,677,438	12,273,857	15,096,927
Economic development	-	-	-	-	3,703,687	3,795,416	8,240,078
Debt service - interest on long-term debt	5,912,027	5,642,085	5,904,551	6,560,377	1,826,698	4,375,648	2,492,205
Total governmental activities expenses	91,185,642	99,258,925	92,750,084	88,727,858	83,383,025	86,146,693	83,595,197
Business-type activities:							
Water authority	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127	6,498,416
Total business-type activities expenses	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127	6,498,416
Total primary government expenses	\$ 94,484,148	\$ 102,420,966	\$ 95,949,775	\$ 94,710,015	\$ 90,196,678	\$ 92,346,820	\$ 90,093,613
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 2,333,233	\$ 4,068,360	\$ 1,983,176	\$ 2,114,853	\$ 3,139,208	\$ 2,660,459	\$ 417,889
Public safety	2,298,313	2,226,196	2,548,125	2,323,037	2,429,210	2,136,780	1,758,649
Community development	-	-	1,179,197	-	-	-	-
Parks, recreation, and cultural	534,834	587,291	485,483	3,228,325	828,110	899,689	1,337,638
Public works	2,152,880	2,051,314	4,940,139	2,382,772	861,338	994,082	1,254,749
Economic development	-	-	-	-	3,368,408	3,668,748	1,743,141
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
Capital grants and contributions	166,456	5,917,284	3,010,609	3,426,688	7,471,458	7,219,958	2,961,085
Total governmental activities program revenues	21,751,633	23,243,680	21,294,505	21,232,780	25,007,114	26,824,990	21,523,701
Business-type activities:							
Charges for services:							
Water authority	\$ 2,957,009	\$ 3,165,031	\$ 2,985,694	\$ 6,318,772	\$ 6,761,971	\$ 6,573,474	\$ 6,301,092
Operating Contributions and Grants:							
Water authority	-	-	117,527	135,512	87,977	24,995	41,601
Total business-type activities program revenues	2,957,009	3,165,031	3,103,221	6,454,284	6,849,948	6,598,469	6,342,693
Total primary government program revenues	\$ 24,708,642	\$ 26,408,711	\$ 24,397,726	\$ 27,687,064	\$ 31,857,062	\$ 33,423,459	\$ 27,866,394
Net (expense) revenue							
Governmental activities	(69,434,009)	(76,015,245)	(71,455,579)	(67,495,078)	(58,375,911)	(59,321,703)	(62,071,496)
Business-type activities	(341,497)	2,990	(96,470)	472,127	36,295	398,342	(155,723)
Total primary government net expense	\$ (69,775,506)	\$ (76,012,255)	\$ (71,552,049)	\$ (67,022,951)	\$ (58,339,616)	\$ (58,923,361)	\$ (62,227,219)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
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
Transient occupancy taxes	326,312	315,076	306,710	273,128	266,460	277,629	298,784
Sales taxes	21,915,042	22,397,169	12,819,325	13,482,687	18,365,147	19,908,564	21,908,497
Franchise taxes	2,118,032	2,627,027	2,799,335	3,841,747	2,658,124	3,127,463	2,427,661
Business licenses taxes	-	-	60,319	135,156	143,629	132,044	2,024,962
Utility user taxes	8,744,118	8,820,706	8,477,622	7,850,115	7,436,906	7,129,350	7,087,818
Other taxes	717,016	2,496,140	2,145,353	2,080,476	496,829	403,452	508,683
Intergovernmental, unrestricted:							
Motor vehicle in-lieu	786,789	538,617	362,920	373,048	406,053	328,956	64,828
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
Gain on sale of assets	-	-	-	-	-	-	-
Other	3,208,128	1,999,663	324,017	92,990	269,038	341,432	597,391
Special item	-	-	-	-	(864,036)	-	(929,376)
Transfers	-	-	-	-	200,000	283,612	200,000
Total governmental activities	70,550,328	74,539,076	63,088,226	64,959,332	62,852,596	63,516,463	59,173,431
Business-type activities:							
Property taxes, levied for general purposes	-	-	-	-	-	-	-
Investment earnings	107,997	111,021	57,847	60,528	53,387	25,894	42,639
Other	9,103	177,892	2,853	8,733	85,616	20,281	197,930
Transfers	-	-	-	-	(200,000)	(283,612)	(200,000)
Total business-type activities	117,100	288,913	60,700	69,261	(60,997)	(237,437)	40,569
Total primary program	\$ 70,667,428	\$ 74,827,989	\$ 63,148,926	\$ 65,028,593	\$ 62,791,599	\$ 63,279,026	\$ 59,214,000
Change in Net Position							
Governmental activities	1,116,319	(1,476,169)	(8,367,353)	(2,535,746)	4,476,685	4,194,760	(2,898,065)
Business-type activities	(224,397)	291,903	(35,770)	541,388	(24,702)	160,905	(115,154)
Total primary government program	\$ 891,922	\$ (1,184,266)	\$ (8,403,123)	\$ (1,994,358)	\$ 4,451,983	\$ 4,355,665	\$ (3,013,219)

