

**Comprehensive Annual Financial Report
City of El Monte, California
Year ended June 30, 2011
With Report of Independent Auditors**

Prepared by: Finance Department

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CITY OF EL MONTE

FINANCE DEPARTMENT

April 20, 2012

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, 2011. 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. 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, 2011 are free of material misstatements. The audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall presentation of financial statements.

The submittal of this year's financial statements represents a significant improvement from last year. Last year, the City hired a new Finance Director and a new audit firm, Vasquez & Company. They were faced with a number of challenges, including a reduction in key accounting personnel, deficient record-keeping and accounting practices, and had not completed the conversion to a new accounting and financial management software system (EDEN). As a result, Vasquez & Company submitted last year's audited financial statements for the City and Redevelopment Agency with "qualified opinions". Vasquez & Company cited delays in the City's cash/bank reconciliation process and inadequate documentation of City/Agency loans as the primary reasons for these qualifications.

Management made a concerted effort to address and improve these key deficiencies over the past year. Although there still remain a number of areas where the City can improve, the Finance Department has made significant progress in its accounting and record-keeping practices, such that this year's audits are being presented without qualified opinions from our auditor.

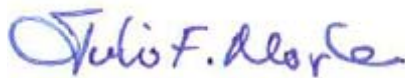
This report was prepared using Governmental Accounting Standards Board Statement No. 34 (GASB 34). The intent of GASB 34 is to present government accounting and financial reporting in a manner closer to the private sector. GASB requires that management provide a narrative and summary of significant financial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

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

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of El Monte's finances and to show the City's accountability for the money it receives. It is our opinion that the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain understanding 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 auditors, Vasquez & Company, for their technical assistance, energy, and most of all perseverance. 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 Major, Council members, City Manager, Assistant City Manager, and Department Directors for the unfailing patience and support.

Respectfully submitted,



Julio Morales
Finance Director

CITY OF EL MONTE

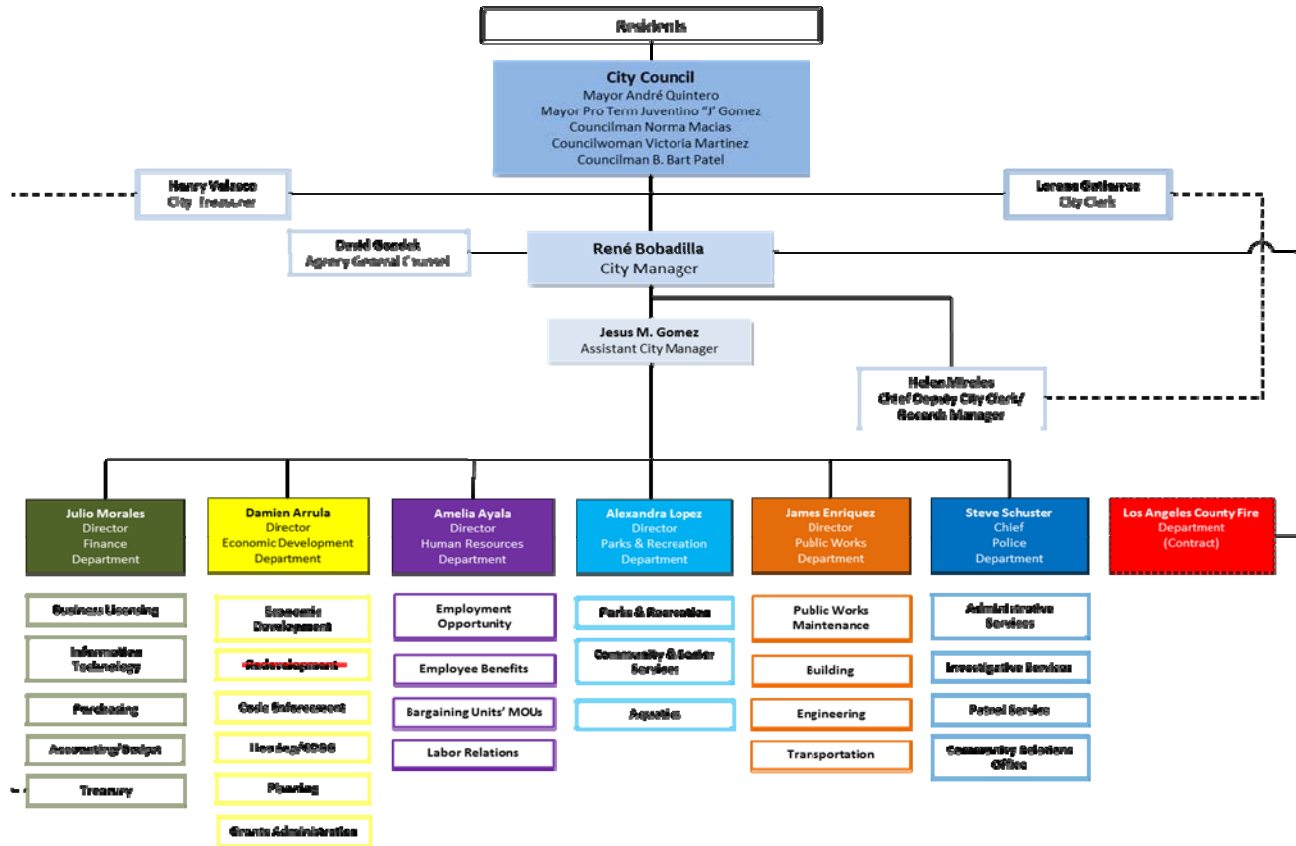
ELECTED OFFICIALS

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

ADMINISTRATIVE STAFF

CITY MANAGER RENÉ BOBADILLA
ASSISTANT CITY MANAGER.....JESUS M. GOMEZ
POLICE CHIEF STEVE SCHUSTER
FINANCE DIRECTOR..... JULIO F. MORALES
DIRECTOR OF PUBLIC WORKS/CITY ENGINEER.....JAMES A. ENRIQUEZ
ECONOMIC AND REDEVELOPMENT DIRECTOR.....DAMIEN ARRULA
COMMUNITY SERVICES DIRECTOR.....ALEXANDRA LOPEZ

City of El Monte Organizational Chart



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

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, 2011, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the City'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 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 of material misstatement. 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.

As discussed in Note 15, the California Supreme Court has upheld legislative bill ABX 1 26 which dissolves California redevelopment agencies (Agency) and establishes mechanisms for paying existing Agency debts and liquidating Agency assets. By operation of law, the El Monte Community Redevelopment Agency was dissolved on February 1, 2012 and its assets were transferred to the City, which is the designated successor agency.

As discussed in Note 13, the City restated its financial statements for June 30, 2011.

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, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 1, the City of El Monte has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*, effective for the fiscal year ended June 30, 2011. As a result of this required implementation, fund balance classifications in the governmental fund financial statements have been changed to reflect the new fund balance classifications under GASB 54.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 31, 2012, on our consideration of the City'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 result 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 management's discussion and analysis, the budgetary comparison information and the retirement plans' schedule of funding progress as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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 them.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary schedules and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. These schedules have 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. The statistical section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Vargay + Company LLP

Los Angeles, California

March 31, 2012, except for Footnote 13 for which the date is May 3, 2012

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 condition and results of operations over the past fiscal year ended June 30, 2011. 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, including the El Monte Community Redevelopment Agency
- The City as Trustee – a discussion on our fiduciary activities
- Economic Factors and Next Year's Budgets – a discussion of our general fund budget and highlights
- Unqualified Audit Opinion – a discussion of our independent auditors' audit opinion on our financial statements

This management's discussion and analysis is dated April 20, 2012.

FINANCIAL HIGHLIGHTS

- The combined assets of the City exceeded its liabilities for fiscal year 2010-11 by \$465.5 million. The City's total net assets increased by \$3.3 million.
- During the year, the City had revenues that were \$5.1 million greater than the \$83.4 million in expenses recorded by the City in its governmental activities.
- In fiscal year 2010-2011, the City's business-type activities (water and sewer) revenues exceeded expenses by \$175,000. A total of \$6.8 million in expenses was recorded for both 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 condition is improving or deteriorating over time.

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

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

REPORTING THE CITY AS A WHOLE

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

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

Statement of Net Assets (Balance Sheet) presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

Governmental Activities – The majority of the City's primary functions are reported in this category, including: general government (city manager, city clerk, finance, etc.), public safety, parks, recreation and cultural, public works and economic development. The financial activities of the El Monte Community Redevelopment Agency as well as 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
- Redevelopment Agency Advances Fund
- Redevelopment Agency Capital Projects Fund
- Non-major Governmental Funds

Proprietary Funds

- Water Authority Fund
- Sewer Fund
- Self-Insurance Fund

Fiduciary Funds

- SEIU Retiree Medical Insurance Fund

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

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

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

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

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The City maintains a separate fund 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 Assets (Balance Sheet) - As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. When compared to the prior year, the City's combined balance sheet (net assets) for this fiscal year increased by \$3.3 million from \$462.2 million to \$465.5 million, summarized in Table 1 below. This change is primarily reflected in the increase of capital assets and cash resulting from the issuance of the 2010 bonds in December 2010.

The largest portion of the City's net assets at June 30, 2011 (\$398 million or 86% of the total net assets) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens. These assets are not available for future spending.

**City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2011**

**TABLE 1
STATEMENTS OF NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2011 and 2010
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
ASSETS						
Cash and other assets	\$ 123,851	\$ 113,833	\$ 9,875	\$ 8,693	\$ 133,726	\$ 122,526
Capital assets, net of accumulated depreciation	432,091	415,064	41,559	43,405	473,650	458,469
Total Assets	555,942	528,897	51,434	52,098	607,376	580,995
LIABILITIES						
Current and other liabilities	17,234	15,208	19,191	707	36,425	15,915
Long-term liabilities	87,965	66,585	17,458	36,297	105,423	102,882
Total Liabilities	105,198	81,793	36,649	37,004	141,848	118,797
NET ASSETS						
Invested in capital assets, net of related debt	382,386	382,391	15,773	17,144	398,159	399,535
Restricted	66,202	68,554	403	412	66,605	68,966
Unrestricted	2,156	(3,841)	(1,392)	(2,462)	764	(6,303)
Total Net Assets	\$ 450,744	\$ 447,104	\$ 14,784	\$ 15,094	\$ 465,529	\$ 462,198

Statement of Activities (Statement of Revenues, Expenses/Expenditures and Changes in Net Assets/Fund Balances) - Given the current economic climate, a review of operating income can provide a telling picture of the City's overall financial health. Overall, the City generated \$5.3 million more in revenues than expenses for the fiscal year 2011 as compared to the \$2.0 million shortfall in 2010, as illustrated in Table 2 below.

**City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2011**

**TABLE 2
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
	(Restated)				(Restated)	
REVENUES						
Charges for services	\$ 10,626	\$ 10,049	\$ 6,762	\$ 6,319	\$ 17,388	\$ 16,368
Operating grants and contributions	6,909	7,757	88	136	6,997	7,893
Capital grants and contributions	7,471	3,427	-	-	7,471	3,427
General revenues:						
Taxes						
Property taxes	32,108	31,915	-	-	32,108	31,915
Sales taxes	18,365	13,483	-	-	18,365	13,483
Franchise taxes	2,658	3,842	-	-	2,658	3,842
Other taxes	8,344	10,339	-	-	8,344	10,339
Motor vehicle in-lieu taxes	406	373	-	-	406	373
Use of money and property	1,366	1,159	53	60	1,420	1,219
Other revenue	269	93	86	8	355	101
Total Revenues	<u>88,524</u>	<u>82,437</u>	<u>6,989</u>	<u>6,523</u>	<u>95,513</u>	<u>88,960</u>
EXPENSES						
Governmental activities						
General government	29,578	34,074	-	-	29,578	34,074
Public safety	32,851	29,822	-	-	32,851	29,822
Parks, recreation and cultural	4,746	4,149	-	-	4,746	4,149
Public works	10,677	11,014	-	-	10,677	11,014
Economic development	3,704	3,110	-	-	3,704	3,110
Interest on long-term debt	1,827	2,804	-	-	1,827	2,804
Business-type activities	-	-	6,814	5,982	6,814	5,982
Total Expenses	<u>83,383</u>	<u>84,973</u>	<u>6,814</u>	<u>5,982</u>	<u>90,197</u>	<u>90,955</u>
Change in net assets before transfers and special item	5,141	(2,536)	175	541	5,316	(1,995)
Transfers in/(out)	200	-	(200)	-	-	-
Special item	(864)	-	-	-	(864)	-
Change in net assets	4,477	(2,536)	(25)	541	4,452	(1,995)
Net assets, beginning as restated	446,267	449,640	14,809	14,553	461,077	464,193
Net assets, ending	<u>\$ 450,744</u>	<u>\$ 447,104</u>	<u>\$ 14,784</u>	<u>\$ 15,094</u>	<u>\$ 465,529</u>	<u>\$ 462,198</u>

A separate review of the change in net assets in the governmental and business-type activities depicts different stories: the business-type activities generated a marginal net operating surplus of \$175,000 while the governmental activities had a combined \$5.1 million operating surplus, which was due primarily to an increase in grant monies received this year and a reduction in expenditures compared to the prior year.

Over time, increases or decreases in the City's net assets 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 due to external factors that will cause a decrease in consumer spending. From the picture presented in these two summary tables, it appears that the City's financial position is stable and improving.

THE CITY AS A WHOLE

Capital Assets

The majority of the City's assets comprised of land and rights of way, totaling \$341 million of the total \$474 million in Net Capital Assets. At the end of fiscal year 2010, the City had \$458 million invested in a broad range of capital assets. This amount increased by a net of \$15.2 million due to completion of the infrastructure, primarily ARRA sidewalk improvements, the acquisition of land for the new Public Works Yard and for the Valley/Santa Anita intersection.

**TABLE 3
CAPITAL ASSETS
JUNE 30, 2011 AND 2010
(Net of Depreciation, In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$ 74,288	\$ 61,362	\$ 311	\$ 311	\$ 74,598	\$ 61,672
Rights-of-way	266,802	266,802	-	-	266,802	266,802
Construction-in-progress	3,957	5,927	-	167	3,957	6,093
Equipment-in-progress	739	611	-	-	739	611
Improvement other than buildings	3,218	1,661	-	-	3,218	1,661
Structures and improvements	20,564	21,755	600	923	21,164	22,678
Land and improvements	-	-	865	-	865	-
Furniture and equipment	3,967	3,514	1,206	1,340	5,173	4,854
Infrastructure	58,556	53,433	38,578	40,664	97,134	94,097
TOTAL CAPITAL ASSETS	\$ 432,091	\$ 415,064	\$ 41,559	\$ 43,405	\$ 473,650	\$ 458,469

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 \$21.8 million to \$107.7 million. The \$21.8 million net increase in the City's long-term debt resulted from the following:

- \$19.2 million issuance of 2010 Lease Revenue Bonds in December 2010 to finance the construction of the new Public Works Yard
- \$3.6 million increase in OPEB liability
- \$983,000 in actuarial projected cost increases for worker's compensation and general liability claims
- \$1.2 million reduction in principal loan balances for Certificates of Participation (COPs) and Notes Payable, as summarized in Table 4 below.

**TABLE 4
LONG-TERM DEBT
JUNE 30, 2011 AND 2010
(In Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Tax Allocation Bonds	\$ 27,250	\$ 27,975	\$ -	\$ -	\$ 27,250	\$ 27,975
Lease Revenue Bonds	19,255	-	-	-	19,255	-
Certificates of Participation	5,930	6,625	-	-	5,930	6,625
Notes Payable	9,427	9,912	-	-	9,427	9,912
Revenue Bonds	-	-	17,430	17,835	17,430	17,835
Lease Payable	397	423	-	-	397	423
OPEB Liability	11,847	8,228	-	-	11,847	8,228
Compensated Absences	5,867	5,873	694	436	6,561	6,310
Claims and Judgments	9,577	8,594	-	-	9,577	8,594
Total Long-Term Debt	\$ 89,551	\$ 67,630	\$ 18,124	\$ 18,271	\$ 107,675	\$ 85,901

In December 2010, the City issued two series of Lease Revenue Bonds through the El Monte Public Financing Authority to finance the construction of the City's new Public Works Yard:

- \$14,790,000 Taxable Recovery Economic Development Bonds (Series A)
- \$ 4,465,000 Taxable Build America Bonds (Series B)

Additional Bonds, Notes and Leases - The City's additional long-term debt is comprised of three bond issues: the 2007 Taxable Allocation Bonds, the 2006 Water Revenue Refunding Bonds and the 2003 Certificates of Participation. Additional notes and leases totaled \$42.6 million for which the outstanding loan balance decreased by \$1.9 million (from \$44.5 million) due to repayment of principal. The City was able to meet all its legal debt covenants and pay its current debt obligations in a timely manner.

Other Post-Employment 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 \$5.06 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 (\$1.4 million) plus any additional amount set-aside to fund future OPEB payments. A net amount of \$3.6 million was added to the City's Net OPEB liability, which has now increased to \$11.8 million as of June 30, 2011.

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: the Redevelopment Agency, 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 \$82.1 million. The City's governmental funds report a negative balance or a deficit of \$83.6 million in its *unassigned fund balance*. This negative balance is due primarily to the approximately \$90 million of Redevelopment Agency loans due the City. The City has committed \$78.8 million of the fund balance of Advances (Special Revenue) Funds for future development. 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.

Approximately 40% of the City's total assets and 62% of its liabilities are accounted for as Advances to and from Other Funds. As seen in the below table, over \$93 million are redevelopment advances and \$300,000 are general fund advances to the self-insurance fund.

	Advances From Other Funds				
	<u>Governmental Funds</u>			<u>Proprietary Funds</u>	
	RDA Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds	Self Insurance	Total
Advances To Other Funds					
<i>Governmental Funds:</i>					
General Fund	\$ -	\$ -	\$ -	\$ 300,000	\$ 300,000
Housing and Community Development	9,620,966	-	9,620,966	-	9,620,966
Advances Special Revenue Fund	78,804,828	-	78,804,828	-	78,804,828
RDA Capital Projects	-	864,036	864,036	-	864,036
Nonmajor Governmental Funds	<u>3,927,137</u>	-	<u>3,927,137</u>	-	<u>3,927,137</u>
Total Governmental Funds	92,352,931	864,036	93,216,967	300,000	93,516,967
<i>Proprietary Funds:</i>					
Water Fund	<u>460,907</u>	-	<u>460,907</u>	-	<u>460,907</u>
	<u>\$ 92,813,838</u>	<u>\$ 864,036</u>	<u>\$ 93,677,874</u>	<u>\$ 300,000</u>	<u>\$ 93,977,874</u>

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund's unassigned fund balance was \$8.4 million, with a total fund balance of \$27.3 million. The fund balance of the City's General Fund was restated by \$80.5 million as of July 1, 2011 due to the transfer of Redevelopment Agency Advances to the new major fund. After taking this reclassification into consideration, the General Fund's ending fund balance increased by \$1.6 million. The General Fund reflects this net operating surplus, after the annual transfer of \$2.6 million in Gas Tax monies into the General Fund.

Unassigned Fund Balance, Cash on Hand and Working Capital – The General Fund's unassigned fund balance is \$8.4 million, which represents 16.8% of total General Fund expenditures of \$49.9 million. The unassigned fund balance consists of \$4.0 million in cash and investments plus \$4.4 million in current assets and \$6.1 million due from other funds, less \$6.1 million in current liabilities and deposits on hand. A true measure of General Fund's liquidity is the ending balance of cash and investments. This amount totaled \$4.0 million at the end of the fiscal year as compared to only \$1.5 million at the end of the prior fiscal year (June 30, 2010). However, this amount only represents 29 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.

The Redevelopment Agency's Capital Projects funds had increases in the fund balance for a total of \$2.7 million for all the project areas, from a negative fund balance of \$84.6 million in the prior fiscal year to negative fund balance of \$81.9 million in the current fiscal year. This was due primarily to the restatement of \$9.0 million in City/Agency loan principal and interest from prior year balances. In addition, there was \$864,036 special item that pertains to the allowance for doubtful accounts provided for one of the project areas.

Restatement FY 2010 Statements - Table 2 illustrates a restatement of the prior year's Statement of Revenues, Expenditures and Changes in Net Assets. This restatement records a change in the recognition of interest income on loans between the General Fund and Redevelopment Agency (i.e., increases in accrued loan balances for City/Agency loans were not recognized as revenues by the General Fund). Specifically, the restatement reduced the Use of Money and Property under the General Fund by \$3.8 million and corresponding reduction in the interest and fiscal charges under the Capital Projects account under the RDA. We feel this change is important because it provides a true representation of the General Fund and Agency's economic performance last year: the City did not receive \$3.8 million in interest income from the loans made to Agency last year. It is important to note that these changes do not have an impact on the ending balance of Net Assets, which remained at \$447 million on June 30, 2010, but we feel that it better reflects the true economic position of the City and Agency last year. This treatment was used in the current year's audit as well.

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

THE CITY AS TRUSTEE

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

General Fund Budget Overview - The City of El Monte's largest revenue source is sales tax, of which nearly 45% is derived from auto sales. The City was particularly hard-hit by the Great Recession, which resulted in the closure of major auto dealerships (Chevrolet, Dodge, etc.) and a nearly \$10 million reductions in sales tax from a high of \$19.9 million in fiscal year 2006-07 to a low \$10.4 million in fiscal year 2009-10. As a result, the City consequently reduced its budget 15% and workforce by nearly 100 employees in fiscal year 2009-10. The passage of a ½ cent sales tax (Measure GG) in 2009 has generated nearly \$3.5 million and thus allowed the City to stabilize its sales tax revenues.

However, the City has continued to face budget pressures. City staff made a number of adjustments to its revenue and expense projections for the fiscal year 2011-12 budget, resulting in a reduction in the annual General Fund budget from \$51.8 million to \$51.5 million.

In preparing the budget for fiscal year 2011-12, management looked at the following economic and financial factors:

- Flat General Fund revenue growth
- Prolonged economic recession
- Limited unrestricted reserves
- Renegotiations with bargaining units
- Increasing legal and worker's compensation costs

All of these factors must be placed in the context that management and staff is faced with the pressure to provide the same level of service with reduced workforce and resources.

General Fund Budgetary Highlights

Revenues - The City received \$750,000 more in taxes (i.e., property, sales and UUT) as well as \$296,000 more for fines and forfeitures than budgeted due to conservative budget estimates. However, these were partially offset by the receipt of \$956,000 less-than-budgeted amounts for activity-based revenues sources, such as licenses and permits and charges for services. Overall, General Fund revenues totaled \$48.9 million in fiscal year 2010-11, which is slightly lower than the budgeted amount of \$49.3 million.

Expenses – The City reported a total of \$50 million in General Fund expenditures for the fiscal year, which was \$700,000 less than budgeted amount of \$51.8 million. Public safety expenditures were \$600,000 less than budgeted. Public works expenditures were \$948,000 less than its appropriations, while the Parks and Recreation Department exceeded its budget by \$1.0 million. However, more than half of these respective variances were due to a budget transfer of the Parks/Building Maintenance division from the Parks and Recreation Department to Public Works Department last year. Although interest income has been diminished in the current interest rate environment, the City also paid \$286,000 less-than-budgeted on the interest costs on its 2003 variable rate Certificates of Participation.

Economic Development Initiatives - The City continues to pursue a number of economic development initiatives in order to broaden and realign the City's economic base. A DD's discount store was opened in place of a vacant store site. The Economic Development Department continues to pursue other new business opportunities to increase and diversify the City's revenue base. In addition, the City began the approval process for the construction of a new Norm's Restaurant and In-N-Out. Over the past year, the City commences the construction of the new Public Works Yard and Mariposa Park (both of which are expected to be completed in fiscal year 2011-2012).

UNQUALIFIED AUDIT OPINION

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

Last fiscal year, the City's audits received a qualified opinion, primarily due to delays in the City's cash/bank reconciliation process and lack of documentation to support certain loans between the City and the Redevelopment Agency. These qualified opinions were due to poor past recordkeeping and accounting practices. This City took a number of pro-active measures during the year to improve its accounting and recordkeeping practices, including hiring additional staff/consultants to complete the bank/cash reconciliation process, reorganization of the Finance Department, and committing additional resources needed to address the most significant concerns.

As a result, this fiscal year the City has been able to remove the qualified opinions for both the City and Redevelopment Agency audits. Although there remain a number of improvements that the City must make in addressing deficiencies in its accounting policies, procedures and controls, the City has made significant progress over the past several months in improving its internal controls and accounting practices. This however, does not have a direct bottom-line impact on the City's financial position or assets. The auditor noted a few material weaknesses in the City's internal controls. Although a few of these concerns had been mentioned in the prior year's audit, they have been recognized and we believe the majority of these items will be corrected in the coming year.

