

**Comprehensive Annual Financial Report
City of El Monte, California
Year ended June 30, 2012
With Report of Independent Auditors**

Prepared by: Finance Department

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CITY OF EL MONTE

CITY MANAGER'S OFFICE

March 28, 2013

Honorable Mayor and
Members of the City Council
City of El Monte
11333 Valley Boulevard
El Monte, CA 91731

It is with pleasure that we submit to you a Comprehensive Annual Financial Report (CAFR) of the City of El Monte for the year ended June 30, 2012. 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 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 & Co. LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of El Monte for the fiscal year ended June 30, 2012 are free of material misstatements. The audit involved examining, on a test basis, the evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and estimates made by management; and evaluating the overall presentation of financial statements.

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

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

The CAFR is composed of three major sections: The introductory section, the financial statements, and the statistical section. The introductory section includes the letter of transmittal and the organizational chart of the City and its elected officials. The financial statements comprised 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 Auditor's Report. Finally, the Statistical Section provides financial trend information based on the information presented in this and prior years' annual reports as well as demographic information about the City.

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of El Monte's finances and to show the City's accountability for the money it receives. It is our opinion that the data, as presented, is accurate in all material respects; that it is presented in a manner designed to fairly set forth the financial position results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain understanding of the City's financial affairs have been included.

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

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jesus M. Gomez". The signature is fluid and cursive, with the first name "Jesus" being the most prominent part.

Jesus M. Gomez
Acting City Manager

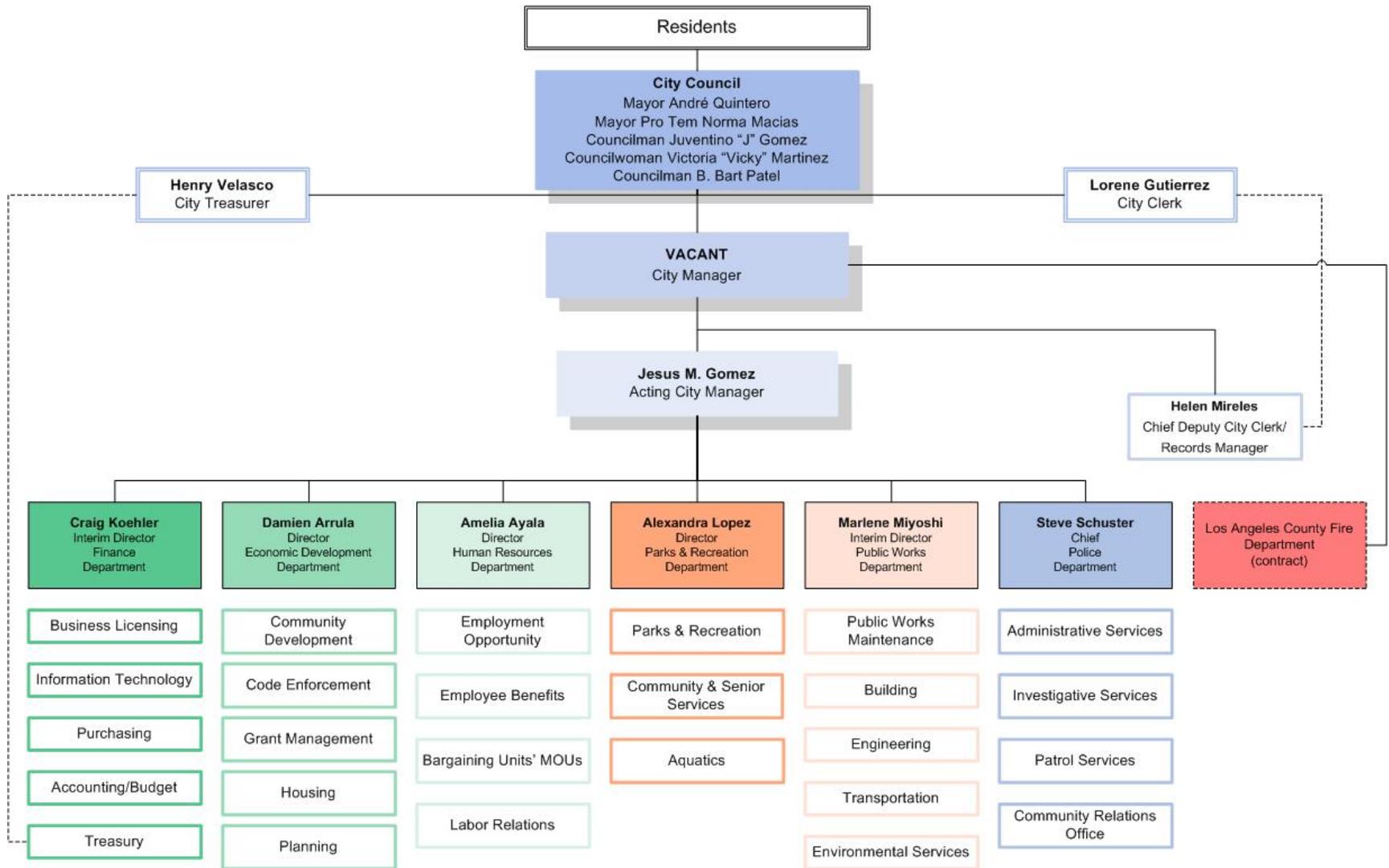
CITY OF EL MONTE

ELECTED OFFICIALS

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

ADMINISTRATIVE STAFF

CITY MANAGER VACANT
ACTING CITY MANAGER JESUS M. GOMEZ
POLICE CHIEF STEVE SCHUSTER
INTERIM FINANCE DIRECTOR CRAIG KOEHLER
INTERIM DIRECTOR OF PUBLIC WORKS MARLENE MIYOSHI
ECONOMIC DEVELOPMENT DIRECTOR DAMIEN ARRULA
COMMUNITY SERVICES DIRECTOR ALEXANDRA LOPEZ
HUMAN RESOURCES DIRECTOR AMELIA AYALA



FINANCIAL SECTION

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REPORT OF INDEPENDENT AUDITORS

The Honorable Mayor and the Members of the City Council City of El Monte, California

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, 2012, 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.

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, 2012, 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 18 to the financial statements, the El Monte Community Redevelopment Agency, a blended component unit of the City, was dissolved effective February 1, 2012 as a result of legislation enacted by the State of California.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2013, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information on pages 3 through 14 and 81 through 87 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of El Monte's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Varguez + Company LLP

Los Angeles, California
March 28, 2013

This management's discussion and analysis of the City of El Monte (the "City") is designed to provide you with a narrative explanation of our financial position and results of operations over the fiscal year ended June 30, 2012. We recommend that you read this in conjunction with additional financial information that we have furnished in the financial statements that follow, our letter of transmittal and the City's annual budget in order to develop a more comprehensive perspective of the City's overall financial position.

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

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

FINANCIAL HIGHLIGHTS

- The combined assets of the City exceeded its liabilities for fiscal year 2011-12 by \$484.7 million. The City's total net assets increased by \$19.2 million.
- During the year, the City had revenues that were \$4.2 million greater than the \$86.1 million in expenses recorded by the City in its governmental activities.
- In fiscal year 2011-2012, the City's business-type activities (water and sewer) revenues exceeded expenses by \$161,000. A total of \$6.2 million in expenses was recorded for the Water and the Sewer Funds.

USING THIS ANNUAL REPORT

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

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

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

REPORTING THE CITY AS A WHOLE

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

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

Statement of Net 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 Dissolved El Monte Community Redevelopment Agency (during the first seven months of the fiscal year) 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
- Nonmajor Governmental Funds

Proprietary Funds

- Water Fund
- Sewer Fund
- Self-Insurance Fund

Fiduciary Funds

- SEIU Retiree Medical Insurance Fund
- Successor Agency to the Dissolved RDA

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

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

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

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

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

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

RESULTS OF OPERATIONS

Statement of Net 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 \$19.2 million from \$465.5 million to \$484.7 million, as summarized in Table 1 below. \$15.2 million of this change is directly attributable to the dissolution of the El Monte Community Redevelopment Agency. The net liabilities of the dissolved redevelopment agency were transferred to the Successor Agency which is reflected as a fiduciary trust fund in the financial statements. The remaining \$4.0 million of change is primarily reflected in capital assets which increased due to the construction of the new Public Works Yard.

The largest portion of the City's net assets at June 30, 2012 (\$421 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, 2012

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
ASSETS						
Cash and other assets	\$ 122,442	\$ 123,851	\$ 10,290	\$ 9,875	\$ 132,731	\$ 133,726
Capital assets net of accumulated depreciation	<u>439,439</u>	<u>432,091</u>	<u>40,233</u>	<u>41,559</u>	<u>479,672</u>	<u>473,650</u>
Total assets	<u>561,880</u>	<u>555,942</u>	<u>50,523</u>	<u>51,434</u>	<u>612,403</u>	<u>607,376</u>
LIABILITIES						
Current and other liabilities	18,618	17,234	19,223	19,191	37,842	36,425
Long-term liabilities	<u>72,999</u>	<u>87,964</u>	<u>16,815</u>	<u>17,458</u>	<u>89,814</u>	<u>105,422</u>
Total liabilities	<u>91,617</u>	<u>105,198</u>	<u>36,038</u>	<u>36,649</u>	<u>127,656</u>	<u>141,847</u>
NET ASSETS						
Invested in capital assets, net of related debt	406,191	382,386	14,644	15,773	420,835	398,159
Restricted	71,059	66,202	623	403	71,682	66,605
Unrestricted	<u>(6,987)</u>	<u>2,156</u>	<u>(783)</u>	<u>(1,392)</u>	<u>(7,770)</u>	<u>764</u>
Total net assets	<u>\$ 470,263</u>	<u>\$ 450,744</u>	<u>\$ 14,484</u>	<u>\$ 14,784</u>	<u>\$ 484,747</u>	<u>\$ 465,528</u>

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 \$4.4 million more in revenues than expenses for the fiscal year 2012 as compared to the \$5.3 million in 2011, as illustrated in Table 2 below.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Program revenues						
Charges for services	\$ 10,360	\$ 10,626	\$ 6,573	\$ 6,762	\$ 16,933	\$ 17,388
Operating grants and contributions	9,245	6,909	25	88	9,270	6,997
Capital grants and contributions	7,220	7,471	-	-	7,220	7,471
General revenues						
Taxes						
Property taxes	29,762	32,108	-	-	29,762	32,108
Sales taxes	19,909	18,365	-	-	19,909	18,365
Franchise taxes	3,127	2,658	-	-	3,127	2,658
Other taxes	7,942	8,344	-	-	7,942	8,344
Motor vehicle in-lieu taxes	329	406	-	-	329	406
Use of money and property	1,822	1,366	26	53	1,848	1,420
Other revenue	341	269	20	86	362	355
Total	<u>90,058</u>	<u>88,524</u>	<u>6,645</u>	<u>6,989</u>	<u>96,702</u>	<u>95,513</u>
Expenses						
Governmental activities						
General government	31,035	29,578	-	-	31,035	29,578
Public safety	31,374	32,851	-	-	31,374	32,851
Community services	3,293	4,746	-	-	3,293	4,746
Public works	12,274	10,677	-	-	12,274	10,677
Economic development	3,795	3,704	-	-	3,795	3,704
Interest on long-term debt	4,376	1,827	-	-	4,376	1,827
Water and sewer	-	-	6,200	6,814	6,200	6,814
Total	<u>86,147</u>	<u>83,383</u>	<u>6,200</u>	<u>6,814</u>	<u>92,347</u>	<u>90,197</u>
Change in net assets before transfers and special item	3,911	5,141	445	175	4,356	5,316
Transfers in/(out)	<u>284</u>	<u>200</u>	<u>(284)</u>	<u>(200)</u>	<u>-</u>	<u>-</u>
Extraordinary item	<u>15,324</u>	<u>(864)</u>	<u>(461)</u>	<u>-</u>	<u>14,863</u>	<u>(864)</u>
Change in net assets	19,519	4,477	(300)	(25)	19,219	4,452
Net assets, beginning as restated	450,744	446,267	14,784	14,809	465,529	461,076
Net assets, ending	<u>\$ 470,263</u>	<u>\$ 450,744</u>	<u>\$ 14,484</u>	<u>\$ 14,784</u>	<u>\$ 484,747</u>	<u>\$ 465,528</u>

A separate review of the change in net assets in the governmental and business-type activities showed the following: the business-type activities generated a marginal net operating surplus of \$445,000 while the governmental activities had a combined \$3.9 million operating surplus, which resulted primarily from 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 external factors that will cause a decrease in consumer spending. From the picture presented in these two summary tables, it appears that the City's financial position is stable and improving.

THE CITY AS A WHOLE

Capital Assets

The majority of the City's assets comprised of land and rights of way, totaling \$342 million of the total \$480 million in Net Capital Assets. At the end of fiscal year 2012, the City had \$480 million invested in a broad range of capital assets. This amount increased by a net of \$6 million due to construction efforts relating to the new Public Works Yard.

**CAPITAL ASSETS
JUNE 30, 2012
(Net of Depreciation, In Thousands)**

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 74,742	\$ 74,288	\$ 311	\$ 311	\$ 75,052	\$ 74,598
Rights of way	266,802	266,802	-	-	266,802	266,802
Construction in progress	13,272	3,957	-	-	13,272	3,957
Equipment in progress	864	739	-	-	864	739
Improvement other than buildings	3,088	3,218	-	-	3,088	3,218
Structures and improvements	20,016	20,564	586	600	20,602	21,164
Land and improvements	-	-	813	865	813	865
Furniture and equipment	3,497	3,967	1,070	1,206	4,567	5,173
Infrastructure	57,160	58,556	37,453	38,578	94,613	97,134
Totals	\$ 439,439	\$ 432,091	\$ 40,233	\$ 41,560	\$ 479,672	\$ 473,650

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 decreased by \$16.6 million to \$91 million. The net decrease in the City's long-term debt resulted from the following as summarized in the Table 4 below:

- Dissolution of the El Monte Community Redevelopment Agency resulted in the transfer of the Agency's \$28.6 million of Agency long-term debt to the Successor Agency.
- \$10.0 million issuance of the 2011 (EB5) Revenue Bond to finance the construction of specified public improvements.
- \$3.8 million net increase in OPEB liability and claims and judgments payable.

City of El Monte
Management's Discussion and Analysis
Year ended June 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Tax Allocation Bonds	\$ -	\$ 27,250	\$ -	\$ -	\$ -	\$ 27,250
Lease revenue bonds	29,065	19,255	-	-	29,065	19,255
Certificates of Participation	5,205	5,930	-	-	5,205	5,930
Notes payable	7,621	9,427	-	-	7,621	9,427
Revenue Bonds	-	-	17,010	17,430	17,010	17,430
Lease payable	371	397	-	-	371	397
OPEB liability	15,677	11,847	-	-	15,677	11,847
Compensated absences	5,588	5,867	442	694	6,030	6,561
Claims and judgments	10,105	9,577	-	-	10,105	9,577
Totals	\$ 73,632	\$ 89,551	\$ 17,452	\$ 18,124	\$ 91,084	\$ 107,675

In August 2011, the City issued \$10,000,000 Revenue Bond, Series 2011 (EB5 Bonds) through the El Monte Public Financing Authority to finance the construction of specified Public improvements.

In addition to the 2011 Revenue Bond, three bond issues comprise the City's long-term debt: the 2010 Lease Revenue Bonds (Recovery Zone Economic Development Bonds (Series A) and Build America bonds (Series B)), the 2006 Water Revenue Refunding Bonds and the 2003 Certificates of Participation. The City was able to meet all its legal debt covenants and pay its current debt obligations in a timely manner.

Other Postemployment Benefits (OPEB) - The City currently pays the annual pay-as-you-go costs (actual costs of bills) as opposed to the recommended Annual Required Contribution ("ARC") of \$5.4 million. GASB 45 requires the City to accrue the net difference between the ARC and the actual amount paid for pay-as-you-go costs (\$1.6 million) plus any additional amount set-aside to fund future OPEB payments. A net amount of \$3.8 million was added to the City's Net OPEB liability, which has now increased to \$15.7 million as of June 30, 2012.

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 (prior to its dissolution on February 1, 2012), CDBG and HOME, which pay for community development and affordable housing programs; various transportation-specific funding sources, such as Proposition A and C, Measure M as well as a number of other specific programs (e.g., Senior Lunch, Emergency Shelter Assistance Program and CHRP).

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

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

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$94 million. The City's governmental funds report a balance of \$7.7 million in its *unassigned fund balance*. The City presented a negative balance in FY 2011. The change results primarily from the dissolution of the Community Redevelopment Agency. The remainder of the fund balance is restricted to indicate that it is not available for new spending because it has already been allocated for special projects, capital projects or debt service or classified as non-spendable as it represents assets that are long-term in nature and thus, do not represent available spendable resources.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the General Fund's unassigned fund balance was \$8.6 million, with a total fund balance of \$27.5 million as of June 30, 2012.

Unassigned Fund Balance, Cash on Hand and Working Capital – The General Fund's unassigned fund balance is \$8.6 million, which represents 16.3% of total General Fund expenditures of \$52.9 million. The working capital balance consists of \$6.2 million in cash and investments plus \$8.2 million in net accounts receivable and other current assets, less \$5.8 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 \$6.2 million at the end of the fiscal year as compared to \$4 million at the end of the prior fiscal year (June 30, 2011). However, this amount only represents 42 days of cash on hand. The City has a stated goal of at least \$10 million in cash reserves in order to provide adequate self-liquidity to the General Fund.

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

Dissolution of Redevelopment Agency and Extraordinary Items - The California Legislature approved and the Governor signed bill ABX1 26 (legislation) which dissolves California redevelopment agencies and establishes mechanisms for paying existing agency debts and liquidating agency assets. This bill was appealed to the State Supreme Court which ruled, on December 29, 2011, that ABX1 26 is constitutional and valid. The dissolutions of all redevelopment agencies took effect as of February 1, 2012. As a result, the assets and liabilities of the dissolved El Monte Redevelopment Agency were transferred to the Successor Agency to the Dissolved Redevelopment Agency. This transfer was reported as Extraordinary Item in the governmental funds and Private-Purpose Fiduciary Fund financial statements. Extraordinary loss reported in the governmental funds amounted to \$3.1 million while extraordinary loss reported in the Private-Purpose Fiduciary Fund amounted to \$57.9 million. This was due to significant amount of liability of the Dissolved Redevelopment Agency that was transferred to the Successor Agency. Refer to Note 19 for the detailed disclosure about the Successor Agency.

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

In 2009 the State legislature passed a 1% increase in the state-wide income tax rate. On July 1, 2011, this 1% rate increase expired; consequently, the local sales tax rate in the City of El Monte decreased from 10.25% to 9.25%.

General Fund Revenues are projected to decrease in Fiscal year 2013 by approximately \$1 million due to a projected \$0.5 million decrease in Motor Vehicle License Fees and \$0.5 million decrease in other revenues. Budgeted expenditures also decrease to approximately \$50.4 million from \$51.8 million in fiscal year 2012.

Other Funds estimated revenues are anticipated to decrease approximately \$4.2 million in fiscal year 2013 from fiscal year 2012, due to a decrease from redevelopment activities and in grant funding. Similarly appropriations in other funds decreased in 2013 from fiscal year 2012.

General Fund Budgetary Highlights

Revenues - The City received \$1.4 million more in taxes as well as \$402,000 more for fines and forfeitures than budgeted due to conservative budget estimates. Overall, General Fund revenues totaled \$50.4 million in fiscal year 2011-12, which is slightly higher than the budgeted amount of \$48.7 million.

Expenses – The City reported a total of \$52.9 million in General Fund expenditures for the fiscal year, which was \$1.4 more than budgeted amount of \$51.5 million. Public safety expenditures were \$2 million less than budgeted. However, General Government expenditures were \$2.9 million more than its appropriations, the Parks and Recreation Department exceeded its budget by \$437,000 and Public Works expenditures exceeded the budget by \$226,000.

Economic Development Initiatives - The City, through its Economic Development Department continues to pursue a number of economic development initiatives and other new business opportunities in order to broaden and realign the City's economic base. In addition, the City began the approval process for the construction of a new Norm's Restaurant and continues to make commercial improvements along Valley Boulevard. Over the past year, the City continued the construction of the new Public Works Yard. The City celebrated the grand opening of two Chase Banks, a new Starbucks location and also completed work on Mariposa Park in fiscal year 2011-2012.

UNQUALIFIED AUDIT OPINION

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

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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

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

Telephone number: (626) 580-2023

BASIC FINANCIAL STATEMENTS

City of El Monte
Statement of Net Assets
June 30, 2012

ASSETS	Primary Government		
	Governmental Activities	Business-type Activities	Total
Cash and investments	\$ 56,484,354	\$ 8,040,440	\$ 64,524,794
Receivables			
Accounts	3,309,631	1,021,469	4,331,100
Taxes	4,204,909	-	4,204,909
Notes and loans, net	15,194,561	50,000	15,244,561
Accrued interest - other	109,162	21,928	131,090
Internal balances	(100,625)	100,625	-
Prepaid costs	61,061	148	61,209
Due from other governments	3,239,896	-	3,239,896
Inventories	64,302	-	64,302
Deferred charges	759,739	431,335	1,191,074
Land held for resale	3,184,645	-	3,184,645
Capital lease receivable (payable)	18,390,759	(18,390,759)	-
Restricted assets:			
Cash and investments with fiscal agents	17,539,158	623,422	18,162,580
Capital assets, not being depreciated	355,678,461	310,748	355,989,209
Capital assets, net of accumulated depreciation	83,760,398	39,922,269	123,682,667
Total assets	561,880,411	32,131,625	594,012,036
LIABILITIES			
Accounts payable	4,426,129	114,979	4,541,108
Accrued liabilities	1,365,848	47	1,365,895
Accrued interest	1,051,652	257,125	1,308,777
Deposits payable	3,645,053	460,335	4,105,388
Due to other governments	7,959,129	-	7,959,129
Noncurrent liabilities:			
Due within one year	4,842,343	550,604	5,392,947
Due in more than one year	68,156,788	16,264,154	84,420,942
Total liabilities	91,617,387	17,647,244	109,264,631
NET ASSETS			
Invested in capital assets, net of related debt	406,191,154	14,644,182	420,835,336
Restricted for:			
Public works projects	14,214,300	-	14,214,300
Public safety	3,236,053	-	3,236,053
Parks, recreation and cultural	905,782	-	905,782
Community development	29,555,744	-	29,555,744
Debt service	1,250,933	623,422	1,874,355
Retirement	21,896,049	-	21,896,049
Unrestricted (deficit)	(6,986,991)	(783,223)	(7,770,214)
Total net assets	\$ 470,263,024	\$ 14,484,381	\$ 484,747,405

See notes to financial statements.