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 Seven Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund							
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			
Total general fund	\$ 63,311,395	\$ 56,115,911	\$ 57,347,532	\$ 106,216,346	-	-	-
All other governmental funds							
Reserved	\$ 29,115,933	\$ 27,687,724	\$ 26,364,717	\$ 26,280,794			
Unreserved, reported in:							
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)			
Total all other governmental fund	\$ (8,110,719)	\$ (1,283,975)	\$ (5,071,614)	\$ (32,867,215)	-	-	-
GASB 54 Fund Balance Classification:							
General Fund							
Nonspendable					\$ 18,873,079	\$ 18,886,423	\$ 19,044,938
Restricted					-	-	-
Unassigned					8,440,216	8,644,339	11,469,215
Total general fund					27,313,295	27,530,762	30,514,153
All other governmental funds							
Nonspendable					36,948,151	8,621,007	3,570,868
Restricted							
Special revenue funds					15,088,458	44,868,988	46,756,806
Capital projects funds					9,527,746	12,688,988	9,783,516
Debt service funds					6,502,042	1,250,933	1,248,318
Committed					78,804,828	-	-
Unassigned					(92,056,922)	(915,551)	(1,054,062)
Total all other governmental funds					54,814,303	66,514,365	60,305,446
Total Governmental Funds					\$ 82,127,598	\$ 94,045,127	\$ 90,819,599

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.

