

**EL MONTE COMMUNITY REDEVELOPMENT AGENCY
EL MONTE, CALIFORNIA**

FINANCIAL STATEMENTS

JUNE 30, 2009

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EL MONTE COMMUNITY REDEVELOPMENT AGENCY

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TABLE OF CONTENTS

	<u>Page Number</u>
INDEPENDENT AUDITORS' REPORT	
Financial Audit	1
Compliance Audit.....	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets.....	6
Statement of Activities	7
Fund Financial Statements:	
Balance Sheet - Governmental Funds	8
Reconciliation of the Balance Sheet of Government Funds to the Statement of Net Assets.....	11
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.....	12
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	15
Notes to Financial Statements.....	17
COMBINING AND INDIVIDUAL FUND SCHEDULES	
Combining Project Area Balance Sheet - All Debt Service and Capital Projects Funds	30
Combining Project Area Statement of Revenues, Expenditures and Changes in Fund Balances - All Debt Service and Capital Projects Funds.....	36
Computation of Low and Moderate Income Housing Funds Excess/Surplus.....	41

INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of the Governing Board
El Monte Redevelopment Agency
City of El Monte, California

We have audited the accompanying financial statements of the governmental activities and each major fund of the El Monte Redevelopment Agency (Agency), a component unit of the City of El Monte, California, as of and for the year ended June 30, 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the El Monte Redevelopment Agency's management. 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 *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 of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In accordance with *Government Auditing Standard*, issued by the Comptroller General of the United States, we have also issued our report dated December 29, 2009, on our consideration of the El Monte Redevelopment Agency'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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the El Monte Redevelopment Agency as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.



To the Honorable Chair and Members of the Governing Board
El Monte Redevelopment Agency

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The combining financial statements and the computation of low and moderate income housing funds excess/surplus schedule is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Lance, Solt & Lughard, LLP

December 29, 2009

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Chair and Members of the Governing Board
El Monte Redevelopment Agency
City of El Monte, California

We have audited the financial statements of the governmental activities and each major fund of the El Monte Redevelopment Agency, California, as of and for the year ended June 30, 2009, which collectively comprise the El Monte Redevelopment Agency's basic financial statements and have issued our report thereon dated December 29, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the El Monte Redevelopment Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the El Monte Redevelopment Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the El Monte Redevelopment Agency's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the El Monte Redevelopment Agency's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the El Monte Redevelopment Agency's financial statements that is more than inconsequential will not be prevented or detected by the El Monte Redevelopment Agency's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the El Monte Redevelopment Agency's internal control.



To the Honorable Chair and Members of the Governing Board
El Monte Redevelopment Agency, California

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the El Monte Redevelopment Agency's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions included those provisions of laws and regulations identified in the Guidelines for Compliance Audits of California Redevelopment Agencies, issued by the State Controller and as interpreted in the Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed the following instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* issued by the Comptroller General of the United States:

- In accordance with the California Health and Safety Code Section 33080.1, the Redevelopment Agency is required to produce and present, an annual report (due six months following the end of the Agency's fiscal year-end date), to the State Controller and its legislative body. This report was produced and presented; however, it did not contain the following required components:
 - a. A loan report identifying loans (receivable) which equal or exceed \$50,000 and that were found by the Agency during the previous fiscal year to have either defaulted or not complied with the terms of the agreements approved by the Agency.

This report is intended solely for the information and use of management, the governing board and the State Controller and is not intended to be and should not be used by anyone other than these specified parties.

Lance, Soll & Lingham, LLP

December 29, 2009

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EL MONTE REDEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenues and Changes in Net Assets Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	
Functions/Programs					
Governmental Activities:					
General government	\$ 2,150,485	\$ -	\$ -	\$ -	\$ (2,150,485)
Community development	671,458	-	-	-	(671,458)
Interest on long-term debt	5,110,666	-	-	-	(5,110,666)
Total Governmental Activities	\$ 7,932,609	\$ -	\$ -	\$ -	(7,932,609)
General Revenues:					
Taxes (net of pass-through payments)					5,014,011
Use of money and property					374,404
Other					199,023
Total General Revenues					5,587,438
Change in Net Assets					(2,345,171)
Net Assets at Beginning of Year					(70,347,037)
Net Assets at End of Year					\$ (72,692,208)

EL MONTE REDEVELOPMENT AGENCY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	Capital Projects	Capital Projects	Capital Projects	Debt Service
	Combined	El Monte	Downtown El	
	Low and Moderate	Center Project	Monte Project	El Monte Center
	Housing	Area	Area	Project Area
	Low and			
	Moderate			
	Housing	Project	Project	Tax
				Increment
Assets:				
Cash and investments	\$ 1,693,566	\$ -	\$ 33,212	\$ 36,164
Cash and investments with trustee	2,792,562	448,121	1,691,283	435,694
Receivables:				
Tax increment	46,856	-	-	127,863
Accounts	1,873	-	300,155	-
Loans	2,473,731	-	22,154	-
Due from Capital Projects funds	-	1,942,524	554,050	-
Due from other governments	816	-	-	-
Due from City	-	-	-	-
Deposits with others	-	-	382,500	-
Land held for resale	408,000	-	8,788,117	-
Advances to Tax Increment Fund	864,036	-	-	-
Total Assets	\$ 8,281,440	\$ 2,390,645	\$ 11,771,471	\$ 599,721
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 65,772	\$ 23,531	\$ 228,602	\$ 13,157
Deposits from others	43,300	-	136,600	-
Due to Capital Projects funds	-	643,638	2,401,812	410,374
Due to City	-	-	1,216,546	-
Due to other governments	-	-	368	17,150
Deferred revenue	1,059,218	-	22,154	-
Advances from Low and Moderate Housing Funds	-	-	-	-
Total Liabilities	1,168,290	667,169	4,006,082	440,681
Fund Balances:				
Reserved:				
Encumbrances	-	-	128,314	-
Land held for resale	408,000	-	8,788,117	-
Advances	331,703	-	-	-
Notes receivable	1,946,846	-	-	-
Unreserved:				
Designated:				
Debt service	-	-	-	159,040
Continuing projects	4,426,601	1,723,476	-	-
Undesignated	-	-	(1,151,042)	-
Total Fund Balances	7,113,150	1,723,476	7,765,389	159,040
Total Liabilities and Fund Balances	\$ 8,281,440	\$ 2,390,645	\$ 11,771,471	\$ 599,721

EL MONTE REDEVELOPMENT AGENCY

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

(Continued)