City of El Monte
Statement of Activities
Year ended June 30, 2012

	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	\$ 31,035,167	\$ 2,660,459	\$ 2,342,968	\$ -	\$ (26,031,740)	\$ -	\$ (26,031,740)
Public safety	31,373,685	2,136,780	3,348,669	-	(25,888,236)	-	(25,888,236)
Parks, recreation and cultural	3,292,920	899,689	1,132,591	1,822,835	562,195	-	562,195
Public works	12,273,857	994,082	75,776	5,397,123	(5,806,876)	-	(5,806,876)
Economic development	3,795,416	3,668,748	2,345,270	-	2,218,602	-	2,218,602
Interest on long-term debt	4,375,648	-	-	-	(4,375,648)	-	(4,375,648)
Total governmental activities	<u>86,146,693</u>	<u>10,359,758</u>	<u>9,245,274</u>	<u>7,219,958</u>	<u>(59,321,703)</u>	<u>-</u>	<u>(59,321,703)</u>
Business-type activities:							
Water and Sewer Fund	6,200,127	6,573,474	24,995	-	-	398,342	398,342
Total business-type activities	<u>6,200,127</u>	<u>6,573,474</u>	<u>24,995</u>	<u>-</u>	<u>-</u>	<u>398,342</u>	<u>398,342</u>
Total primary government	<u>\$ 92,346,820</u>	<u>\$ 16,933,232</u>	<u>\$ 9,270,269</u>	<u>\$ 7,219,958</u>	<u>(59,321,703)</u>	<u>398,342</u>	<u>(58,923,361)</u>
General revenues							
Taxes:							
					29,761,876	-	29,761,876
					277,629	-	277,629
					19,908,564	-	19,908,564
					3,127,463	-	3,127,463
					132,044	-	132,044
					7,129,350	-	7,129,350
					403,452	-	403,452
					328,956	-	328,956
					1,822,085	25,894	1,847,979
					341,432	20,281	361,713
					283,612	(283,612)	-
					<u>63,516,463</u>	<u>(237,437)</u>	<u>63,279,026</u>
					4,194,760	160,905	4,355,665
Extraordinary items							
					(42,808,444)	(245,192)	(43,053,636)
					58,132,549	(215,715)	57,916,834
					<u>15,324,105</u>	<u>(460,907)</u>	<u>14,863,198</u>
					19,518,865	(300,002)	19,218,863
					<u>450,744,159</u>	<u>14,784,383</u>	<u>465,528,542</u>
					<u>\$ 470,263,024</u>	<u>\$ 14,484,381</u>	<u>\$ 484,747,405</u>

See notes to financial statements.

**City of El Monte
Governmental Funds
Balance Sheet
June 30, 2012**

	Special Revenue Funds				Total
	General	Retirement	Housing and Community Development	Nonmajor Governmental Funds	
ASSETS					
Cash and investments	\$ 6,158,257	\$ 21,745,463	\$ 951,282	\$ 19,903,442	\$ 48,758,444
Receivables:					
Accounts	1,635,591	22,035	1,162,098	489,772	3,309,496
Taxes	2,661,826	1,428,608	-	114,475	4,204,909
Notes and loans, net	74,628	-	13,950,015	1,169,918	15,194,561
Accrued interest	109,162	-	-	-	109,162
Prepaid costs	56,734	-	-	4,327	61,061
Due from other governments	-	-	-	3,239,896	3,239,896
Due from other funds	3,898,764	-	-	-	3,898,764
Advances to other funds	300,000	-	-	-	300,000
Inventories	64,302	-	-	-	64,302
Land held for resale	-	-	1,845,000	1,339,645	3,184,645
Capital lease receivable	18,390,759	-	-	-	18,390,759
Restricted assets:					
Cash and investments with fiscal agents	84,350	-	-	17,454,808	17,539,158
Total assets	\$ 33,434,373	\$ 23,196,106	\$ 17,908,395	\$ 43,716,283	\$ 118,255,157
LIABILITIES					
Accounts payable	\$ 1,550,141	\$ 1,271,645	\$ 141,066	\$ 1,463,209	\$ 4,426,061
Accrued liabilities	1,337,436	28,412	-	-	1,365,848
Deferred revenue	41,006	-	-	1,131,802	1,172,808
Deposits payable	2,975,028	-	62,753	607,272	3,645,053
Due to other governments	-	-	9,373,980	327,516	9,701,496
Due to other funds	-	-	569,264	3,329,500	3,898,764
Total liabilities	5,903,611	1,300,057	10,147,063	6,859,299	24,210,030
FUND BALANCES					
Nonspendable					
Loans receivable	74,628	-	4,576,035	856,000	5,506,663
Prepaid items	56,734	-	-	4,327	61,061
Advances to other funds	300,000	-	-	-	300,000
Inventories	64,302	-	-	-	64,302
Land held for resale	-	-	1,845,000	1,339,645	3,184,645
Capital lease receivable	18,390,759	-	-	-	18,390,759
Restricted					
Special revenue funds	-	21,896,049	1,340,297	21,632,642	44,868,988
Capital projects funds	-	-	-	12,688,988	12,688,988
Debt service funds	-	-	-	1,250,933	1,250,933
Unassigned	8,644,339	-	-	(915,551)	7,728,788
Total fund balances	27,530,762	21,896,049	7,761,332	36,856,984	94,045,127
Total liabilities and fund balances	\$ 33,434,373	\$ 23,196,106	\$ 17,908,395	\$ 43,716,283	\$ 118,255,157

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, 2012

Fund balance of governmental funds	\$	94,045,127
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	\$	525,089,407
Accumulated depreciation		<u>(85,650,548)</u>
		439,438,859
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the Statement of Net Assets		
		759,739
Long-term liabilities are not due and payable in the current period and are not reported in the governmental funds.		
Long-term liabilities	\$	(57,306,306)
Compensated absences		<u>(5,587,825)</u>
		(62,894,131)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds		
		(1,051,652)
Revenues reported as deferred revenue in the governmental funds are recognized as intergovernmental revenues in the Statement of Activities.		
		2,744,730
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>(2,779,648)</u>
Net assets of governmental activities	\$	<u><u>470,263,024</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, 2012

	Special Revenue Funds				Total
	General Fund	Retirement Fund	Housing and Community Development	Nonmajor Governmental Funds	
Revenues					
Taxes	\$ 41,926,806	\$ 11,123,309	\$ -	\$ 12,282,044	\$ 65,332,159
Licenses and permits	2,518,997	-	-	-	2,518,997
Intergovernmental	372,863	-	2,415,046	10,430,386	13,218,295
Charges for services	2,028,005	-	-	732,333	2,760,338
Use of money and property	350,974	81,297	44,281	1,299,774	1,776,326
Fines and forfeitures	1,719,778	-	-	-	1,719,778
Contributions	-	-	-	199,637	199,637
Miscellaneous	1,507,833	807,942	116,345	99,364	2,531,484
Total revenues	50,425,256	12,012,548	2,575,672	25,043,538	90,057,014
Expenditures					
Current:					
General government	16,489,679	10,568,965	513,000	1,758,322	29,329,966
Public safety	28,200,454	-	129,360	1,064,058	29,393,872
Parks, recreation and cultural	2,041,784	-	27,177	1,007,860	3,076,821
Public works	5,382,471	-	-	2,559,456	7,941,927
Economic development	-	-	1,091,801	2,339,915	3,431,716
Capital outlay	37,672	-	20,688	12,703,954	12,762,314
Debt service:					
Principal retirement	725,000	-	488,000	640,000	1,853,000
Interest and fiscal charges	24,759	-	420,134	3,024,966	3,469,859
Total expenditures	52,901,819	10,568,965	2,690,160	25,098,531	91,259,475
Excess (deficiency) of revenues over expenditures	(2,476,563)	1,443,583	(114,488)	(54,993)	(1,202,461)
Other financing sources (uses)					
Transfers in	3,126,540	-	-	6,241,239	9,367,779
Transfers out	(432,510)	-	-	(8,951,657)	(9,384,167)
Bonds issuance	-	-	-	10,000,000	10,000,000
Net other financing sources (uses)	2,694,030	-	-	7,289,582	9,983,612
Change in fund balances before extraordinary items	217,467	1,443,583	(114,488)	7,234,589	8,781,151
Extraordinary items	-	-	465,972	2,670,405	3,136,377
Net change in fund balances	217,467	1,443,583	351,484	9,904,994	11,917,528
Fund balance, beginning of year	27,313,295	20,452,466	7,409,848	26,951,990	82,127,599
Fund balance, end of year	\$ 27,530,762	\$ 21,896,049	\$ 7,761,332	\$ 36,856,984	\$ 94,045,127

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, 2012**

Change in fund balance - governmental funds before extraordinary items	\$	8,781,151
<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		11,478,910
Depreciation expense		(4,131,183)
<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 principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in Statement of Net Assets.</p>		
Issuance of bonds	\$	(10,000,000)
Principal repayment of bonds		915,000
Principal repayment of capital lease obligation		26,832
Principal repayment of notes payable		938,000
County deferral received		48,209
Amortization of deferred costs of issuance		(25,751)
Amortization of deferred bond discount		(37,898)
		(8,135,608)
<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. This is the change in OPEB liability for the current period.</p>		
		(3,830,533)
<p>Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.</p>		
		(842,140)
<p>Compensated absences liability reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the change in compensated absences for the current period.</p>		
		279,599
<p>Certain revenues are reported as deferred revenue in the governmental funds and recognized as intergovernmental revenues in the Statement of Activities.</p>		
		(411,082)
<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>		
		1,005,646
Change in net assets of governmental activities before extraordinary items	\$	4,194,760

See notes to financial statements.

**City of El Monte
Statement of Net Assets
Proprietary Funds
June 30, 2012**

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water	Sewer	Total	Internal Service Funds
	Fund	Fund		
ASSETS				
Current assets				
Cash and cash equivalents	\$ 1,495,475	\$ 6,544,965	\$ 8,040,440	\$ 7,725,910
Receivables:				
Accounts	985,387	36,082	1,021,469	135
Notes and loans	50,000	-	50,000	-
Other	21,928	-	21,928	-
Prepaid accounts	148	-	148	-
Restricted:				
Cash with fiscal agents	623,422	-	623,422	-
Total current assets	<u>3,176,360</u>	<u>6,581,047</u>	<u>9,757,407</u>	<u>7,726,045</u>
Noncurrent assets				
Deferred charges	431,335	-	431,335	-
Capital assets	43,715,579	19,754,688	63,470,267	-
Accumulated depreciation	<u>(15,252,187)</u>	<u>(7,985,063)</u>	<u>(23,237,250)</u>	<u>-</u>
Net capital assets	<u>28,463,392</u>	<u>11,769,625</u>	<u>40,233,017</u>	<u>-</u>
Total noncurrent assets	<u>28,894,727</u>	<u>11,769,625</u>	<u>40,664,352</u>	<u>-</u>
Total assets	<u>32,071,087</u>	<u>18,350,672</u>	<u>50,421,759</u>	<u>7,726,045</u>
LIABILITIES				
Current liabilities				
Accounts payable	45,554	69,425	114,979	68
Accrued liabilities	47.00	-	47	-
Accrued interest	257,125	-	257,125	-
Deposits payable	460,335	-	460,335	-
Accrued compensated absences	40,452	70,152	110,604	-
Accrued claims and judgments	-	-	-	1,570,000
Bonds, notes, and capital leases	<u>440,000</u>	<u>-</u>	<u>440,000</u>	<u>-</u>
Total current liabilities	<u>1,243,513</u>	<u>139,577</u>	<u>1,383,090</u>	<u>1,570,068</u>
Noncurrent liabilities				
Advances from other funds	-	-	-	300,000
Accrued compensated absences	121,356	210,457	331,813	-
Accrued claims and judgments	-	-	-	8,535,000
Capital lease payable	18,390,759	-	18,390,759	-
Bonds, notes, and capital leases	<u>15,932,341</u>	<u>-</u>	<u>15,932,341</u>	<u>-</u>
Total liabilities	<u>35,687,969</u>	<u>350,034</u>	<u>36,038,003</u>	<u>10,405,068</u>
NET ASSETS				
Invested in capital assets, net of related debt	2,874,557	11,769,625	14,644,182	-
Restricted for debt service	623,422	-	623,422	-
Unrestricted	<u>(7,114,861)</u>	<u>6,231,013</u>	<u>(883,848)</u>	<u>(2,679,023)</u>
Total net assets	<u>\$ (3,616,882)</u>	<u>\$ 18,000,638</u>	<u>\$ 14,383,756</u>	<u>\$ (2,679,023)</u>

Reconciliation of net assets to statement of net assets:

Net assets per statement of net assets per proprietary funds	\$ 14,383,756
Prior year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	61,348
Current year's accumulated adjustment to reflect the consolidation of internal service funds activities related to enterprise funds	39,277
Net assets per statement of net assets	<u>\$ 14,484,381</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, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Fund	Sewer Fund	Total	Self Insurance
Operating revenues:				
Sales and service charges	\$ 3,260,074	\$ 3,274,123	\$ 6,534,197	\$ -
Interdepartmental charges	-	-	-	3,476,494
Total operating revenues	<u>3,260,074</u>	<u>3,274,123</u>	<u>6,534,197</u>	<u>3,476,494</u>
Operating expenses				
Administration and general	1,663,373	2,381,333	4,044,706	-
Claims expenses	-	-	-	2,731,571
Depreciation expense	879,794	446,110	1,325,904	-
Total operating expenses	<u>2,543,167</u>	<u>2,827,443</u>	<u>5,370,610</u>	<u>2,731,571</u>
Operating income (loss)	716,907	446,680	1,163,587	744,923
Nonoperating revenues (expenses)				
Intergovernmental	-	24,995	24,995	-
Interest revenue	4,177	21,717	25,894	-
Interest expense	(828,567)	(950)	(829,517)	-
Miscellaneous	2,249	18,032	20,281	-
Total nonoperating revenues	<u>(822,141)</u>	<u>63,794</u>	<u>(758,347)</u>	<u>-</u>
Operating income (loss) before other financing sources	(105,234)	510,474	405,240	744,923
Other financing sources				
Transfers in	-	-	-	300,000
Transfers out	-	(283,612)	(283,612)	-
	<u>-</u>	<u>(283,612)</u>	<u>(283,612)</u>	<u>300,000</u>
Changes in net assets before extraordinary items	(105,234)	226,862	121,628	1,044,923
Extraordinary items	(460,907)	-	(460,907)	-
Net changes in net assets	(566,141)	226,862	(339,279)	1,044,923
Net assets - beginning	<u>(3,050,741)</u>	<u>17,773,776</u>	<u>14,723,035</u>	<u>(3,723,946)</u>
Total net assets - ending	<u>\$ (3,616,882)</u>	<u>\$ 18,000,638</u>	<u>\$ 14,383,756</u>	<u>\$ (2,679,023)</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	\$ 121,628
Adjustment to reflect the consolidation of current fiscal year internal service fund activities related to enterprise funds	39,277
Changes in Net Assets Business-type Activities Statement of Activities	<u>\$ 160,905</u>

See notes to financial statements.

City of El Monte
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2012

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water	Sewer	Total	Self Insurance
	Fund	Fund		
Cash flows from operating activities				
Cash received from customers and users	\$ 3,233,066	\$ 3,390,698	\$ 6,623,764	\$ -
Cash received for interfund charges	-	-	-	3,476,359
Cash paid to suppliers for goods and services	(1,050,529)	(1,021,522)	(2,072,051)	(2,234,563)
Cash paid to employees for services	(911,987)	(1,270,242)	(2,182,229)	-
Cash received(payment to) others	1,990	-	1,990	-
Net cash provided by operating activities	<u>1,272,540</u>	<u>1,098,934</u>	<u>2,371,474</u>	<u>1,241,796</u>
Cash flows from non-capital and related financing activities				
Intergovernmental	-	(258,617)	(258,617)	300,000
Others	61	-	61	-
Net cash provided by (used in) non-capital and related financing activities	<u>61</u>	<u>(258,617)</u>	<u>(258,556)</u>	<u>300,000</u>
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	-	-	-	-
Principal paid on capital debt	(420,000)	-	(420,000)	-
Interest paid on capital debt	(792,236)	(950)	(793,186)	-
Miscellaneous	2,249	18,032	20,281	-
Net cash provided by (used in) capital and related financing activities	<u>(1,209,987)</u>	<u>17,082</u>	<u>(1,192,905)</u>	<u>-</u>
Cash flows from investing activities				
Interest received	4,177	21,717	25,894	-
Change in cash and cash equivalents	66,791	879,116	945,907	1,541,796
Beginning cash and cash equivalents	<u>2,052,106</u>	<u>5,665,849</u>	<u>7,717,955</u>	<u>6,184,114</u>
Ending cash and cash equivalents	<u>\$ 2,118,897</u>	<u>\$ 6,544,965</u>	<u>\$ 8,663,862</u>	<u>\$ 7,725,910</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 716,907	\$ 446,680	\$ 1,163,587	\$ 744,923
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	879,794	446,110	1,325,904	-
(Increase) decrease in:				
Accounts receivable	(27,008)	116,575	89,567	(135)
Prepaid accounts	1,990	-	1,990	-
Increase (decrease):				
Accounts payable	(41,694)	48,907	7,213	(31,181)
Accrued liabilities	47	-	47	-
Deposits payable	34,691	-	34,691	-
Compensated absences payable	(292,187)	40,662	(251,525)	-
Accrued claims and judgments	-	-	-	528,189
Net cash provided by operating activities	<u>\$ 1,272,540</u>	<u>\$ 1,098,934</u>	<u>\$ 2,371,474</u>	<u>\$ 1,241,796</u>
Non-cash investing, capital and financing Activities:				
Amortization on deferred charges, discounts, loss on defeasance related to long-term liabilities	\$ 45,894	\$ -	\$ 45,894	\$ -

See notes to financial statements.

City of El Monte
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund	Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
ASSETS		
Cash and investments	\$ 883,286	\$ 241,619
Cash with fiscal agents	4,436,745	-
Receivables:		
Accounts	50,301	2,475
Taxes	46,469	-
Notes and loans	1,067,407	-
Others	550	-
Prepaid items	64,583	-
Land held for resale	6,972,993	-
Total assets	13,522,334	244,094
LIABILITIES		
Accounts payable	343,609	2,221
Interest payable	100,893	-
Deposits payable	565,555	-
Due to other governments	113,767	-
Advances from City of El Monte	42,246,869	-
Long-term liabilities		
Due within one year	775,000	-
Due in more than one year	26,586,438	-
Total liabilities	70,732,131	2,221
FIDUCIARY NET ASSETS		
Held in trust for pension	-	241,873
Net assets (deficit)	(57,209,797)	-
Total net assets (deficit)	\$ (57,209,797)	\$ 241,873

See notes to financial statements.

City of El Monte
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Year ended June 30, 2012

	Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust Fund	Pension Trust Fund Service Employees International Union (SEIU) Retiree Insurance
<u>Revenue and additions:</u>		
Taxes	\$ 1,718,474	\$ -
Use of money and property	23,381	-
Rental income	339,609	-
Contributions:		
Employers	-	197,500
Employees	-	61,695
Retirees	-	44,730
Investment earnings:		
Interest and change in fair value of investments	-	1,093
Total additions	2,081,464	305,018
 <u>Expenses and deductions</u>		
Community development	711,800	-
Debt service		
Interest and fiscal charges	662,627	-
Benefits	-	298,246
Total deductions	1,374,427	298,246
Change in net assets before extraordinary items	707,037	6,772
Extraordinary items	(57,916,834)	-
Change in net assets	(57,209,797)	6,772
Net assets held in trust - beginning of the year	-	235,101
Net assets (deficit) held in trust - end of the year	\$ (57,209,797)	\$ 241,873

See notes to financial statements.

NOTE 1 REPORTING ENTITY AND 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)

Prior to its dissolution on February 1, 2012, the former El Monte Community Redevelopment Agency's (Agency) financial activity was reported as a component unit of the City. The Agency's primary purpose was to carry out plans for improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of El Monte. The City Council members acted as the Agency's directors, designated management and had full accountability for the Agency's fiscal matters. The Agency's financial data and transactions were included with the debt service fund type and capital projects fund type. Agency revenues consisted primarily of property tax allocations on the incremental increase of property values in the redevelopment area, and investment income.

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

Pursuant to the provisions of ABX1 26, the El Monte Community Redevelopment Agency was dissolved and the Successor Agency to the Dissolved El Monte Community Redevelopment Agency (Successor Agency) was created, and all of the assets, liabilities and obligations of the former redevelopment agency were transferred to the Successor Agency and the housing Successor Agency on February 1, 2012.

The City of El Monte currently serves as the Successor Agency to the former redevelopment agency that is responsible for revenue collection, maintaining the bond reserves, disposing of excess property and fulfilling the obligations of the dissolved Agency.

Financial information for the Successor Agency is presented as a Private-purpose Trust fund. See also Note 18.

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.

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

El Monte Water Authority (Water Authority)

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

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

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

Measurement Focus, Basis of Accounting and Financial Statement Presentation

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

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

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

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

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

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

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

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.
- The Retirement Special Revenue Fund accounts for all revenues and expenditures associated with the retirement tax levy to fund the employee's pension fund.
- The Housing and Community Development Special Revenue Fund accounts for all monies received from the Community Development Block Grant provided by the Federal Housing and Community Development Act.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

- Special Revenue Funds account for proceeds of specific revenue sources that are legally restricted or otherwise designated for specific purposes.
- The Capital Project Fund accounts for the accumulation of resources to fund capital projects within the City, other than those for proprietary funds.
- The Debt Service Fund accounts for the accumulation of resources for the payment of long-term debt principal and interest relating to the debt of the City.
- The Self-insurance Internal Service Fund accounts for the transactions of the general liability and worker's compensation insurance programs. It is financed through contributions paid by each operating program based on factors similar to those used by insurance companies (i.e. payroll, and number of employees).
- The City's fiduciary fund financial statements report the following private purpose trust funds:
 - The Successor Agency to the Dissolved Redevelopment Agency Private-purpose Trust fund is a fiduciary fund type used by the City to report trust arrangements under which principal and income benefit other governments. This fund reports the assets, liabilities and activities of the Successor Agency to the Dissolved El Monte Community Redevelopment Agency. Unlike the limited reporting typically utilized for Agency Funds, Private-purpose Trust Fund report a Statement of Fiduciary Net Assets and a Statement of Changes in Fiduciary Net Assets.
 - The Pension Trust Fund accounts for premiums paid for retirees and their families.