Source: Finance Department, City of El Monte

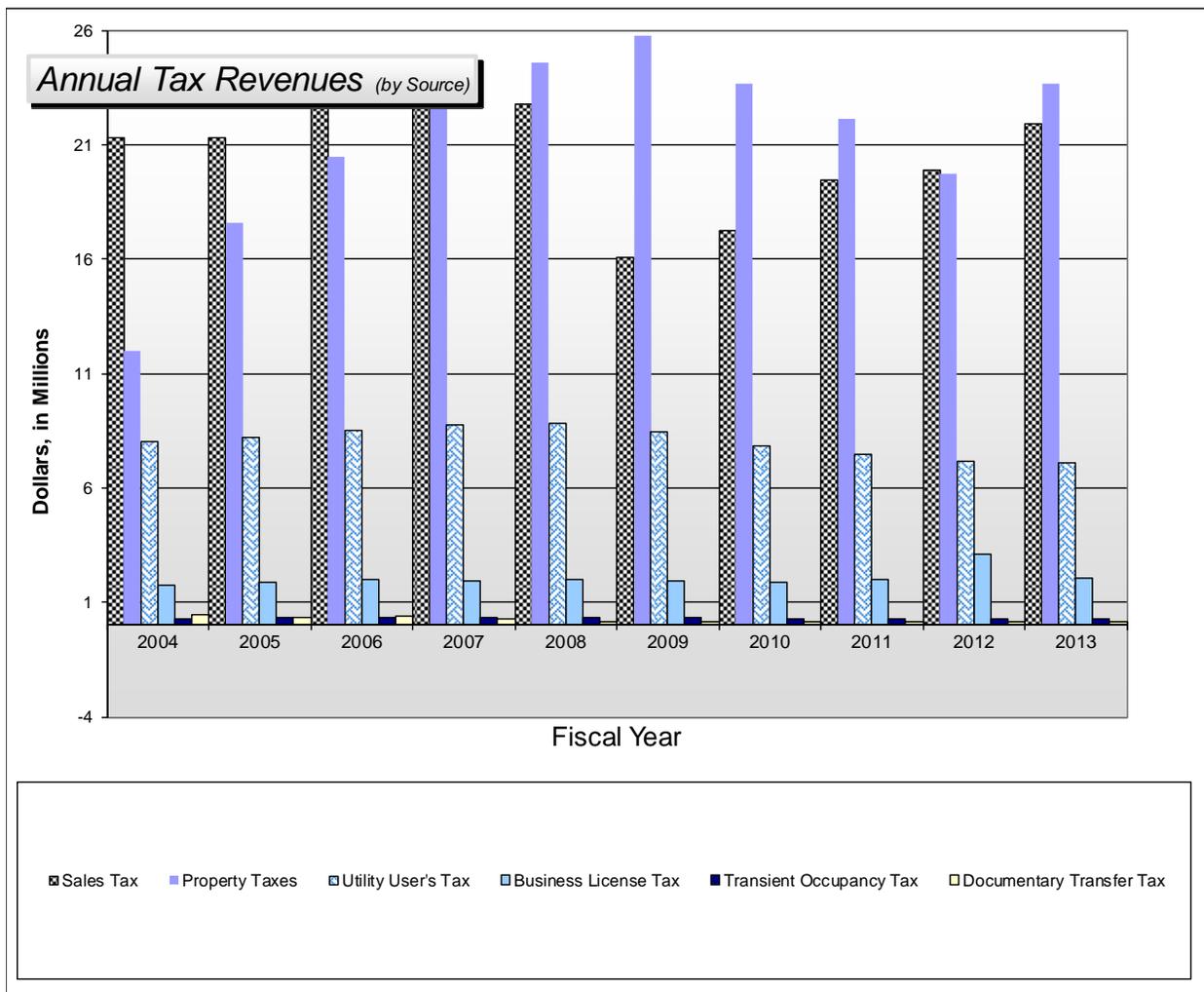
City of El Monte
Table 5 - Changes in Fund Balances of Governmental Funds
Last Seven Fiscal Years

