

CITY OF SOUTH EL MONTE
FINANCIAL STATEMENTS
AS OF AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Prepared by:
Finance Department

CITY OF SOUTH EL MONTE
For the Fiscal Year Ended June 30, 2021
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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South El Monte, California (the City), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of South El Monte, California, as of June 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12 and the required supplementary information on pages 53 through 59 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements, and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 2, 2022, on our consideration of the City of South El Monte's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vasquez & Company LLP

**Glendale, California
May 2, 2022**

MANAGEMENT'S DISCUSSION

AND ANALYSIS (UNAUDITED)

As management of the City of South El Monte (“the City”), we offer readers of the financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2021.

OVERVIEW OF BASIC FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: (i) government-wide financial statements, (ii) fund financial statements, and (iii) notes to the basic financial statements. This report also contains *Required Supplementary Information* and *Supplementary information* in addition to the basic financial statements themselves.

Government-wide financial statements

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

The *statement of net position* presents information on all of the City's total assets and deferred outflows of resources and total liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes (*governmental activities*). The governmental activities of the City include general government, public safety, public works/utilities, community development, community service programs, and interest on long-term debt.

The government-wide financial statements only consist of the City of South El Monte (known as the primary government), and do not include any blended component units. Fiduciary funds are not presented in the government-wide financial statements as the resources are not available to support City programs.

The government-wide financial statements can be found on pages 13-14 of this report.

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City are divided into two categories: governmental funds and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for its governmental funds. A budgetary comparison schedule has been provided for the governmental funds (see page 74-102).

The basic governmental funds financial statements can be found on pages 15 through 18 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support City programs. The fiduciary fund consists of an agency fund which is custodial in nature and does not present results of operations or a measurement focus.

The basic fiduciary funds financial statements can be found on pages 19-20 of this report.

Notes to the basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 21 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension and postemployment benefits to its employees.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes to the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

City's Net Position

The table below summarizes the City's net position as of June 30, 2021 and June 30, 2020. The details of the current year's summary can be found on page 13 of this report.

	Governmental Activities		
	2021	2020	Net Change
ASSETS AND DEFERRED OUFLOWS			
Current and other assets	\$ 23,741,410	\$ 22,514,977	\$ 1,226,433
Capital asset	17,163,786	17,410,597	(246,811)
Deferred outflows	2,048,140	2,006,983	41,157
Total Assets and Deferred Outflows	42,953,336	41,932,557	1,020,779
LIABILITIES AND DEFERRED INFLOWS			
Current liabilities	1,434,107	2,332,810	(898,703)
Long-term liabilities	12,962,629	12,138,559	824,070
Deferred inflows	648,218	992,311	(344,093)
Total Liabilities and Deferred Inflows	15,044,954	15,463,680	(418,726)
NET POSITION			
Net investment in capital assets	15,288,354	15,385,721	(97,367)
Restricted	16,729,055	14,656,475	2,072,580
Unrestricted	(4,109,027)	(3,573,319)	(535,708)
Total Net Position	\$ 27,908,382	\$ 26,468,877	\$ 1,439,505

The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$27,908,382 (net position).

The category of the City's net position with the largest balance totaling \$16,729,055 (59.9%) represents the city's restricted assets, which are restricted for special revenues.

The second largest category of net position, totaling \$15,288,354 (54.8%) represents resources that are invested in capital assets, net of accumulated depreciation.

The last remaining category of net position, totaling (\$4,109,027) (-14.7%) represents a deficit in unrestricted net position that is expected to be recovered from City's future revenues.

Governmental activities, net position:

- Current and other assets increased by \$1,226,433 from the prior year mainly due to increase in cash and investments.
- Capital assets decreased by \$246,811 from the prior year due to an increase in construction in progress of \$36,663 and increase in capital assets being depreciated of \$1,425,368 offset by depreciation of \$1,708,843.
- Deferred outflows increased by \$41,157 from the prior year mainly due to change in actuarial assumptions, difference between actual and projected experiences, and differences between actual and projected investment gains/losses.
- Current liabilities decreased by \$898,703 from the prior year mainly due to a decrease in accounts payable.
- Long-term liabilities increased by \$824,070 from the prior year mainly due to an increase in net pension liability of \$619,285 and an increase in net OPEB liability of \$311,564.
- Deferred inflows decreased by \$344,093 from the prior year mainly due to change in actuarial assumptions, difference between actual and projected experiences, and differences between actual and projected investment gains/losses.
- Net investment in capital assets decreased by \$97,367 due to the reduction in capital assets offset by the reduction in loan payable of \$149,445.
- Restricted net position increased by \$2,072,580 mainly due to an accumulation of restricted assets within the City's special revenue funds.
- The unrestricted net deficit increased by \$535,708 from the prior year mainly due to the current year's change in net position of \$1,439,505 offset by the increase in restricted net position of \$2,072,580 and decrease in net investment in capital asset of \$97,367.

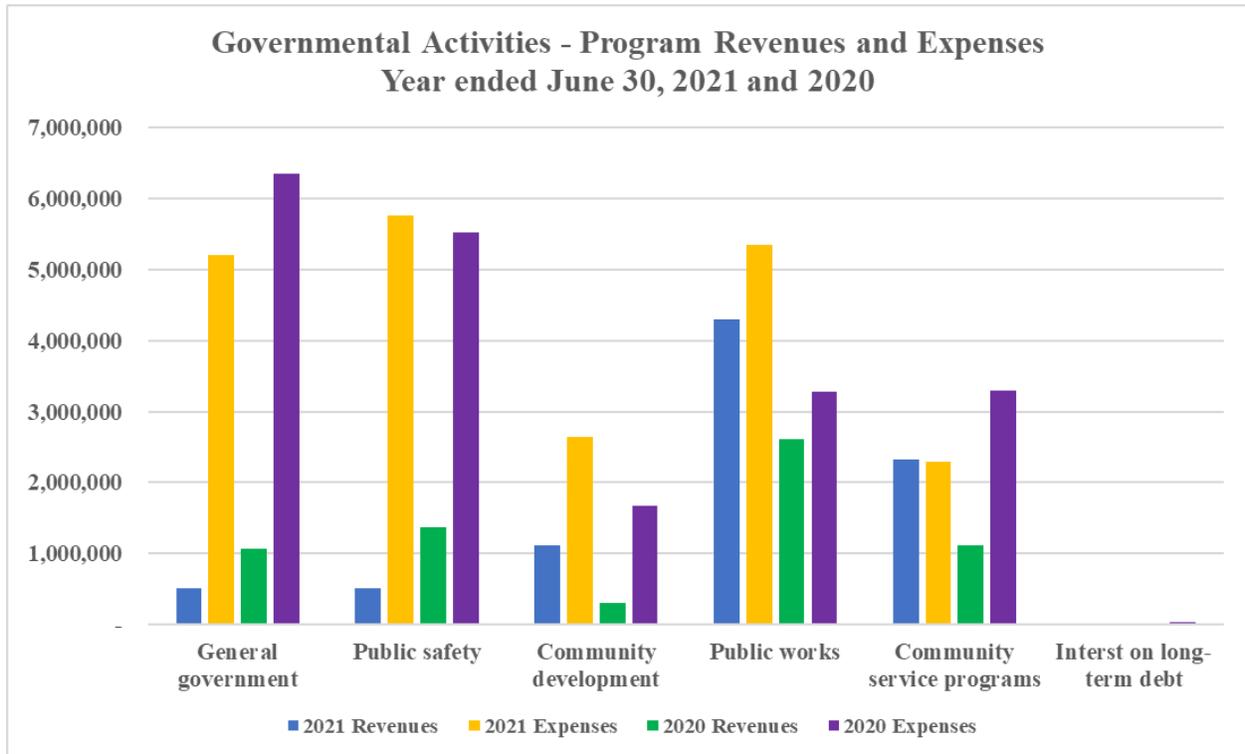
Changes in Net Position

The table below summarizes the City's changes in net position between the current and prior fiscal year. The details of the current year's changes in net position can be found on page 14 of this report.

