

**City of El Monte,
California**

**Comprehensive
Annual Financial Report**

**For the year ended
June 30, 2009**

CITY OF EL MONTE
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page Number</u>
 INTRODUCTORY SECTION	
Letter of Transmittal.....	i
GFOA Certificate of Achievement in Outstanding Financial Reporting.....	vii
List of Principal Officers.....	viii
Organization Chart	ix
 FINANCIAL SECTION	
INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities	12
Fund Financial Statements:	
Balance Sheet - Governmental Funds.....	14
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Assets	16
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	17
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	19
Budgetary Comparison Statement by Department - General Fund.....	20
Budgetary Comparison Statement - Retirement.....	22
Budgetary Comparison Statement - Housing and Community Development	23
Statement of Net Assets - Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	25
Statement of Cash Flows - Proprietary Funds.....	26

CITY OF EL MONTE, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page Number</u>
BASIC FINANCIAL STATEMENTS (Continued)	
Statement of Fiduciary Net Assets - Fiduciary Funds.....	28
Statement of Changes in Fiduciary Net Assets - Fiduciary Funds	29
Notes to Financial Statements	30
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
Combining Balance Sheet - Nonmajor Governmental Funds.....	65
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	73
Budgetary Comparison Schedules - Special Revenue Funds:	
Emergency Shelter Grant.....	81
Affordable Housing Development.....	82
Proposition A	83
UDAG	84
Air Quality	85
Police/Narcotics Forfeiture	86
Proposition C	87
Special Gas Tax	88
AB 939	89
SLES.....	90
Miscellaneous Grants	91
Older American Act	92
Senior Citizen Program	93
Children's Lunch Program	94
Parking and Business Improvement.....	95
Cable Television Corporation	96
Budgetary Comparison Schedule - Capital Projects - RDA.....	97
Budgetary Comparison Schedule - Debt Service - RDA.....	98
Combining Statement of Changes in Assets and Liabilities - All Agency Funds	99

CITY OF EL MONTE, CALIFORNIA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>Page Number</u>
STATISTICAL SECTION	
Net Assets by Component, Last Five Fiscal Years.....	100
Changes in Net Assets, Last Five Fiscal Years.....	101
Fund Balances of Governmental Funds, Last Five Fiscal Years.....	102
Changes in Fund Balances of Governmental Funds, Last Five Fiscal Years.....	103
Tax Revenue by Source – Governmental Funds, Last Ten Fiscal Years.....	104
Assessed Value and Estimated Value of Taxable Property, Last Ten Fiscal Years	105
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	107
Principal Property Taxpayers, Current Year and Nine Years Ago.....	108
Property Tax Levies and Collections, Last Ten Fiscal Years	109
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	110
Direct and Overlapping Governmental Activities Debt, As of June 30, 2009.....	111
Legal Debt Margin Information, Last Ten Fiscal Years.....	112
Pledged Revenue Coverage	113
Demographic and Economic Statistics, Last Ten Fiscal Years	114
Principal Employers.....	115
Full–Time–Equivalent City Government Employees by Function/Program, Last Ten Fiscal Years....	116
Operating Indicator by Function/Program, Last Three Fiscal Years.....	117
Capital Assets by Function, Last Three Fiscal Years	118



Lettie T. De Dios
Interim Deputy City Manager
for Administrative Services

CITY OF EL MONTE

ADMINISTRATIVE SERVICES DEPARTMENT

December 31, 2009

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

It is with pleasure that we submit to you the Comprehensive Annual Financial Report (CAFR) of the City of El Monte for the year ended June 30, 2009. This report is prepared in accordance with generally accepted accounting principles (GAAP) as set forth by the Governmental Accounting Standards Board (GASB). Responsibility for the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. It is our opinion that the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

The City of El Monte's financial statements have been audited by the independent public accounting firm of Lance, Soll and Lunghard. 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, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of El Monte's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of El Monte was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of El Monte's separately issued Single Audit Report.

Honorable Mayor and
Members of the City Council
City of El Monte

In addition, GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of El Monte's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of El Monte was incorporated on November 18, 1912, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It lies in the heart of the San Gabriel Valley, approximately twelve miles east of downtown Los Angeles. The City is adjacent to the junction of the San Bernardino Freeway (10) and the San Gabriel River Freeway (605) and bounded on the west by the City of Rosemead, on the south by the Cities of South El Monte and Industry, on the east by the Cities of Irwindale and Baldwin Park and by the City of Arcadia to the north. The City has a rich history, from its original settlement in 1850 when it was known as "the end of the Santa Fe Trail," to its current status as headquarters for a number of small and large companies.

The City of El Monte has its own Police Force, but contracts with Los Angeles County for fire services. It has a permanent full-time staff of approximately 372 employees and 116 part-time employees. The staffing level has been significantly impacted in response to the state and local fiscal emergency; a staff reduction of 7 employees was implemented during the fiscal year. Council Members are elected at large for four-year terms at elections held in November of odd years. The Mayor is also elected at large for a two-year term. The City is diversified with single family and multiple family housing developments, some industrial and significant commercial development, particularly in automobile retail sales.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

Like many other communities, El Monte's economy has been significantly impacted by the national recession this fiscal year. However, at the convergence of three major freeways, and its skilled labor pool within the resilient and expanding San Gabriel Valley, the City will be a focus of new marketing and economic development programs. El Monte is Los Angeles County's eleventh largest city. The population is estimated at 126,308 by the State Department of Finance as of January 1, 2009.

The City's land area is 9.67 square miles, with land use distributed as follows: 54% residential, 7% retail, 15% industrial, 16% office/commercial, and 8% other uses. Additionally, the approximately 5,000 licensed businesses in El Monte generated over \$1.9 million in revenue to the city.

Honorable Mayor and
Members of the City Council
City of El Monte

Financial Condition

The economic condition and outlook of the City has been impacted by the national, regional, and local economic recession and by reduced revenue allocations from the State of California. The City continues to be faced with the challenge of having a balanced budget. Various costs, such as workers compensation insurance premiums and claims' costs, health insurance premiums and fire services contract increased at greater than inflation in 2007-2008.

Long-Term Financial Planning

The City and the Redevelopment Agency are currently working on development projects, which will result in directly and indirectly generating revenues to help balance the City's operating budget in the future.

For many years now auto dealers have been the strength of the local economy. Longo Toyota and Longo Lexus continue to be the number one dealers in the nation for their respective lines. However, the changing economy has resulted in closure in the past two years of all the domestically branded new car dealerships: El Monte Ford, El Monte Chrysler Jeep Dodge, Scott Pontiac GMC, and Power Chevrolet. Expanded offerings of hybrid vehicles and newer fuel technologies by the Toyota and Honda dealerships appear to have partially offset some of their sales declines.

Total retail sales in the City had declined in the previous fiscal year due to a number of factors. The almost year-long closure of the Sam's Club store for a complete reconstruction, along with the auto dealership closures, has contributed to the decline in taxable sales. However, new sales tax revenue generating additions to El Monte include the Walgreens, Anna's Linens, and other retail shops at Peck-Ramona. Newly opened in spring 2009 is a Staples office supply store. The new, expanded Sam's Club opened in the first quarter of 2009 and has done exceptionally well.

Other planned retail and residential projects, such as the Santa Fe Trail Plaza and the El Monte Transit Village, have not been able to move forward due to financial difficulties. City Staff has been evaluating new design and financing structures for the best strategies to move forward with these major projects.

Local industry has also been impacted by the economic downturn. In September 2008, Sargent-Fletcher Inc. announced the closing of its plant, which specialized in the manufacture of aerial refueling and other equipment for military aircraft. Over 250 jobs have been gradually phased out, with total closure expected at the end of 2009. The Gregg Industries foundry and machine shop closed in mid-2009, resulting in the loss of almost 300 jobs. Developers had acquired two large vacant industrial properties, formerly occupied by Saint Gobain Glass Containers and by Clayton Industries-James Jones Foundry, but their plans for industrial buildings now need to be re-evaluated in light of reduced demand for the original development concept, freestanding industrial condos. Environmental documentation has been prepared for both these sites.

Honorable Mayor and
Members of the City Council
City of El Monte

An indication of the changing local economy, from blue collar industrial jobs to a more retail and office commercial job environment, is reflected in the April 2009 ribbon-cutting for the new Cathay Bank headquarters in Flair Park. Cathay Bank, a California state-chartered bank, is one of the more financially sound banking institutions based in Southern California. Its parent holding company, Cathay Bancorp, also moved its offices to the Flair Drive location, a six story office building that was completely remodeled inside and outside. Founded in 1962 in Los Angeles, Cathay Bank offers a wide range of financial services. Cathay Bank currently operates 31 branches in California, eight branches in New York State, one in Massachusetts, two in Texas, three in Washington State, three in Chicago, Illinois area, one in New Jersey, one in Hong Kong, and a representative office in Shanghai and in Taipei. That such a solid national and international operation is now headquartered in El Monte represents a new perspective on our role in the global economy.

Housing development has slowed down due to challenges in the financial sector. Planning for affordable housing is continuing; the Rio Hondo Community Development Corporation completed two homes on Nevada Avenue in 2008-2009 with assistance from a CRA construction loan, and work has commenced on two homes at California and Amador with HOME administrative assistance and a private construction loan. The Rio Hondo CDC also acquired a vacant parcel on La Madera with assistance from City HOME funds, and has completed the entitlement process for development of seven single family homes for sale to qualifying low income households.

While private development has been challenged by national economic conditions, infrastructure projects that have been planned or already begun will improve the City's readiness when economic recovery occurs. President Barack Obama signed H.R.1, the American Recovery and Reinvestment Act, on February 17, 2009, which allocated over \$700 billion from the federal government for economic recovery. There was a goal of having an immediate impact. Thus, only "shovel-ready" projects would receive consideration. Various federal departments, such as Housing and Urban Development (HUD), Commerce, Justice, Energy, and Transportation, developed application guidelines for cities. The City of El Monte quickly mobilized its staff and was successful in bringing over \$10 million to El Monte by the end of the 2008-2009 fiscal year. The monies have created over 300 local jobs, including the rehiring of ten El Monte police officers who had previously been cut in order to balance the City budget, with a \$2,424,072 COPS hiring recovery grant.

Other ARRA-funded projects have included \$4,524,000 for street and sidewalk repair and construction, \$1,142,000 for energy efficiency improvements to City facilities. Additional monies have been awarded for Arden Drive street and signal improvements (\$726,287); acquisition and rehabilitation of foreclosed properties (\$623,142); and homelessness prevention assistance (\$1,110,506).

While the local economy has faced many challenges in the past year, it is hoped that these projects will offset job losses and add to the quality of life and the long term fiscal health of El Monte.

Honorable Mayor and
Members of the City Council
City of El Monte

Cash Management

The City follows the practice of pooling cash and investments of all funds except for funds required to be held by outside fiscal agents under the provisions of bond indentures and funds in its deferred compensation plans. Interest income earned on pooled cash and investments is allocated to the various funds based on the average cash balances for the year. Interest income from cash and investments with fiscal agent and in the deferred compensation plans is credited directly to the related fund. The market value of the City's portfolio of \$59,001,765 at June 30, 2008 has decreased to \$57,680,632 at fiscal year ended June 30, 2008. This amount includes the portfolio of investments held by the trustee of the seven debt issues. The interest earnings on those investments accounted for 5 percent of the general fund total revenues.

Risk Management

In 1986, the City became a member of the Independent Cities Risk Management Authority (ICRMA). This risk-sharing pool of cities provides excess coverage for liability and property insurance claims over established self-insured retentions. General liability claims in excess of the \$250,000 S.I.R. are covered up to \$20 million per occurrence on a risk pool program. The City also purchased property and boiler insurance on a pool-purchase program. The City's workers' compensation coverage is provided by the California State Association of Counties Excess insurance Authority (CSAC-EIA). The City's self insured retention for excess workers' compensation is \$400,000. The City continues to carry commercial companies for other risks of loss, including helicopter insurance, public employees fidelity bond, and special events insurance. Employee medical coverage is provided through the Public Employees Retirement System (PERS). In addition, the City provides health care benefits to retired public safety and management employees in accordance with the memorandum of understanding.

Deferred Compensation Plan

The City maintains deferred compensation plans under Section 457 and Section 401A of the Internal Revenue Code for the benefit of its employees. In accordance with H.R.3448 of 1996, the City established trust arrangements for those plans, to insure that the funds are protected and used exclusively for plan participants and beneficiaries.

Retirement Plan and Supplemental Retirement Plan

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. All full-time employees participate in the plan and 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. The City is required to contribute at an actuarially determined rate.

Honorable Mayor and
Members of the City Council
City of El Monte

In January 2000, PERS adopted Government Code Section 21362, offering "3% at 50" Retirement benefits to safety employees. Effective July 1, 2000, the City of El Monte elected to provide that benefit to its police employees but also to provide a similar benefit to its non-safety full-time employees. To that end, it contracted with PARS Phase II Systems for a "3% at 55" Supplementary Retirement Plan (SRP) for its non-safety employees. To receive the benefits of the "SRP", the miscellaneous full-time employee must be at least 55 years of age, have at least five years of full-time continuous 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. In general, benefits are provided based on the years of service with the City.

All hourly part-time employees are required to participate in the City's Part-Time, Seasonal, Temporary (PST) Deferred Compensation Plan. This plan was developed in lieu of paying social security taxes and is intended to be a supplemental retirement plan. Employees contribute 7.5% of gross earnings, which is tax deferred until the funds are withdrawn. The City makes no contribution to this plan.

AWARDS AND ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Division of the Administrative Services Department. We would like to thank the City's independent auditors, Lance, Soll & Lunghard, for their technical assistance. I wish to express my appreciation to all members of the departments, despite the great reduction in staffing levels, who assisted and contributed to the preparation of this report. Finally, we thank the Mayor, Council Members, City Manager, Assistant City Manager, and department directors for their unfailing support in maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Lettie De Dios
Interim Deputy City Manager
for Administrative Services

Officials of the City of El Monte



André Quintero
Mayor



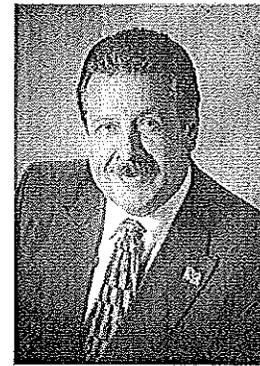
Patricia A. Wallach
Mayor Pro Tem



Norma Macias
Councilwoman



Emily Ishigaki
Councilwoman

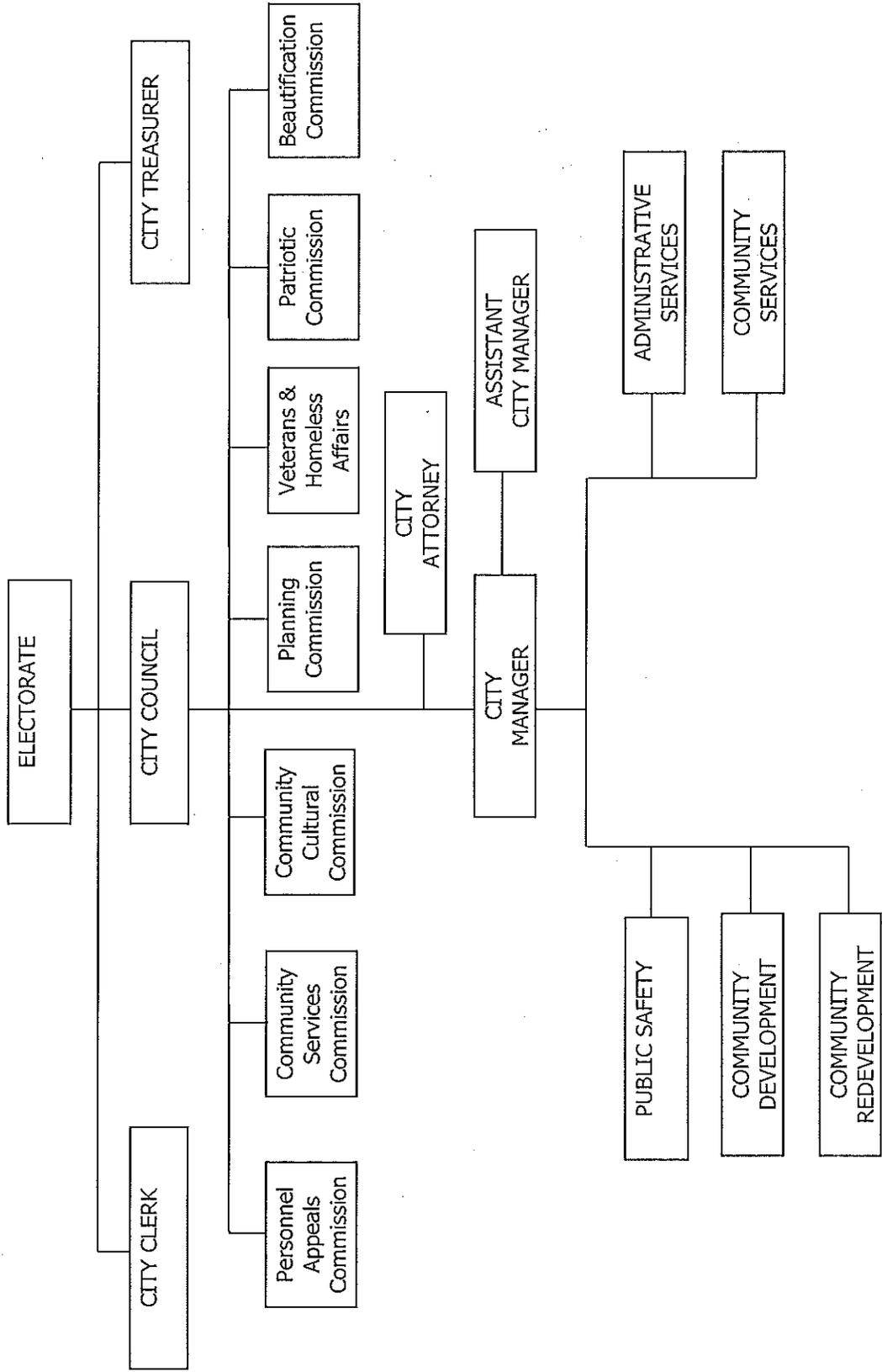


Juventino "J" Gomez
Councilman

City Management and Department Heads

City Manager.....	René Bobadilla
Interim Assistant City Manager.....	Steven Schuster
Interim Deputy City Manager for Administrative Services	Lettie De Dios
Interim Deputy City Manager for Community Development.....	Minh Thai
Interim Deputy City Managers for Community Services.....	Marian Last/Alexandra Lopez
Deputy City Manager for Public Safety	Tom Armstrong
City Attorney.....	E. Clarke Moseley
City Clerk.....	Lorene Gutierrez
City Treasurer.....	Henry Velasco

CITY OF EL MONTE



Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of El Monte
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Michael R. Rott
President

Jeffrey L. Esser
Executive Director



- Brandon W. Burrows, CPA
- Donald L. Parker, CPA
- Michael K. Chu, CPA
- David E. Hale, CPA, CFP
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and 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, 2009, 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 of El Monte'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, 2009, and the respective changes in financial position, and cash flows where applicable thereof, and the respective budgetary comparisons for the General Fund, Retirement Fund and Housing and Community Development Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 19, 2010, on our consideration of the City of El Monte's internal control over financial reporting and our tests of its compliance with certain laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying introductory section, the combining and individual fund statements, budgetary schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The accompanying introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Lance, Soll & Luyhard, LLP

February 19, 2010

CITY OF EL MONTE

Management's Discussion and Analysis

As management of the City of El Monte, we offer readers of the City of El Monte's financial statements this narrative overview and analysis of the financial activities of the City of El Monte for the fiscal year ended June 30, 2009. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the City of El Monte exceeded its liabilities for fiscal year 2008-09 by \$445.2 million of this amount; \$7 million are unrestricted net assets. \$6 million of unrestricted net assets have been earmarked for capital assets within the redevelopment project areas and \$1 million may be used to meet the City's on-going obligations to citizens and creditors. The City's total net assets decreased by \$5.6 million.
- During the year, the City had revenues that were \$8.5 million less than the \$92.7 million in expenses recorded by the City in its governmental activities.
- In the City's business-type activities, revenues were 35,770 less than the \$3.2 million in expenses recorded.
- The revenues available for expenditure were \$359,000 less than budgeted for in the General Fund; however, expenditures were \$1.7 million more than budgeted.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities (on pages 3, 4 and 5) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 6. For governmental activities, these fund statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds and other funds. The remaining fiduciary (Agency) fund statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities:

Our analysis of the City as a whole begins on page 3. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that answers this question. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets and changes*. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are an indication of whether its *financial health* is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the economy due to external factors that will cause a decrease in consumer spending.