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 Assets
June 30, 2011

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 47,795,328	\$ 7,314,536	\$ 55,109,864
Receivables			
Accounts	7,743,030	1,111,036	8,854,066
Taxes	3,745,076	-	3,745,076
Notes and loans, net	16,362,042	50,000	16,412,042
Accrued interest - other	136,661	21,989	158,650
Allowance for uncollectible accounts	(864,036)	-	(864,036)
Internal balances	(522,255)	522,255	-
Prepaid costs	51,146	2,138	53,284
Due from other governments	1,538,215	-	1,538,215
Inventories	64,302	-	64,302
Deferred charges	1,540,436	449,307	1,989,743
Land held for resale	10,157,638	-	10,157,638
Capital lease receivable (payable)	18,390,759	(18,390,759)	-
Restricted assets:			
Cash and investments with fiscal agents	17,712,918	403,419	18,116,337
Capital assets, not being depreciated	345,786,018	310,748	346,096,766
Capital assets, net of accumulated depreciation	86,305,114	41,248,173	127,553,287
Total assets	555,942,392	33,042,842	588,985,234
LIABILITIES			
Accounts payable	4,275,507	107,766	4,383,273
Accrued liabilities	1,615,788	-	1,615,788
Accrued interest	308,079	266,688	574,767
Deposits payable	3,658,351	425,644	4,083,995
Due to other governments	7,375,896	-	7,375,896
Noncurrent liabilities:			
Due within one year	2,576,905	529,472	3,106,377
Due in more than one year	85,387,707	16,928,889	102,316,596
Total liabilities	105,198,233	18,258,459	123,456,692
NET ASSETS			
Invested in capital assets, net of related debt	382,386,047	15,773,348	398,159,395
Restricted for:			
Public works projects	9,992,744	-	9,992,744
Public safety	1,467,696	-	1,467,696
Parks, recreation and cultural	5,822,848	-	5,822,848
Community development	15,339,905	-	15,339,905
Debt service	6,502,042	403,419	6,905,461
Low and moderate income housing	6,623,975	-	6,623,975
Retirement	20,452,466	-	20,452,466
Unrestricted (deficit)	2,156,436	(1,392,384)	764,052
Total net assets	\$ 450,744,159	\$ 14,784,383	\$ 465,528,542

See notes to financial statements.

City of El Monte
Statement of Activities
Year ended June 30, 2011

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	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	\$ 29,578,242	\$ 3,139,208	\$ 196,117	\$ -	\$ (26,242,917)	\$ -	\$ (26,242,917)
Public safety	32,851,129	2,429,210	2,855,636	4,409,670	(23,156,613)	-	(23,156,613)
Parks, recreation and cultural	4,745,831	828,110	910,680	118,743	(2,888,298)	-	(2,888,298)
Public works	10,677,438	861,338	425,050	2,943,045	(6,448,005)	-	(6,448,005)
Economic development	3,703,687	3,368,408	2,521,899	-	2,186,620	-	2,186,620
Interest on long-term debt	1,826,698	-	-	-	(1,826,698)	-	(1,826,698)
Total governmental activities	<u>83,383,025</u>	<u>10,626,274</u>	<u>6,909,382</u>	<u>7,471,458</u>	<u>(58,375,911)</u>	<u>-</u>	<u>(58,375,911)</u>
Business-type activities:							
Water and Sewer Fund	6,813,653	6,761,971	87,977	-	-	36,295	36,295
Total business-type activities	<u>6,813,653</u>	<u>6,761,971</u>	<u>87,977</u>	<u>-</u>	<u>-</u>	<u>36,295</u>	<u>36,295</u>
Total primary government	<u>\$ 90,196,678</u>	<u>\$ 17,388,245</u>	<u>\$ 6,997,359</u>	<u>\$ 7,471,458</u>	<u>(58,375,911)</u>	<u>36,295</u>	<u>(58,339,616)</u>
General revenues							
Taxes:							
Property taxes levied for general purposes					32,108,113	-	32,108,113
Transient occupancy taxes					266,460	-	266,460
Sales taxes					18,365,147	-	18,365,147
Franchise taxes					2,658,124	-	2,658,124
Business license taxes					143,629	-	143,629
Utility users taxes					7,436,906	-	7,436,906
Other taxes					496,829	-	496,829
Motor vehicle in lieu - unrestricted					406,053	-	406,053
Use of money and property					1,366,333	53,387	1,419,720
Other revenue					269,038	85,616	354,654
Special item					(864,036)	-	(864,036)
Transfers in/out					200,000	(200,000)	-
Total general revenues					<u>62,852,596</u>	<u>(60,997)</u>	<u>62,791,599</u>
Change in net assets					<u>4,476,685</u>	<u>(24,702)</u>	<u>4,451,983</u>
Net assets - beginning, as previously reported					447,104,082	15,094,213	462,198,295
Restatement of net assets					<u>(836,608)</u>	<u>(285,128)</u>	<u>(1,121,736)</u>
Net assets - beginning of year, as restated					<u>446,267,474</u>	<u>14,809,085</u>	<u>461,076,559</u>
Net assets - end of year					<u>\$ 450,744,159</u>	<u>\$ 14,784,383</u>	<u>\$ 465,528,542</u>

See notes to financial statements.

**City of El Monte
Governmental Funds
Balance Sheet
June 30, 2011**

	Special Revenue Funds				Capital Projects Fund		Nonmajor Governmental Funds	Total
	General	Retirement	Housing and Community Development	Advances	Capital Projects RDA	Capital Projects RDA		
(Restated)								
ASSETS								
Cash and investments	\$ 4,038,750	\$ 20,264,810	\$ 833,962	\$ -	\$ 958,456	\$ 15,515,236	\$ 41,611,214	
Receivables:								
Accounts	1,718,702	-	316,761	-	97,513	5,610,054	7,743,030	
Taxes	2,396,957	915,114	-	-	53,138	379,867	3,745,076	
Notes and loans, net	80,397	-	13,886,017	-	2,081,710	313,918	16,362,042	
Accrued interest	136,661	-	-	-	-	-	136,661	
Prepaid costs	37,621	-	-	-	-	13,525	51,146	
Due from other governments	-	-	341,476	-	-	1,196,739	1,538,215	
Due from other funds	6,149,503	-	-	-	6,380,676	1,602,883	14,133,062	
Advances to other funds	300,000	-	9,620,966	78,804,828	864,036	3,927,137	93,516,967	
Allowance for doubtful accounts	-	-	-	-	(864,036)	-	(864,036)	
Inventories	64,302	-	-	-	-	-	64,302	
Land held for resale	-	-	1,845,000	-	8,312,638	-	10,157,638	
Capital lease receivable	18,390,759	-	-	-	-	-	18,390,759	
Restricted assets:								
Cash and investments with fiscal agents	95,384	-	-	-	-	17,617,534	17,712,918	
Total assets	\$ 33,409,036	\$ 21,179,924	\$ 26,844,182	\$ 78,804,828	\$ 17,884,131	\$ 46,176,893	\$ 224,298,994	
LIABILITIES								
Accounts payable	\$ 1,555,867	\$ 720,551	\$ 283,191	\$ -	\$ 419,460	\$ 1,265,189	\$ 4,244,258	
Accrued liabilities	1,608,881	6,907	-	-	-	-	1,615,788	
Deferred revenue	59,836	-	12,193,006	-	620,537	4,592,788	17,466,167	
Deposits payable	2,871,157	-	23,524	-	595,646	168,024	3,658,351	
Due to other governments	-	-	6,934,613	-	-	441,283	7,375,896	
Due to other funds	-	-	-	-	5,378,288	8,754,774	14,133,062	
Advances from other funds	-	-	-	-	92,813,838	864,036	93,677,874	
Total liabilities	6,095,741	727,458	19,434,334	-	99,827,769	16,086,094	142,171,396	
FUND BALANCES								
Nonspendable								
Loans receivable	80,397	-	13,886,017	-	2,081,710	63,918	16,112,042	
Prepaid items	37,621	-	-	-	-	13,525	51,146	
Advances to other funds	300,000	-	9,620,966	-	864,036	260,341	11,045,343	
Inventories	64,302	-	-	-	-	-	64,302	
Land held for resale	-	-	1,845,000	-	8,312,638	-	10,157,638	
Capital lease receivable	18,390,759	-	-	-	-	-	18,390,759	
Restricted								
Special revenue funds	-	-	-	-	-	15,088,458	15,088,458	
Capital projects funds	-	-	-	-	-	9,527,746	9,527,746	
Debt service funds	-	-	-	-	-	6,502,042	6,502,042	
Committed	-	-	-	78,804,828	-	-	78,804,828	
Unassigned	8,440,216	20,452,466	(17,942,135)	-	(93,202,022)	(1,365,231)	(83,616,706)	
Total fund balances	27,313,295	20,452,466	7,409,848	78,804,828	(81,943,638)	30,090,799	82,127,598	
Total liabilities and fund balances	\$ 33,409,036	\$ 21,179,924	\$ 26,844,182	\$ 78,804,828	\$ 17,884,131	\$ 46,176,893	\$ 224,298,994	

See notes to financial statements.

City of El Monte
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets
June 30, 2011

Fund balance of governmental funds	\$	82,127,598
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets of governmental activities are not financial resources and are not reported in the governmental funds.		
Capital assets	\$	513,610,497
Accumulated depreciation		<u>(81,519,365)</u> 432,091,132
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the Statement of Net Assets		
		1,540,436
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Long-term liabilities	\$	(72,520,377)
Compensated absences		<u>(5,867,424)</u> (78,387,801)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds		
		(308,079)
Revenues reported as deferred revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities.		
		17,466,167
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 Assets		
		<u>(3,785,294)</u>
Net assets of governmental activities	\$	<u><u>450,744,159</u></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, 2011

	Special Revenue Funds				Capital Projects Fund	Nonmajor Governmental Funds	Total
	General Fund	Retirement Fund	Housing and Community Development	Advances (Restated)	Community Redevelopment Agency		
Revenues							
Taxes	\$ 40,713,703	\$ 10,196,951	\$ -	\$ -	\$ 1,371,105	\$ 12,368,338	\$ 64,650,097
Licenses and permits	2,643,806	-	-	-	-	-	2,643,806
Intergovernmental	450,045	-	2,479,264	-	1,225,000	11,389,185	15,543,494
Charges for services	2,042,893	-	-	-	7,649	696,892	2,747,434
Use of money and property	180,846	84,939	42,105	-	1,054,758	246,280	1,608,928
Fines and forfeitures	1,561,288	-	-	-	-	-	1,561,288
Contributions	-	-	-	-	-	193,006	193,006
Miscellaneous	1,343,630	670,326	374,263	-	101,142	59,782	2,549,143
Total revenues	<u>48,936,211</u>	<u>10,952,216</u>	<u>2,895,632</u>	<u>-</u>	<u>3,759,654</u>	<u>24,953,483</u>	<u>91,497,196</u>
Expenditures							
Current:							
General government	12,026,903	9,293,927	98,469	-	3,708,576	2,425,697	27,553,572
Public safety	29,130,711	-	298,111	-	-	1,620,752	31,049,574
Parks, recreation and cultural	2,840,459	-	90,000	-	-	1,592,004	4,522,463
Public works	4,982,131	-	125,000	-	-	2,515,052	7,622,183
Economic development	-	-	1,655,178	-	-	2,048,509	3,703,687
Capital outlay	88,888	-	1,194,781	-	4,358,968	16,280,939	21,923,576
Debt service:							
Principal retirement	695,000	-	465,000	-	-	782,000	1,942,000
Interest and fiscal charges	100,504	-	428,067	-	1,140	1,276,403	1,806,114
Issuance costs and underwriter's discount	-	-	-	-	-	908,543	908,543
Total expenditures	<u>49,864,596</u>	<u>9,293,927</u>	<u>4,354,606</u>	<u>-</u>	<u>8,068,684</u>	<u>29,449,899</u>	<u>101,031,712</u>
Excess (deficiency) of revenues over expenditures	<u>(928,385)</u>	<u>1,658,289</u>	<u>(1,458,974)</u>	<u>-</u>	<u>(4,309,030)</u>	<u>(4,496,416)</u>	<u>(9,534,516)</u>
Other financing sources (uses)							
Transfers in	2,615,000	-	-	-	6,374,042	10,378,742	19,367,784
Transfers out	(90,156)	-	-	-	(1,001,713)	(18,325,915)	(19,417,784)
Proceeds from long-term advances	-	-	416,300	5,765,709	(6,536,425)	324,259	(30,157)
Bonds issuance	-	-	-	-	-	19,255,000	19,255,000
Net other financing sources (uses)	<u>2,524,844</u>	<u>-</u>	<u>416,300</u>	<u>5,765,709</u>	<u>(1,164,096)</u>	<u>11,632,086</u>	<u>19,174,843</u>
Change in fund balance before special item	1,596,459	1,658,289	(1,042,674)	5,765,709	(5,473,126)	7,135,670	9,640,327
Special item	-	-	-	-	(864,036)	-	(864,036)
Change in fund balance after special item	1,596,459	1,658,289	(1,042,674)	5,765,709	(6,337,162)	7,135,670	8,776,291
Fund balance, beginning of year, as previously reported	106,216,346	18,794,177	11,211,113	-	(84,623,891)	21,751,386	73,349,131
Restatements	(80,499,510)	-	(2,758,591)	73,039,119	9,017,415	1,203,743	2,176
Fund balance, beginning of year, as restated	<u>25,716,836</u>	<u>18,794,177</u>	<u>8,452,522</u>	<u>73,039,119</u>	<u>(75,606,476)</u>	<u>22,955,129</u>	<u>73,351,307</u>
Fund balance, end of year	<u>\$ 27,313,295</u>	<u>\$ 20,452,466</u>	<u>\$ 7,409,848</u>	<u>\$ 78,804,828</u>	<u>\$ (81,943,638)</u>	<u>\$ 30,090,799</u>	<u>\$ 82,127,598</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, 2011**

Net change in fund balances - Governmental Funds	\$	8,776,291
<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		21,437,868
Depreciation expense		(3,572,197)
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. 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 assets. Repayment of debt principals is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in statement of net assets.</p>		
Issuance of bonds	\$	(18,649,455)
Issuance costs		302,998
Principal repayment of bonds		1,420,000
Principal repayment of capital lease obligation		25,361
Principal repayment of notes payable		522,000
County deferral received		(37,600)
Amortization of deferred costs of issuance		(44,169)
Amortization of deferred loss on defeasance		(19,577)
Amortization of deferred bond discount		(67,196)
		(16,547,638)
<p>Governmental funds report all contributions in relation to the Annual Required Contribution (ARC) for OPEB as expenditures, however, in the Statement of Activities only the ARC is an expense.</p>		
		(3,619,477)
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>		
		110,358
<p>Compensated absences 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.</p>		
		6,022
<p>Certain revenues are reported as deferred revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities.</p>		
		(2,935,850)
<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>		
		821,308
Change in net assets of governmental activities	\$	<u>4,476,685</u>

See notes to financial statements.

**City of El Monte
Statement of Net Assets
Proprietary Funds
June 30, 2011**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Funds
	Fund	Fund		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,648,687	\$ 5,665,849	\$ 7,314,536	\$ 6,184,114
Receivables:				
Accounts	958,379	152,657	1,111,036	-
Notes and loans	50,000	-	50,000	-
Other	21,989	-	21,989	-
Prepaid accounts	2,138	-	2,138	-
Restricted:				
Cash with fiscal agents	403,419	-	403,419	-
Total current assets	<u>3,084,612</u>	<u>5,818,506</u>	<u>8,903,118</u>	<u>6,184,114</u>
Noncurrent assets				
Deferred charges	449,307	-	449,307	-
Advances to other funds	460,907	-	460,907	-
Capital assets	43,715,579	19,754,688	63,470,267	-
Accumulated depreciation	(14,372,393)	(7,538,953)	(21,911,346)	-
Net capital assets	<u>29,343,186</u>	<u>12,215,735</u>	<u>41,558,921</u>	<u>-</u>
Total noncurrent assets	<u>30,253,400</u>	<u>12,215,735</u>	<u>42,469,135</u>	<u>-</u>
Total assets	<u>33,338,012</u>	<u>18,034,241</u>	<u>51,372,253</u>	<u>6,184,114</u>
LIABILITIES				
Current liabilities				
Accounts payable	87,248	20,518	107,766	31,249
Accrued interest	266,688	-	266,688	-
Deposits payable	425,644	-	425,644	-
Accrued compensated absences	109,472	-	109,472	-
Accrued claims and judgments	-	-	-	402,073
Bonds, notes, and capital leases	420,000	-	420,000	-
Total current liabilities	<u>1,309,052</u>	<u>20,518</u>	<u>1,329,570</u>	<u>433,322</u>
Noncurrent liabilities				
Advances from other funds	-	-	-	300,000
Accrued compensated absences	344,523	239,947	584,470	-
Accrued claims and judgments	-	-	-	9,174,738
Capital lease payable	18,390,759	-	18,390,759	-
Bonds, notes, and capital leases	16,344,419	-	16,344,419	-
Total liabilities	<u>36,388,753</u>	<u>260,465</u>	<u>36,649,218</u>	<u>9,908,060</u>
NET ASSETS				
Invested in capital assets, net of related debt	3,557,613	12,215,735	15,773,348	-
Restricted for debt service	403,419	-	403,419	-
Unrestricted	(7,011,773)	5,558,041	(1,453,732)	(3,723,946)
Total net assets	<u>\$ (3,050,741)</u>	<u>\$ 17,773,776</u>	<u>\$ 14,723,035</u>	<u>\$ (3,723,946)</u>

Reconciliation of net assets to statement of net assets:

Net assets per statement of net assets per proprietary funds	\$ 14,723,035
Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	29,549
Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	31,799
Net assets per statement of net assets	<u>\$ 14,784,383</u>

See notes to financial statements.

City of El Monte
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2011

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>	<u>Self Insurance</u>
Operating revenues:				
Sales and service charges	\$ 3,256,851	\$ 3,473,321	\$ 6,730,172	\$ -
Interdepartmental charges	-	-	-	3,817,365
Total operating revenues	<u>3,256,851</u>	<u>3,473,321</u>	<u>6,730,172</u>	<u>3,817,365</u>
Operating expenses				
Administration and general	1,732,167	2,698,397	4,430,564	-
Treatment	197,807	-	197,807	-
Claims expenses	-	-	-	3,214,258
Depreciation expense	885,220	444,685	1,329,905	-
Total operating expenses	<u>2,815,194</u>	<u>3,143,082</u>	<u>5,958,276</u>	<u>3,214,258</u>
Operating income (loss)	441,657	330,239	771,896	603,107
Nonoperating revenues (expenses)				
Intergovernmental	30,153	57,824	87,977	-
Interest revenue	14,479	38,908	53,387	-
Interest expense	(855,377)	-	(855,377)	-
Miscellaneous	1,135	84,481	85,616	-
Total nonoperating revenues	<u>(809,610)</u>	<u>181,213</u>	<u>(628,397)</u>	<u>-</u>
Operating income (loss) before other financing sources	(367,953)	511,452	143,499	603,107
Other financing sources				
Transfers in	-	-	-	250,000
Transfers out	-	(200,000)	(200,000)	-
	<u>-</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>250,000</u>
Changes in net assets	(367,953)	311,452	(56,501)	853,107
Net assets - beginning as previously reported	(2,373,011)	17,437,675	15,064,664	(4,577,053)
Adjustments to net assets	<u>(309,777)</u>	<u>24,649</u>	<u>(285,128)</u>	<u>-</u>
Net assets - beginning, as restated	<u>(2,682,788)</u>	<u>17,462,324</u>	<u>14,779,536</u>	<u>(4,577,053)</u>
Total net assets - ending	<u>\$ (3,050,741)</u>	<u>\$ 17,773,776</u>	<u>\$ 14,723,035</u>	<u>\$ (3,723,946)</u>
Reconciliation of Statement of Changes in Net Assets to the Statement of Activities:				
Changes of Net Assets per Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds				
			\$ (56,501)	
Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds				
			31,799	
Changes in Net Assets Business-type Activities Statement of Activities				
			<u>\$ (24,702)</u>	

See notes to financial statements.

City of El Monte
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2011

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Total	Self
	Fund	Fund		Insurance
Cash flows from operating activities				
Cash received from customers and users	\$ 2,607,116	\$ 3,501,405	\$ 6,108,521	\$ -
Cash received for interfund charges	-	-	-	3,817,365
Cash paid to suppliers for goods and services	(658,114)	(1,007,504)	(1,665,618)	(2,274,965)
Cash paid to employees for services	(1,177,471)	(1,592,087)	(2,769,558)	-
Cash received(payment to) others	(2,138)	-	(2,138)	-
Net cash provided by operating activities	<u>769,393</u>	<u>901,814</u>	<u>1,671,207</u>	<u>1,542,400</u>
Cash flows from non-capital and related financing activities				
Intergovernmental	30,153	(142,176)	(112,023)	250,000
Others	(1,492)	-	(1,492)	-
Net cash provided by (used in) non-capital and related financing activities	<u>28,661</u>	<u>(142,176)</u>	<u>(113,515)</u>	<u>250,000</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(188,569)	(73,371)	(261,940)	-
Principal paid on capital debt	(405,000)	-	(405,000)	-
Interest paid on capital debt	(855,377)	-	(855,377)	-
Miscellaneous	1,135	84,481	85,616	-
Net cash provided by (used in) capital and related financing activities	<u>(1,447,811)</u>	<u>11,110</u>	<u>(1,436,701)</u>	<u>-</u>
Cash flows from investing activities				
Interest received	14,479	38,908	53,387	-
Change in cash and cash equivalents	(635,278)	809,656	174,378	1,792,400
Beginning cash and cash equivalents	<u>2,687,384</u>	<u>4,856,193</u>	<u>7,543,577</u>	<u>4,391,714</u>
Ending cash and cash equivalents	<u>\$ 2,052,106</u>	<u>\$ 5,665,849</u>	<u>\$ 7,717,955</u>	<u>\$ 6,184,114</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 441,657	\$ 330,239	\$ 771,896	\$ 603,107
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	885,220	444,685	1,329,905	-
(Increase) decrease in:				
Accounts receivable	(649,735)	28,084	(621,651)	-
Prepaid accounts	(2,138)	-	(2,138)	-
Deferred charges	-	-	-	10,708
Increase (decrease):				
Accounts payable	16,196	(12,021)	4,175	(54,378)
Deposits payable	60,590	-	60,590	-
Compensated absences payable	17,603	110,827	128,430	-
Accrued claims and judgments	-	-	-	982,963
Net cash provided by (used in) operating activities	<u>\$ 769,393</u>	<u>\$ 901,814</u>	<u>\$ 1,671,207</u>	<u>\$ 1,542,400</u>
Non-cash investing, capital and financing Activities:				
Amortization on deferred charges, discounts, loss on defeasance related to long-term liabilities	\$ 45,894	\$ -	\$ -	\$ -

See notes to financial statements.

City of El Monte
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

		Pension Trust Fund <hr/> Service Employees Internatioanal Union (SEIU) Retiree Insurance <hr/>
ASSETS		
Cash and investments	\$	232,378
Accounts receivables		2,723
Total assets	\$	<u>235,101</u>
NET ASSETS		
Held in trust for pension	\$	<u>235,101</u>
Total net assets	\$	<u>235,101</u>

See notes to financial statements.

City of El Monte
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year ended June 30, 2011

	Pension Trust Fund <hr/> Service Employees Internatioanal Union (SEIU) Retiree Insurance <hr/>
<u>Additions:</u>	
Contributions:	
Employers	\$ 197,500
Employees	64,755
Retirees	39,611
Investment earnings:	
Interest and change in fair value of investments	2,190
Total additions	<hr/> 304,056 <hr/>
Deductions:	
Benefits	<hr/> 262,499
Total deductions	<hr/> 262,499 <hr/>
Change in net assets	41,557
Net assets - beginning of the year	<hr/> 193,544 <hr/>
Net assets - end of the year	\$ <hr/> <hr/> 235,101 <hr/>

See notes to financial statements.

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

Description of 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.

A description of these component units and the method of incorporating their financial information in the accompanying financial statements are summarized as follows:

El Monte Community Redevelopment Agency (Agency)

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. The financial activity of the Redevelopment Agency is reported in the City's financial statements as the Redevelopment Capital Projects Fund and the Redevelopment Debt Service Fund. The City Council members act as the Agency's directors, designate management and have full accountability for the Agency's fiscal matters. Separate financial statements for the El Monte Community Redevelopment Agency of the City of El Monte can be obtained by contacting the City of El Monte City Clerk (See Note 15).

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

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 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. The financial activity of the Authority is reported in the Redevelopment Debt Service Fund. Separate financial statements are not prepared for the Authority.

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 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 for the Water Authority.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets 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.

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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.

**NOTE 1 REPORTING ENTITY AND 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 City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

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

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

All proprietary 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.

Private-sector standards of accounting and financial reporting issued prior to December 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

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.

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

- 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 Advances Special Revenue Fund accounts for all advances of the City's primary operating fund to the Redevelopment Agency Capital Projects Fund.
- The Redevelopment Agency Capital Projects Fund accounts for financial resources used for the acquisition or construction of major capital facilities related to the Redevelopment Agency Project Areas.