	Governmental Activities		
	2021	2020	Net Change
REVENUES			
Program revenues			
Charges for services	\$ 2,615,908	\$ 3,247,176	\$ (631,268)
Operating grants and contributions	2,893,662	1,626,320	1,267,342
Capital grants and contributions	3,237,224	1,590,854	1,646,370
General revenues			
Property taxes	1,114,424	1,696,431	(582,007)
Other taxes	12,583,075	11,192,575	1,390,500
Investment income	46,753	140,950	(94,197)
Other	226,633	503,180	(276,547)
Total Revenues	22,717,679	19,997,486	2,720,193
EXPENSES			
Program activities			
General government	\$ 5,209,417	\$ 6,345,062	\$ (1,135,645)
Public safety	5,761,462	5,530,803	230,659
Community development	2,644,505	1,674,360	970,145
Public works	5,348,358	3,273,015	2,075,343
Community service programs	2,294,313	3,299,829	(1,005,516)
Interest on long-term debt	20,119	31,503	(11,384)
Total Expenses	21,278,174	20,154,572	1,123,602
Change in Net Position	1,439,505	(157,086)	1,596,591
Net Position - Beginning	26,468,877	26,625,963	(157,086)
Net Position - Ending	\$ 27,908,382	\$ 26,468,877	\$ 1,439,505

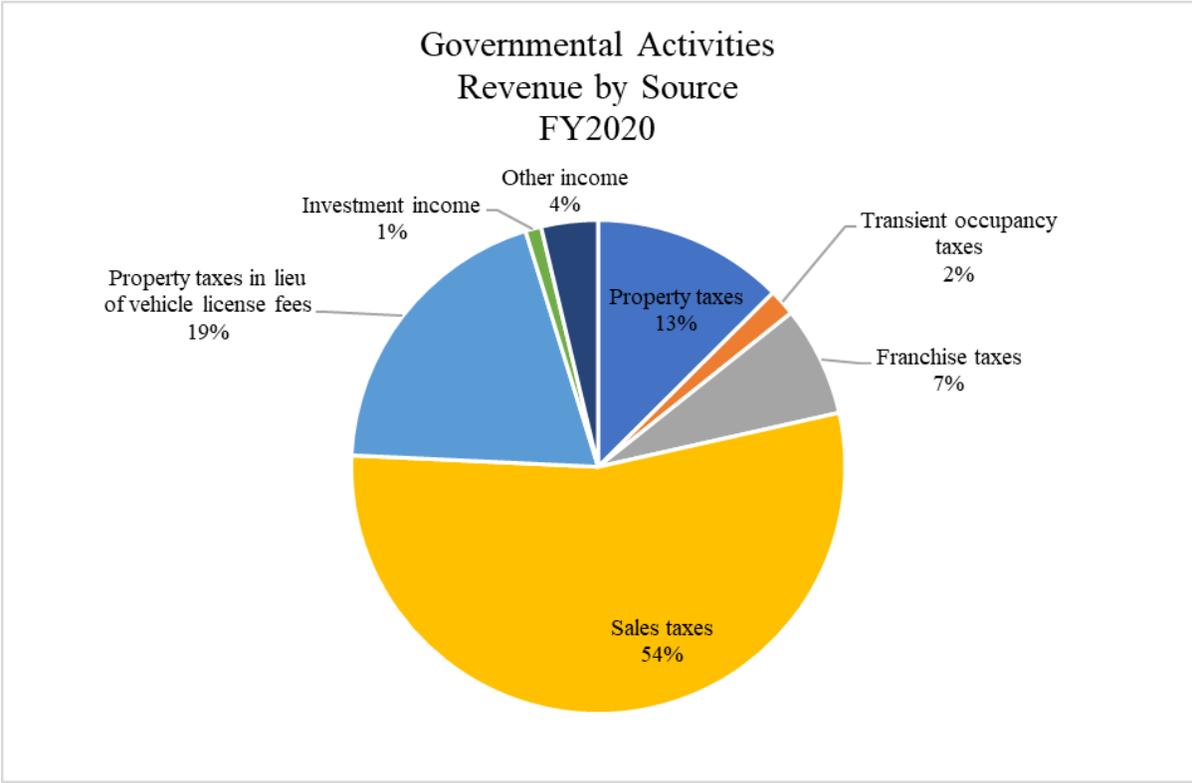
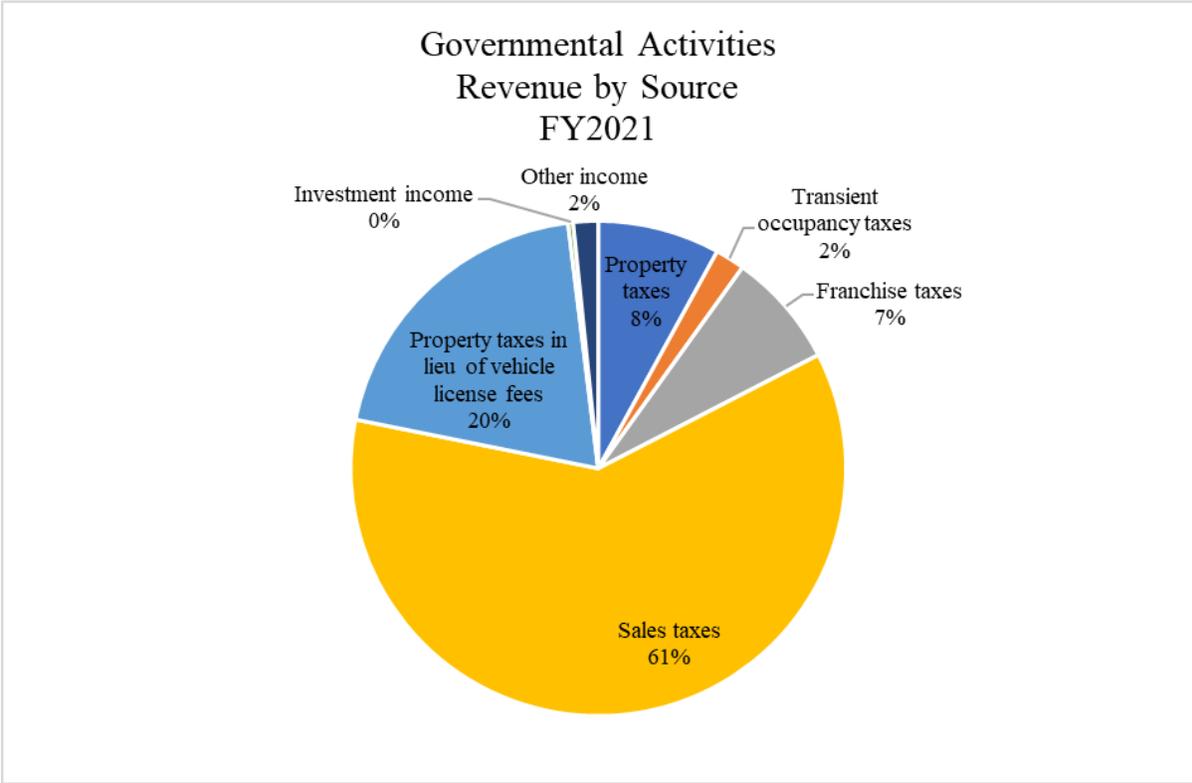
Governmental activities, changes in net position:

Governmental activities' net position increased by \$1,439,505 for the City. The increase in governmental activities is higher by \$1,596,591 as compared to the prior year's decrease in the City's net position of \$157,086.