In the statement of Net Assets and the Statement of Activities, we separate the City Activities as follows:

Governmental activities – Most of the City's basic services are reported in this category, including the general administration (city manager, city clerk, finance, etc.), police and fire protection, public works, community development and interest on long-term debt. Property taxes, sales tax, transient occupancy tax, user fees, interest income, franchise fees, state and federal grants, contributions from other agencies, and other revenues finance these activities.

Business-type activities – The City charges a fee to customers to cover all or most of the cost of certain services it provides. The City's water utility is reported in this category.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements:

The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, management established many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other resources. The City's two types of funds are governmental and proprietary.

Governmental funds – Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences of results in the Governmental Fund financial statements to those in the Government-Wide financial statements are explained in a reconciliation following each Governmental Fund financial statement.

Proprietary funds – When the City charges customers for the services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the City's enterprise funds are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information such as a statement of cash flows.

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.

THE CITY AS A WHOLE

TABLE 1

NET ASSETS
(IN THOUSANDS)

As of June 30, 2009

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 96,795	\$ 102,546	\$ 3,648	\$ 4,328	\$ 100,443	\$ 106,874
Capital assets	429,572	430,704	3,885	3,681	433,457	434,385
TOTAL ASSETS	526,367	533,250	7,533	8,009	533,900	541,259
Long-term liabilities outstanding	59,430	57,848	17,373	18,121	76,803	75,969
Other liabilities	21,780	24,596	1,236	871	23,016	25,467
TOTAL LIABILITIES	81,210	82,444	18,609	18,992	99,819	101,436
Net assets:						
Invested in capital assets, net of related debt	393,170	387,726	3,885	- 3,681	397,055	391,407
Restricted	45,161	45,093	403	- 403	45,564	45,496
Unrestricted	6,826	17,986	(15,364)	(15,067)	(8,538)	2,919
TOTAL NET ASSETS	\$ 445,157	\$ 450,805	(11,076)	(10,983)	434,081	\$ 439,822

The City's combined net assets decreased \$5.6 million from \$450.8 million to \$445.2 million. A separate review of the net change in the governmental and business-type activities depicts two different stories. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental and business-type activities.

TABLE 2
CHANGES IN NET ASSETS
(IN THOUSANDS)

As of June 30, 2009

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
REVENUES:						
Program Revenues:						
Charges for services	\$ 11,136	\$ 8,933	\$ 2,986	\$ 3,165	\$ 14,122	\$ 12,098
Operating grants and contributions	6,985	8,393	-	-	6,985	8,393
Capital grants and contributions	3,011	5,917	-	-	3,011	5,917
General Revenues:						
Property taxes	30,782	29,362	-	-	30,782	29,362
Sales tax	12,819	22,397	-	-	12,819	22,397
Franchise Taxes	2,799	2,627	-	-	2,799	2,627
Other taxes	10,990	11,632	-	-	10,990	11,632
Motor Vehicle In-Lieu	363	539	-	-	363	539
Use of Money & Property	5,011	5,987	58	111	5,069	6,098
Other Revenues	324	2,000	120	178	444	2,178
TOTAL REVENUES	84,220	97,787	3,164	3,454	87,384	101,241
EXPENSES:						
General Government	36,767	38,253	-	-	36,767	38,253
Public Safety	34,910	39,991	-	-	34,910	39,991
Community Services	4,582	5,710	-	-	4,582	5,710
Public Works	10,587	9,663	-	-	10,587	9,663
Interest on long-term debt	5,904	5,642	-	-	5,904	5,642
Water	-	-	3,200	3,162	3,200	3,162
TOTAL EXPENSES	92,750	99,259	3,200	3,162	95,950	102,421
Increase (decrease) in net assets before transfers	(8,530)	(1,472)	(36)	292	(8,566)	(1,180)
Transfers	-	-	-	-	-	-
INCREASE IN NET ASSETS	(8,530)	(1,472)	(36)	292	(8,566)	(1,180)
Beginning net assets as restated	453,688	452,277	(11,040)	(11,275)	442,648	441,002
Ending net assets	\$ 445,158	\$ 450,805	\$ (11,076)	\$ (10,983)	\$ 434,082	\$ 439,822

Compared to the prior year, net assets of the City's governmental activities decreased by 1.26 percent or \$5.6 million. This was due to the increase of expenses versus revenues of \$8.5 million primarily related to governmental activities. The City's Net Assets are made up of three components: Investment in Capital Assets, Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

The net assets of the business-type activities decreased by \$ (35,770), or 1.1 percent.

Governmental Activities

The following presents the cost of each of the City's five largest programs – general government, public safety, community services, public works and interest on long-term debt – as well as each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Governmental Activities (In Thousands)

	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
General Government	\$ 36,767	(\$ 30,146)
Public Safety	34,910	(30,828)
Community Services	4,582	(2,392)
Public Works	10,587	(2,347)
Interest on long-term debt	<u>5,904</u>	<u>(5,905)</u>
Total	<u>\$ 92,750</u>	<u>(\$ 71,618)</u>

THE CITY'S FUNDS

On page 7, the governmental funds balance sheet is shown. The combined fund balance of \$51,993,611 decreased from \$54,836,018, or 5.1 percent. This total includes the General Fund balance of \$57,347,532 which was increased by \$1,231,621 from the prior year. The City's General Fund balance has reserved/designated \$56,247,468 for advances, capital projects, encumbrances and wastewater improvements. The City's General Fund balance has unreserved/undesignated \$1,100,064.

General Fund Budgetary Highlights

During the year, with the recommendation from the City's staff, the City Council and/or City Manager revised the City budget several times. Adjustments were made on an as needed basis as the City's staff requested additional appropriations to cover the cost of projects that either had change orders for additional work, or the estimated cost at the beginning of the project was underestimated. Adjustments were also made as department heads requested increases or decreases to their budgets to maintain their current level of services. All amendments that either increase or decrease appropriations were approved by the City Council and/or City Manager.

For the City's General Fund, actual ending revenues of \$57,284,513 were \$359,687 less than the final budgeted revenues of \$57,644,200. VLF Swap, which was budgeted to be \$9,732,000 and was actually \$9,956,781, and In Lieu Tax revenues, which was budgeted to be \$800,000 and was actually \$362,920, for a net difference of \$212,299; Property Tax, which was budgeted to be \$5,146,300 and was actually \$5,658,983, for a net difference of \$512,683; Utility Users Tax revenues, which was budgeted to be \$9,067,500 and was actually \$8,477,622, a difference of \$589,878; Use of money and property, which was budgeted to be \$631,200 and was actually \$3,148,389, for a net difference of \$2,517,189; Fines and Forfeitures revenues, which was budgeted to be \$1,683,400 and was actually

\$1,513,547, a difference of \$169,853. The majority of the variance was in Taxes revenues in the amount of \$5,190,212; however, License and Permits, which was budgeted to \$3,949,000 was actually \$6,853,145 and Use of Money and Property, which was budgeted \$631,200 was actually \$3,148,389, offset much of that with a net difference of \$5,421,334.

The General Fund actual ending expenditures of \$55,197,697 (net of bond expenses and capital outlay) were \$2,156,797 more than the final budget of \$53,040,900. The majority of the variance was in General City expenditures, which was budgeted to be \$2,877,000 and was actually \$3,980,441, a difference of \$1,103,441. There were changes in the original budget compared to the final budget during the year. The original expenditure budget was \$31,965,700 compared to the final budget of \$54,225,800, a \$22,260,100 increase.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2009, the City had \$433,456 invested in a broad range of capital assets. (See Table 3). The City included capitalization of prior fiscal year infrastructure assets. Additional information on the City's capital assets can be found in the notes to the basic financial statements.

TABLE 3
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION, IN THOUSANDS)

For the year ended June 30, 2009

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 328,163	\$ 328,163	311	\$ 311	328,474	\$ 328,474
Construction in progress	4,757	2,489	145		4,902	2,489
Equipment-in-progress	396	-	-	-	396	0
Improvements other than buildings	860	914			860	914
Structures and improvements	22,354	22,963	992	1,118	23,346	24,081
Furniture and Equipment	3,881	4,212	1,613	1,401	5,494	5,613
Infrastructure	69,160	71,961	824	851	69,984	72,812
TOTALS	\$ 429,571	\$ 430,702	3,885	\$ 3,681	433,456	\$ 434,383

Long-Term Debt

At year-end, the City's governmental activities had \$118,493,527 in bonds, loans, advances and leases versus 117,674,291 last year, an increase of \$819,236, which included an increase in Advances from City to Agency of \$2,449,956. The City was able to meet all its current debt obligations in a timely manner.

TABLE 4

	Governmental Activities		Business Type Activities		Total	
	2009	2008	2009	2008	2009	2008
Advances from other funds	\$ 72,433	\$ 69,983	-	\$ -	72,433	\$ 69,983
Tax Allocation Bonds	28,670	29,340	-	-	28,670	29,340
Certificates of Participation	7,285	7,915	-	-	7,285	7,915
Notes Payable	9,659	9,868	-	-	9,659	9,868
Revenue Bonds	-	-	18,225	18,610	18,225	18,610
Lease Payable	447	568	-	-	447	568
TOTALS	\$ 118,494	\$ 117,674	18,225	\$ 18,610	136,719	\$ 136,284

The City's business-type activities debt is \$18,225,000. Debt in the business-type activities consists of a Water Authority Revenue Refunding Bond issued in September 1, 2006, in order to defease the 1999 Water Revenue Bonds with outstanding balance of \$12,850,000 and the 2001 Bond Anticipation Notes with an outstanding balance of \$5,380,000. The original bond was intended to pay the initial lease payment for the lease of the Water System, to provide for certain public capital improvements, and to finance capital improvements.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

In preparing the budget for 2009-10, management looked at the following economic factors:

- Overall decrease in General Fund revenues
- Recession with no end in sight
- City faced with the challenge of achieving a balanced operating budget and did not have any reserves to balance the budget
- Economic Development/Redevelopment staff will continue to work aggressively with developers and incorporate the City's team approach toward blight removal, new development, job creation and housing

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

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. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City's Finance Division of the Administrative Services Department, at the City of El Monte, 11333 Valley Blvd., El Monte, CA 91731.

CITY OF EL MONTE
BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

CITY OF EL MONTE

STATEMENT OF NET ASSETS
JUNE 30, 2009

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets:			
Cash and investments	\$ 46,325,354	\$ 2,251,767	\$ 48,577,121
Receivables:			
Accounts	1,306,852	232,082	1,538,934
Taxes	4,019,058	-	4,019,058
Notes and loans	19,152,351	50,000	19,202,351
Accrued interest	196,452	-	196,452
Internal balances	(225,539)	225,539	-
Prepaid costs	3,000	-	3,000
Deposits	382,500	-	382,500
Due from other governments	4,619,817	-	4,619,817
Inventories	53,788	-	53,788
Deferred charges	1,419,027	485,252	1,904,279
Land held for resale	11,041,117	-	11,041,117
Restricted assets:			
Cash and investments with fiscal agent	8,501,936	403,419	8,905,355
Capital assets not being depreciated	333,316,699	455,458	333,772,157
Capital assets, net of depreciation	96,254,942	3,429,269	99,684,211
Total Assets	526,367,354	7,532,786	533,900,140
Liabilities:			
Accounts payable	2,471,413	104,649	2,576,062
Accrued liabilities	1,316,786	23,303	1,340,089
Accrued interest	439,993	271,112	711,105
Unearned revenue	1,576,784	-	1,576,784
Deposits payable	3,275,471	355,053	3,630,524
Due to other governments	7,325,908	-	7,325,908
Noncurrent liabilities:			
Due within one year	5,373,741	481,869	5,855,610
Due in more than one year	59,429,558	17,372,927	76,802,485
Total Liabilities	81,209,654	18,608,913	99,818,567
Net Assets:			
Invested in capital assets, net of related debt	393,169,859	3,884,727	397,054,586
Restricted for:			
Public works projects	12,083,228	-	12,083,228
Public safety	1,542,015	-	1,542,015
Parks, recreation and cultural	1,216,962	-	1,216,962
Community development	8,607,867	-	8,607,867
Debt service	3,307,179	403,419	3,710,598
Retirement	18,404,455	-	18,404,455
Unrestricted	6,826,135	(15,364,273)	(8,538,138)
Total Net Assets	\$ 445,157,700	\$ (11,076,127)	\$ 434,081,573

CITY OF EL MONTE

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2009

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
Functions/Programs				
Primary Government:				
Governmental Activities:				
General government	\$ 36,766,602	\$ 2,380,801	\$ 4,190,280	\$ 49,417
Public safety	34,909,950	2,875,981	1,206,210	-
Parks, recreation and cultural	4,581,714	485,483	1,588,619	115,325
Public works	10,587,267	5,393,855	-	2,845,867
Interest on long-term debt	5,904,551	-	-	-
Total Governmental Activities	92,750,084	11,136,120	6,985,109	3,010,609
Business-Type Activities:				
Water Authority	3,199,691	2,985,694	117,527	-
Total Business-Type Activities	3,199,691	2,985,694	117,527	-
Total Primary Government	\$ 95,949,775	\$ 14,121,814	\$ 7,102,636	\$ 3,010,609

General Revenues:

Taxes:

- Property taxes, levied for general purpose
- Transient occupancy taxes
- Sales taxes
- Franchise taxes
- Business licenses taxes
- Utility users tax
- Other taxes
- Motor vehicle in lieu - unrestricted
- Use of money and property
- Other

Total General Revenues

Change in Net Assets

Net Assets at Beginning of Year

Restatement of Net Assets

Net Assets at End of Year

Net (Expenses) Revenues and Changes in Net Assets
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (30,146,104)	\$ -	\$ (30,146,104)
(30,827,759)	-	(30,827,759)
(2,392,287)	-	(2,392,287)
(2,347,545)	-	(2,347,545)
(5,904,551)	-	(5,904,551)
(71,618,246)	-	(71,618,246)
-	(96,470)	(96,470)
-	(96,470)	(96,470)
(71,618,246)	(96,470)	(71,714,716)
30,781,923	-	30,781,923
306,710	-	306,710
12,819,325	-	12,819,325
2,799,335	-	2,799,335
60,319	-	60,319
8,477,622	-	8,477,622
2,145,353	-	2,145,353
362,920	-	362,920
5,010,702	57,847	5,068,549
324,017	2,853	326,870
63,088,226	60,700	63,148,926
(8,530,020)	(35,770)	(8,565,790)
450,805,080	(10,983,018)	439,822,062
2,882,640	(57,339)	2,825,301
\$ 445,157,700	\$ (11,076,127)	\$ 434,081,573

CITY OF EL MONTE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds		
	General	Retirement	Housing and Community Development
Assets:			
Cash and investments	\$ 3,667,321	\$ 16,895,925	\$ 566,898
Receivables:			
Accounts	526,288	6,791	858
Taxes	2,825,527	329,323	-
Notes and loans	91,972	-	14,513,669
Accrued interest	196,452	-	-
Prepaid costs	3,000	-	-
Deposits	-	-	-
Due from other governments	135,917	-	2,762,953
Due from other funds	4,066,629	1,265,069	-
Advances to other funds	52,057,038	-	17,468,383
Inventories	53,788	-	-
Land held for resale	-	-	1,845,000
Restricted assets:			
Cash and investments with fiscal agents	101,309	-	-
Total Assets	\$ 63,725,241	\$ 18,497,108	\$ 37,157,761
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 660,602	\$ 92,653	\$ 175,785
Accrued liabilities	1,179,172	-	31,644
Deferred revenues	247,298	-	18,792,402
Unearned revenues	-	-	1,458,701
Deposits payable	3,025,568	-	2,056
Due to other governments	-	-	7,134,257
Due to other funds	1,265,069	-	955,049
Advances from other funds	-	-	-
Total Liabilities	6,377,709	92,653	28,549,894
Fund Balances:			
Reserved:			
Reserved for encumbrances	170,136	-	-
Reserved for prepaid costs	3,000	-	-
Reserved for land held for resale	-	-	1,845,000
Reserved for notes and loans	-	-	5,579,037
Reserved for advances to other funds	52,057,038	-	2,200,000
Reserved for inventory	53,788	-	-
Reserved for deposits	-	-	-
Reserved for capital projects	339,128	-	-
Reserved for wastewater improvements	3,624,378	-	-
Reserved for Proposition 1B	-	-	-
Reserved for AB2928	-	-	-
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	-	-
Capital projects funds	-	-	-
Debt service funds	-	-	-
Designated for retirement	-	18,404,455	-
Undesignated	1,100,064	-	(1,016,170)
Total Fund Balances	57,347,532	18,404,455	8,607,867
Total Liabilities and Fund Balances	\$ 63,725,241	\$ 18,497,108	\$ 37,157,761

See Notes to Financial Statements

CITY OF EL MONTE

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	Capital Projects Funds		
	Capital Projects RDA	Other Governmental Funds	Total Governmental Funds
Assets:			
Cash and investments	\$ 3,748,957	\$ 17,706,615	\$ 42,585,716
Receivables:			
Accounts	350,028	417,887	1,301,852
Taxes	46,856	817,352	4,019,058
Notes and loans	3,792,747	753,963	19,152,351
Accrued interest	-	-	196,452
Prepaid costs	-	-	3,000
Deposits	382,500	-	382,500
Due from other governments	816	1,720,131	4,619,817
Due from other funds	683,886	195,500	6,211,084
Advances to other funds	864,036	1,853,624	72,243,081
Inventories	-	-	53,788
Land held for resale	9,196,117	-	11,041,117
Restricted assets:			
Cash and investments with fiscal agents	5,744,836	2,655,791	8,501,936
Total Assets	\$ 24,810,779	\$ 26,120,863	\$ 170,311,752
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 412,950	\$ 994,454	\$ 2,336,444
Accrued liabilities	15,733	90,237	1,316,786
Deferred revenues	1,083,039	4,019,800	24,142,539
Unearned revenues	-	118,083	1,576,784
Deposits payable	239,400	8,447	3,275,471
Due to other governments	368	191,283	7,325,908
Due to other funds	1,737,768	2,253,198	6,211,084
Advances from other funds	70,846,843	1,286,282	72,133,125
Total Liabilities	74,336,101	8,961,784	118,318,141
Fund Balances:			
Reserved:			
Reserved for encumbrances	182,082	274,318	626,536
Reserved for prepaid costs	-	-	3,000
Reserved for land held for resale	9,196,117	-	11,041,117
Reserved for notes and loans	3,770,593	-	9,349,630
Reserved for advances to other funds	-	-	54,257,038
Reserved for inventory	-	-	53,788
Reserved for deposits	382,500	-	382,500
Reserved for capital projects	-	-	339,128
Reserved for wastewater improvements	-	-	3,624,378
Reserved for Proposition 1B	-	1,964,257	1,964,257
Reserved for AB2928	-	970,813	970,813
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	8,617,540	8,617,540
Capital projects funds	-	2,024,972	2,024,972
Debt service funds	-	3,307,179	3,307,179
Designated for retirement	-	-	18,404,455
Undesignated	(63,056,614)	-	(62,972,720)
Total Fund Balances	(49,525,322)	17,159,079	51,993,611
Total Liabilities and Fund Balances	\$ 24,810,779	\$ 26,120,863	\$ 170,311,752

See Notes to Financial Statements

CITY OF EL MONTE

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

Fund balances of governmental funds	\$ 51,993,611
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity	429,571,641
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the Statement of Net Assets	1,419,027
Long-term liabilities and compensated absences that have not been included in the governmental fund activity:	
Long-term liabilities	(49,342,766)
Compensated absences	(7,686,588)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(439,993)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity	24,142,539
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>(4,499,771)</u>
Net assets of governmental activities	<u>\$ 445,157,700</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EL MONTE