	Debt Service	Debt Service	Debt Service	Debt Service
	EI Monte Center Amendment #1	Downtown EI Monte Project Area	Northwest EI Monte Project Area	Valley/Durfee Project Area
	Tax Increment	Tax Increment	Tax Increment	Tax Increment
Assets:				
Cash and investments	\$ -	\$ 802,170	\$ 1,789,752	\$ 332,021
Cash and investments with trustee	195,464	805,072	-	-
Receivables:				
Tax increment	28,683	198,797	22,043	25,849
Accounts	-	1,292	-	-
Loans	-	-	-	-
Due from Capital Projects funds	195,500	715,824	-	-
Due from other governments	-	-	-	-
Due from City	-	-	-	-
Deposits with others	-	-	-	-
Land held for resale	-	-	-	-
Advances to Tax Increment Fund	-	-	-	-
Total Assets	\$ 419,647	\$ 2,523,155	\$ 1,811,795	\$ 357,870
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,400	\$ 59,470	\$ 300,428	\$ 22,330
Deposits from others	-	-	-	-
Due to Capital Projects funds	305,450	-	-	-
Due to City	-	-	-	-
Due to other governments	20,289	76,328	-	-
Deferred revenue	-	-	-	-
Advances from Low and Moderate Housing Funds	-	-	-	-
Total Liabilities	328,139	135,798	300,428	22,330
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Land held for resale	-	-	-	-
Advances	-	-	-	-
Notes receivable	-	-	-	-
Unreserved:				
Designated:				
Debt service	91,508	2,387,357	1,511,367	335,540
Continuing projects	-	-	-	-
Undesignated	-	-	-	-
Total Fund Balances	91,508	2,387,357	1,511,367	335,540
Total Liabilities and Fund Balances	\$ 419,647	\$ 2,523,155	\$ 1,811,795	\$ 357,870

EL MONTE REDEVELOPMENT AGENCY

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Cash and investments	\$ 2,127,548	\$ 6,814,433
Cash and investments with trustee	812,870	7,181,066
Receivables:		
Tax increment	17	450,108
Accounts	48,000	351,320
Loans	1,296,862	3,792,747
Due from Capital Projects funds	548,876	3,956,774
Due from other governments	3,266	4,082
Due from City	426,859	426,859
Deposits with others	-	382,500
Land held for resale	-	9,196,117
Advances to Tax Increment Fund	-	864,036
Total Assets	\$ 5,264,298	\$ 33,420,042
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 110,781	\$ 826,471
Deposits from others	59,500	239,400
Due to Capital Projects funds	195,500	3,956,774
Due to City	68,695	1,285,241
Due to other governments	-	114,135
Deferred revenue	1,667	1,083,039
Advances from Low and Moderate Housing Funds	864,036	864,036
Total Liabilities	1,300,179	8,369,096
Fund Balances:		
Reserved:		
Encumbrances	53,768	182,082
Land held for resale	-	9,196,117
Advances	-	331,703
Notes receivable	1,296,862	3,243,708
Unreserved:		
Designated:		
Debt service	-	4,484,812
Continuing projects	3,485,095	9,635,172
Undesignated	(871,606)	(2,022,648)
Total Fund Balances	3,964,119	25,050,946
Total Liabilities and Fund Balances	\$ 5,264,298	\$ 33,420,042

EL MONTE REDEVELOPMENT AGENCY

**GOVERNMENTAL FUNDS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2009**

Fund balances of governmental funds **\$ 25,050,946**

Amounts reported for governmental activities in the statement of net assets are different because:

Deferred revenue is present in governmental fund financial statements to indicate that receivables are not available currently; however, in the Statement of Net Assets these deferrals are eliminated. 1,083,039

Bond issuance costs is an expenditure in the governmental funds, but it is deferred charges in the statement of net assets:

Unamortized debt issuance costs - amortized over life of new bonds 839,687

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds payable (28,670,000)

Governmental loans (645,620)

Loans from City (71,269,089)

Unamortized net original issue discounts and (premiums) 473,651

Unamortized net (gain) loss on bonds defeased 548,158

Accrued interest payable for the current portion of interest due on Tax Allocation Bonds has not been reported in the governmental funds. (102,980)

Net assets of governmental activities **\$ (72,692,208)**

EL MONTE REDEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Capital Projects	Capital Projects	Capital Projects	Debt Service
	Combined Low and Moderate Housing	El Monte Center Project Area	Downtown El Monte Project Area	El Monte Center Project Area
	Low and Moderate Housing	Project	Project	Tax Increment
Revenues:				
Taxes and assessments	\$ -	\$ -	\$ -	\$ 1,054,136
Use of money and property	135,390	2,860	126,890	14,819
Other revenue	-	-	161,788	-
Total Revenues	135,390	2,860	288,678	1,068,955
Expenditures:				
Current:				
General government	1,005,905	209,335	418,436	13,818
Community development	145,351	-	249,170	-
Capital outlay	8,897	-	195,261	-
Debt service	768,730	884,643	1,277,359	628,269
Total Expenditures	1,928,883	1,093,978	2,140,226	642,087
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,793,493)	(1,091,118)	(1,851,548)	426,868
Other Financing Sources (Uses):				
Transfers in	1,341,965	611,733	1,101,645	-
Transfers out	-	-	-	(822,560)
Long-term debt issued	169,437	859,523	1,246,494	34,728
Pass-through agreement payments	-	-	-	(120,231)
Miscellaneous	-	(273,847)	-	-
Total Other Financing Sources (Uses):	1,511,402	1,197,409	2,348,139	(908,063)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(282,091)	106,291	496,591	(481,195)
Fund Balances:				
Beginning of Year	7,395,241	1,617,185	7,268,798	640,235
End of Year	\$ 7,113,150	\$ 1,723,476	\$ 7,765,389	\$ 159,040

EL MONTE REDEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(Continued)

	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>	<u>Debt Service</u>
	<u>El Monte Center Amendment #1</u>	<u>Downtown El Monte Project Area</u>	<u>Northwest El Monte Project Area</u>	<u>Valley/Durfee Project Area</u>
	<u>Tax Increment</u>	<u>Tax Increment</u>	<u>Tax Increment</u>	<u>Tax Increment</u>
Revenues:				
Taxes and assessments	\$ 753,994	\$ 2,396,107	\$ 1,474,782	\$ 861,203
Use of money and property	1,652	28,733	53,195	2,661
Other revenue	-	607	-	-
Total Revenues	755,646	2,425,447	1,527,977	863,864
Expenditures:				
Current:				
General government	10,786	36,276	22,772	13,111
Community development	-	-	-	-
Capital outlay	-	-	-	-
Debt service	201,770	836,033	704,202	100,754
Total Expenditures	212,556	872,309	726,974	113,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	543,090	1,553,138	801,003	749,999
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(156,585)	(1,580,866)	(294,957)	(172,240)
Long-term debt issued	2,622	38,650	4,202	754
Pass-through agreement payments	(389,034)	(700,332)	(237,143)	(249,078)
Miscellaneous	-	-	-	-
Total Other Financing Sources (Uses):	(542,997)	(2,242,548)	(527,898)	(420,564)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	93	(689,410)	273,105	329,435
Fund Balances:				
Beginning of Year	91,415	3,076,767	1,238,262	6,105
End of Year	\$ 91,508	\$ 2,387,357	\$ 1,511,367	\$ 335,540