	2007	2008	2009	2010	2011	2012	2013
Revenues							
Taxes	\$ 63,543,334	\$ 65,000,743	\$ 60,272,665	\$ 63,467,593	\$ 64,650,097	\$ 65,332,159	62,277,534
Licenses and permits	3,077,238	3,135,488	6,853,145	2,517,044	2,643,806	2,518,997	762,214
Intergovernmental	12,783,195	14,855,965	7,059,621	10,164,303	15,543,494	13,218,295	10,862,667
Charges for services	3,027,193	2,937,085	2,366,960	2,980,376	2,747,434	2,760,338	3,019,053
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
Fines and forfeitures	1,192,177	1,218,477	1,513,547	1,298,040	1,561,288	1,719,778	1,825,943
Contributions	273,891	456,021	494,993	203,687	193,006	199,637	181,140
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
Net change in fair value of investments	-	-	-	-	-	-	(929,376)
Total revenues	90,539,275	95,380,492	83,745,237	90,034,981	91,497,196	90,057,014	81,502,076
Expenditures							
Current:							
General government	30,300,361	36,713,532	30,959,376	35,030,299	27,553,572	29,329,966	19,542,961
Public safety	36,612,697	39,293,878	34,716,300	28,728,032	31,049,574	29,393,872	31,562,378
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
Public works	4,209,203	6,535,553	7,818,511	5,445,472	7,622,183	7,941,927	10,317,511
Economic development	-	-	-	-	3,703,687	3,431,716	7,993,800
Capital outlay	9,995,244	5,256,934	3,891,957	5,992,383	21,923,576	12,762,314	7,862,196
Debt Service:							
Principal retirement	2,339,751	9,732,787	1,630,725	2,221,482	1,942,000	1,853,000	1,602,000
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
Bond issuance cost	-	1,515,390	-	-	908,543	-	-
Payment to refunded bond escrow agent	-	2,152,727	-	-	-	-	-
Total expenditures	94,302,864	112,288,551	89,207,476	87,450,952	101,031,712	91,259,475	84,369,271
Revenues over (under) expenditures	(3,763,589)	(16,908,059)	(5,462,239)	2,584,029	(9,534,516)	(1,202,461)	(2,867,195)
Other financing sources (uses)							
Transfers in	4,154,344	7,294,579	6,074,214	10,250,309	19,367,784	9,367,779	7,459,364
Transfers out	(4,154,344)	(10,294,579)	(6,074,214)	(10,250,309)	(19,417,784)	(9,384,167)	(7,559,364)
Refunding bonds issued	-	30,090,000	-	-	-	-	-
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	-
Proceeds from sale of capital assets	-	-	19,499	-	-	-	-
Miscellaneous	-	-	-	(70,593)	(894,193)	-	-
Net other financing sources (uses)	1,228,691	14,470,160	19,499	379,489	18,310,807	9,983,612	200,000
Change in fund balances	\$ (2,534,898)	\$ (2,437,899)	\$ (5,442,740)	\$ 2,963,518	\$ 8,776,291	\$ 8,781,151	(2,667,195)
Debt service as a percentage of noncapital expenditures	9.61%	17.73%	8.53%	10.13%	5.89%	6.78%	5.40%

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
2004 \$	11,995,298	469,977	1,731,466	7,989,331	298,053	21,286,522	16,866	40,637,381
2005	17,595,824	341,808	1,893,113	8,202,719	310,189	21,321,728	16,864	43,787,513
2006	20,454,881	365,200	1,975,656	8,526,617	320,297	22,856,342	20,687	49,682,245
2007	22,582,996	266,729	1,935,003	8,744,118	326,312	23,732,619	30,193	54,519,680
2008	24,601,338	174,847	1,999,419	8,820,706	315,076	22,790,292	23,966	57,617,970
2009	25,764,716	158,080	1,928,093	8,477,622	306,710	16,043,743	-	58,725,644
2010	23,675,790	153,548	1,851,680	7,850,115	273,128	17,217,238	-	52,678,964
2011	22,096,855	151,201	2,017,847	7,436,906	266,460	19,424,297	-	51,021,499
2012	19,726,496	132,044	3,127,463	7,129,350	277,629	19,908,564	403,452	51,393,566
2013	23,681,773	159,157	2,024,962	7,087,818	298,784	21,908,497	349,526	55,510,517



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

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

Fiscal Year	Real Property		Other Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Estimated Actual Value
	Residential	Commercial						
2004	\$ 2,461,162,861	618,212,210	885,230,398	44,887,760	3,919,717,709	0.33855%	\$ 3,919,717,709	100.00%
2005	2,713,440,078	640,141,492	871,667,407	36,949,377	4,188,299,600	0.32525%	4,188,299,600	100.00%
2006	3,026,168,369	689,874,221	932,736,944	38,423,340	4,610,356,194	0.33096%	4,610,356,194	100.00%
2007	3,420,937,638	779,987,905	1,022,742,963	42,927,022	5,180,741,484	0.33032%	5,180,741,484	100.00%
2008	3,754,978,088	841,808,323	1,065,634,917	42,862,053	5,619,559,275	0.33946%	5,619,559,275	100.00%
2009	3,955,072,498	894,157,102	1,086,518,219	41,041,565	5,894,706,254	0.35048%	5,894,706,254	100.00%
2010	3,836,445,196	967,476,562	1,179,202,504	46,540,442	5,936,583,820	0.36092%	5,936,583,820	100.00%
2011	3,801,709,215	940,004,168	1,120,153,954	49,631,071	5,812,236,266	0.35572%	5,812,236,266	100.00%
2012	3,862,423,779	947,932,740	1,048,968,931	49,041,796	5,810,283,654	0.34806%	5,810,283,654	100.00%
2013	3,924,119,452	965,154,088	1,041,804,256	58,039,660	5,873,038,136	0.34698%	5,873,038,136	100.00%