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

	Special Revenue Funds		
	General	Retirement	Housing and Community Development
Revenues:			
Taxes	\$ 40,630,088	\$ 10,123,979	\$ -
Licenses and permits	6,853,145	-	-
Intergovernmental	728,647	-	329,637
Charges for services	2,001,088	-	-
Use of money and property	3,148,389	424,702	247,063
Fines and forfeitures	1,513,547	-	-
Contributions	43,172	-	-
Miscellaneous	226,802	111,853	-
Total Revenues	55,144,878	10,660,534	576,700
Expenditures:			
Current:			
General government	12,183,837	9,420,511	3,377,472
Public safety	33,173,850	-	499,862
Parks, recreation and cultural	3,735,514	-	26,184
Public works	6,104,496	-	697,015
Capital outlay	82,639	-	-
Debt service:			
Principal retirement	652,659	-	171,000
Interest and fiscal charges	267,346	-	375,587
Total Expenditures	56,200,341	9,420,511	5,147,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,055,463)	1,240,023	(4,570,420)
Other Financing Sources (Uses):			
Transfers in	2,121,136	-	-
Transfers out	(801,987)	-	-
Proceeds from sale of capital asset	18,499	-	-
Total Other Financing Sources (Uses)	1,337,648	-	-
Net Change in Fund Balances	282,185	1,240,023	(4,570,420)
Fund Balances, Beginning of Year, as previously reported	56,115,911	17,164,432	11,524,557
Restatements	949,436	-	1,653,730
Fund Balances, Beginning of Year, as restated	57,065,347	17,164,432	13,178,287
Fund Balances, End of Year	\$ 57,347,532	\$ 18,404,455	\$ 8,607,867

CITY OF EL MONTE

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

	Capital Projects Fund		
	Capital Projects RDA	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 9,518,598	\$ 60,272,665
Licenses and permits	-	-	6,853,145
Intergovernmental	-	5,719,030	6,777,314
Charges for services	-	365,872	2,366,960
Use of money and property	269,986	546,513	4,636,653
Fines and forfeitures	-	-	1,513,547
Contributions	-	451,821	494,993
Miscellaneous	163,048	45,950	547,653
Total Revenues	433,034	16,647,784	83,462,930
Expenditures:			
Current:			
General government	2,387,133	3,590,423	30,959,376
Public safety	-	1,042,588	34,716,300
Parks, recreation and cultural	-	779,438	4,541,136
Public works	-	1,017,000	7,818,511
Capital outlay	603,821	3,205,497	3,891,957
Debt service:			
Principal retirement	187,600	619,466	1,630,725
Interest and fiscal charges	3,919,677	1,086,861	5,649,471
Total Expenditures	7,098,231	11,341,273	89,207,476
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,665,197)	5,306,511	(5,744,546)
Other Financing Sources (Uses):			
Transfers in	3,068,292	884,786	6,074,214
Transfers out	(15,896)	(5,256,331)	(6,074,214)
Proceeds from sale of capital asset	1,000	-	19,499
Total Other Financing Sources (Uses)	3,053,396	(4,371,545)	19,499
Net Change in Fund Balances	(3,611,801)	934,966	(5,725,047)
Fund Balances, Beginning of Year, as previously reported	(45,913,521)	15,944,639	54,836,018
Restatements	-	279,474	2,882,640
Fund Balances, Beginning of Year, as restated	(45,913,521)	16,224,113	57,718,658
Fund Balances, End of Year	\$ (49,525,322)	\$ 17,159,079	\$ 51,993,611

CITY OF EL MONTE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2009

Net change in fund balances - total governmental funds \$ (5,725,047)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (1,132,114)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets 1,448,982

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 (4,394,837)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period (73,337)

Compensated absences expenses 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 300,923

Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity 754,395

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 291,015

Change in net assets of governmental activities \$ (8,530,020)

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EL MONTE

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 57,065,347	\$ 57,065,347	\$ 57,065,347	\$ -
Resources (Inflows):				
Taxes	22,744,600	45,820,300	40,630,088	(5,190,212)
Licenses and permits	3,748,000	3,949,000	6,853,145	2,904,145
Intergovernmental	1,025,000	1,025,000	728,647	(296,353)
Charges for services	1,582,700	1,807,100	2,001,088	193,988
Use of money and property	107,800	631,200	3,148,389	2,517,189
Fines and forfeitures	1,283,100	1,683,400	1,513,547	(169,853)
Contributions	-	15,000	43,172	28,172
Miscellaneous	128,200	163,200	226,802	63,602
Transfers in	2,550,000	2,550,000	2,121,136	(428,864)
Proceeds from sale of capital asset	-	-	18,499	18,499
Amounts Available for Appropriation	90,234,747	114,709,547	114,349,860	(359,687)
Charges to Appropriation (Outflow):				
General government				
City council	1,186,900	1,155,000	1,148,521	6,479
Administrative office	-	-	5,158	(5,158)
Purchasing	142,000	109,200	103,871	5,329
Finance	584,600	483,000	533,388	(50,388)
City treasurer	137,100	136,400	173,992	(37,592)
City attorney	442,500	371,100	483,465	(112,365)
Public information office	83,500	1,700	1,116	584
General city expense	1,257,700	2,877,000	3,980,441	(1,103,441)
Information technology	334,100	292,600	272,330	20,270
Community promollon	178,700	147,400	147,373	27
Insurance and surety	537,000	5,871,000	5,081,004	789,996
License collection	191,800	160,800	122,565	38,235
Valley Mall	60,900	110,900	95,160	15,740
El Monte Museum	31,300	30,900	35,453	(4,553)
Public safety				
Code enforcement	119,600	126,600	43,152	83,448
Police	5,951,400	20,909,100	21,314,264	(405,164)
Police code enforcement	466,400	451,300	456,675	(5,375)
Fire department	10,021,100	10,001,100	9,824,747	176,353
Police helicopter	834,700	765,000	731,629	33,371
Civil defense	12,700	12,700	9,685	3,015
Traffic safety program	349,100	404,100	688,738	(284,638)
Parking enforcement	159,500	159,500	104,960	54,540
Parks, recreation and cultural				
Parks and building maintenance	1,521,400	1,368,200	1,528,509	(160,309)
Government bldg and grounds maintenance	-	27,300	81,724	(54,424)
Aquatic center project	896,700	793,900	790,824	3,076
Parking lot maintenance	21,300	18,600	20,485	(1,885)
Mall maintenance	-	-	600	(600)
Parks	-	546,500	578,152	(31,652)
Sports/playgrounds/aquatics	144,000	143,600	143,314	286
Senior services	400	422,900	385,239	37,661
Administration	-	148,100	190,039	(41,939)
Communications and marketing	154,300	-	578	(578)
Contracted classes	-	-	11,122	(11,122)
Aquatic center classes	-	-	4,928	(4,928)
Recreation	257,400	-	-	-

CITY OF EL MONTE

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public works				
Building and grounds maintenance	828,400	1,152,700	1,036,475	116,225
Building regulations	537,300	495,200	450,207	44,993
City planning	495,200	404,600	427,984	(23,384)
Graffiti removal	-	-	186	(186)
General engineering	402,500	437,900	503,023	(65,123)
Sanitary sewer maintenance	-	-	172,196	(172,196)
Parking lot maintenance	-	-	332	(332)
Community development	63,100	85,500	135,213	(49,713)
Median maintenance	73,600	52,100	72,066	(19,966)
Sewer	-	-	867,736	(867,736)
CDBG	500	500	100	400
Plumbing maintenance	256,300	252,500	206,774	45,726
Beautification commission	-	-	45	(45)
Administration	188,800	190,100	127,326	62,774
Equipment maintenance	269,800	269,800	169,050	100,750
Street maintenance	156,500	155,700	321,884	(166,184)
Street signs and striping	107,600	56,500	39,619	16,881
Street sweeping	209,800	209,800	205,276	4,524
Traffic signal maintenance	279,600	278,100	254,478	23,622
Street lights	563,300	563,000	733,751	(170,751)
Street Trees and Parkways	375,400	375,400	369,742	5,658
Storm Drains	21,000	16,000	11,033	4,967
Capital outlay	7,000	7,000	82,639	(75,639)
Debt service:				
Principal retirement	679,900	679,900	652,659	27,241
Interest and fiscal charges	372,000	498,000	267,346	230,654
Transfers out	-	-	801,987	(801,987)
Total Charges to Appropriations	31,965,700	54,225,800	57,002,328	(2,776,528)
Budgetary Fund Balance, June 30	\$ 58,269,047	\$ 60,483,747	\$ 57,347,532	\$ (3,136,215)

CITY OF EL MONTE

BUDGETARY COMPARISON STATEMENT
 RETIREMENT
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,164,432	\$ 17,164,432	\$ 17,164,432	\$ -
Resources (Inflows):				
Taxes	9,179,000	9,179,000	10,123,979	944,979
Use of money and property	100,000	100,000	424,702	324,702
Miscellaneous	28,000	121,900	111,853	(10,047)
Amounts Available for Appropriation	26,471,432	26,565,332	27,824,966	1,259,634
Charges to Appropriation (Outflow):				
General government	230,000	9,802,200	9,420,511	381,689
Total Charges to Appropriations	230,000	9,802,200	9,420,511	381,689
Budgetary Fund Balance, June 30	\$ 26,241,432	\$ 16,763,132	\$ 18,404,455	\$ 1,641,323

CITY OF EL MONTE

BUDGETARY COMPARISON STATEMENT
HOUSING AND COMMUNITY DEVELOPMENT
YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1 as restated	\$ 13,178,287	\$ 13,178,287	\$ 13,178,287	\$ -
Resources (Inflows):				
Intergovernmental	4,144,300	4,237,379	329,637	(3,907,742)
Use of money and property	133,300	145,300	247,063	101,763
Amounts Available for Appropriation	17,455,887	17,560,966	13,754,987	(3,805,979)
Charges to Appropriation (Outflow):				
General government	2,496,538	2,293,282	3,377,472	(1,084,190)
Public safety	464,003	560,403	499,862	60,541
Parks, recreation and cultural	-	-	26,184	(26,184)
Public works	829,847	787,047	697,015	90,032
Capital outlay	37,600	-	-	-
Debt service:				
Principal retirement	432,600	-	171,000	(171,000)
Interest and fiscal charges	70,400	400	375,587	(375,187)
Transfers out	400,000	-	-	-
Total Charges to Appropriations	4,730,988	3,641,132	5,147,120	(1,505,988)
Budgetary Fund Balance, June 30	\$ 12,724,899	\$ 13,919,834	\$ 8,607,867	\$ (5,311,967)

CITY OF EL MONTE

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 JUNE 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds Self Insurance
	Water Authority	
Assets:		
Current:		
Cash and investments	\$ 2,251,767	\$ 3,739,638
Receivables:		
Accounts	232,082	5,000
Notes and loans	50,000	-
Restricted:		
Cash with fiscal agent	403,419	-
Total Current Assets	2,937,268	3,744,638
Noncurrent:		
Deferred Charges	485,252	-
Advances to other funds	190,044	-
Capital assets - net of accumulated depreciation	3,884,727	-
Total Noncurrent Assets	4,560,023	-
Total Assets	\$ 7,497,291	\$ 3,744,638
Liabilities and Net Assets:		
Liabilities:		
Current:		
Accounts payable	\$ 104,649	\$ 134,969
Accrued liabilities	23,303	-
Accrued interest	271,112	-
Deposits payable	355,053	-
Accrued compensated absences	91,869	-
Accrued claims and judgments	-	1,469,842
Bonds, notes, and capital leases	390,000	-
Total Current Liabilities	1,235,986	1,604,811
Noncurrent:		
Advances from other funds	-	300,000
Accrued compensated absences	259,353	-
Accrued claims and judgments	-	6,304,103
Bonds, notes, and capital leases	17,113,574	-
Total Noncurrent Liabilities	17,372,927	6,604,103
Total Liabilities	18,608,913	8,208,914
Net Assets:		
Invested in capital assets, net of related debt	3,884,727	-
Restricted for debt service	403,419	-
Unrestricted	(15,399,768)	(4,464,276)
Total Net Assets	(11,111,622)	(4,464,276)
Total Liabilities and Net Assets	\$ 7,497,291	\$ 3,744,638
Reconciliation of Net Assets to the Statement of Net Assets		
Net Assets per Statement of Net Assets - Proprietary Funds	\$ (11,111,622)	
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	19,297	
Current years' adjustments to reflect the consolidation of internal service activities related to enterprise funds	16,198	
Net Assets per Statement of Net Assets	\$ (11,076,127)	

CITY OF EL MONTE

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Authority	Self Insurance
Operating Revenues:		
Sales and service charges	\$ 2,985,694	\$ -
Interdepartmental charges	-	2,526,386
Insurance reimbursement	-	55,539
Total Operating Revenues	2,985,694	2,581,925
Administration and general	1,504,288	1,046,858
Treatment	573,045	-
Claims expense	-	1,230,593
Depreciation expense	261,329	-
Total Operating Expenses	2,338,662	2,277,451
Operating Income (Loss)	647,032	304,474
Nonoperating Revenues (Expenses):		
Intergovernmental	117,527	-
Interest revenue	57,847	2,739
Interest expense	(877,227)	-
Miscellaneous	2,853	-
Total Nonoperating Revenues (Expenses)	(699,000)	2,739
Changes in Net Assets	(51,968)	307,213
Net Assets:		
Beginning of Year, as previously reported	(11,002,315)	(4,771,489)
Restatements	(57,339)	-
Beginning of Fiscal Year, as restated	(11,059,654)	(4,771,489)
End of Fiscal Year	\$ (11,111,622)	\$ (4,464,276)
Reconciliation of Changes in Net Assets to the Statement of Activities:		
Changes in Net Assets, per the Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds	\$ (51,968)	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds	16,198	
Changes in Net Assets of Business-Type Activities per Statement of Activities	\$ (35,770)	

CITY OF EL MONTE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2009

	Business-Type Activities - Enterprise Funds	Governmental Activities- Internal Service Funds
	Water Authority	Self Insurance
Cash Flows from Operating Activities:		
Cash received from customers and users	\$ 3,593,613	\$ -
Cash received from/(paid to) interfund service provided	-	2,526,386
Cash paid to suppliers for goods and services	(625,808)	(2,835,924)
Cash paid to employees for services	(1,517,867)	-
Cash received from (payments to) others	-	55,539
Net Cash Provided (Used) by Operating Activities	1,449,938	(253,999)
Cash Flows from Non-Capital Financing Activities:		
Repayment received from other funds	-	101,807
Advance to other funds	(9,050)	-
Intergovernmental	117,527	-
Net Cash Provided (Used) by Non-Capital Financing Activities	108,477	101,807
Cash Flows from Capital and Related Financing Activities:		
Acquisition and construction of capital assets	(522,048)	-
Principal paid on capital debt	(385,001)	-
Interest paid on capital debt	(835,637)	-
Miscellaneous	2,853	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,739,833)	-
Cash Flows from Investing Activities:		
Interest received	57,847	2,739
Net Cash Provided (Used) by Investing Activities	57,847	2,739
Net Increase (Decrease) in Cash and Cash Equivalents	(123,571)	(149,453)
Cash and Cash Equivalents at Beginning of Year	2,778,757	3,889,091
Cash and Cash Equivalents at End of Year	\$ 2,655,186	\$ 3,739,638

CITY OF EL MONTE

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2009

	<u>Business-Type Activities - Enterprise Funds</u>	<u>Governmental Activities- Internal Service Funds</u>
	<u>Water Authority</u>	<u>Self Insurance</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:		
Operating income (loss)	\$ 647,032	\$ 304,474
Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:		
Depreciation	261,329	-
(Increase) decrease in accounts receivable	563,245	-
Increase (decrease) in accounts payable	(52,763)	86,567
Increase (decrease) in accrued liabilities	(12,725)	-
Increase (decrease) in deposits payable	44,674	-
Increase (decrease) in compensated absences	(854)	-
Total Adjustments	<u>802,906</u>	<u>(558,473)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,449,938</u>	<u>\$ (253,999)</u>
Non-Cash Investing, Capital, and Financing Activities:		
Amortization of deferred charges, premiums and loss on defeasance relating to long-term liabilities	\$ 45,894	\$ -

CITY OF EL MONTE

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	<u>Pension Trust Fund Retiree Insurance</u>
Assets:	
Cash and investments	<u>\$ 198,156</u>
Total Assets	<u><u>\$ 198,156</u></u>
Net Assets:	
Held in trust for pension	<u>\$ 198,156</u>
Total Liabilities and Net Assets	<u><u>\$ 198,156</u></u>

CITY OF EL MONTE

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2009

	<u>Pension Trust Fund Retiree Insurance</u>
Additions	
Contributions:	
Employers	\$ 145,000
Employee	89,488
Retiree	34,605
Investment earnings:	
Interest and change in fair value of investments	<u>6,179</u>
Total Additions	<u>275,272</u>
Deductions	
Benefits	<u>248,393</u>
Total Deductions	<u>248,393</u>
Changes in Net Assets	26,879
Net Assets - Beginning of the Year	<u>171,277</u>
Net Assets - End of the Year	<u>\$ 198,156</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EL MONTE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2009

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. 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 governing body is substantially the same as the City's or the component unit provides services almost entirely to the City. The following component units of the City have been included in the financial reporting entity as blended component units.

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

El Monte Community Redevelopment Agency (Agency)

The El Monte Community Redevelopment Agency was established on February 29, 1972, pursuant to the State of California Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the territorial limits of the City of El Monte. The financial activity of the Redevelopment Agency is reported in the City's financial statements as the Redevelopment Capital Projects Fund and the Redevelopment Debt Service Fund. The City council members act as the Agency's directors, designate management and have full accountability for the Agency's fiscal matters. Separate financial statements for the El Monte Community Redevelopment Agency of the City of El Monte can be obtained by contacting the City of El Monte City Clerk.

City of El Monte
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

El Monte Public Financing Authority (Authority)

The Authority is a joint powers authority whose members are the City and the Agency. The Authority is duly organized and existing under a Joint Exercise of Powers agreement dated April 27, 1993, by and between the City and the Agency, under the provisions of Chapter 5 of Division 7 of Title 1 of the California Government Code. 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 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 for the Corporation.

El Monte Water Authority (Water Authority)

The El Monte Water Authority was formed July 13, 1999, by the City of El Monte and the El Monte Community Redevelopment Agency under Article 1 (commending with Section 6500) of the Joint Powers Law. Its purpose was 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.

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

City of El Monte
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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.

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, 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.

The City's fiduciary fund financial statements report one private purpose trust fund.

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.

City of El Monte
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

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

All proprietary 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 government 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 Redevelopment Agency Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities related to the Redevelopment Agency Project Areas.

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

- The Capital Project Fund accounts for the accumulation of resources to fund capital projects within the City.
- The Debt Service Fund accounts for the accumulation of resources for the payment of long-term debt principal and interest relating to the Redevelopment Agency.

City of El Monte
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

- The Self Insurance Internal Service Fund accounts for the transactions of the general liability and workers 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 Pension Trust Fund accounts for premiums paid for retirees and their families.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Enterprise Funds are charges to customers for sales and services. Operating expenses for Enterprises 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.

d. Assets, Liabilities and Net Assets or Equity

Cash and Investments

For purpose of the statement of cash flows, the City considered 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 the cash and investments in the Enterprise Fund are cash and cash equivalents.

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

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

**City of El Monte
Notes to Financial Statements (Continued)**

Note 1: Summary of Significant Accounting Policies (Continued)

Receivables and Payables

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

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

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

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 park and recreation system.
- Public Works includes those activities which involve the maintenance and improvement of City streets, roads and park department development and maintenance.
- Debt Service includes those activities that account for the payment of long-term debt principal, interest and fiscal charges.

Long-Term Receivables

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables. Noncurrent portions of long-term loans receivable are offset by fund balance reserve accounts.

**City of El Monte
Notes to Financial Statements (Continued)**

Note 1: Summary of Significant Accounting Policies (Continued)

Inventories, Prepaid Costs and Land Held for Resale

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

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

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$1,000 (amount not rounded) 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 market value at the date of donation.

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

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

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

Property, plant and equipment of the primary government, as well as the component units, is depreciated using the straight-line method over the following estimated useful lives:

City of El Monte
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

<u>Assets</u>	<u>Years</u>
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 in the 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, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance cost are reported as deferred charges and amortized over the term of the related debt.

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

Fund Equity

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

e. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between fund balance, governmental funds, and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation

City of El Monte
Notes to Financial Statements (Continued)

Note 1: Summary of Significant Accounting Policies (Continued)

explains that "long-term liabilities and compensated absences that have not been included in the governmental fund activity."