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

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

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

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

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

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

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

Committed fund balance includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. As of June 30, 2012, the City has no committed the fund balance.

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

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, 2012.

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.

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.

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

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

Receivables and Payables

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

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

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

Functional Classifications

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

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

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

Long-term Receivables

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate that they should not be considered "available spendable resources," because they do not represent net current assets. 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 nonspendable 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 nonspendable fund balance in the fund level statements, which indicates that it does not constitute "available spendable resources."

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

Land held for resale is recorded at the lower of cost or fair value. Fund balances in the governmental fund type have been classified as nonspendable for amounts equal to the carrying 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.

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.

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized 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.

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.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

General Budget Policies

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

Budget Basis of Accounting

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

Annual budgets are 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 2011-2012, 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
- Energy Efficiency Block Grant
- Transportation Development Act
- CDBG - ARRA

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

At June 30, 2012, the following funds had deficit fund balances:

Special Revenue Funds:		
Emergency Shelter Grant	\$	(36,770)
Miscellaneous Grant		(477,930)
Quimby		(70)
Park Bond Act		(419,509)
Park Facility Impact Fee		(41,350)
CDBG - ARRA		(2,740)
Federal Stimulus		(25,804)
 Capital Projects Fund		 (856,563)
 Governmental Activities:		
Internal Service Funds		(2,679,023)

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

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
General Fund			
General government			
City council	\$ 128,002	\$ 102,600	\$ (25,402)
Finance	505,568	461,600	(43,968)
City attorney	3,483,821	859,000	(2,624,821)
General city expense	9,968,965	9,616,200	(352,765)
Insurance and surety	1,253,738	1,252,500	(1,238)
License collection	84,015	10,200	(73,815)
Public safety			
Code enforcement	160,625	158,400	(2,225)
Parks and maintenance	130,884	-	(130,884)
Police helicopter	1,016,826	957,700	(59,126)
Traffic safety program	92,613	20,800	(71,813)
Parks, recreation and cultural			
Parks and building maintenance	253,574	-	(253,574)
Maintenance and operations	261	-	(261)
Aquatic center project	622,739	551,800	(70,939)
Mall maintenance	43	-	(43)
Sports/playgrounds	47,348	6,000	(41,348)
Adult sports	114,398	20,300	(94,098)
Senior services	171,546	125,700	(45,846)
Contracted classes	48,555	39,400	(9,155)
Public works			
Building and grounds maintenance	975,582	937,000	(38,582)
City planning	212,068	43,100	(168,968)
General engineering	419	-	(419)
Median maintenance	104,140	99,700	(4,440)
Parking lot maintenance	327	-	(327)
Beautification commission	112,719	53,000	(59,719)
Administration	608,514	377,100	(231,414)
Traffic signal maintenance	231,206	182,000	(49,206)
Street lights	760,626	750,000	(10,626)
Street trees and parkways	153,770	144,000	(9,770)
Storm drains	4,273	2,000	(2,273)
Transfers out	432,510	131,000	(301,510)

NOTE 3 CASH AND INVESTMENTS

As of June 30, 2012, cash and investments were reported in the accompanying financial statements as follows:

	Cash and Investments	Cash and Investments with Fiscal Agent	Total
Governmental activities	\$ 56,484,354	\$ 17,539,158	\$ 74,023,512
Business-type activities	8,040,440	623,422	8,663,862
Fiduciary funds	1,124,905	4,436,745	5,561,650
 Total Cash and Investments	 \$ <u>65,649,699</u>	 \$ <u>22,599,325</u>	 \$ <u>88,249,024</u>

Cash and investments at June 30, 2012, consisted of the following:

Cash on hand	\$ 18,400
Deposits with financial institutions	7,170,200
Investments	<u>81,060,424</u>
 Total Cash and Investments	 \$ <u>88,249,024</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, 2012, the carrying amount of the City's deposits was \$7,170,200 and the bank balance was \$7,512,890. The \$342,690 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.

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, 2012, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions for certain types of investments with any one issuer to 15% of the total investment pool with the following exceptions: Treasury Securities (100%), LAIF (100%), Bankers Acceptances (40%), Commercial Paper (15%), Medium Term Notes (30%) and Certificates of Deposit (100%). With respect to concentration risk as of June 30, 2012, the City is in compliance with the investment policy's restrictions.

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2012, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal Home Loan Bank	\$ 6,011,120	8%
Federal Farm Credit Banks Consolidated	7,020,150	9%

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, 2012, 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	\$ 37,350,000	\$ 37,350,000	\$ -	\$ -
Federal Agency Securities:				
Federal National Mortgage Association	4,056,341	2,051,101	1,001,690	1,003,550
Federal Home Loan Bank	6,011,120	1,000,680	-	5,010,440
Federal Farm Credit Banks Consolidated	7,020,150	-	-	7,020,150
Federal Home Loan Mtg Corp	4,023,380	-	-	4,023,380
FNMA Strip	108	-	-	108
Held by Fiscal Agents:				
Federal Treasury Money Market Funds	22,599,325	22,599,325	-	-
	<u>\$ 81,060,424</u>	<u>\$ 63,001,106</u>	<u>\$ 1,001,690</u>	<u>\$ 17,057,628</u>

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Not Rated	Rating AAA
Local Agency Investment Fund	\$ 37,350,000	N/A	\$ 37,350,000	-
Federal Agency Securities:			-	-
Federal National Mortgage Association	4,056,341	A	-	4,056,341
Federal Home Loan Bank	6,011,120	A	-	6,011,120
Federal Farm Credit Banks Consolidated	7,020,150	A	-	7,020,150
Federal Home Loan Mtg Corp	4,023,380	A	-	4,023,380
FNMA Strip	108	A	108	-
Held by Fiscal Agents:				
Federal Treasury Money Market Funds	<u>22,599,325</u>	N/A	<u>22,599,325</u>	-
Total	<u>\$ 81,060,424</u>		<u>\$ 59,949,433</u>	<u>\$ 21,110,991</u>

NOTE 4 LONG-TERM RECEIVABLES

As of June 30, 2012, the following loans receivable were outstanding:

Pacific Place Expansion Project	\$	4,009,037
Singing Wood Senior Housing		744,041
RTS Group		63,918
First Time Homebuyers Loans		856,000
TDF Senior Housing		
Special Construction Loan	\$	372,701
Project Gap Loan		583,967
Long-term Project Note		<u>956,849</u>
Sub-total		1,913,517
Allowance for doubtful accounts		<u>(1,913,517)</u>
Various housing deferred loans and other assistance		9,521,565
Total	\$	<u><u>15,194,561</u></u>

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

NOTE 4 LONG-TERM RECEIVABLES (CONTINUED)

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.

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.

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.

Capital lease receivable

A lease receivable is recorded in the City's General Fund. The lease is the remainder due to the City from the sale of the water rights to the Water Authority. The Water Authority is obligated to pay this lease from surplus revenues over the 50-year life of the lease ending September 1, 2049. Payments vary with the level of surplus revenues. The balance of the lease at June 30, 2012 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 carrying amount of land is reported at cost which approximates fair value. As of June 30, 2012, the details of the City's investment in land held for resale are as follows:

Housing and Community Development Fund	\$ 1,845,000
Housing Asset Fund	1,339,645
	\$ 3,184,645

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2012:

Governmental Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated				
Land	\$ 74,287,638	\$ 454,000	\$ -	\$ 74,741,638
Rights of way	266,801,532	-	-	266,801,532
Construction-in-progress	3,957,487	10,453,894	(1,139,820)	13,271,561
Equipment-in-progress	739,361	124,369	-	863,730
Total capital assets not being depreciated	345,786,018	11,032,263	(1,139,820)	355,678,461
Capital assets being depreciated:				
Land improvements	8,722,347	-	-	8,722,347
Structures and improvements	32,711,701	-	-	32,711,701
Furniture and equipment	17,464,608	682,817	(233,596)	17,913,829
Infrastructure	108,925,823	1,137,246	-	110,063,069
Total capital assets being depreciated	167,824,479	1,820,063	(233,596)	169,410,946
Less accumulated depreciation:				
Land improvements	5,504,111	130,188	-	5,634,299
Structures and improvements	12,147,621	548,355	-	12,695,976
Furniture and equipment	13,497,720	1,136,804	(217,429)	14,417,095
Infrastructure	50,369,913	2,533,265	-	52,903,178
Total accumulated depreciation	81,519,365	4,348,612	(217,429)	85,650,548
Capital assets being depreciated, net	86,305,114	(2,528,549)	(16,167)	83,760,398
Governmental activities capital assets, net	\$ 432,091,132	\$ 8,503,714	\$ (1,155,987)	\$ 439,438,859

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Governmental Activities:

General government	\$ 1,196,680
Public safety	358,100
Parks, recreation and leisure	48,032
Public works	<u>2,745,801</u>
Total	<u>\$ 4,348,612</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.

Business-type Activities:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Business-type Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 310,748	\$ -	\$ -	\$ 310,748
Capital assets being depreciated:				
Water rights	34,152,450	-	-	34,152,450
Structures and improvements	734,410	-	-	734,410
Land improvements	3,150,074	-	-	3,150,074
Furniture and equipment	3,588,224	-	-	3,588,224
Infrastructure	<u>21,534,353</u>	-	-	<u>21,534,353</u>
Total capital assets being depreciated	<u>63,159,511</u>	<u>-</u>	<u>-</u>	<u>63,159,511</u>
Less accumulated depreciation:				
Water rights	8,196,588	683,049	-	8,879,637
Structures and improvements	134,626	13,978	-	148,604
Land improvements	2,285,557	51,684	-	2,337,241
Furniture and equipment	2,382,598	135,219	-	2,517,817
Infrastructure	<u>8,911,969</u>	<u>441,974</u>	-	<u>9,353,943</u>
Total accumulated depreciation	<u>21,911,338</u>	<u>1,325,904</u>	<u>-</u>	<u>23,237,242</u>
Capital assets being depreciated, net	<u>41,248,173</u>	<u>(1,325,904)</u>	<u>-</u>	<u>39,922,269</u>
Business-type activities capital assets, net	<u>\$ 41,558,921</u>	<u>\$ (1,325,904)</u>	<u>\$ -</u>	<u>\$ 40,233,017</u>

NOTE 6 CAPITAL ASSETS (CONTINUED)

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

Business-type Activities:	Amount
Water Fund	\$ 879,794
Sewer Fund	446,110
Total	\$ 1,325,904

NOTE 7 INTERFUND RECEIVABLE, PAYABLE AND TRANSFERS

The composition of interfund balances as of June 30, 2012, is as follows:

Due To/From Other Funds

Due From Other Funds:	Due To Other Funds		
	Housing and Community Development Fund	Nonmajor Governmental Funds	Total
General Fund	\$ 569,264	\$ 3,329,500	\$ 3,898,764

The amount owed by the Housing and community Development Fund and Nonmajor Governmental Funds to the General Fund was due to temporary deficit cash balances in those funds, which the City expects to eliminate with future revenues.

Interfund Transfers

Transfers Out:	Transfers In				Total
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds	Internal Service Funds	
Governmental Funds:					
General Fund	\$ -	\$ 332,510	\$ 332,510	\$ 100,000	\$ 432,510
Housing and Community Development	-		-	-	-
Nonmajor governmental funds	3,126,540	5,825,117	8,951,657	-	8,951,657
Business-type funds:					
Sewer Fund	-	83,612	83,612	200,000	283,612
	\$ 3,126,540	\$ 6,241,239	\$ 9,367,779	\$ 300,000	\$ 9,667,779

For record-keeping purposes, the City accounts for its Gas Tax monies in a separate fund. Each year the City transfers these monies into the General Fund to fund allowable projects. In fiscal year 2011-2012, the City transferred \$3.13 million from its special revenue funds (non-major governmental funds) into its General Fund. \$5.1 million was transferred from the 2010 Lease Revenue Capital Projects Fund to Capital Projects Fund for the payment of certain capital projects.

NOTE 8 ADVANCES TO THE FORMER COMMUNITY REDEVELOPMENT AGENCY

During the current and previous fiscal years, the City of El Monte made loans to the former Redevelopment 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.

In June 2011, AB X1 26 dissolved the former Redevelopment Agency, effective (after some litigation on the matter) February 1, 2012. As part of the dissolution process set forth in that bill and a later bill clarifying and modifying the terms of the dissolution (Assembly Bill 1484, adopted in June 2012), the existing loan from the City to the Agency was considered by the Department of Finance to be unenforceable. The successor agency to the former redevelopment agency has sought reconsideration by the Department of Finance as to the enforceability of the loan. In addition, the loan may be reinstated (but is not required to be) under Assembly Bill 1484 following the completion of a due diligence process and issuance of Finding of Completion by the Department of finance. In compliance with the provisions of Section 34191.4(2) of AB1484, interest receivable was recalculated using interest rates earned by funds deposited into the Local Agency Investment Fund (LAIF) resulting to a reduction in interest receivable by \$51 million. The full amount of the loan of \$42.2 million (including \$12.2 million of adjusted accrued interest) has been reserved as potentially uncollectible as of June 30, 2012.

See Also Note 19.

NOTE 9 LONG-TERM DEBT

Governmental Activities

The following is a schedule of changes in long-term debt for the fiscal year ended June 30, 2012:

	Balance at July 1, 2011	Additions	Retirements	Transferred to Successor Agency	Balance at June 30, 2012	Amount due within one Year
Tax allocation bonds	\$ 27,250,000	\$ -	\$ -	\$ 27,250,000	\$ -	\$ -
2010 Lease revenue bonds	19,255,000	-	190,000	-	19,065,000	310,000
2011 Lease revenue bonds	-	10,000,000	-	-	10,000,000	-
Certificates of Participation						
Series 2003-A	3,995,000	-	500,000	-	3,495,000	525,000
Series 2003-B	1,935,000	-	225,000	-	1,710,000	245,000
Notes and loans payable	9,427,527	1,561,000	2,049,000	1,318,527	7,621,000	522,000
Leases payable	397,449	-	26,832	-	370,617	28,387
Accrued compensated absences	5,867,424	-	279,600	-	5,587,824	1,396,956
OPEB liability (Note 13)	11,847,329	5,364,158	1,533,625	-	15,677,862	-
Claims and judgments	9,576,811	1,888,129	1,359,940	-	10,105,000	1,815,000
	<u>\$ 89,551,540</u>	<u>\$ 18,813,287</u>	<u>\$ 6,163,997</u>	<u>\$ 28,568,527</u>	<u>\$ 73,632,303</u>	<u>\$ 4,842,343</u>
Unamortized bond discount					(633,172)	
					<u>\$ 72,999,131</u>	

NOTE 9 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 former Redevelopment Agency to finance certain redevelopment activities. The Taxable Recovery Zone Economic Development Lease Revenue Bonds, Series 2010A and the Taxable Lease Revenue Bonds, Series 2010B were issued on December 13, 2010 to provide funds to the Agency to (1) finance the acquisition and development of the City of El Monte Maintenance Yard Facility; (2) fund reserve account; (3) pay for cost of issuance.

These bonds are special obligations of the Authority payable from and secured by revenues consisting primarily of amounts payable by the City under the Lease Agreement.

The 2010 Lease Revenue Bonds are backed by a City General Fund pledge, which shall be payable from any source of available funds to the City. However, the bonds were structured with 2 primary sources of revenue (lease payments) and Federal Direct payments:

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

2. City Enterprise Sublease Agreement – The City Water Enterprise and City Sewer Enterprise will lease a portion of the property from the City, and shall make sublease payments to the City General Fund to be applied by the City for the payment of the lease payments as follows:
 - \$200,000 Water Enterprise Fund
 - \$300,000 Sewer Enterprise Fund

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

NOTE 9 LONG-TERM DEBT (CONTINUED)

\$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, 2012:

Year Ending June 30,	2010 Lease Revenue Bonds Series A	
	Principal	Interest
2013	\$ -	\$ 1,318,262
2014	-	1,318,262
2015	-	1,318,262
2016	-	1,318,262
2017	-	1,318,262
2018-2022	-	6,591,310
2023-2027	2,395,000	6,262,314
2028-2032	3,510,000	4,958,562
2032-2037	4,455,000	3,235,950
2038-2039	4,430,000	1,020,600
Total	\$ <u>14,790,000</u>	\$ <u>28,660,046</u>

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

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

\$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, 2012:

Year Ending June 30,	2010 Lease Revenue Bonds Series B	
	Principal	Interest
2013	\$ 310,000	\$ 327,038
2014	325,000	303,322
2015	340,000	278,460
2016	360,000	252,450
2017	375,000	224,910
2018-2022	2,180,000	663,638
2023	385,000	29,452
Total	\$ <u>4,275,000</u>	\$ <u>2,079,270</u>

NOTE 9 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
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	620,000	36,938	310,000	31,424
2018-2021	645,000	18,834	330,000	16,204
Total	<u>\$ 3,495,000</u>	<u>\$ 369,672</u>	<u>\$ 1,710,000</u>	<u>\$ 308,841</u>

Revenue Bonds Series 2011

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

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

NOTE 9 LONG-TERM DEBT (CONTINUED)

Pursuant to a lease agreement between the City and the former Redevelopment Agency, 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 will be applied for the repayment of the Bond.

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.

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2012:

Year Ending June 30,	2011 Lease Revenue Bonds	
	Principal	Interest
2013	\$ -	\$ 525,000
2014	-	525,000
2015	-	525,000
2016	-	525,000
2017	10,000,000	525,000
Total	\$ 10,000,000	\$ 2,625,000

Notes and Loans Payable

HUD Section 108 Loan 1999-A

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

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

The notes mature from 1999 to 2018 and bear varying interest rates. The principal balance outstanding as of June 30, 2012, was \$1,080,000.

NOTE 9 LONG-TERM DEBT (CONTINUED)

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

Ending June 30,	HUD Section 108 Loan 1999-A	
	Principal	Interest
2013	\$ 125,000	\$ 44,190
2014	135,000	39,103
2015	145,000	33,401
2016	155,000	27,044
2017	165,000	19,992
2018-2019	355,000	16,464
Total	\$ 1,080,000	\$ 180,193

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.

HUD Section 108 Loan 2011-A

In November 2011, the loan was refinanced through the issuance of \$1,561,000 Guaranteed Notes, Series 2011-A. The U.S. Government Guaranteed Notes, Series 2001-A outstanding balance of \$ 1,561,000 was considered defeased. The principal balance outstanding of the Series 2011-A loan as of June 30, 2012, was \$1,561,000.

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

Ending June 30,	HUD Section 108 Loan 2011-A	
	Principal	Interest
2013	\$ 132,000	\$ 21,313
2014	141,000	20,805
2015	151,000	19,996
2016	161,000	18,742
2017	172,000	16,944
2018-2021	804,000	36,111
Total	\$ 1,561,000	\$ 133,911

NOTE 9 LONG-TERM DEBT (CONTINUED)

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, 2012, was \$1,705,000.

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

Ending June 30,	HUD Section 108 Loan 2004-A	
	Principal	Interest
2013	\$ 90,000	\$ 94,404
2014	95,000	89,759
2015	100,000	84,751
2016	105,000	79,342
2017	110,000	73,514
2017-2021	660,000	263,401
2022-2025	545,000	52,565
Total	\$ 1,705,000	\$ 737,736

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, 2012, was \$3,275,000. The total debt service payment requirements with respect to the loan are as follows:

Ending June 30,	Section 108 Loan - Pacific Place	
	Principal	Interest
2013	\$ 175,000	\$ 151,951
2014	185,000	144,908
2015	195,000	137,172
2016	205,000	128,697
2017	220,000	119,331
2018-2022	1,305,000	425,636
2023-2025	990,000	78,785
Total	\$ 3,275,000	\$ 1,186,480

NOTE 9 LONG-TERM DEBT (CONTINUED)

Lease Payable

Helicopter Lease

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

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

Ending June 30,	Principal
2013	\$ 49,872
2014	49,872
2015	49,872
2016	49,872
2017	49,871
2017-2022	249,360
Total payments	498,719
Less amount representing interest	(128,102)
	\$ 370,617

Claims and Judgments

As of June 30, 2012, 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, 2012, total estimated claims payable was \$10,105,000.

Business-type Activities

	Balance at July 1, 2011	Additions	Retirements	Balance at June 30, 2012	Amount due within one Year
2006 Refunding revenue bonds	\$ 17,430,000	\$ -	\$ 420,000	\$ 17,010,000	\$ 440,000
Accrued employee benefits	693,943	-	251,525	442,418	110,604
	\$ 18,123,943	\$ -	\$ 671,525	\$ 17,452,418	\$ 550,604
Unamortized bond premium				109,001	
Unamortized loss on defeasance				(746,661)	
				\$ 16,814,758	

NOTE 9 LONG-TERM DEBT (CONTINUED)

2006 Refunding Revenue Bonds

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

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

Year Ending June 30,	2006 Refunding Revenue Bonds	
	Principal	Interest
2013	\$ 440,000	\$ 774,090
2014	450,000	757,845
2015	465,000	740,801
2016	485,000	722,383
2017	505,000	702,583
2018-2022	2,850,000	3,178,964
2023-2027	3,520,000	2,484,150
2028-2032	4,440,000	1,540,000
2033-2036	3,855,000	372,875
Total	\$ 17,010,000	\$ 11,273,691

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, 2012 is \$ 18,390,759.

NOTE 9 LONG-TERM DEBT (CONTINUED)

Defeased bonds

In prior years, the Water Authority defeased the 1999 revenue bonds and revenue anticipation notes by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the financial statements.

NOTE 10 NON-COMMITTAL DEBT

Certificates of Participation, Series 1999

On January 15, 1999, the City issued Certificates of Participation, Series 1999 (Department of Public Social Services Facility) in the amount of \$39,345,000. Proceeds of the sale of the certificates were used to finance the acquisition of real property and to construct a Department of Public Social Services building to be occupied by the County of Los Angeles. The balance outstanding on these bonds at June 30, 2012, is \$29,845,000. The City is not liable for the repayment of this debt. For this reason, neither the debt nor the related debt service payments are recorded in the City's financial statements.