EL MONTE REDEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes and assessments	\$ 169,607	\$ 6,709,829
Use of money and property	8,204	374,404
Other revenue	1,260	163,655
Total Revenues	179,071	7,247,888
Expenditures:		
Current:		
General government	420,046	2,150,485
Community development	72,779	467,300
Capital outlay	-	204,158
Debt service	1,317,438	6,719,198
Total Expenditures	1,810,263	9,541,141
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,631,192)	(2,293,253)
Other Financing Sources (Uses):		
Transfers in	28,845	3,084,188
Transfers out	(56,980)	(3,084,188)
Long-term debt issued	1,070,709	3,427,119
Pass-through agreement payments	-	(1,695,818)
Miscellaneous	-	(273,847)
Total Other Financing Sources (Uses):	1,042,574	1,457,454
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(588,618)	(835,799)
Fund Balances:		
Beginning of Year	4,552,737	25,886,745
End of Year	\$ 3,964,119	\$ 25,050,946

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EL MONTE COMMUNITY REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009**

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The El Monte Community Redevelopment Agency is a component unit of a reporting entity, which consists of the following primary, and component units:

Reporting Entity:

Primary Government:

City of El Monte

Component Units:

El Monte Community Redevelopment Agency
El Monte Community Housing Authority
El Monte Public Financing Authority

The attached basic financial statements contain information relative only to the El Monte Community Redevelopment Agency as one component unit, which is an integral part of the total reporting entity. They do not contain financial data relating to the other component units.

The El Monte Community Redevelopment Agency was established on February 29, 1972, pursuant to the State of California Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of El Monte.

Current Project Areas for the Redevelopment Agency as of the fiscal year-end are:

<u>Project Areas</u>	<u>Date Adopted</u>
East Valley Mall	November 29, 1977
El Monte Plaza	February 14, 1978
Plaza El Monte	November 24, 1981
El Monte Center	October 11, 1983
El Monte Center Amendment #1	April 25, 1989
Downtown El Monte	July 14, 1987
Downtown El Monte Amendment #2 *	May 1, 2001
Northwest El Monte	December 14, 1993
Valley/Durfee	July 15, 2003

* For financial reporting purposes, this activity is combined with the Downtown El Monte Project Area.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

c. 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. 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 reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

The Agency reports the following major governmental funds:

Types of Funds

Governmental Fund Types

Debt Service Funds - to account for the accumulation of resources for and the payment of interest and principal on long-term debt.

El Monte Center Project Area - Tax Increment Fund
El Monte Center Amendment #1 - Tax Increment Fund
Downtown El Monte Project Area - Tax Increment Fund
Northwest El Monte Project Area - Tax Increment Fund
Valley/Durfee Project Area-Tax Increment Fund

Capital Projects Funds - to account for financial resources segregated for the acquisition of major capital facilities.

El Monte Center Project Area - Project Fund
Downtown El Monte Project Area – Project Fund

Combined Low and Moderate Housing Fund – to account for the financial resources segregated for the purpose of providing low and moderate housing to the residents of the City.

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

d. Assets, Liabilities and Net Assets or Equity

1. Investments

Investments for the Agency are reported at fair value. 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.

2. Receivables and Payables

Activity 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). All other outstanding balances between funds are reported as "due to/from other funds". Any residual 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 reserve 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 uncollectibles.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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 Agency. Tax liens attach annually as of 12:01 A.M. on the first day in January proceeding the fiscal year for which the taxes are levied. 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 January each year and are delinquent on August 31.

3. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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.

4. Capital Assets

Capital assets which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks 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 government as assets with an initial, individual cost of more than \$1,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the Agency is required to report general infrastructure assets; however, the Agency does not own any capital assets as of the date on this report.

5. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

6. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

Generally, the Governing Board approves each year's budget submitted by the Executive Director. The Board conducts public meetings prior to its adoption. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. Supplemental appropriations when required during the period are also approved by the Board. Intradepartmental budget changes are approved by the Executive Director. In most cases, expenditures may not exceed appropriations at the departmental level. At fiscal year-end, all operating budget appropriations lapse.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

Cash and investments reported in the accompanying financial statements consisted of the following:

Cash and investments pooled with the City	\$ 6,814,433
Cash and investments with trustee	<u>7,181,066</u>
Total	<u><u>\$ 13,995,499</u></u>

The Agency's funds are pooled with the City of El Monte's cash and investments in order to generate optimum interest income. During the current fiscal year, the City elected an early implementation of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*. This new pronouncement is an amendment to GASB Statement No. 3. GASB No. 40 establishes and modifies disclosure requirements related to deposit and investment risks. The information required by GASB Statement No. 40 related to authorized investments, credit risk, etc. is available in the Comprehensive Annual Financial Report of the City.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 4: Long-Term Debt

a. Advances from the City of El Monte

The Agency has received advances of \$41,514,543 from the City of El Monte. The Agency has accrued interest in the amount of \$29,754,546 on these advances. The total outstanding balance at June 30, 2009 is \$71,269,089, including interest.

b. Loans – Other Governments

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. However, this indebtedness was to be subordinated to The Haagen Note and any other indebtedness where the proceeds thereof are used and applied solely to discharge the Haagen Note. Since that time, the Haagen Note has been retired through bond issues of the Agency. This obligation to the County, together with accrued interest thereon, shall be paid in full from tax increment revenues by a date no later than July 1, 2027. During the current year, payments were made on this debt of \$57,000 and matured unpaid interest was added to principal in the amount of \$18,310. At June 30, 2009, the balance outstanding including accrued interest was \$391,090.

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, 2009, the principal balance outstanding was \$254,530.

c. 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 Redevelopment Agency to finance certain redevelopment activities of the 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 Agency under the loan agreements.