Source: HdL, Coren & Cone

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

Fiscal Year	City Direct Rates			Overlapping Rates						Total Direct & Overlapping Rates
	General City	Debt Service	Total Direct	LA County General	Flood Control District	Community College	School Districts	Water Districts	Total Overlapping	
2004	1.000	0.150	1.150	0.000992	0.000462	0.000000	0.086448	0.006100	0.094002	1.244002
2005	1.000	0.150	1.150	0.000923	0.000245	0.021695	0.111747	0.005800	0.140410	1.290410
2006	1.000	0.150	1.150	0.000795	0.000049	0.018021	0.134819	0.005200	0.158884	1.308884
2007	1.000	0.150	1.150	0.000663	0.000052	0.014688	0.122488	0.004700	0.142591	1.292591
2008	1.000	0.150	1.150	0.000000	0.000000	0.013700	0.108880	0.004500	0.127080	1.277080
2009	1.000	0.150	1.150	0.000000	0.000000	0.023200	0.124900	0.004300	0.152400	1.302400
2010	1.000	0.150	1.150	0.000000	0.000000	0.027140	0.215610	0.004300	0.247050	1.397050
2011	1.000	0.150	1.150	0.000000	0.000000	0.034390	0.208640	0.003700	0.246730	1.396730
2012	1.000	0.150	1.150	0.000000	0.000000	0.053740	0.374210	0.003700	0.431650	1.581650
2013	1.000	0.150	1.150	0.000000	0.000000	0.048670	0.375010	0.003500	0.427180	1.577180

NOTE: (1) The passage of Proposition 13 on June 6, 1978 established a maximum countywide levy of 1% of market value or \$1.00 per \$100 of assessed value. Prior to fiscal year 1982, assessed valuation was stated at 25% of market value or \$4.00 per \$100 of assessed value.

Source: HdL, Coren & Cone

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

Taxpayer	2013			2004		
	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value
Vons Companies, Inc.	\$ 85,057,214	1	21%	\$ 47,568,840	1	18%
Wells Fargo Bank	40,468,439	2	10%	35,232,121	2	14%
M C Gill Corporation	39,476,770	3	10%			
Penske Realty Inc.	38,118,135	4	10%	18,862,055	7	7%
Group XII Properties LP	36,369,963	5	9%			
Kim El Monte Investors LLC	35,644,366	6	9%	27,598,069	4	11%
Multi Investment Associates	34,964,708	7	9%	21,821,322	5	8%
KW Telstar LLC	33,915,000	8	8%			
Wohl Penwood El Monte Partners LLC	31,308,473	9	8%			
Cathay Bank	25,583,958	10	6%			
Saint Gobain Containers				33,026,802	3	13%
Pace Center				17,056,688	10	7%
Gregg Industries Inc				19,485,946	6	8%
Lumei Optoelectronics Corp				18,067,593	8	7%
Driftwood Dairy				18,031,707	9	7%
Totals	\$ 400,907,026		100%	\$ 256,751,143		100%

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

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

Year Ending June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2004	\$ 3,676,634	3,596,597	97.8%	\$ 92,024	3,688,621	100.3%
2005	3,969,590	3,877,177	97.7%	84,530	3,961,707	99.8%
2006	4,393,605	4,281,285	97.4%	94,764	4,376,049	99.6%
2007	4,933,742	4,748,972	96.3%	160,291	4,909,263	99.5%
2008	5,425,596	5,156,381	95.0%	237,675	5,394,056	99.4%
2009	5,745,854	5,478,542	95.3%	217,362	5,695,904	99.1%
2010	5,739,762	5,544,085	96.6%	78,066	5,622,151	98.0%
2011	5,634,364	5,500,041	97.6%	62,193	5,562,234	98.7%
2012	5,703,916	5,585,883	97.9%	76,733	5,662,616	99.3%
2013	5,797,183	5,693,897	98.2%	63,949	5,757,846	99.3%