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 Redevelopment Agency.
- 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 one private purpose trust fund.
- The Pension Trust Fund accounts for premiums paid for retirees and their families.

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

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

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

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

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

Use of Estimates

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

Fund Balance Reporting

During the fiscal year ended June 30, 2011, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund-type Definitions*. This Statement 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.

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

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, 2011, the City has committed the fund balance of the Advances (Special Revenue) Fund for future development.

Assigned fund balance consists of funds that are set aside for specific purposes by the Commission'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, 2011.

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

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

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

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.

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

Assets, Liabilities and Net Assets or Equity

Cash and Investments

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

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

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

Receivables and Payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund balance 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.

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.

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

- Public Safety includes those activities which involve the protection of people and property.
- Parks, Recreation and Cultural, includes those activities which involve the park 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.

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. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

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 a reservation of 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 government fund types have been reserved 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 reserved for amounts equal to the carrying value 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.

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

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 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 assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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 value 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

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 assets. 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. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt using the straight-line method.

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.

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.

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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

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.

For fiscal year 2010-2011, the following special revenue funds had no legally adopted budget:

- Local Law Enforcement Block Grant
- State Stimulus
- Family Caregiver Support Services III E
- AB764 Linkages

At June 30, 2011, the following funds had deficit fund balances:

Major Funds:

Capital Projects Fund - RDA	\$ (81,943,638)
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Special Revenue Funds:

Emergency Shelter Grant	(21)
Miscellaneous Grant	(786,103)
Park Bond Act	(625,511)
State Stimulus	(17,931)
Federal Stimulus	(2,163)
ARRA TEA RIP State	(12,708)
Family Caregiver Support Services III E	(39)
AB764 Linkages	(22)

Governmental Activities:

Internal Service Funds	(3,723,946)
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Management expects that the fund deficits will be covered from future revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

Fund	Expenditures	Appropriations	Excess
General Fund			
General Government			
City council	\$ 170,323	\$ 128,700	\$ 41,623
City treasurer	147,779	94,200	53,579
City attorney	907,126	615,000	292,126
Insurance and surety	3,570	-	3,570
License collection	121,582	39,700	81,882
Valley Mall	47,623	43,000	4,623
Public safety			
Code enforcement	424,316	328,900	95,416
Parks and maintenance	94,445	-	94,445
Police helicopter	921,710	744,300	177,410
Civil defense	15,640	13,700	1,940
Traffic safety program	450,905	69,500	381,405
Parking enforcement	108,844	98,800	10,044
Parks, recreation and cultural			
Parks and building maintenance	783,899	-	783,899
Government bldg. and grounds maintenance	79,103	-	79,103
Aquatic center project	699,850	635,100	64,750
Mall maintenance	224,627	-	224,627
Adult sports	172,159	101,700	70,459
Communications and marketing	13,390	13,100	290
Contracted classes	46,749	39,000	7,749
Public works			
Building regulation	461,317	428,600	32,717
General engineering	-	18,297	18,297
Parking lot maintenance	343	-	343
Engineering	127,722	110,900	16,822
Sewer	20,681	-	20,681
Equipment maintenance	258,651	152,000	106,651
Street sweeping	342,477	229,500	112,977
Street lights	776,534	715,000	61,534

NOTE 3 CASH AND INVESTMENTS

As of June 30, 2011, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 65,508,246
Business-type activities	7,717,955
Fiduciary funds	<u>232,378</u>
Total Cash and Investments \$	<u>73,458,579</u>

Cash and investments at June 30, 2011, consisted of the following:

Cash on hand	\$ 17,400
Deposits with financial institutions	3,521,211
Investments	<u>69,919,968</u>
Total Cash and Investments \$	<u>73,458,579</u>

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, 2011, the carrying amount of the City's deposits was \$3,521,211 and the bank balance was \$4,328,740. The \$807,529 difference represents outstanding checks, deposits in transit and other reconciling items.

The California Government Code requires California financial institutions to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of 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.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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)
- Certificate of Deposits (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.

Credit Risk

The City's investment policy limits investments in medium term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2011, the City invested in Federal National Mortgage Association, Federal Farm Credit Banks, and General Electric Corporate Bonds which were all rated "AAA" by Moody's and by S&P. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2011, the City's investments in external investment pools, money market mutual funds and State and Local Government securities are unrated.

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, 2011, none of the City's deposits or investments were exposed to custodial credit risk.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2011, 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, 2011, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal Home Loan Bank	\$ 11,023,090	16%
Federal Farm Credit Books Constructions	5,031,458	7%

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.

As of June 30, 2011, 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	\$ 31,100,000	\$ 31,100,000	\$ -	\$ -
Federal Agency Securities:				
Federal National Mortgage Association	3,117,980	-	-	3,117,980
Federal Home Loan Bank	11,023,090	-	4,003,920	7,019,170
Federal Farm Credit Banks Consolidated	5,031,458	-	1,005,640	4,025,818
FNMA Strip	143	-	-	143
General Electric Corporate Bond	1,530,960	1,530,960	-	-
Held by Fiscal Agents:				
Federal Treasury Money Market Funds	18,116,337	18,116,337	-	-
	<u>\$ 69,919,968</u>	<u>\$ 50,747,297</u>	<u>\$ 5,009,560</u>	<u>\$ 14,163,111</u>

NOTE 4 LONG-TERM RECEIVABLES

As of June 30, 2011, the following loans receivable were outstanding:

L.T. Titan, Limited Partnership	\$		859,719
RTS Group			73,608
First Time Homebuyers Loans			855,400
Lee "Blessed Rock"			73,168
Allowance for Doubtful Accounts			(107,825)
TDF Senior Housing			
Special Construction Loan	\$	362,139	
Project Gap Loan		567,610	
Long-Term Project Note		<u>929,732</u>	
Sub-total		1,859,481	
Allowance for Doubtful Accounts		<u>(1,859,481)</u>	-
Singing Wood (Northwest)			519,064
RHCDC Working Capital (Center)			616,071
Edwards (Downtown)			18,008
Pacific Place (Northwest)			
JT LLC Working Capital		500,700	
JT LLC Participation Note		400,000	
Legal Fees		<u>155,553</u>	
Sub-total		1,056,253	
Allowance for Doubtful Accounts		<u>(1,056,253)</u>	-
Various Housing Deferred Loans and Other Assistance			<u>13,454,829</u>
Total	\$		<u><u>16,362,042</u></u>

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

Pacific Place Expansion Project

On September 14, 2005, the City of El Monte executed a promissory note 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.

L.T. Titan, Limited Partnership

On April 13, 2000, the 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.

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

On December 27, 2001, the 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.

RTS Group

On August 10, 1993, the 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.

Lee - "Blessed Rock of El Monte"

On April 3, 1996, the El Monte Community Redevelopment Agency sold to the "Blessed Rock of El Monte" a property within the Downtown El Monte Low and Moderate Housing Area. A promissory note was executed in favor of the Agency for \$706,213. The note bears interest at the rate of 1.0% to 4.0% per annum for a term of 15 years.

Singing Wood Senior Housing

On July 15, 2002, the El Monte Community Redevelopment Agency provided a loan to Singing Wood Senior Housing, a California Limited Partnership, in the amount of \$461,142. 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.

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)

Rio Hondo Community Development Corporation (RHCDC) Working Capital

On August 26, 2003, the 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.

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 will 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, 2011 is \$18,390,759. The lease receivable and capitalized lease obligation have been eliminated similar to internal balances in the statement of net assets.

NOTE 5 LAND HELD FOR RESALE

The City and 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. As of June 30, 2011, 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, 2011, the City and Agency's investment in land held for resale amounted to:

Housing and Community Development Fund	\$ 1,845,000
Downtown El Monte Project Area - Project Fund	7,332,073
El Monte Center Project Area - Project Fund	<u>980,565</u>
	<u>\$ 10,157,638</u>

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011:

Governmental Activities:

	<u>Beginning Balance</u>	<u>Adjustments (See Note 14)</u>	<u>Adjusted Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities:						
Capital assets not being depreciated						
Land	\$ 61,361,613	\$ (182,490)	\$ 61,179,123	\$ 13,108,815	\$ (300)	\$ 74,287,638
Rights of way	266,801,532	-	266,801,532	-	-	266,801,532
Construction-in-progress	5,926,676	(3,993,373)	1,933,303	2,024,184	-	3,957,487
Equipment-in-progress	611,107	-	611,107	128,254	-	739,361
Total capital assets not being depreciated	<u>334,700,928</u>	<u>(4,175,863)</u>	<u>330,525,065</u>	<u>15,261,253</u>	<u>(300)</u>	<u>345,786,018</u>
Capital assets being depreciated:						
Land improvements	5,746,152	2,685,190	8,431,342	291,005	-	8,722,347
Structures and improvements	34,623,291	(1,911,590)	32,711,701	-	-	32,711,701
Furniture and equipment	17,109,803	(73,574)	17,036,229	984,726	(556,347)	17,464,608
Infrastructure	<u>102,311,815</u>	<u>1,156,477</u>	<u>103,468,292</u>	<u>5,457,531</u>	<u>-</u>	<u>108,925,823</u>
Total capital assets being depreciated	<u>159,791,061</u>	<u>1,856,503</u>	<u>161,647,564</u>	<u>6,733,262</u>	<u>(556,347)</u>	<u>167,824,479</u>
Less accumulated depreciation						
Land improvements	4,085,001	1,310,748	5,395,749	108,362	-	5,504,111
Structures and improvements	12,868,305	(1,269,039)	11,599,266	548,355	-	12,147,621
Furniture and equipment	13,595,916	(568,136)	13,027,780	1,026,136	(556,196)	13,497,720
Infrastructure	<u>48,878,522</u>	<u>(954,149)</u>	<u>47,924,373</u>	<u>2,445,540</u>	<u>-</u>	<u>50,369,913</u>
Total accumulated depreciation	<u>79,427,744</u>	<u>(1,480,576)</u>	<u>77,947,168</u>	<u>4,128,393</u>	<u>(556,196)</u>	<u>81,519,365</u>
Capital assets being depreciated, net	<u>80,363,317</u>	<u>3,337,079</u>	<u>83,700,396</u>	<u>2,604,869</u>	<u>(151)</u>	<u>86,305,114</u>
Governmental activities capital assets, net	<u>\$ 415,064,245</u>	<u>\$ (838,784)</u>	<u>\$ 414,225,461</u>	<u>\$ 17,866,122</u>	<u>\$ (451)</u>	<u>\$ 432,091,132</u>

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

Governmental Activities:

General government	\$ 1,136,078
Public safety	339,965
Parks, recreation and leisure	45,600
Public works	<u>2,606,750</u>
Total	<u>\$ 4,128,393</u>

In accordance with 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. Recording of this infrastructure asset is allowed by GASB Statement No. 34.

NOTE 6 CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	Beginning Balance	Adjustments (See Note 14)	Adjusted Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:						
Capital assets not being depreciated:						
Land	\$ 310,748	\$ -	\$ 310,748	\$ -	\$ -	\$ 310,748
Construction-in-progress	166,536	(166,536)	-	-	-	-
Total capital assets not being depreciated	<u>477,284</u>	<u>(166,536)</u>	<u>310,748</u>	<u>-</u>	<u>-</u>	<u>310,748</u>
Capital assets being depreciated:						
Water rights	34,152,450	-	34,152,450	-	-	34,152,450
Structures and improvements	3,218,939	(2,484,529)	734,410	-	-	734,410
Land improvements	-	3,150,074	3,150,074	-	-	3,150,074
Furniture and equipment	3,950,894	(412,802)	3,538,092	50,132	-	3,588,224
Infrastructure	21,407,366	126,987	21,534,353	-	-	21,534,353
Total capital assets being depreciated	<u>62,729,649</u>	<u>379,730</u>	<u>63,109,379</u>	<u>50,132</u>	<u>-</u>	<u>63,159,511</u>
Less accumulated depreciation:						
Water rights	7,513,539	-	7,513,539	683,049	-	8,196,588
Structures and improvements	2,295,660	(2,175,012)	120,648	13,978	-	134,626
Land improvements	-	2,233,017	2,233,017	52,540	-	2,285,557
Furniture and equipment	2,610,571	(366,337)	2,244,234	138,364	-	2,382,598
Infrastructure	7,382,581	1,087,413	8,469,994	441,975	-	8,911,969
Total accumulated depreciation	<u>19,802,351</u>	<u>779,081</u>	<u>20,581,432</u>	<u>1,329,906</u>	<u>-</u>	<u>21,911,338</u>
Capital assets being depreciated, net	<u>42,927,298</u>	<u>(399,351)</u>	<u>42,527,947</u>	<u>(1,279,774)</u>	<u>-</u>	<u>41,248,173</u>
Business-type activities capital assets, net	<u>\$ 43,404,582</u>	<u>\$ (565,887)</u>	<u>\$ 42,838,695</u>	<u>\$ (1,279,774)</u>	<u>\$ -</u>	<u>\$ 41,558,921</u>

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

Business-type Activities:	Amount
Water Fund	\$ 885,220
Sewer Fund	444,685
Total	<u>\$ 1,329,905</u>

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2011, is as follows:

Due To/From Other Funds

Due From Other Funds:	Due To Other Funds		
	Redevelopment Agency-Capital Projects	Nonmajor Governmental Funds	Total
General Fund	\$ -	\$ 6,149,503	\$ 6,149,503
Redevelopment Agency-Capital Projects	3,775,405	2,605,271	6,380,676
Nonmajor governmental funds	1,602,883	-	1,602,883
	<u>\$ 5,378,288</u>	<u>\$ 8,754,774</u>	<u>\$ 14,133,062</u>

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

The amount owed by the Redevelopment Agency - Capital Projects Fund to the Redevelopment Agency - Capital Projects and nonmajor governmental funds was due to temporary deficit cash balances in those funds, which the City expects to eliminate with future revenues.

Advances To/From Other Funds

Advances To Other Funds:	Advances From Other Funds			
	RDA Capital Projects	Nonmajor Governmental Funds	Self Insurance	Total
General Fund	\$ -	\$ -	\$ 300,000	\$ 300,000
Housing and Community Development	9,620,966	-	-	9,620,966
Advances Special Revenue Fund	78,804,828	-	-	78,804,828
RDA Capital Projects	-	864,036	-	864,036
Nonmajor Governmental Funds	3,927,137	-	-	3,927,137
Water Fund	460,907	-	-	460,907
	<u>\$ 92,813,838</u>	<u>\$ 864,036</u>	<u>\$ 300,000</u>	<u>\$ 93,977,874</u>

During the current and previous fiscal years, the City of El Monte made loans to the Agency. These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The City may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands were not anticipated within the next fiscal year. As of June 30, 2011, loans owed were \$92,813,838 (including accrued interest of \$63,574,593).

The RDA Capital Projects Fund shows \$864,036 Advances from the RDA Debt Service Fund. The General Fund loaned \$300,000 to the Self-insurance Fund to cover risk management and worker's compensation costs.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

Loan No.	SOI Loan Letter	Date	Description	Loan / Note	Debt Schedule	Principal Amount*	Coupon	Outstanding Balance as of 06/30/11	Unpaid Interest as of 06/30/2011
1	1-A	6/21/2007	2007 Senior Tax Allocation Refunding Bonds	YES	YES	5,340,000	3.75% to 5.00%	8,048,831	2,708,831
2	1-B	6/21/2007	2007 Subordinate Tax Allocation Refunding Bonds	YES	YES	580,000	4.05% to 5.30%	922,116	342,116
			Bonds			\$ 5,920,000		\$ 8,970,947	\$ 3,050,947
3	1-C	9/1/1988	Loans From the City of El Monte (R-383, 222)	YES	YES	1,313,497		4,166,440	2,852,943
4	1-D	4/1/1998	Loan from City to K-mart Deferred Fees	YES	YES	133,569	LAIF + 2.00%	227,795	94,226
5	1-E	1/6/2000	Loan from the city of El Monte Longo Expansion	YES	YES	2,800,000	6.5%	4,940,066	2,140,066
6	1-H	1/6/2000	Loan from City (CDBG) - Longo Expansion	YES	YES	1,200,000	6.5%	1,902,000	702,000
7	1-I	5/10/1993	Loan from the city of El Monte - ERAF	YES	YES	50,561	6.0%	148,274	97,713
8	2-A	2003/2004	Loan from the city of El Monte - Nelson Honda Jobs Grant	YES	YES	1,444,234	4%	1,741,539	297,305
9	2-C	Feb. 4, 2004	City Cooperation Agreement Longo New Jobs Grant Agreement	YES	YES	2,500,000	5%	3,309,063	809,063
10	2-E	Feb. 3, 2004	Longo Construction Loan	YES	YES	3,000,000	LAIF + 2.00%	4,195,367	1,195,367
			Loan Totals			\$ 12,441,861		\$ 20,630,544	\$ 8,188,683

Loan No.	SOI Loan Letter	Date	Description	Loan / Note	Debt Schedule	Principal Amount	Coupon	Outstanding Balance as of 06/30/11	Unpaid Interest Rate as of 06/30/2011
1	1-A	6/21/2007	2007 Senior Tax Allocation Refunding Bonds	YES	YES	2,350,000	3.75 to 5.00%	3,542,544	1,192,544
2	1-B	6/21/2007	2007 Subordinate Tax Allocation Refunding Bonds	YES	YES	305,000	4.05 to 5.30%	482,578	177,578
			Bonds			\$ 2,655,000		\$ 4,025,122	\$ 1,370,122
3	1-C	1998/1989	Loans From the City of El Monte (R-356, 385)	YES	YES	702,000	10%	5,657,329	4,955,329
4	1-I	3/25/1997	CDBG Loan From Bank	YES	YES	694,602	LAIF + 2.00%	1,242,895	548,293
			Loan Totals			\$ 1,396,602		\$ 6,900,224	\$ 5,503,622

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

Loan No.	SOI Loan Letter	Date	Description	Loan / Note	Debt Schedule	Principal Amount	Coupon	Outstanding Balance as of 06/30/11	Unpaid Interest Rate as of 06/30/2011
1	B	6/21/2007	2007 Senior Tax Allocation Refunding Bonds	YES	YES	10,230,000	3.75% to 5.00%	18,466,688	8,236,688
2	C	6/21/2007	2007 Subordinate Tax Allocation Refunding Bonds	YES	YES	1,235,001	4.05% to 5.30%	2,382,300	1,147,299
			Bonds			\$ 11,465,001		\$ 20,848,988	\$ 9,383,987
3	1-A	4/6/2005	Loans from the City of El Monte - King Court (Home Fund)	YES	YES	513,000	10%	832,913	319,913
4	1-D	1986-1990	Loans From the City of El Monte (R-360, 364)	YES	YES	1,350,590	10%	12,168,716	10,818,126
5	1-E	11/12/1991	Loan from the city of El Monte (R-428) Nelson Honda	YES	YES	222,950	LAIF + 2.00%	485,983	263,033
6	1-F	12/1/1991	Loan from the city of El Monte (R-436) Orchard	YES	YES	15,000	8%	67,742	52,742
7	1-G	6/1/1995	Loan from the city of El Monte (R-598) Food Barn	YES	YES	75,000	7.5%	240,746	165,746
8	1-J	1986-1990	Loans from the city of El Monte CDBG (R-251)	YES	YES	326,000	10%	3,488,409	3,162,409
9	2-A	1990-1992	Loans from the city of El Monte CDBG (R-410, 345, 331)	YES	YES	803,000	LAIF + 2.00% & 9.5%	2,154,749	1,351,749
10	2-B	9/27/1994	Loan from the city of El Monte CDBG (R-562) Orchard	YES	Yes	42,881	7.0%	133,312	90,431
11	2-F	1991-1992	Loan from the City of El Monte R-432 - Edwards Theater	YES	YES	725,000	9%	3,927,137	3,202,137
12	2-F	1991-1992	Loans from the city of El Monte UDAG (R417)	YES	YES	20,000	9%	112,621	92,621
13	2-G	5/3/1993	Loan from the city of El Monte - ERAF	YES	YES	59,549	6%	176,576	117,027
14	2-K	2003/2004	Gabae Loan and Section 108 Loan - Peck/Ramona Triangle	YES	YES	2,400,000		3,191,941	791,941
15	3-A	6/1/07	DDA- Agreement- Festial -Capri Santa Fe Trail Associates	YES	YES	5,390,000	4.5% & LAIF + 2.0%	7,224,964	1,834,964
16	3-B	7/1/07	Downtown Subordinate Loan with City & Financing Authority	YES	YES		6%		-
17	3-C	39070	EL Monte Union School District MOU	NO	NO		LAIF + 2.00%		-
			Loan Totals			\$ 11,942,970		\$ 34,205,808	\$ 22,262,838

Note: Projects are expected to expire in FY 2039.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

Loan No.	SOI Loan Letter	Original Date	Description	Loan / Note	Debt Schedule	Principal Amount	Coupon	Outstanding Balance as of 06/30/11	Unpaid Interest Rate as of 06/30/2011
1	1-A	1986-1990	Loans From the City of El Monte (R-221, 296, 323, 337, 391)	YES	YES	1,723,954	12%	25,578,100	23,854,146
2	1-B	1991/1992	Loans From the City of El Monte (R-411, 465)	YES	YES	500,000	12% & 7%	2,724,943	2,224,943
3	1-C	1992/1993	Loan From the City of El Monte (R-484)	YES	YES	350,000	7%	1,191,027	841,027
4	1-D	1994/1995	Loan From the City of El Monte (R-463)	YES	YES	90,000	8%	380,181	290,181
5	1-F	1994-1995	Loan from the city of El Monte - Water Fund (R-570)	YES	YES	150,000	7%	460,907	310,907
6	1-I	2005-2006	Loan from the city of El Monte - ERAF	YES	YES	213,321	2.5%	251,158	37,837
			Loan Totals			\$ 3,027,275		\$ 30,586,316	\$ 27,559,041
7	2-C	12/20/2010	2010 Lease Revenue Bond Series A	YES	YES	2,898,840	Various	8,516,210	5,617,370
8	2-D	12/20/2010	2010 Lease Revenue Bond Series B	YES	YES	875,140	Various	1,245,437	370,297
			Bonds			\$ 3,773,980	\$ -	\$ 9,761,647	\$ 5,987,667

Note: Project are expected to expire in FY 2044.

Center

Loan (1-C)

This loan is comprised 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, and an aggregate outstanding loan balance of \$4,166,440.

Loan (1-D)

This loan was issued in 1998 to finance development fees for K-Mart. The original principal value of loan was \$133,569 with a variable rate of interest equal to LAIF plus 200 bps, to be repaid by 2029. The outstanding loan balance is \$227,795.

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. The aggregate outstanding loan balance is \$6,842,066. Loan 1-E is \$4,940,066 and Loan 1-H is \$1,902,000.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

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. The combined outstanding loan value is \$148,274.

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. The aggregate outstanding loan balance is \$1,741,539.

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. The aggregate outstanding loan balance is \$3,309,063.

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. The current outstanding loan balance is \$4,195,367.

Center #1

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. The aggregate outstanding balance is \$5,657,329.

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 has an outstanding balance of \$1,242,895, to be repaid by 2029 at LAIF plus 200 bps.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

Downtown

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. The outstanding loan balance is \$832,913.

Loan (1-D)

The loan is comprised 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 and an outstanding loan balance of \$12,168,716.

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 \$485,983, 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% and an outstanding loan balance of \$67,742.

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 and an outstanding loan balance of \$240,746.

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. The outstanding loan balance is \$3,488,409.

Loan (2-A)

The loan is comprised 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 a LAIF adjustable rate plus 200 bps to be repaid by 2042. The second loan was issued for the Silverman Family Trust in 1988 for \$425,000 with a LAIF adjustable rate 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. The aggregate outstanding balance is \$2,154,749.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

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 \$42,881 and carries an interest rate of 7% to be repaid by 2042. The outstanding loan balance is \$133,312.

Loan (2-F)

The loan is comprised 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. The aggregate outstanding loan balance is \$4,039,758.

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. The combined outstanding loan value is \$176,576.

Loan (2-K)

The loan is comprised 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. The combined outstanding loan balance is \$3,191,941.

Loan (3-A)

The loan is comprised 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. The aggregate outstanding balance is \$7,224,964.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

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 and the outstanding balance is \$243,666.

Loan (1-D)

In 2006 the City issued a loan to the Agency for sewer improvements. The original principal value was \$217,406 with a LAIF adjustable rate plus 200 bps to be repaid by 2048. The outstanding loan balance is \$247,280.