Governmental activities consist of the following departments and divisions:

<u>(1) General Government</u>	<u>(2) Public Safety</u>	<u>(3) Community Development</u>	<u>(4) Public Works</u>	<u>(5) Community Service</u>
a. City Council	a. Public Safety Center	a. Administration	a. Administration	a. Community Services Commission
b. City Administration	b. Law Enforcement	b. Planning Commission	b. City Engineering	b. Patriotic Commission
c. City Attorney	c. School Safety	c. Community Development	c. Environmental Engineering	c. Emergency Preparedness
d. Community Promotion		d. Building and Safety	d. Waste Management	d. Senior Services
e. Human Resources		e. Animal Control	e. Emergency Services	e. Extended Day-Care Services
f. Risk Management		f. Code Enforcement	f. City Hall	f. Parks and Recreation
g. City Clerk			g. Maintenance Yard	g. Youth Sports
h. Elections			h. General Utilities	h. Boxing
i. Accounting			i. Facility Maintenance	i. Special Events
j. Business License			j. Landscape Maintenance	j. Fourth of July
k. Information Technology			k. Street Maintenance	k. Concerts in the Park
l. Public Services			l. Vehicle Maintenance	l. Christmas Wish
			m. Street Lighting	m. Community Center
				n. Senior Center
				o. Mini-Center
				p. Aquatics
				q. New Temple Park
				r. Shively Park
				s. Mary Dan Dyke Park



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

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

At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$22,307,303 (see page 15), an increase of \$2,125,136 from the prior year. Approximately 75.0% of the total fund balance amount, \$16,729,055, constitutes restricted fund balance, which are amounts that can be spent only for specific purposes stipulated by external resource providers. Approximately 0.1% of the total fund balance amount, \$25,284, constitutes nonspendable fund balance, which are amounts that are not in a spendable form or are required to be maintained intact, constitutionally, or through enabling legislation. The remainder of the fund balance amount, \$5,552,964, or 24.9% is an unassigned fund balance to indicate that it is the residual classification that is not contained in the other classifications.

The General Fund is the operating fund of the City. At the end of the current fiscal year, the total fund balance was \$7,307,431 (see page 15). At the end of the current fiscal year, the total fund balance represents 43.3% of the total expenditures for the year.

GENERAL FUND AND BUDGETARY HIGHLIGHTS

For the current year, the General Fund's total positive variance between the final budgeted amounts and the actual amount of change in fund balance was \$2,544,619. The key reasons for this variance were due to higher actual revenues than projected of \$2,753,296 and unbudgeted reimbursement transfers in of \$60,805.

For the current year, the General Fund's total positive variance between the final budgeted estimated revenues and actual revenues was \$2,753,296. The key reasons for this variance were due to higher actual revenues over estimated revenues of \$1,866,837 in taxes and \$401,497 in licenses and permits and \$448,301 in intergovernmental revenues.

For the current year, the General Fund's total negative variance between the final budgeted amount and the actual amount for expenditures was (\$269,482).

For the current year, the General Fund's total positive variance between the final budgeted amounts and the actual amount for other financing sources was \$60,805 due to the unbudgeted reimbursement transfers in of \$60,805.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The City's investment in capital assets for its governmental activities as of June 30, 2021, amounts to \$17,163,786 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, building, improvements, machinery and equipment, and infrastructure such as roads. The total decrease in the City's investment in capital assets for the current fiscal year was \$246,811 from the prior year due to an increase in construction in progress of \$36,663 and increase in capital assets being depreciated of \$1,425,368 offset by depreciation of \$1,708,843.

There were no significant construction commitments outstanding as of June 30, 2021.

Additional information on the City's capital assets can be found in Note 6 on pages 34-35 of this report.

Outstanding debt

As of June 30, 2021, the City had no major debt outstanding. Additional information on the City's long-term debt can be found in Note 7 on pages 35-36 of this report.

ECONOMIC FACTORS AND NEW YEAR'S BUDGET AND RATES

The following factors were considered in preparing the City's budget for the 2022 fiscal year:

The City serves a diverse industrial, commercial, and residential customer base. At June 30, 2021, the average unemployment rate of the City was 10.5%, which was higher than the State's average of 8.0%, and higher than the national average of 5.9%.

Inflationary trends in the region compare unfavorably to national indices.

The occupancy rate of the City for fiscal 2021 was estimated to be 95.6%.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 1415 Santa Anita Avenue, South El Monte, CA 91733.

BASIC FINANCIAL --- STATEMENTS

City of South El Monte
Statement of Net Position
June 30, 2021

	Governmental Activities
ASSETS:	
Cash and investments	\$ 15,496,573
Receivables:	
Accounts	186,567
Taxes	2,322,693
Intergovernmental	258,138
Loans, net	5,452,155
Prepaid costs	25,284
Capital assets:	
Non-depreciable assets	4,636,848
Depreciable assets, net of accumulated depreciation	12,526,938
TOTAL ASSETS	40,905,196
 DEFERRED OUTFLOWS OF RESOURCES:	
Deferred amounts on OPEB plan	272,763
Deferred amounts on pension plans	1,775,377
TOTAL DEFERRED OUTFLOWS OF RESOURCES	2,048,140
 LIABILITIES:	
Accounts payable	1,358,444
Wages and other accrued liabilities	75,663
Long-term liabilities:	
Due within one year	342,560
Due in more than one year	1,834,293
Net OPEB liability	1,928,082
Net pension liability	8,857,694
TOTAL LIABILITIES	14,396,736
 DEFERRED INFLOWS OF RESOURCES:	
Deferred amounts on OPEB plan	238,475
Deferred amounts on pension plans	409,743
TOTAL DEFERRED INFLOWS OF RESOURCES	648,218
 NET POSITION:	
Net investment in capital assets	15,288,354
Restricted	16,729,055
Unrestricted	(4,109,027)
TOTAL NET POSITION	\$ 27,908,382

See accompanying notes to the basic financial statements.

City of South El Monte
Statement of Activities
Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
General government	\$ 5,209,417	\$ 511,415	\$ -	\$ -	\$ (4,698,002)
Public safety	5,761,462	127,036	379,168	-	(5,255,258)
Community development	2,644,505	204,713	667,714	236,911	(1,535,167)
Public works / utilities	5,348,358	-	1,294,957	3,000,313	(1,053,088)
Community service programs	2,294,313	1,772,744	551,823	-	30,254
Interest on long-term debt	20,119	-	-	-	(20,119)
Total governmental activities	<u>\$ 21,278,174</u>	<u>\$ 2,615,908</u>	<u>\$ 2,893,662</u>	<u>\$ 3,237,224</u>	<u>\$ (12,531,380)</u>
General revenues:					
Taxes:					
Property taxes					1,114,424
Transient occupancy taxes					268,482
Franchise taxes					1,050,379
Sales taxes					8,487,635
Property taxes in lieu of vehicle license fees					2,776,579
Investment income					46,753
Other					226,633
Total general revenues					<u>13,970,885</u>
Change in net position					1,439,505
Net position - beginning					26,468,877
Net position - ending					<u>\$ 27,908,382</u>

See accompanying notes to the basic financial statements.