Source: Los Angeles County Auditor-Controller

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

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	% of Personal Income ⁽¹⁾	Per-Capita ⁽¹⁾
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Notes and Loans Payable	Capital Leases	Revenue Bonds	Capital Leases			
2004	\$ 3,420,000	10,135,000	18,110,000	-	-	18,595,000	-	50,260,000	1.233%	407
2005	3,350,000	9,620,000	18,395,000	-	-	18,415,000	-	49,780,000	1.156%	398
2006	3,275,000	9,080,000	18,210,000	-	-	18,805,000	-	49,370,000	1.097%	394
2007	3,195,000	8,510,000	17,745,000	-	1,079,032	18,805,000	-	49,334,032	1.043%	391
2008	-	7,915,000	29,340,000	-	567,812	18,610,000	-	56,432,812	1.194%	448
2009	-	7,285,000	28,670,000	9,658,620	446,782	18,225,000	-	64,285,402	1.391%	521
2010	-	5,930,000	27,975,000	8,977,527	422,810	17,430,000	-	60,735,337	1.303%	552
2011	19,255,000	5,930,000	27,250,000	9,427,527	397,449	17,430,000	-	79,689,976	1.709%	724
2012	19,065,000	5,205,000	-	7,621,000	370,617	17,010,000	-	49,271,617	3.025%	433
2013	18,755,000	4,435,000	-	7,099,000	342,230	16,570,000	-	47,201,230	2.898%	414

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, 2013

	Gross Bonded Debt Balance	Percent Applicable to City ⁽¹⁾	Net Bonded Debt ⁽²⁾
Direct Debt:			
City of El Monte Certificates of Participation	\$ 33,190,000	100%	\$ 33,190,000
Total Direct Debt			\$ 33,190,000
Overlapping Debt:			
Metropolitan Water District	79,696,126	0.598	476,243
El Monte City SD DS 1999 SER A	1,420,000	62.973	894,215
El Monte Dist DS 1999 SER C	435,000	62.973	273,932
El Monte School District 2004 Refunding Bonds	5,745,000	62.973	3,617,793
EL Monte City School District 1999 Ser D	13,640,000	62.973	8,589,502
El Monte City SD DS 2005 REF Bonds	16,891,310	62.973	10,636,946
El Monte School District 2004 Series B	23,018,006	62.973	14,495,104
El Monte School District DS 2008 SERIES A	9,150,747	62.973	5,762,490
El Monte School District DS 2008 SERIES A-1	18,540,000	62.973	11,675,174
Rosemead Elementary School District 2000 Series B	5,998,159	62.973	3,777,214
Rosemead Elementary School District 2000 Series C	6,390,000	16.383	1,046,883
Rosemead School District 2007 Ref Bonds	4,690,000	16.383	768,369
Rosemead Elementary School District 2008 Series A	8,575,000	16.383	1,404,854
Rosemead Elementary School District 2011 REF BOND	14,835,000	16.383	2,430,439
El Monte Union High School District 2002 Series A	1,260,000	52.905	666,600
El Monte Union High School District 2002 Series B	2,370,000	52.905	1,253,843
El Monte Union High School District 2006 Refunding Bond	34,798,086	52.905	18,409,843
El Monte Union High School District 2002 Series C	28,190,000	52.905	14,913,851
El Monte Union High School District 2008 Series A	52,822,277	52.905	27,945,497
El Monte Union High School District 2008 Series B	30,297,787	52.905	16,028,971
Pasadena Community College District 2006 Series B	46,100,000	2.123	978,854
Pasadena Community College District 2006 Refunding Bond Series C	5,315,367	2.123	112,863
Pasadena Community College District 2002, 2006 SERIES D	26,505,000	2.123	562,788
Pasadena Community College District 2002, 2009 SERIES E (BABS)	25,295,000	2.123	537,096
Rio Hondo Community College District Series 2004 A	3,650,000	15.682	572,400
Rio Hondo Community College District 2005 Refunding Bonds	42,055,387	15.682	6,595,203
Rio Hondo Community College District 2004 Se 2008	61,881,844	15.682	9,704,425
Rio Hondo Community College District 2010 SER C	60,040,980	15.716	9,436,237
Total - Overlapping Debt	\$ 629,606,076		173,567,629
Grand Total Direct and Overlapping Debt			\$ 206,757,629
Assessed Valuation:			
2012/13 Assessed Valuation:	\$ 5,912,532,010		
Incremental Value	656,853,990		
Assessed Valuation, Net of Redevelopment Increment	\$ 5,255,678,020		
Debt to Assessed Valuation Ratios:			
Direct debt	0.63%		
Overlapping Debt	3.30%		
Total Debt	3.93%		