Northwest

Loan (1-A)

The loan is comprised of five loans to purchase real property on West Valley Boulevard for Longo Toyota. The first loan was issued in 1986. The original principal value of the loan was \$800,000 with an interest rate of 12% to be repaid by 2044. The outstanding loan balance is \$13,627,252. The second loan was issued in 1986. The original principal value of the loan was \$183,954 with 12% interest rate to be repaid by 2044. The outstanding loan balance is \$2,979,245. The third loan was issued in 1987. The original principal value of the loan was \$100,000 with an interest rate of 12% to be repaid by 2044. The outstanding loan balance is \$1,521,405. The fourth loan was issued in 1987. The original principal value of loan was \$90,000 with an interest rate of 12% to be repaid by 2044. The outstanding loan balance is \$1,296,146. The fifth loan was issued in 1990. The original principal value of loan was \$550,000 with an interest rate of 12% to be repaid by 2044. The outstanding loan balance is \$6,154,052. The aggregate total outstanding balance is \$25,578,100.

Loan (1-B)

The loan is comprised 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 outstanding loan balance is \$1,492,282. 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. The outstanding loan balance is \$1,232,661.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Schedule of Outstanding Loans

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. The outstanding loan balance is \$1,191,027.

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. The outstanding loan balance is \$380,181.

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. The outstanding loan balance is \$460,907.

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 and the outstanding balance is \$251,158.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS (CONTINUED)

Interfund Transfers

Transfers Out:	Transfers In					Total
	General Fund	Redevelopment Agency Capital Projects	Non-Major Governmental Funds	Total Governmental Funds	Internal Service Funds	
Governmental Funds:						
General Fund	\$ -	\$ -	\$ 40,156	\$ 40,156	\$ 50,000	\$ 90,156
Redevelopment Agency Capital Projects	-	-	1,001,713	1,001,713	-	1,001,713
Nonmajor governmental funds	2,615,000	6,374,042	9,336,873	18,325,915	-	18,325,915
Business-type funds:						
Sewer Fund	-	-	-	-	200,000	200,000
	<u>\$ 2,615,000</u>	<u>\$ 6,374,042</u>	<u>\$ 10,378,742</u>	<u>\$ 19,367,784</u>	<u>\$ 250,000</u>	<u>\$ 19,617,784</u>

During the fiscal year 2010-2011, the Redevelopment Agency established two new accounts to hold the Debt Service Reserve (DSR) funds for the 2007 Tax Allocation Bonds: 2007 Senior TABS and 2007 Subordinate TABs. The Agency transferred approximately \$2.0 million held in the Center, Center Annex, Downtown and Lo-Mod funds bond proceeds accounts into: \$1.7 million DSR 2007 Senior TABs (fund 460) and \$234 thousand 2007 Subordinate TABs fund.

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. In fiscal year 2010-2011, the City transferred \$3.982 million from its special revenue funds (non-major governmental funds) into its General Fund and Capital Projects Fund: \$2.6 million was transferred to General Fund and \$1.4 million was transferred to Capital Projects Fund for the payment of certain capital projects.

NOTE 8 LONG-TERM DEBT

Governmental Activities

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2011:

	Balance at July 1, 2010	Additions	Retirements	Balance at June 30, 2011	Amount due within one Year
Tax allocation bonds	\$ 27,975,000	\$ -	\$ 725,000	\$ 27,250,000	\$ 745,000
Lease revenue bonds		19,255,000	-	19,255,000	190,000
Certificates of Participation					
Series 2003-A	4,475,000	-	480,000	3,995,000	500,000
Series 2003-B	2,150,000	-	215,000	1,935,000	225,000
Notes and loans payable	9,911,927	37,600	522,000	9,427,527	488,000
Leases payable	422,810	-	25,361	397,449	26,832
Accrued compensated absences	5,873,446	-	6,022	5,867,424	-
OPEB liability (Note 13)	8,227,852	5,070,784	1,451,307	11,847,329	-
Claims and judgments	8,593,848	2,367,720	1,384,757	9,576,811	402,073
	<u>\$ 67,629,883</u>	<u>\$ 26,731,104</u>	<u>\$ 4,809,447</u>	<u>\$ 89,551,540</u>	<u>\$ 2,576,905</u>
Unamortized bond discount				(1,077,923)	
Unamortized loss on defeasance				(509,004)	
				<u>\$ 87,964,613</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 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.

NOTE 8 LONG-TERM DEBT (CONTINUED)

The City 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 \$45,237,964 payable through 2039.

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, 2011:

Year Ending June 30,	Senior Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2012	\$ 670,000	\$ 1,094,606
2013	705,000	1,068,644
2014	730,000	1,040,444
2015	755,000	1,011,244
2016	790,000	981,044
2017-2021	4,500,000	4,356,119
2022-2026	5,590,000	3,267,406
2027-2031	5,235,000	1,905,669
2032-2036	3,645,000	941,925
2037-2039	1,710,000	122,788
Total	\$ 24,330,000	\$ 15,789,889

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, 2011:

NOTE 8 LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	Subordinate Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2012	\$ 75,000	\$ 149,130
2013	70,000	145,755
2014	80,000	142,675
2015	95,000	139,075
2016	90,000	134,681
2017-2021	520,000	604,654
2022-2026	665,000	460,225
2027-2031	640,000	269,770
2032-2036	465,000	134,355
2037-2039	220,000	17,755
Total	\$ 2,920,000	\$ 2,198,075

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

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 movements 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 event occurs, the bonds and related transactions will be reflected in the appropriate financial statement.

NOTE 8 LONG-TERM DEBT (CONTINUED)

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 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 Agency pays for a portion of the costs to acquire and construct the project in the form of annual lease payments, summarized below:
 - \$245,000 from the Northwest project area
 - \$485,000 from the Valley/Durfee project area

2. City Enterprise Sublease Agreement – The City Water Enterprise and City Sewer Enterprise will lease a portion of the property from the City, and shall make sublease payments to the City 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 General 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, 2011:

NOTE 8 LONG-TERM DEBT (CONTINUED)

Year Ending June 30,	2010 Lease Revenue Bonds Series A	
	Principal	Net Interest*
2012	\$ -	\$ 807,619
2013	-	725,044
2014	-	725,044
2015	-	725,044
2016	-	725,044
2017-2021	-	3,625,222
2022-2026	1,785,000	5,315,175
2027-2031	3,350,000	6,238,428
2032-2036	4,245,000	6,234,900
2037-2039	5,410,000	6,239,125
Total	<u>\$ 14,790,000</u>	<u>\$ 31,360,645</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 Agency, City management expects \$8,637,360 of the above debt to be repaid using the Agency's tax increment revenues.

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

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2011:

Year Ending June 30,	2010 Lease Revenue Bonds Series B	
	Principal	Net Interest*
2012	\$ 190,000	\$ 247,308
2013	310,000	212,574
2014	325,000	197,160
2015	340,000	180,999
2016	360,000	164,093
2017-2021	2,075,000	534,544
2022-2023	865,000	62,156
Total	<u>\$ 4,465,000</u>	<u>\$ 1,598,834</u>

NOTE 8 LONG-TERM DEBT (CONTINUED)

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.

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
2012	\$ 500,000	\$ 116,654	\$ 225,000	\$ 95,008
2013	525,000	102,054	245,000	83,962
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
2017-2021	1,265,000	55,772	640,000	47,628
Total	<u>\$ 3,995,000</u>	<u>\$ 486,326</u>	<u>\$ 1,935,000</u>	<u>\$ 403,849</u>

Notes and Loans Payable

HUD Section 108 Loan 1999-A

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

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

NOTE 8 LONG-TERM DEBT (CONTINUED)

The notes mature from 1999 to 2018, and bear varying interest rates. The principal balance outstanding as of June 30, 2011, was \$1,200,000. 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
2012	\$ 120,000	\$ 48,642
2013	125,000	44,190
2014	135,000	39,103
2015	145,000	33,401
2016	155,000	27,044
2017-2018	520,000	36,456
Total	\$ 1,200,000	\$ 228,836

HUD Section 108 Loan 2001-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. The notes mature from 2002 to 2020 with interest payments ranging from \$7,315 to \$74,015. The principal balance outstanding as of June 30, 2011, was \$1,684,000.

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

Ending June 30,	HUD Section 108 Loan 2001-A	
	Principal	Interest
2012	\$ 123,000	\$ 102,956
2013	132,000	95,429
2014	141,000	87,183
2015	151,000	78,238
2016	161,000	68,549
2017-2021	976,000	168,015
Total	\$ 1,684,000	\$ 600,370

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, 2011, was \$1,790,000.

NOTE 8 LONG-TERM DEBT (CONTINUED)

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

Ending June 30,	HUD Section 108 Loan 2004-A	
	Principal	Interest
2012	\$ 85,000	\$ 98,672
2013	90,000	94,404
2014	95,000	89,759
2015	100,000	84,751
2016	105,000	79,342
2017-2021	620,000	299,967
2022-2025	695,000	89,513
Total	\$ 1,790,000	\$ 836,408

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, 2011, was \$3,435,000. The total debt service payment requirements with respect to the loan are as follows:

Ending June 30,	Section 108 Loan - Pacific Place	
	Principal	Interest
2012	\$ 160,000	\$ 158,045
2013	175,000	151,951
2014	185,000	144,908
2015	195,000	137,172
2016	205,000	128,697
2017-2021	1,230,000	486,122
2022-2025	1,285,000	137,629
Total	\$ 3,435,000	\$ 1,344,524

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.

NOTE 8 LONG-TERM DEBT (CONTINUED)

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. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2011, the principal balance outstanding together with accrued interest through that date was \$293,020.

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, 2011, the principal balance outstanding was \$575,507.

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

MTA

During the fiscal year 2010-2011, the Agency entered into a loan agreement with LACMTA for \$450,000 for the Demolition of Vacant Structures and the Installation of Temporary Public Mass Transit Commuter Facilities on such property (former Chevrolet Dealership).

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 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
2012	\$ 49,871
2013	49,872
2014	49,872
2015	49,872
2016	49,871
2017-2021	249,360
2022-2025	49,872
Total payments	548,590
Less amount representing interest	(151,141)
	\$ 397,449

NOTE 8 LONG-TERM DEBT (CONTINUED)

Claims and Judgments

As of June 30, 2011, 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, 2011, total estimated claims payable was \$9,576,811.

Business-type Activities

	Balance at July 1, 2010	Additions	Retirements	Balance at June 30, 2011	Amount due within one Year
2006 Refunding revenue bonds	\$ 17,835,000	\$ -	\$ 405,000	\$ 17,430,000	\$ 420,000
Accrued employee benefits	565,512	128,431	-	693,943	109,472
	\$ 18,400,512	\$ 128,431	\$ 405,000	\$ 18,123,943	\$ 529,472
Unamortized bond premium				113,543	
Unamortized loss on defeasance				(779,125)	
				\$ 17,458,361	

2006 Refunding Revenue Bonds

In June 2006, the El Monte Water Authority issued \$18,805,000 Refunding Revenue Bonds, Series 2006 which are secured 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.

NOTE 8 LONG-TERM DEBT (CONTINUED)

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
2012	\$ 420,000	\$ 789,465
2013	440,000	774,090
2014	450,000	757,845
2015	465,000	740,801
2016	485,000	722,383
2017-2021	2,735,000	3,294,911
2022-2026	3,370,000	2,638,710
2027-2031	4,235,000	1,754,950
2032-2036	4,510,000	582,000
2037	320,000	8,000
Total	\$ 17,430,000	\$ 12,063,155

Capital Lease

Under the terms of a Lease Agreement, the Water Authority agreed to lease water rights from the City for the "total rental" having an aggregate discounted value of \$34,152,450. The Series 1999 Revenue Bond proceeds financed the Authority's initial \$10,561,691 lease payment to the City. In 2001, the Water Authority issued the 2001 Series Subordinate Revenue Bond Anticipation Notes, the \$5,000,000 proceeds of which were used to make lease payments to the City. The Authority will pay the balance over the life of the 50-year lease. These lease payments are contingent upon the availability of surplus revenues and will vary from year to year. Surplus revenues are defined as gross water revenues minus operating and maintenance costs, debt service and parity obligations, and any amount needed to replenish the Operating and Improvements fund. The balance of the lease obligation at June 30, 2011 is \$18,390,759.

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 9 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, 2011, is \$30,505,000. 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.

Multi Family Housing Revenue Refunding Bonds

On March 17, 2004, the 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 was used to refund in whole the outstanding principal of the 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 when transferred to the Indenture be used to provide all or part of the funds with which to pay the costs of (1) acquiring, constructing and equipping an approximately 100-unit multifamily housing facility known as Pacific Towers Apartments (the "Project") located in the Downtown El Monte Redevelopment Project in the City, to be owned by TDF LP, a California limited partnership (the "Borrower") and (ii) issuance expenses in connection with the bonds.

The bonds and the premium, if any, and interest thereon are a limited obligation of the Agency payable solely from the revenues and receipts that have been pledged and assigned to the trustee to secure the payment thereof. Such bonds do not constitute an indebtedness of either the City or the Agency. In the opinion of City and Agency officials, these bonds are not payable from any revenues or assets of the City or Agency and none of the full faith and credit of the City, the 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 10 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 16.577% for non-safety (miscellaneous) employees and 33.206% 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, 2011, the City's annual pension cost of \$8.6 million for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2008, 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 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, 2008, 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
6/30/2009	\$ 9,701	100.0%	\$ -
6/30/2010	7,627	100.0%	-
6/30/2011	8,626	100.0%	-

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

NOTE 10 RETIREMENT PLAN (CONTINUED)

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%

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

NOTE 10 RETIREMENT PLAN (CONTINUED)

Annual Pension Cost (APC)

For fiscal year ended June 30, 2011, the City's annual pension cost of \$1.27 million for PARS was equal to the City's required and actual contributions. The required contribution was based on the July 1, 2009 actuarial valuation using the entry age normal (level percentage of pay) actuarial cost method. The actuarial assumption included:

Valuation Date:	June 30, 2009
Investment Return:	6.50%
Inflation:	3.75%
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:

<i>Three-Year Trend Information for PARS</i>			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 1,601,610	100.0%	\$ -
6/30/2010	1,277,414	100.0%	-
6/30/2011	1,269,834	100.0%	-

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

NOTE 11 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, 2011, 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 \$8.3 million and \$1.3 million for the worker's compensation claims and general liability claims, respectively, for a total of \$9.6 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
2009	\$ 8,418,985	\$ 1,006,459	\$ (1,651,499)	\$ 7,773,945
2010	7,773,945	1,279,212	(459,309)	8,593,848
2011	8,593,848	2,367,720	(1,384,757)	9,576,811

NOTE 11 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, 2011, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 12 POST-EMPLOYMENT HEALTH BENEFITS

Plan Description

The City participates in the CalPERS medical program in which the City provides other post-employment 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 MOU's. 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 under actuarial valuation.

Annual OPEB Costs and Net OPEB Obligation

The City's annual post-employment 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 12 POST-EMPLOYMENT 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	
	2011	2010
Annual required contribution	\$ 5,060,072	\$ 5,060,072
Interest on net OPEB obligation	370,253	197,768
Adjustments to annual required contribution	<u>(359,541)</u>	<u>(262,189)</u>
Annual pension cost	5,070,784	4,995,651
Annual contribution made	<u>(1,451,307)</u>	<u>(1,162,637)</u>
Increase in net OPEB obligation	3,619,477	3,833,014
OPEB obligation, beginning of year	<u>8,227,852</u>	<u>4,394,838</u>
OPEB obligation, end of year	<u>\$ 11,847,329</u>	<u>\$ 8,227,852</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2010-11 and the three 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	28.62%	\$ 11,847,329
6/30/2010	4,995,651	23.27%	8,227,852
6/30/2009	4,394,838	0.00%	4,394,838

Funded Status and Funding Progress

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

NOTE 12 POST-EMPLOYMENT HEALTH BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

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

In the July 1, 2010, 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, 2011, 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 post-employment health benefits plan.

NOTE 13 FUND BALANCE, NET ASSETS AND RESTATEMENTS

The fund balances and net assets of the governmental and business-type activities and governmental and proprietary fund types at June 30, 2010 have been restated to reflect the adjustments in:

- Capital assets resulting from the update and reconciliation of capital asset inventory and detailed schedules with the balances per the general ledger and financial statements.
- Loans receivable and related interest pursuant to an analysis of the outstanding loan balances.
- Establishment of the new Advances Fund to separately reflect the transactions related to the City's advances to the Redevelopment Agency.

NOTE 13 FUND EQUITY, NET ASSETS AND RESTATEMENTS (CONTINUED)

Major governmental funds:	
General Fund	
Fund balance, as previously reported	\$ 106,216,346
To adjust to grants receivable and deferred revenue	(40,029)
To report long-term advances in a special revenue fund	<u>(80,459,481)</u>
Fund balance, as restated	<u>25,716,836</u>
	\$
Housing and Community Development	
Fund balance, as previously reported	11,211,113
To adjust advances and related interest	<u>(2,758,591)</u>
Fund balance, as restated	<u>8,452,522</u>
	\$
Advances Fund	
Fund balance, as previously reported	-
To establish special revenue fund for long-term advances	<u>73,039,119</u>
Fund balance, as restated	<u>73,039,119</u>
	\$
Capital Projects Fund - Redevelopment Agency	
Fund balance (deficit), as previously reported	(84,623,891)
To adjust loan principal and interest	<u>10,445,900</u>
To adjust liability from special revenue fund	(663,403)
Others	<u>(765,082)</u>
Fund balance (deficit), as restated	<u>(75,606,476)</u>
Nonmajor governmental funds	
Affordable Housing Development	
Fund balance (deficit), as previously reported	(663,403)
To adjust liability to capital projects fund	<u>663,403</u>
Fund balance, as restated	<u>-</u>
	\$
State Stimulus	
Fund balance, as previously reported	(32,781)
To adjust deferred revenue	<u>32,781</u>
Fund balance, as restated	<u>-</u>
	\$
Transportation Development Act Fund - Special Revenue Fund	
Fund balance, as previously reported	-
To recognize revenues from prior year	<u>57,709</u>
Fund balance, as restated	<u>57,709</u>
	\$
Debt Service Funds - RDA	
Fund balance, as previously reported	7,999,170
To adjust balance of advances	<u>449,850</u>
Fund balance, as restated	<u>8,449,020</u>
	\$
Government-wide financial statements	
Governmental Activities	
Net assets, as previously reported	\$ 447,104,082
To adjust the balance of capital asset net of accumulated depreciation	(838,784)
Other	<u>2,176</u>
Net assets, as restated	<u>446,267,474</u>
	\$
Business type Activities	
Net assets, as previously reported	\$ 15,094,213
To adjust the balance of capital asset net of accumulated depreciation	(565,876)
Net assets, as restated	<u>14,528,337</u>
	\$

NOTE 13 FUND EQUITY, NET ASSETS AND RESTATEMENTS (CONTINUED)

The basic financial statements of the City for the year ended June 30, 2011, which were issued on March 31, 2012, reported the fund balance of the Advances (Special Revenue) Fund amounting to \$78,804,828 as nonspendable. Subsequent to the issuance of these financial statements, the City re-evaluated the intended use for the revenues represented by these fund balances and determined that these revenues have been committed by the City Council for use in future development and accordingly the fund balance should be reported as Committed rather than Nonspendable. Therefore, the accompanying financial statements present the fund balance of the Advances Fund as Committed fund balance.

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 SUBSEQUENT EVENTS

Revenue Bonds Series 2011

City of El Monte Community Redevelopment Agency (the "Agency") entered into an Indenture and Loan Agreement with El Monte Public Financing Authority (the "Authority") dated March 1, 2011. The Authority desires 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")

NOTE 15 SUBSEQUENT EVENTS (CONTINUED)

The Authority has determined to finance the Improvements by the issuance of the El Monte Public Financing Authority Revenue Bond Series 2011 (CMB Infrastructure Investment Group V, LP) (the "Bond") in the principal amount of \$10,000,000.00 under and secured by the Indenture. The proceeds of the Bonds will be loaned to the Agency pursuant to a Loan Agreement (the "Loan Agreement") between the Authority and the Agency for the purpose of assisting the Agency with its obligations to assist the City with the financing of the Improvements. The Lease Agreement between the City and the Agency (the "Lease Agreement") the City will lease the Yard to the Agency and the Agency will sublease the Yard to the City for use by the City in connection with the City's maintenance facilities and said lease payments shall be applied by the Agency for the repayment of the Bond. The bond will also be paid from surplus tax increment revenues of the Agency from the Valley Durfee Redevelopment Project Area and Northwest El Monte Redevelopment Project Area, and further secured by a subordinate deed of trust on the Yard.

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 Bond shall bear interest at the rate of 5.25% per annum.

Redevelopment Agency

On December 29, 2011, the Supreme Court filed its opinion ruling that Assembly Bill (AB) X1 26 is constitutional and valid and that AB X1 27 is unconstitutional and invalid. Consequently, all redevelopment agencies were dissolved on February 1, 2012 in accordance with that bill. The City of El Monte currently serves as the successor agency that is responsible for all the remaining obligations of the dissolved Agency.

The City has evaluated events subsequent to June 30, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 31, 2012, the date the financial statements were available to be issued, except for Note 13 for which the events were evaluated through May 3, 2012.

**NOTE 16 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS**

GASB No. 55 - GASB has issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The Board does not expect that this Statement will result in a change in current practice.

GASB No. 56 - GASB has issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes *accounting* principles - related-party transactions, going concern considerations, and subsequent events. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards.

GASB No. 57 - GASB has issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. In addition, it clarifies requirements of Statements 43 and 45 related to the coordination of the timing and frequency of OPEB measurements by agent employers and the agent multiple-employer OPEB plans in which they participate.

The requirements of this Statement apply to all state and local governmental agent multiple-employer OPEB plans that are administered as trusts, or equivalent arrangements, and to state and local governmental employers that participate in such plans. The provisions of this Statement related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

**NOTE 16 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS (CONTINUED)**

GASB No. 58 - GASB has issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement establishes accounting and financial reporting standards for all governments that have petitioned for relief under Chapter 9 of the U.S. Bankruptcy Code or have been granted relief under the provisions of Chapter 9, including governments that enter into bankruptcy and are not expected to emerge as a going concern. This Statement does not apply to troubled debt restructurings that occur outside of bankruptcy. The disclosures required by this Statement cease to apply for periods following the fiscal year in which the bankruptcy case is closed or the government has its petition dismissed. The requirements of this Statement are effective for periods beginning after June 15, 2009. Retroactive application is required for all prior periods presented during which a government was in bankruptcy.

GASB No. 59 - GASB has issued Statement No. 59, *Financial Instruments Omnibus*. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. Applying the reporting provisions of Statement 31 for interest-earning investment contracts to unallocated insurance contracts improves consistency of investment measurements that are reported by pension and other postemployment benefit plans. Emphasizing the applicability of SEC requirements to 2a7-like external investment pools provides practitioners with improved guidance. Limiting interest rate risk disclosures for investments in mutual funds, external investment pools, and other pooled investments to debt investment pools provides better guidance regarding the applicability of interest rate risk disclosures. Finally, addressing the applicability of Statement 53 to certain financial instruments refines which financial instruments are within the scope of that Statement. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010.

GASB No. 60 - GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement establishes guidance for accounting and financial reporting for SCAs. As used in this Statement, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

- a. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset (referred to in this Statement as a "facility") in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
- b. The operator collects and is compensated by fees from third parties.

**NOTE 16 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS (CONTINUED)**

- c. The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.
- d. The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.