NOTE 11 RETIREMENT PLAN

Public Employees Retirement System (PERS)

Plan Description

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

Funding Policy

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

NOTE 11 RETIREMENT PLAN (CONTINUED)

For fiscal year ended June 30, 2012, the City's annual pension cost of \$10.3 million for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, 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, 2009, was 26 years.

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

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 7,627	100.0%	-
6/30/2011	8,626	100.0%	-
6/30/2012	10,288	100.0%	-

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

Public Agency Retirement System (PARS)

Plan Description

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

NOTE 11 RETIREMENT PLAN (CONTINUED)

Sample rates are as follows:

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

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

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

Funding Policy

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

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

Annual Pension Cost (APC)

For fiscal year ended June 30, 2012, the City's annual pension cost of \$1.23 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%.

NOTE 11 RETIREMENT PLAN (CONTINUED)

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

Three-Year Trend Information for PARS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2010	\$ 1,277,414	100.0%	-
6/30/2011	1,269,834	100.0%	-
6/30/2012	1,225,954	100.0%	-

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

NOTE 12 INSURANCE

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

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

CSAC-EIA publishes its own financial report for the year ended June 30, 2012, which can be obtained from the California State Association of Counties Excess Insurance Authority, Moraga, California.

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

NOTE 12 INSURANCE (CONTINUED)

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. The City has accrued for its anticipated liability with respect to claims filed and claims incurred but not reported to the City as of year-end. The accruals are in the amounts of \$8.5 million and \$1.6 million for the worker's compensation claims and general liability claims, respectively, for a total of \$10.1 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
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
2012	9,756,811	1,888,129	1,359,940	10,105,000

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

The ICRMA has published its own financial report for the year ended June 30, 2012, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS

Plan Description

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

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Funding Policy

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

Annual OPEB Costs and Net OPEB Obligation

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

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

	Fiscal year ended June 30	
	2012	2011
Annual required contribution	\$ 5,435,859	\$ 5,060,072
Interest on net OPEB obligation	533,130	370,253
Adjustments to annual required contribution	(533,836)	(359,541)
Annual pension cost	5,435,153	5,070,784
Annual contribution made	(1,604,620)	(1,451,307)
Increase in net OPEB obligation	3,830,533	3,619,477
OPEB obligation, beginning of year	11,847,329	8,227,852
OPEB obligation, end of year	\$ 15,677,862	\$ 11,847,329

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
6/30/2010	\$ 4,995,651	23.27%	\$ 4,394,838
6/30/2011	5,070,784	28.62%	11,847,329
6/30/2012	5,435,153	29.52%	15,677,862

NOTE 13 POSTEMPLOYMENT HEALTH BENEFITS (CONTINUED)

Funded Status and Funding Progress

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

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, 2012, 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 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 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements prior to June 30, 2012, that have effective dates that may impact future financial statements presentations. Management has not yet determined any impact the implementation of the following statements may have on the financial statements of the City.

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. 63 - GASB has issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 65 - *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

NOTE 16 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2012 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through March 28, 2013, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements other than the following:

- On March 6, 2013, the City received a letter of warning from the U.S. Department of Housing and Urban Development (HUD) regarding its administration of CDBG, HOME and ESG Consolidated Plan Programs. The letter reflected findings for disallowable and unsupported costs totaling \$2.7 million, \$513,000 of which was required to be returned to HUD. The City accrued and recorded the \$513,000 in the June 30, 2012 financial statements. Management asserts that it can provide to HUD the necessary documents supporting the alleged unallowable remaining program expenditures of \$2.2 million.

NOTE 17 CALIFORNIA PUBLIC EMPLOYEES' PENSION REFORM ACT

After spending close to a year exploring and debating reforms to public pension systems in California, lawmakers in Sacramento passed Assembly Bill 340 (AB 340) on August 31, 2012. AB 340 known as the California Public Employees' Pension Reform Act of 2013 (PEPRA) which amends various provisions of the Public Employees' Retirement Law (PERL) and County Employee's Retirement Law of 1937 (CERL), was signed into law by the Governor on September 12, 2012. PEPRA will take effect on January 1, 2013. Management asserts that PEPRA will not have a significant impact on the City's June 30, 2012 financial statements.

NOTE 18 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill IX 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of El Monte that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit.

The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government.

NOTE 18 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

The Bill also created oversight boards which monitor the activities of the successor agencies. The roles of the successor agencies and oversight boards is to administer the wind down of each dissolved redevelopment agency which includes making payments due on enforceable obligations, disposing of the assets (other than housing assets) and remitting the unencumbered balances of the dissolved redevelopment agencies to the County Auditor-Controller for distribution to the affected taxing entities.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

On June 27, 2012, as part of the FY 2012-13 state budget package, the Legislature passed and the Governor signed AB 1484, which made technical and substantive amendments to the Bill based on experience to-date at the state and local level in implementing the Bill.

In future fiscal years, successor agencies are to only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, the housing assets, obligations, and activities of the Dissolved Redevelopment Agency have been transferred and are reported in the Housing Asset special revenue fund in the financial statements of the City. All other assets, obligations, and activities of the Dissolved Redevelopment Agency have been transferred and are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City.

NOTE 18 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

The transfer of the assets and liabilities of the Dissolved Redevelopment Agency as of February 1, 2012 from governmental funds of the City to fiduciary funds was reported as an extraordinary loss in the governmental fund financial statements. The receipt of these assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain.

Because of the different measurement focus of the governmental funds (current financial resources measurement focus) and the measurement focus of the trust funds (economic resources measurement focus), the extraordinary loss recognized in the governmental funds was not the same amount as the extraordinary gain that was recognized in the fiduciary fund financial statements.

The difference between the extraordinary gain recognized in the fund financial statements and the extraordinary loss recognized in the fiduciary fund financial statements is reconciled as follows:

Extraordinary gain reported in governmental funds due to - Net assets of Successor Agency Trust Fund	\$ (3,136,377)
Accrued bond interest previously reported in the government-wide financial statements - assumed by the Successor Agency Trust Fund	(98,567)
Long-term debt previously reported in government-wide financial statements - assumed by the Successor Agency Trust Fund	(28,070,318)
Asset Valuation Adjustments	(26,611,572)
Net decrease to net assets of the Successor Agency Trust Fund (amount of extraordinary gain reported in the Government-wide Statement of Activities of the City).	\$ <u><u>(57,916,834)</u></u>

NOTE 19 SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency to the City of El Monte Community Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to the certain assets and long-term liabilities are as follows:

Notes and Loans Receivable

Details of loans receivable as of June 30, 2012 were as follows:

Singing Wood (Northwest)	\$	470,591
RHCDC Working Capital (Center)		581,142
Edwards (Downtown)		15,674
Pacific Place (Northwest)		
JT LLC Working Capital	\$	532,800
JT LLC Participation Note		400,000
Legal Fees		155,553
Sub-total		<u>1,088,353</u>
Allowance for doubtful accounts		<u>(1,088,353)</u>
Total	\$	<u><u>1,067,407</u></u>

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

JT LLC (formerly 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.

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.

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.

Land Held for Resale

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

Long-term Liabilities

The long-term liabilities of the Successor at June 30, 2012 were as follows:

	<u>Balance at</u> <u>July 1, 2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at</u> <u>June 30, 2012</u>	<u>Amount due</u> <u>within one</u> <u>Year</u>
Tax allocation bonds	\$ 27,250,000	\$ -	\$ 745,000	\$ 26,505,000	\$ 775,000
Loans from other governments					
LACMTA	450,000	-	450,000	-	-
County of Los Angeles	868,527	44,911	57,000	856,438	-
	<u>\$ 28,568,527</u>	<u>\$ 44,911</u>	<u>\$ 1,252,000</u>	<u>\$ 27,361,438</u>	<u>\$ 775,000</u>

Tax Allocation Bonds Payable

The El Monte Public Financing Authority has issued the following tax allocation bonds, the proceeds of which were loaned to the 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 19 SUCCESSOR AGENCY DISCLOSURES (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, 2012:

Year Ending June 30,	Senior Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2013	\$ 705,000	\$ 1,068,644
2014	730,000	1,040,444
2015	755,000	1,011,244
2016	790,000	981,044
2017	825,000	949,444
2018-2022	4,695,000	4,156,231
2023-2027	5,845,000	3,014,331
2028-2032	4,620,000	1,663,550
2033-2037	3,820,000	768,788
2038-2039	875,000	41,563
Total	\$ 23,660,000	\$ 14,695,283

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Subordinate Tax Allocation Revenue Bonds, Series 2007

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

The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2012:

Year Ending June 30,	Subordinate Tax Allocation Revenue Bond, Series 2007	
	Principal	Interest
2013	\$ 70,000	\$ 145,755
2014	80,000	142,675
2015	95,000	139,075
2016	90,000	134,681
2017	95,000	130,451
2018-2022	540,000	579,328
2023-2027	705,000	425,325
2028-2032	575,000	235,850
2033-2037	480,000	109,710
2038-2039	115,000	6,095
Total	\$ 2,845,000	\$ 2,048,945

County of Los Angeles Reimbursement Agreement

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

This obligation to the County, together with accrued interest thereon, 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, 2012, the principal balance outstanding together with accrued interest through that date was \$252,155.

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

During 2007-08, the County of Los Angeles entered into an agreement with the Agency - Northwest El Monte Project Area. The agreement related to tax increment adjustments and overpayments during 2007-08 to assist in funding the Gibson Park improvements in the amount of \$254,530. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2012, the principal balance outstanding was \$604,282.

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 2011-2012, 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). This loan was fully settled during the fiscal year ended June 30, 2012.

Non-committal debt

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 were 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 are 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. The refunding 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 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

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

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/2012	Outstanding Balance as of 06/30/12
El Monte Center							
3	1-C	9/1/1988	Loans From the City of El Monte (R-383, 222)	\$ 1,313,497		\$ 1,247,518	\$ 2,561,015
4	1-D	4/1/1998	Loan from City to K-mart Deferred Fees	133,560	LAIF + 2.00%	59,049	192,609
5	1-E	1/6/2000	Loan from the city of El Monte Longo Expansion	2,800,000	6.5%	984,295	3,784,295
6	1-H	1/6/2000	Loan from City (CDBG) - Longo Expansion	1,200,000	6.5%	389,851	1,589,851
7	1-I	5/10/1993	Loan from the city of El Monte - ERAF	50,561	6.0%	34,970	85,531
8	2-A	2003/2004	Loan from the city of El Monte - Nelson Honda Jobs Grant	1,444,234	4%	105,672	1,549,906
9	2-C	Feb. 4, 2004	City Cooperation Agreement Longo New Jobs Grant Agreement	2,500,000	5%	339,416	2,839,416
10	2-E	Feb. 3, 2004	Longo Construction Loan	3,000,000	LAIF + 2.00%	614,310	3,614,310
			Loan Totals	\$ 12,441,852		\$ 3,775,081	\$ 16,216,933
Center Amended							
3	1-C	1998/1989	Loans From the City of El Monte (R-356, 385)	702,000	10%	678,647	1,380,647
4	1-I	3/25/1997	CDBG Loan From Bank	694,602	LAIF + 2.00%	351,858	1,046,460
			Loan Totals	\$ 1,396,602		\$ 1,030,505	\$ 2,427,107

City of El Monte
Notes to Financial Statements
Year ended June 30, 2012

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/2012	Outstanding Balance as of 06/30/12
Downtown El Monte							
3	1-A	4/6/2005	Loans from the City of El Monte - King Court (Home Fund)	\$ 513,000	10%	\$ 88,347	\$ 601,347
4	1-D	1986-1990	Loans From the City of El Monte (R-360, 364)	1,350,590	10%	1,442,855	2,793,445
5	1-E	11/12/1991	Loan from the city of El Monte (R-428) Nelson Honda	222,950	LAIF + 2.00%	175,649	398,599
6	1-F	12/1/1991	Loan from the city of El Monte (R-436) Orchard	15,000	8%	11,769	26,769
7	1-G	6/1/1995	Loan from the city of El Monte (R-598) Food Barn	75,000	7.5%	45,683	120,683
8	1-J	1986-1990	Loans from the city of El Monte CDBG (R-251)	326,000	10%	396,749	722,749
9	2-A	1990-1992	Loans from the city of El Monte CDBG (R-410, 345, 331)	803,000	LAIF + 2.00% & 9.5%	874,174	1,677,174
Downtown El Monte (Continued)							
10	2-B	9/27/1994	Loan from the city of El Monte CDBG (R-562) Orchard	42,880	7.0%	27,628	70,508
11	2-F	1991-1992	Loan from the City of El Monte R-432 - Edwards Theater	725,000	9%	585,734	1,310,734
12	2-F	1991-1992	Loans from the city of El Monte UDAG (R417)	20,000	9%	-	20,000
13	2-G	5/3/1993	Loan from the city of El Monte - ERAF	59,549	6%	40,601	100,150
14	2-K	2003/2004	Gabae Loan and Section 108 Loan - Peck/Ramona Triangle	3,191,941		492,408	3,684,349
15	3-A	6/1/07	DDA- Agreement- Festial -Capri Santa Fe Trail Associates	5,390,000	4.5% & LAIF + 2.0%	436,996	5,826,996
16	3-B	7/1/07	Downtown Subordinate Loan with City & Financing Authority		6%	-	-
17	3-C	39070	EL Monte Union School District MOU		LAIF + 2.00%	-	-
Loan Totals				\$ 12,734,910		\$ 4,618,593	\$ 17,353,503

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Advances from the City of El Monte

Loan No.	SOI Loan Letter	Date	Description	Principal Amount*	Coupon	Recalculated Unpaid Interest as of 06/30/2012	Outstanding Balance as of 06/30/12
Northwest el Monte							
1	1-A	1986-1990	Loans From the City of El Monte (R-221, 296, 323, 337, 391)	\$ 1,723,954	12%	\$ 1,910,550	\$ 3,634,504
2	1-B	1991/1992	Loans From the City of El Monte (R-411, 465)	500,000	12% & 7%	380,143	880,143
3	1-C	1992/1993	Loan From the City of El Monte (R-484)	350,000	7%	247,137	597,137
4	1-D	1994/1995	Loan From the City of El Monte (R-463)	90,000	8%	66,162	156,162
5	1-F	1994-1995	Loan from the city of El Monte - Water Fund (R-570)	150,000	7%	95,192	245,192
6	1-I	2005-2006	Loan from the city of El Monte - ERAF	213,231	2.5%	37,927	251,158
			Loan Totals	\$ 3,027,185		\$ 2,737,111	\$ 5,764,296
Valley Durfee							
1	1-C	4/16/2006	Loan from the City of El Monte - ERAF	213,231	5%	28,979	242,210
2	1-D	9/19/2006	Loan from the city of El Monte For Improvement Costs	217,406	LAIF + 2.00%	25,411	242,817
			Loan Totals	\$ 430,637		\$ 54,390	\$ 485,027
Grand total				\$ 30,031,186		\$ 12,215,680	\$ 42,246,866

Details of Outstanding Loans

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.

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.

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.

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details 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.

Loan (2-A/D/G)

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

Loan (2-C / 2-F)

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

Loan (2-E)

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

Center #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.

Loan (1-I)

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

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.

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans

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.

Loan (1-E)

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

Loan (1-F)

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

Loan (1-G)

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

Loan (1-J)

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

Loan (2-A)

The loan is composed of three loans for different purposes. The first loan was issued in 1987 to provide the Southern California Gas Company to operate in the Downtown Project Area. The outstanding loan amount is \$228,000 with 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.

Loan (2-B)

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

Loan (2-F)

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

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans

Loan (2-G)

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

Loan (2-K)

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

Loan (3-A)

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

Valley / Durfee

Loan (1-C)

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

Loan (1-D)

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

Northwest

Loan (1-A)

The loan is composed 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.

NOTE 19 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Details of Outstanding Loans

Loan (1-B)

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

Loan (1-C)

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

Loan (1-D)

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

Loan (1-F)

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

Loan (1-I)

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

Management's Evaluation of Outstanding Loans

Management believes, in consultation with legal counsel, that the above obligations of the Dissolved RDA due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue.

REQUIRED SUPPLEMENTARY INFORMATION

City of El Monte
Budgetary Comparison by Department
General Fund
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 40,548,000	\$ 40,548,000	\$ 41,926,806	\$ 1,378,806
Licenses and permits	2,605,300	2,605,300	2,518,997	(86,303)
Intergovernmental	563,900	563,900	372,863	(191,037)
Charges for services	2,155,200	2,155,200	2,028,005	(127,195)
Use of money and property	114,000	114,000	350,974	236,974
Fines and forfeitures	1,317,400	1,317,400	1,719,778	402,378
Miscellaneous	1,371,800	1,371,800	1,507,833	136,033
Total revenues	48,675,600	48,675,600	50,425,256	1,749,656
Expenditures				
General Government				
City council	102,600	102,600	128,002	(25,402)
Administrative office	667,400	682,400	636,776	45,624
Purchasing	27,300	27,300	22,725	4,575
Finance	461,600	461,600	505,568	(43,968)
City treasurer	173,400	173,400	159,222	14,178
City attorney	859,000	859,000	3,483,821	(2,624,821)
Public information office	112,800	112,800	31,072	81,728
General city expense	9,618,400	9,616,199	9,968,965	(352,766)
Information technology	188,900	188,900	160,466	28,434
Insurance and surety	1,252,500	1,252,500	1,253,738	(1,238)
License collection	10,200	10,200	84,015	(73,815)
Valley Mall	42,000	42,000	27,449	14,551
El Monte Museum	29,600	29,600	27,860	1,740
Total general government	13,545,700	13,558,499	16,489,679	(2,931,180)
Public safety				
Code enforcement	158,400	158,400	160,625	(2,225)
Police	20,610,100	20,610,100	18,567,590	2,042,510
Parks and maintenance	-	-	130,884	(130,884)
Fire department	8,386,100	8,386,100	8,120,358	265,742
Police helicopter	957,700	957,700	1,016,826	(59,126)
Civil defense	12,000	12,000	10,226	1,774
Traffic safety program	20,800	20,800	92,613	(71,813)
Parking enforcement	106,000	106,000	101,332	4,668
Total public safety	30,251,100	30,251,100	28,200,454	2,050,646
Parks, recreation and cultural				
Parks and building maintenance	-	-	253,574	(253,574)
Maintenance and operations	-	-	261	(261)
Aquatic center project	551,800	551,800	622,739	(70,939)
Mall maintenance	-	-	43	(43)
Parks	532,800	532,800	512,927	19,873
Sports/playgrounds	6,000	6,000	47,348	(41,348)
Adult sports	20,300	20,300	114,398	(94,098)
Senior services	125,700	125,700	171,546	(45,846)
Administration	315,400	315,400	258,907	56,493
Communications and marketing	13,100	13,100	11,486	1,614
Contracted classes	39,400	39,400	48,555	(9,155)
Total parks, recreation and cultural	1,604,500	1,604,500	2,041,784	(437,284)

City of El Monte
Budgetary Comparison by Department
General Fund (Continued)
Year ended June 30, 2012

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
Public works				
Building and grounds maintenance	\$ 1,188,500	\$ 937,000	\$ 975,582	\$ (38,582)
Building regulation	300,000	300,000	281,491	18,509
City planning	48,000	43,100	212,068	(168,968)
Transportation	7,200	400	335	65
General engineering	5,000	-	419	(419)
Median maintenance	37,500	99,700	104,140	(4,440)
Parking lot maintenance	-	-	327	(327)
Community development	106,900	114,000	57,439	56,561
Engineering	29,100	34,100	5,237	28,863
Sewer	1,300	500	465	35
Parks and building maintenance	1,932,900	1,232,900	995,713	237,187
Beautification commission	53,000	53,000	112,719	(59,719)
Administration	377,100	377,100	608,514	(231,414)
Equipment maintenance	-	-	(570)	570
Street maintenance	17,400	456,500	453,029	3,471
Street signs and striping	900	248,800	246,481	2,319
Street sweeping	179,100	181,200	179,207	1,993
Traffic signal maintenance	70,000	182,000	231,206	(49,206)
Street lights	750,000	750,000	760,626	(10,626)
Street trees and parkways	48,200	144,000	153,770	(9,770)
Storm drains	2,000	2,000	4,273	(2,273)
Total public works	<u>5,154,100</u>	<u>5,156,300</u>	<u>5,382,471</u>	<u>(226,171)</u>
Capital outlay	37,000	37,000	37,672	(672)
Debt service:				
Principal retirement	725,000	725,000	725,000	-
Interest and fiscal charges	137,500	137,500	24,759	112,741
Total expenditures	<u>51,454,900</u>	<u>51,469,899</u>	<u>52,901,819</u>	<u>(1,431,920)</u>
Excess(deficiency) of revenues over expenditures	(2,779,300)	(2,794,299)	(2,476,563)	317,736
Other financing sources (uses)				
Transfers in	2,900,000	2,900,000	3,126,540	226,540
Transfers out	(131,000)	(131,000)	(432,510)	(301,510)
Net other financing sources (uses)	<u>2,769,000</u>	<u>2,769,000</u>	<u>2,694,030</u>	<u>(74,970)</u>
Change in fund balance	<u>(10,300)</u>	<u>(25,299)</u>	<u>217,467</u>	<u>242,766</u>
Fund balance, beginning of year	<u>27,313,295</u>	<u>27,313,295</u>	<u>27,313,295</u>	<u>-</u>
Fund balance, end of year	<u>\$ 27,302,995</u>	<u>\$ 27,287,996</u>	<u>\$ 27,530,762</u>	<u>\$ 242,766</u>

**City of El Monte
Budgetary Comparison
Retirement Fund
Year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ 9,809,800	\$ 9,809,800	\$ 11,123,309	\$ 1,313,509
Use of money and property	50,000	50,000	81,297	31,297
Miscellaneous	1,300,000	1,300,000	807,942	(492,058)
Total revenues	<u>11,159,800</u>	<u>11,159,800</u>	<u>12,012,548</u>	<u>852,748</u>
Expenditures				
General government	10,936,000	10,936,000	10,568,965	367,035
Total expenditures	<u>10,936,000</u>	<u>10,936,000</u>	<u>10,568,965</u>	<u>367,035</u>
Change in fund balance	<u>223,800</u>	<u>223,800</u>	<u>1,443,583</u>	<u>1,219,783</u>
Fund balances, beginning of year	<u>20,452,466</u>	<u>20,452,466</u>	<u>20,452,466</u>	<u>-</u>
Fund balances, end of year	<u>\$ 20,676,266</u>	<u>\$ 20,676,266</u>	<u>\$ 21,896,049</u>	<u>\$ 1,219,783</u>