**City of South El Monte
Balance Sheet
Governmental Funds
June 30, 2021**

	General Fund	Special Revenue Fund			Nonmajor Governmental Funds	Total Governmental Funds
		HSIP Fund	Sewer Assessment Fund	Housing Successor		
ASSETS						
Cash and investments	\$ 4,906,853	\$ -	\$ 3,119,684	\$ -	\$ 7,470,036	\$ 15,496,573
Receivables:						
Accounts	-	-	7,065	103,945	75,557	186,567
Taxes	2,322,693	-	-	-	-	2,322,693
Intergovernmental	179,465	-	-	-	78,673	258,138
Loans	-	-	-	3,774,180	1,677,975	5,452,155
Advance to other funds	818,833	-	-	123,468	2,459,566	3,401,867
Prepays	25,284	-	-	-	-	25,284
TOTAL ASSETS	\$ 8,253,128	\$ -	\$ 3,126,749	\$ 4,001,593	\$ 11,761,807	\$ 27,143,277
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 911,348	\$ 185,628	\$ -	\$ -	\$ 261,468	\$ 1,358,444
Advance from other funds		827,000	79,411	-	2,495,456	\$ 3,401,867
Wages and other accrued liabilities	34,349	-	2,671	-	38,643	75,663
TOTAL LIABILITIES	945,697	1,012,628	82,082	-	2,795,567	4,835,974
FUND BALANCES:						
Nonspendable	25,284	-	-	-	-	25,284
Restricted	-	-	3,044,667	4,001,593	9,682,795	16,729,055
Unassigned	7,282,147	(1,012,628)	-	-	(716,555)	5,552,964
TOTAL FUND BALANCES	7,307,431	(1,012,628)	3,044,667	4,001,593	8,966,240	22,307,303
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,253,128	\$ -	\$ 3,126,749	\$ 4,001,593	\$ 11,761,807	\$ 27,143,277

See accompanying notes to the basic financial statements.

City of South El Monte
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2021

Fund balances for governmental funds \$ 22,307,303

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental fund financial statements.

Capital assets not being depreciated	\$ 4,636,848	
Capital assets being depreciated	37,560,363	
Accumulated depreciation	<u>(25,033,425)</u>	17,163,786

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and therefore are not reported in the governmental fund financial statements. Long-term liabilities consist of the following:

Compensated absences	(301,421)	
Loan payable	<u>(1,875,432)</u>	(2,176,853)

Pension related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities.

Deferred outflows of resources	1,775,377	
Deferred inflows of resources	(409,743)	
Net pension liability	<u>(8,857,694)</u>	(7,492,060)

Other post-employment benefit (OPEB) debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the Statement of Net Position as the changes in these amounts effects only the government-wide statements for governmental activities.

Deferred outflows of resources	272,763	
Deferred inflows of resources	(238,475)	
Net OPEB liability	<u>(1,928,082)</u>	<u>(1,893,794)</u>

Net position of governmental activities \$ 27,908,382

**City of South El Monte
Governmental Funds**

**Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2021**

	Special Revenue Fund					Total Governmental Funds
	General Fund	HSIP Fund	Sewer Assessment Fund	Housing Successor	Nonmajor Governmental Funds	
REVENUES:						
Taxes	\$ 14,102,143	\$ -	\$ -	\$ -	\$ 1,472	\$ 14,103,615
Licenses and permits	1,752,197	-	-	-	-	1,752,197
Fines and forfeitures	134,735	-	-	-	-	134,735
Use of money and property	99,266	-	-	-	17	99,283
Charges for services	190,755	-	-	-	249,817	440,572
Special assessments	-	-	383,564	-	-	383,564
Intergovernmental	878,301	156,042	-	-	4,542,735	5,577,078
Other revenues	96,155	-	-	-	130,479	226,634
TOTAL REVENUES	17,253,552	156,042	383,564	-	4,924,520	22,717,678
EXPENDITURES:						
Current:						
General government	4,839,635	-	-	-	27,000	4,866,635
Public safety	5,749,350	-	-	-	-	5,749,350
Community development	1,171,661	-	-	797,090	564,475	2,533,226
Public works/utilities	3,718,766	-	950	-	418,893	4,138,609
Community services programs	1,009,212	-	-	-	663,915	1,673,127
Capital outlay	235,553	517,798	-	-	708,681	1,462,032
Debt service:						
Principal	149,444	-	-	-	-	149,444
Interest	20,119	-	-	-	-	20,119
TOTAL EXPENDITURES	16,893,740	517,798	950	797,090	2,382,964	20,592,542
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	359,812	(361,756)	382,614	(797,090)	2,541,556	2,125,136
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	548,352	-	-	-	(548,352)	-
TOTAL OTHER FINANCING SOURCES (USES)	548,352	-	-	-	(548,352)	-
NET CHANGE IN FUND BALANCE	908,164	(361,756)	382,614	(797,090)	1,993,204	2,125,136
FUND BALANCES - BEGINNING OF YEAR	6,399,267	(650,872)	2,662,053	4,798,683	6,973,036	20,182,167
FUND BALANCES - END OF YEAR	<u>\$ 7,307,431</u>	<u>\$ (1,012,628)</u>	<u>\$ 3,044,667</u>	<u>\$ 4,001,593</u>	<u>\$ 8,966,240</u>	<u>\$ 22,307,303</u>

See accompanying notes to the basic financial statements.

City of South El Monte
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and
Changes in Fund Balances to the Statement of Activities
Year Ended June 30, 2021

Net change in fund balances - total governmental funds \$ 2,125,136

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 are allocated over their estimated useful lives as a depreciation expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. The activity is reconciled as follows:

Cost of assets capitalized	\$ 1,462,032	
Depreciation expense	<u>(1,708,843)</u>	(246,811)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Principal payment on note payable		115,338
Principal payment on capital lease		34,106

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources. (378,524)

OPEB expense reported in the governmental funds includes the premiums paid. In the Statement of Activities, OPEB expense includes the change in the net OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources (167,075)

Some expenses reported in the Statement of Activities utilize current financial resources but are not expensed in the Statement of Activities until due.

Compensated absences		<u>(42,665)</u>
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Change in net position of governmental activities \$ 1,439,505

City of South El Monte
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2021

	Successor Agency Private-purpose Trust Fund
ASSETS:	
Cash and investments	\$ 2,472,666
Cash and investments with fiscal agents	2,047,705
TOTAL ASSETS	4,520,371
 LIABILITIES:	
Accounts payable and accrued liabilities	13,894
Advances from other funds	179,465
Interest payable	365,006
Bonds payable	
Due within one year	1,280,575
Due in more than one year	23,236,790
TOTAL LIABILITIES	25,075,730
 NET POSITION:	
Net position held in trust for Successor Agency	\$ (20,555,359)

See accompanying notes to the basic financial statements.

City of South El Monte
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2021

	Successor Agency Private-purpose Trust Fund
ADDITIONS:	
Property tax revenue	\$ 2,411,689
Interest income	300
TOTAL ADDITIONS	2,411,989
DEDUCTIONS:	
Administrative expenses	141,096
Interest expense	895,372
TOTAL DEDUCTIONS	1,036,468
CHANGE IN NET POSITION	1,375,521
NET POSITION - BEGINNING OF YEAR	(21,930,880)
NET POSITION - END OF YEAR	\$ (20,555,359)

See accompanying notes to the basic financial statements.

NOTES TO THE BASIC

FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of South El Monte conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles.

A) Reporting Entity

The reporting entity “City of South El Monte” includes all the accounts of the City. The City was incorporated on July 30, 1958 as a general law city and operates under a Council/Manager form of government.

Currently, there are no component units required to be reported.

B) Basis of Presentation

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following are the types of funds used:

Governmental Fund Types:

- General Fund - Used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes.
- Capital Projects Funds - Used to account for financial resources used for the construction of specific capital projects.

Fiduciary Fund Types:

- Private-purpose Trust Funds - Used to account for the wind-down of the former South El Monte Business Improvement District.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The City’s government-wide financial statements include a Statement of Net Position and a Statement of Activities including changes in net position. These statements present summaries of Governmental Activities for the City and include all non-fiduciary activities of the City. The City has no business-type activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Government-Wide Financial Statements (Continued)

These statements are presented on an *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Accrual basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred, regardless of the timing of the related cash flows.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. The types of transactions reported as program revenues for the City are reported in three categories:

- 1) Charges for services
- 2) Operating grants and contributions
- 3) Capital grants and contributions.

Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Operating grants and contributions include revenues restricted to meeting the requirements of a particular operating function and may include state-shared revenues and grants. Capital grants and contributions include revenues restricted to meeting the requirements of a particular capital function and may include grants and developer fees. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenses. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Certain eliminations have been made to interfund transfers, payables, and receivables. All internal balances in the government-wide statements have been eliminated.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and aggregated non-major funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the qualifications of GASB Statement No. 34.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental Fund Financial Statements (Continued)

All governmental funds are accounted for on a spending or *current financial resources measurement focus* and the *modified accrual basis of accounting*. Accordingly, only current assets, deferred outflows of resources, current liabilities, and deferred inflows of resources are generally included on the balance sheets. The reported fund balance is considered to be a measure of “available spendable resources.” The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both *measurable* and *available*. *Measurable* means that the amount of the transaction can be determined and *available* means that the amounts were collected during the current period or soon enough thereafter to finance expenditures of the current period. Accrued revenues include property taxes received within 60 days after year-end, taxpayer assessed taxes, and earnings on investments. The City considers sales tax revenues to be "available" when received within 90 days after year-end. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as unearned revenues. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Fiduciary Funds

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary private-purpose trust fund is accounted for using the economic resources measurement focus and accrual basis of accounting. The private-purpose trust fund accounts for the assets held by the City for the Successor Agency to the South El Monte Business Improvement District. These funds are not available for use by the City. As such, fiduciary funds are not included in the governmental-wide statements.

D) Fund Classifications

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 City, except those required to be accounted for in another fund.

The *HSIP Fund* is used to account for the activity of highway construction.

The *Sewer Assessment Special Revenue Fund* is used to account for tax assessments received for the improvement of the sewer infrastructure of the City.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D) Fund Classifications (Continued)

The *Housing Successor Special Revenue Fund* is used to account for the housing activities of the former Community Development Commission of the South El Monte Business Improvement District. Funding sources consist primarily of loan repayments and corresponding interest that are used to increase, improve, and preserve the community's supply of low and moderate income housing.

E) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Effect of New Accounting Standards

During the fiscal year ended June 30, 2021, the City implemented the following GASB standards:

GASB Statement No. 87 – Leases. The requirements of this Statement will increase the usefulness of governmental financial statements by requiring recognition of certain lease assets and liabilities for all leases, including those that previously were classified as operating leases and recognized as income by lessors and expenditures by lessees. GASB 87 replaces the previous lease accounting methodology and establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. There was no effect from this standard that management is aware of as of June 30, 2021.

F) Property Taxes

Under California law, property taxes are assessed and collected by the counties up to 1 percent of assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes, which are received from the county within 60 days after year-end.

Lien Date:	January 1
Due Date:	November 1 and February 1
Delinquent Date:	December 10 and April 10

G) Cash and Investments

Investments are reported in the accompanying basic financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments in external pools are valued based on the stated fair value represented by the external pool. Changes in fair value that occur during a fiscal year are recognized as *investment income* reported for that fiscal year. *Investment income* includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments. The City pools cash and investments of all funds, except for assets held by fiscal agents. Each fund's share in this pool is displayed in the accompanying financial statements as *cash and investments*.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H) Capital Assets

Capital assets, which include land, machinery and equipment (vehicles, computers, etc.), buildings and improvements, and infrastructure assets (street systems, storm drains, etc.), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets received prior to the implementation of GASB Statement No. 72 were recorded at fair value on the date of donation. Donated capital assets are recorded at acquisition value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on a straight-line basis over the useful lives of the assets as follows:

Buildings and improvements	15 to 50 years
Vehicles, computers and equipment	3 to 10 years
Infrastructure:	
Roadway networks	10 to 100 years
Storm drain network	30 to 100 years
Parks and recreation network	25 years

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets effective with the year of implementation (2002-2003). Infrastructure assets include roads, bridges, sidewalks, park improvements, traffic signals, etc. The retroactive reporting of infrastructure (assets acquired prior to July 1, 2002) is optional for Phase III Governments. The City is a Phase III Government and has elected not to retroactively report infrastructure. Infrastructure is reported on a prospective basis from the year of implementation.

I) Employee Compensated Absences

City employees accumulate vacation hours, which may be paid upon termination, death or retirement. Employees may accrue up to 320 hours of vacation leave to be carried from year to year. Employees can accumulate unlimited hours of sick leave. Upon termination, death or retirement, all employees with at least one full year of employment are compensated a designated percentage of unused sick leave based on their length of service with the City. The amount of compensated absences not expected to be paid from current available resources is accounted for as long-term liabilities within the Statement of Net Position.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J) Claims and Judgments

The City's self-insurance program is administered through the California Joint Powers Insurance Authority (CJPIA), which is described in Note 11. The CJPIA is a public entity risk pool. Claim losses recorded in the CJPIA include both current claims and incurred but not reported claims (IBNR).

Deposits to the CJPIA are recorded by the City as insurance expenditures in the General Fund when paid. Favorable claims experience results in a refund of deposits from the CJPIA and such refunds, if any, are recorded as a reduction of insurance expenditures in the year received. Adverse claims experience result in the payment of additional deposits and such deposits, if any, are recorded as insurance expenditures when paid.

K) Deferred Outflows/Inflows of Resources

In addition to assets, the s Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred outflows related to pension and OPEB plans equal to employer contributions made after the measurement date of the net pension liability and total OPEB liability, respectively.
- Deferred outflows related to pension plan for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the plan.
- Deferred outflows related to pension plan for the changes in the employer's proportion. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the plan.
- Deferred outflows related to OPEB plan resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred outflows related to pension resulting from the difference between projected and actual earnings on plan investments of the pension plan fiduciary net position. These amounts are amortized over five years.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K) Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which are reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from two sources: grants and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows related OPEB plan for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the plan.
- Deferred inflows related to pension plan for the changes in the employer's proportion and difference between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pension through the plan.
- Deferred inflows from pension plan resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pension through the plan.

L) Net Position

The government-wide financial statements and fiduciary fund statements utilize a net position presentation. Net position is classified in the following categories:

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City that is not externally restricted for any project or other purpose.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M) Net Position Flow Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted net position to have been depleted before unrestricted net position.

N) Fund Balance

Effective July 1, 2010, the City adopted the provisions of GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. The objective of the statement is to enhance the usefulness of fund balance information by providing fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. In the fund financial statements, the governmental fund balance is classified in the following categories:

Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories, prepaid amounts, and long-term notes receivable.

Restricted Fund Balance – includes amounts that are restricted for specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision-making authority, its City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example, ordinance).

Unassigned Fund Balance – the residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O) Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of South El Monte's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P) Other Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Q) Use of Estimates

The preparation of financial statements requires management to make certain estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are reported as follows:

	Primary Government	Fiduciary Fund
Cash on hand	\$ 2,250	\$ -
Deposits with financial institutions	5,027,855	2,472,666
Investments	10,466,468	2,047,705
Total cash and investments	\$ 15,496,573	\$ 4,520,371

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City’s investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City’s investment policy.