The detail of the (\$49,342,766) long-term liabilities difference is as follows:

Long-term debt:	
Certificates of participation	\$ (7,285,000)
Tax allocation bonds	(28,670,000)
Note payable	(9,658,620)
Lease payable	(446,782)
Other post-employment benefits obligation	(4,394,838)
Unamortized bond discount	564,316
Unamortized loss on defeasance	<u>548,158</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	<u>\$ (49,342,766)</u>

Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances of total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period."

The details of this (\$1,132,114) difference are as follows:

Capital outlay	\$ 3,373,302
Depreciation expense	<u>(4,505,416)</u>
Net adjustment to increase net changes in fund balances of total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,132,114)</u>

Another element of that reconciliation states that "the issuance of long-term liabilities (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

City of El Monte
Notes to Financial Statements (Continued)

Note 2: Stewardship, Compliance and Accountability (Continued)

The details of this \$1,448,982 difference are as follows:

Principal repayments:	
Notes payable	\$ 209,690
Certificates of participation	630,000
Tax allocation bonds	670,000
Lease payable	121,030
Payment to refunding bond escrow	-
Amortization of loss on defeasance	(19,577)
Amortization of bond discounts	(47,768)
Amortization of debt issuance costs	<u>(114,393)</u>
Net adjustment to decrease net changes in fund balance of total governmental funds to arrive at changes in net assets of governmental activities.	<u>\$ 1,448,982</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. 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.

Encumbrances

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

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. During the year, several supplementary appropriations were necessary. Individual amendments were not material in relation to the original appropriations.

City of El Monte
Notes to Financial Statements (Continued)

Note 2: Stewardship, Compliance and Accountability (Continued)

For fiscal year 2008-2009, the following funds had no legally adopted budget:

- Adult Sports
- Police Traffic Program
- Local Law Enforcement Block Grant
- County Aid to Cities
- Public Facilities
- Quimby
- Park Bond Act
- Park Facility Impact Fee
- Art in Public Places
- Special Programs
- Capital Projects Fund

b. At June 30, 2009, the following non-major funds had Deficit Fund Balances:

Special Revenue Funds:		
Emergency Shelter Grant	\$	(71,789)
Affordable Housing Development		(726,507)
Miscellaneous Grants		(296,738)
Park Bond Act		(1,040,878)
Children's Lunch Program		(94,915)

The fund deficits will be covered from future revenues.

c. Excess of Expenditures Over Appropriations are as Follows:

Fund	Expenditures	Appropriations	Excess
General Fund			
General government:			
Administrative office	\$ 5,158	\$ -	\$ 5,158
Finance	533,388	483,000	50,388
City treasurer	173,992	136,400	37,592
City attorney	483,465	371,100	112,365
General city expense	3,980,441	2,877,000	1,103,441
El Monte Museum	35,453	30,900	4,553
Public safety:			
Police	21,314,264	20,909,100	405,164
Police code enforcement	456,675	451,300	5,375
Traffic safety program	688,738	404,100	284,638

City of El Monte
Notes to Financial Statements (Continued)

Note 2: Stewardship, Compliance and Accountability (Continued)

Fund	Expenditures	Appropriations	Excess
General Fund (Continued)			
Parks, recreation and culture:			
Parks and building maintenance	1,528,509	1,368,200	160,309
Government bldg and grounds maintenance	81,724	27,300	54,424
Parking lot maintenance	20,485	18,600	1,885
Mall maintenance	600	-	600
Parks	578,152	546,500	31,652
Administration	190,039	148,100	41,939
Contracted classes	11,122	-	11,122
Communications and marketing	578	-	578
Aquatic center classes	4,928	-	4,928
Public works:			
City planning	427,984	404,600	23,384
Graffiti removal	186	-	186
General engineering	503,023	437,900	65,123
Sanitary sewer maintenance	172,196	-	172,196
Parking lot maintenance	332	-	332
Community development	135,213	85,500	49,713
Median maintenance	72,066	52,100	19,966
Sewer	867,736	-	867,736
Beautification commission	45	-	45
Street maintenance	321,884	155,700	166,184
Street lights	733,751	563,000	170,751
Capital Outlay	82,639	7,000	75,639
Housing and Community Development			
General government	3,377,472	2,293,282	1,084,190

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2009, cash and investments were reported in the accompanying financial statements as follows:

Governmental activities	\$ 54,827,290
Business-type activities	2,655,186
Fiduciary funds	198,156
Total Cash and Investments	<u>\$ 57,680,632</u>

The City of El Monte maintains a cash and investment pool that is available for use for 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 investments.

City of El Monte
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

Deposits

At June 30, 2009, the carrying amount of the City's deposits was \$4,117,922 and the bank balance was \$5,498,937. The \$1,381,015 difference represents outstanding checks and other reconciling items.

The California Government Code requires California banks and savings and loan associations 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. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. 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 bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under 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 position in the investment pool is the same as the value of the pool shares.

City of El Monte
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

The City adopted GASB Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, as of July 1, 1997. GASB Statement No. 31 establishes fair value standards for investments in participating interest earning investment contracts, external investment pools, equity securities, option contracts, stock warrants and stock rights that have readily determinable fair values. Accordingly, the City reports its investments at fair value in the balance sheet. All investment income, including changes in the fair value of investments, is recognized as revenue in the operating statement.

Credit Risk

The City's investment policy limits investments in medium term notes (MTN's) to those rated "A" or higher by Standard and Poor's (S&P) or by Moody's. As of June 30, 2009, the City invested in Federal National Mortgage Association and General Electric Corporate Bonds which were all rated "AAA" by Moody's and by S&P. All securities were investment grade and were legal under State law. Investments in U.S. treasuries are not considered to have credit risk and, therefore, their credit quality is not disclosed. As of June 30, 2009, the City's investments in external investment pools, money market mutual funds and State and Local Government securities are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2009, 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, 2009, the City is in compliance with the investment policy's restrictions.

In accordance with GASB 40 requirements, the City is exposed to concentration risk whenever it has invested more than 5% of its total investments in any one issuer. As of June 30, 2009, the City has investments with the following issuers which exceed 5% of the total investment value:

Federal National Mortgage Association	\$ 4,206,527	7.85%
---------------------------------------	--------------	-------

Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

City of El Monte
Notes to Financial Statements (Continued)

Note 3: Cash and Investments (Continued)

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 its interest rate risk. As of June 30, 2009, the City had the following investments and original maturities:

	Investment Maturities (in Years)					Fair Value
	6 months or less	6 months to 1 year	1 to 3 years	3 to 5 years	More than 5 years	
Money Market Mutual Funds	\$ 8,905,422	\$ -	\$ -	\$ -	\$ -	\$ 8,905,422
Federal Agency Securities						
Federal National Mortgage Assoc.	-	-	-	4,206,302	225	4,206,527
General Electric Corporate Bond	-	-	1,494,150	-	-	1,494,150
Local Agency Investment Fund	38,956,611	-	-	-	-	38,956,611
	<u>\$ 47,862,033</u>	<u>\$ -</u>	<u>\$ 1,494,150</u>	<u>\$ 4,206,302</u>	<u>\$ 225</u>	<u>\$ 53,562,710</u>

Note 4: Notes Receivable

a. 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. The City used the Section 108 Loan 2004-A proceeds to fund this note. Principal payments are due annually beginning July 15, 2007, and range from \$130,000 to \$340,000. 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.

b. 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 is due January 12, 2001, and the interest rate is 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 had been extended.

c. RTS Group

On August 10, 1993, the El Monte Community Redevelopment Agency sold to RTS Group 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 only monthly payments of \$2,500 commence 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 commence March 1, 1994. The remaining principal and unpaid interest is due upon sale of the property.

City of El Monte
Notes to Financial Statements (Continued)

Note 4: Notes Receivable (Continued)

d. Lee - "Blessed Rock of El Monte"

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

e. L. T. Titan, Limited Partnership

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 accrues at a rate of 7.0% until February 28, 2003, at which time it changes to 4.0% until the note is due.

f. 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 \$440,142.54. Interest shall 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.

g. 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.

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

Pacific Place Expansion Project	\$ 4,154,037
L.T. Titan, Limited Partnership	500,833
RTS Group	73,608
Lee - "Blessed Rock of El Monte"	142,069
L.T. Titan, Limited Partnership	200,333
Singing Wood Senior Housing	440,143
TDF Senior Housing	572,646
Various Housing Deferred Loans and Other Assistance	<u>13,118,682</u>
	<u>\$ 19,202,351</u>

Note 5: Land Held for Resale

The City and Agency acquired several parcels of land or initiated condemnation proceedings to acquire land for redevelopment purposes. The carrying amount of land is reported at cost. As of June 30, 2009, the Agency has executed several Disposition and Development Agreements with developers for the redevelopment of real property located within various

City of El Monte
Notes to Financial Statements (Continued)

Note 5: Land Held for Resale (Continued)

redevelopment project areas. Under the agreements, the Agency agrees to sell the subject properties to the developers and the developers agree to purchase the properties from the Agency. At June 30, 2009, the City and Agency's investment in land held for resale amounted to:

Housing and Community Development Fund	\$ 1,845,000
Downtown El Monte Project Area - Project Fund	8,788,117
Downtown El Monte Project Area - Low and Moderate Housing Fund	<u>408,000</u>
 Total Land Held for Resale	 <u><u>\$ 11,041,117</u></u>

Note 6: Capital Assets

Capital asset activity for the year ended June 30, 2009, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<u>Governmental Activities:</u>				
Capital assets, not being depreciated:				
Land	\$ 328,163,145	\$ -	\$ -	\$ 328,163,145
Construction-in-progress	2,488,587	2,268,532	-	4,757,119
Equipment-in-progress	-	396,435	-	396,435
 Total Capital Assets, Not Being Depreciated	 <u>330,651,732</u>	 <u>2,664,967</u>	 <u>-</u>	 <u>333,316,699</u>
Capital assets, being depreciated:				
Land improvements	4,944,675	-	-	4,944,675
Structures and improvements	34,614,393	8,898	-	34,623,291
Furniture and equipment	15,892,112	699,437	-	16,591,549
Infrastructure	121,483,196	-	-	121,483,196
 Total Capital Assets, Being Depreciated	 <u>176,934,376</u>	 <u>708,335</u>	 <u>-</u>	 <u>177,642,711</u>
Less accumulated depreciation:				
Land improvements	4,030,133	54,868	-	4,085,001
Structures	11,651,033	618,219	-	12,269,252
Furniture and equipment	11,679,178	1,031,147	-	12,710,325
Infrastructure	49,522,009	2,801,182	-	52,323,191
 Total Accumulated Depreciation	 <u>76,882,353</u>	 <u>4,505,416</u>	 <u>-</u>	 <u>81,387,769</u>
 Total Capital Assets, Being Depreciated, Net	 <u>100,052,023</u>	 <u>(3,797,081)</u>	 <u>-</u>	 <u>96,254,942</u>
 Governmental Activities Capital Assets, Net	 <u><u>\$ 430,703,755</u></u>	 <u><u>\$ (1,132,114)</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$ 429,571,641</u></u>

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

Governmental Activities:	
General government	\$ 1,239,830
Public safety	371,012
Parks, recreation and leisure	49,764
Public works	<u>2,844,810</u>
Total Governmental Activities Depreciation	<u><u>\$ 4,505,416</u></u>

City of El Monte
Notes to Financial Statements (Continued)

Note 6: Capital Assets (Continued)

	Beginning Balance	Adjustments*	Adjusted Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:						
Capital assets, not being depreciated:						
Land	\$ 310,748	\$ -	\$ 310,748	\$ -	\$ -	\$ 310,748
Construction-in-progress	-	67,043	67,043	77,667	-	144,710
Total Capital Assets, Not Being Depreciated	310,748	67,043	377,791	77,667	-	455,458
Capital assets, being depreciated:						
Structures and improvements	3,218,939	-	3,218,939	-	-	3,218,939
Furniture and equipment	3,779,159	-	3,779,159	319,999	-	4,099,158
Infrastructure	1,925,398	-	1,925,398	-	-	1,925,398
Total Capital Assets, Being Depreciated	8,923,496	-	8,923,496	319,999	-	9,243,495
Less accumulated depreciation:						
Structures and improvements	2,100,439	-	2,100,439	126,207	-	2,226,646
Furniture and equipment	2,378,114	-	2,378,114	108,425	-	2,486,539
Infrastructure	1,074,344	-	1,074,344	26,697	-	1,101,041
Total Accumulated Depreciation	5,552,897	-	5,552,897	261,329	-	5,814,226
Total Capital Assets, Being Depreciated, Net	3,370,599	-	3,370,599	58,670	-	3,429,269
Business-Type Activities Capital Assets, Net	\$ 3,681,347	\$ 67,043	\$ 3,748,390	\$ 136,337	\$ -	\$ 3,884,727

* Adjustments were made to properly restate construction-in-progress relating to the prior year.

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

Business-Type Activities:	
Water Authority	<u>\$ 261,329</u>

Note 7: Interfund Receivable, Payable and Transfers

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

Due To/From Other Funds

Funds	Due to Other Funds				Total
	General Fund	Housing and Community Development	Redevelopment Agency - Capital Projects	Nonmajor Governmental Funds	
Due From Other Funds:					
General	\$ -	\$ 955,049	\$ 1,542,268	\$ 1,569,312	\$ 4,066,629
Retirement	1,265,069	-	-	-	1,265,069
Redevelopment Agency - Capital Projects	-	-	-	683,886	683,886
Nonmajor governmental funds	-	-	195,500	-	195,500
Total	\$ 1,265,069	\$ 955,049	\$ 1,737,768	\$ 2,253,198	\$ 6,211,084

City of El Monte
Notes to Financial Statements (Continued)

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

The due from General Fund of \$955,049 to the Housing and Community Development Fund and various nonmajor governmental funds of \$1,569,312 was a result of temporary deficit cash balances in those funds.

The due to other funds in the Redevelopment Agency - Capital Projects Fund from the General Fund in the amount of \$1,542,268 was the result of funding for various capital projects.

The due to the General Fund in the amount of \$1,265,069 was the result of funding from the Retirement Fund.

Advances To/From Other Funds

Funds	Advances From Other Funds			Total
	RDA Capital Projects	Nonmajor Governmental Funds	Self Insurance	
Advances To Other Funds:				
General Fund	\$ 51,334,792	\$ 422,246	\$ 300,000	\$ 52,057,038
Housing and Community Development	17,468,383	-	-	17,468,383
RDA Capital Projects	-	864,036	-	864,036
Nonmajor Governmental Funds	1,853,624	-	-	1,853,624
Water Authority	190,044	-	-	190,044
Total	\$ 70,846,843	\$ 1,286,282	\$ 300,000	\$ 72,433,125

During the current and previous fiscal years, the City of El Monte has made loans to the Agency. These loans bear interest at rates up to 12% per annum depending upon when the loan was initiated. The City may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated within the next fiscal year. As of June 30, 2009, loans and accrued unpaid interest owed were \$71,269,089. In addition, the Redevelopment Agency – Capital Projects Fund has made loans of \$864,036 to the Redevelopment Agency – Debt Service Fund to pay for ERAF payments in the current and prior years.

The General Fund loaned \$300,000 to the Self-Insurance Fund to cover risk management and worker's compensation costs.

Interfund Transfers

Funds	Transfers In			Total
	General Fund	RDA Capital Projects	Nonmajor Governmental Funds	
Transfers Out:				
General Fund	\$ -	\$ -	\$ 801,987	\$ 801,987
Redevelopment Agency Capital Projects	-	-	15,896	15,896
Nonmajor Governmental Funds	2,121,136	3,068,292	66,903	5,256,331
Total	\$ 2,121,136	\$ 3,068,292	\$ 884,786	\$ 6,074,214

City of El Monte
Notes to Financial Statements (Continued)

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

The transfer of \$801,987 from the General Fund to various nonmajor funds was the result of restricted funds utilized for the intended purposes.

The El Monte Redevelopment Agency Debt Service Fund transferred \$3,068,292 to the Redevelopment Agency Capital Projects for the funding of capital projects. The Redevelopment Agency Capital Projects Fund transferred \$15,896 to various nonmajor funds to pay for administrative costs.

Note 8: Long-Term Debt

a. Governmental Activities

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

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009	Due Within One Year
Tax allocation bonds	\$ 29,340,000	\$ -	\$ 670,000	\$ 28,670,000	\$ 695,000
Certificates of Participation					
Series 2003-A	5,375,000	-	440,000	4,935,000	460,000
Series 2003-B	2,540,000	-	190,000	2,350,000	200,000
Notes and loans payable	9,868,310	-	209,690	9,658,620	439,000
Leases payable	567,812	-	121,030	446,782	23,972
Accrued employee benefits	7,987,511	1,876,873	2,177,796	7,686,588	2,085,927
Other post-employment benefits obligation	-	4,394,838	-	4,394,838	-
Claims and judgments	8,418,985	1,006,459	1,651,499	7,773,945	1,469,842
Total	\$ 64,097,618	\$ 7,278,170	\$ 5,460,015	65,915,773	\$ 5,373,741
Unamortized Bond Discount				(564,316)	
Unamortized Loss on Defeasance				(548,158)	
				<u>\$ 64,803,299</u>	

Notes and Loans Payable

HUD Section 108 Loan 1999-A

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

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

The notes mature from 1999 to 2018, and bear varying interest rates. The principal balance outstanding as of June 30, 2009, was \$1,425,000. The total debt service payment requirements with respect to the loan are as follows:

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

	HUD Section 108 Loan 1999-A	
	Principal	Interest
2009-2010	\$ 110,000	\$ 55,723
2010-2011	115,000	52,494
2011-2012	120,000	48,642
2012-2013	125,000	44,190
2013-2014	135,000	39,103
2014-2018	820,000	96,901
Totals	<u>\$ 1,425,000</u>	<u>\$ 337,053</u>

HUD Section 108 Loan 2001-A

On August 9, 2001, the City issued \$2,500,000 of U.S. Government Guaranteed Notes, Series 2001-A, guaranteed by the Secretary of Housing and Urban Development. The notes mature from 2002 to 2020 with interest payments ranging from \$7,315 to \$74,015. The principal balance outstanding as of June 30, 2009, was \$1,908,000. The total debt service payment requirements with respect to the loan are as follows:

	HUD Section 108 Loan 2001-A	
	Principal	Interest
2009-2010	\$ 109,000	\$ 116,226
2010-2011	115,000	109,830
2011-2012	123,000	102,956
2012-2013	132,000	95,429
2013-2014	141,000	87,183
2014-2019	860,000	286,067
2019-2020	428,000	28,735
Totals	<u>\$ 1,908,000</u>	<u>\$ 826,426</u>

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, 2009, was \$1,945,000. The total debt service payment requirements with respect to the loan are as follows:

	HUD Section 108 Loan 2004-A	
	Principal	Interest
2009-2010	\$ 75,000	\$ 105,984
2010-2011	80,000	102,536
2011-2012	85,000	98,672
2012-2013	90,000	94,404
2013-2014	95,000	89,759
2014-2019	555,000	365,415
2019-2024	750,000	181,697
2024-2029	215,000	6,461
Totals	<u>\$ 1,945,000</u>	<u>\$ 1,044,928</u>

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

HUD Section 108 Loan 2004-A

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 LIBO Rate, and shall be adjusted monthly. The principal balance outstanding as of June 30, 2009, was \$3,735,000. The total debt service payment requirements with respect to the loan are as follows:

	Section 108 Loan - Pacific Place	
	Principal	Interest
2009-2010	\$ 145,000	\$ 167,517
2010-2011	155,000	163,207
2011-2012	160,000	158,045
2012-2013	175,000	151,951
2013-2014	185,000	144,908
2014-2019	1,095,000	592,612
2019-2024	1,480,000	288,082
2024-2025	340,000	8,925
Totals	<u>\$ 3,735,000</u>	<u>\$ 1,675,247</u>

County of Los Angeles Reimbursement Agreement

During 2003-04, the County of Los Angeles implemented the repayment provisions of Agreement 45043 between the County and the Agency – El Monte Center Redevelopment Project. This Agreement related to tax increment adjustments and overpayments between 1988 and 1995 in the amount of \$324,818. However, this indebtedness was to be subordinated to The Haagen Note and any other indebtedness where the proceeds thereof are used and applied solely to discharge the Haagen Note. Since that time, the Haagen Note has been retired through bond issues of the Agency. This obligation to the County, together with accrued interest thereon, shall be paid in full from tax increment revenues by a date no later than July 1, 2027. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2009, the principal balance outstanding, together with accrued interest through that date was \$391,090.