The provisions of this Statement should be applied in financial statements of state and local governments that are prepared using the economic resources measurement focus. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 61 - GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. It applies to financial reporting by primary governments and other stand-alone governments, and to the separately issued financial statements of governmental component units. In addition, this Statement should be applied to nongovernmental component units when they are included in a governmental financial reporting entity. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

GASB No. 62 - GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement establishes accounting and financial reporting standards for the financial statements of state and local governments. The requirements of this Statement apply to accounting and financial reporting for governmental activities, business-type activities, and proprietary funds. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

REQUIRED SUPPLEMENTARY INFORMATION

City of El Monte
Budgetary Comparison by Department
General Fund
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 39,962,700	\$ 39,962,700	\$ 40,713,703	\$ 751,003
Licenses and permits	2,859,100	2,859,100	2,643,806	(215,294)
Intergovernmental	411,000	411,000	450,045	39,045
Charges for services	2,783,400	2,783,400	2,042,893	(740,507)
Use of money and property	1,096,200	496,200	180,846	(315,354)
Fines and forfeitures	1,209,500	1,265,250	1,561,288	296,038
Contributions	60,000.00	60,000.00	-	(60,000)
Miscellaneous	821,000	1,421,000	1,343,630	(77,370)
Total revenues	49,202,900	49,258,650	48,936,211	(322,439)
Expenditures				
General Government				
City council	128,700	128,700	170,323	(41,623)
Administrative office	640,000	640,000	465,954	174,046
Purchasing	34,800	34,800	27,213	7,587
Finance	258,900	258,900	258,369	531
City treasurer	94,200	94,200	147,779	(53,579)
City attorney	615,000	615,000	907,126	(292,126)
Public information office	52,100	43,600	34,612	8,988
General city expense	10,874,700	10,883,201	9,624,162	1,259,039
Information technology	237,300	242,300	206,263	36,037
Insurance and surety	-	-	3,570	(3,570)
License collection	39,700	39,700	121,582	(81,882)
Valley Mall	43,000	43,000	47,623	(4,623)
El Monte Museum	29,700	29,700	12,327	17,373
Total general government	13,048,100	13,053,101	12,026,903	1,026,198
Public safety				
Code enforcement	328,900	328,900	424,316	(95,416)
Police	20,088,400	20,088,400	19,224,416	863,984
Parks and maintenance	-	-	94,445	(94,445)
Fire department	8,386,100	8,386,100	7,890,435	495,665
Police helicopter	744,300	744,300	921,710	(177,410)
Civil defense	13,700	13,700	15,640	(1,940)
Traffic safety program	69,500	69,500	450,905	(381,405)
Parking enforcement	98,800	98,800	108,844	(10,044)
Total public safety	29,729,700	29,729,700	29,130,711	598,989
Parks, recreation and cultural				
Parks and building maintenance	-	-	783,899	(783,899)
Government bldg. and grounds maintenance	-	-	79,103	(79,103)
Aquatic center project	605,600	635,100	699,850	(64,750)
Mall maintenance	-	-	224,627	(224,627)
Parks	476,300	476,300	373,962	102,338
Sports/playgrounds	209,000	179,500	64,662	114,838
Adult sports	101,700	101,700	172,159	(70,459)
Senior services	222,300	227,800	190,315	37,485
Administration	203,400	197,900	191,743	6,157
Communications and marketing	13,100	13,100	13,390	(290)
Contracted classes	39,000	39,000	46,749	(7,749)
Total parks, recreation and cultural	1,870,400	1,870,400	2,840,459	(970,059)

City of El Monte
Budgetary Comparison by Department
General Fund (Continued)
Year ended June 30, 2011

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public works				
Building and grounds maintenance	\$ 1,045,600	\$ 1,045,600	\$ 941,601	\$ 103,999
Building regulation	428,600	428,600	461,317	(32,717)
City planning	188,900	188,900	139,075	49,825
Transportation	9,700	9,700	2,793	6,907
General engineering	-	-	18,297	(18,297)
Median maintenance	160,900	160,900	-	160,900
Parking lot maintenance	-	-	343	(343)
Community development	63,800	60,800	14,043	46,757
Engineering	110,900	110,900	127,722	(16,822)
Sewer	-	-	20,681	(20,681)
Parks and building maintenance	512,900	512,900	6,048	506,852
Beautification commission	-	53,000	51,420	1,580
Administration	379,000	379,000	170,600	208,400
Equipment maintenance	152,000	152,000	258,651	(106,651)
Street maintenance	1,085,900	1,085,900	960,057	125,843
Street signs and striping	141,700	141,700	137,087	4,613
Street sweeping	229,500	229,500	342,477	(112,977)
Traffic signal maintenance	227,100	227,100	142,242	84,858
Street lights	715,000	715,000	776,534	(61,534)
Street trees and parkways	446,800	446,800	409,114	37,686
Storm drains	10,000	10,000	2,029	7,971
Total public works	<u>5,908,300</u>	<u>5,958,300</u>	<u>4,982,131</u>	<u>976,169</u>
Capital outlay	79,900	79,900	88,888	(8,988)
Debt service:				
Principal retirement	695,000	695,000	695,000	-
Interest and fiscal charges	386,500	386,500	100,504	285,996
Total expenditures	<u>51,717,900</u>	<u>51,772,901</u>	<u>49,864,596</u>	<u>1,908,305</u>
Excess(deficiency) of revenues over expenditures	(2,515,000)	(2,514,251)	(928,385)	1,585,866
Other financing sources (uses)				
Transfers in	2,615,000	2,615,000	2,615,000	-
Transfers out	(100,000)	(100,000)	(90,156)	9,844
Net other financing sources (uses)	<u>2,515,000</u>	<u>2,515,000</u>	<u>2,524,844</u>	<u>9,844</u>
Change in fund balance	<u>-</u>	<u>749</u>	<u>1,596,459</u>	<u>1,595,710</u>
Fund balance, beginning of year, as previously reported	106,216,346	106,216,346	106,216,346	-
Restatements	<u>(80,499,510)</u>	<u>(80,499,510)</u>	<u>(80,499,510)</u>	<u>-</u>
Fund balance, beginning of year, as restated	25,716,836	25,716,836	25,716,836	-
Fund balances, end of year	<u>\$ 25,716,836</u>	<u>\$ 25,717,585</u>	<u>\$ 27,313,295</u>	<u>\$ 1,595,710</u>

**City of El Monte
Budgetary Comparison
Retirement Fund
Year ended June 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,595,000	\$ 9,595,000	\$ 10,196,951	\$ 601,951
Use of money and property	100,000	100,000	84,939	(15,061)
Miscellaneous	-	-	670,326	670,326
Total revenues	<u>9,695,000</u>	<u>9,695,000</u>	<u>10,952,216</u>	<u>1,257,216</u>
Expenditures				
General government	9,605,000	9,605,000	9,293,927	311,073
Total expenditures	<u>9,605,000</u>	<u>9,605,000</u>	<u>9,293,927</u>	<u>311,073</u>
Change in fund balance	<u>90,000</u>	<u>90,000</u>	<u>1,658,289</u>	<u>1,568,289</u>
Fund balances, beginning of year	<u>18,794,177</u>	<u>18,794,177</u>	<u>18,794,177</u>	<u>-</u>
Fund balances, end of year	<u>\$ 18,884,177</u>	<u>\$ 18,884,177</u>	<u>\$ 20,452,466</u>	<u>\$ 1,568,289</u>

**City of El Monte
Budgetary Comparison
Housing and Community Development Fund
Year ended June 30, 2011**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,169,700	\$ 5,284,681	\$ 2,479,264	\$ (2,805,417)
Use of money and property	8,000	18,300	42,105	23,805
Miscellaneous	380,000	390,000	374,263	(15,737)
Total revenues	<u>4,557,700</u>	<u>5,692,981</u>	<u>2,895,632</u>	<u>(2,797,349)</u>
Expenditures				
Current:				
General government	-	-	98,469	(98,469)
Public safety	416,000	325,000	298,111	26,889
Parks, recreation and cultural	179,200	90,000	90,000	-
Public works	-	125,000	125,000	-
Economic development	1,868,300	2,053,337	1,655,178	398,159
Capital outlay	1,271,300	2,205,744	1,194,781	1,010,963
Debt service:				
Principal retirement	465,000	454,000	465,000	(11,000)
Interest and fiscal charges	429,400	440,400	428,067	12,333
Total expenditures	<u>4,629,200</u>	<u>5,693,481</u>	<u>4,354,606</u>	<u>1,338,875</u>
Excess(deficiency) of revenues over expenditures	<u>(71,500)</u>	<u>(500)</u>	<u>(1,458,974)</u>	<u>(1,458,474)</u>
Other financing sources (uses)				
Proceeds from long-term advances	-	-	416,300	(416,300)
Transfers in	391,000	391,000	-	391,000
Transfers out	(391,000)	(391,000)	-	(391,000)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>416,300</u>	<u>(416,300)</u>
Change in fund balance	<u>(71,500)</u>	<u>(500)</u>	<u>(1,042,674)</u>	<u>(1,874,774)</u>
Fund balances, beginning of year, as previously reported	11,211,113	11,211,113	11,211,113	-
Restatements	<u>(2,758,591)</u>	<u>(2,758,591)</u>	<u>(2,758,591)</u>	<u>-</u>
Fund balances, beginning of year, as restated	8,452,522	8,452,522	8,452,522	-
Fund balances, end of year	<u>\$ 8,381,022</u>	<u>\$ 8,452,022</u>	<u>\$ 7,409,848</u>	<u>\$ (1,874,774)</u>

City of El Monte
Schedule of Funding Progress – Retirement Plans
Year ended June 30, 2011

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
6/30/2008:						
Miscellaneous	\$ 97,074	\$ 109,934	\$ 12,860	88.3%	\$ 15,209	84.6%
Safety	178,109	206,379	28,270	86.3%	15,811	178.8%
Total	<u>\$ 275,183</u>	<u>\$ 316,313</u>	<u>\$ 41,130</u>	<u>87.0%</u>	<u>\$ 31,020</u>	<u>132.6%</u>
6/30/2009:						
Miscellaneous	\$ 100,899	\$ 120,790	\$ 19,891	83.5%	\$ 14,083	141.2%
Safety	185,017	226,117	41,100	81.8%	14,025	293.0%
Total	<u>\$ 285,916</u>	<u>\$ 346,907</u>	<u>\$ 60,991</u>	<u>82.4%</u>	<u>\$ 28,108</u>	<u>217.0%</u>
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>

Post-employment 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)
6/30/2010	\$ -	\$ 64,759	\$ 64,759	0.0%	\$ 28,500	44.0%
6/30/2008	-	52,584	52,584	0.0%	28,500	54.2%

PARS

Schedule of Funding Progress
(Most recent information available)

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Valuation Payroll (C)	UAAL as a % of Valuation Payroll ((B-A)/C)
7/1/2004	\$ 6,498,978	\$ 18,429,654	\$ 11,930,676	35.26%	\$ 12,789,465	93.29%
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%	9,853,800	155.13%

Note: Information through June 30, 2006 was based on 7.5% investment return assumption. The July 1, 2009 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, 2011 exceeded the appropriations by the following amounts in the following fund:

Nonmajor Special Revenue Funds:

Police/Narcotics Forfeiture	\$	307,674
Public Facilities		233,219
Senior Citizen Program		26,344
Park Facility Impact Fees		2,216
Special Programs		227,115
Special Programs II		14,988
ARRA-State Highway Planning and Construction		357,474
Capital Projects Fund		8,807,603

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SUPPLEMENTARY INFORMATION

	Special Revenue Funds			
	Emergency Shelter Grant	Affordable Housing Development	Proposition A	Adult Sports
ASSETS				
Cash and investments	\$ -	\$ -	\$ 2,411,368	\$ -
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	-	1,235	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other governments	11,849	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 11,849	\$ -	\$ 2,412,603	\$ -
LIABILITIES				
Accounts payable	\$ 3,628	\$ -	\$ 147,623	\$ -
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	8,242	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	11,870	-	147,623	-
FUND BALANCES (DEFICIT)				
Nonspendable				
Loans receivable	-	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Special revenue funds	-	-	2,264,980	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	(21)	-	-	-
Total fund balances (deficit)	(21)	-	2,264,980	-
Total liabilities and fund balances	\$ 11,849	\$ -	\$ 2,412,603	\$ -

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

Special Revenue Funds					
Urban Development Grant (UDAG)	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ 156,782	\$ 413,899	\$ 1,390,763	\$ 4,418,139	\$ 1,873,589	\$ 739,167
-	-	-	-	-	-
-	30,341	7,690	847	-	483,335
-	-	-	-	-	64
63,918	-	-	-	-	-
-	2,140	-	-	-	1,453
-	-	-	-	-	-
-	-	-	-	-	-
3,927,137	-	-	-	-	-
<u>\$ 4,147,837</u>	<u>\$ 446,380</u>	<u>\$ 1,398,453</u>	<u>\$ 4,418,986</u>	<u>\$ 1,873,589</u>	<u>\$ 1,224,019</u>
\$ -	\$ 916	\$ 108,273	\$ 55,835	\$ -	\$ 79,880
3,666,796	-	-	-	-	-
-	-	2,375	-	-	84,147
77,516	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>3,744,312</u>	<u>916</u>	<u>110,648</u>	<u>55,835</u>	<u>-</u>	<u>164,027</u>
63,918	-	-	-	-	-
-	2,140	-	-	-	1,453
260,341	-	-	-	-	-
-	443,324	1,287,805	4,363,151	1,873,589	1,058,539
-	-	-	-	-	-
-	-	-	-	-	-
79,266	-	-	-	-	-
<u>403,525</u>	<u>445,464</u>	<u>1,287,805</u>	<u>4,363,151</u>	<u>1,873,589</u>	<u>1,059,992</u>
<u>\$ 4,147,837</u>	<u>\$ 446,380</u>	<u>\$ 1,398,453</u>	<u>\$ 4,418,986</u>	<u>\$ 1,873,589</u>	<u>\$ 1,224,019</u>

	Special Revenue Funds			
	Supplemental Law Enforcement Safety Fund (SLES)	Police Traffic Program	Local Law Enforcement Block Grant	County Aid To Cities
ASSETS				
Cash and investments	\$ 52,035	\$ -	\$ 63,875	\$ -
Cash and investments with fiscal agent	-	-	-	-
Receivables:				
Accounts	-	-	-	-
Taxes	63,981	-	-	-
Notes and loans	-	-	-	-
Prepaid expenses	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Total assets	\$ 116,016	\$ -	\$ 63,875	\$ -
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total liabilities	-	-	-	-
FUND BALANCES (DEFICIT)				
Nonspendable				
Loans receivable	-	-	-	-
Prepaid items	-	-	-	-
Advances to other funds	-	-	-	-
Restricted				
Special revenue funds	116,016	-	63,875	-
Capital projects funds	-	-	-	-
Debt service funds	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	116,016	-	63,875	-
Total liabilities and fund balances	\$ 116,016	\$ -	\$ 63,875	\$ -

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2011**

Special Revenue Funds						
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Park Bond Act	Senior Citizen Program	Children's Lunch Program
\$ -	\$ 342,945	\$ 751,249	\$ -	\$ -	\$ 39,094	\$ 29,915
-	-	-	-	-	-	-
135,066	-	-	26	-	-	121,875
-	-	-	-	-	-	-
-	-	-	-	-	-	-
326,599	-	-	10,860	522,190	34,894	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 461,665</u>	<u>\$ 342,945</u>	<u>\$ 751,249</u>	<u>\$ 10,886</u>	<u>\$ 522,190</u>	<u>\$ 73,988</u>	<u>\$ 151,790</u>
\$ 12,486	\$ 34,161	\$ -	\$ 46	\$ 199,720	\$ 25,541	\$ 30,240
422,989	-	-	-	414,030	-	88,973
-	70,814	-	-	-	-	-
-	-	-	-	-	-	-
812,293	-	-	9,473	533,951	-	-
-	-	-	-	-	-	-
<u>1,247,768</u>	<u>104,975</u>	<u>-</u>	<u>9,519</u>	<u>1,147,701</u>	<u>25,541</u>	<u>119,213</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	237,970	751,249	1,367	-	48,447	32,577
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(786,103)	-	-	-	(625,511)	-	-
<u>(786,103)</u>	<u>237,970</u>	<u>751,249</u>	<u>1,367</u>	<u>(625,511)</u>	<u>48,447</u>	<u>32,577</u>
<u>\$ 461,665</u>	<u>\$ 342,945</u>	<u>\$ 751,249</u>	<u>\$ 10,886</u>	<u>\$ 522,190</u>	<u>\$ 73,988</u>	<u>\$ 151,790</u>

	Special Revenue Funds				
	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee	Art in Public Places	Special Programs
ASSETS					
Cash and investments	\$ 162,018	\$ 65,276	\$ 13,499	\$ 256,508	\$ 226,817
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	29,067	-	-	20,449
Taxes	-	-	-	-	-
Notes and loans	-	-	-	-	-
Prepaid expenses	-	-	-	-	9,932
Due from other governments	-	-	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 162,018	\$ 94,343	\$ 13,499	\$ 256,508	\$ 257,198
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	11,785
Deferred revenues	-	-	-	-	-
Deposits payable	-	-	-	-	2,418
Due to other governments	-	-	-	-	-
Due to other funds	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	-	-	-	-	14,203
FUND BALANCES (DEFICIT)					
Nonspendable					
Loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	9,932
Advances to other funds	-	-	-	-	-
Restricted					
Special revenue funds	162,018	94,343	13,499	256,508	233,063
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	162,018	94,343	13,499	256,508	242,995
Total liabilities and fund balances	\$ 162,018	\$ 94,343	\$ 13,499	\$ 256,508	\$ 257,198

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2011**

Special Revenue Funds								
Special Programs II	Measure R	CDBG ARRA	State Stimulus	Federal Stimulus	ARRA - Transportation Efficiency Act (TEA) State	ARRA - Regional Surface Transportation Program (RSTP) Federal	CalHome Grant	
\$ 24,469	\$ 1,589,859	\$ 176,938	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	-	-	-	117,556	1,179,962	3,194,028	-	-
-	-	-	-	-	-	-	250,000	-
-	-	-	91,613	8,556	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 24,469</u>	<u>\$ 1,589,859</u>	<u>\$ 176,938</u>	<u>\$ 91,613</u>	<u>\$ 126,112</u>	<u>\$ 1,179,962</u>	<u>\$ 3,194,028</u>	<u>\$ 250,000</u>	
\$ 5,806	\$ 98,835	\$ 176,937	\$ 149	\$ 18,737	\$ -	\$ -	\$ -	\$ -
8,270	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	250,000	-
-	-	-	109,395	109,538	1,192,670	3,181,320	-	-
-	-	-	-	-	-	-	-	-
<u>14,076</u>	<u>98,835</u>	<u>176,937</u>	<u>109,544</u>	<u>128,275</u>	<u>1,192,670</u>	<u>3,181,320</u>	<u>250,000</u>	
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
10,393	1,491,024	-	-	-	-	12,708	-	-
-	-	-	-	-	-	-	-	-
-	-	1	(17,931)	(2,163)	(12,708)	-	-	-
<u>10,393</u>	<u>1,491,024</u>	<u>1</u>	<u>(17,931)</u>	<u>(2,163)</u>	<u>(12,708)</u>	<u>12,708</u>	<u>-</u>	
<u>\$ 24,469</u>	<u>\$ 1,589,859</u>	<u>\$ 176,938</u>	<u>\$ 91,613</u>	<u>\$ 126,112</u>	<u>\$ 1,179,962</u>	<u>\$ 3,194,028</u>	<u>\$ 250,000</u>	

	Special Revenue Funds				
	Transportation Development Act Fund	COPS Hiring Recovery Program	Family Caregiver Support Services III E	Energy Efficiency Block Grant	AB764 Linkages
ASSETS					
Cash and investments	\$ 13,718	\$ -	\$ -	\$ 158,510	\$ -
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	286,193	-	1,750	-	634
Taxes	-	-	-	-	-
Notes and loans	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Due from other governments	-	190,178	-	-	-
Due from other funds	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 299,911	\$ 190,178	\$ 1,750	\$ 158,510	\$ 634
LIABILITIES					
Accounts payable	\$ 27,900	\$ -	\$ -	\$ 158,510	\$ -
Deferred revenues	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	190,176	1,789	-	656
Advances from other funds	-	-	-	-	-
Total liabilities	27,900	190,176	1,789	158,510	656
FUND BALANCES (DEFICIT)					
Nonspendable					
Loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted					
Special revenue funds	272,011	2	-	-	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned	-	-	(39)	-	(22)
Total fund balances (deficit)	272,011	2	(39)	-	(22)
Total liabilities and fund balances	\$ 299,911	\$ 190,178	\$ 1,750	\$ 158,510	\$ 634

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2011**

Capital Projects Funds		Debt Service Funds		Totals
2010 Lease Revenue Bonds	Capital Projects Fund	2010 Lease Revenue Bonds	Debt Service RDA	
\$ -	\$ 144,804	\$ -	\$ -	\$ 15,515,236
8,668,842	782,281	1,249,285	6,917,126	17,617,534
-	-	-	-	5,610,054
-	-	-	315,822	379,867
-	-	-	-	313,918
-	-	-	-	13,525
-	-	-	-	1,196,739
-	-	-	1,602,883	1,602,883
-	-	-	-	3,927,137
<u>\$ 8,668,842</u>	<u>\$ 927,085</u>	<u>\$ 1,249,285</u>	<u>\$ 8,835,831</u>	<u>\$ 46,176,893</u>
\$ -	\$ 68,181	\$ -	\$ -	\$ 1,265,189
-	-	-	-	4,592,788
-	-	-	-	168,024
-	-	-	113,767	441,283
-	-	-	2,605,271	8,754,774
-	-	-	864,036	864,036
-	68,181	-	3,583,074	16,086,094
-	-	-	-	63,918
-	-	-	-	13,525
-	-	-	-	260,341
-	-	-	-	15,088,458
8,668,842	858,904	-	-	9,527,746
-	-	1,249,285	5,252,757	6,502,042
-	-	-	-	(1,365,231)
<u>8,668,842</u>	<u>858,904</u>	<u>1,249,285</u>	<u>5,252,757</u>	<u>30,090,799</u>
<u>\$ 8,668,842</u>	<u>\$ 927,085</u>	<u>\$ 1,249,285</u>	<u>\$ 8,835,831</u>	<u>\$ 46,176,893</u>

	Special Revenue Funds			
	Emergency	Affordable	Proposition	Adult
	Shelter Grant	Housing Development	A	Sports
Revenues				
Taxes	\$ -	\$ -	\$ 1,708,283	\$ -
Intergovernmental	77,176	-	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	18,810	-
Contributions	-	-	-	-
Miscellaneous	-	-	7,837	-
Total revenues	<u>77,176</u>	<u>-</u>	<u>1,734,930</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	-	-	1,627,076	-
Economic development	77,198	-	-	-
Capital outlay	-	-	183,624	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance cost and underwriter's discount	-	-	-	-
Total expenditures	<u>77,198</u>	<u>-</u>	<u>1,810,700</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(22)	-	(75,770)	-
Other financing sources (uses)				
Proceeds from long- term advances	-	-	-	-
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(22)	-	(75,770)	-
Fund balances, beginning as previously reported	1	(663,403)	2,340,750	-
Adjustments to prior year fund balance	-	663,403	-	-
Fund balances, beginning as restated	<u>1</u>	<u>-</u>	<u>2,340,750</u>	<u>-</u>
Fund balances, end of year	<u>\$ (21)</u>	<u>\$ -</u>	<u>\$ 2,264,980</u>	<u>\$ -</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2011

Special Revenue Funds					
Urban Development Action Grant (UDAG)	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ -	\$ -	\$ -	\$ 1,417,586	\$ 1,913,257	\$ 812,674
34,867	138,857	841,498	37,416	1,011,220	-
-	-	-	-	-	287,068
1,108	2,927	8,890	31,729	18,568	117,115
-	-	-	-	-	-
-	-	-	18,681	-	-
<u>35,975</u>	<u>141,784</u>	<u>850,388</u>	<u>1,505,412</u>	<u>2,943,045</u>	<u>1,216,857</u>
-	-	-	-	-	-
-	-	428,318	-	-	-
-	-	-	-	-	-
-	67,363	-	680,038	971	-
347	-	-	-	-	1,102,295
-	-	232,856	193,581	84,410	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>347</u>	<u>67,363</u>	<u>661,174</u>	<u>873,619</u>	<u>85,381</u>	<u>1,102,295</u>
-	-	-	-	-	-
35,628	74,421	189,214	631,793	2,857,664	114,562
324,259	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(3,981,800)	-
<u>324,259</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,981,800)</u>	<u>-</u>
359,887	74,421	189,214	631,793	(1,124,136)	114,562
43,638	371,043	1,098,591	3,731,358	2,997,725	945,430
-	-	-	-	-	-
<u>43,638</u>	<u>371,043</u>	<u>1,098,591</u>	<u>3,731,358</u>	<u>2,997,725</u>	<u>945,430</u>
<u>\$ 403,525</u>	<u>\$ 445,464</u>	<u>\$ 1,287,805</u>	<u>\$ 4,363,151</u>	<u>\$ 1,873,589</u>	<u>\$ 1,059,992</u>

	Special Revenue Funds			
	Supplemental Law Enforcement Safety Fund (SLES)	Police Traffic Program	Local Law Enforcement Block Grant	County Aid To Cities
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	151,275	-	-	-
Charges for services	-	-	-	-
Use of money and property	534	-	490	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>151,809</u>	<u>-</u>	<u>490</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	162,299	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance cost and underwriter's discount	-	-	-	-
Total expenditures	<u>162,299</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(10,490)</u>	<u>-</u>	<u>490</u>	<u>-</u>
Other financing sources (uses)				
Proceeds from long-term advances	-	-	-	-
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(10,490)	-	490	-
Fund balances, beginning as previously reported	126,506	-	63,385	-
Adjustments to prior year balances	-	-	-	-
Fund balances, beginning as restated	<u>126,506</u>	<u>-</u>	<u>63,385</u>	<u>-</u>
Fund balances, end of year	<u>\$ 116,016</u>	<u>\$ -</u>	<u>\$ 63,875</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, 2011