**City of El Monte
Budgetary Comparison
Housing and Community Development Fund
Year ended June 30, 2012**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Intergovernmental	\$ 4,662,127	\$ 4,662,127	\$ 2,415,046	\$ (2,247,081)
Use of money and property	3,471,901	3,471,901	44,281	(3,427,620)
Miscellaneous	95,000	95,000	116,345	21,345
Total revenues	<u>8,229,028</u>	<u>8,229,028</u>	<u>2,575,672</u>	<u>(5,653,356)</u>
Expenditures				
Current:				
General government	-	-	513,000	(513,000)
Public safety	173,600	170,642	129,360	41,282
Parks, recreation and cultural	35,000	35,000	27,177	7,823
Economic development	2,143,065	2,196,448	1,091,801	1,104,647
Capital outlay	4,885,844	4,885,844	20,688	4,865,156
Debt service:				
Principal retirement	488,000	488,000	488,000	-
Interest and fiscal charges	408,500	408,500	420,134	(11,634)
Total expenditures	<u>8,134,009</u>	<u>8,184,434</u>	<u>2,690,160</u>	<u>5,494,274</u>
Excess(deficiency) of revenues over expenditures	<u>95,019</u>	<u>44,594</u>	<u>(114,488)</u>	<u>(159,082)</u>
Other financing sources (uses)				
Transfers in	391,000	391,000	-	391,000
Transfers out	(486,800)	(486,800)	-	(486,800)
Net other financing sources (uses)	<u>(95,800)</u>	<u>(95,800)</u>	<u>-</u>	<u>(95,800)</u>
Change in fund balance before extraordinary items	(781)	(51,206)	(114,488)	(63,282)
Extraordinary items	<u>-</u>	<u>-</u>	<u>465,972</u>	<u>465,972</u>
Net change in fund balances	(781)	(51,206)	351,484	402,690
Fund balances, beginning of year	<u>7,409,848</u>	<u>7,409,848</u>	<u>7,409,848</u>	<u>-</u>
Fund balances, end of year	<u>\$ 7,409,067</u>	<u>\$ 7,358,642</u>	<u>\$ 7,761,332</u>	<u>\$ 402,690</u>

City of El Monte
Schedule of Funding Progress – Retirement Plans
Year ended June 30, 2012

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
6/30/2009:						
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	\$ 285,916	\$ 346,907	\$ 60,991	82.4%	\$ 28,108	217.0%
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	\$ 296,382	\$ 351,284	\$ 54,902	84.4%	\$ 24,750	221.8%
6/30/2011:						
Miscellaneous	\$ 107,296	\$ 127,238	\$ 19,942	84.3%	\$ 9,996	199.5%
Safety	201,013	239,373	38,360	84.0%	13,545	283.2%
Total	\$ 308,309	\$ 366,611	\$ 58,302	84.1%	\$ 23,541	247.7%

Postemployment Health Benefits

Schedule of Funding Progress
(Amounts in Thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll (c)/(b-a)
6/30/2008	\$ -	\$ 52,584	\$ 52,584	0.0%	\$ 28,500	54.2%
6/30/2010	-	64,759	64,759	0.0%	24,750	38.2%
6/30/2011		68,419	68,419	0.0%	23,541	34.4%

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, 2012 exceeded the appropriations by the following amounts in the following fund:

Nonmajor Special Revenue Funds:

Air Quality Improvement	\$	80,586
AB 939		184,798
Miscellaneous Grants		645,676
Public Facilities		8,837
Quimby		234,872
Park Bond Act		2,973,267
Senior Citizen Program		22,758
Art in Public Places		7,830
Special Programs		83,578
Special Programs II		25,965
CDBG - ARRA		2,741
Transportation Development Act		204,830
COPS Hiring Recovery Program		54,288
Family Caregiver Support Services III E		13,883
Energy Efficiency Block Grant		776,883
Capital Projects Fund		6,788,341
2011 Lease Revenue Bond Capital Projects		84,724
2010 Lease Revenue Bond Debt Services		848,171

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SUPPLEMENTARY INFORMATION

	Special Revenue Funds		
	Emergency	Urban	Proposition
	Shelter Grant	Development Grant (UDAG)	A
ASSETS			
Cash and investments	\$ -	\$ 157,080	\$ 2,811,517
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Taxes	-	-	-
Notes and loans	-	63,918	-
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Land held for resale	-	-	-
Total assets	\$ -	\$ 220,998	\$ 2,811,517
LIABILITIES			
Accounts payable	\$ 7,947	\$ -	\$ 127,310
Deferred revenues	-	63,918	-
Deposits payable	-	-	-
Due to other governments	-	77,516	-
Due to other funds	28,823	-	-
Total liabilities	36,770	141,434	127,310
FUND BALANCES (DEFICIT)			
Nonspendable			
Loans receivable	-	-	-
Prepaid items	-	-	-
Land held for resale	-	-	-
Restricted			
Special revenue funds	-	79,564	2,684,207
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	(36,770)	-	-
Total fund balances (deficit)	(36,770)	79,564	2,684,207
Total liabilities and fund balances	\$ -	\$ 220,998	\$ 2,811,517

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2012**

Special Revenue Funds						
Housing Assets	Tree Mitigation & Planting Fund	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ 80,854	\$ 4,045	\$ 391,428	\$ 2,394,451	\$ 5,298,597	\$ 4,269,653	\$ 1,007,582
1,981,657	-	-	-	-	-	-
(194)	-	-	69,729	11,219	-	239,020
-	-	-	-	-	-	7,748
856,000	-	-	-	-	-	-
-	-	-	2,512	-	-	-
-	-	35,237	-	-	-	-
1,339,645	-	-	-	-	-	-
<u>\$ 4,257,962</u>	<u>\$ 4,045</u>	<u>\$ 426,665</u>	<u>\$ 2,466,692</u>	<u>\$ 5,309,816</u>	<u>\$ 4,269,653</u>	<u>\$ 1,254,350</u>
\$ -	\$ -	\$ -	\$ 13,668	\$ 863	\$ 5,842	\$ 64,667
-	-	-	-	-	-	-
7,600	-	-	2,375	-	-	84,147
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>7,600</u>	<u>-</u>	<u>-</u>	<u>16,043</u>	<u>863</u>	<u>5,842</u>	<u>148,814</u>
856,000	-	-	-	-	-	-
-	-	-	2,512	-	-	-
-	-	-	-	-	-	-
1,339,645	-	-	-	-	-	-
2,054,717	4,045	426,665	2,448,137	5,308,953	4,263,811	1,105,536
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,250,362</u>	<u>4,045</u>	<u>426,665</u>	<u>2,450,649</u>	<u>5,308,953</u>	<u>4,263,811</u>	<u>1,105,536</u>
<u>\$ 4,257,962</u>	<u>\$ 4,045</u>	<u>\$ 426,665</u>	<u>\$ 2,466,692</u>	<u>\$ 5,309,816</u>	<u>\$ 4,269,653</u>	<u>\$ 1,254,350</u>

	Special Revenue Funds		
	Supplemental Law Enforcement Safety Fund (SLES)	Advances	Local Law Enforcement Block Grant
ASSETS			
Cash and investments	\$ 192,001	\$ -	\$ -
Cash and investments with fiscal agent	-	-	-
Receivables:			
Accounts	-	-	-
Taxes	106,727	-	-
Notes and loans	-	-	-
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Land held for resale	-	-	-
Total assets	\$ 298,728	\$ -	\$ -
LIABILITIES			
Accounts payable	\$ -	\$ -	\$ -
Deferred revenues	-	-	-
Deposits payable	-	-	-
Due to other governments	-	-	-
Due to other funds	-	-	-
Total liabilities	-	-	-
FUND BALANCES (DEFICIT)			
Nonspendable			
Loans receivable	-	-	-
Prepaid items	-	-	-
Land held for resale	-	-	-
Restricted			
Special revenue funds	298,728	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Unassigned	-	-	-
Total fund balances (deficit)	298,728	-	-
Total liabilities and fund balances	\$ 298,728	\$ -	\$ -

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2012**

Special Revenue Funds						
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Park Bond Act	Senior Citizen Program	Children's Lunch Program
\$ -	\$ 334,442	\$ -	\$ -	\$ -	\$ 45,771	\$ 33,853
-	-	-	-	-	-	-
-	-	-	26	-	-	127,966
-	-	-	-	-	-	-
-	-	-	-	-	-	-
878,683	-	-	4,080	1,932,282	8,859	-
-	-	-	-	-	-	-
<u>\$ 878,683</u>	<u>\$ 334,442</u>	<u>\$ -</u>	<u>\$ 4,106</u>	<u>\$ 1,932,282</u>	<u>\$ 54,630</u>	<u>\$ 161,819</u>
\$ 4,853	-	\$ 70	\$ 516	-	\$ 6,183	\$ 120
486,676	-	-	-	419,509	-	161,699
-	70,814	-	-	-	-	-
-	-	-	-	-	-	-
865,084	-	-	2,223	1,932,282	-	-
<u>1,356,613</u>	<u>70,814</u>	<u>70</u>	<u>2,739</u>	<u>2,351,791</u>	<u>6,183</u>	<u>161,819</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	263,628	(70)	1,367	-	48,447	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
(477,930)	-	-	-	(419,509)	-	-
<u>(477,930)</u>	<u>263,628</u>	<u>(70)</u>	<u>1,367</u>	<u>(419,509)</u>	<u>48,447</u>	<u>-</u>
<u>\$ 878,683</u>	<u>\$ 334,442</u>	<u>\$ -</u>	<u>\$ 4,106</u>	<u>\$ 1,932,282</u>	<u>\$ 54,630</u>	<u>\$ 161,819</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	\$ 222,662	\$ 105,509	\$ -	\$ 269,678	\$ 92,908
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	31,587	-	-	8,961
Taxes	-	-	-	-	-
Notes and loans	-	-	-	-	-
Prepaid expenses	-	800	-	-	278
Due from other governments	-	-	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 222,662	\$ 137,896	\$ -	\$ 269,678	\$ 102,147
LIABILITIES					
Accounts payable	\$ -	\$ 5,613	\$ -	\$ -	\$ 4,519
Deferred revenues	-	-	-	-	-
Deposits payable	-	-	-	-	17,117
Due to other governments	-	-	-	-	-
Due to other funds	-	-	41,350	-	-
Total liabilities	-	5,613	41,350	-	21,636
FUND BALANCES (DEFICIT)					
Nonspendable					
Loans receivable	-	-	-	-	-
Prepaid items	-	800	-	-	278
Land held for resale	-	-	-	-	-
Restricted					
Special revenue funds	222,662	131,483	(41,350)	269,678	80,233
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	222,662	132,283	(41,350)	269,678	80,511
Total liabilities and fund balances	\$ 222,662	\$ 137,896	\$ -	\$ 269,678	\$ 102,147

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2012**

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	
\$ 45,030	\$ 1,957,329	\$ -	\$ 149	\$ -	\$ -	\$ -	\$ -	\$ 48,675
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	250,000
-	-	-	-	125,180	-	-	-	-
-	-	-	-	-	-	-	-	-
<u>\$ 45,030</u>	<u>\$ 1,957,329</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 125,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,675</u>
\$ 4,257	\$ -	\$ -	\$ 149	\$ 34,285	\$ -	\$ -	\$ -	\$ 1,473
-	-	-	-	-	-	-	-	-
16,416	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	250,000
-	-	2,740	-	116,699	-	-	-	-
<u>20,673</u>	<u>-</u>	<u>2,740</u>	<u>149</u>	<u>150,984</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>251,473</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
24,357	1,957,329	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	(2,740)	-	(25,804)	-	-	-	47,202
<u>24,357</u>	<u>1,957,329</u>	<u>(2,740)</u>	<u>-</u>	<u>(25,804)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,202</u>
<u>\$ 45,030</u>	<u>\$ 1,957,329</u>	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 125,180</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 298,675</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	\$ 355	\$ -	\$ 1,193	\$ 160	\$ -
Cash and investments with fiscal agent	-	-	-	-	-
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Notes and loans	-	-	-	-	-
Prepaid expenses	-	-	-	-	-
Due from other governments	-	255,575	-	-	-
Land held for resale	-	-	-	-	-
Total assets	\$ 355	\$ 255,575	\$ 1,193	\$ 160	\$ -
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 1,193	\$ -	\$ -
Deferred revenues	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Due to other funds	-	255,575	-	-	-
Total liabilities	-	255,575	1,193	-	-
FUND BALANCES (DEFICIT)					
Nonspendable					
Loans receivable	-	-	-	-	-
Prepaid items	-	-	-	-	-
Land held for resale	-	-	-	-	-
Restricted					
Special revenue funds	355	-	-	160	-
Capital projects funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	355	-	-	160	-
Total liabilities and fund balances	\$ 355	\$ 255,575	\$ 1,193	\$ 160	\$ -

**City of El Monte
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2012**

Capital Projects Funds				Debt Service Funds		Totals
2010 Lease Revenue Bonds	2011 Lease Revenue Bond	Capital Projects Fund	RDA Capital Projects Fund	2010 Lease Revenue Bonds	Debt Service RDA	
\$ -	\$ -	\$ 138,520	\$ -	\$ -	\$ -	\$ 19,903,442
3,604,002	10,027,010	591,206	-	1,250,933	-	17,454,808
-	-	1,458	-	-	-	489,772
-	-	-	-	-	-	114,475
-	-	-	-	-	-	1,169,918
-	-	737	-	-	-	4,327
-	-	-	-	-	-	3,239,896
-	-	-	-	-	-	1,339,645
<u>\$ 3,604,002</u>	<u>\$ 10,027,010</u>	<u>\$ 731,921</u>	<u>\$ -</u>	<u>\$ 1,250,933</u>	<u>\$ -</u>	<u>\$ 43,716,283</u>
\$ -	\$ -	\$ 1,179,681	\$ -	\$ -	\$ -	\$ 1,463,209
-	-	-	-	-	-	1,131,802
-	-	408,803	-	-	-	607,272
-	-	-	-	-	-	327,516
-	84,724	-	-	-	-	3,329,500
-	<u>84,724</u>	<u>1,588,484</u>	-	-	-	<u>6,859,299</u>
-	-	-	-	-	-	856,000
-	-	737	-	-	-	4,327
-	-	-	-	-	-	-
-	-	-	-	-	-	1,339,645
-	-	-	-	-	-	21,632,642
3,604,002	9,942,286	(857,300)	-	-	-	12,688,988
-	-	-	-	1,250,933	-	1,250,933
-	-	-	-	-	-	(915,551)
<u>3,604,002</u>	<u>9,942,286</u>	<u>(856,563)</u>	-	<u>1,250,933</u>	-	<u>36,856,984</u>
<u>\$ 3,604,002</u>	<u>\$ 10,027,010</u>	<u>\$ 731,921</u>	<u>\$ -</u>	<u>\$ 1,250,933</u>	<u>\$ -</u>	<u>\$ 43,716,283</u>

	Special Revenue Funds			
	Emergency	Urban	Proposition	Housing
	Shelter Grant	Development Grant (UDAG)	A	Assets
Revenues				
Taxes	\$ -	\$ -	\$ 1,848,013	\$ -
Intergovernmental	35,265	-	336,369	-
Charges for services	-	-	-	-
Use of money and property	-	413	9,559	158
Contributions	-	-	-	-
Miscellaneous	-	-	7,923	10,082
Total revenues	<u>35,265</u>	<u>413</u>	<u>2,201,864</u>	<u>10,240</u>
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	-	-
Public works	-	-	1,644,627	-
Economic development	72,014	115	-	2,493
Capital outlay	-	-	138,010	-
Debt service:	-	-	-	-
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance cost and underwriter's discount	-	-	-	-
Total expenditures	<u>72,014</u>	<u>115</u>	<u>1,782,637</u>	<u>2,493</u>
Excess (deficiency) of revenues over expenditures	<u>(36,749)</u>	<u>298</u>	<u>419,227</u>	<u>7,747</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances before extraordinary items	<u>(36,749)</u>	<u>298</u>	<u>419,227</u>	<u>7,747</u>
Extraordinary items		<u>(324,259)</u>		<u>4,242,615</u>
Net change in fund balances	<u>(36,749)</u>	<u>(323,961)</u>	<u>419,227</u>	<u>4,250,362</u>
Fund balances, beginning of year	<u>(21)</u>	<u>403,525</u>	<u>2,264,980</u>	<u>-</u>
Fund balances, end of year	<u>\$ (36,770)</u>	<u>\$ 79,564</u>	<u>\$ 2,684,207</u>	<u>\$ 4,250,362</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2012

Special Revenue Funds					
Tree Mitigation & Planting Fund	Air Quality Improvement Fund	Police/ Narcotics Forfeiture	Proposition C	Special Gas Tax	AB 939
\$ -	\$ -	\$ -	\$ 1,533,933	\$ 3,509,676	\$ 907,256
-	142,746	1,395,947	51,291	1,877,351	-
-	-	-	-	-	561,109
-	1,411	6,168	17,414	10,096	-
-	-	-	-	-	-
4,045	-	-	-	-	-
<u>4,045</u>	<u>144,157</u>	<u>1,402,115</u>	<u>1,602,638</u>	<u>5,397,123</u>	<u>1,468,365</u>
-	-	-	-	-	-
-	-	32,151	-	-	-
-	-	-	-	-	-
-	162,956	-	513,436	-	-
-	-	-	-	-	1,341,698
-	-	207,120	143,400	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	<u>162,956</u>	<u>239,271</u>	<u>656,836</u>	<u>-</u>	<u>1,341,698</u>
<u>4,045</u>	<u>(18,799)</u>	<u>1,162,844</u>	<u>945,802</u>	<u>5,397,123</u>	<u>126,667</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	(3,006,901)	(81,123)
-	-	-	-	<u>(3,006,901)</u>	<u>(81,123)</u>
<u>4,045</u>	<u>(18,799)</u>	<u>1,162,844</u>	<u>945,802</u>	<u>2,390,222</u>	<u>45,544</u>
-	-	-	-	-	-
<u>4,045</u>	<u>(18,799)</u>	<u>1,162,844</u>	<u>945,802</u>	<u>2,390,222</u>	<u>45,544</u>
-	445,464	1,287,805	4,363,151	1,873,589	1,059,992
<u>\$ 4,045</u>	<u>\$ 426,665</u>	<u>\$ 2,450,649</u>	<u>\$ 5,308,953</u>	<u>\$ 4,263,811</u>	<u>\$ 1,105,536</u>

	Special Revenue Funds		
	Supplemental Law Enforcement Safety Fund (SLES)	Advances	Local Law Enforcement Block Grant
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	242,112	-	-
Charges for services	-	-	-
Use of money and property	525	-	94
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>242,637</u>	<u>-</u>	<u>94</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	59,925	-	-
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>59,925</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>182,712</u>	<u>-</u>	<u>94</u>
Other financing sources (uses)			
Bond issuance	-	-	-
Transfers in	-	-	-
Transfers out	-	-	(63,969)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(63,969)</u>
Change in fund balances before extraordinary items	182,712	-	(63,875)
Extraordinary items	-	(78,804,829)	-
Net change in fund balances	182,712	(78,804,829)	(63,875)
Fund balances, beginning of year	116,016	78,804,829	63,875
Fund balances, end of year	<u>\$ 298,728</u>	<u>\$ -</u>	<u>\$ -</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2012

Special Revenue Funds					
Miscellaneous Grants	Public Facilities	Quimby	Older Americans Act	Park Bond Act	Senior Citizen Program
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
815,751	-	18,096	48,833	2,422,835	106,449
-	33,346	-	-	-	-
-	1,149	-	-	-	-
-	-	-	-	-	-
-	-	-	1,138	-	26,176
<u>815,751</u>	<u>34,495</u>	<u>18,096</u>	<u>49,971</u>	<u>2,422,835</u>	<u>132,625</u>
-	-	-	-	-	-
51,325	-	-	-	-	-
229,255	8,837	56,389	57,296	-	151,258
-	-	-	-	-	-
66,692	-	-	-	-	-
512,404	-	178,483	-	2,973,267	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>859,676</u>	<u>8,837</u>	<u>234,872</u>	<u>57,296</u>	<u>2,973,267</u>	<u>151,258</u>
<u>(43,925)</u>	<u>25,658</u>	<u>(216,776)</u>	<u>(7,325)</u>	<u>(550,432)</u>	<u>(18,633)</u>
-	-	-	-	-	-
352,098	-	-	7,325	756,434	18,633
-	-	(534,543)	-	-	-
<u>352,098</u>	<u>-</u>	<u>(534,543)</u>	<u>7,325</u>	<u>756,434</u>	<u>18,633</u>
308,173	25,658	(751,319)	-	206,002	-
-	-	-	-	-	-
308,173	25,658	(751,319)	-	206,002	-
(786,103)	237,970	751,249	1,367	(625,511)	48,447
<u>\$ (477,930)</u>	<u>\$ 263,628</u>	<u>\$ (70)</u>	<u>\$ 1,367</u>	<u>\$ (419,509)</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	270,675	-	-	-
Charges for services	-	132,044	118,061	-
Use of money and property	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>270,675</u>	<u>132,044</u>	<u>118,061</u>	<u>-</u>
Expenditures				
Current:				
General government	-	71,400	79,341	-
Public safety	-	-	-	-
Parks, recreation and cultural	303,252	-	-	-
Public works	-	-	-	-
Economic development	-	-	-	-
Capital outlay	-	-	780	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Issuance cost and underwriter's discount	-	-	-	-
Total expenditures	<u>303,252</u>	<u>71,400</u>	<u>80,121</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(32,577)</u>	<u>60,644</u>	<u>37,940</u>	<u>-</u>
Other financing sources (uses)				
Bond issuance	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(54,849)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(54,849)</u>
Change in fund balances before extraordinary items	<u>(32,577)</u>	<u>60,644</u>	<u>37,940</u>	<u>(54,849)</u>
Extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(32,577)</u>	<u>60,644</u>	<u>37,940</u>	<u>(54,849)</u>
Fund balances, beginning of year	<u>32,577</u>	<u>162,018</u>	<u>94,343</u>	<u>13,499</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 222,662</u>	<u>\$ 132,283</u>	<u>\$ (41,350)</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2012