The 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 Agency. The 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 \$49,228,796 payable through 2038. For the current year, principal and interest paid and tax increment revenue net of pass through obligations were \$1,996,361 and \$5,014,011, respectively.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 4: Long-Term Debt (Continued)

\$26,205,000 - Senior Tax Allocation Revenue Bonds, Series 2007

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

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2009:

	Senior Tax Allocation Revenue Bonds, Series 2007	
	Principal	Interest
2009 - 2010	\$ 625,000	\$ 1,143,981
2010 - 2011	650,000	1,118,981
2011 - 2012	670,000	1,094,606
2012 - 2013	705,000	1,068,644
2013 - 2014	730,000	1,040,444
2014 - 2019	4,130,000	4,721,356
2019 - 2024	5,115,000	3,735,994
2024 - 2029	6,385,000	2,468,688
2029 - 2034	3,325,000	1,262,819
2034 - 2039	3,270,000	397,338
Totals	<u>\$ 25,605,000</u>	<u>\$ 18,052,851</u>

\$3,135,000 - 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.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 4: Long-Term Debt (Continued)

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2009:

	Subordinate Tax Allocation Revenue Bonds, Series 2007	
	Principal	Interest
2009 - 2010	\$ 70,000	\$ 155,440
2010 - 2011	75,000	152,430
2011 - 2012	75,000	149,130
2012 - 2013	70,000	145,755
2013 - 2014	80,000	142,675
2014 - 2019	480,000	651,525
2019 - 2024	605,000	523,870
2024 - 2029	775,000	348,475
2029 - 2034	415,000	179,405
2034 - 2039	420,000	57,240
Totals	<u>\$ 3,065,000</u>	<u>\$ 2,505,945</u>

\$30,000,000 - Subordinate Tax Allocation Revenue Bonds, Series

The Bonds are dated July 12, 2007, and were issued pursuant to the Subordinate Downtown Loan Agreement dated as of July 1, 2007, by and between the Authority and the Agency (the "Loan Agreement"). The Loan is being made to the Agency to provide funds to the Agency to be applied to enable the Agency: (i) to purchase the Property (as defined in the Indenture), (ii) to purchase two (2) relocation properties (the "Relocation Sites") for the City of El Monte and to construct improvements on the Relocation Sites, (iii) to purchase or acquire real property for parks, (iv) to finance redevelopment activity in the Project Area (as defined in the Indenture) including low and moderate income housing, and (v) to fund a reserve fund and costs of issuance of the Bonds. The Closing Receipt of the bond acknowledged that the City purchased the Bonds pursuant to the Bond Purchase Agreement dated as of July 1, 2007, by and between the City, the Agency and the Authority. The Agency in turn received from the City of El Monte the quitclaim deeds for the Property evidencing the legal transfer thereof to the Agency.

Since this transaction currently involves only related component units of the City of El Monte and there was no exchange of financial resources between those entities, it has not been reflected in this financial report. The ultimate intent is to issue these bonds to external parties and when that occurs the bonds and related transactions will be reflected in the appropriate financial statements.

**EI Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 4: Long-Term Debt (Continued)

d. The following is a schedule of changes in long-term debt of the Agency for the fiscal year ended June 30, 2009:

	Balance June 30, 2008	Additions	Repayments	Balance June 30, 2009	Due Within One Year
<u>East Valley Mall Project Area</u>					
City Loans - Principal	\$ 109,313	\$ -	\$ -	\$ 109,313	\$ -
City Loans - Unpaid Interest	15,420	6,238	-	21,658	-
Total	<u>\$ 124,733</u>	<u>\$ 6,238</u>	<u>\$ -</u>	<u>\$ 130,971</u>	<u>\$ -</u>
<u>EI Monte Plaza Project Area</u>					
City Loans - Principal	\$ 537,487	\$ -	\$ 100,000	\$ 437,487	\$ -
City Loans - Unpaid Interest	1,128,830	83,316	-	1,212,146	-
Total	<u>\$ 1,666,317</u>	<u>\$ 83,316</u>	<u>\$ 100,000</u>	<u>\$ 1,649,633</u>	<u>\$ -</u>
<u>EI Monte Center Project Area</u>					
City Loans - Principal	\$ 13,098,640	\$ -	\$ 100,000	\$ 12,998,640	\$ -
City Loans - Unpaid Interest	4,420,195	875,942	-	5,296,137	-
County of Los Angeles	429,780	18,310	57,000	391,090	-
2007 Tax Allocation Refunding Senior	1,149,303	-	175,000	974,303	180,000
2007 Tax Allocation Refunding Subordinate	491,202	-	20,000	471,202	20,000
Total	<u>\$ 19,589,120</u>	<u>\$ 894,252</u>	<u>\$ 352,000</u>	<u>\$ 20,131,372</u>	<u>\$ 200,000</u>
<u>EI Monte Center Amendment #1</u>					
City Loans - Principal	\$ 4,590,804	\$ -	\$ -	\$ 4,590,804	\$ -
City Loans - Unpaid Interest	3,211,308	387,323	-	3,598,631	-
2007 Tax Allocation Refunding Senior	1,963,484	-	75,000	1,888,484	80,000
2007 Tax Allocation Refunding Subordinate	341,189	-	10,000	331,189	10,000
Total	<u>\$ 10,106,785</u>	<u>\$ 387,323</u>	<u>\$ 85,000</u>	<u>\$ 10,409,108</u>	<u>\$ 90,000</u>
<u>Downtown EI Monte Project Area</u>					
City Loans - Principal	\$ 16,982,504	\$ -	\$ -	\$ 16,982,504	\$ -
City Loans - Unpaid Interest	12,737,580	1,454,580	-	14,192,160	-
2007 Tax Allocation Refunding Senior	23,092,213	-	350,000	22,742,213	365,000
2007 Tax Allocation Refunding Subordinate	2,302,609	-	40,000	2,262,609	40,000
Total	<u>\$ 55,114,906</u>	<u>\$ 1,454,580</u>	<u>\$ 390,000</u>	<u>\$ 56,179,486</u>	<u>\$ 405,000</u>

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 4: Long-Term Debt (Continued)