Special Revenue Funds					
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Park Bond Act	Senior Citizen Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,276,932	-	180,680	55,380	118,743	123,647
-	46,717	-	-	-	-
41	4,033	(128)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	31,198
<u>1,276,973</u>	<u>50,750</u>	<u>180,552</u>	<u>55,380</u>	<u>118,743</u>	<u>154,845</u>
-	-	-	-	3,818	-
196,631	-	-	-	-	-
690,902	64,674	14,310	55,379	383	144,108
-	-	-	-	-	-
55,074	-	-	-	-	-
361,660	191,395	6,500	-	549,216	10,736
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,304,267</u>	<u>256,069</u>	<u>20,810</u>	<u>55,379</u>	<u>553,417</u>	<u>154,844</u>
(27,294)	(205,319)	159,742	1	(434,674)	1
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	436,012	-
-	-	-	-	-	-
-	-	-	-	436,012	-
(27,294)	(205,319)	159,742	1	1,338	1
(758,809)	443,289	591,507	1,366	(626,849)	48,446
-	-	-	-	-	-
<u>(758,809)</u>	<u>443,289</u>	<u>591,507</u>	<u>1,366</u>	<u>(626,849)</u>	<u>48,446</u>
<u>\$ (786,103)</u>	<u>\$ 237,970</u>	<u>\$ 751,249</u>	<u>\$ 1,367</u>	<u>\$ (625,511)</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	394,390	-	-	-
Charges for services	-	143,629	108,820	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>394,390</u>	<u>143,629</u>	<u>108,820</u>	<u>-</u>
Expenditures				
Current:				
General government	-	95,200	72,631	-
Public safety	-	-	-	-
Parks, recreation and cultural	266,899	-	-	58,536
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance cost and underwriter's discount	-	-	-	-
Total expenditures	<u>266,899</u>	<u>95,200</u>	<u>72,631</u>	<u>58,536</u>
Excess (deficiency) of revenues over expenditures	<u>127,491</u>	<u>48,429</u>	<u>36,189</u>	<u>(58,536)</u>
Other financing sources (uses)				
Proceeds from long-term advances	-	-	-	-
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(15,000)	-	-
Net other financing sources (uses)	<u>-</u>	<u>(15,000)</u>	<u>-</u>	<u>-</u>
Change in fund balance	127,491	33,429	36,189	(58,536)
Fund balances, beginning as previously reported	(94,914)	128,589	58,154	72,035
Adjustments to prior year balances	-	-	-	-
Fund balances, beginning as restated	<u>(94,914)</u>	<u>128,589</u>	<u>58,154</u>	<u>72,035</u>
Fund balances, end of year	<u>\$ 32,577</u>	<u>\$ 162,018</u>	<u>\$ 94,343</u>	<u>\$ 13,499</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2011

Special Revenue Funds					
Art in Public Places	Special Programs	Special Programs II	Measure R	CDBG ARRA	State Stimulus
\$ -	\$ 24,996	\$ -	\$ 1,059,150	\$ -	\$ -
-	-	-	-	473,651	93,139
-	110,658	-	-	-	-
-	25,597	-	9,070	-	-
31,275	131,731	30,000	-	-	-
-	-	-	-	-	-
<u>31,275</u>	<u>292,982</u>	<u>30,000</u>	<u>1,068,220</u>	<u>473,651</u>	<u>93,139</u>
-	8,187	-	-	-	-
-	72,755	-	-	-	-
-	258,588	22,788	-	-	-
-	-	-	100,045	-	-
-	-	-	-	135,692	111,070
-	-	-	251,336	167,951	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>339,530</u>	<u>22,788</u>	<u>351,381</u>	<u>303,643</u>	<u>111,070</u>
<u>31,275</u>	<u>(46,548)</u>	<u>7,212</u>	<u>716,839</u>	<u>170,008</u>	<u>(17,931)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	40,156	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>40,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>31,275</u>	<u>(6,392)</u>	<u>7,212</u>	<u>716,839</u>	<u>170,008</u>	<u>(17,931)</u>
225,233	249,387	3,181	774,185	(170,007)	(32,781)
-	-	-	-	-	32,781
<u>225,233</u>	<u>249,387</u>	<u>3,181</u>	<u>774,185</u>	<u>(170,007)</u>	<u>-</u>
<u>\$ 256,508</u>	<u>\$ 242,995</u>	<u>\$ 10,393</u>	<u>\$ 1,491,024</u>	<u>\$ 1</u>	<u>\$ (17,931)</u>

	Special Revenue Funds			
	Federal Stimulus	ARRA Transportation Efficiency Act (TEA) State	ARRA Regional Surface Transportation Program (RSTP) Federal	CalHome Grant
Revenues				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	564,669	1,179,962	3,229,708	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>564,669</u>	<u>1,179,962</u>	<u>3,229,708</u>	<u>-</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	-	39,559	-	-
Economic development	566,833	-	-	-
Capital outlay	-	1,153,111	3,217,000	-
Debt service:	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance cost and underwriter's discount	-	-	-	-
Total expenditures	<u>566,833</u>	<u>1,192,670</u>	<u>3,217,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(2,164)</u>	<u>(12,708)</u>	<u>12,708</u>	<u>-</u>
Other financing sources (uses)				
Proceeds from long-term advances	-	-	-	-
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balance	(2,164)	(12,708)	12,708	-
Fund balances, beginning as previously reported	1	-	-	-
Adjustments to prior year balances	-	-	-	-
Fund balances, beginning as restated	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ (2,163)</u>	<u>\$ (12,708)</u>	<u>12,708</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, 2011

Special Revenue Funds				
Transportation Development Act Fund	COPS Hiring Recovery Program	Family Caregiver Support Services IIIE	Energy Efficiency Block Grant	AB764 Linkages
\$ -	\$ -	\$ -	\$ -	\$ -
286,404	760,751	7,647	345,510	5,663
-	-	-	-	-
-	-	-	-	-
-	-	-	-	2,066
<u>286,404</u>	<u>760,751</u>	<u>7,647</u>	<u>345,510</u>	<u>7,729</u>
-	-	-	-	-
-	760,749	-	-	-
-	-	7,686	-	7,751
-	-	-	-	-
72,102	-	-	345,510	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>72,102</u>	<u>760,749</u>	<u>7,686</u>	<u>345,510</u>	<u>7,751</u>
214,302	2	(39)	-	(22)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>214,302</u>	<u>2</u>	<u>(39)</u>	<u>-</u>	<u>(22)</u>
-	-	-	-	-
57,709	-	-	-	-
<u>57,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 272,011</u>	<u>\$ 2</u>	<u>\$ (39)</u>	<u>\$ -</u>	<u>\$ (22)</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2011

	Capital Projects Fund		Debt Service Funds		Totals
	2010		2010		
	Lease Revenue Bond	Capital Projects Fund	Lease Revenue Bond	Debt Service RDA	
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ 5,432,392	\$ 12,368,338
Intergovernmental	-	-	-	-	11,389,185
Charges for services	-	-	-	-	696,892
Use of money and property	-	-	-	7,496	246,280
Contributions	-	-	-	-	193,006
Miscellaneous	-	-	-	-	59,782
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,439,888</u>	<u>24,953,483</u>
Expenditures					
Current:					
General government	-	94,654	-	2,151,207	2,425,697
Public safety	-	-	-	-	1,620,752
Parks, recreation and cultural	-	-	-	-	1,592,004
Public works	-	-	-	-	2,515,052
Economic development	-	-	-	-	2,048,509
Capital outlay	-	9,259,951	-	-	16,280,939
Debt service:					
Principal retirement	-	-	-	782,000	782,000
Interest and fiscal charges	-	-	-	1,276,403	1,276,403
Issuance cost and underwriter's discount	-	908,543	-	-	908,543
Total expenditures	<u>-</u>	<u>10,263,148</u>	<u>-</u>	<u>4,209,610</u>	<u>29,449,899</u>
Excess (deficiency) of revenues over expenditures	-	(10,263,148)	-	1,230,278	(4,496,416)
Other financing sources (uses)					
Proceeds from long-term advances	-	-	-	-	324,259
Bond issuance	18,005,715	-	1,249,285	-	19,255,000
Transfers in	-	9,336,873	-	565,701	10,378,742
Transfers out	(9,336,873)	-	-	(4,992,242)	(18,325,915)
Net other financing sources (uses)	<u>8,668,842</u>	<u>9,336,873</u>	<u>1,249,285</u>	<u>(4,426,541)</u>	<u>11,632,086</u>
Change in fund balance	8,668,842	(926,275)	1,249,285	(3,196,263)	7,135,670
Fund balances, beginning as previously reported	-	1,785,179	-	7,999,170	21,751,386
Adjustments to prior year balances	-	-	-	449,850	1,203,743
Fund balances, beginning as restated	<u>-</u>	<u>1,785,179</u>	<u>-</u>	<u>8,449,020</u>	<u>22,955,129</u>
Fund balances, end of year	<u>\$ 8,668,842</u>	<u>\$ 858,904</u>	<u>\$ 1,249,285</u>	<u>\$ 5,252,757</u>	<u>\$ 30,090,799</u>

**City of El Monte
Budgetary Comparison Schedule
Emergency Shelter Grant
Year ended June 30, 2011**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 118,700	\$ 118,700	\$ 77,176	\$ (41,524)
Total revenues	<u>118,700</u>	<u>118,700</u>	<u>77,176</u>	<u>(41,524)</u>
Expenditures				
Current:				
Economic development	118,700	118,700	77,198	41,502
Total expenditures	<u>118,700</u>	<u>118,700</u>	<u>77,198</u>	<u>41,502</u>
Change in fund balance	-	-	(22)	(22)
Fund balances, beginning of year	<u>1</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (21)</u>	<u>\$ (22)</u>

City of El Monte
Budgetary Comparison Schedule
Affordable Housing Development
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 68,800	\$ 68,800	\$ -	\$ (68,800)
Total revenues	<u>68,800</u>	<u>68,800</u>	<u>-</u>	<u>(68,800)</u>
Change in fund balance	<u>68,800</u>	<u>68,800</u>	<u>-</u>	<u>(68,800)</u>
Fund balances, beginning of year, as previously presented	(663,403)	(663,403)	(663,403)	-
Adjustment to prior year fund balance	<u>663,403</u>	<u>663,403</u>	<u>663,403</u>	
Fund balances, beginning of year, as previously presented	-	-	-	-
Fund balances, end of year	<u>\$ 68,800</u>	<u>\$ 68,800</u>	<u>\$ -</u>	<u>\$ (68,800)</u>

City of El Monte
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,702,300	\$ 1,702,300	\$ 1,708,283	\$ 5,983
Intergovernmental	150,000	150,000	-	(150,000)
Charges for services	59,000	59,000	-	(59,000)
Use of money and property	24,000	24,000	18,810	(5,190)
Miscellaneous	9,100	9,100	7,837	(1,263)
Total revenues	<u>1,944,400</u>	<u>1,944,400</u>	<u>1,734,930</u>	<u>(209,470)</u>
Expenditures				
Public works	1,853,100	1,860,300	1,627,076	233,224
Capital outlay	200,000	305,367	183,624	121,743
Total expenditures	<u>2,053,100</u>	<u>2,165,667</u>	<u>1,810,700</u>	<u>354,967</u>
Change in fund balance	(108,700)	(221,267)	(75,770)	145,497
Fund balances, beginning of year	<u>2,340,750</u>	<u>2,340,750</u>	<u>2,340,750</u>	<u>-</u>
Fund balances, end of year	<u>\$ 2,232,050</u>	<u>\$ 2,119,483</u>	<u>\$ 2,264,980</u>	<u>\$ 145,497</u>

City of El Monte
Budgetary Comparison Schedule
Urban Development Action Grant (UDAG)
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 32,300	\$ 32,300	\$ 34,867	\$ 2,567
Use of money and property	1,000	1,000	1,108	108
Total revenues	<u>33,300</u>	<u>33,300</u>	<u>35,975</u>	<u>2,675</u>
Expenditures				
Current:				
Economic development	21,300	21,300	347	20,953
Total expenditures	<u>21,300</u>	<u>21,300</u>	<u>347</u>	<u>20,953</u>
Excess (deficiency) of revenues over expenditures	12,000	12,000	35,628	23,628
Other financing sources				
Long-term advances issued	-	-	324,259	
Change in fund balance	12,000	12,000	359,887	23,628
Fund balances, beginning of year	43,638	43,638	43,638	-
Fund balances, end of year	<u>\$ 55,638</u>	<u>\$ 55,638</u>	<u>\$ 403,525</u>	<u>\$ 23,628</u>

City of El Monte
Budgetary Comparison Schedule
Air Quality
Year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ 156,000	\$ 156,000	\$ 138,857	\$ (17,143)
Use of money and property	-	-	2,927	2,927
Total revenues	<u>156,000</u>	<u>156,000</u>	<u>141,784</u>	<u>(14,216)</u>
Expenditures				
Current:				
Public works	84,200	84,200	67,363	16,837
Total expenditures	<u>84,200</u>	<u>84,200</u>	<u>67,363</u>	<u>16,837</u>
Change in fund balance	71,800	71,800	74,421	2,621
Fund balances, beginning of year	<u>371,043</u>	<u>371,043</u>	<u>371,043</u>	-
Fund balances, end of year	<u>\$ 442,843</u>	<u>\$ 442,843</u>	<u>\$ 445,464</u>	<u>\$ 2,621</u>

**City of El Monte
Budgetary Comparison Schedule
Police/Narcotics Forfeiture
Year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 337,300	\$ 337,300	\$ 841,498	\$ 504,198
Use of money and property	11,000	11,000	8,890	(2,110)
Total revenues	<u>348,300</u>	<u>348,300</u>	<u>850,388</u>	<u>502,088</u>
Expenditures				
Current:				
Public Safety	353,500	353,500	428,318	(74,818)
Capital outlay	-	-	232,856	(232,856)
Total expenditures	<u>353,500</u>	<u>353,500</u>	<u>661,174</u>	<u>(307,674)</u>
Change in fund balance	(5,200)	(5,200)	189,214	194,414
Fund balances, beginning of year	1,098,591	1,098,591	1,098,591	-
Fund balances, end of year	<u>\$ 1,093,391</u>	<u>\$ 1,093,391</u>	<u>\$ 1,287,805</u>	<u>\$ 194,414</u>

**City of El Monte
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,412,000	\$ 1,412,000	\$ 1,417,586	\$ 5,586
Intergovernmental	10,100	10,100	37,416	27,316
Use of money and property	30,000	30,000	31,729	1,729
Miscellaneous revenue	-	-	18,681	18,681
Total revenues	<u>1,452,100</u>	<u>1,452,100</u>	<u>1,505,412</u>	<u>53,312</u>
Expenditures				
Current:				
Public works	793,600	842,650	680,038	162,612
Capital outlay	450,000	829,748	193,581	636,167
Total expenditures	<u>1,243,600</u>	<u>1,672,398</u>	<u>873,619</u>	<u>798,779</u>
Change in fund balance	208,500	(220,298)	631,793	(745,467)
Fund balances, beginning of year	<u>3,731,358</u>	<u>3,731,358</u>	<u>3,731,358</u>	-
Fund balances, end of year	<u>\$ 3,939,858</u>	<u>\$ 3,511,060</u>	<u>\$ 4,363,151</u>	<u>\$ (745,467)</u>

City of El Monte
Budgetary Comparison Schedule
Special Gas Tax
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,935,000	\$ 1,935,000	\$ 1,913,257	\$ (21,743)
Intergovernmental	1,000,000	1,000,000	1,011,220	11,220
Use of money and property	15,000	15,000	18,568	3,568
Total revenues	2,950,000	2,950,000	2,943,045	(6,955)
Expenditures				
Public works	-	-	971	(971)
Capital outlay	-	-	84,410	(84,410)
Total expenditures	-	-	85,381	(85,381)
Excess (deficiency) of revenues over expenditures	2,950,000	2,950,000	2,857,664	78,426
Other financing sources (uses)				
Transfers out	(2,600,000)	(2,600,000)	(3,981,800)	(1,381,800)
Change in fund balance	350,000	350,000	(1,124,136)	(1,303,374)
Fund balances, beginning of year	2,997,725	2,997,725	2,997,725	-
Fund balances, end of year	\$ 3,347,725	\$ 3,347,725	\$ 1,873,589	\$ (1,303,374)

City of El Monte
Budgetary Comparison Schedule
AB 939
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 847,900	\$ 847,900	\$ 812,674	\$ (35,226)
Charges for services	195,700	285,600	287,068	1,468
Use of money and property	14,000	14,000	117,115	103,115
Total revenues	<u>1,057,600</u>	<u>1,147,500</u>	<u>1,216,857</u>	<u>69,357</u>
Expenditures				
Current:				
Economic development	1,585,900	1,585,900	1,102,295	483,605
Total expenditures	<u>1,585,900</u>	<u>1,585,900</u>	<u>1,102,295</u>	<u>483,605</u>
Change in fund balance	(528,300)	(438,400)	114,562	552,962
Fund balances, beginning of year	<u>945,430</u>	<u>945,430</u>	<u>945,430</u>	<u>-</u>
Fund balances, end of year	<u>\$ 417,130</u>	<u>\$ 507,030</u>	<u>\$ 1,059,992</u>	<u>\$ 552,962</u>

City of El Monte
Budgetary Comparison Schedule
Supplemental Law Enforcement Safety (SLES)
Year ended June 30, 2011

		<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues					
Intergovernmental	\$	240,000	\$ 240,000	\$ 151,275	\$ (88,725)
Use of money and property		<u>1,500</u>	<u>1,500</u>	<u>534</u>	<u>(966)</u>
Total revenues		<u>241,500</u>	<u>241,500</u>	<u>151,809</u>	<u>(89,691)</u>
Expenditures					
Current:					
Public Safety		<u>191,000</u>	<u>191,000</u>	<u>162,299</u>	<u>28,701</u>
Total expenditures		<u>191,000</u>	<u>191,000</u>	<u>162,299</u>	<u>28,701</u>
Change in fund balance		50,500	50,500	(10,490)	(60,990)
Fund balances, beginning of year		<u>126,506</u>	<u>126,506</u>	<u>126,506</u>	<u>-</u>
Fund balances, end of year	\$	<u><u>177,006</u></u>	\$ <u><u>177,006</u></u>	\$ <u><u>116,016</u></u>	\$ <u><u>(60,990)</u></u>

**City of El Monte
 Budgetary Comparison Schedule
 Local Law Enforcement Block Grant
 Year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 490	\$ 490
Total revenues	-	-	490	490
 Change in fund balance	 -	 -	 490	 490
 Fund balances, beginning of year	 63,385	 63,385	 63,385	 -
Fund balances, end of year	\$ 63,385	\$ 63,385	\$ 63,875	\$ 490

City of El Monte
Budgetary Comparison Schedule
Miscellaneous Grants
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 213,600	\$ 370,800	\$ 1,276,932	\$ 906,132
Use of money and property	-	-	41	41
Total revenues	<u>213,600</u>	<u>370,800</u>	<u>1,276,973</u>	<u>906,173</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	153,825	196,631	(42,806)
Parks, recreation and culture	109,600	409,215	690,902	(281,687)
Economic development	78,400	78,400	55,074	23,326
Capital outlay	-	2,657,000	361,660	2,295,340
Total expenditures	<u>188,000</u>	<u>3,298,440</u>	<u>1,304,267</u>	<u>1,994,173</u>
Change in fund balance	25,600	(2,927,640)	(27,294)	2,900,346
Fund balances, beginning of year	<u>(758,809)</u>	<u>(758,809)</u>	<u>(758,809)</u>	-
Fund balances, end of year	<u>\$ (733,209)</u>	<u>\$ (3,686,449)</u>	<u>\$ (786,103)</u>	<u>\$ 2,900,346</u>

City of El Monte
Budgetary Comparison Schedule
Public Facilities
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 9,000	\$ 9,000	\$ 46,717	\$ 37,717
Use of money and property	5,000	5,000	4,033	(967)
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>50,750</u>	<u>36,750</u>
Expenditures				
Current:				
Parks, recreation and culture	-	-	64,674	(64,674)
Capital outlay	-	22,850	191,395	(168,545)
Total expenditures	<u>-</u>	<u>22,850</u>	<u>256,069</u>	<u>(233,219)</u>
Change in fund balance	14,000	(8,850)	(205,319)	(196,469)
Fund balances, beginning of year	<u>443,289</u>	<u>443,289</u>	<u>443,289</u>	<u>-</u>
Fund balances, end of year	<u>\$ 457,289</u>	<u>\$ 434,439</u>	<u>\$ 237,970</u>	<u>\$ (196,469)</u>

City of El Monte
Budgetary Comparison Schedule
Quimby
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 180,680	\$ 179,680
Use of money and property	5,000	5,000	(128)	(5,128)
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>180,552</u>	<u>174,552</u>
Expenditures				
Current:				
Parks, recreation and culture	-	-	14,310	(14,310)
Capital outlay	-	-	6,500	(6,500)
Total expenditures	<u>-</u>	<u>-</u>	<u>20,810</u>	<u>(20,810)</u>
Change in fund balance	6,000	6,000	159,742	153,742
Fund balances, beginning of year	591,507	591,507	591,507	-
Fund balances, end of year	<u>\$ 597,507</u>	<u>\$ 597,507</u>	<u>\$ 751,249</u>	<u>\$ 153,742</u>

**City of El Monte
Budgetary Comparison Schedule
Older Americans Act
Year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 237,000	\$ 237,000	\$ 55,380	\$ (181,620)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>238,000</u>	<u>238,000</u>	<u>55,380</u>	<u>(182,620)</u>
Expenditures				
Current:				
Park, recreation and cultural	123,000	123,000	55,379	67,621
Total expenditures	<u>123,000</u>	<u>123,000</u>	<u>55,379</u>	<u>67,621</u>
Change in fund balance	115,000	115,000	1	(114,999)
Fund balances, beginning of year	1,366	1,366	1,366	-
Fund balances, end of year	<u>\$ 116,366</u>	<u>\$ 116,366</u>	<u>\$ 1,367</u>	<u>\$ (114,999)</u>

City of El Monte
Budgetary Comparison Schedule
Park Bond Act
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 250,000	\$ 3,245,000	\$ 118,743	\$ (3,126,257)
Total revenues	250,000	3,245,000	118,743	(3,126,257)
Expenditures				
Current:				
General government	-	-	3,818	(3,818)
Park, recreation and cultural	-	-	383	(383)
Capital outlay	-	2,935,500	549,216	2,386,284
Total expenditures	-	2,935,500	553,417	2,382,083
Excess (deficiency) of revenues over expenditures	250,000	309,500	(434,674)	(744,174)
Other financing sources (uses)				
Transfers in	-	-	436,012	436,012
Change in fund balance	250,000	309,500	1,338	(308,162)
Fund balances, beginning of year	(626,849)	(626,849)	(626,849)	-
Fund balances, end of year	\$ (376,849)	\$ (317,349)	\$ (625,511)	\$ (308,162)

City of El Monte
Budgetary Comparison Schedule
Senior Citizen Program
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 135,600	\$ 135,600	\$ 123,647	\$ (11,953)
Miscellaneous	45,000	45,000	31,198	(13,802)
Total revenues	<u>180,600</u>	<u>180,600</u>	<u>154,845</u>	<u>(25,755)</u>
Expenditures				
Current:				
Parks, recreation and cultural	128,500	128,500	144,108	(15,608)
Capital outlay	-	-	10,736	(10,736)
Total expenditures	<u>128,500</u>	<u>128,500</u>	<u>154,844</u>	<u>(26,344)</u>
Change in fund balance	52,100	52,100	1	(52,099)
Fund balances, beginning of year	48,446	48,446	48,446	-
Fund balances, end of year	<u>\$ 100,546</u>	<u>\$ 100,546</u>	<u>\$ 48,447</u>	<u>\$ (52,099)</u>

**City of El Monte
 Budgetary Comparison Schedule
 Children's Lunch Program
 Year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 365,000	\$ 365,000	\$ 394,390	\$ 29,390
Total revenues	<u>365,000</u>	<u>365,000</u>	<u>394,390</u>	<u>29,390</u>
Expenditures				
Parks, recreation and cultural	355,100	355,100	266,899	88,201
Total expenditures	<u>355,100</u>	<u>355,100</u>	<u>266,899</u>	<u>88,201</u>
Change in fund balance	9,900	9,900	127,491	117,591
Fund balances, beginning of year	(94,914)	(94,914)	(94,914)	-
Fund balances, end of year	<u>\$ (85,014)</u>	<u>\$ (85,014)</u>	<u>\$ 32,577</u>	<u>\$ 117,591</u>

City of El Monte
Budgetary Comparison Schedule
Parking and Business Improvement
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 100,000	\$ 100,000	\$ 143,629	\$ 43,629
Total revenues	100,000	100,000	143,629	43,629
Expenditures				
Current:				
General government	-	95,200	95,200	-
Total expenditures	-	95,200	95,200	-
Excess (deficiency) of revenues over expenditures	100,000	4,800	48,429	43,629
Other financing sources				
Transfers out	-	-	(15,000)	(15,000)
Change in fund balance	100,000	4,800	33,429	28,629
Fund balances, beginning of year	128,589	128,589	128,589	-
Fund balances, end of year	\$ 228,589	\$ 133,389	\$ 162,018	\$ 28,629