Special Revenue Funds					
Art in Public Places	Special Programs	Special Programs II	Measure R	CDBG ARRA	State Stimulus
\$ -	\$ 22,366	\$ -	\$ 1,142,221	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	25,391	-	6,613	-	-
21,000	105,908	72,729	-	-	-
-	-	-	-	-	-
<u>21,000</u>	<u>153,665</u>	<u>72,729</u>	<u>1,148,834</u>	<u>-</u>	<u>-</u>
7,830	-	-	-	-	-
-	54,593	-	-	-	-
-	128,925	58,765	-	-	-
-	-	-	238,437	-	-
-	-	-	-	2,741	-
-	-	-	-	-	-
-	-	-	444,092	-	-
-	-	-	-	-	-
<u>7,830</u>	<u>183,518</u>	<u>58,765</u>	<u>682,529</u>	<u>2,741</u>	<u>-</u>
<u>13,170</u>	<u>(29,853)</u>	<u>13,964</u>	<u>466,305</u>	<u>(2,741)</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	17,931
-	(132,631)	-	-	-	-
-	(132,631)	-	-	-	17,931
13,170	(162,484)	13,964	466,305	(2,741)	17,931
-	-	-	-	-	-
13,170	(162,484)	13,964	466,305	(2,741)	17,931
<u>256,508</u>	<u>242,995</u>	<u>10,393</u>	<u>1,491,024</u>	<u>1</u>	<u>(17,931)</u>
<u>\$ 269,678</u>	<u>\$ 80,511</u>	<u>\$ 24,357</u>	<u>\$ 1,957,329</u>	<u>\$ (2,740)</u>	<u>\$ -</u>

	Special Revenue Funds		
	Federal Stimulus	ARRA Transportation Efficiency Act (TEA) State	ARRA Regional Surface Transportation Program (RSTP) Federal
Revenues			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	285,801	-	-
Charges for services	-	-	-
Use of money and property	-	-	-
Contributions	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>285,801</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General government	-	-	-
Public safety	-	-	-
Parks, recreation and cultural	-	-	-
Public works	-	-	-
Economic development	309,442	-	-
Capital outlay	-	-	-
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Issuance cost and underwriter's discount	-	-	-
Total expenditures	<u>309,442</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(23,641)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)			
Bond issuance	-	-	-
Transfers in	-	12,708	-
Transfers out	-	-	(12,708)
Net other financing sources (uses)	<u>-</u>	<u>12,708</u>	<u>(12,708)</u>
Change in fund balances before extraordinary items	<u>(23,641)</u>	<u>12,708</u>	<u>(12,708)</u>
Extraordinary items	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(23,641)</u>	<u>12,708</u>	<u>(12,708)</u>
Fund balances, beginning of year	<u>(2,163)</u>	<u>(12,708)</u>	<u>12,708</u>
Fund balances, end of year	<u>\$ (25,804)</u>	<u>\$ -</u>	<u>\$ -</u>

City of El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
Year ended June 30, 2012

Special Revenue Funds					
CalHome Grant	Transportation Development Act Fund	COPS Hiring Recovery Program	Family Caregiver Support Services IIIE	Energy Efficiency Block Grant	AB764 Linkages
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	(66,826)	866,062	10,801	776,883	-
-	-	-	-	-	-
-	-	-	-	160	-
-	-	-	-	-	-
50,000	-	-	-	-	-
<u>50,000</u>	<u>(66,826)</u>	<u>866,062</u>	<u>10,801</u>	<u>777,043</u>	<u>-</u>
-	-	-	-	-	-
-	-	866,064	-	-	-
-	-	-	13,883	-	-
-	-	-	-	-	-
2,798	-	-	-	-	-
-	204,830	-	-	776,883	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,798</u>	<u>204,830</u>	<u>866,064</u>	<u>13,883</u>	<u>776,883</u>	<u>-</u>
-	-	-	-	-	-
<u>47,202</u>	<u>(271,656)</u>	<u>(2)</u>	<u>(3,082)</u>	<u>160</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	3,121	-	22
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>3,121</u>	<u>-</u>	<u>22</u>
47,202	(271,656)	(2)	39	160	22
-	-	-	-	-	-
47,202	(271,656)	(2)	39	160	22
-	272,011	2	(39)	-	(22)
<u>\$ 47,202</u>	<u>\$ 355</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160</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, 2012

	Capital Projects Fund				Debt Service Funds		Totals
	2010	2011	Capital	RDA Capital	2010	Debt Service	
	Lease Revenue Bonds	Lease Revenue Bonds	Projects Fund	Projects Fund	Lease Revenue Bonds	RDA	
Revenues							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,318,579	\$ 12,282,044
Intergovernmental	-	-	-	-	331,244	462,701	10,430,386
Charges for services	-	-	-	1,912	-	-	846,472
Use of money and property	-	27,010	-	560,363	518,575	536	1,185,635
Contributions	-	-	-	-	-	-	199,637
Miscellaneous	-	-	-	-	-	-	99,364
Total revenues	<u>-</u>	<u>27,010</u>	<u>-</u>	<u>562,275</u>	<u>849,819</u>	<u>3,781,816</u>	<u>25,043,538</u>
Expenditures							
Current:							
General government	-	-	172,089	-	-	1,427,662	1,758,322
Public safety	-	-	-	-	-	-	1,064,058
Parks, recreation and cultural	-	-	-	-	-	-	1,007,860
Public works	-	-	-	-	-	-	2,559,456
Economic development	-	84,724	-	457,198	-	-	2,339,915
Capital outlay	-	-	6,616,252	952,525	-	-	12,703,954
Debt service:							
Principal retirement	-	-	-	-	79,040	560,960	640,000
Interest and fiscal charges	-	-	-	-	769,131	1,811,743	3,024,966
Issuance cost and underwriter's discount	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>84,724</u>	<u>6,788,341</u>	<u>1,409,723</u>	<u>848,171</u>	<u>3,800,365</u>	<u>25,098,531</u>
Excess (deficiency) of revenues over expenditures	-	(57,714)	(6,788,341)	(847,448)	1,648	(18,549)	(54,993)
Other financing sources (uses)							
Bond issuance	-	10,000,000	-	-	-	-	10,000,000
Transfers in	-	-	5,072,874	-	-	93	6,241,239
Transfers out	(5,064,840)	-	-	-	-	(93)	(8,951,657)
Net other financing sources (uses)	<u>(5,064,840)</u>	<u>10,000,000</u>	<u>5,072,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,289,582</u>
Change in fund balances before extraordinary items	(5,064,840)	9,942,286	(1,715,467)	(847,448)	1,648	(18,549)	7,234,589
Extraordinary items	-	-	-	82,791,086	-	(5,234,208)	2,670,405
Net change in fund balances	(5,064,840)	9,942,286	(1,715,467)	81,943,638	1,648	(5,252,757)	9,904,994
Fund balances, beginning of year	8,668,842	-	858,904	(81,943,638)	1,249,285	5,252,757	26,951,990
Fund balances, end of year	<u>\$ 3,604,002</u>	<u>\$ 9,942,286</u>	<u>\$ (856,563)</u>	<u>\$ -</u>	<u>\$ 1,250,933</u>	<u>\$ -</u>	<u>\$ 36,856,984</u>

**City of El Monte
 Budgetary Comparison Schedule
 Emergency Shelter Grant
 Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 118,300	\$ 118,300	\$ 35,265	\$ (83,035)
Total revenues	208,000	208,000	35,265	(172,735)
Expenditures				
Current:				
Economic development	208,000	208,000	72,014	135,986
Total expenditures	208,000	208,000	72,014	135,986
Change in fund balance	-	-	(36,749)	(36,749)
Fund balances, beginning of year	(21)	(21)	(21)	-
Fund balances, end of year	\$ (21)	\$ (21)	\$ (36,770)	\$ (36,749)

**City of El Monte
Budgetary Comparison Schedule
Urban Development Grant (UDAG)
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ 1,000	\$ 1,000	\$ 413	\$ (587)
Miscellaneous	32,300	32,300	-	(32,300)
Total revenues	1,000	33,300	413	(32,887)
Expenditures				
Economic development	21,300	21,300	115	21,185
Change in fund balance before extraordinary items	(20,300)	12,000	298	(11,702)
Extraordinary item	-	-	(324,259)	(324,259)
Change in fund balance	(20,300)	12,000	(323,961)	(335,961)
Fund balances, beginning of year	403,525	403,525	403,525	-
Fund balances, end of year	\$ 383,225	\$ 415,525	\$ 79,564	\$ (335,961)

**City of El Monte
Budgetary Comparison Schedule
Proposition A
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,740,700	\$ 1,740,700	\$ 1,848,013	\$ 107,313
Intergovernmental	160,500	160,500	336,369	175,869
Charges for services	57,200	57,200	-	(57,200)
Use of money and property	5,000	5,000	9,559	4,559
Miscellaneous	7,600	7,600	7,923	323
Total revenues	<u>1,971,000</u>	<u>1,971,000</u>	<u>2,201,864</u>	<u>230,864</u>
Expenditures				
Public works	1,788,600	1,864,300	1,644,627	219,673
Capital outlay	145,200	795,200	138,010	657,190
Total expenditures	<u>1,933,800</u>	<u>2,659,500</u>	<u>1,782,637</u>	<u>876,863</u>
Change in fund balance	37,200	(688,500)	419,227	1,107,727
Fund balances, beginning of year	<u>2,264,980</u>	<u>2,264,980</u>	<u>2,264,980</u>	-
Fund balances, end of year	<u>\$ 2,302,180</u>	<u>\$ 1,576,480</u>	<u>\$ 2,684,207</u>	<u>\$ 1,107,727</u>

**City of El Monte
Budgetary Comparison Schedule
Tree Mitigation and Planting Fund
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 32,300	\$ 32,300	\$ -	\$ (32,300)
Use of money and property	1,000	1,000	-	(1,000)
Miscellaneous	-	-	4,045	4,045
Total revenues	<u>33,300</u>	<u>33,300</u>	<u>4,045</u>	<u>(29,255)</u>
Expenditures				
Current:				
Economic development	21,300	21,300	-	21,300
Total expenditures	<u>21,300</u>	<u>21,300</u>	<u>-</u>	<u>21,300</u>
Change in fund balance	12,000	12,000	4,045	(7,955)
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ 4,045</u>	<u>\$ (7,955)</u>

City of El Monte
Budgetary Comparison Schedule
Air Quality
Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 140,000	\$ 140,000	\$ 142,746	\$ 2,746
Use of money and property	-	-	1,411	1,411
Total revenues	<u>140,000</u>	<u>140,000</u>	<u>144,157</u>	<u>4,157</u>
Expenditures				
Current:				
Public works	82,100	82,100	162,956	(80,856)
Total expenditures	<u>82,100</u>	<u>82,100</u>	<u>162,956</u>	<u>(80,856)</u>
Change in fund balance	57,900	57,900	(18,799)	(76,699)
Fund balances, beginning of year	445,464	445,464	445,464	-
Fund balances, end of year	\$ <u>503,364</u>	\$ <u>503,364</u>	\$ <u>426,665</u>	\$ <u>(76,699)</u>

**City of El Monte
Budgetary Comparison Schedule
Police/Narcotics Forfeiture
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 337,300	\$ 337,300	\$ 1,395,947	\$ 1,058,647
Use of money and property	11,000	11,000	6,168	(4,832)
Total revenues	<u>348,300</u>	<u>348,300</u>	<u>1,402,115</u>	<u>1,053,815</u>
Expenditures				
Current:				
Public Safety	353,500	353,500	32,151	321,349
Capital outlay	-	-	207,120	(207,120)
Total expenditures	<u>353,500</u>	<u>353,500</u>	<u>239,271</u>	<u>114,229</u>
Change in fund balance	(5,200)	(5,200)	1,162,844	1,168,044
Fund balances, beginning of year	<u>1,287,805</u>	<u>1,287,805</u>	<u>1,287,805</u>	<u>-</u>
Fund balances, end of year	<u>\$ 1,282,605</u>	<u>\$ 1,282,605</u>	<u>\$ 2,450,649</u>	<u>\$ 1,168,044</u>

City of El Monte
Budgetary Comparison Schedule
Proposition C
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,443,800	\$ 1,443,800	\$ 1,533,933	\$ 90,133
Intergovernmental	45,200	45,200	51,291	6,091
Use of money and property	5,000	5,000	17,414	12,414
Total revenues	<u>1,494,000</u>	<u>1,494,000</u>	<u>1,602,638</u>	<u>108,638</u>
Expenditures				
Current:				
Public works	747,400	907,700	513,436	394,264
Capital outlay	662,500	662,500	143,400	519,100
Total expenditures	<u>1,409,900</u>	<u>1,570,200</u>	<u>656,836</u>	<u>913,364</u>
Change in fund balance	84,100	(76,200)	945,802	1,022,002
Fund balances, beginning of year	<u>4,363,151</u>	<u>4,363,151</u>	<u>4,363,151</u>	-
Fund balances, end of year	<u>\$ 4,447,251</u>	<u>\$ 4,286,951</u>	<u>\$ 5,308,953</u>	<u>\$ 1,022,002</u>

City of El Monte
Budgetary Comparison Schedule
Special Gas Tax
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,915,000	\$ 1,915,000	\$ 3,509,676	\$ 1,594,676
Intergovernmental	1,000,000	1,000,000	1,877,351	877,351
Use of money and property	15,000	15,000	10,096	(4,904)
Total revenues	2,930,000	2,930,000	5,397,123	2,467,123
Expenditures				
Public works	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	2,930,000	2,930,000	5,397,123	2,467,123
Other financing sources (uses)				
Transfers out	(2,930,000)	(2,930,000)	(3,006,901)	(76,901)
Change in fund balance	-	-	2,390,222	2,390,222
Fund balances, beginning of year	1,873,589	1,873,589	1,873,589	-
Fund balances, end of year	\$ 1,873,589	\$ 1,873,589	\$ 4,263,811	\$ 2,390,222

City of El Monte
Budgetary Comparison Schedule
AB 939
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 847,900	\$ 847,900	\$ 907,256	\$ 59,356
Charges for services	205,700	205,700	561,109	355,409
Use of money and property	4,000	4,000	-	(4,000)
Total revenues	1,057,600	1,057,600	1,468,365	410,765
Expenditures				
Current:				
Economic development	1,156,900	1,156,900	1,341,698	(184,798)
Total expenditures	1,156,900	1,156,900	1,341,698	(184,798)
Excess (deficiency) of revenues over expenditures	(99,300)	(99,300)	126,667	225,967
Other financing sources				
Transfers out	-	-	(81,123)	(81,123)
Change in fund balance	(99,300)	(99,300)	45,544	144,844
Fund balances, beginning of year	1,059,992	1,059,992	1,059,992	-
Fund balances, end of year	\$ 960,692	\$ 960,692	\$ 1,105,536	\$ 144,844

City of El Monte
Budgetary Comparison Schedule
Supplemental Law Enforcement Safety (SLES)
Year ended June 30, 2012

		<u>Original Budget</u>		<u>Final Budget</u>		<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues							
Intergovernmental	\$	240,000	\$	240,000	\$	242,112	\$ 2,112
Use of money and property		<u>1,500</u>		<u>1,500</u>		<u>525</u>	<u>(975)</u>
Total revenues		<u>241,500</u>		<u>241,500</u>		<u>242,637</u>	<u>1,137</u>
Expenditures							
Current:							
Public Safety		<u>192,800</u>		<u>192,800</u>		<u>59,925</u>	<u>132,875</u>
Total expenditures		<u>192,800</u>		<u>192,800</u>		<u>59,925</u>	<u>132,875</u>
Change in fund balance		48,700		48,700		182,712	134,012
Fund balances, beginning of year		<u>116,016</u>		<u>116,016</u>		<u>116,016</u>	<u>-</u>
Fund balances, end of year	\$	<u><u>164,716</u></u>	\$	<u><u>164,716</u></u>	\$	<u><u>298,728</u></u>	\$ <u><u>134,012</u></u>

**City of El Monte
 Budgetary Comparison Schedule
 Local Law Enforcement Block Grant
 Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 94	\$ 94
Total revenues	-	-	94	94
Other financing sources (uses)				
Transfers out	-	-	(63,969)	(63,969)
Net other financing sources (uses)	-	-	(63,969)	(63,969)
Change in fund balance	-	-	(63,875)	(63,875)
Fund balances, beginning of year	63,875	63,875	63,875	-
Fund balances, end of year	\$ 63,875	\$ 63,875	\$ -	\$ (63,875)

City of El Monte
Budgetary Comparison Schedule
Miscellaneous Grants
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 213,600	\$ 213,600	\$ 815,751	\$ 602,151
Total revenues	<u>213,600</u>	<u>213,600</u>	<u>815,751</u>	<u>602,151</u>
Expenditures				
Current:				
Public safety	-	-	51,325	(51,325)
Parks, recreation and culture	110,600	110,600	229,255	(118,655)
Economic development	103,400	103,400	66,692	36,708
Capital outlay	-	-	512,404	(512,404)
Total expenditures	<u>214,000</u>	<u>214,000</u>	<u>859,676</u>	<u>(645,676)</u>
Excess (deficiency) of revenues over expenditures	(400)	(400)	(43,925)	(43,525)
Other financing sources (uses)				
Transfers in	-	-	352,098	352,098
Net change in fund balance	<u>(400)</u>	<u>(400)</u>	<u>308,173</u>	<u>308,573</u>
Fund balances, beginning of year	(786,103)	(786,103)	(786,103)	-
Fund balances, end of year	<u>\$ (786,503)</u>	<u>\$ (786,503)</u>	<u>\$ (477,930)</u>	<u>\$ 308,573</u>

City of El Monte
Budgetary Comparison Schedule
Public Facilities
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 9,000	\$ 9,000	\$ 33,346	\$ 24,346
Use of money and property	5,000	5,000	1,149	(3,851)
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>34,495</u>	<u>20,495</u>
Expenditures				
Current:				
Parks, recreation and culture	-	-	8,837	(8,837)
Total expenditures	<u>-</u>	<u>-</u>	<u>8,837</u>	<u>(8,837)</u>
Change in fund balance	14,000	14,000	25,658	11,658
Fund balances, beginning of year	237,970	237,970	237,970	-
Fund balances, end of year	<u>\$ 251,970</u>	<u>\$ 251,970</u>	<u>\$ 263,628</u>	<u>\$ 11,658</u>

City of El Monte
Budgetary Comparison Schedule
Quimby
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 18,096	\$ 17,096
Use of money and property	5,000	5,000	-	(5,000)
Total revenues	6,000	6,000	18,096	12,096
Expenditures				
Current:				
Parks, recreation and culture	-	-	56,389	(56,389)
Capital outlay	-	-	178,483	(178,483)
Total expenditures	-	-	234,872	(234,872)
Excess (deficiency) of revenues over expenditures	6,000	6,000	(216,776)	(222,776)
Other financing sources (uses)				
Transfers out	-	-	(534,543)	(534,543)
Net other financing sources (uses)	-	-	(534,543)	(534,543)
Change in fund balance	6,000	6,000	(751,319)	(757,319)
Fund balances, beginning of year	751,249	751,249	751,249	-
Fund balances, end of year	\$ 757,249	\$ 757,249	\$ (70)	\$ (757,319)

City of El Monte
Budgetary Comparison Schedule
Older Americans Act
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 237,000	\$ 237,000	\$ 48,833	\$ (188,167)
Miscellaneous	1,000	1,000	1,138	138
Total revenues	238,000	238,000	49,971	(188,029)
Expenditures				
Current:				
Park, recreation and cultural	123,700	123,700	57,296	66,404
Total expenditures	123,700	123,700	57,296	66,404
Excess (deficiency) of revenues over expenditures	114,300	114,300	(7,325)	(121,625)
Other financing sources (uses)				
Transfers in	-	-	7,325	7,325
Net other financing sources (uses)	-	-	7,325	7,325
Change in fund balance	114,300	114,300	-	(114,300)
Fund balances, beginning of year	1,367	1,367	1,367	-
Fund balances, end of year	\$ 115,667	\$ 115,667	\$ 1,367	\$ (114,300)

City of El Monte
Budgetary Comparison Schedule
Park Bond Act
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 250,000	\$ 250,000	\$ 2,422,835	\$ 2,172,835
Total revenues	250,000	250,000	2,422,835	2,172,835
Expenditures				
Current:				
General government	-	-	-	-
Park, recreation and cultural	-	-	-	-
Capital outlay	-	-	2,973,267	(2,973,267)
Total expenditures	-	-	2,973,267	(2,973,267)
Excess (deficiency) of revenues over expenditures	250,000	250,000	(550,432)	(800,432)
Other financing sources (uses)				
Transfers in	-	-	756,434	756,434
Change in fund balance	250,000	250,000	206,002	(43,998)
Fund balances, beginning of year	(625,511)	(625,511)	(625,511)	-
Fund balances, end of year	\$ (375,511)	\$ (375,511)	\$ (419,509)	\$ (43,998)

City of El Monte
Budgetary Comparison Schedule
Senior Citizen Program
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 287,800	\$ 287,800	\$ 106,449	\$ (181,351)
Miscellaneous	45,000	45,000	26,176	(18,824)
Total revenues	<u>332,800</u>	<u>332,800</u>	<u>132,625</u>	<u>(200,175)</u>
Expenditures				
Current:				
Parks, recreation and cultural	128,500	128,500	151,258	(22,758)
Total expenditures	<u>128,500</u>	<u>128,500</u>	<u>151,258</u>	<u>(22,758)</u>
Excess (deficiency) of revenues over expenditures	204,300	204,300	(18,633)	(222,933)
Other financing sources (uses)				
Transfers in	-	-	18,633	18,633
Change in fund balance	204,300	204,300	-	(204,300)
Fund balances, beginning of year	48,447	48,447	48,447	-
Fund balances, end of year	<u>\$ 252,747</u>	<u>\$ 252,747</u>	<u>\$ 48,447</u>	<u>\$ (204,300)</u>