	Balance June 30, 2008	Additions	Repayments	Balance June 30, 2009	Due Within One Year
<u>Northwest El Monte Project Area</u>					
City Loans - Principal	\$ 6,819,417	\$ -	\$ 700,000	\$ 6,119,417	\$ -
City Loans - Unpaid Interest	4,807,643	581,353	-	5,388,996	-
County of Los Angeles	254,530	-	-	254,530	-
Total	<u>\$ 11,881,590</u>	<u>\$ 581,353</u>	<u>\$ 700,000</u>	<u>\$ 11,762,943</u>	<u>\$ -</u>
<u>Valley/Durfee Project Area</u>					
City Loans - Principal	\$ 376,378	\$ -	\$ 100,000	\$ 276,378	\$ -
City Loans - Unpaid Interest	24,761	20,057	-	44,818	-
Total	<u>\$ 401,139</u>	<u>\$ 20,057</u>	<u>\$ 100,000</u>	<u>\$ 321,196</u>	<u>\$ -</u>
<u>Total - All Project Areas</u>					
City Loans - Principal	\$ 42,514,543	\$ -	\$ 1,000,000	\$ 41,514,543	\$ -
City Loans - Unpaid Interest	26,345,737	3,408,809	-	29,754,546	-
Loans - Other Governments	684,310	18,310	57,000	645,620	-
Bonds Payable	29,340,000	-	670,000	28,670,000	695,000
Total	<u>\$ 98,884,590</u>	<u>\$ 3,427,119</u>	<u>\$ 1,727,000</u>	100,584,709	<u>\$ 695,000</u>
Adjustments:					
Unamortized net original issue (discount) or premium				(473,651)	
Unamortized net bond defeasance gain or (loss)				<u>(548,158)</u>	
Net Long-term Debt				<u>\$ 99,562,900</u>	

Note 5: Loans Receivable

As of June 30, 2009, the following loans receivable were present:

First Time Homebuyer Loans	\$ 440,400
L. T. Titan Limited Partnership	856,719
Lee "Blessed Rock of El Monte"	517,521
Singing Wood Senior Housing	440,143
TDF Senior Housing	572,646
Edwards	22,154
Rio Hondo Community Development Corp.	456,228
Various Developer Loans, Housing Deferred Loans and Other Assistance	<u>486,936</u>
Total	<u>\$ 3,792,747</u>

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 6: Investment in Land Held for Resale

The 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. As of June 30, 2009, the Agency has executed several Disposition and Development Agreements with developers for the redevelopment of real property located within various redevelopment project areas. Under the agreements, the Agency agrees to sell the subject properties to the developers and the developers agree to purchase the properties from the Agency. At June 30, 2009, the Agency investment in land held for resale amounted to:

Downtown El Monte Project Area - Project Fund	\$ 8,788,117
Low and Moderate Housing Fund	408,000
Total Land Held for Resale	<u>\$ 9,196,117</u>

IV. OTHER DISCLOSURES

Note 7: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2009, is as follows:

Due To/From Other Funds

Funds	Due to Other Funds		
	El Monte Center - Tax Increment	El Monte Center Amendment #1 - Tax Increment	El Monte Center - Project Fund
<u>Due From Other Funds</u>			
Downtown El Monte - Tax Increment	\$ 410,374	\$ 305,450	\$ -
Downtown El Monte - Project Fund	-	-	554,050
Other Governmental Funds	-	-	89,588
Total	<u>\$ 410,374</u>	<u>\$ 305,450</u>	<u>\$ 643,638</u>

Funds	Due to Other Funds		
	Downtown El Monte - Project Fund	Other Governmental Funds	Total
<u>Due From Other Funds</u>			
El Monte Center Amendment #1 - Tax Increment	\$ -	\$ 195,500	\$ 195,500
Downtown El Monte - Tax Increment	-	-	715,824
El Monte Center - Project Fund	1,942,524	-	1,942,524
Downtown El Monte - Project Fund	-	-	554,050
Other Governmental Funds	459,288	-	548,876
Total	<u>\$ 2,401,812</u>	<u>\$ 195,500</u>	<u>\$ 3,956,774</u>

Loans to and from project funds were to fund capital projects in the project areas. Loans to and from tax increment funds were to fund debt service payments of multiple project areas.

**El Monte Community Redevelopment Agency
Notes to Financial Statements (Continued)**

Note 7: Interfund Receivable, Payable and Transfers (Continued)

Advances to/from Other Funds

Funds	Advances to Other Funds Nonmajor Governmental Funds	Total
Advances from Other Funds:		
Combining Low and Moderate Housing	\$ 864,036	\$ 864,036
Total	<u>\$ 864,036</u>	<u>\$ 864,036</u>

Advances from to other funds represent amounts owed between tax increment funds and low and moderate housing funds and relate to low and moderate set-aside deficits on older project areas and loans made between these funds.

Interfund Transfers

Funds	Transfer Out to Other Funds		
	El Monte Center - Tax Increment	El Monte Center Amendment #1 - Tax Increment	Valley Dufree - Tax Increment
<u>Transfer In from Other Funds</u>			
El Monte Center - Project Fund	\$ 611,733	\$ -	\$ -
Downtown El Monte - Project Fund	-	-	-
Low and Moderate Housing Fund	210,827	150,799	172,240
Nonmajor Governmental Funds	-	5,786	-
Total	<u>\$ 822,560</u>	<u>\$ 156,585</u>	<u>\$ 172,240</u>

Funds	Transfer Out to Other Funds			Total
	Northwest El Monte - Tax Increment	Downtown El Monte - Tax Increment	Other Governmental Funds	
<u>Transfer In from Other Funds</u>				
El Monte Center - Project Fund	\$ -	\$ -	\$ -	\$ 611,733
Downtown El Monte - Project Fund	-	1,101,645	-	1,101,645
Low and Moderate Housing Fund	294,957	479,221	33,921	1,341,965
Nonmajor Governmental Funds	-	-	23,059	28,845
Total	<u>\$ 294,957</u>	<u>\$ 1,580,866</u>	<u>\$ 56,980</u>	<u>\$ 3,084,188</u>

The Agency transfers monies between its various project areas for debt servicing purposes and to fund project costs and low and moderate housing activities.