City of El Monte
Budgetary Comparison Schedule
Cable Television Corporation
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 92,100	\$ 92,100	\$ 108,820	\$ 16,720
Use of money and property	500	500	-	(500)
Total revenues	<u>92,600</u>	<u>92,600</u>	<u>108,820</u>	<u>16,220</u>
Expenditures				
Current:				
General government	89,600	99,600	72,631	26,969
Total expenditures	<u>89,600</u>	<u>99,600</u>	<u>72,631</u>	<u>26,969</u>
Change in fund balance	3,000	(7,000)	36,189	43,189
Fund balances, beginning of year	<u>58,154</u>	<u>58,154</u>	<u>58,154</u>	-
Fund balances, end of year	<u>\$ 61,154</u>	<u>\$ 51,154</u>	<u>\$ 94,343</u>	<u>\$ 43,189</u>

City of El Monte
Budgetary Comparison Schedule
Park Facility Impact Fees
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Use of money and property	2,000	2,000	-	(2,000)
Total revenues	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>(3,000)</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	56,320	58,536	(2,216)
Total expenditures	<u>-</u>	<u>56,320</u>	<u>58,536</u>	<u>(2,216)</u>
Change in fund balance	3,000	(53,320)	(58,536)	(5,216)
Fund balances, beginning of year	<u>72,035</u>	<u>72,035</u>	<u>72,035</u>	<u>-</u>
Fund balances, end of year	<u>\$ 75,035</u>	<u>\$ 18,715</u>	<u>\$ 13,499</u>	<u>\$ (5,216)</u>

City of El Monte
Budgetary Comparison Schedule
Art in Public Places
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ 2,500	\$ 2,500	\$ -	\$ (2,500)
Contributions	-	-	31,275	31,275
Total revenues	2,500	2,500	31,275	28,775
 Change in fund balance	 2,500	 2,500	 31,275	 28,775
 Fund balances, beginning of year	 225,233	 225,233	 225,233	 -
Fund balances, end of year	\$ 227,733	\$ 227,733	\$ 256,508	\$ 28,775

City of El Monte
Budgetary Comparison Schedule
Special Programs
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 24,996	\$ 24,996
Charges for services	-	-	110,658	110,658
Use of money and property	21,000	21,000	25,597	4,597
Contributions	74,500	91,415	131,731	40,316
Total revenues	<u>95,500</u>	<u>112,415</u>	<u>292,982</u>	<u>180,567</u>
Expenditures				
Current:				
General government	-	-	8,187	(8,187)
Parks, recreation and cultural	95,500	112,415	258,588	(146,173)
Public safety	-	-	72,755	(72,755)
Total expenditures	<u>95,500</u>	<u>112,415</u>	<u>339,530</u>	<u>(227,115)</u>
Excess (deficiency) of revenues over expenditures	-	-	(46,548)	(46,548)
Other financing sources				
Transfers in	-	-	40,156	40,156
Change in fund balance	-	-	(6,392)	(6,392)
Fund balances, beginning of year	<u>249,387</u>	<u>249,387</u>	<u>249,387</u>	<u>-</u>
Fund balances, end of year	<u>\$ 249,387</u>	<u>\$ 249,387</u>	<u>\$ 242,995</u>	<u>\$ (6,392)</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs II
Year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Contributions	\$ 10,000	\$ 10,000	\$ 30,000	\$ 20,000
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>30,000</u>	<u>20,000</u>
Expenditures				
Current:				
Parks, recreation and cultural	7,800	7,800	22,788	(14,988)
Total expenditures	<u>7,800</u>	<u>7,800</u>	<u>22,788</u>	<u>(14,988)</u>
Change in fund balance	2,200	2,200	7,212	5,012
Fund balances, beginning of year	3,181	3,181	3,181	-
Fund balances, end of year	<u>\$ 5,381</u>	<u>\$ 5,381</u>	<u>\$ 10,393</u>	<u>\$ 5,012</u>

City of El Monte
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,059,000	\$ 1,059,000	\$ 1,059,150	\$ 150
Use of money and property	-	-	9,070	9,070
Total revenues	<u>1,059,000</u>	<u>1,059,000</u>	<u>1,068,220</u>	<u>9,220</u>
Expenditures				
Current:				
Public works	211,800	223,800	100,045	123,755
Capital outlay	-	275,000	251,336	23,664
Total expenditures	<u>211,800</u>	<u>498,800</u>	<u>351,381</u>	<u>147,419</u>
Change in fund balance	847,200	560,200	716,839	156,639
Fund balances, beginning of year	<u>774,185</u>	<u>774,185</u>	<u>774,185</u>	-
Fund balances, end of year	<u>\$ 1,621,385</u>	<u>\$ 1,334,385</u>	<u>\$ 1,491,024</u>	<u>\$ 156,639</u>

City of El Monte
Budgetary Comparison Schedule
CDBG ARRA
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 473,651	\$ 473,651
Total revenues	<u>-</u>	<u>-</u>	<u>473,651</u>	<u>473,651</u>
Expenditures				
Current:				
Economic development	-	-	135,692	(135,692)
Capital outlay	-	494,521	167,951	326,570
Total expenditures	<u>-</u>	<u>494,521</u>	<u>303,643</u>	<u>190,878</u>
Change in fund balance	-	(494,521)	170,008	664,529
Fund balances, beginning of year	<u>(170,007)</u>	<u>(170,007)</u>	<u>(170,007)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (170,007)</u>	<u>\$ (664,528)</u>	<u>\$ 1</u>	<u>\$ 664,529</u>

City of El Monte
Budgetary Comparison Schedule
State Stimulus
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 93,139	\$ 93,139
Total revenues	<u>-</u>	<u>-</u>	<u>93,139</u>	<u>93,139</u>
Expenditures				
Current:				
Economic development	-	-	111,070	(111,070)
Total expenditures	<u>-</u>	<u>-</u>	<u>111,070</u>	<u>(111,070)</u>
Change in fund balance	<u>-</u>	<u>-</u>	<u>(17,931)</u>	<u>(17,931)</u>
Fund balances, beginning of year, as previously reported	(32,781)	(32,781)	(32,781)	-
Adjustment to prior year balance	<u>32,781</u>	<u>32,781</u>	<u>32,781</u>	<u>-</u>
Fund balances, beginning of year, as restated	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (17,931)</u>	<u>\$ (17,931)</u>

City of El Monte
Budgetary Comparison Schedule
Federal Stimulus
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 991,886	\$ 564,669	\$ (427,217)
Total revenues	-	991,886	564,669	(427,217)
Expenditures				
Current:				
Economic development	-	991,886	566,833	425,053
Total expenditures	-	991,886	566,833	425,053
Change in fund balance	-	-	(2,164)	(2,164)
Fund balances, beginning of year	1	1	1	-
Fund balances, end of year	\$ 1	\$ 1	\$ (2,163)	\$ (2,164)

City of El Monte
Budgetary Comparison Schedule
ARRA Transportation Efficiency Act (TEA) State
Year ended June 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget - Positive (Negative)</u>
Revenues				
Intergovernmental	\$ -	\$ -	\$ 1,179,962	\$ 1,179,962
Total revenues	<u>-</u>	<u>-</u>	<u>1,179,962</u>	<u>1,179,962</u>
Expenditures				
Current:				
Public works	-	-	39,559	(39,559)
Capital outlay	-	835,196	1,153,111	(317,915)
Total expenditures	<u>-</u>	<u>835,196</u>	<u>1,192,670</u>	<u>(357,474)</u>
Change in fund balance	-	(835,196)	(12,708)	822,488
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ (835,196)</u>	<u>\$ (12,708)</u>	<u>\$ 822,488</u>

City of El Monte
Budgetary Comparison Schedule
ARRA Regional Surface Transportation Program (RSTP) Federal
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 3,229,708	\$ 3,229,708
Total revenues	-	-	3,229,708	3,229,708
Expenditures				
Current:				
Capital outlay	-	3,687,000	3,217,000	470,000
Total expenditures	-	3,687,000	3,217,000	470,000
 Change in fund balance	 -	 (3,687,000)	 12,708	 3,699,708
 Fund balances, beginning of year	 -	 -	 -	 -
Fund balances, end of year	\$ -	\$ (3,687,000)	\$ 12,708	\$ 3,699,708

**City of El Monte
Budgetary Comparison Schedule
Transportation Development Act Fund
Year ended June 30, 2011**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 286,404	\$ 286,404
Total revenues	<u>-</u>	<u>-</u>	<u>286,404</u>	<u>286,404</u>
Expenditures				
Current:				
Capital outlay	-	343,902	72,102	271,800
Total expenditures	<u>-</u>	<u>343,902</u>	<u>72,102</u>	<u>271,800</u>
Change in fund balance	<u>-</u>	<u>(343,902)</u>	<u>214,302</u>	<u>558,204</u>
Fund balances, beginning of year, as previously reported	-	-	-	-
Adjustment to prior period fund balance	57,709	57,709	57,709	
Fund balances, beginning of year, as restated	<u>57,709</u>	<u>57,709</u>	<u>57,709</u>	-
Fund balances, end of year	<u>\$ 57,709</u>	<u>\$ (286,193)</u>	<u>\$ 272,011</u>	<u>\$ 558,204</u>

City of El Monte
Budgetary Comparison Schedule
COPS Hiring Recovery Program
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 811,900	\$ 811,900	\$ 760,751	\$ (51,149)
Total revenues	<u>811,900</u>	<u>811,900</u>	<u>760,751</u>	<u>(51,149)</u>
Expenditures				
Current:				
Public safety	811,900	811,900	760,749	51,151
Total expenditures	<u>811,900</u>	<u>811,900</u>	<u>760,749</u>	<u>51,151</u>
Change in fund balance	-	-	2	2
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ 2</u>

City of El Monte
Budgetary Comparison Schedule
Family Caregiver Support Services III
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 7,647	\$ 7,647
Total revenues	<u>-</u>	<u>-</u>	<u>7,647</u>	<u>7,647</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	-	7,686	(7,686)
Total expenditures	<u>-</u>	<u>-</u>	<u>7,686</u>	<u>(7,686)</u>
Change in fund balance	-	-	(39)	(39)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (39)</u>	<u>\$ (39)</u>

City of El Monte
Budgetary Comparison Schedule
Energy Efficiency Block Grant
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,140,000	\$ 345,510	\$ (794,490)
Total revenues	-	1,140,000	345,510	(794,490)
Expenditures				
Current:				
Capital outlay	-	1,140,000	345,510	794,490
Total expenditures	-	1,140,000	345,510	794,490
Change in fund balance	-	-	-	-
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ -	\$ -

City of El Monte
Budgetary Comparison Schedule
AB764 Linkages
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 5,663	\$ 5,663
Miscellaneous	-	-	2,066	2,066
Total revenues	<u>-</u>	<u>-</u>	<u>7,729</u>	<u>7,729</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	-	7,751	(7,751)
Total expenditures	<u>-</u>	<u>-</u>	<u>7,751</u>	<u>(7,751)</u>
Change in fund balance	-	-	(22)	(22)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (22)</u>	<u>\$ (22)</u>

City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Bonds Capital Project Fund
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Other financing sources				
Proceeds of long-term debt	\$ -	\$ -	\$ 18,005,715	\$ 18,005,715
Transfers out	-	-	(9,336,873)	(9,336,873)
	-	-	8,668,842	8,668,842
 Change in fund balance	 -	 -	 8,668,842	 8,668,842
 Fund balances, beginning of year	 -	 -	 -	 -
Fund balances, end of year	\$ -	\$ -	\$ 8,668,842	\$ 8,668,842

City of El Monte
Budgetary Comparison Schedule
Capital Projects Fund
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ 5,000	\$ 5,000	\$ -	\$ (5,000)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>(5,000)</u>
Expenditures				
Current:				
General government	100,000	100,000	94,654	5,346
Capital outlay	750,000	750,000	9,259,951	(8,509,951)
Debt service:				
Issuance costs and underwriter's discount	-	-	908,543	(908,543)
Total expenditures	<u>850,000</u>	<u>850,000</u>	<u>10,263,148</u>	<u>(9,413,148)</u>
Excess (deficiency) of revenues over expenditures	(845,000)	(845,000)	(10,263,148)	(9,418,148)
Other financing sources (uses)				
Transfers in	-	-	9,336,873	9,336,873
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,336,873</u>	<u>9,336,873</u>
Change in fund balance	(845,000)	(845,000)	(926,275)	(81,275)
Fund balances, beginning of year	1,785,179	1,785,179	1,785,179	-
Fund balances, end of year	<u>\$ 940,179</u>	<u>\$ 940,179</u>	<u>\$ 858,904</u>	<u>\$ (81,275)</u>

City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Bonds Debt Service Fund
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Other financing sources				
Proceeds of long-term debt	\$ -	\$ -	\$ 1,249,285	\$ 1,249,285
Change in fund balance	-	-	1,249,285	1,249,285
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 1,249,285	\$ 1,249,285

City of El Monte
Budgetary Comparison Schedule
Debt Service RDA
Year ended June 30, 2011

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 6,649,531	\$ 6,649,531	\$ 5,432,392	\$ (1,217,139)
Use of money and property	-	-	7,496	7,496
Total revenues	<u>6,649,531</u>	<u>6,649,531</u>	<u>5,439,888</u>	<u>(1,209,643)</u>
Expenditures				
Current:				
General government	2,706,074	2,706,074	2,151,207	554,867
Debt service:				
Principal retirement	1,052,492	1,052,492	782,000	270,492
Interest and fiscal charges	1,114,504	1,114,504	1,276,403	(161,899)
Total expenditures	<u>4,873,070</u>	<u>4,873,070</u>	<u>4,209,610</u>	<u>554,867</u>
Excess (deficiency) of revenues over expenditures	1,776,461	1,776,461.00	1,230,278	(654,776)
Other financing sources				
Transfers in	1,329,907	1,329,907	565,701	(764,206)
Transfers out	(5,682,061)	(5,682,081)	(4,992,242)	689,839
	<u>(4,352,154)</u>	<u>(4,352,174)</u>	<u>(4,426,541)</u>	<u>(74,367)</u>
Change in fund balance	<u>(2,575,693)</u>	<u>(2,575,713)</u>	<u>(3,196,263)</u>	<u>(729,143)</u>
Fund balances, beginning of year, as previously reported	7,999,170	7,999,170	7,999,170	-
Adjustment to prior year fund balance	449,850	449,850	449,850	-
Fund balances, beginning of year	<u>8,449,020</u>	<u>8,449,020</u>	<u>8,449,020</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,873,327</u>	<u>\$ 5,873,307</u>	<u>\$ 5,252,757</u>	<u>\$ (729,143)</u>

City of El Monte
Combining Statement of Net Assets
All Internal Service Funds
Year ended June 30, 2011

		Internal Service Funds			
		Self Insurance	Vehicle Replacement	Equipment Replacement	Total
ASSETS					
Current assets					
Cash and investments		\$ 5,934,114	\$ 150,000	\$ 100,000	\$ 6,184,114
Total current assets		<u>5,934,114</u>	<u>150,000</u>	<u>100,000</u>	<u>6,184,114</u>
Total assets		<u>5,934,114</u>	<u>150,000</u>	<u>100,000</u>	<u>6,184,114</u>
LIABILITIES					
Current liabilities					
Accounts payable		31,249	-	-	31,249
Accrued claims and judgments		402,073	-	-	402,073
Total current liabilities		<u>433,322</u>	<u>-</u>	<u>-</u>	<u>433,322</u>
Noncurrent liabilities					
Advances from other funds		300,000			300,000
Accrued claims and judgments		9,174,738	-	-	9,174,738
Total liabilities		<u>9,908,060</u>	<u>-</u>	<u>-</u>	<u>9,908,060</u>
NET ASSETS					
Unrestricted		<u>(3,973,946)</u>	<u>150,000</u>	<u>100,000</u>	<u>(3,723,946)</u>
Total net assets		<u>\$ (3,973,946)</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ (3,723,946)</u>
Total liabilities and net assets		<u>\$ 5,934,114</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 6,184,114</u>

City of El Monte
Combining Statement of Revenues, Expenses and Changes in Net Assets
All Internal Service Funds
Year ended June 30, 2011

	<u>Self Insurance</u>	<u>Vehicle Replacement</u>	<u>Equipment Replacement</u>	<u>Total</u>
Operating revenues:				
Interdepartmental charges	\$ 3,817,365	\$ -	\$ -	\$ 3,817,365
Total operating revenues	<u>3,817,365</u>	<u>-</u>	<u>-</u>	<u>3,817,365</u>
Operating expenses				
Claims expenses	<u>3,214,258</u>	<u>-</u>	<u>-</u>	<u>3,214,258</u>
Total operating expenses	<u>3,214,258</u>	<u>-</u>	<u>-</u>	<u>3,214,258</u>
Excess (deficiency) of revenues over expenditures before transfers	603,107	-	-	603,107
Other financing sources				
Transfers in	<u>-</u>	<u>150,000</u>	<u>100,000</u>	<u>250,000</u>
Changes in net assets	603,107	150,000	100,000	853,107
Total net assets - beginning	<u>(4,577,053)</u>	<u>-</u>	<u>-</u>	<u>(4,577,053)</u>
Total net assets - ending	<u>\$ (3,973,946)</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ (3,723,946)</u>

**City of El Monte
Combining Statement of Cash Flows
All Internal Service Funds
Year ended June 30, 2011**

	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Cash flows from operating activities				
Cash received from customers and users	\$ -	\$ -	\$ -	\$ -
Cash received/(paid to) interfund service provided	3,817,365	-	-	3,817,365
Cash paid to suppliers for goods and services	(2,274,965)	-	-	(2,274,965)
Net cash provided by (used in) operating activities	<u>1,542,400</u>	<u>-</u>	<u>-</u>	<u>1,542,400</u>
Cash flows from non-capital financing activities				
Intergovernmental	-	150,000	100,000	250,000
Net cash used in non-capital and related financing activities	<u>-</u>	<u>150,000</u>	<u>100,000</u>	<u>250,000</u>
Change in cash and cash equivalents	1,542,400	150,000	100,000	1,792,400
Beginning cash and cash equivalents	4,391,714	-	-	4,391,714
Ending cash and cash equivalents	<u>\$ 5,934,114</u>	<u>\$ 150,000</u>	<u>\$ 100,000</u>	<u>\$ 6,184,114</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 603,107	\$ -	\$ -	\$ 603,107
Adjustments to reconcile operating loss to net cash used in operating activities:				
(Increase) decrease in:				
Prepaid accounts	10,708	-	-	10,708
Increase (decrease):				
Accounts payable	(54,378)	-	-	(54,378)
Accrued claims & judgments	982,963	-	-	982,963
Net cash provided by (used in) operating activities	<u>\$ 1,542,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,542,400</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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Financial Trends

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

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

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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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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 Assets by Component
Last Six Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities						
Invested in capital assets, net of related debt	\$ 7,692,808	\$ 400,525,216	\$ 387,726,129	\$ 393,169,859	\$ 382,391,198	\$ 382,386,047
Restricted	38,205,659	45,706,053	45,093,002	45,444,013	68,553,946	66,201,676
Unrestricted	10,602,832	5,863,237	17,981,867	6,706,495	(3,841,062)	2,156,436
Total governmental activities net assets	\$ <u>56,501,299</u>	\$ <u>452,094,506</u>	\$ <u>450,800,998</u>	\$ <u>445,320,367</u>	\$ <u>447,104,082</u>	\$ <u>450,744,159</u>
Business-type activities						
Invested in capital assets, net of related debt	\$ 3,906,527	\$ 3,699,586	\$ 3,681,347	\$ 3,884,727	\$ 17,144,056	\$ 15,773,348
Restricted	408,520	515,422	402,693	403,419	411,743	403,419
Unrestricted	(15,607,982)	(15,489,929)	(15,067,058)	(15,364,273)	(2,461,586)	(1,392,384)
Total business-type activities net assets	\$ <u>(11,292,935)</u>	\$ <u>(11,274,921)</u>	\$ <u>(10,983,018)</u>	\$ <u>(11,076,127)</u>	\$ <u>15,094,213</u>	\$ <u>14,784,383</u>
Primary government						
Invested in capital assets, net of related debt	\$ 11,599,335	\$ 404,224,802	\$ 391,407,476	\$ 397,054,586	\$ 399,535,254	\$ 398,159,395
Restricted	38,614,179	46,221,475	45,495,695	45,847,432	68,965,689	66,605,095
Unrestricted	(5,005,150)	(9,626,692)	2,914,809	(8,657,778)	(6,302,648)	764,052
Total primary government net assets	\$ <u>45,208,364</u>	\$ <u>440,819,585</u>	\$ <u>439,817,980</u>	\$ <u>434,244,240</u>	\$ <u>462,198,295</u>	\$ <u>465,528,542</u>

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 Assets
Last Six Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses						
Governmental activities:						
General government	\$ 34,196,489	\$ 34,683,409	\$ 38,252,969	\$ 36,766,602	\$ 37,182,894	\$ 29,578,242
Public safety	36,815,930	37,829,869	39,990,879	34,909,950	29,821,998	32,851,129
Parks, recreation, and cultural	5,561,304	5,138,300	5,710,017	4,581,714	4,148,973	4,745,831
Public works	8,041,318	7,622,037	9,662,975	10,587,267	11,013,617	10,677,438
Economic development	-	-	-	-	-	3,703,687
Debt service - interest on long-term debt	4,734,489	5,912,027	5,642,085	5,904,551	6,560,377 *	1,826,698 *
Total governmental activities expenses	<u>89,349,530</u>	<u>91,185,642</u>	<u>99,258,925</u>	<u>92,750,084</u>	<u>88,727,858</u>	<u>83,383,025</u>
Business-type activities:						
Water authority	3,626,693	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653
Total business-type activities expenses	<u>3,626,693</u>	<u>3,298,506</u>	<u>3,162,041</u>	<u>3,199,691</u>	<u>5,982,157</u>	<u>6,813,653</u>
Total primary government expenses	<u>\$ 92,976,223</u>	<u>\$ 94,484,148</u>	<u>\$ 102,420,966</u>	<u>\$ 95,949,775</u>	<u>\$ 94,710,015</u>	<u>\$ 90,196,678</u>
Program Revenues						
Governmental activities:						
Charges for services:						
General government	\$ 2,257,789	\$ 2,333,233	\$ 4,068,360	\$ 1,983,176	\$ 2,114,853	\$ 3,139,208
Public safety	1,815,573	2,298,313	2,226,196	2,548,125	2,323,037	2,429,210
Community development	-	-	-	1,179,197	-	-
Parks, recreation, and cultural	605,567	534,834	587,291	485,483	3,228,325	828,110
Public works	2,219,288	2,152,880	2,051,314	4,940,139	2,382,772	861,338
Economic development	-	-	-	-	-	3,368,408
Operating grants and contributions	11,631,433	14,265,917	8,393,235	7,147,776	7,757,105	6,909,382
Capital grants and contributions	732,022	166,456	5,917,284	3,010,609	3,426,688	7,471,458
Total governmental activities program revenues	<u>19,261,672</u>	<u>21,751,633</u>	<u>23,243,680</u>	<u>21,294,505</u>	<u>21,232,780</u>	<u>25,007,114</u>
Business-type activities:						
Charges for services:						
Water authority	\$ 2,986,262	\$ 2,957,009	\$ 3,165,031	\$ 2,985,694	\$ 6,318,772	\$ 6,761,971
Operating Contributions and Grants:						
Water authority	-	-	-	117,527	135,512	87,977
Total business-type activities program revenues	<u>2,986,262</u>	<u>2,957,009</u>	<u>3,165,031</u>	<u>3,103,221</u>	<u>6,454,284</u>	<u>6,849,948</u>
Total primary government program revenues	<u>\$ 22,247,934</u>	<u>\$ 24,708,642</u>	<u>\$ 26,408,711</u>	<u>\$ 24,397,726</u>	<u>\$ 27,687,064</u>	<u>\$ 31,857,062</u>
Net (expense) revenue						
Governmental activities	(70,087,858)	(69,434,009)	(76,015,245)	(71,455,579)	(67,495,078)	(58,375,911)
Business-type activities	(640,431)	(341,497)	2,990	(96,470)	472,127	36,295
Total primary government net expense	<u>\$ (70,728,289)</u>	<u>\$ (69,775,506)</u>	<u>\$ (76,012,255)</u>	<u>\$ (71,552,049)</u>	<u>\$ (67,022,951)</u>	<u>\$ (58,339,616)</u>

City of El Monte
Table 2 - Changes in Net Assets (Continued)
Last Six Fiscal Years

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes

Property taxes, levied for general purposes	\$ 17,830,887	\$ 27,375,152	\$ 29,357,486	\$ 30,781,923	\$ 31,914,717	\$ 32,108,113
Transient occupancy taxes	320,297	326,312	315,076	306,710	273,128	266,460
Sales taxes	22,025,619	21,915,042	22,397,169	12,819,325	13,482,687	18,365,147
Franchise taxes	3,021,236	2,118,032	2,627,027	2,799,335	3,841,747	2,658,124
Business licenses taxes	-	-	-	60,319	135,156	143,629
Utility user taxes	8,526,616	8,744,118	8,820,706	8,477,622	7,850,115	7,436,906
Other taxes	971,969	717,016	2,496,140	2,145,353	2,080,476	496,829

Intergovernmental, unrestricted:

Motor vehicle in-lieu	8,939,792	786,789	538,617	362,920	373,048	406,053
Use of money and property	4,496,615	5,359,739	5,987,192	5,010,702	4,915,268 *	1,366,333
Gain on sale of assets	9,773	-	-	-	-	-
Other	1,874,366	3,208,128	1,999,663	324,017	92,990	269,038
Special item	-	-	-	-	-	(864,036)
Transfers	430,631	-	-	-	-	200,000

Total governmental activities	<u>68,447,801</u>	<u>70,550,328</u>	<u>74,539,076</u>	<u>63,088,226</u>	<u>64,959,332</u>	<u>62,852,596</u>
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Business-type activities:

Property taxes, levied for general purposes	210,637	-	-	-	-	-
Investment earnings	(106,105)	107,997	111,021	57,847	60,528	53,387
Other	2,700	9,103	177,892	2,853	8,733	85,616
Transfers	(430,631)	-	-	-	-	(200,000)

Total business-type activities	<u>(323,399)</u>	<u>117,100</u>	<u>288,913</u>	<u>60,700</u>	<u>69,261</u>	<u>(60,997)</u>
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Total primary program	<u>\$ 68,124,402</u>	<u>\$ 70,667,428</u>	<u>\$ 74,827,989</u>	<u>\$ 63,148,926</u>	<u>\$ 65,028,593</u>	<u>\$ 62,791,599</u>
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Change in Net Assets

Governmental activities	(1,640,057)	1,116,319	(1,476,169)	(8,367,353)	(2,535,746)	4,476,685
Business-type activities	(963,830)	(224,397)	291,903	(35,770)	541,388	(24,702)

Total primary government program	<u>\$ (2,603,887)</u>	<u>\$ 891,922</u>	<u>\$ (1,184,266)</u>	<u>\$ (8,403,123)</u>	<u>\$ (1,994,358)</u>	<u>\$ 4,451,983</u>
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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 - Fund Balances of Governmental Funds
Last Five Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General Fund					
Reserved	\$ 44,688,428	\$ 51,379,590	\$ 50,842,563	\$ 56,247,468	\$ 102,055,636
Unreserved	18,399,513	11,931,805	5,273,348	1,100,064	4,160,710
Total general fund	\$ <u>63,087,941</u>	\$ <u>63,311,395</u>	\$ <u>56,115,911</u>	\$ <u>57,347,532</u>	\$ <u>106,216,346</u>
All other governmental funds					
Reserved	\$ 28,054,285	\$ 29,115,933	\$ 27,687,724	\$ 26,364,717	\$ 26,280,794
Unreserved, reported in:					
Special revenue funds	19,749,938	22,820,501	23,211,013	26,288,132	27,665,852
Debt service funds	2,457,318	4,047,455	2,936,723	3,307,179	8,757,158
Capital projects funds	<u>(56,178,456)</u>	<u>(64,094,608)</u>	<u>(55,119,435)</u>	<u>(61,031,642)</u>	<u>(95,571,019)</u>
Total all other governmental fund	\$ <u>(5,916,915)</u>	\$ <u>(8,110,719)</u>	\$ <u>(1,283,975)</u>	\$ <u>(5,071,614)</u>	\$ <u>(32,867,215)</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.