(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 2012

Assessed value	\$	5,873,038,136
Debt limit (15% of assessed value)		878,308,670
Debt applicable to limit:		
General obligation bonds		-
Total net debt applicable to limit		878,308,670
Legal debt margin	\$	878,308,670

Fiscal Year	Debt Limit	Total net debt Applicable to Limit	Legal Debt Limit	Legal Debt Limit as a percentage of Debt Limit
2004	\$ 587,957,656	-	\$ 587,957,656	100.00%
2005	628,244,940	-	628,244,940	100.00%
2006	691,553,429	-	691,553,429	100.00%
2007	777,111,223	-	777,111,223	100.00%
2008	842,933,891	-	842,933,891	100.00%
2009	884,205,938	-	884,205,938	100.00%
2010	890,487,573	-	890,487,573	100.00%
2011	871,835,440	-	871,835,440	100.00%
2012	871,542,548	-	871,542,548	100.00%
2013	880,955,720	-	880,955,720	100.00%

Source: City of El Monte Finance Department

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

Tax Allocation Bonds					Water Revenue Bonds							
Debt Service					Debt Service							
Fiscal Year	Tax Increment	Principal	Interest	Coverage	Gross Revenues	Rate Stabilization Fund	Less: Net Operating Expenses	Net Available Revenues	Principal	Interest	Coverage	
2004	\$ 2,601,227	\$ 345,000	\$ 1,307,465	1.57	\$ 4,078,791	\$ 400,000	\$ 3,348,576	\$ 1,130,215	\$ 180,000	\$ 945,665	1.00	
2005	2,799,818	365,000	1,287,463	0.00	3,090,865	400,000	2,490,441	1,000,424	185,000	937,835	0.89	
2006	3,663,454	260,000	1,268,772	2.89	2,988,962	400,000	1,554,138	1,834,824	195,000	929,695	1.63	
2007	4,770,182	545,000	1,159,388	2.80	2,966,112	400,000	1,982,031	1,384,081	205,000	703,030	1.52	
2008	3,349,188	750,000	1,235,832	1.69	3,165,031	400,000	2,039,591	1,525,440	215,000	693,600	1.68	
2009	6,709,829	670,000	1,326,361	3.36	2,985,694	400,000	2,077,333	1,308,361	385,000	831,095	1.08	
2010	6,603,164	695,000	1,299,421	3.31	2,922,555	400,000	1,731,545	1,591,010	390,000	817,822	1.32	
2011	6,803,496	725,000	1,271,411	3.41	3,256,851	400,000	1,929,974	1,726,877	405,000	804,008	1.43	
2012	-	-	-		3,266,501	403,422	1,879,627	1,790,296	420,000	789,465	1.48	
2013					3,423,700	403,422	1,924,815	1,902,307	445,000	774,100	1.56	

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

Expenditures do not include interest, depreciation, or amortization expenses.