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA BALANCE SHEET
 ALL GOVERNMENTAL FUNDS
 JUNE 30, 2009

			East Valley Mall Project Area		El Monte Plaza Project Area	
	Capital Projects	Capital Projects	Debt Service	Capital Projects	Debt Service	Capital Projects
	General Agency Fund	Combined Housing Fund	Tax Increment	Project	Tax Increment	Project
ASSETS						
Cash and investments	\$ -	\$ 1,693,566	\$ 102,512	\$ -	\$ -	\$ 32,523
Cash and investments with trustee	-	2,792,562	-	-	-	-
Receivables:						
Tax increment	-	46,856	17	-	-	-
Accounts	48,000	1,873	-	-	-	-
Loans	-	2,473,731	-	-	-	-
Due from Capital Projects Funds	-	-	-	-	-	-
Due from other governments	-	816	-	-	-	-
Due from City	-	-	-	-	-	-
Deposits with others	-	-	-	-	-	-
Land held for resale	-	408,000	-	-	-	-
Advances to Tax Increment Fund	-	864,036	-	-	-	-
Total Assets	\$ 48,000	\$ 8,281,440	\$ 102,529	\$ -	\$ -	\$ 32,523
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 41,756	\$ 65,772	\$ 3	\$ -	\$ -	\$ -
Deposits from others	-	43,300	-	-	-	-
Due to Capital Projects Funds	-	-	-	-	-	-
Due to City	68,695	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Deferred revenue	-	1,059,218	-	-	-	-
Advances from Low and Moderate Housing Funds	-	-	550,940	-	279,914	-
Total Liabilities	110,451	1,168,290	550,943	-	279,914	-
Fund Balances:						
Reserved:						
Encumbrances	53,768	-	-	-	-	-
Land held for resale	-	408,000	-	-	-	-
Advances	-	331,703	-	-	-	-
Notes receivable	-	1,946,846	-	-	-	-
Unreserved:						
Designated:						
Debt service	-	-	-	-	-	-
Continuing projects	-	4,426,601	-	-	-	32,523
Undesignated	(116,219)	-	(448,414)	-	(279,914)	-
Total Fund Balances	(62,451)	7,113,150	(448,414)	-	(279,914)	32,523
Total Liabilities and Fund Balances	\$ 48,000	\$ 8,281,440	\$ 102,529	\$ -	\$ -	\$ 32,523

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA BALANCE SHEET
 ALL GOVERNMENTAL FUNDS
 JUNE 30, 2009

(Continued)

	Plaza El Monte Project Area		El Monte Center Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
	Tax Increment	Project	Tax Increment	Project
ASSETS				
Cash and investments	\$ 2,857	\$ 456	\$ 36,164	\$ -
Cash and investments with trustee	-	-	435,694	448,121
Receivables:				
Tax increment	-	-	127,863	-
Accounts	-	-	-	-
Loans	-	-	-	-
Due from Capital Projects Funds	-	-	-	1,942,524
Due from other governments	3,266	-	-	-
Due from City	-	-	-	-
Deposits with others	-	-	-	-
Land held for resale	-	-	-	-
Advances to Tax Increment Fund	-	-	-	-
Total Assets	\$ 6,123	\$ 456	\$ 599,721	\$ 2,390,645
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 13,157	\$ 23,531
Deposits from others	-	-	-	-
Due to Capital Projects Funds	-	-	410,374	643,638
Due to City	-	-	-	-
Due to other governments	-	-	17,150	-
Deferred revenue	-	-	-	-
Advances from Low and Moderate Housing Funds	33,182	-	-	-
Total Liabilities	33,182	-	440,681	667,169
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Land held for resale	-	-	-	-
Advances	-	-	-	-
Notes receivable	-	-	-	-
Unreserved:				
Designated:				
Debt service	-	-	159,040	-
Continuing projects	-	456	-	1,723,476
Undesignated	(27,059)	-	-	-
Total Fund Balances	(27,059)	456	159,040	1,723,476
Total Liabilities and Fund Balances	\$ 6,123	\$ 456	\$ 599,721	\$ 2,390,645

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA BALANCE SHEET
 ALL GOVERNMENTAL FUNDS
 JUNE 30, 2009

	El Monte Center Amendment #1		Downtown El Monte Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
	Tax Increment	Project	Tax Increment	Project
ASSETS				
Cash and investments	\$ -	\$ -	\$ 802,170	\$ 33,212
Cash and investments with trustee	195,464	812,870	805,072	1,691,283
Receivables:				
Tax increment	28,683	-	198,797	-
Accounts	-	-	1,292	300,155
Loans	-	-	-	22,154
Due from Capital Projects Funds	195,500	548,876	715,824	554,050
Due from other governments	-	-	-	-
Due from City	-	426,859	-	-
Deposits with others	-	-	-	382,500
Land held for resale	-	-	-	8,788,117
Advances to Tax Increment Fund	-	-	-	-
Total Assets	\$ 419,647	\$ 1,788,605	\$ 2,523,155	\$ 11,771,471
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,400	\$ -	\$ 59,470	\$ 228,602
Deposits from others	-	59,500	-	136,600
Due to Capital Projects Funds	305,450	195,500	-	2,401,812
Due to City	-	-	-	1,216,546
Due to other governments	20,289	-	76,328	368
Deferred revenue	-	1,667	-	22,154
Advances from Low and Moderate Housing Funds	-	-	-	-
Total Liabilities	328,139	256,667	135,798	4,006,082
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	128,314
Land held for resale	-	-	-	8,788,117
Advances	-	-	-	-
Notes receivable	-	-	-	-
Unreserved:				
Designated:				
Debt service	91,508	-	2,387,357	-
Continuing projects	-	1,531,938	-	-
Undesignated	-	-	-	(1,151,042)
Total Fund Balances	91,508	1,531,938	2,387,357	7,765,389
Total Liabilities and Fund Balances	\$ 419,647	\$ 1,788,605	\$ 2,523,155	\$ 11,771,471

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA BALANCE SHEET
 ALL GOVERNMENTAL FUNDS
 JUNE 30, 2009

(Continued)

	Northwest El Monte Project Area		Valley/Durfee Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
	Tax Increment	Project	Tax Increment	Project
ASSETS				
Cash and investments	\$ 1,789,752	\$ 1,486,315	\$ 332,021	\$ 502,885
Cash and investments with trustee	-	-	-	-
Receivables:				
Tax increment	22,043	-	25,849	-
Accounts	-	-	-	-
Loans	-	1,296,862	-	-
Due from Capital Projects Funds	-	-	-	-
Due from other governments	-	-	-	-
Due from City	-	-	-	-
Deposits with others	-	-	-	-
Land held for resale	-	-	-	-
Advances to Tax Increment Fund	-	-	-	-
Total Assets	\$ 1,811,795	\$ 2,783,177	\$ 357,870	\$ 502,885
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 300,428	\$ 69,022	\$ 22,330	\$ -
Deposits from others	-	-	-	-
Due to Capital Projects Funds	-	-	-	-
Due to City	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenue	-	-	-	-
Advances from Low and Moderate Housing Funds	-	-	-	-
Total Liabilities	300,428	69,022	22,330	-
Fund Balances:				
Reserved:				
Encumbrances	-	-	-	-
Land held for resale	-	-	-	-
Advances	-	-	-	-
Notes receivable	-	1,296,862	-	-
Unreserved:				
Designated:				
Debt service	1,511,367	-	335,540	-
Continuing projects	-	1,417,293	-	502,885
Undesignated	-	-	-	-
Total Fund Balances	1,511,367	2,714,155	335,540	502,885
Total Liabilities and Fund Balances	\$ 1,811,795	\$ 2,783,177	\$ 357,870	\$ 502,885