During 2007-08, The County of Los Angeles entered into an agreement with the Agency – Northwest El Monte Project Area. The agreement related to tax increment adjustments and overpayments during 2007-08 to assist in funding the Gibson Park improvements in the amount of \$254,530. The terms of this repayment are presently being negotiated between the Agency and the County. At June 30, 2009, the principal balance outstanding was \$254,530.

Lease Payable

Bus Lease

On December 13, 2004, the City entered into a 4-year equipment lease/purchase agreement with DaimlerChrysler for \$2,468,098 for the purchase of eight transit busses. Principal matures in annual increments ranging from \$98,371 to \$1,000,000 with interest payable annually at 4.24%. In fiscal 2008-2009, the lease was repaid in full.

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

Helicopter Lease

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

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

2009 - 2010	\$ 49,872
2010 - 2011	49,871
2011 - 2012	49,872
2012 - 2017	249,359
2017 - 2022	<u>249,359</u>
Total Payments	648,333
Less: Amount Representing Interest	<u>(201,551)</u>
Outstanding Principal	<u>\$ 446,782</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.

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 \$49,228,796 payable through 2038. For the current year, principal and interest paid and total property tax increment revenues were \$1,996,361 and \$6,709,829, respectively.

Senior Tax Allocation Revenue Bonds, Series 2007

The Bonds are dated July 3, 2007, and were issued to provide funds to the Agency to be applied (i) to refund the \$9,655,000 Tax Allocation Revenue Bonds, Series 1998 (Multiple Redevelopment Project Area Loans), \$3,810,000 Housing Set-Aside Revenue Bonds, Series 1998 (El Monte Community Redevelopment Agency Loan) and a portion of the \$10,010,000 Subordinate Tax Allocation Revenue Bonds, Series 2005 (Multiple Redevelopment Project Area Loans) (collectively, the "Prior Bonds"); (ii) to finance redevelopment activity in the Downtown Project Area and the El Monte Center Project Area, including El Monte Center Amendment No. 1 (collectively, the "Project Areas"), and to fund a reserve fund and costs of issuance of the Bonds. The following schedule illustrates the debt service requirements to maturity for the bonds as of June 30, 2009:

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

	<u>Principal</u>	<u>Interest</u>
2009-2010	\$ 625,000	\$ 1,143,981
2010-2011	650,000	1,118,981
2011-2012	670,000	1,094,606
2012-2013	705,000	1,068,644
2013-2014	730,000	1,040,444
2014-2019	4,130,000	4,721,356
2019-2024	5,115,000	3,735,994
2024-2029	6,385,000	2,468,688
2029-2034	3,325,000	1,262,819
2034-2038	3,270,000	397,338
Totals	<u>\$ 25,605,000</u>	<u>\$ 18,052,851</u>

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, 2009:

	<u>Principal</u>	<u>Interest</u>
2009-2010	\$ 70,000	\$ 155,440
2010-2011	75,000	152,430
2011-2012	75,000	149,130
2012-2013	70,000	145,755
2013-2014	80,000	142,675
2014-2019	480,000	651,525
2019-2024	605,000	523,870
2024-2029	775,000	348,475
2029-2034	415,000	179,405
2034-2038	420,000	57,240
Totals	<u>\$ 3,065,000</u>	<u>\$ 2,505,945</u>

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

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

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

purchased the Bonds pursuant to the Bond Purchase Agreement dated as of July 1, 2007, by and between the City, the Agency and the Authority.

The Agency in turn received from the City of the quitclaim deeds for the Property evidencing the legal transfer thereof to the Agency. To add clarity to this related party transaction, the internal related party transactions have been eliminated due to null effect on the financial statements and the non-cash transaction. The bonds were issued with the intent to be sold to the outside market at a later date and will be appropriately recorded at that time.

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:

	Certificates of Participation, Series 2003-A		Certificates of Participation, Series 2003-B	
	Principal	Interest	Principal	Interest
2009-2010	\$ 460,000	\$ 144,102	\$ 200,000	\$ 115,385
2010-2011	480,000	130,670	215,000	105,565
2011-2012	500,000	116,654	225,000	95,009
2012-2013	525,000	102,054	245,000	83,961
2013-2014	545,000	86,724	255,000	71,932
2014-2019	2,425,000	180,894	1,210,000	152,947
Totals	<u>\$ 4,935,000</u>	<u>\$ 761,098</u>	<u>\$ 2,350,000</u>	<u>\$ 624,799</u>

Claims and Judgments

As of June 30, 2009, 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, 2009, total estimated claims payable was \$7,773,945.

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.

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

b. Business-Type Activities

	Balance at July 1, 2008	Additions	Deletions	Balance at June 30, 2009	Due within one year
2006 Refunding Revenue Bond	\$ 18,610,000	\$ -	\$ 385,000	\$ 18,225,000	\$ 390,000
Accrued Employee Benefits	352,076	168,433	169,287	351,222	91,869
Total	<u>\$ 18,962,076</u>	<u>\$ 168,433</u>	<u>\$ 554,287</u>	18,576,222	<u>\$ 481,869</u>
Unamortized Bond Premium				122,627	
Unamortized Loss on Defeasance				(844,053)	
				<u>\$ 17,854,796</u>	

2006 Refunding Revenue Bonds

In June 2006, the El Monte Water Authority issued \$18,805,000 Refunding Revenue Bonds, Series 2006 which are secured by net water revenues of the Authority. Interest on the Bonds is payable semi-annually each March 1 and September 1, commencing 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 and to pay the cost of issuance and to establish a reserve fund.

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

	2006 Refunding Revenue Bonds	
	Principal	Interest
2009 - 2010	\$390,000	\$817,823
2010 - 2011	405,000	804,008
2011 - 2012	420,000	789,465
2012 - 2013	440,000	774,090
2013 - 2014	450,000	757,845
2014 - 2019	2,525,000	3,508,059
2019 - 2024	3,095,000	2,924,584
2024 - 2029	3,855,000	2,144,238
2029 - 2034	4,890,000	1,073,750
2034 - 2039	1,755,000	91,125
Totals	<u>\$ 18,225,000</u>	<u>\$ 13,684,987</u>

c. Defeased bonds

In prior years, the Water Authority defeased certain 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. At June 30, 2009, the following bond issues are considered defeased:

City of El Monte
Notes to Financial Statements (Continued)

Note 8: Long-Term Debt (Continued)

	<u>Original Amount</u>	<u>Outstanding Balance at June 30, 2009</u>
1999 Revenue Bonds	\$ 13,860,000	\$ 12,235,000

The 2007 senior and subordinate Tax Allocation bonds defeased the 2005 Tax Allocation bonds, 1998 Tax Allocation Bonds, and the 1998 Housing Revenue Bonds. The net economic gain due to this refunding is \$3,011,724 and positive cash flow is \$2,640,893. The portion of proceeds of new bonds for the defeased debt is 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.

At June 30, 2009, the following bond issues are considered defeased:

	<u>Original Amount</u>	<u>Outstanding Balance at June 30, 2009</u>
1998 Tax Allocation Revenue Bonds	\$ 8,005,000	\$ 7,580,000
1998 Housing Set-Aside Revenue Bonds	3,195,000	3,020,000
2005 Subordinate Tax Allocation Bonds	9,740,000	9,170,000

Note 9: SB 55 Special Assessment

With the uncertainty of meeting future maturing interest and principal requirements on the Agency's Tax Allocation Bond issues as a result of Proposition 13, the Agency established special assessment districts within the two project areas.

These assessment areas are provided for under Chapter 9, Section 33800 of the Health and Safety Code (SB 55). The law provides for the money collected to be used for the payment of indebtedness incurred prior to July 1, 1978. This money, when collected by the City, must be paid to the Agency for the purpose intended (Section 33844 of the Health and Safety Code). These assessments may terminate in the future when tax increment revenues are sufficient to maintain debt service requirements on the bonds.

Note 10: Non-Committal Debt

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, 2009, is \$33,315,000.

IV. OTHER INFORMATION

Note 11: Retirement Plan

a. Public Employees Retirement System

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 their 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 16.484% for non-safety (miscellaneous) employees and 31.290% for safety employees, of annual covered payroll.

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

For fiscal year ending June 30, 2009, the City's annual pension cost of \$9,700,735 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2006, 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, 2007, was 26 years.

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

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2007	\$ 6,816	100%	\$ -
6/30/2008	10,416	100%	-
6/30/2009	9,701	100%	-

City of El Monte
Notes to Financial Statements (Continued)

Note 11: Retirement Plan (Continued)

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

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a % of Covered Payroll
6/30/05:						
Miscellaneous	\$ 77,915	\$ 89,439	\$ 11,524	87.1 %	\$ 12,662	91.00 %
Safety	141,876	161,502	19,626	87.8 %	13,268	147.90 %
Total	<u>\$ 219,791</u>	<u>\$ 250,941</u>	<u>\$ 31,150</u>	<u>87.59 %</u>	<u>\$ 25,930</u>	<u>120.13 %</u>
6/30/06:						
Miscellaneous	\$ 83,772	\$ 96,008	\$ 12,235	87.3 %	\$ 12,994	94.20 %
Safety	152,856	171,727	18,871	89.0 %	13,516	139.60 %
Total	<u>\$ 236,628</u>	<u>\$ 267,735</u>	<u>\$ 31,106</u>	<u>88.38 %</u>	<u>\$ 26,510</u>	<u>117.34 %</u>
6/30/07:						
Miscellaneous	\$ 89,843	\$ 102,454	\$ 12,611	87.7 %	\$ 13,584	92.80 %
Safety	164,962	189,307	24,345	87.1 %	14,880	163.60 %
Total	<u>\$ 254,805</u>	<u>\$ 291,761</u>	<u>\$ 36,956</u>	<u>87.33 %</u>	<u>\$ 28,464</u>	<u>129.83 %</u>

b. Public Agency Retirement System

Plan Description

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

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

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

City of El Monte
Notes to Financial Statements (Continued)

Note 11: Retirement Plan (Continued)

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 ending June 30, 2009, the City's annual pension cost of \$1,601,477 for PARS was equal to the City's required and actual contributions. The required contribution was based on the July 1, 2006, actuarial valuation using the entry age normal (level percentage of pay) actuarial cost method. The actuarial assumption included:

Valuation Date:	June 30, 2007
Investment Return:	7.50%
Inflation:	3.75%
Salary Increases:	Range from 12.65% to 3.25%, dependent on years of service
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. Amortization payments increase by 3.75% annually.

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

Three Year Trend Information for PARS			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2007	\$ 1,607,313	100%	\$ -
6/30/2008	1,792,978	100%	-
6/30/2009	1,601,610	100%	-

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%

City of El Monte
Notes to Financial Statements (Continued)

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 workers 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 workers compensation, the City is self-insured for the first \$500,000 on each workers 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 workers 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, 2009, which can be obtained from the California State Association of Counties Excess Insurance Authority, Moraga, California.

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

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that has 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 \$6,101,801 and \$1,672,143 for the workers' compensation claims and general liability claims, respectively, for a total of \$7,773,944.

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

Year	Liability at Beginning	Claims Incurred (Including IBNRs)	Claim Payments	Liability at End
2007-2008	\$ 8,350,633	\$ 367,685	\$ (299,333)	\$ 8,418,985
2008-2009	8,418,985	1,006,459	(1,651,499)	7,773,945

Effective July 17, 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, 2009, which can be obtained from Independent Cities Risk Management Authority, Sherman Oaks, California.

City of El Monte
Notes to Financial Statements (Continued)

Note 13: Post-Employment Health Benefits

Plan Description

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City, City Council, and/or employee associations. The required contribution is based on projected pay-as-you-go financing requirements with additional amounts to prefund benefits as determined annually by the City under actuarial valuation. No contribution was made during the 2008-2009 fiscal year and was not included in the July 1, 2008, actuarial study.

Annual OPEB Costs and Net OPEB Obligation (Asset)

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

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:

Annual required contribution (ARC)	\$ 4,394,838
Contributions made	<u>-</u>
Increase (decrease) in net OPEB obligation	4,394,838
Net OPEB obligation (asset) June 30, 2008	<u>-</u>
Net OPEB obligation (asset) June 30, 2009	<u><u>\$ 4,394,838</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008-09 and the two preceding years were as follows:

Fiscal Year End	Annual OPEB Cost	Actual Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2007	N/A	N/A	N/A	N/A
6/30/2008	N/A	N/A	N/A	N/A
6/30/2009	\$ 4,394,838	\$ -	0%	\$ 4,394,838

City of El Monte
Notes to Financial Statements (Continued)

Note 13: Post-Employment 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.

The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Only one year is presented as this is the first year of the plan.

Schedule of Funding Progress for OPEB
(Amount in Thousands)

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as percent of Covered Payroll
Actual	7/1/2008	\$ -	\$ 52,584	\$ 52,584	0.0%	\$ 701	7501%

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, 2008, 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 4% 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, 2009, was twenty-nine years. As of the actuarial valuation date, the City had 104 retirees receiving benefits.

City of El Monte
Notes to Financial Statements (Continued)

Note 14: Fund Equity, Net Assets and Restatements

Beginning fund equity and net assets have been restated as follows:

Major governmental funds:

General Fund

Transfer fund balance to the Art in Public Places Fund which is a new fund	\$ 587,409
Transfer fund balance from the Adult Sports Fund which got combined with the General Fund	80,097
Transfer fund balance from the Police Traffic Fund which got combined with the General Fund	(664,880)
To restate sewer fees and NPDES fees relating to the prior year	1,001,693
Various revenues and expenditures from prior year	(54,883)

Housing and Community Development

To restate grant receivable relating to the prior year	1,653,730
--	-----------

Nonmajor Governmental Funds:

Public Facilities

To restate traffic signal fees, street fees and storm drain fees relating to the prior year	279,474
---	---------

Quimby

To record prior year expenditures in the proper fund	(44,418)
--	----------

Park Bond Act

To record prior year expenditures in the proper fund	44,418
--	--------

Governmental activities net assets restatement	<u>\$ 2,882,640</u>
--	---------------------

Enterprise Fund:

Water Authority

To record construction in progress relating to the prior year	\$ (67,043)
---	-------------

Various revenues and expenditures from prior year	<u>9,704</u>
---	--------------

Business-type activities net assets restatement	<u>\$ (57,339)</u>
---	--------------------

Note 15: 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 combined financial statements.

Note 16: Redevelopment Participation Fee Covenant and Agency Participation Fee

On November 26, 1991, the Agency executed a Disposition and Development Agreement (D.D.A.) with KCL Titan Group, Inc. and KCL Plaza Partnership (the Developer), relating to the Edwards Theater Project within the Downtown El Monte Project Area. Pursuant to the terms of the D.D.A., the Developer agreed to the Agency an annual redevelopment participation fee, commencing on March 4, 2004 to March 4, 2013, in amounts ranging from \$22,400 to \$302,400.

During a term of 20 years, commencing March 4, 1992, the Developer shall not sell, convey or transfer its interest in the project to an unrelated third-party without first paying the Agency a one-time fee in an amount ranging from \$350,000 to \$425,350, to be determined based on the year in which the sale occurs.

City of El Monte
Notes to Financial Statements (Continued)

Note 17: Subsequent Events

a. Local Government Revenues Withheld by the State of California

On July 24, 2009, the legislation approved the "borrowing" of up to 8 percent of the local property tax under Proposition 1A (2004). The City is a participant in the Proposition 1A Securitization Program offered by California Communities, a joint powers authority sponsored by the League of California Cities and California State Association of Counties. California Communities sold bonds on November 10, 2009, securitizing the future payments by the State and remit the proceeds of the bonds to the local governments who opt to participate in the program. The purchase price paid on the sale of the City's receivable is 100% or \$1,575,629. Participants of the Securitization program have no obligation on the bonds and no credit exposure to the State. Distribution of the proceeds to the participants is expected 50% on January 15, 2010, and 50% on May 3, 2010.

b. SERAF Tax Increment Revenue Shift for fiscal year 2009-2010 and 2010-2011

On July 23, 2009, the California Legislature passed SB 26, requiring a shift in tax increment revenues during fiscal years 2009-2010 and 2010-2011 to be deposited into the county "Supplemental" Educational Revenue Augmentation Fund (SERAF) and which is to be distributed to meet the State's Prop 98 obligations to schools. It is estimated that the Agency's share of the SERAF shift for fiscal year 2009-2010 and 2010-2011 will amount to approximately \$2,047,680 and \$421,581, respectively. In October 2009, the California Redevelopment Association and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid. As of the date of this report, no legal determination has been made by the courts on that action.

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds			
	Emergency Shelter Grant	Affordable Housing Development	Proposition A	Adult Sports
Assets:				
Cash and investments	\$ -	\$ -	\$ 2,387,608	\$ -
Receivables:				
Accounts	-	-	5,213	-
Taxes	-	-	-	-
Notes and loans	-	680,355	-	-
Due from other governments	71,789	755	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 71,789	\$ 681,110	\$ 2,392,821	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 2,988	\$ -	\$ 98,983	\$ -
Accrued liabilities	-	-	17,025	-
Deferred revenues	71,789	680,355	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	1,927	-	-
Due to other governments	-	-	-	-
Due to other funds	68,801	725,335	-	-
Advances from other funds	-	-	-	-
Total Liabilities	143,578	1,407,617	116,008	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	7,300	-
Reserved for Proposition 1B	-	-	-	-
Reserved for AB2928	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for equipment loss	-	-	-	-
Undesignated	(71,789)	(726,507)	2,269,513	-
Total Fund Balances	(71,789)	(726,507)	2,276,813	-
Total Liabilities and Fund Balances	\$ 71,789	\$ 681,110	\$ 2,392,821	\$ -

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	UDAG	Air Quality	Police/ Narcotics Forfeiture	Proposition C
Assets:				
Cash and investments	\$ 77,516	\$ 268,529	\$ 1,323,322	\$ 3,343,365
Receivables:				
Accounts	-	-	-	169,139
Taxes	-	-	-	-
Notes and loans	73,608	-	-	-
Due from other governments	-	38,868	5,910	-
Due from other funds	-	-	-	-
Advances to other funds	1,853,624	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 2,004,748	\$ 307,397	\$ 1,329,232	\$ 3,512,504
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 28,360	\$ 142,145
Accrued liabilities	-	891	3,141	22,021
Deferred revenues	1,927,232	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	2,375	-
Due to other governments	77,516	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	2,004,748	891	33,876	164,166
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	254,830
Reserved for Proposition 1B	-	-	-	-
Reserved for AB2928	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for equipment loss	-	-	-	-
Undesignated	-	306,506	1,295,356	3,093,508
Total Fund Balances	-	306,506	1,295,356	3,348,338
Total Liabilities and Fund Balances	\$ 2,004,748	\$ 307,397	\$ 1,329,232	\$ 3,512,504

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds			
	Special Gas Tax	AB 939	SLES	Police Traffic Program
Assets:				
Cash and investments	\$ 3,106,692	\$ 432,274	\$ 188,352	\$ -
Receivables:				
Accounts	-	208,776	-	-
Taxes	414,076	24	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 3,520,768	\$ 641,074	\$ 188,352	\$ -
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 10,161	\$ 12,820	\$ -	\$ -
Accrued liabilities	-	12,262	4,466	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	10,161	25,082	4,466	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	2,300	-
Reserved for Proposition 1B	1,964,257	-	-	-
Reserved for AB2928	970,813	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for equipment loss	-	-	-	-
Undesignated	575,537	615,992	181,586	-
Total Fund Balances	3,510,607	615,992	183,886	-
Total Liabilities and Fund Balances	\$ 3,520,768	\$ 641,074	\$ 188,352	\$ -

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	Local Law Enforcement Block Grant	County Aid to Cities	Miscellaneous Grants	Public Facilities
Assets:				
Cash and investments	\$ 62,773	\$ -	\$ 134,093	\$ 476,020
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	433,971	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 62,773	\$ -	\$ 568,064	\$ 476,020
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 75,404	\$ 4,452
Accrued liabilities	-	-	11,733	-
Deferred revenues	-	-	388,960	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	388,705	-
Advances from other funds	-	-	-	-
Total Liabilities	-	-	864,802	4,452
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	9,888
Reserved for Proposition 1B	-	-	-	-
Reserved for AB2928	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for equipment loss	-	-	-	-
Undesignated	62,773	-	(296,738)	461,680
Total Fund Balances	62,773	-	(296,738)	471,568
Total Liabilities and Fund Balances	\$ 62,773	\$ -	\$ 568,064	\$ 476,020