City of El Monte
Budgetary Comparison Schedule
Children's Lunch Program
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 365,000	\$ 365,000	\$ 270,675	\$ (94,325)
Total revenues	365,000	365,000	270,675	(94,325)
Expenditures				
Parks, recreation and cultural	357,200	357,200	303,252	53,948
Total expenditures	357,200	357,200	303,252	53,948
Change in fund balance	7,800	7,800	(32,577)	(40,377)
Fund balances, beginning of year	32,577	32,577	32,577	-
Fund balances, end of year	\$ 40,377	\$ 40,377	\$ -	\$ (40,377)

**City of El Monte
Budgetary Comparison Schedule
Parking and Business Improvement
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ -	\$ -	\$ 132,044	\$ 132,044
Total revenues	<u>-</u>	<u>-</u>	<u>132,044</u>	<u>132,044</u>
Expenditures				
Current:				
General government	95,200	95,200	71,400	23,800
Total expenditures	<u>95,200</u>	<u>95,200</u>	<u>71,400</u>	<u>23,800</u>
Excess (deficiency) of revenues over expenditures	(95,200)	(95,200)	60,644	155,844
Other financing sources				
Transfers out	-	-	-	-
Change in fund balance	(95,200)	(95,200)	60,644	155,844
Fund balances, beginning of year	162,018	162,018	162,018	-
Fund balances, end of year	<u>\$ 66,818</u>	<u>\$ 66,818</u>	<u>\$ 222,662</u>	<u>\$ 155,844</u>

City of El Monte
Budgetary Comparison Schedule
Cable Television Corporation
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Charges for services	\$ 92,100	\$ 92,100	\$ 118,061	\$ 25,961
Use of money and property	500	500	-	(500)
Total revenues	<u>92,600</u>	<u>92,600</u>	<u>118,061</u>	<u>25,461</u>
Expenditures				
Current:				
General government	96,600	96,600	79,341	17,259
Capital outlay	-	1,000	780	220
Total expenditures	<u>96,600</u>	<u>97,600</u>	<u>80,121</u>	<u>17,479</u>
Change in fund balance	(4,000)	(5,000)	37,940	42,940
Fund balances, beginning of year	94,343	94,343	94,343	-
Fund balances, end of year	<u>\$ 90,343</u>	<u>\$ 89,343</u>	<u>\$ 132,283</u>	<u>\$ 42,940</u>

City of El Monte
Budgetary Comparison Schedule
Park Facility Impact Fees
Year ended June 30, 2012

	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	3,000	3,000	-	(3,000)
Other financing sources				
Transfers out	-	-	(54,849)	(54,849)
Change in fund balance	3,000	3,000	(54,849)	(57,849)
Fund balances, beginning of year	13,499	13,499	13,499	-
Fund balances, end of year	\$ 16,499	\$ 16,499	\$ (41,350)	\$ (57,849)

City of El Monte
Budgetary Comparison Schedule
Art in Public Places
Year ended June 30, 2012

	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	-	-	21,000	21,000
Total revenues	<u>2,500</u>	<u>2,500</u>	<u>21,000</u>	<u>18,500</u>
Expenditures				
General government	-	-	7,830	(7,830)
Total expenditures	<u>-</u>	<u>-</u>	<u>7,830</u>	<u>(7,830)</u>
Change in fund balance	2,500	2,500	13,170	10,670
Fund balances, beginning of year	<u>256,508</u>	<u>256,508</u>	<u>256,508</u>	<u>-</u>
Fund balances, end of year	<u>\$ 259,008</u>	<u>\$ 259,008</u>	<u>\$ 269,678</u>	<u>\$ 10,670</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ -	\$ -	\$ 22,366	\$ 22,366
Use of money and property	25,000	25,000	25,391	391
Contributions	75,000	75,000	105,908	30,908
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>153,665</u>	<u>53,665</u>
Expenditures				
Current:				
Parks, recreation and cultural	100,000	100,000	128,925	(28,925)
Public safety	-	-	54,593	(54,593)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>183,518</u>	<u>(83,518)</u>
Excess (deficiency) of revenues over expenditures	-	-	(29,853)	(29,853)
Other financing sources				
Transfers out	-	-	(132,631)	(132,631)
Change in fund balance	-	-	(162,484)	(162,484)
Fund balances, beginning of year	242,995	242,995	242,995	-
Fund balances, end of year	<u>\$ 242,995</u>	<u>\$ 242,995</u>	<u>\$ 80,511</u>	<u>\$ (162,484)</u>

City of El Monte
Budgetary Comparison Schedule
Special Programs II
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Contributions	\$ 10,000	\$ 10,000	\$ 72,729	\$ 62,729
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>72,729</u>	<u>62,729</u>
Expenditures				
Current:				
Parks, recreation and cultural	32,800	32,800	58,765	(25,965)
Total expenditures	<u>32,800</u>	<u>32,800</u>	<u>58,765</u>	<u>(25,965)</u>
Change in fund balance	(22,800)	(22,800)	13,964	36,764
Fund balances, beginning of year	10,393	10,393	10,393	-
Fund balances, end of year	<u>\$ (12,407)</u>	<u>\$ (12,407)</u>	<u>\$ 24,357</u>	<u>\$ 36,764</u>

City of El Monte
Budgetary Comparison Schedule
Measure R
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Taxes	\$ 1,059,000	\$ 1,059,000	\$ 1,142,221	\$ 83,221
Use of money and property	-	-	6,613	6,613
Total revenues	<u>1,059,000</u>	<u>1,059,000</u>	<u>1,148,834</u>	<u>89,834</u>
Expenditures				
Current:				
Public works	190,800	735,800	238,437	497,363
Debt service				
Interest and fiscal charges	<u>500,000</u>	<u>500,000</u>	<u>444,092</u>	<u>55,908</u>
Total expenditures	<u>690,800</u>	<u>1,235,800</u>	<u>682,529</u>	<u>553,271</u>
Change in fund balance	368,200	(176,800)	466,305	643,105
Fund balances, beginning of year	<u>1,491,024</u>	<u>1,491,024</u>	<u>1,491,024</u>	-
Fund balances, end of year	<u>\$ 1,859,224</u>	<u>\$ 1,314,224</u>	<u>\$ 1,957,329</u>	<u>\$ 643,105</u>

City of El Monte
Budgetary Comparison Schedule
CDBG ARRA
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Economic development	-	-	2,741	(2,741)
Total expenditures	<u>-</u>	<u>-</u>	<u>2,741</u>	<u>(2,741)</u>
Change in fund balance	-	-	(2,741)	(2,741)
Fund balances, beginning of year	1	1	1	-
Fund balances, end of year	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ (2,740)</u>	<u>\$ (2,741)</u>

City of El Monte
Budgetary Comparison Schedule
State Stimulus
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Economic development	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources				
Transfers in	-	-	17,931	17,931
Change in fund balance	<u>-</u>	<u>-</u>	<u>17,931</u>	<u>17,931</u>
Fund balances, beginning of year	<u>(17,931)</u>	<u>(17,931)</u>	<u>(17,931)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (17,931)</u>	<u>\$ (17,931)</u>	<u>\$ -</u>	<u>\$ 17,931</u>

**City of El Monte
Budgetary Comparison Schedule
Federal Stimulus
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 424,481	\$ 424,481	\$ 285,801	\$ (138,680)
Total revenues	<u>424,481</u>	<u>424,481</u>	<u>285,801</u>	<u>(138,680)</u>
Expenditures				
Current:				
Economic development	-	424,481	309,442	115,039
Total expenditures	<u>-</u>	<u>424,481</u>	<u>309,442</u>	<u>115,039</u>
Change in fund balance	424,481	-	(23,641)	(23,641)
Fund balances, beginning of year	(2,163)	(2,163)	(2,163)	-
Fund balances, end of year	<u>\$ 422,318</u>	<u>\$ (2,163)</u>	<u>\$ (25,804)</u>	<u>\$ (23,641)</u>

City of El Monte
Budgetary Comparison Schedule
ARRA Transportation Efficiency Act (TEA) State
Year ended June 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources				
Transfers in	<u>-</u>	<u>-</u>	<u>12,708</u>	<u>12,708</u>
Change in fund balance	-	-	12,708	12,708
Fund balances, beginning of year	<u>(12,708)</u>	<u>(12,708)</u>	<u>(12,708)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (12,708)</u>	<u>\$ (12,708)</u>	<u>\$ -</u>	<u>\$ 12,708</u>

City of El Monte
Budgetary Comparison Schedule
ARRA Regional Surface Transportation Program (RSTP) Federal
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
Expenditures				
Current:				
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources				
Transfers out	-	-	(12,708)	(12,708)
Change in fund balance	-	-	(12,708)	(12,708)
Fund balances, beginning of year	12,708	12,708	12,708	-
Fund balances, end of year	\$ 12,708	\$ 12,708	\$ -	\$ (12,708)

City of El Monte
Budgetary Comparison Schedule
CalHome Grant
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ 1,000,000	\$ -	\$ (1,000,000)
Miscellaneous	-	-	50,000	50,000
Total revenues	-	1,000,000	50,000	(950,000)
Expenditures				
Current:				
Economic development	-	1,000,000	2,798	997,202
Total expenditures	-	1,000,000	2,798	997,202
Change in fund balance	-	-	47,202	47,202
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	\$ -	\$ -	\$ 47,202	\$ 47,202

**City of El Monte
Budgetary Comparison Schedule
Transportation Development Act Fund
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ (66,826)	\$ (66,826)
Total revenues	-	-	(66,826)	(66,826)
Expenditures				
Current:				
Capital outlay	-	-	204,830	(204,830)
Total expenditures	-	-	204,830	(204,830)
Change in fund balance	-	-	(271,656)	(271,656)
Fund balances, beginning of year	272,011	272,011	272,011	-
Fund balances, end of year	\$ 272,011	\$ 272,011	\$ 355	\$ (271,656)

**City of El Monte
Budgetary Comparison Schedule
COPS Hiring Recovery Program
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ 811,900	\$ 811,900	\$ 866,062	\$ 54,162
Total revenues	811,900	811,900	866,062	54,162
Expenditures				
Current:				
Public safety	811,776	811,776	866,064	(54,288)
Total expenditures	811,776	811,776	866,064	(54,288)
Change in fund balance	124	124	(2)	(126)
Fund balances, beginning of year	2	2	2	-
Fund balances, end of year	\$ 126	\$ 126	\$ -	\$ (126)

City of El Monte
Budgetary Comparison Schedule
Family Caregiver Support Services III E
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 10,801	\$ 10,801
Total revenues	<u>-</u>	<u>-</u>	<u>10,801</u>	<u>10,801</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	-	13,883	(13,883)
Total expenditures	<u>-</u>	<u>-</u>	<u>13,883</u>	<u>(13,883)</u>
Excess (deficiency) of revenues over expenditures	-	-	(3,082)	(3,082)
Other financing sources				
Transfers in	-	-	3,121	3,121
Change in fund balance	-	-	39	39
Fund balances, beginning of year	(39)	(39)	(39)	-
Fund balances, end of year	<u>\$ (39)</u>	<u>\$ (39)</u>	<u>\$ -</u>	<u>\$ 39</u>

City of El Monte
Budgetary Comparison Schedule
Energy Efficiency Block Grant
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 776,883	\$ 776,883
Use of money and property	-	-	160	160
Contributions	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>777,043</u>	<u>777,043</u>
Expenditures				
Current:				
Capital outlay	-	-	776,883	(776,883)
Total expenditures	<u>-</u>	<u>-</u>	<u>776,883</u>	<u>(776,883)</u>
Change in fund balance	-	-	160	160
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160</u>	<u>\$ 160</u>

City of El Monte
Budgetary Comparison Schedule
AB764 Linkages
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current:				
Parks, recreation and cultural	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-
Other financing sources				
Transfers in	-	-	22	22
Change in fund balance	-	-	22	22
Fund balances, beginning of year	<u>(22)</u>	<u>(22)</u>	<u>(22)</u>	<u>-</u>
Fund balances, end of year	<u>\$ (22)</u>	<u>\$ (22)</u>	<u>\$ -</u>	<u>\$ 22</u>

**City of El Monte
 Budgetary Comparison Schedule
 2010 Lease Revenue Bonds Capital Project Fund
 Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Other financing uses				
Transfers out	\$ -	\$ -	\$ (5,064,840)	\$ (5,064,840)
	-	-	(5,064,840)	(5,064,840)
Change in fund balance	-	-	(5,064,840)	(5,064,840)
Fund balances, beginning of year	<u>8,668,842</u>	<u>8,668,842</u>	<u>8,668,842</u>	<u>-</u>
Fund balances, end of year	\$ <u><u>8,668,842</u></u>	\$ <u><u>8,668,842</u></u>	\$ <u><u>3,604,002</u></u>	\$ <u><u>(5,064,840)</u></u>

City of El Monte
Budgetary Comparison Schedule
2011 Revenue Bonds Capital Project Fund
Year ended June 30, 2012

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Use of money and property	\$ -	\$ -	\$ 27,010	\$ 27,010
Total revenues	<u>-</u>	<u>-</u>	<u>27,010</u>	<u>27,010</u>
Expenditures				
Current:				
Economic development	-	-	84,724	(84,724)
Total expenditures	<u>-</u>	<u>-</u>	<u>84,724</u>	<u>(84,724)</u>
Excess (deficiency) of revenues over expenditures	-	-	(57,714)	(57,714)
Other financing sources				
Proceeds of long-term debt	-	-	10,000,000	10,000,000
Change in fund balance	-	-	9,942,286	9,942,286
Fund balances, beginning of year	-	-	-	-
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,942,286</u>	<u>\$ 9,942,286</u>

City of El Monte
Budgetary Comparison Schedule
Capital Projects Fund
Year ended June 30, 2012

	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	-	-	172,089	(172,089)
Capital outlay	-	-	6,616,252	(6,616,252)
Total expenditures	<u>-</u>	<u>-</u>	<u>6,788,341</u>	<u>(6,788,341)</u>
Excess (deficiency) of revenues over expenditures	5,000	5,000	(6,788,341)	(6,793,341)
Other financing sources (uses)				
Transfers in	-	-	5,072,874	5,072,874
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,072,874</u>	<u>5,072,874</u>
Change in fund balance	5,000	5,000	(1,715,467)	(1,720,467)
Fund balances, beginning of year	858,904	858,904	858,904	-
Fund balances, end of year	<u>\$ 863,904</u>	<u>\$ 863,904</u>	<u>\$ (856,563)</u>	<u>\$ (1,720,467)</u>

**City of El Monte
Budgetary Comparison Schedule
2010 Lease Revenue Debt Service Fund
Year ended June 30, 2012**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues				
Intergovernmental	\$ -	\$ -	\$ 331,244	\$ 331,244
Use of money and property	-	-	518,575	518,575
Total revenues	<u>-</u>	<u>-</u>	<u>849,819</u>	<u>849,819</u>
Expenditures				
Debt service:				
Principal retirement	-	-	79,040	(79,040)
Interest and fiscal charges	\$ -	\$ -	\$ 769,131	\$ (769,131)
Total expenditures	<u>-</u>	<u>-</u>	<u>848,171</u>	<u>(848,171)</u>
Change in fund balance	-	-	1,648	1,648
Fund balances, beginning of year	<u>1,249,285</u>	<u>1,249,285</u>	<u>1,249,285</u>	-
Fund balances, end of year	<u>\$ 1,249,285</u>	<u>\$ 1,249,285</u>	<u>\$ 1,250,933</u>	<u>\$ 1,648</u>

City of El Monte
Combining Statement of Net Assets
All Internal Service Funds
Year ended June 30, 2012

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
ASSETS				
Current assets				
Cash and investments	\$ 7,175,910	\$ 300,000	\$ 250,000	\$ 7,725,910
Receivables:				
Accounts	135	-	-	135
Total current assets	<u>7,176,045</u>	<u>300,000</u>	<u>250,000</u>	<u>7,726,045</u>
LIABILITIES				
Current liabilities				
Accounts payable	68	-	-	68
Accrued claims and judgments	1,570,000	-	-	1,570,000
Total current liabilities	<u>1,570,068</u>	<u>-</u>	<u>-</u>	<u>1,570,068</u>
Noncurrent liabilities				
Advances from other funds	300,000			300,000
Accrued claims and judgments	8,535,000	-	-	8,535,000
Total liabilities	<u>10,405,068</u>	<u>-</u>	<u>-</u>	<u>10,405,068</u>
NET ASSETS				
Unrestricted	(3,229,023)	300,000	250,000	(2,679,023)
Total net assets	<u>\$ (3,229,023)</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ (2,679,023)</u>

City of El Monte
Combining Statement of Revenues, Expenses and Changes in Net Assets
All Internal Service Funds
Year ended June 30, 2012

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Operating revenues:				
Interdepartmental charges	\$ 3,476,494	\$ -	\$ -	\$ 3,476,494
Total operating revenues	<u>3,476,494</u>	<u>-</u>	<u>-</u>	<u>3,476,494</u>
Operating expenses				
Claims expenses	<u>2,731,571</u>	<u>-</u>	<u>-</u>	<u>2,731,571</u>
Total operating expenses	<u>2,731,571</u>	<u>-</u>	<u>-</u>	<u>2,731,571</u>
Excess (deficiency) of revenues over expenditures before transfers	744,923	-	-	744,923
Other financing sources				
Transfers in	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>300,000</u>
Changes in net assets	744,923	150,000	150,000	1,044,923
Total net assets - beginning	<u>(3,973,946)</u>	<u>150,000</u>	<u>100,000</u>	<u>(3,723,946)</u>
Total net assets - ending	<u>\$ (3,229,023)</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ (2,679,023)</u>

City of El Monte
Combining Statement of Cash Flows
All Internal Service Funds
Year ended June 30, 2012

	Internal Service Funds			
	Self Insurance	Vehicle Replacement	Equipment Replacement	Total
Cash flows from operating activities				
Cash received/(paid to) interfund service provided	\$ 3,476,359	\$ -	\$ -	\$ 3,476,359
Cash paid to suppliers for goods and services	(2,234,563)	-	-	(2,234,563)
Net cash provided by (used in) operating activities	<u>1,241,796</u>	<u>-</u>	<u>-</u>	<u>1,241,796</u>
Cash flows from non-capital financing activities				
Intergovernmental	-	150,000	150,000	300,000
Net cash provided by (used in) non-capital and related financing activities	<u>-</u>	<u>150,000</u>	<u>150,000</u>	<u>300,000</u>
Change in cash and cash equivalents	1,241,796	150,000	150,000	1,541,796
Beginning cash and cash equivalents	5,934,114	150,000	100,000	6,184,114
Ending cash and cash equivalents	<u>\$ 7,175,910</u>	<u>\$ 300,000</u>	<u>\$ 250,000</u>	<u>\$ 7,725,910</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ 744,923	\$ -	\$ -	\$ 744,923
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
(Increase) decrease in:				
Accounts receivable	(135)	-	-	(135)
Increase (decrease):				
Accounts payable	(31,181)	-	-	(31,181)
Accrued claims & judgments	528,189	-	-	528,189
Net cash provided by (used in) operating activities	<u>\$ 1,241,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,241,796</u>

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

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

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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 Seven Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</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	\$ 406,191,154
Restricted	38,205,659	45,706,053	45,093,002	45,444,013	68,553,946	66,201,676	71,058,861
Unrestricted	10,602,832	5,863,237	17,981,867	6,706,495	(3,841,062)	2,156,436	(6,986,991)
Total governmental activities net assets	<u>\$ 56,501,299</u>	<u>\$ 452,094,506</u>	<u>\$ 450,800,998</u>	<u>\$ 445,320,367</u>	<u>\$ 447,104,082</u>	<u>\$ 450,744,159</u>	<u>\$ 470,263,024</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 3,906,527	\$ 3,699,586	\$ 3,681,347	\$ 3,884,727	\$ 17,144,056	\$ 15,773,348	\$ 14,644,182
Restricted	408,520	515,422	402,693	403,419	411,743	403,419	623,422
Unrestricted	(15,607,982)	(15,489,929)	(15,067,058)	(15,364,273)	(2,461,586)	(1,392,384)	(783,223)
Total business-type activities net assets	<u>\$ (11,292,935)</u>	<u>\$ (11,274,921)</u>	<u>\$ (10,983,018)</u>	<u>\$ (11,076,127)</u>	<u>\$ 15,094,213</u>	<u>\$ 14,784,383</u>	<u>\$ 14,484,381</u>
Primary government							
Invested in capital assets, net of related debt	\$ 11,599,335	\$ 404,224,802	\$ 391,407,476	\$ 397,054,586	\$ 399,535,254	\$ 398,159,395	\$ 420,835,336
Restricted	38,614,179	46,221,475	45,495,695	45,847,432	68,965,689	66,605,095	71,682,283
Unrestricted	(5,005,150)	(9,626,692)	2,914,809	(8,657,778)	(6,302,648)	764,052	(7,770,214)
Total primary government net assets	<u>\$ 45,208,364</u>	<u>\$ 440,819,585</u>	<u>\$ 439,817,980</u>	<u>\$ 434,244,240</u>	<u>\$ 462,198,295</u>	<u>\$ 465,528,542</u>	<u>\$ 484,747,405</u>