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA BALANCE SHEET
 ALL GOVERNMENTAL FUNDS
 JUNE 30, 2009

	TOTALS	
	Debt Service Funds	Capital Projects Funds
ASSETS		
Cash and investments	\$ 3,065,476	\$ 3,748,957
Cash and investments with trustee	1,436,230	5,744,836
Receivables:		
Tax increment	403,252	46,856
Accounts	1,292	350,028
Loans	-	3,792,747
Due from Capital Projects Funds	911,324	3,045,450
Due from other governments	3,266	816
Due from City	-	426,859
Deposits with others	-	382,500
Land held for resale	-	9,196,117
Advances to Tax Increment Fund	-	864,036
Total Assets	\$ 5,820,840	\$ 27,599,202
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 397,788	\$ 428,683
Deposits from others	-	239,400
Due to Capital Projects Funds	715,824	3,240,950
Due to City	-	1,285,241
Due to other governments	113,767	368
Deferred revenue	-	1,083,039
Advances from Low and Moderate Housing Funds	864,036	-
Total Liabilities	2,091,415	6,277,681
Fund Balances:		
Reserved:		
Encumbrances	-	182,082
Land held for resale	-	9,196,117
Advances	-	331,703
Notes receivable	-	3,243,708
Unreserved:		
Designated:		
Debt service	4,484,812	-
Continuing projects	-	9,635,172
Undesignated	(755,387)	(1,267,261)
Total Fund Balances	3,729,425	21,321,521
Total Liabilities and Fund Balances	\$ 5,820,840	\$ 27,599,202

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EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	Capital Projects General Agency Fund	Capital Projects Combined Housing Fund	East Valley Mall Project Area		El Monte Plaza Project Area	
			Debt Service	Capital Projects	Debt Service	Capital Projects
			Tax Increment	Project	Tax Increment	Project
Revenues:						
Taxes and Assessments:						
Tax increment	\$ -	\$ -	\$ 69,607	\$ -	\$ 100,000	\$ -
Use of Money and Property:						
Interest income	-	135,390	1,498	-	795	-
Rental income	-	-	-	-	-	-
Sale of real estate	-	-	-	-	-	-
Other revenue:						
Miscellaneous revenue	-	-	-	-	-	-
Total Revenues	-	135,390	71,105	-	100,795	-
Expenditures:						
Current:						
General Government:						
Administrative costs	-	997,364	1,030	26,724	1,710	36,065
Professional services	-	8,541	-	-	-	-
Community Development:						
Acquisition cost	-	144,813	-	-	-	-
Site clearance costs	-	-	-	-	-	-
Rehabilitation grants	-	538	-	-	-	-
Capital Outlay:						
Project improvement costs	-	8,897	-	-	-	-
Debt Service:						
Interest expense	-	581,130	29,459	6,220	15,185	85,736
Long-term debt repayments	-	187,600	-	-	100,000	-
Total Expenditures	-	1,928,883	30,489	32,944	116,895	121,801
Excess of Revenues over (under) Expenditures	-	(1,793,493)	40,616	(32,944)	(16,100)	(121,801)
Other Financing Sources (Uses)						
Transfers in	-	-	-	7,163	15,896	-
Transfers out	-	-	(7,163)	-	-	(15,896)
Housing set-aside transfers in	-	1,341,965	-	-	-	-
Housing set-aside transfers out	-	-	(13,921)	-	(20,000)	-
Long-term debt issued	-	169,437	3,224	3,014	1,856	81,460
Pass through agreement payments	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	1,511,402	(17,860)	10,177	(2,248)	65,564
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	-	(282,091)	22,756	(22,767)	(18,348)	(56,237)
Fund Balances						
Beginning of Year	(62,451)	7,395,241	(471,170)	22,767	(261,566)	88,760
End of Year	\$ (62,451)	\$ 7,113,150	\$ (448,414)	\$ -	\$ (279,914)	\$ 32,523

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

(Continued)

	Plaza El Monte Project Area		El Monte Center Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
	Tax Increment	Project	Tax Increment	Project
Revenues:				
Taxes and Assessments:				
Tax increment	\$ -	\$ -	\$ 1,054,136	\$ -
Use of Money and Property:				
Interest income	65	-	14,819	2,860
Rental income	-	-	-	-
Sale of real estate	-	-	-	-
Other revenue:				
Miscellaneous revenue	-	-	-	-
Total Revenues	65	-	1,068,955	2,860
Expenditures:				
Current:				
General Government:				
Administrative costs	-	-	13,818	209,335
Professional services	-	-	-	-
Community Development:				
Acquisition cost	-	-	-	-
Site clearance costs	-	-	-	-
Rehabilitation grants	-	-	-	-
Capital Outlay:				
Project improvement costs	-	-	-	-
Debt Service:				
Interest expense	1,580	-	323,869	884,643
Long-term debt repayments	-	-	304,400	-
Total Expenditures	1,580	-	642,087	1,093,978
Excess of Revenues over (under) Expenditures	(1,515)	-	426,868	(1,091,118)
Other Financing Sources (Uses)				
Transfers in	-	-	-	611,733
Transfers out	-	-	(611,733)	-
Housing set-aside transfers in	-	-	-	-
Housing set-aside transfers out	-	-	(210,827)	-
Long-term debt issued	-	-	34,728	859,523
Pass through agreement payments	-	-	(120,231)	-
Miscellaneous	-	-	-	(273,847)
Total Other Financing Sources (Uses)	-	-	(908,063)	1,197,409
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(1,515)	-	(481,195)	106,291
Fund Balances				
Beginning of Year	(25,544)	456	640,235	1,617,185
End of Year	\$ (27,059)	\$ 456	\$ 159,040	\$ 1,723,476