Source: Finance Department, City of El Monte

City of El Monte
Table 4 - Fund Balances of Governmental Funds
GASB#54

	2011
General Fund	
Nonspendable	\$ 18,873,079
Restricted	-
Unassigned	8,440,216
Total general fund	\$ 27,313,295
 All other governmental funds	
Nonspendable	\$ 36,948,151
Restricted	
Special revenue funds	15,088,458
Capital projects funds	9,527,746
Debt service funds	6,502,042
Committed	78,804,828
Unassigned	(92,056,922)
Total all other governmental funds	\$ 54,814,303

The City of El Monte elected to present fund balance information under GASB#54 prospectively in the Statistical Section.

Source: Finance Department, City of El Monte

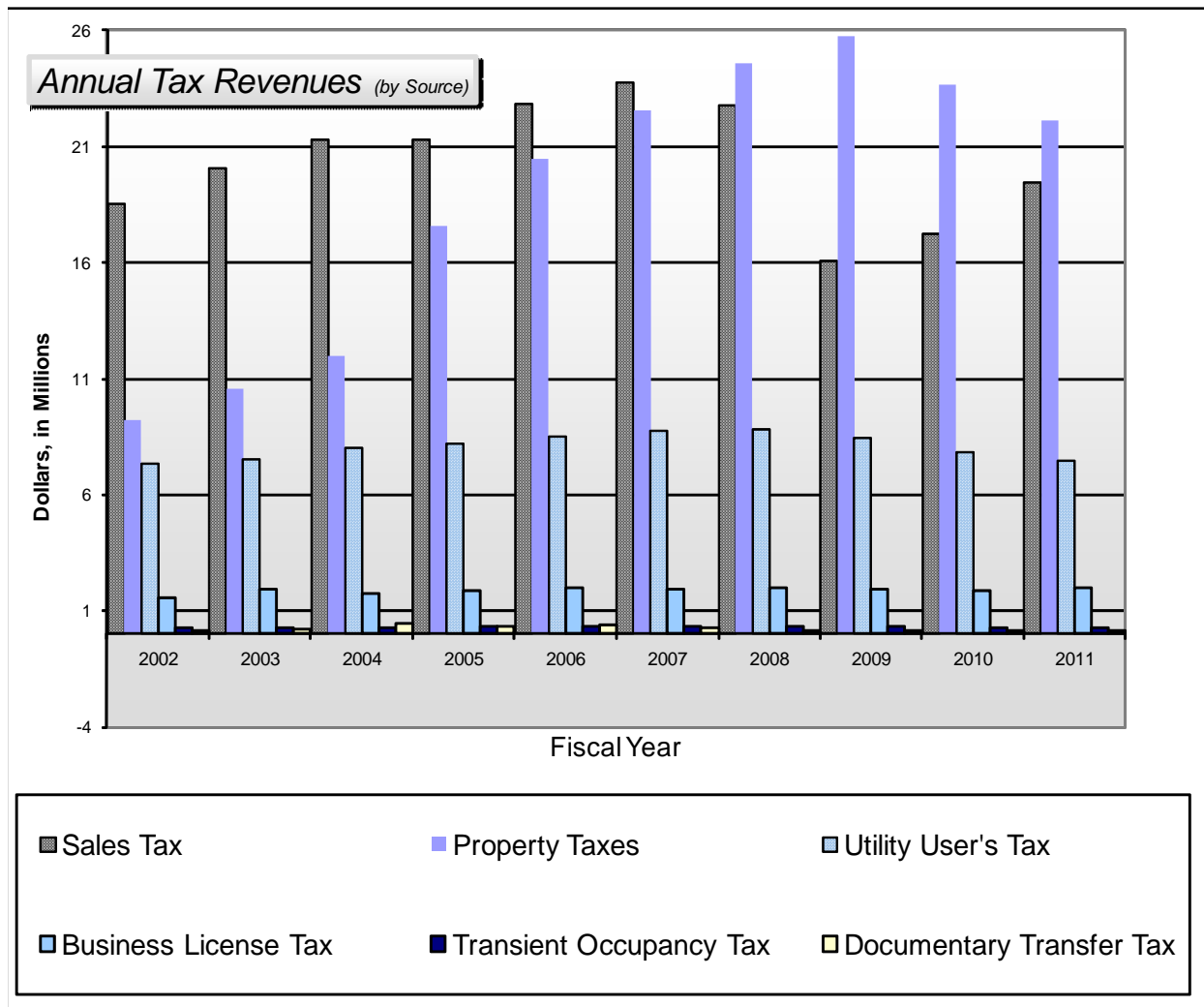
City of El Monte
Table 5 - Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years

	2006	2007	2008	2009	2010	2011
Revenues						
Taxes	\$ 53,622,590	\$ 63,543,334	\$ 65,000,743	\$ 60,272,665	\$ 63,467,593	\$ 64,650,097
Licenses and permits	3,118,319	3,077,238	3,135,488	6,853,145	2,517,044	2,643,806
Intergovernmental	23,812,134	12,783,195	14,855,965	7,059,621	10,164,303	15,543,494
Charges for services	2,352,106	3,027,193	2,937,085	2,366,960	2,980,376	2,747,434
Use of money and property	4,517,647	5,311,219	5,306,137	4,636,653	4,915,268	1,608,928
Fines and forfeitures	1,309,596	1,192,177	1,218,477	1,513,547	1,298,040	1,561,288
Contributions	-	273,891	456,021	494,993	203,687	193,006
Developer participation	-	-	1,482,986	-	-	-
Miscellaneous	920,738	1,331,028	987,590	547,653	4,488,670	2,549,143
Total revenues	89,653,130	90,539,275	95,380,492	83,745,237	90,034,981	91,497,196
Expenditures						
Current:						
General government	32,545,739	30,300,361	36,713,532	30,959,376	35,030,299	27,553,572
Public safety	35,833,305	36,612,697	39,293,878	34,716,300	28,728,032	31,049,574
Parks, recreation and cultural	5,402,783	5,085,450	5,510,146	4,541,136	4,003,571	4,522,463
Public works	8,002,578	4,209,203	6,535,553	7,818,511	5,445,472	7,622,183
Economic development	-	-	-	-	-	3,703,687
Capital outlay	2,774,513	9,995,244	5,256,934	3,891,957	5,992,383	21,923,576
Debt Service:						
Principal retirement	1,435,491	2,339,751	9,732,787	1,630,725	2,221,482	1,942,000
Interest and fiscal charges	4,716,140	5,760,158	5,577,604	5,649,471	6,029,713	1,806,114
Bond issuance cost	12,226	-	1,515,390	-	-	908,543
Payment to refunded bond escrow agent	-	-	2,152,727	-	-	-
Total expenditures	90,722,775	94,302,864	112,288,551	89,207,476	87,450,952	101,031,712
Revenues over (under) expenditures	(1,069,645)	(3,763,589)	(16,908,059)	(5,462,239)	2,584,029	(9,534,516)
Other Financing Sources (Uses)						
Transfers in	10,445,162	4,154,344	7,294,579	6,074,214	10,250,309	19,367,784
Transfers out	(10,014,531)	(4,154,344)	(10,294,579)	(6,074,214)	(10,250,309)	(19,417,784)
Refunding bonds issued	-	-	30,090,000	-	-	-
Notes and loans issued	630,007	675,000	5,182,241	-	450,082	-
Proceeds from sale of land held for resale	-	-	1,572,500	-	-	-
Other debts issued	-	553,691	(19,374,581)	-	-	19,255,000
Proceeds from sale of capital assets	-	-	-	19,499	-	-
Miscellaneous	-	-	-	-	(70,593)	(894,193)
Net other financing sources (uses)	1,060,638	1,228,691	14,470,160	19,499	379,489	18,310,807
Change in fund balances	\$ (9,007)	\$ (2,534,898)	\$ (2,437,899)	\$ (5,442,740)	\$ 2,963,518	\$ 8,776,291
Debt service as a percentage of noncapital expenditures	7.01%	9.61%	17.73%	8.53%	10.13%	5.89%

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
2002	\$ 9,217,418	\$ 163,382	\$ 1,547,827	\$ 7,348,073	\$ 256,205	\$ 18,500,897	\$ 16,419	\$ 37,050,221
2003	10,596,719	232,695	1,959,157	7,502,607	263,030	20,063,666	19,507	40,637,381
2004	11,995,298	469,977	1,731,466	7,989,331	298,053	21,286,522	16,866	43,787,513
2005	17,595,824	341,808	1,893,113	8,202,719	310,189	21,321,728	16,864	49,682,245
2006	20,454,881	365,200	1,975,656	8,526,617	320,297	22,856,342	20,687	54,519,680
2007	22,582,996	266,729	1,935,003	8,744,118	326,312	23,732,619	30,193	57,617,970
2008	24,601,338	174,847	1,999,419	8,820,706	315,076	22,790,292	23,966	58,725,644
2009	25,764,716	158,080	1,928,093	8,477,622	306,710	16,043,743	-	52,678,964
2010	23,675,790	153,548	1,851,680	7,850,115	273,128	17,217,238	-	51,021,499
2011	22,096,855	151,201	2,017,847	7,436,906	266,460	19,424,297	-	51,393,566



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

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

Fiscal Year	Real Property		Other Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial						
2002	\$ 2,127,074,932	\$ 551,867,311	\$ 846,640,112	\$ 34,163,400	\$ 3,491,418,955	0.32376%	\$ 3,491,418,955	100.00%
2003	2,241,776,572	588,609,999	872,943,613	34,767,609	3,668,562,575	0.33856%	3,668,562,575	100.00%
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%

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	
2002	1.000	0.150	1.150	0.001128	0.000473	0.000000	0.051956	0.007700	0.061257	1.211257
2003	1.000	0.150	1.150	0.001033	0.000881	0.000000	0.065921	0.006700	0.074535	1.224535
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

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: Los Angeles County, Office of the Auditor-Controller

City of El Monte
Table 9 - Principal Property Taxpayers
Last Three Fiscal Years

Taxpayer	2011			2010			2009		
	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value
St Gobain Containers	\$ 46,805,949	1	17.619%	\$ -			\$ -		
Vons Companies, Inc.	44,114,866	2	16.606%	56,041,761	1	17.619%	43,286,951	1	26.691%
Wells Fargo Bank	37,030,615	3	13.939%	38,178,446	3	23.556%	38,633,845	3	23.822%
Gregg Industries Inc.	26,928,500	4	10.136%	-		0.000%	21,810,823	6	13.448%
KM El Monte Investors LLC	25,949,744	5	9.768%	30,560,553	7	18.855%	26,994,213	5	16.645%
Multi Investment Associates II	20,474,811	6	7.707%	-			-		
Penske Realty Inc.	17,579,390	7	6.617%	37,297,526	4	23.012%	15,696,811	9	9.679%
Pace Center	16,394,362	8	6.171%	-		0.000%	15,757,753	8	9.716%
Clayton Manufacturing Company	15,662,131	9	5.896%	-		0.000%	16,775,575	7	10.344%
Home Depot United States	14,721,660	10	5.541%	-			-		
600 Hobart LLC	-			38,600,000	2	23.816%	-		
Safeway, Inc	-			34,879,000	5	21.520%	-		
Arden XC LP (formerly GRE Arden Way LP)	-			33,000,000	6	20.361%	-		
Wohl Penwood El Monte Partners	-			29,938,780	8	18.472%	-		
Realty Associates Fund VIII LP	-			27,846,000	9	17.181%	-		
Driftwood Dairy	-			24,307,548	10	14.997%	-		
Totals	\$ 265,662,028		100%	\$ 162,078,286		83%	\$ 162,180,396		100%

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
2001	\$ 3,045,819	\$ 2,962,927	97.3%	\$ 86,584	\$ 3,049,511	100.1%
2002	3,228,459	3,146,722	97.5%	82,937	3,229,659	100.0%
2003	3,440,584	3,349,882	97.4%	84,017	3,433,899	99.8%
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	Not available					

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			
2002	\$ 3,545,000	\$ -	\$ 17,225,000	\$ -	\$ 1,291,995	\$ 18,930,000	\$ -	\$ 40,991,995	1.111%	342
2003	3,485,000	10,625,000	18,390,000	-	-	18,765,000	-	51,265,000	1.338%	420
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

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.

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, 2011

	Gross Bonded Debt Balance	Percent Applicable to City ⁽¹⁾	Net Bonded Debt ⁽²⁾
Direct Debt:			
City of El Monte Certificates of Participation	\$ 5,930,000	100.000	\$ 593,000,000
Total Direct Debt			\$ 593,000,000
Overlapping Debt:			
Metropolitan Water District of Southern California	107,259,876	0.602	646,118
Metropolitan Water District of Southern California	503,075,000	0.466	2,345,379
El Monte Elementary School District 1999 Series A	1,595,000	63.599	1,014,409
El Monte Elementary School District 1999 Series B	415,000	63.599	263,937
El Monte Elementary School District 1999 Series C	1,260,000	63.599	801,352
El Monte Elementary School District 1999 Series D	14,660,000	63.599	9,323,661
EL Monte City School District 1999 Ser A DS	13,040,000	64.197	8,371,297
El Monte Elementary School District 2004 Refunding Bonds	5,845,000	63.599	3,717,381
El Monte Union High School District 2005 Refunding Bonds	18,994,365	63.599	12,080,289
El Monte School District 2004 Series B	14,610,532	63.599	9,292,200
El Monte School District 2004 Series D	9,360,000	63.599	5,952,897
El Monter School District DS 2008 SERIES A	5,998,159	63.599	3,814,789
El Monter School District DS 2008 SERIES A-1	18,540,000	63.599	11,791,315
Rosemead Elementary School District 2000 Series A	6,410,000	16.487	1,056,817
Rosemead Elementary School District 2000 Series B	8,930,000	16.487	1,472,290
Rosemead Elementary School District 2000 Series C	6,655,000	16.487	1,097,211
Rosemead Elementary School District 2000 Series D	4,845,000	16.487	798,796
Rosemead Elementary School District 2008 Series A	8,865,000	16.487	1,461,574
Rosemead Elementary School District 2000 Series A DS	7,780,000	19.258	1,498,297
El Monte Union High School District 2002 Series A	2,870,000	53.668	1,540,273
El Monte Union High School District 2002 Series B	4,555,000	53.668	2,444,579
El Monte Union High School District 2006 Refunding Bond	36,572,878	53.668	19,627,921
El Monte Union High School District 2002 Series C	29,140,000	53.668	15,638,868
El Monte Union High School District 2008 Series A	53,625,511	53.668	28,779,762
Pasadena Area Community College District 2002 Series A	1,925,000	2.226	42,842
Pasadena Community College District 2006 Series B	48,955,000	2.226	1,089,527
Pasadena Community College District 2006 Refunding Bond Series C	12,302,327	2.226	273,797
Pasadena Community College District 2002, 2006 SERIES D	26,705,000	2.226	594,338
Pasadena Community College District 2002, 2009 SERIES E (BABS)	25,295,000	2.226	562,957
Rio Hondo Community College District Series 2004 A	6,945,000	15.836	1,099,785
Rio Hondo Community College District 2005 Refunding Bonds	44,601,005	15.836	7,062,851
Rio Hondo Community College District 2009 & 2010 SERIES	125,037,824	15.836	19,800,531
LA CO Detention Faacilities 1987 Debt Service	36,505,000	0.580	211,720
LA co Fld Ctrl Storm Drain Bonds No. 4 DS	13,720,000	0.592	81,200
LA CO Fld Ctrl Refunding Bonds 1993 DS	16,975,000	0.592	100,464
Temple City Unif Sch Dis 1998 Ser B DS	5,406,501	0.003	174
Temple City Unif Sch Dis 1998 Ser A DS	18,328,250	0.003	590
Total - Overlapping Debt	\$ 1,267,602,228		175,752,188
Grand Total Direct and Overlapping Debt			\$ 768,752,188
Assessed Valuation:			
2008/09 Assessed Valuation, Gross	\$ 5,097,871,447		
Less: Redevelopment Increment	696,490,783		
Assessed Valuation, Net of Redevelopment Increment	\$ 4,401,380,664		
Debt to Assessed Valuation Ratios:			
Direct debt	0.12%		
Overlapping Debt	3.20%		
Total Debt	3.32%		

(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 2011

Assessed value	\$	5,812,236,266
Debt limit (15% of assessed value)		871,835,440
Debt applicable to limit:		
General obligation bonds		-
Total net debt applicable to limit		871,835,440
Legal debt margin	\$	871,835,440

Fiscal Year	Debt Limit	Total net debt Applicable to Limit	Legal Debt Limit	Legal Debt Limit as a percentage of Debt Limit
2002	\$ 523,712,843	-	\$ 523,712,843	100.00%
2003	550,284,386	-	550,284,386	100.00%
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%

Source: City of El Monte Finance Department

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Tax Allocation Bonds

Debt Service				
Fiscal Year	Tax Increment	Principal	Interest	Coverage
2002	\$ 1,904,033	\$ 310,000	\$ 1,266,708	1.21
2003	1,978,339	325,000	1,313,235	1.21
2004	2,601,227	345,000	1,307,465	0.00
2005	2,799,818	365,000	1,287,463	2.17
2006	3,663,454	260,000	1,268,772	2.40
2007	4,770,182	545,000	1,159,388	2.80
2008	3,349,188	750,000	1,235,832	1.69
2009	6,709,829	670,000	1,326,361	3.36
2010	6,603,164	695,000	1,299,421	3.31
2011	6,803,496	725,000	1,271,411	3.41

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 14 - Pledged Revenue Coverage
Last Ten Fiscal Years

Water Revenue Bonds							
Debt Service							
Gross Revenues	Rate Stabilization Fund	Less: Net Operating Expenses	Net Available Revenues	Principal	Interest	Coverage	
2,580,861	\$ 400,000	\$ 1,615,148	\$ 1,365,713	\$ 165,000	\$ 940,807	1.24	
2,978,004	400,000	1,206,124	2,171,880	170,000	952,805	1.93	
4,078,791	400,000	3,348,576	1,130,215	180,000	945,665	1.00	
3,090,865	400,000	2,490,441	1,000,424	185,000	937,835	0.89	
2,988,962	400,000	1,554,138	1,834,824	195,000	929,695	1.63	
2,966,112	400,000	1,982,031	1,384,081	205,000	703,030	1.52	
3,165,031	400,000	2,039,591	1,525,440	215,000	693,600	1.68	
2,985,694	400,000	2,077,333	1,308,361	385,000	831,095	1.08	
2,922,555	400,000	1,731,545	1,591,010	390,000	817,822	1.32	
3,256,851	400,000	1,929,974	1,726,877	405,000	804,008	1.43	

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⁾
2001	119,785	3,650,807	30,478	20,683	5.70%
2002	119,785	3,688,060	30,789	21,505	6.80%
2003	121,922	3,830,302	31,416	21,393	7.00%
2004	123,455	4,075,003	33,008	21,840	6.50%
2005	125,086	4,306,211	34,426	21,540	5.30%
2006	125,352	4,500,764	35,905	21,317	6.50%
2007	126,282	4,728,882	37,447	20,813	6.50%
2008	126,053	4,725,027	37,484	20,246	7.10%
2009	126,308	4,621,076	37,484	20,320	12.18%
2010	126,464	4,662,666	42,363	19,966	15.06%

- 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) 2010 is the latest information as of May 2012

City of El Monte
Table 16 - Principal Employers

Employer	Employees	Rank	Percentage of Total City Employment
El Monte City Elementary District	731	1	2.978%
El Monte High School District	623	2	2.538%
Mountain View Elementary	670	3	2.730%
Longo Toyota - Lexus	475	4	1.935%
City of El Monte	429	5	1.748%
Gregg Industries	400	6	1.630%
Driftwood Dairy	300	7	1.222%
El Monte Adult School	300	8	1.222%
Spirit Honda	300	9	1.222%
San Gabriel Transit	300	10	1.222%
Total	4,528		18.448%
Total Employment	24,545		100%

Source: HdL Coren & Cone

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

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	48	46	50	45	45	47	48	44	39	42
Public Safety										
Police										
Officers	146	153	158	157	161	161	156	145	126	129
Civilians	57	56	60	62	65	65	75	69	53	50
Fire *										
Firefighters & Officers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Civilians	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Community development	35	32	39	39	31	31	28	29	15	16
Public works	46	47	48	43	43	43	36	35	26	53
Parks, recreation, cultural	41	41	45	47	50	50	47	48	41	12
Utilities										
Water	10	10	10	10	10	10	10	9	9	9
Total full-time equivalent positions	383	385	410	403	405	407	400	379	309	311

* Fire Safety was 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	2008	2009	2010	2011
Police Department				
Physical arrests	4,813	3,741	3,128	3,126
Parking violations	14,071	26,716	18,686	20,893
Moving violations	8,878	13,914	11,384	12,454
Water Department				
Total number of customers	22,370	22,828	22,722	22,722
Average daily consumption	24,578	23,400	20,900	20,900

Source: Various departments, City of El Monte

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

Function	2008	2009	2010	2011
Public safety				
Police				
Number of Police Stations	1	1	1	1
Number of Police Motor Vehicles	97	87	97	109
Fire				
Number of Fire Stations	4	4	4	4
Highways and streets				
Streets (miles)	151.4	151.4	151.4	151.4
Streetlights	4,500	4,500	4,500	4,500
Traffic signals	77	73	76	76
Culture and recreation				
Parks acreage	47	50	51	51
Parks	9	9	10	10
Ball diamonds	6	6	6	6
Basketball courts	5	5	5	5
Craft/Activity buildings	3	4	4	4
Gymnasium	1	1	1	1
Swimming pools	8	7	7	7
Community centers	6	6	6	6
Water				
Water mains (miles)	38	38.7	38.7	38.7
Maximum daily treatment capacity (millions of gallons)	6.5	6.5	6.5	6.5

Source: Various departments, City of El Monte