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 Seven Fiscal Years

	2006	2007	2008	2009	2010	2011	2012
Expenses							
Governmental activities:							
General government	\$ 34,196,489	\$ 34,683,409	\$ 38,252,969	\$ 36,766,602	\$ 37,182,894	\$ 29,578,242	\$ 31,035,167
Public safety	36,815,930	37,829,869	39,990,879	34,909,950	29,821,998	32,851,129	31,373,685
Parks, recreation, and cultural	5,561,304	5,138,300	5,710,017	4,581,714	4,148,973	4,745,831	3,292,920
Public works	8,041,318	7,622,037	9,662,975	10,587,267	11,013,617	10,677,438	12,273,857
Economic development	-	-	-	-	-	3,703,687	3,795,416
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 *	4,375,648 *
Total governmental activities expenses	89,349,530	91,185,642	99,258,925	92,750,084	88,727,858	83,383,025	86,146,693
Business-type activities:							
Water authority	3,626,693	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127
Total business-type activities expenses	3,626,693	3,298,506	3,162,041	3,199,691	5,982,157	6,813,653	6,200,127
Total primary government expenses	\$ 92,976,223	\$ 94,484,148	\$ 102,420,966	\$ 95,949,775	\$ 94,710,015	\$ 90,196,678	\$ 92,346,820
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 2,257,789	\$ 2,333,233	\$ 4,068,360	\$ 1,983,176	\$ 2,114,853	\$ 3,139,208	\$ 2,660,459
Public safety	1,815,573	2,298,313	2,226,196	2,548,125	2,323,037	2,429,210	2,136,780
Community development	-	-	-	1,179,197	-	-	-
Parks, recreation, and cultural	605,567	534,834	587,291	485,483	3,228,325	828,110	899,689
Public works	2,219,288	2,152,880	2,051,314	4,940,139	2,382,772	861,338	994,082
Economic development	-	-	-	-	-	3,368,408	3,668,748
Operating grants and contributions	11,631,433	14,265,917	8,393,235	7,147,776	7,757,105	6,909,382	9,245,274
Capital grants and contributions	732,022	166,456	5,917,284	3,010,609	3,426,688	7,471,458	7,219,958
Total governmental activities program revenues	19,261,672	21,751,633	23,243,680	21,294,505	21,232,780	25,007,114	26,824,990
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	6,573,474
Operating Contributions and Grants:							
Water authority	-	-	-	117,527	135,512	87,977	24,995
Total business-type activities program revenues	2,986,262	2,957,009	3,165,031	3,103,221	6,454,284	6,849,948	6,598,469
Total primary government program revenues	\$ 22,247,934	\$ 24,708,642	\$ 26,408,711	\$ 24,397,726	\$ 27,687,064	\$ 31,857,062	\$ 33,423,459
Net (expense) revenue							
Governmental activities	(70,087,858)	(69,434,009)	(76,015,245)	(71,455,579)	(67,495,078)	(58,375,911)	(59,321,703)
Business-type activities	(640,431)	(341,497)	2,990	(96,470)	472,127	36,295	398,342
Total primary government net expense	\$ (70,728,289)	\$ (69,775,506)	\$ (76,012,255)	\$ (71,552,049)	\$ (67,022,951)	\$ (58,339,616)	\$ (58,923,361)
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes, levied for general purposes	17,830,887	27,375,152	29,357,486	30,781,923	31,914,717	32,108,113	29,761,876
Transient occupancy taxes	320,297	326,312	315,076	306,710	273,128	266,460	277,629
Sales taxes	22,025,619	21,915,042	22,397,169	12,819,325	13,482,687	18,365,147	19,908,564
Franchise taxes	3,021,236	2,118,032	2,627,027	2,799,335	3,841,747	2,658,124	3,127,463
Business licenses taxes	-	-	-	60,319	135,156	143,629	132,044
Utility user taxes	8,526,616	8,744,118	8,820,706	8,477,622	7,850,115	7,436,906	7,129,350
Other taxes	971,969	717,016	2,496,140	2,145,353	2,080,476	496,829	403,452
Intergovernmental, unrestricted:							
Motor vehicle in-lieu	8,939,792	786,789	538,617	362,920	373,048	406,053	328,956
Use of money and property	4,496,615	5,359,739	5,987,192	5,010,702	4,915,268 *	1,366,333 *	1,822,085 *
Gain on sale of assets	9,773	-	-	-	-	-	-
Other	1,874,366	3,208,128	1,999,663	324,017	92,990	269,038	341,432
Special item	-	-	-	-	-	(864,036)	-
Transfers	430,631	-	-	-	-	200,000	283,612
Total governmental activities	68,447,801	70,550,328	74,539,076	63,088,226	64,959,332	62,852,596	63,516,463
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	25,894
Other	2,700	9,103	177,892	2,853	8,733	85,616	20,281
Transfers	(430,631)	-	-	-	-	(200,000)	(283,612)
Total business-type activities	(323,399)	117,100	288,913	60,700	69,261	(60,997)	(237,437)
Total primary program	\$ 68,124,402	\$ 70,667,428	\$ 74,827,989	\$ 63,148,926	\$ 65,028,593	\$ 62,791,599	\$ 63,279,026
Change in Net Assets before extraordinary items							
Governmental activities	(1,640,057)	1,116,319	(1,476,169)	(8,367,353)	(2,535,746)	4,476,685	4,194,760
Business-type activities	(963,830)	(224,397)	291,903	(35,770)	541,388	(24,702)	160,905
Total primary government program	\$ (2,603,887)	\$ 891,922	\$ (1,184,266)	\$ (8,403,123)	\$ (1,994,358)	\$ 4,451,983	\$ 4,355,665

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

* The 2011 and 2010 amounts represent a change in recognition of interest income and interest expense on loans between the General Fund and the Redevelopment Agency.

Source: Finance Department, City of El Monte

City of El Monte
Table 3 & 4 - Fund Balances of Governmental Funds
Last Seven Fiscal Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</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	\$ 63,087,941	\$ 63,311,395	\$ 56,115,911	\$ 57,347,532	\$ 106,216,346		
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	(56,178,456)	(64,094,608)	(55,119,435)	(61,031,642)	(95,571,019)		
Total all other governmental fund	\$ (5,916,915)	\$ (8,110,719)	\$ (1,283,975)	\$ (5,071,614)	\$ (32,867,215)		
GASB 54 Fund Balance Classification:							
General Fund							
Nonspendable						\$ 18,873,079	\$ 18,886,423
Restricted						-	-
Unassigned						8,440,216	8,644,339
Total general fund						27,313,295	27,530,762
All other governmental funds							
Nonspendable						36,948,151	8,621,007
Restricted							
Special revenue funds						15,088,458	44,868,988
Capital projects funds						9,527,746	12,688,988
Debt service funds						6,502,042	1,250,933
Committed						78,804,828	-
Unassigned						(92,056,922)	(915,551)
Total all other governmental funds						54,814,303	66,514,365
Total Governmental Funds						\$ 82,127,598	\$ 94,045,127

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

Source: Finance Department, City of El Monte

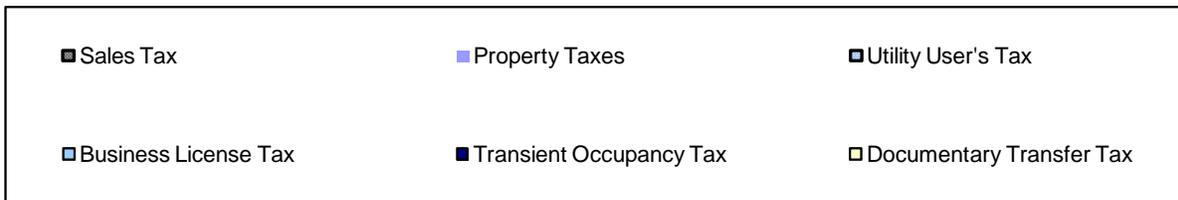
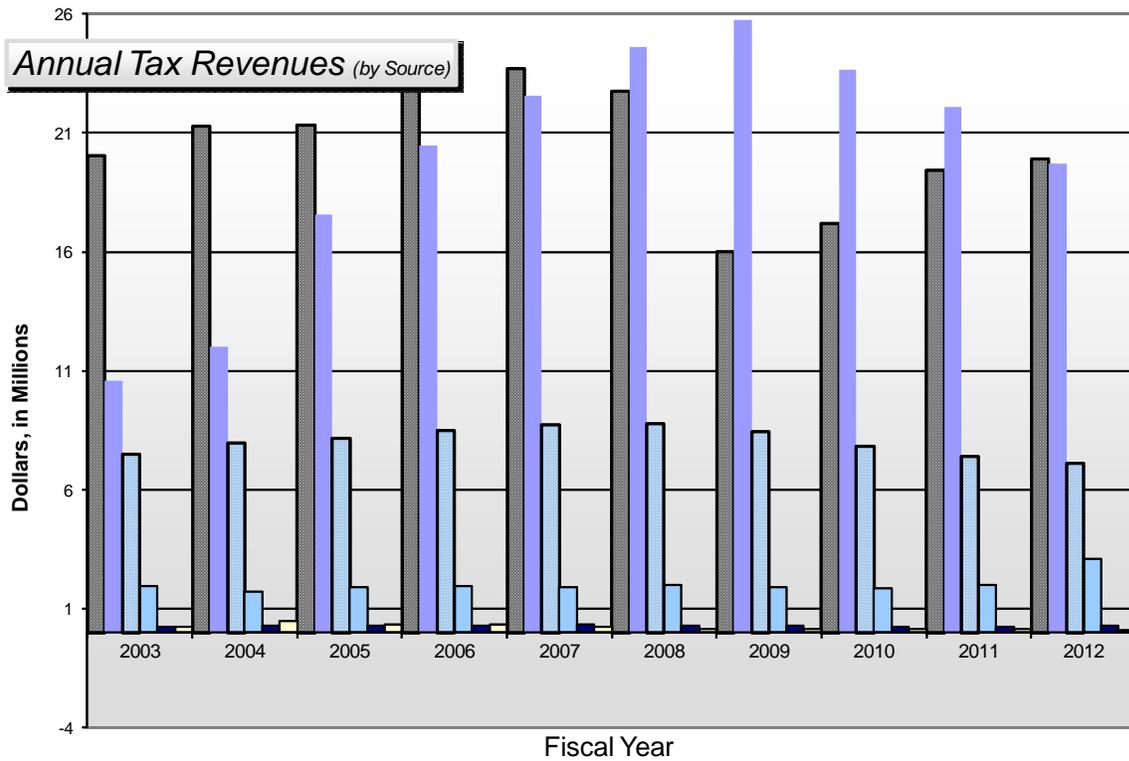
City of El Monte
Table 5 - Changes in Fund Balances of Governmental Funds
Last Six Fiscal Years

	2007	2008	2009	2010	2011	2012
Revenues						
Taxes	\$ 63,543,334	\$ 65,000,743	\$ 60,272,665	\$ 63,467,593	\$ 64,650,097	\$ 65,332,159
Licenses and permits	3,077,238	3,135,488	6,853,145	2,517,044	2,643,806	2,518,997
Intergovernmental	12,783,195	14,855,965	7,059,621	10,164,303	15,543,494	13,218,295
Charges for services	3,027,193	2,937,085	2,366,960	2,980,376	2,747,434	2,760,338
Use of money and property	5,311,219	5,306,137	4,636,653	4,915,268	1,608,928	1,776,326
Fines and forfeitures	1,192,177	1,218,477	1,513,547	1,298,040	1,561,288	1,719,778
Contributions	273,891	456,021	494,993	203,687	193,006	199,637
Developer participation	-	1,482,986	-	-	-	-
Miscellaneous	1,331,028	987,590	547,653	4,488,670	2,549,143	2,531,484
Total revenues	90,539,275	95,380,492	83,745,237	90,034,981	91,497,196	90,057,014
Expenditures						
Current:						
General government	30,300,361	36,713,532	30,959,376	35,030,299	27,553,572	29,329,966
Public safety	36,612,697	39,293,878	34,716,300	28,728,032	31,049,574	29,393,872
Parks, recreation and cultural	5,085,450	5,510,146	4,541,136	4,003,571	4,522,463	3,076,821
Public works	4,209,203	6,535,553	7,818,511	5,445,472	7,622,183	7,941,927
Economic development	-	-	-	-	3,703,687	3,431,716
Capital outlay	9,995,244	5,256,934	3,891,957	5,992,383	21,923,576	12,762,314
Debt Service:						
Principal retirement	2,339,751	9,732,787	1,630,725	2,221,482	1,942,000	1,853,000
Interest and fiscal charges	5,760,158	5,577,604	5,649,471	6,029,713	1,806,114	3,469,859
Bond issuance cost	-	1,515,390	-	-	908,543	-
Payment to refunded bond escrow agent	-	2,152,727	-	-	-	-
Total expenditures	94,302,864	112,288,551	89,207,476	87,450,952	101,031,712	91,259,475
Revenues over (under) expenditures	(3,763,589)	(16,908,059)	(5,462,239)	2,584,029	(9,534,516)	(1,202,461)
Other Financing Sources (Uses)						
Transfers in	4,154,344	7,294,579	6,074,214	10,250,309	19,367,784	9,367,779
Transfers out	(4,154,344)	(10,294,579)	(6,074,214)	(10,250,309)	(19,417,784)	(9,384,167)
Refunding bonds issued	-	30,090,000	-	-	-	-
Notes and loans issued	675,000	5,182,241	-	450,082	-	-
Proceeds from sale of land held for resale	-	1,572,500	-	-	-	-
Other debts issued	553,691	(19,374,581)	-	-	19,255,000	10,000,000
Proceeds from sale of capital assets	-	-	19,499	-	-	-
Miscellaneous	-	-	-	(70,593)	(894,193)	-
Net other financing sources (uses)	1,228,691	14,470,160	19,499	379,489	18,310,807	9,983,612
Change in fund balances before extraordinary items	(2,534,898)	(2,437,899)	(5,442,740)	2,963,518	8,776,291	8,781,151
Extraordinary Items	-	-	-	-	-	3,136,377
Change in fund balances	\$ (2,534,898)	\$ (2,437,899)	\$ (5,442,740)	\$ 2,963,518	\$ 8,776,291	\$ 11,917,528
Debt service as a percentage of noncapital expenditures	9.61%	17.73%	8.53%	10.13%	5.89%	6.78%

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
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
2012	19,726,496	132,044	3,127,463	7,129,350	277,629	19,908,564	403,452	50,704,998



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

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

Fiscal Year	Real Property		Other Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial						
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%
2012	3,862,423,779	947,932,740	1,048,968,931	49,041,796	5,810,283,654	0.34806%	5,810,283,654	100.00%

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	
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
2012	1.000	0.150	1.150	0.000000	0.000000	0.053740	0.374210	0.003700	0.431650	1.581650

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

Source: HdL, Coren & Cone

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

Taxpayer	2012			2003		
	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value (USD)	Rank	Percentage of Total Taxable Assessed Value
Vons Companies, Inc.	\$ 87,487,135	1	23%	\$ 42,848,504	2	16%
Wells Fargo Bank	39,910,337	2	10%	35,589,646	3	13%
KW Telstar LLC	39,574,456	3	10%			
Penske Realty Inc.	37,336,719	4	10%	18,382,431	9	7%
KM El Monte Investors LLC	34,945,474	5	9%	26,468,714	4	10%
Multi Investment Associates II	34,279,131	6	9%	21,600,905	6	8%
Wohl Penwood El Monte Partners	30,694,582	7	8%			
Walmart R and E Business Trust	29,374,399	8	8%			
Cathay Bank	25,151,700	9	7%			
Driftwood Dairy	23,765,887	10	6%			
Gregg Industries Inc.				21,914,092	5	8%
Pace Center				16,722,246	10	6%
Ball Foster Glass				44,669,254	1	17%
Crown Telstar LLC				20,718,000	7	8%
Lyte Optronics Inc				19,396,356	8	7%
Totals	\$ 382,519,820		100%	\$ 268,310,148		100%

Source: HdL Coren & Cone, Los Angeles County Assessor 2011/12 Combined Tax Rolls

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

Year Ending June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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					
2012	5,703,916	5,585,883	97.9%	76,733	5,662,616	99.3%

Source: Los Angeles County Auditor-Controller

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

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	% of Personal Income ⁽¹⁾	Per-Capita ⁽¹⁾
	Revenue Bonds	Certificates of Participation	Tax Allocation Bonds	Notes and Loans Payable	Capital Leases	Revenue Bonds	Capital Leases			
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
2012	19,065,000	5,205,000	-	7,621,000	370,617	17,010,000	-	49,271,617	3.025%	433

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 Comprehensive Annual Financial Reports

City of El Monte
Table 12 - Direct and Overlapping Government Activities Debt
As of June 30, 2012

	Gross Bonded Debt Balance	Percent Applicable to City ⁽¹⁾	Net Bonded Debt ⁽²⁾
Direct Debt:			
City of El Monte Certificates of Participation	\$ 5,205,000	100%	\$ 5,205,000
Total Direct Debt			\$ 5,205,000
Overlapping Debt:			
Metropolitan Water District	94,031,705	0.603	566,884
El Monte City SD DS 1999 SER A	1,510,000	63.170	953,873
El Monte Dist DS 1999 SER C	855,000	63.170	540,107
El Monte School District 2004 Refunding Bonds	5,795,000	63.170	3,660,724
EL Monte City School District 1999 Ser D	14,160,000	63.170	8,944,928
El Monte City SD DS 2005 REF Bonds	18,066,265	63.170	11,412,531
El Monte School District 2004 Series B	14,434,439	63.170	9,118,292
El Monte School District DS 2008 SERIES A	9,120,000	63.170	5,761,140
El Monter School District DS 2008 SERIES A-1	18,540,000	63.170	11,711,791
Rosemead Elementary School District 2000 Series B	527,500	15.964	842,124
Rosemead Elementary School District 2000 Series C	6,525,000	15.964	1,041,679
Rosemead School District 2007 Ref Bonds	9,665,000	15.964	1,542,962
Rosemead Elementary School District 2008 Series A	13,495,000	15.964	2,154,400
El Monte Union High School District 2002 Series A	2,065,000	53.128	1,097,085
El Monte Union High School District 2002 Series B	3,485,000	53.128	1,851,497
El Monte Union High School District 2006 Refunding Bond	35,718,692	53.128	18,976,490
El Monte Union High School District 2002 Series C	28,705,000	53.128	15,250,282
El Monte Union High School District 2008 Series A	53,225,754	53.128	28,277,575
Pasadena Area Community College District 2002 Series A	980,000	2.151	21,085
Pasadena Community College District 2006 Series B	47,560,000	2.151	1,023,252
Pasadena Community College District 2006 Refunding Bond Series C	8,660,106	2.151	186,322
Pasadena Community College District 2002, 2006 SERIES D	26,615,000	2.185	581,628
Pasadena Community College District 2002, 2009 SERIES E (BABS)	25,295,000	2.151	544,221
Rio Hondo Community College District Series 2004 A	5,340,000	15.767	841,971
Rio Hondo Community College District 2005 Refunding Bonds	43,206,005	15.767	6,812,398
Rio Hondo Community College District 2004 Se 2008	63,651,844	15.767	10,036,144
Total - Overlapping Debt	\$ 551,232,310		143,751,385
Grand Total Direct and Overlapping Debt			\$ 148,956,385
Assessed Valuation:			
2011/12 Assessed Valuation:	\$ 5,841,181,702		
Incremental Value	655,363,980		
Assessed Valuation, Net of Redevelopment Increment	\$ 5,185,817,722		

Debt to Assessed Valuation Ratios:

Direct debt	0.10%
Overlapping Debt	2.77%
Total Debt	2.87%

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 5,810,283,654
Debt limit (15% of assessed value)	871,542,548
Debt applicable to limit:	
General obligation bonds	-
Total net debt applicable to limit	<u>871,542,548</u>
Legal debt margin	<u>\$ 871,542,548</u>

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Total net debt Applicable to Limit</u>	<u>Legal Debt Limit</u>	<u>Legal Debt Limit as a percentage of Debt Limit</u>
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%
2012	871,542,548	-	871,542,548	100.00%

Source: City of El Monte Finance Department

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

Tax Allocation Bonds					Water Revenue Bonds						
Debt Service					Debt Service						
Fiscal Year	Tax Increment	Principal	Interest	Coverage	Gross Revenues	Rate Stabilization Fund	Less: Net Operating Expenses	Net Available Revenues	Principal	Interest	Coverage
2003	\$ 1,978,339	\$ 325,000	\$ 1,313,235	1.21	\$ 2,978,004	\$ 400,000	\$ 1,206,124	\$ 2,171,880	\$ 170,000	\$ 952,805	1.93
2004	2,601,227	345,000	1,307,465	1.57	4,078,791	400,000	3,348,576	1,130,215	180,000	945,665	1.00
2005	2,799,818	365,000	1,287,463	0.00	3,090,865	400,000	2,490,441	1,000,424	185,000	937,835	0.89
2006	3,663,454	260,000	1,268,772	2.89	2,988,962	400,000	1,554,138	1,834,824	195,000	929,695	1.63
2007	4,770,182	545,000	1,159,388	2.80	2,966,112	400,000	1,982,031	1,384,081	205,000	703,030	1.52
2008	3,349,188	750,000	1,235,832	1.69	3,165,031	400,000	2,039,591	1,525,440	215,000	693,600	1.68
2009	6,709,829	670,000	1,326,361	3.36	2,985,694	400,000	2,077,333	1,308,361	385,000	831,095	1.08
2010	6,603,164	695,000	1,299,421	3.31	2,922,555	400,000	1,731,545	1,591,010	390,000	817,822	1.32
2011	6,803,496	725,000	1,271,411	3.41	3,256,851	400,000	1,929,974	1,726,877	405,000	804,008	1.43
2012	-	-	-	-	3,266,501	403,422	1,879,627	1,790,296	420,000	789,465	1.48

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

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

Source: Finance Department, City of El Monte

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

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

- 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⁾ 2011 is the latest information as of March 2013

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: Finance Department, City of El Monte
Information from May 2012

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

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	46	50	45	45	47	48	44	39	42	42
Public Safety										
Police										
Officers	153	158	157	161	161	156	145	126	129	129
Civilians	56	60	62	65	65	75	69	53	50	50
Community development	32	39	39	31	31	28	29	15	16	16
Public works	47	48	43	43	43	36	35	26	53	53
Parks, recreation, cultural	41	45	47	50	50	47	48	41	12	12
Utilities										
Water	10	10	10	10	10	10	9	9	9	9
Total full-time equivalent positions	<u>385</u>	<u>410</u>	<u>403</u>	<u>405</u>	<u>407</u>	<u>400</u>	<u>379</u>	<u>309</u>	<u>311</u>	<u>311</u>

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

Source: Finance Department, City of El Monte

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

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

Source: Finance and Police Departments, City of El Monte

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

Function	2010	2011	2012
Public safety			
Police			
Number of Police Stations	1	1	1
Number of Police Motor Vehicles	97	109	95+
Fire			
Number of Fire Stations	4	4	4
Highways and streets			
Streets (miles)	151.4	151.4	151.4
Streetlights	4,500	4,500	4,500
Traffic signals	76	76	76
Culture and recreation			
Parks acreage	51	51	51
Parks	10	10	10
Ball diamonds	6	6	6
Basketball courts	5	5	5
Craft/Activity buildings	4	4	4
Gymnasium	1	1	1
Swimming pools	7	7	7
Community centers	6	6	6
Water			
Water mains (miles)	38.7	38.7	38.7
Maximum daily treatment capacity (millions of gallons)	6.5	6.5	6.5

Source: Various departments, City of El Monte