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009

	El Monte Center Amendment #1		Downtown El Monte Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
	Tax Increment	Project	Tax Increment	Project
Revenues:				
Taxes and Assessments:				
Tax increment	\$ 753,994	\$ -	\$ 2,396,107	\$ -
Use of Money and Property:				
Interest income	1,652	5,846	28,733	24,700
Rental income	-	-	-	101,190
Sale of real estate	-	-	-	1,000
Other revenue:				
Miscellaneous revenue	-	1,260	607	161,788
Total Revenues	755,646	7,106	2,425,447	288,678
Expenditures:				
Current:				
General Government:				
Administrative costs	10,786	71,263	36,276	352,499
Professional services	-	-	-	65,937
Community Development:				
Acquisition cost	-	-	-	-
Site clearance costs	-	-	-	249,170
Rehabilitation grants	-	3,769	-	-
Capital Outlay:				
Project improvement costs	-	-	-	195,261
Debt Service:				
Interest expense	134,770	462,093	568,033	1,277,359
Long-term debt repayments	67,000	-	268,000	-
Total Expenditures	212,556	537,125	872,309	2,140,226
Excess of Revenues over (under) Expenditures	543,090	(530,019)	1,553,138	(1,851,548)
Other Financing Sources (Uses)				
Transfers in	-	5,786	-	1,101,645
Transfers out	(5,786)	-	(1,101,645)	-
Housing set-aside transfers in	-	-	-	-
Housing set-aside transfers out	(150,799)	-	(479,221)	-
Long-term debt issued	2,622	384,701	38,650	1,246,494
Pass through agreement payments	(389,034)	-	(700,332)	-
Miscellaneous	-	-	-	-
Total Other Financing Sources (Uses)	(542,997)	390,487	(2,242,548)	2,348,139
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	93	(139,532)	(689,410)	496,591
Fund Balances				
Beginning of Year	91,415	1,671,470	3,076,767	7,268,798
End of Year	\$ 91,508	\$ 1,531,938	\$ 2,387,357	\$ 7,765,389

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

(Continued)

	Northwest El Monte Project Area		Valley /Durfee Project Area	
	Debt Service	Capital Projects	Debt Service	Capital Projects
	Tax Increment	Project	Tax Increment	Project
Revenues:				
Taxes and Assessments:				
Tax increment	\$ 1,474,782	\$ -	\$ 861,203	\$ -
Use of Money and Property:				
Interest income	53,195	-	2,661	-
Rental income	-	-	-	-
Sale of real estate	-	-	-	-
Other revenue:				
Miscellaneous revenue	-	-	-	-
Total Revenues	1,527,977	-	863,864	-
Expenditures:				
Current:				
General Government:				
Administrative costs	22,772	102,541	13,111	146,150
Professional services	-	34,563	-	-
Community Development:				
Acquisition cost	-	69,010	-	-
Site clearance costs	-	-	-	-
Rehabilitation grants	-	-	-	-
Capital Outlay:				
Project improvement costs	-	-	-	-
Debt Service:				
Interest expense	4,202	589,444	754	27,721
Long-term debt repayments	700,000	-	100,000	-
Total Expenditures	726,974	795,558	113,865	173,871
Excess of Revenues over (under) Expenditures	801,003	(795,558)	749,999	(173,871)
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Housing set-aside transfers in	-	-	-	-
Housing set-aside transfers out	(294,957)	-	(172,240)	-
Long-term debt issued	4,202	577,151	754	19,303
Pass through agreement payments	(237,143)	-	(249,078)	-
Miscellaneous	-	-	-	-
Total Other Financing Sources (Uses)	(527,898)	577,151	(420,564)	19,303
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	273,105	(218,407)	329,435	(154,568)
Fund Balances				
Beginning of Year	1,238,262	2,932,562	6,105	657,453
End of Year	\$ 1,511,367	\$ 2,714,155	\$ 335,540	\$ 502,885

EL MONTE REDEVELOPMENT AGENCY

COMBINING PROJECT AREA STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2008

	TOTALS	
	Debt Service Funds	Capital Projects Funds
Revenues:		
Taxes and Assessments:		
Tax increment	\$ 6,709,829	\$ -
Use of Money and Property:		
Interest income	103,418	168,796
Rental income	-	101,190
Sale of real estate	-	1,000
Other revenue:		
Miscellaneous revenue	607	163,048
Total Revenues	6,813,854	434,034
Expenditures:		
Current:		
General Government:		
Administrative costs	99,503	1,941,941
Professional services	-	109,041
Community Development:		
Acquisition cost	-	213,823
Site clearance costs	-	249,170
Rehabilitation grants	-	4,307
Capital Outlay:		
Project improvement costs	-	204,158
Debt Service:		
Interest expense	1,077,852	3,914,346
Long-term debt repayments	1,539,400	187,600
Total Expenditures	2,716,755	6,824,386
Excess of Revenues over (under) Expenditures	4,097,099	(6,390,352)
Other Financing Sources (Uses)		
Transfers in	15,896	1,726,327
Transfers out	(1,726,327)	(15,896)
Housing set-aside transfers in	-	1,341,965
Housing set-aside transfers out	(1,341,965)	-
Long-term debt issued	86,036	3,341,083
Pass through agreement payments	(1,695,818)	-
Miscellaneous	-	(273,847)
Total Other Financing Sources (Uses)	(4,662,178)	6,119,632
Excess of Revenues and Other Sources over (under) Expenditures and Other Uses	(565,079)	(270,720)
Fund Balances		
Beginning of Year	4,294,504	21,592,241
End of Year	\$ 3,729,425	\$ 21,321,521

EL MONTE REDEVELOPMENT AGENCY

COMPUTATION OF LOW AND MODERATE
INCOME HOUSING FUNDS
EXCESS/SURPLUS

	Low and Moderate Housing Funds - All Project Areas July 1, 2008	Low and Moderate Housing Funds - All Project Areas July 1, 2009
Opening Fund Balance	\$ 7,395,241	\$ 7,113,150
Less Unavailable Amounts:		
Land held for resale	\$ (408,000)	\$ (408,000)
Advances to other funds	(516,135)	(331,703)
Encumbrances (Section 33334.12 (g)(2))	(19,000)	-
Unspent debt proceeds (Section 33334.12 (g)(3)(B))	(3,330,100)	(2,792,562)
Rehabilitation loans	(1,542,562)	(1,946,846)
	<u>(5,815,797)</u>	<u>(5,479,111)</u>
Available Low and Moderate Income Housing Funds	1,579,444	1,634,039
Limitation (greater of \$1,000,000 or four years set-aside)		
Set-Aside for last four years:		
2008 - 2009	-	1,341,965
2007 - 2008	1,189,828	1,189,828
2006 - 2007	1,192,547	1,192,547
2005 - 2006	915,863	915,863
2004 - 2005	699,954	-
Total	<u>\$ 3,998,192</u>	<u>\$ 4,640,203</u>
Base Limitation	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>
Greater amount	<u>3,998,192</u>	<u>4,640,203</u>
Computed Excess/Surplus	<u>None</u>	<u>None</u>

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