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds			
	Quimby	Older American Act	Park Bond Act	Senior Citizen Program
Assets:				
Cash and investments	\$ 1,035,422	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	26	-	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	7,310	1,148,876	9,386
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,035,422	\$ 7,336	\$ 1,148,876	\$ 9,386
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 38,437	\$ 262	\$ 165,966	\$ 6,761
Accrued liabilities	-	5,432	-	2,328
Deferred revenues	-	-	951,464	-
Unearned revenues	-	-	-	-
Deposits payable	-	-	3,500	-
Due to other governments	-	-	-	-
Due to other funds	-	1,359	1,068,824	174
Advances from other funds	-	-	-	-
Total Liabilities	38,437	7,053	2,189,754	9,263
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Reserved for Proposition 1B	-	-	-	-
Reserved for AB2928	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for equipment loss	-	-	-	-
Undesignated	996,985	283	(1,040,878)	123
Total Fund Balances	996,985	283	(1,040,878)	123
Total Liabilities and Fund Balances	\$ 1,035,422	\$ 7,336	\$ 1,148,876	\$ 9,386

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	Children's Lunch Program	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee
Assets:				
Cash and investments	\$ 31,088	\$ 103,633	\$ 8,252	\$ 219,977
Receivables:				
Accounts	-	-	25,419	-
Taxes	-	-	-	-
Notes and loans	-	-	-	-
Due from other governments	-	-	-	-
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 31,088	\$ 103,633	\$ 33,671	\$ 219,977
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,284	\$ -	\$ -	\$ -
Accrued liabilities	6,636	-	3,743	-
Deferred revenues	-	-	-	-
Unearned revenues	118,083	-	-	-
Deposits payable	-	-	-	-
Due to other governments	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	126,003	-	3,743	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Reserved for Proposition 1B	-	-	-	-
Reserved for AB2928	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	-
Designated for equipment loss	-	-	9,000	-
Undesignated	(94,915)	103,633	20,928	219,977
Total Fund Balances	(94,915)	103,633	29,928	219,977
Total Liabilities and Fund Balances	\$ 31,088	\$ 103,633	\$ 33,671	\$ 219,977

CITY OF EL MONTE

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	Special Revenue Funds		Capital Projects Fund	Debt Service Fund
	Art in Public Places	Special Programs	Capital Projects Fund	Debt Service RDA
Assets:				
Cash and investments	\$ 300,750	\$ 331,405	\$ 810,068	\$ 3,065,476
Receivables:				
Accounts	-	8,022	-	1,292
Taxes	-	-	-	403,252
Notes and loans	-	-	-	-
Due from other governments	-	-	-	3,266
Due from other funds	-	-	-	195,500
Advances to other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	1,219,561	1,436,230
Total Assets	\$ 300,750	\$ 339,427	\$ 2,029,629	\$ 5,105,016
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 3,986	\$ 4,657	\$ 397,788
Accrued liabilities	-	559	-	-
Deferred revenues	-	-	-	-
Unearned revenues	-	-	-	-
Deposits payable	-	645	-	-
Due to other governments	-	-	-	113,767
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	1,286,282
Total Liabilities	-	5,190	4,657	1,797,837
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Reserved for Proposition 1B	-	-	-	-
Reserved for AB2928	-	-	-	-
Unreserved:				
Designated for debt service	-	-	-	3,307,179
Designated for equipment loss	-	-	-	-
Undesignated	300,750	334,237	2,024,972	-
Total Fund Balances	300,750	334,237	2,024,972	3,307,179
Total Liabilities and Fund Balances	\$ 300,750	\$ 339,427	\$ 2,029,629	\$ 5,105,016

CITY OF EL MONTE

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2009

	<u>Total Nonmajor Governmental Funds</u>
Assets:	
Cash and investments	\$ 17,706,615
Receivables:	
Accounts	417,887
Taxes	817,352
Notes and loans	753,963
Due from other governments	1,720,131
Due from other funds	195,500
Advances to other funds	1,853,624
Restricted assets:	
Cash and investments with fiscal agents	2,655,791
Total Assets	<u>\$ 26,120,863</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 994,454
Accrued liabilities	90,237
Deferred revenues	4,019,800
Unearned revenues	118,083
Deposits payable	8,447
Due to other governments	191,283
Due to other funds	2,253,198
Advances from other funds	1,286,282
Total Liabilities	<u>8,961,784</u>
Fund Balances:	
Reserved:	
Reserved for encumbrances	274,318
Reserved for Proposition 1B	1,964,257
Reserved for AB2928	970,813
Unreserved:	
Designated for debt service	3,307,179
Designated for equipment loss	9,000
Undesignated	10,633,512
Total Fund Balances	<u>17,159,079</u>
Total Liabilities and Fund Balances	<u>\$ 26,120,863</u>

THIS PAGE INTENTIONALLY LEFT BLANK

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	Special Revenue Funds			
	Emergency Shelter Grant	Affordable Housing Development	Proposition A	Adult Sports
Revenues:				
Taxes	\$ -	\$ -	\$ 1,821,519	\$ -
Intergovernmental	-	-	170,165	-
Charges for services	-	68,841	9,923	-
Use of money and property	-	-	74,191	-
Contributions	-	-	-	-
Miscellaneous	-	-	9,837	-
Total Revenues	-	68,841	2,085,635	-
Expenditures:				
Current:				
General government	71,789	-	1,544,756	-
Public safety	-	-	-	-
Parks, recreation and cultural	-	-	50,844	-
Public works	-	-	161,237	-
Capital outlay	-	-	192,308	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	71,789	-	1,949,145	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(71,789)	68,841	136,490	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	80,097
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	80,097
Net Change in Fund Balances	(71,789)	68,841	136,490	80,097
Fund Balances, Beginning of Year	-	(795,348)	2,140,323	(80,097)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	(795,348)	2,140,323	(80,097)
Fund Balances, End of Year	\$ (71,789)	\$ (726,507)	\$ 2,276,813	\$ -

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	UDAG	Air Quality	Police/ Narcotics Forfeiture	Proposition C
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	146,541	814,139	1,691,921
Charges for services	-	-	-	-
Use of money and property	29,359	5,057	21,085	114,548
Contributions	-	-	-	-
Miscellaneous	-	78	-	-
Total Revenues	29,359	151,676	835,224	1,806,469
Expenditures:				
Current:				
General government	-	88,388	-	-
Public safety	-	-	480,594	-
Parks, recreation and cultural	29,359	-	-	-
Public works	-	-	-	806,869
Capital outlay	-	25,394	-	952,287
Debt service:				
Principal retirement	-	-	-	98,371
Interest and fiscal charges	-	-	-	4,171
Total Expenditures	29,359	113,782	480,594	1,861,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	37,894	354,630	(55,229)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	-	37,894	354,630	(55,229)
Fund Balances, Beginning of Year	-	268,612	940,726	3,403,567
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	268,612	940,726	3,403,567
Fund Balances, End of Year	\$ -	\$ 306,506	\$ 1,295,356	\$ 3,348,338

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	Special Revenue Funds			
	Special Gas Tax	AB 939	SLES	Police Traffic Program
Revenues:				
Taxes	\$ 1,987,273	\$ 635,476	\$ -	\$ -
Intergovernmental	1,067,076	-	100,496	-
Charges for services	-	-	-	-
Use of money and property	70,320	24,811	9,290	-
Contributions	-	-	-	-
Miscellaneous	-	35,305	-	-
Total Revenues	3,124,669	695,592	109,786	-
Expenditures:				
Current:				
General government	-	864,894	-	-
Public safety	-	-	290,628	-
Parks, recreation and cultural	-	-	-	-
Public works	10,160	22,756	-	-
Capital outlay	583,022	-	97,230	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	593,182	887,650	387,858	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,531,487	(192,058)	(278,072)	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(1,466,903)	-	-	(664,880)
Total Other Financing Sources (Uses)	(1,466,903)	-	-	(664,880)
Net Change in Fund Balances	1,064,584	(192,058)	(278,072)	(664,880)
Fund Balances, Beginning of Year	2,446,023	808,050	461,958	664,880
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	2,446,023	808,050	461,958	664,880
Fund Balances, End of Year	\$ 3,510,607	\$ 615,992	\$ 183,886	\$ -

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	Local Law Enforcement Block Grant	County Aid to Cities	Miscellaneous Grants	Public Facilities
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	489,745	-
Charges for services	-	-	-	189,886
Use of money and property	1,428	-	-	36,885
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,428	-	489,745	226,771
Expenditures:				
Current:				
General government	-	-	115,985	-
Public safety	-	-	219,055	22,499
Parks, recreation and cultural	-	-	-	54,159
Public works	-	-	-	15,978
Capital outlay	-	-	238,724	10,006
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	573,764	102,642
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,428	-	(84,019)	124,129
Other Financing Sources (Uses):				
Transfers in	-	-	201,384	-
Transfers out	-	-	(41,256)	-
Total Other Financing Sources (Uses)	-	-	160,128	-
Net Change in Fund Balances	1,428	-	76,109	124,129
Fund Balances, Beginning of Year	61,345	-	(372,847)	67,965
Restatements	-	-	-	279,474
Fund Balances, Beginning of Year, as Restated	61,345	-	(372,847)	347,439
Fund Balances, End of Year	\$ 62,773	\$ -	\$ (296,738)	\$ 471,568

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	Special Revenue Funds			
	Quimby	Older American Act	Park Bond Act	Senior Citizen Program
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	90,480	296,509	197,411	325,828
Charges for services	-	-	-	-
Use of money and property	38,203	-	-	-
Contributions	-	2,104	-	36,520
Miscellaneous	-	-	-	123
Total Revenues	128,683	298,613	197,411	362,471
Expenditures:				
Current:				
General government	-	228,505	-	218,912
Public safety	-	-	-	-
Parks, recreation and cultural	14,990	69,804	39,074	143,436
Public works	-	-	-	-
Capital outlay	38,405	-	255,994	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	53,395	298,309	295,068	362,348
Excess (Deficiency) of Revenues Over (Under) Expenditures	75,288	304	(97,657)	123
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	75,288	304	(97,657)	123
Fund Balances, Beginning of Year	966,115	(21)	(987,639)	-
Restatements	(44,418)	-	44,418	-
Fund Balances, Beginning of Year, as Restated	921,697	(21)	(943,221)	-
Fund Balances, End of Year	\$ 996,985	\$ 283	\$ (1,040,878)	\$ 123

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

(Continued)

	Special Revenue Funds			
	Children's Lunch Program	Parking and Business Improvement	Cable Television Corporation	Park Facility Impact Fee
Revenues:				
Taxes	\$ -	\$ 60,319	\$ -	\$ -
Intergovernmental	272,985	-	-	759
Charges for services	-	-	90,846	-
Use of money and property	-	-	1,045	5,200
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	272,985	60,319	91,891	5,959
Expenditures:				
Current:				
General government	-	95,200	132,119	-
Public safety	-	-	-	-
Parks, recreation and cultural	272,985	-	-	56,165
Public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	272,985	95,200	132,119	56,165
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	(34,881)	(40,228)	(50,206)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	(15,000)	-	-
Total Other Financing Sources (Uses)	-	(15,000)	-	-
Net Change in Fund Balances	-	(49,881)	(40,228)	(50,206)
Fund Balances, Beginning of Year	(94,915)	153,514	70,156	270,183
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	(94,915)	153,514	70,156	270,183
Fund Balances, End of Year	\$ (94,915)	\$ 103,633	\$ 29,928	\$ 219,977

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	Special Revenue Funds		Capital Projects Funds	Debt Service Funds
	Art in Public Places	Special Programs	Capital Projects Fund	Debt Service RDA
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ 5,014,011
Intergovernmental	-	54,975	-	-
Charges for services	-	6,376	-	-
Use of money and property	11,673	-	-	103,418
Contributions	49,417	363,780	-	-
Miscellaneous	-	-	-	607
Total Revenues	61,090	425,131	-	5,118,036
Expenditures:				
Current:				
General government	122,750	12,460	-	94,665
Public safety	-	29,812	-	-
Parks, recreation and cultural	-	48,622	-	-
Public works	-	-	-	-
Capital outlay	224,999	-	587,128	-
Debt service:				
Principal retirement	-	-	-	521,095
Interest and fiscal charges	-	-	-	1,082,690
Total Expenditures	347,749	90,894	587,128	1,698,450
Excess (Deficiency) of Revenues Over (Under) Expenditures	(286,659)	334,237	(587,128)	3,419,586
Other Financing Sources (Uses):				
Transfers in	587,409	-	-	15,896
Transfers out	-	-	-	(3,068,292)
Total Other Financing Sources (Uses)	587,409	-	-	(3,052,396)
Net Change in Fund Balances	300,750	334,237	(587,128)	367,190
Fund Balances, Beginning of Year	-	-	2,612,100	2,939,989
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as Restated	-	-	2,612,100	2,939,989
Fund Balances, End of Year	\$ 300,750	\$ 334,237	\$ 2,024,972	\$ 3,307,179

CITY OF EL MONTE

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2009

	<u>Total Nonmajor Governmental Funds</u>
Revenues:	
Taxes	\$ 9,518,598
Intergovernmental	5,719,030
Charges for services	365,872
Use of money and property	546,513
Contributions	451,821
Miscellaneous	45,950
	<u>16,647,784</u>
Total Revenues	
Expenditures:	
Current:	
General government	3,590,423
Public safety	1,042,588
Parks, recreation and cultural	779,438
Public works	1,017,000
Capital outlay	3,205,497
Debt service:	
Principal retirement	619,466
Interest and fiscal charges	1,086,861
	<u>11,341,273</u>
Total Expenditures	
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,306,511</u>
Other Financing Sources (Uses):	
Transfers in	884,786
Transfers out	(5,256,331)
	<u>(4,371,545)</u>
Total Other Financing Sources (Uses)	
Net Change in Fund Balances	<u>934,966</u>
Fund Balances, Beginning of Year	15,944,639
Restatements	279,474
	<u>16,224,113</u>
Fund Balances, Beginning of Year, as Restated	
Fund Balances, End of Year	<u>\$ 17,159,079</u>

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 EMERGENCY SHELTER GRANT
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	119,500	119,500	-	(119,500)
Amounts Available for Appropriation	119,500	119,500	-	(119,500)
Charges to Appropriation (Outflow):				
General government	47,800	119,500	71,789	47,711
Total Charges to Appropriations	47,800	119,500	71,789	47,711
Budgetary Fund Balance, June 30	\$ 71,700	\$ -	\$ (71,789)	\$ (71,789)

CITY OF EL MONTE

**BUDGETARY COMPARISON SCHEDULE
AFFORDABLE HOUSING DEVELOPMENT
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (795,348)	\$ (795,348)	\$ (795,348)	\$ -
Resources (Inflows):				
Charges for services	68,800	68,800	68,841	41
Amounts Available for Appropriation	<u>(726,548)</u>	<u>(726,548)</u>	<u>(726,507)</u>	<u>41</u>
Budgetary Fund Balance, June 30	<u>\$ (726,548)</u>	<u>\$ (726,548)</u>	<u>\$ (726,507)</u>	<u>\$ 41</u>

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,140,323	\$ 2,140,323	\$ 2,140,323	\$ -
Resources (Inflows):				
Taxes	2,075,600	2,075,600	1,821,519	(254,081)
Intergovernmental	151,500	151,500	170,165	18,665
Charges for services	13,200	13,200	9,923	(3,277)
Use of money and property	31,600	31,600	74,191	42,591
Miscellaneous	7,100	7,100	9,837	2,737
Amounts Available for Appropriation	4,419,323	4,419,323	4,225,958	(193,365)
Charges to Appropriation (Outflow):				
General government	1,725,200	1,615,500	1,544,756	70,744
Parks, recreation and cultural	329,100	57,000	50,844	6,156
Public works	3,000	170,200	161,237	8,963
Capital outlay	-	438,400	192,308	246,092
Total Charges to Appropriations	2,057,300	2,281,100	1,949,145	331,955
Budgetary Fund Balance, June 30	\$ 2,362,023	\$ 2,138,223	\$ 2,276,813	\$ 138,590

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 UDAG
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	-	-
Use of money and property	4,000	4,000	29,359	25,359
Amounts Available for Appropriation	4,000	4,000	29,359	25,359
Charges to Appropriation (Outflow):				
Parks, recreation and cultural	30,000	30,000	29,359	641
Total Charges to Appropriations	30,000	30,000	29,359	641
Budgetary Fund Balance, June 30	\$ (26,000)	\$ (26,000)	\$ -	\$ 26,000

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 AIR QUALITY
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 268,612	\$ 268,612	\$ 268,612	\$ -
Resources (Inflows):				
Intergovernmental	166,700	154,200	146,541	(7,659)
Use of money and property	6,000	6,000	5,057	(943)
Miscellaneous	-	-	78	78
Amounts Available for Appropriation	441,312	428,812	420,288	(8,524)
Charges to Appropriation (Outflow):				
General government	98,400	83,100	88,388	(5,288)
Capital outlay	-	-	25,394	(25,394)
Total Charges to Appropriations	98,400	83,100	113,782	(30,682)
Budgetary Fund Balance, June 30	\$ 342,912	\$ 345,712	\$ 306,506	\$ (39,206)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 POLICE/NARCOTICS FORFEITURE
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 940,726	\$ 940,726	\$ 940,726	\$ -
Resources (Inflows):				
Intergovernmental	368,400	389,000	814,139	425,139
Use of money and property	13,000	13,000	21,085	8,085
Amounts Available for Appropriation	1,322,126	1,342,726	1,775,950	433,224
Charges to Appropriation (Outflow):				
Public safety	395,000	584,800	480,594	104,206
Capital outlay	-	18,765	-	18,765
Total Charges to Appropriations	395,000	603,565	480,594	122,971
Budgetary Fund Balance, June 30	\$ 927,126	\$ 739,161	\$ 1,295,356	\$ 556,195

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,403,567	\$ 3,403,567	\$ 3,403,567	\$ -
Resources (Inflows):				
Intergovernmental	1,721,900	1,734,400	1,691,921	(42,479)
Use of money and property	60,000	60,000	114,548	54,548
Amounts Available for Appropriation	5,185,467	5,197,967	5,210,036	12,069
Charges to Appropriation (Outflow):				
General government	402,800	-	-	-
Public works	484,700	908,700	806,869	101,831
Capital outlay	2,287,000	1,185,900	952,287	233,613
Debt service:				
Principal retirement	-	-	98,371	(98,371)
Interest and fiscal charges	-	-	4,171	(4,171)
Total Charges to Appropriations	3,174,500	2,094,600	1,861,698	232,902
Budgetary Fund Balance, June 30	\$ 2,010,967	\$ 3,103,367	\$ 3,348,338	\$ 244,971

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 SPECIAL GAS TAX
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,446,023	\$ 2,446,023	\$ 2,446,023	\$ -
Resources (Inflows):				
Taxes	2,257,000	2,257,000	1,987,273	(269,727)
Intergovernmental	-	-	1,067,076	1,067,076
Use of money and property	15,000	15,000	70,320	55,320
Amounts Available for Appropriation	4,718,023	4,718,023	5,570,692	852,669
Charges to Appropriation (Outflow):				
Public works	-	-	10,160	(10,160)
Capital outlay	272,000	-	583,022	(583,022)
Transfers out	2,000,000	2,000,000	1,466,903	533,097
Total Charges to Appropriations	2,272,000	2,000,000	2,060,085	(60,085)
Budgetary Fund Balance, June 30	\$ 2,446,023	\$ 2,718,023	\$ 3,510,607	\$ 792,584