Source: Finance Department, City of El Monte

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

Fiscal Year	Population⁽¹⁾	Personal Income (thousands of dollars)⁽²⁾	Per-Capita Personal Income⁽²⁾	School Enrollment⁽³⁾	Unemployment Rate⁽⁴⁾
2003	121,677	1,294,944	10,642	21,393	8.70%
2004	123,076	1,355,242	11,011	21,840	8.10%
2005	124,943	1,420,256	11,367	21,540	6.70%
2006	124,880	1,485,561	11,896	21,317	6.00%
2007	125,077	1,531,851	12,247	20,813	6.40%
2008	125,136	1,542,736	12,328	20,246	9.30%
2009	125,842	1,519,400	12,074	20,320	14.30%
2010	126,464	1,709,414	13,517	19,966	15.50%
2011	113,912	1,628,942	14,300	19,164	15.10%
2012	114,436	1,645,361	14,378	18,893	11.50%

- Sources:**
- (1) Population estimate provided by California Department of Finance, Demographic Research Unit
 - (2) Consumer Price Index of Urban Wage Earners, Bureau of Economic Analysis
 - (3) El Monte School Districts (Elementary) and El Monte High School District Budgets
 - (4) State Employment Development Department Data (percent of labor force, based on annual average)
 - (5) 2012 is the latest information as of August 2013

City of El Monte
Table 16 - Principal Employers

Employer	Employees	Rank	Percentage of Total City Employment
El Monte City Elementary District	838	1	3.414%
El Monte High School District	823	2	3.353%
Mountain View Elementary	820	3	3.341%
Longo Toyota - Lexus	475	4	1.935%
City of El Monte	415	5	1.691%
San Gabriel Transit	361	6	1.471%
McGill Corporation	311	7	1.267%
Driftwood Dairy	240	8	0.978%
Alliance Nursing and Rehabilitation	155	9	0.631%
All New Stamping	125	10	0.509%
Total	4,563		18.590%
Total Employment	24,545		100%

Source: Finance Department, City of El Monte
(a) Information from May 2012

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	50	45	45	47	48	44	39	42	42	44
Public Safety										
Police										
Officers	158	157	161	161	156	145	126	129	129	125
Civilians	60	62	65	65	75	69	53	50	50	46
Community development	39	39	31	31	28	29	15	16	16	15
Public works	48	43	43	43	36	35	26	53	53	52
Parks, recreation, cultural	45	47	50	50	47	48	41	12	12	14
Utilities										
Water	10	10	10	10	10	9	9	9	9	9
Total full-time equivalent positions	<u>410</u>	<u>403</u>	<u>405</u>	<u>407</u>	<u>400</u>	<u>379</u>	<u>309</u>	<u>311</u>	<u>311</u>	<u>305</u>

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

Source: Finance Department, City of El Monte

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

Function	2010	2011	2012	2013
Police Department				
Physical arrests	3,128	3,126	3,103	3,272
Parking violations	18,686	20,893	18,885	17,719
Moving violations	11,384	12,454	4,682	4,476
Water Department				
Total number of customers	22,722	22,722	22,700	22,968
Average daily consumption	20,900	20,900	20,900	20,900

Source: Finance and Police Departments, City of El Monte

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

Function	2011	2012	2013
Public safety			
Police			
Number of Police Stations	1	1	1
Number of Police Motor Vehicles	109	95+	95+
Fire			
Number of Fire Stations	4	4	4
Highways and streets			
Streets (miles)	151.4	151.4	151.4
Streetlights	4,500	4,500	4,784
Traffic signals	76	76	81
Culture and recreation			
Parks acreage	51	51	51
Parks	10	10	10
Ball diamonds	6	6	6
Basketball courts	5	5	5
Craft/Activity buildings	4	4	4
Gymnasium	1	1	1
Swimming pools	7	7	7
Community centers	6	6	6
Water			
Water mains (miles)	38.7	38.7	38.7
Maximum daily treatment capacity (millions of gallons)	6.5	6.5	6.5

Source: Various departments, City of El Monte