Authorized Investment Type	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
State and Local Agency Bonds	5 years	25%	5%
U.S. Treasury Obligations	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Banker’s Acceptance	180 days	15%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	2 years	30%	30%
Nonnegotiable Certificates of Deposit	2 years	30%	None
Repurchase Agreements	7 days	20%	None
Medium-Term Notes	3 years	30%	None
Mutual Funds	None	20%	10%
Money Market Mutual Funds	None	20%	None
Mortgage Pass-Through Securities	5 years	20%	None
County Pool Investment Funds	5 years	None	None
Joint Powers Authority Pool	None	None	None
Local Agency Investment Fund (LAIF)	None	None	\$65 million
Passbook Savings Account	5 years	None	FDIC insured amount

*Based on state law requirements or the City’s investment policy requirements, whichever is more restrictive.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by 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. These provisions do not specify a limitation on the maximum amount that can be invested in one issuer, the maximum percentage allowed or the maximum maturity of an investment.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Remaining Maturity (in Months)			Total
	12 months or less	13 to 24 months	25 months or more	
Local Agency Investment Fund (LAIF)	\$ 10,466,468	\$ -	\$ -	\$ 10,466,468
Total	<u>\$ 10,466,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,466,468</u>

Disclosures Relating to Credit Risk

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

Investment Type	Total as of June 30, 2020	Minimum Legal Rating	AAA	Not Required to be Rated
LAIF	\$ 10,466,468	\$ -	\$ -	\$ 10,466,468
Total	<u>\$ 10,466,468</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,466,468</u>

Concentration of Credit Risk

The City's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2021, the total investments of the City is with LAIF.

Custodial Credit Risk

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 its 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 (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure the City deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits. At June 30, 2021, none of the City's deposits with financial institutions in excess of the federal depository insurance limits were held in uncollateralized accounts.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

LAIF is a governmental investment pool managed and directed by the California State Treasurer and is not registered with the Securities and Exchange Commission. An oversight committee comprised of California State officials and various participants provides oversight to the management of the fund. The daily operation and responsibilities of LAIF fall under the auspices of the State Treasurer's office.

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices of similar assets in active markets; Level 3 inputs are significant unobservable inputs. The City's investment in LAIF and investments held by fiscal agents in money market funds are not subject to the fair value measurement hierarchy.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Loan Balances

Interfund loan balances as of June 30, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	HSIP Fund	\$ 818,833
Housing Successor fund	HSIP Fund	8,167
Housing Successor fund	Sewer Assessment Fund	79,411
Housing Successor fund	Nonmajor governmental funds	35,890
Other governmental funds	Nonmajor governmental funds	<u>2,459,566</u>
		<u>\$ 3,401,867</u>

Interfund loans occur in the normal course of business as the General Fund serves as the primary operating fund of the City, such as making payroll and issuing checks, which are subsequently reimbursed by one another in the normal course of business.

Interfund Transfers

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General fund	Nonmajor governmental funds	\$ 548,352

Transfers are used to reimburse the General Fund for expenditures historically incurred by the General Fund on behalf of other funds. During the current year, the Grants Fund transferred a total of \$548,352 to the General Fund to reimburse the General Fund for reimbursement grants.

NOTE 4 - DOWN PAYMENT ASSISTANCE AND HOME REHABILITATION GRANTS

The former South El Monte Business Improvement District (District) operated First-Time Homebuyer and Home Rehabilitation Programs that provided silent second down payment or home rehabilitation assistance grants to residents who meet certain qualifications for the purpose of providing assistance to low-moderate income households. The grants are secured by a deed of trust and no monthly payments are required. At the end of the term, which ranges from 10 to 20 years, the grants are forgiven unless the following occurs during the grant term; 1) property is sold or transferred, 2) property is no longer owner-occupied, or 3) property is refinanced at which time full repayment would be required. The purpose of the grants is to provide low-moderate income households with homeownership or home rehabilitation assistance with no intent of recovering the grant. The receivables related to these grants are in the Housing Successor special revenue fund. The balance of the loans receivable at June 30, 2021 was \$140,847, which includes gross receivables of \$1,408,468 and an allowance for uncollectible accounts of \$1,267,621.

In addition, the City operates the BEGIN Grant and CalHOME Grant special revenue funds which also provide for down payment assistance and home rehabilitation loans for low to moderate income residents. The amount of the net loans outstanding in these funds at year-end is \$214,200 and \$1,463,775, respectively.

NOTE 5 - OWNER PARTICIPATION AGREEMENTS

In December 2017, the City sold land to a developer with a cost of \$6,515,875 in exchange for a note in the amount of \$4,360,000 resulting in a loss on sale of property in the amount of \$2,155,875 reported in the Housing Successor Special Revenue Fund. The land sold was originally purchased by the former South El Monte Business District and was transferred to the Housing Successor when the City took over the housing functions of the former District under AB x1 26. The note is subject to a regulatory agreement and a disposition and development agreement dated April 8, 2014 and amended October 24, 2017. The payment on the note is accelerated and due to the City if the developer is in default of the regulatory agreement, however one twelfth of the principal amount is forgiven upon the sale of each of the twelve assisted units provided that no default, as defined in the regulatory agreement, by the developer occurs. The receivable related to this loan is in the Housing Successor special revenue fund and the balance at June 30, 2021 was \$3,633,333.

As of December 29, 2021, five additional assisted units were sold by the developer. The City expects to write off \$1,816,667 of the receivable related to this loan in the Housing Successor special revenue fund in the next fiscal year.

NOTE 6 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2021 is as follows:

	Balance June 30, 2020	Addition	Deletion	Reclass	Balance June 30, 2021
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 3,126,512	\$ -	\$ -	\$ -	\$ 3,126,512
Construction in Progress	1,473,673	727,288	-	(690,625)	1,510,336
Total capital assets, not being depreciated	<u>4,600,185</u>	<u>727,288</u>	<u>-</u>	<u>(690,625)</u>	<u>4,636,848</u>
Capital assets, being depreciated					
Buildings and Improvements	17,221,449	92,922	-	79,264	17,393,635
Infrastructure	16,168,959	340,714	-	611,361	17,121,034
Vehicles	1,812,261	138,157	-	-	1,950,418
Machinery & Equipment	932,325	162,951	-	-	1,095,276
Total capital assets being depreciated	<u>36,134,994</u>	<u>734,744</u>	<u>-</u>	<u>690,625</u>	<u>37,560,363</u>
Less accumulated depreciation					
Buildings and Improvements	(11,464,158)	(597,317)	-	-	(12,061,475)
Infrastructure	(9,395,943)	(1,000,424)	-	-	(10,396,367)
Vehicles	(1,726,423)	(41,657)	-	-	(1,768,080)
Machinery & Equipment	(738,058)	(69,445)	-	-	(807,503)
Total accumulated depreciation	<u>(23,324,582)</u>	<u>(1,708,843)</u>	<u>-</u>	<u>-</u>	<u>(25,033,425)</u>
Net capital assets, being depreciated					
Buildings and Improvements	5,757,291	(504,395)	-	79,264	5,332,160
Infrastructure	6,773,016	(659,710)	-	611,361	6,724,667
Vehicles	85,838	96,500	-	-	182,338
Machinery & Equipment	194,267	93,506	-	-	287,773
Total capital assets being depreciated, net	<u>12,810,412</u>	<u>(974,099)</u>	<u>-</u>	<u>690,625</u>	<u>12,526,938</u>
Governmental activities capital assets, net	<u>\$ 17,410,597</u>	<u>\$ (246,811)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,163,786</u>

NOTE 6 - CAPITAL ASSETS AND DEPRECIATION (CONTINUED)

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

Governmental Activities:	
General Government	\$ 117,033
Public Safety	11,503
Public Works	1,020,413
Community Development	10,650
Community Services	461,766
Recreation	87,478
Total depreciation expense	\$ 1,708,843

NOTE 7 - LONG-TERM DEBT

Long-term debt activity for the year ended June 30, 2021 is as follows:

	Balances 6/30/2020	Additions	Deletions	Balances 6/30/2021	Due Within One Year
Governmental activities:					
Compensated absences	\$ 258,756	\$ 236,732	\$ (194,067)	\$ 301,421	\$ 226,066
Capital lease - energy retrofit	34,106	-	(34,106)	-	-
ERCDC loan payable	1,990,770	-	(115,338)	1,875,432	116,494
Total	\$ 2,283,632	\$ 236,732	\$ (343,511)	\$ 2,176,853	\$ 342,560

Compensated Absences

The City's policies relating to employee leave benefits are described in Note 1, item I. This liability will be paid in future years from future resources primarily from the General Fund. As of June 30, 2021, the outstanding balance was \$301,421.