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 AB 939
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 808,050	\$ 808,050	\$ 808,050	\$ -
Resources (Inflows):				
Taxes	238,000	683,000	635,476	(47,524)
Use of money and property	139,700	139,700	24,811	(114,889)
Miscellaneous	49,500	179,500	35,305	(144,195)
Amounts Available for Appropriation	1,235,250	1,810,250	1,503,642	(306,608)
Charges to Appropriation (Outflow):				
General government	445,574	1,124,700	864,894	259,806
Public works	-	-	22,756	(22,756)
Capital outlay	600	600	-	600
Total Charges to Appropriations	446,174	1,125,300	887,650	237,650
Budgetary Fund Balance, June 30	\$ 789,076	\$ 684,950	\$ 615,992	\$ (68,958)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 SLES
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 461,958	\$ 461,958	\$ 461,958	\$ -
Resources (Inflows):				
Intergovernmental	240,000	240,000	100,496	(139,504)
Use of money and property	15,700	15,700	9,290	(6,410)
Amounts Available for Appropriation	717,658	717,658	571,744	(145,914)
Charges to Appropriation (Outflow):				
Public safety	132,921	286,900	290,628	(3,728)
Capital outlay	-	-	97,230	(97,230)
Total Charges to Appropriations	132,921	286,900	387,858	(100,958)
Budgetary Fund Balance, June 30	\$ 584,737	\$ 430,758	\$ 183,886	\$ (246,872)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 MISCELLANEOUS GRANTS
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (372,847)	\$ (372,847)	\$ (372,847)	\$ -
Resources (Inflows):				
Intergovernmental	135,300	135,300	489,745	354,445
Transfers in	-	-	201,384	201,384
Amounts Available for Appropriation	(237,547)	(237,547)	318,282	555,829
Charges to Appropriation (Outflow):				
General government	-	9,000	115,985	(106,985)
Public safety	-	-	219,055	(219,055)
Capital outlay	-	-	238,724	(238,724)
Transfers out	-	-	41,256	(41,256)
Total Charges to Appropriations	-	9,000	615,020	(606,020)
Budgetary Fund Balance, June 30	\$ (237,547)	\$ (246,547)	\$ (296,738)	\$ (50,191)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 OLDER AMERICAN ACT
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (21)	\$ (21)	\$ (21)	\$ -
Resources (Inflows):				
Intergovernmental	182,200	323,697	296,509	(27,188)
Contributions	6,000	1,059	2,104	1,045
Amounts Available for Appropriation	188,179	324,735	298,592	(26,143)
Charges to Appropriation (Outflow):				
General government	-	252,860	228,505	24,355
Parks, recreation and cultural	110,700	71,605	69,804	1,801
Capital outlay	200	-	-	-
Total Charges to Appropriations	110,900	324,465	298,309	26,156
Budgetary Fund Balance, June 30	\$ 77,279	\$ 270	\$ 283	\$ 13

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 SENIOR CITIZEN PROGRAM
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	92,000	326,989	325,828	(1,161)
Contributions	-	36,520	36,520	-
Miscellaneous	214,700	-	123	123
Amounts Available for Appropriation	306,700	363,509	362,471	(1,038)
Charges to Appropriation (Outflow):				
Parks, recreation and cultural	130,100	142,843	143,436	(593)
Total Charges to Appropriations	135,100	363,238	362,348	890
Budgetary Fund Balance, June 30	\$ 171,600	\$ 271	\$ 123	\$ (148)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 CHILDREN'S LUNCH PROGRAM
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (94,915)	\$ (94,915)	\$ (94,915)	\$ -
Resources (inflows):				
Intergovernmental	200,000	355,000	272,985	(82,015)
Amounts Available for Appropriation	105,085	260,085	178,070	(82,015)
Charges to Appropriation (Outflow):				
Parks, recreation and cultural	243,600	398,600	272,985	125,615
Total Charges to Appropriations	243,600	398,600	272,985	125,615
Budgetary Fund Balance, June 30	\$ (138,515)	\$ (138,515)	\$ (94,915)	\$ 43,600

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 PARKING AND BUSINESS IMPROVEMENT
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 153,514	\$ 153,514	\$ 153,514	\$ -
Resources (Inflows):				
Taxes	111,100	111,100	60,319	(50,781)
Amounts Available for Appropriation	264,614	264,614	213,833	(50,781)
Charges to Appropriation (Outflow):				
General government	95,200	95,200	95,200	-
Transfers out	15,000	15,000	15,000	-
Total Charges to Appropriations	110,200	110,200	110,200	-
Budgetary Fund Balance, June 30	\$ 154,414	\$ 154,414	\$ 103,633	\$ (50,781)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 CABLE TELEVISION CORPORATION
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 70,156	\$ 70,156	\$ 70,156	\$ -
Resources (Inflows):				
Charges for services	92,100	92,100	90,846	(1,254)
Use of money and property	2,300	2,300	1,045	(1,255)
Amounts Available for Appropriation	164,556	164,556	162,047	(2,509)
Charges to Appropriation (Outflow):				
General government	31,534	112,700	132,119	(19,419)
Capital outlay	2,500	2,500	-	2,500
Total Charges to Appropriations	34,034	115,200	132,119	(16,919)
Budgetary Fund Balance, June 30	\$ 130,522	\$ 49,356	\$ 29,928	\$ (19,428)

CITY OF EL MONTE

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS RDA
 YEAR ENDED JUNE 30, 2009

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (45,913,521)	\$ (45,913,521)	\$ (45,913,521)	\$ -
Resources (Inflows):				
Use of money and property	269,300	304,300	269,986	(34,314)
Miscellaneous	238,000	238,000	163,048	(74,952)
Transfers in	1,293,000	1,293,000	3,068,292	1,775,292
Proceeds from sale of capital asset	-	-	1,000	1,000
Amounts Available for Appropriation	(44,113,221)	(44,078,221)	(42,411,195)	1,667,026
Charges to Appropriation (Outflow):				
General government	1,978,000	1,987,300	2,387,133	(399,833)
Capital outlay	1,860,000	413,000	603,821	(190,821)
Debt service:				
Principal retirement	190,000	190,000	187,600	2,400
Interest and fiscal charges	376,500	376,500	3,919,677	(3,543,177)
Transfers out	292,200	-	15,896	(15,896)
Total Charges to Appropriations	4,696,700	2,966,800	7,114,127	(4,147,327)
Budgetary Fund Balance, June 30	\$ (48,809,921)	\$ (47,045,021)	\$ (49,525,322)	\$ (2,480,301)

CITY OF EL MONTE

**BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE RDA
YEAR ENDED JUNE 30, 2009**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,939,989	\$ 2,939,989	\$ 2,939,989	\$ -
Resources (Inflows):				
Taxes	4,743,000	4,704,000	5,014,011	310,011
Use of money and property	66,500	66,500	103,418	36,918
Miscellaneous	-	-	607	607
Transfers in	-	-	15,896	15,896
Amounts Available for Appropriation	7,749,489	7,710,489	8,073,921	363,432
Charges to Appropriation (Outflow):				
General government	255,800	255,800	94,665	161,135
Debt service:				
Principal retirement	480,000	480,000	521,095	(41,095)
Interest and fiscal charges	958,700	958,700	1,082,690	(123,990)
Transfers out	1,000,800	1,040,000	3,068,292	(2,028,292)
Total Charges to Appropriations	2,695,300	2,734,500	4,766,742	(2,032,242)
Budgetary Fund Balance, June 30	\$ 5,054,189	\$ 4,975,989	\$ 3,307,179	\$ (1,668,810)

CITY OF EL MONTE

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2009

	<u>Balance July 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2009</u>
<u>Payroll</u>				
Assets:				
Cash and investments	\$ 25,511	\$ -	\$ 25,511	\$ -
Total Assets	<u>\$ 25,511</u>	<u>\$ -</u>	<u>\$ 25,511</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 5,511	\$ -	\$ 5,511	\$ -
Due to other governments	20,000	-	20,000	-
Total Liabilities	<u>\$ 25,511</u>	<u>\$ -</u>	<u>\$ 25,511</u>	<u>\$ -</u>

STATISTICAL SECTION

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

Contents

Financial Trends

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

Table 1	-	Net Assets by Component
Table 2	-	Changes in Net Assets
Table 3	-	Fund Balances of Governmental Funds
Table 4	-	Changes in Fund Balances of Governmental Funds
Table 5	-	Governmental Activities Tax Revenues by Source

Revenue Capacity

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

Table 6	-	Assessed Value and Estimated Value of Taxable Property
Table 7	-	Direct and Overlapping Property Tax Rates
Table 8	-	Principal Property Taxpayers
Table 9	-	Property Tax Levies and Collections

Debt Capacity

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

Table 10	-	Ratios of Outstanding Debt by Type
Table 11	-	Direct and Overlapping Government Activities Debt
Table 12	-	Legal Debt Margin Information
Table 13	-	Pledged Revenue Coverage

Demographic and Economic Information

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

Schedule 14	-	Demographic and Economic Statistics
Schedule 15	-	Principal Employers

Operating Information

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

Table 16	-	Full-Time Equivalent City Govt. Employees by Function
Table 17	-	Operating Indicators by Function
Table 18	-	Capital Asset by Function

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

City of El Monte, California

Table 1

Net Assets by Component

Last Five Fiscal Years
(Accrual basis of accounting)

	2005	2006	2007	2008	2009
Governmental activities					
Invested in capital assets, net of related debt	\$ 12,195,915	\$ 7,692,808	\$ 400,525,216	\$ 387,726,129	\$ 393,169,859
Restricted	36,221,233	38,205,659	45,706,053	45,093,002	45,444,013
Unrestricted	<u>6,233,432</u>	<u>10,602,832</u>	<u>5,863,237</u>	<u>17,981,867</u>	<u>6,706,495</u>
Total governmental activities net assets	<u>\$ 54,650,580</u>	<u>\$ 56,501,299</u>	<u>\$ 452,094,506</u>	<u>\$ 450,800,998</u>	<u>\$ 445,320,367</u>
Business-type activities					
Invested in capital assets, net of related debt	\$ 4,311,980	\$ 3,906,527	\$ 3,699,586	\$ 3,681,347	\$ 3,884,727
Restricted	2,062,533	408,520	515,422	402,693	403,419
Unrestricted	<u>(16,835,506)</u>	<u>(15,607,982)</u>	<u>(15,489,929)</u>	<u>(15,067,058)</u>	<u>(15,364,273)</u>
Total business-type activities net assets	<u>\$ (10,460,993)</u>	<u>\$ (11,292,935)</u>	<u>\$ (11,274,921)</u>	<u>\$ (10,983,018)</u>	<u>\$ (11,076,127)</u>
Primary government					
Invested in capital assets, net of related debt	\$ 16,507,895	\$ 11,599,335	\$ 404,224,802	\$ 391,407,476	\$ 397,054,586
Restricted	38,283,766	38,614,179	46,221,475	45,495,695	45,847,432
Unrestricted	<u>(10,602,074)</u>	<u>(5,005,150)</u>	<u>(9,626,692)</u>	<u>2,914,809</u>	<u>(8,657,778)</u>
Total primary government net assets	<u>\$ 44,189,587</u>	<u>\$ 45,208,364</u>	<u>\$ 440,819,585</u>	<u>\$ 439,817,980</u>	<u>\$ 434,244,240</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, California

Table 2
Changes in Net Assets
 Last Five Fiscal Years
 (Accrual basis of accounting)

	2005	2006	2007	2008	2009
Expenses					
Governmental activities:					
General government	\$ 36,314,697	\$ 34,196,489	\$ 34,683,409	\$ 38,252,969	\$ 36,766,602
Public safety	34,326,831	36,815,930	37,829,869	39,990,879	34,909,950
Parks, recreation, and cultural	4,315,567	5,561,304	5,138,300	5,710,017	4,581,714
Public works	8,995,564	8,041,318	7,622,037	9,662,975	10,587,267
Debt service - interest on long-term debt	4,194,520	4,734,489	5,912,027	5,642,085	5,904,551
Total governmental activities expenses	88,147,179	89,349,530	91,185,642	99,258,925	92,750,084
Business-type activities:					
Water authority	3,850,224	3,626,693	3,298,506	3,162,041	3,199,691
Total business-type activities expenses	3,850,224	3,626,693	3,298,506	3,162,041	3,199,691
Total primary government expenses	\$ 91,997,403	\$ 92,976,223	\$ 94,484,148	\$ 102,420,966	\$ 95,949,775
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 2,314,721	\$ 2,257,789	\$ 2,333,233	\$ 4,068,360	\$ 1,983,176
Public safety	1,927,498	1,815,573	2,298,313	2,226,196	2,548,125
Community Development	-	-	-	-	1,179,197
Parks, recreation, and cultural	805,494	605,567	534,834	587,291	485,483
Public works	3,285,172	2,219,288	2,152,880	2,051,314	4,940,139
Operating grants and contributions	15,526,317	11,631,433	14,265,917	8,393,235	7,147,776
Capital grants and contributions	126,177	732,022	166,456	5,917,284	3,010,609
Total governmental activities program revenues	23,985,379	19,261,672	21,751,633	23,243,680	21,294,505
Business-type activities:					
Charges for services:					
Water authority	\$ 2,882,616	2,986,262	\$ 2,957,009	\$ 3,165,031	\$ 2,985,694
Operating Contributions and Grants:					
Water authority					117,527
Total business-like activities program revenues	2,882,616	2,986,262	2,957,009	3,165,031	3,103,221
Total primary government program revenues	\$ 26,867,995	\$ 22,247,934	\$ 24,708,642	\$ 26,408,711	\$ 24,397,726
Net (expense) revenue					
Governmental activities	(64,161,800)	(70,087,858)	(69,434,009)	(76,015,245)	(71,455,579)
Business-like activities	(967,608)	(640,431)	(341,497)	2,990	(96,470)
Total primary government net expense	\$ (65,129,408)	\$ (70,728,289)	\$ (69,775,506)	\$ (76,012,255)	\$ (71,552,049)

City of El Monte, California

Table 2
Changes in Net Assets
 Last Five Fiscal Years
 (Accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Revenues and Other Changes in Net Assets					
Governmental activities:					
Taxes					
Property taxes, levied for general purpose	\$ 13,096,430	\$ 17,830,887	\$ 27,375,152	\$ 29,357,486	\$ 30,781,923
Transient occupancy taxes	310,189	320,297	326,312	315,076	306,710
Sales taxes	20,732,246	22,025,619	21,915,042	22,397,169	12,819,325
Franchise taxes	4,472,789	3,021,236	2,118,032	2,627,027	2,799,335
Business Licenses Taxes	-	-	-	-	60,319
Utility user taxes	8,202,719	8,526,616	8,744,118	8,820,706	8,477,622
Other taxes	493,483	971,969	717,016	2,496,140	2,145,353
Intergovernmental, unrestricted:					
Motor vehicle in-lieu	8,343,895	8,939,792	786,789	538,617	362,920
Use of money and property	3,809,558	4,496,615	5,359,739	5,987,192	5,010,702
Gain on sale of assets	33,221	9,773	-	-	-
Other	2,268,064	1,874,366	3,208,128	1,999,663	324,017
Transfers	-	430,631	-	-	-
Total governmental activities	<u>61,762,594</u>	<u>68,447,801</u>	<u>70,550,328</u>	<u>74,539,076</u>	<u>63,088,226</u>
Business-type activities:					
Property taxes, levied for general purpose	210,637	210,637	-	-	-
Investment earnings	81,472	(106,105)	107,997	111,021	57,847
Other	208,249	2,700	9,103	177,892	2,853
Transfers	-	(430,631)	-	-	-
Total business-type activities	<u>500,358</u>	<u>(323,399)</u>	<u>117,100</u>	<u>288,913</u>	<u>60,700</u>
Total primary program	<u>\$ 62,262,952</u>	<u>\$ 68,124,402</u>	<u>\$ 70,667,428</u>	<u>\$ 74,827,989</u>	<u>\$ 63,148,926</u>
Change in Net Assets					
Governmental activities	(2,399,206)	(1,640,057)	1,116,319	(1,476,169)	(8,367,353)
Business-type activities	(467,250)	(963,830)	(224,397)	291,903	(35,770)
Total primary government program	<u>\$ (2,866,456)</u>	<u>\$ (2,603,887)</u>	<u>\$ 891,922</u>	<u>\$ (1,184,266)</u>	<u>\$ (8,403,123)</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

Source: Finance Department, City of El Monte

City of El Monte, California

Table 3
Fund Balances of Governmental Funds
 Last Five Fiscal Years
 (Accrual basis of accounting)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General Fund					
Reserved	\$ 41,825,792	\$ 44,688,428	\$ 51,379,590	\$ 50,842,563	\$ 56,247,468
Unreserved	<u>12,253,610</u>	<u>18,399,513</u>	<u>11,931,805</u>	<u>5,273,348</u>	<u>1,100,064</u>
Total general fund	<u>\$ 54,079,402</u>	<u>\$ 63,087,941</u>	<u>\$ 63,311,395</u>	<u>\$ 56,115,911</u>	<u>\$ 57,347,532</u>
All other governmental funds					
Reserved	\$ 29,059,206	\$ 28,054,285	\$ 29,115,933	\$ 27,687,724	\$ 26,364,717
Unreserved, reported in:					
Special revenue funds	19,474,620	19,749,938	22,820,501	23,211,013	26,288,132
Debt service funds	2,378,532	2,457,318	4,047,455	2,936,723	3,307,179
Capital projects funds	<u>(52,285,512)</u>	<u>(56,178,456)</u>	<u>(64,094,608)</u>	<u>(55,119,435)</u>	<u>(61,031,642)</u>
Total all other governmental funds	<u>\$ (1,373,154)</u>	<u>\$ (5,916,915)</u>	<u>\$ (8,110,719)</u>	<u>\$ (1,283,975)</u>	<u>\$ (5,071,614)</u>

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

Source: Finance Department, City of El Monte

City of El Monte, California

Table 4
Changes in Fund Balances of Governmental Funds
 Last Five Fiscal Years
 (Modified accrual basis of accounting)

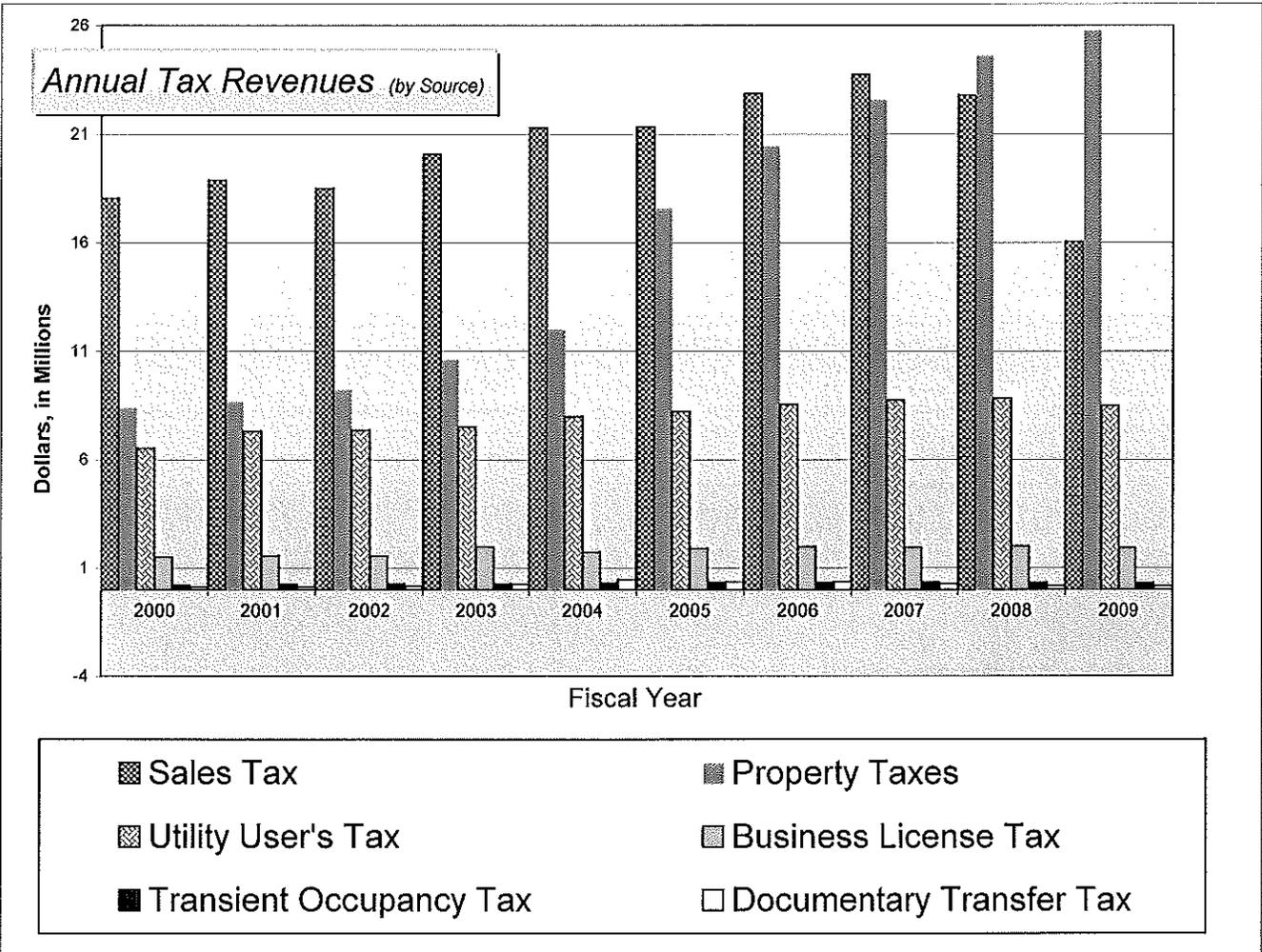
	2005	2006	2007	2008	2009
Revenues					
Taxes	\$ 48,654,530	\$ 53,622,590	\$ 63,543,334	65,000,743	60,272,665
Licenses and permits	3,300,572	3,118,319	3,077,238	3,135,488	6,853,145
Intergovernmental	17,002,343	23,812,134	12,783,195	14,855,965	7,059,621
Charges for services	3,491,981	2,352,106	3,027,193	2,937,085	2,366,960
Use of money and property	3,842,779	4,517,647	5,311,219	5,306,137	4,636,653
Fines and forfeitures	1,434,433	1,309,596	1,192,177	1,218,477	1,513,547
Contributions	131,736	-	273,891	456,021	494,993
Developer Participation	-	-	-	1,482,986	-
Miscellaneous	1,313,430	920,738	1,331,028	987,590	547,653
Total revenues	79,171,804	89,653,130	90,539,275	95,380,492	83,745,237
Expenditures					
Current:					
General government	36,028,178	32,545,739	30,300,361	36,713,532	30,959,376
Public safety	34,169,192	35,833,305	36,612,697	39,293,878	34,716,300
Parks, recreation and cultural	4,048,401	5,402,783	5,085,450	5,510,146	4,541,136
Public Works	8,199,269	8,002,578	4,209,203	6,535,553	7,818,511
Capital outlay	1,702,427	2,774,513	9,995,244	5,256,934	3,891,957
Debt Service:					
Principal retirement	11,015,795	1,435,491	2,339,751	9,732,787	1,630,725
Interest and fiscal charges	3,888,172	4,716,140	5,760,158	5,577,604	5,649,471
Bond issuance cost	382,602	12,226	-	1,515,390	-
Payment to refunded bond escrow agent	-	-	-	2,152,727	-
Total expenditures	99,434,036	90,722,775	94,302,864	112,288,551	89,207,476
Excess of revenues over (under) expenditures	(20,262,232)	(1,069,645)	(3,763,589)	(16,908,059)	(5,462,239)
Other Financing Sources (Uses)					
Transfers in	9,037,945	10,445,162	4,154,344	7,294,579	6,074,214
Transfers out	(9,037,945)	(10,014,531)	(4,154,344)	(10,294,579)	(6,074,214)
Refunding bonds issued	-	-	-	30,090,000	-
Notes and loans issued	3,699,683	630,007	675,000	5,182,241	-
Proceeds from sale of land held for resale	-	-	-	1,572,500	-
Other debts issued	10,010,000	-	553,691	(19,374,581)	-
Proceeds from sale of capital assets	-	-	-	-	19,499
Total other financing sources (uses)	13,709,683	1,060,638	1,228,691	14,470,160	19,499
Net change in fund balances	\$ (6,552,549)	\$ (9,007)	\$ (2,534,898)	(2,437,899)	(5,442,740)
Debt service as a percentage of noncapital expenditure	15.64%	7.01%	9.61%	17.73%	8.53%

Source: Finance Department, City of El Monte

City of El Monte, California

Table 5
Tax Revenues by Source - Governmental Activities
 Last Ten Fiscal Years
 (Modified accrual basis of accounting)

Fiscal Year	Property Taxes	Documentary Transfer Tax	Business License Tax	Utility User's Tax	Transient Occupancy Tax	Sales Tax	Other Taxes	Total
2000	8,384,199	112,408	1,508,029	6,517,014	193,621	18,037,209	31,510	34,783,990
2001	8,665,504	123,186	1,565,471	7,309,092	234,310	18,882,351	23,100	36,803,014
2002	9,217,418	163,382	1,547,827	7,348,073	256,205	18,500,897	16,419	37,050,221
2003	10,596,719	232,695	1,959,157	7,502,607	263,030	20,063,666	19,507	40,637,381
2004	11,995,298	469,977	1,731,466	7,989,331	298,053	21,286,522	16,866	43,787,513
2005	17,595,824	341,808	1,893,113	8,202,719	310,189	21,321,728	16,864	49,682,245
2006	20,454,881	365,200	1,975,656	8,526,617	320,297	22,856,342	20,687	54,519,680
2007	22,582,996	266,729	1,935,003	8,744,118	326,312	23,732,619	30,193	57,617,970
2008	24,601,338	174,847	1,999,419	8,820,706	315,076	22,790,292	23,966	58,725,644
2009	25,764,716	158,080	1,928,093	8,477,622	306,710	16,043,743	0	52,678,964



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

City of El Monte, California

Table 6
Assessed Value and Estimated Value of Taxable Property
 Last Ten Fiscal Years

Fiscal Year	Real Property		Other Property	Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential	Commercial						
2000	1,947,915,710	502,995,189	800,334,708	31,290,263	3,219,955,344	0.31609%	3,219,955,344	100.00%
2001	2,016,387,604	515,901,706	813,925,682	32,033,874	3,314,181,118	0.31663%	3,314,181,118	100.00%
2002	2,127,074,932	551,867,311	846,640,112	34,163,400	3,491,418,955	0.32376%	3,491,418,955	100.00%
2003	2,241,776,572	588,609,999	872,943,613	34,767,609	3,668,562,575	0.33856%	3,668,562,575	100.00%
2004	2,461,162,861	618,212,210	885,230,398	44,887,760	3,919,717,709	0.33855%	3,919,717,709	100.00%
2005	2,713,440,078	640,141,492	871,667,407	36,949,377	4,188,299,600	0.32525%	4,188,299,600	100.00%
2006	3,026,168,369	689,874,221	932,736,944	38,423,340	4,610,356,194	0.33096%	4,610,356,194	100.00%
2007	3,420,937,638	779,987,905	1,022,742,963	42,927,022	5,180,741,484	0.33032%	5,180,741,484	100.00%
2008	3,754,978,088	841,808,323	1,065,634,917	42,862,053	5,619,559,275	0.33946%	5,619,559,275	100.00%
2009	3,939,817,882	894,157,102	1,151,772,835	41,041,565	5,944,706,254	0.34972%	5,944,706,254	100.00%

Source: HdL, Coren & Cone

City of El Monte, California

Table 7
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Per \$100 of Assessed Valuation)

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	
2000	1.000	0.150	1.150	0.001422	0.001765	0.000000	0.000000	0.008900	0.012087	1.162087
2001	1.000	0.150	1.150	0.001314	0.001552	0.000000	0.041964	0.008800	0.053630	1.203630
2002	1.000	0.150	1.150	0.001128	0.000473	0.000000	0.051956	0.007700	0.061257	1.211257
2003	1.000	0.150	1.150	0.001033	0.000881	0.000000	0.065921	0.006700	0.074535	1.224535
2004	1.000	0.150	1.150	0.000992	0.000462	0.000000	0.086448	0.006100	0.094002	1.244002
2005	1.000	0.150	1.150	0.000923	0.000245	0.021695	0.111747	0.005800	0.140410	1.290410
2006	1.000	0.150	1.150	0.000795	0.000049	0.018021	0.134819	0.005200	0.158884	1.308884
2007	1.000	0.150	1.150	0.000663	0.000052	0.014688	0.122488	0.004700	0.142591	1.292591
2008	1.000	0.150	1.150	0.000000	0.000000	0.013700	0.108880	0.004500	0.127080	1.277080
2009	1.000	0.150	1.150	0.000000	0.000000	0.023200	0.124900	0.004300	0.152400	1.302400

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

Source: Los Angeles County, Office of the Auditor-Controller

City of El Monte, California

Table 8

Principal Property Taxpayers

Ranked by Taxable Assessed Value

Current Year and Ten Years Ago

Taxpayer	2009			1999		
	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.	56,041,761	1	15.982%	43,286,951	1	16.327%
600 Hobart LLC	38,600,000	2	11.008%			
Wells Fargo Bank	38,178,446	3	10.888%	38,633,845	3	14.572%
Penske Realty Inc.	37,297,526	4	10.637%	15,696,811	9	5.920%
Safeway, Inc	34,879,000	5	9.947%			
Arden XC LP (formerly GRE Arden Way LP)	33,000,000	6	9.411%			
KM El Monte Investors LLC	30,560,553	7	8.715%	26,994,213	5	10.181%
Wohl Penwood El Monte Partners	29,938,780	8	8.538%			
Realty Associates Fund VIII LP	27,846,000	9	7.941%			
Driftwood Dairy	24,307,548	10	6.932%			
Ball Foster Glass Container				40,887,064	2	15.421%
Clayton Manufacturing Company				16,775,575	7	6.327%
Cross Country Wireless				15,625,266	10	5.893%
Gregg Industries Inc.				21,810,823	6	8.226%
Marshall Industries				29,664,556	4	11.189%
Pace Center				15,757,753	8	5.943%
Totals	350,649,614		100%	265,132,857		100%

Source: HdL Coren & Cone, Los Angeles County Assessor 2007/08 Combined Tax Rolls

City of El Monte, California

Table 9
Property Tax Levies and Collections
 Last Ten Fiscal Years

<u>Year Ending June 30</u>	<u>Total Tax Levy for Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
2000	2,953,769	2,869,074	97.1%	81,675	2,950,749	99.9%
2001	3,045,819	2,962,927	97.3%	86,584	3,049,511	100.1%
2002	3,228,459	3,146,722	97.5%	82,937	3,229,659	100.0%
2003	3,440,584	3,349,882	97.4%	84,017	3,433,899	99.8%
2004	3,676,634	3,596,597	97.8%	92,024	3,688,621	100.3%
2005	3,969,590	3,877,177	97.7%	84,530	3,961,707	99.8%
2006	4,393,605	4,281,285	97.4%	94,764	4,376,049	99.6%
2007	4,933,742	4,748,972	96.3%	160,291	4,909,263	99.5%
2008	5,425,596	5,156,381	95.0%	237,675	5,394,056	99.4%
2009	5,745,854	5,478,542	95.3%	217,362	5,695,904	99.1%

Source: Los Angeles County Auditor-Controller

City of El Monte, California

Table 10
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			
2000	3,650,000	-	9,705,000		1,644,742	13,860,000	-	28,859,742	0.823%	241
2001	3,622,000	-	9,458,000		1,472,697	13,710,000	-	28,262,697	0.774%	236
2002	3,545,000	-	17,225,000		1,291,995	18,930,000	-	40,991,995	1.111%	342
2003	3,485,000	10,625,000	18,390,000		-	18,765,000	-	51,265,000	1.338%	420
2004	3,420,000	10,135,000	18,110,000		-	18,595,000	-	50,260,000	1.233%	407
2005	3,350,000	9,620,000	18,395,000		-	18,415,000	-	49,780,000	1.158%	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

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

Source: Finance Department, City of El Monte Audited Financial Statements

City of El Monte, California

Table 11

Direct and Overlapping Governmental Activities Debt

As of June 30, 2009

	<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City⁽¹⁾</u>	<u>Net Bonded Debt⁽²⁾</u>
Direct Debt:			
City of El Monte Certificates of Participation	\$ 7,285,000	100.000%	\$ 7,285,000
Total Direct Debt			\$ 7,285,000
Overlapping Debt:			
Metropolitan Water District	137,096,151	0.611%	838,278
El Monte Elementary School District 1999 Series A	2,150,000	64.764%	1,392,417
El Monte Elementary School District 1999 Series B	1,195,000	64.764%	773,925
El Monte Elementary School District 1999 Series C	2,030,000	64.764%	1,314,701
El Monte Elementary School District 2004 Refunding Bonds	5,935,000	64.764%	3,843,719
El Monte Elementary School district 1999 Series D	15,610,000	64.764%	10,109,596
El Monte Union High School District 2005 Refunding Bonds	20,735,282	64.764%	13,428,912
El Monte School District 2004 Series B	20,698,136	64.764%	13,404,855
Rosemead Elementary School District 2000 Series A	6,775,000	16.577%	1,123,125
Rosemead Elementary School District 2000 Series B	9,350,000	16.577%	1,549,996
Rosemead Elementary School District 2000 Series C	6,890,000	16.577%	1,142,189
El Monte Union High School District 2002 Series A	4,475,000	54.925%	2,457,915
El Monte Union High School District 2002 Series B	6,580,000	54.925%	3,614,097
El Monte Union High School District 2006 Refunding Bond	38,005,173	54.925%	20,874,524
El Monte Union High School District 2002 Series C	83,746,269	54.925%	45,998,041
Pasadena Area Community College District 2002 Series A	3,715,000	2.310%	85,803
Pasadena Community College District 2006 Series B	581,980,000	2.310%	13,441,572
Pasadena Community College District 2006 Refunding Bond Series	20,763,399	2.310%	479,557
Rio Hondo Community College District Series 2004 A	9,940,000	15.867%	1,577,170
Rio Hondo Community College District 2005 Refunding Bonds	46,482,244	15.867%	7,375,290
Rio Hondo Community College District 2004 Series 2008	64,996,844	15.867%	10,312,982
Total - Overlapping Debt	\$ 1,089,148,498		155,138,664
Grand Total Direct and Overlapping Debt			\$ 162,423,664
Assessed Valuation:			
2008/09 Assessed Valuation, Gross	\$5,924,662,125		
Less: Redevelopment Increment	662,916,394		
Assessed Valuation, Net of Redevelopment Incren	<u>\$5,261,745,731</u>		
Debt to Assessed Valuation Ratios:			
Direct debt	0.14%		
Overlapping Debt	2.95%		
Total Debt	3.09%		

⁽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, California

Table 12

Legal Debt Margin Information

Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2009

Assessed value	\$	5,944,706,254
Debt limit (15% of assessed value)		891,705,938
Debt applicable to limit:		
General obligation bonds		0
Total net debt applicable to limit		891,705,938
Legal debt margin	\$	891,705,938

Fiscal Year	Debt Limit	Total net debt Applicable to Limit	Legal Debt Limit	Legal Debt Limit as a percentage of Debt Limit
2000	482,993,302	0	482,993,302	100.00%
2001	497,127,168	0	497,127,168	100.00%
2002	523,712,843	0	523,712,843	100.00%
2003	550,284,386	0	550,284,386	100.00%
2004	587,957,656	0	587,957,656	100.00%
2005	628,244,940	0	628,244,940	100.00%
2006	691,553,429	0	691,553,429	100.00%
2007	777,111,223	0	777,111,223	100.00%
2008	842,933,891	0	842,933,891	100.00%
2009	891,705,938	0	891,705,938	100.00%

Source: City of El Monte Finance Department

City of El Monte, California

Table 13
Pledged Revenue Coverage
 Last Ten Fiscal Years

Tax Allocation Bonds					Water Revenue Bonds					
Fiscal Year	Debt Service				Gross Revenues	Less: Net Operating Expenses	Debt Service			
	Tax Increment	Principal	Interest	Coverage			Net Available Revenues	Principal	Interest	Coverage
2000	1,547,804	265,000	774,198	1.49	2,158,740	1,333,296	825,444	150,000	753,635	
2001	1,378,725	275,000	1,281,863	0.89	2,474,657	1,316,854	1,157,803	160,000	748,160	1.27
2002	1,904,033	310,000	1,266,708	1.21	2,580,861	1,615,148	965,713	165,000	940,807	0.87
2003	1,978,339	325,000	1,313,235	1.21	2,978,004	1,206,124	1,771,880	170,000	952,805	1.58
2004	2,601,227	345,000	1,307,465	0.00	4,078,791	3,348,576	730,215	180,000	945,665	0.65
2005	2,799,818	365,000	1,287,463	2.17	3,090,865	2,490,441	600,424	185,000	937,835	0.53
2006	3,663,454	260,000	1,268,772	2.40	2,988,962	1,554,138	1,434,824	195,000	929,695	1.28
2007	4,770,182	545,000	1,159,388	2.80	2,966,112	1,982,031	984,081	205,000	703,030	1.08
2008	3,349,188	750,000	1,235,832	1.69	3,165,031	2,039,591	1,125,440	215,000	693,600	1.24
2009	6,709,829	670,000	1,326,361	3.36	2,985,694	2,077,333	908,361	385,000	831,095	0.75

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, California

Table 14
Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year	Population ⁽¹⁾	Personal Income (thousands of dollars) ⁽²⁾	Per-Capita Personal Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate ⁽⁴⁾
2000	120,000	3,507,120	29,226	21,158	6.80%
2001	119,785	3,650,807	30,478	20,683	5.70%
2002	119,785	3,688,060	30,789	21,505	6.80%
2003	121,922	3,830,302	31,416	21,393	7.00%
2004	123,455	4,075,003	33,008	21,840	6.50%
2005	125,086	4,306,211	34,426	21,540	5.30%
2006	125,352	4,500,764	35,905	21,317	6.50%
2007	126,282	4,728,882	37,447	20,813	6.50%
2008	126,053	4,725,027	37,484	20,246	7.10%
2009	126,308	4,621,076	37,484	20,320	12.18%

- Sources:**
- (1) Population estimate as of 1/1/2009, California Department of Finance, Demographic Research
 - (2) Consumer Price Index of Urban Wage Earners, Bureau of Economic Analysis
 - (3) El Monte School Districts (Elementary) and El Monte High School District
 - (4) State Employment Development Department Data (percent of labor force, based on annual :)

City of El Monte, California

Table 15
Principal Employers

Employer	Employees	Rank	Percentage of Total City Employment
Wells Fargo Bank	1,800	1	2.203%
El Monte Union High School District	1,742	2	2.132%
Mountain View Elementary School District	1,007	3	1.233%
Vons Co. Inc.	736	4	0.901%
Longo Toyota-Lexus	600	5	0.734%
City of El Monte	526	6	0.644%
M C Gill Corporation	250	7	0.306%
Driftwood Dairy	250	8	0.306%
Cathay Bank	250	9	0.306%
McConnell Cabinets	57	10	0.070%
Total	7,218		8.835%

Source: El Monte Chamber of Commerce

City of El Monte, California

Table 16
Full-Time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
General government	44	48	48	46	50	45	45	47	48	44
Public Safety										
Police										
Officers	141	150	146	153	158	157	161	161	156	145
Civilians	44	47	57	56	60	62	65	65	75	69
Fire *										
Firefighters & Officers	N/A									
Civilians	N/A									
Community development	26	28	35	32	39	39	31	31	28	29
Public works	50	53	46	47	48	43	43	43	36	35
Parks, recreation, cultural	41	41	41	41	45	47	50	50	47	48
Utilities										
Water	10	10	10	10	10	10	10	10	10	9
Total full-time equivalent positions	356	377	383	385	410	403	405	407	400	379

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

Source: Finance Department, City of El Monte

City of El Monte, California

Table 17
Operating Indicators by Function
Last Three Fiscal Years

Function	2007	2008	2009
Police Department			
Physical arrests	5,145	4,813	3,741
Parking violations	14,231	14,071	26,716
Moving violations	13,012	8,878	13,914
Water Department			
Total number of customers	22,455	22,370	22,828
Average daily consumption	24,136	24,578	23,400

Source: Various departments, City of El Monte

City of El Monte, California

Table 18
Capital Assets by Function
 Last Three Fiscal Years

Function	2007	2008	2009
Public safety			
Police			
Number of Police Stations	1	1	1
Number of Police Motor Vehicles	91	97	87
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	77	77	73
Culture and recreation			
Parks acreage	46	47	50
Parks	9	9	9
Ball diamonds	7	6	6
Basketball courts	4	5	5
Craft/Activity buildings	3	3	4
Gymnasium	1	1	1
Swimming pools	8	8	7
Community centers	6	6	6
Water			
Water mains (miles)	38	38	38.7
Maximum daily treatment capacity (millions of gallons)	6.5	6.5	6.5

Source: Various departments, City of El Monte