Capital Lease - Energy Retrofit

As part of the Los Angeles County's Energy Conservation Measures, the City started its facility modernization project in 2005 by contracting for a turnkey energy retrofit of its City Hall, Pool Facility, Community Center, Senior Center, Mini Center, and Maintenance Building. The total amount financed of \$752,786 includes \$12,939 of capitalized interest. The cost of \$739,848 is accounted for in buildings and improvements and is fully depreciated as of June 30, 2021. The lease payments were amortized over 15 years. During the current year, final principal payment of \$34,106 and final interest payment of \$498 were made paying off the loan.

NOTE 7 - LONG-TERM DEBT (CONTINUED)

ERCDC Loan Payable

The City entered into a loan agreement with the Energy Resources Conservation and Development Commission (ERCDC) to install solar photovoltaic systems on City owned facilities for up to \$2,307,104. The amount of the loan will be based on eligible project costs and issued on a reimbursement basis. The loan matures over 20 years with an interest rate of 1.00%. As of June 30, 2021, the City has received all the loan proceeds and will repay the loan from the General Fund. The project is estimated to save the City approximately \$135,000 in annual electricity costs.

The annual payment requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 116,494	\$ 18,465	\$ 134,959
2023	117,662	17,297	134,959
2024	118,798	16,161	134,959
2025	120,033	14,926	134,959
2026	121,236	13,723	134,959
2027-2031	624,626	50,170	674,796
2032-2036	656,583	18,213	674,796
	<u>\$ 1,875,432</u>	<u>\$ 148,955</u>	<u>\$ 2,024,387</u>

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

At June 30, 2021, the following governmental funds had deficit balance: HSIP Fund (\$1,012,628), Older American Act Fund (\$51,445), DOE Fund (\$25,616), Used Oil Recycling Grant Fund (\$8,703), Homelessness Initiative Fund (\$11,115), CDBG Fund (\$52,035), Grants Fund (\$540,641), and Federal Grants Fund (\$27,000). These deficits are expected to be remedied with future revenues or transfers.

Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2021, exceeded appropriations in the following funds and functions:

Fund Name	Appropriations	Expenditures	Excess Over Appropriations
Major governmental funds			
General Fund			
General government	\$ 4,446,269	\$ 4,839,635	\$ (393,366)
Public works/utilities	3,245,640	3,718,766	(473,126)
Interest	-	20,119	(20,119)
Sewer Assessment Fund			
Public works/utilities	-	950	(950)
Housing Successor Fund			
Community development	-	797,090	(797,090)

NOTE 8 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

Expenditures in Excess of Appropriations (Continued)

Fund Name	Appropriations	Expenditures	Excess Over Appropriations
Nonmajor governmental funds			
Gas Tax Special Revenue Fund			
Public works/utilities	\$ -	\$ 3,083	\$ (3,083)
Older American Act Special Revenue Fund			
Community services programs	371,203	409,323	(38,120)
Road Maintenance and Rehabilitation Special Revenue Fund			
Public works/utilities	-	8,880	(8,880)
Air Quality Management District Special Revenue Fund			
Capital outlay	-	15,579	(15,579)
Used Oil Recycling Grant Special Revenue Fund			
Public works/utilities	-	7,014	(7,014)
Beverage Container Recycling Grant Special Revenue Fund			
Community development	-	5,720	(5,720)
Homelessness Initiative Special Revenue Fund			
Community services programs	-	11,115	(11,115)
Measure M Local Return Special Revenue Fund			
Public works/utilities	-	7,500	(7,500)
Prop C Local Return Special Revenue Fund			
Public works/utilities	-	17,039	(17,039)
Community Development Block Grant Special Revenue Fund			
Community development	103,991	262,642	(158,651)
Community services programs	-	2,201	(2,201)
Prop A Park Bond Grant Special Revenue Fund			
Public works/utilities	-	130	(130)
Prop A Local Return Special Revenue Fund			
Community services programs	214,375	241,276	(26,901)
CalHOME Grant Special Revenue Fund			
Community development	-	258,313	(258,313)
Begin Program Grant Special Revenue Fund			
Community development	-	37,800	(37,800)
Grants Special Revenue Fund			
Public works/utilities	-	262,492	(262,492)
Transfers out	-	548,352	(548,352)
Miscellaneous Federal Special Revenue Fund			
Transfers out	-	180,484	(180,484)
Safe Clean Water Special Revenue Fund			
Public works/utilities	-	6,670	(6,670)
Federal Grants Special Revenue Fund			
General government	-	27,000	(27,000)

NOTE 9 - PENSION PLAN

A) General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. The City sponsors three rate plans. Benefit provisions under the Plan are established by state statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits as of measurement date June 30, 2020, are summarized as follows:

	Prior to <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>	On or After <u>January 1, 2013</u>
Hire date			
Benefit formula	2.5%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.0%	7.0%	6.8%
Required employer contribution rates:			
Normal cost rate	12.2%	9.1%	7.5%
Payment of unfunded liability	\$655,417	\$1,813	\$3,457

NOTE 9 - PENSION PLAN (CONTINUED)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

The pension liability for governmental activities is primarily liquidated from the general fund.

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of all Plans of \$8,857,694. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2020 and 2019 measurement dates were 0.20999% and 0.20573%, respectively. This accounted for an increase of 0.00426% from the previous year.

For the year ended June 30, 2021, the City recognized pension expense of \$1,254,064. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 63,177
Differences between Expected and Actual Experience	456,463	-
Differences between Projected and Actual Investment Earnings	263,132	-
Differences between Employer's Contributions and Proportionate Share of Contributions	-	321,259
Change in Employer's Proportion	180,242	25,307
Pension Contributions Made Subsequent to Measurement Date	875,540	-
	\$ 1,775,377	\$ 409,743

NOTE 9 - PENSION PLAN (CONTINUED)

Contributions (Continued)

\$875,540 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2022	\$ (17,025)
2023	201,854
2024	179,060
2025	126,205
2026	-
Thereafter	-
	\$ 490,094

Actuarial Assumptions

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability determined in the June 30, 2019 actuarial accounting valuation. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increased	Varied by Entry Age and Service
Mortality rate table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds

¹ CalPERS developed the mortality table used based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2017 experience study report.

All other actuarial assumptions used in the June 30, 2019 valuation use the results of CalPERS Experience Study and Review of Actuarial Assumptions – December 2017, including updates to salary increases, mortality, and retirement rates, as a basis. The experience study report is available on the CalPERS website under Forms and Publications.

NOTE 9 - PENSION PLAN (CONTINUED)

Change of Assumptions

In the current fiscal year, there were no changes to the assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for the Plan and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the Plans, the tests revealed the asset would not run out. Therefore, the current 7.15% discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.15% will be applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB 68 Crossover Testing Report" that can be obtained at CalPERS's website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 9 - PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as follows:

Asset Class (1)	Assumed Asset Allocation	Real Return Years 1 - 10 (2)	Real Return Years 11+ (3)
Global Equity	50.00%	4.80%	5.98%
Global Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
	<u>100.00%</u>		

(1) In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Plan's Net Pension Liability	\$12,982,181	\$8,857,694	\$5,449,759

Pension Plan Fiduciary Net Position

Detailed information about the Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2021, the City reported no payables due to the pension plan, for outstanding contributions required for the year ended June 30, 2021.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

The City administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses.

Benefits Provided

Retirees are eligible for medical benefits if they retire at age 50 or later, have 5 or more years of CalPERS service, and were enrolled in a CalPERS plan at retirement. The City pays the PEMHCA minimum benefit (\$136 for 2019, \$139 for 2020, \$143 for 2021).

A summary of the substantive plan used as the basis of the valuation is as follows:

<u>Retiree Medical Benefits</u>	
Eligibility	If hired before January 1, 2013: Age 50 & 5 years of CalPERS service. If hired after January 1, 2013: Age 52 & 5 years of CalPERS service.
Duration of Coverage	Retiree's lifetime
Medical plan choices	Any eligible plan available via PEMHCA and administered by CalPERS.
Core Benefit	PEMHCA Minimum Benefit - \$136/month for 2019 and \$139/month for 2020.
Dependent benefit	Dependents are eligible to enroll in the plan. Surviving spouses can maintain coverage contingent on receiving a corresponding surviving spouse pension benefit from CalPERS.
Disability benefit	A disability-related retirement can maintain coverage (same as Core Benefit).

Employees Covered by Benefit Terms

At June 30, 2019 (the census date), the benefit terms covered the following employees:

<u>Category</u>	<u>Count</u>
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	56
Total	<u>70</u>

Contributions

The City pays benefits as they come due.

Contribution rate	Benefits due
Reporting period contributions	\$49,001 (Include implicit subsidy credit)

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The City's total OPEB liability was valued as of June 30, 2019, and was used to calculate the total OPEB liability measured as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date:	June 30, 2020
Discount rate	2.45%
Inflation	2.50%
Healthcare cost trend rates	
Pre-Medicare	6.50%*
Medicare	4.00%*
Salary Increases	2.75%**
Mortality rates	Based on CalPERS tables

**Trending down to 3.84% over 55 years. Applies to calendar years.*

***Additional merit-based increases based on CalPERS merit salary increase tables.*

- Projections of the sharing of benefit-related costs are based on an established pattern of practice.
- Experience studies come from the CalPERS Pension Assumption Model, revised May 14, 2018.
- Inactive employees (retirees) pay the cost of benefits in excess of the City's contribution.
- There were no ad hoc postemployment benefit changes (including ad hoc COLAs) to the plan.

Discount Rate

The discount rate used to measure the total OPEB liability is 2.45%. The City's OPEB Plan is an unfunded plan, therefore the discount rate was set to the rate of tax-exempt, high-quality 20-year municipal bonds, as of the valuation date.

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Changes in the Total OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance as of Report Date June 30, 2020	\$ 1,616,518
Changes for the Year:	
Service Cost	133,079
Interest	53,995
Differences Between Expected and Actual Experience	(4,504)
Changes of Assumptions	177,995
Benefit Payments	(12,372)
Implicit Subsidy Credit	(36,629)
Net Changes	311,564
Balance as of Report Date June 30, 2021	\$ 1,928,082

Sensitivity of the total OPEB liability to changes in the discount rate. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.45%) or one percentage point higher (3.45%) follows:

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB Liability (Asset)	\$ 2,237,950	\$ 1,928,082	\$ 1,674,071
Increase (Decrease)	309,868		(254,011)
% Change	16.10%		-13.20%

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The healthcare trend for this valuation started at 6.50% and decreased to 3.84% over 55 years. The total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates follows:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Total OPEB Liability (Asset)	\$ 1,587,814	\$ 1,928,082	\$ 2,369,293
Increase (Decrease)	(340,268)		441,211
% Change	-17.60%		22.90%

NOTE 10 - OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

OPEB Expense and Deferred Inflows and Outflows of Resources Related to OPEB

For the reporting year ended June 30, 2021, the City recognized an OPEB expense of \$204,592. The City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$(238,475)
Changes of assumptions	235,246	-
Contributions made subsequent to measurement date	37,517	-
	\$ 272,763	\$(238,475)

Amounts reported as deferred outflows of resources and deferred in flows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2022	\$ 17,518
2023	17,518
2024	(4,991)
2025	(10,621)
2026	(10,621)
Thereafter	(12,032)

Current Liability

	Amount
Current OPEB Liability	\$ 44,071
Non-Current OPEB Liability	1,884,011
Total OPEB Liability	\$ 1,928,082

Expected Average Remaining Service Lives (EARSL)

The effects on the total OPEB liability of (1) changes in economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period was 9.8 years.

NOTE 11 - INSURANCE

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of South El Monte is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program - Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>

Workers Compensation Program - Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

NOTE 11 - INSURANCE (CONTINUED)

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance - The City of South El Monte participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of South El Monte. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance - The City of South El Monte participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of South El Monte property is currently insured according to a schedule of covered property submitted by the City of South El Monte to the Authority. City of South El Monte property currently has all-risk property insurance protection in the amount of \$25,232,350. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance - The City of South El Monte purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of South El Monte property currently has earthquake protection in the amount of \$14,947,100. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance - The City of South El Monte purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2020-21.

NOTE 12 - CONTINGENCIES AND COMMITMENTS

In the normal course of operations, the City has been named as a defendant in various claims and legal actions. In the opinion of management and legal counsel, the ultimate liability for these actions and claims will not have a material adverse effect on the City's basic financial statements.

The City participates in several federal, state and county programs. These programs are subject to examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting and funding agencies, cannot be determined at this time.

NOTE 13 - SUCCESSOR AGENCY TO THE SOUTH EL MONTE BUSINESS IMPROVEMENT DISTRICT DISCLOSURES

The assets and liabilities of the South El Monte Business Improvement District were transferred to the Successor Agency to the South El Monte Business Improvement District on February 1, 2012 as a result of the dissolution of the former redevelopment agency's under AB x1 26 as amended. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to these transactions are as follows:

Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2021 were as follows:

	<u>Balances</u> <u>6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balances</u> <u>6/30/2021</u>	<u>Due Within</u> <u>One Year</u>
Fiduciary Activities:					
2014A	\$ 6,950,000	\$ -	\$ -	\$ 6,950,000	\$ -
2014A Discount	(97,344)	-	14,976	(82,368)	(14,976)
2015A	8,850,000	-	(45,000)	8,805,000	45,000
2015A Premium	211,469	-	(15,620)	195,849	15,620
2015B	4,430,000	-	(575,000)	3,855,000	595,000
2015B Discount	(33,043)	-	6,317	(26,726)	(6,317)
2019	5,535,000	-	(690,000)	4,845,000	650,000
2019 Deferred Amount on Refunding	(28,142)	-	3,752	(24,390)	(3,752)
	<u>\$ 25,817,940</u>	<u>\$ -</u>	<u>\$ (1,300,575)</u>	<u>\$ 24,517,365</u>	<u>\$ 1,280,575</u>

2014A Tax Allocation Refunding Bonds

On July 2, 2014, the Successor Agency to the South El Monte Improvement District issued \$6,950,000 in Tax Allocation Refunding Bonds, 2014 Series A. The bonds were issued to refund all of the outstanding Tax Allocation Bonds, Series 2008A. As a result, the 2008A Tax Allocation Bonds are considered to be defeased and the liability has been removed from the statement of fiduciary net position. The 2008 bonds were issued to finance various projects for the redevelopment of the Merged Project Area.

The 2014 bonds are payable from and secured by tax revenues as defined in the bond indenture. Interest on the 2014 bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2015. Principal payments are due on August 1 of each year, beginning with August 1, 2028.

Debt service payments on the Bonds will be made from the Successor Agency Private-purpose Trust Fund. Annual debt service requirements to maturity are as follows:

Year Ending June 30	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 265,488	\$ 265,488
2023	-	265,488	265,488
2024	-	265,488	265,488
2025	-	265,488	265,488
2026	-	265,488	265,488
2027-2031	1,860,000	1,234,538	3,094,538
2032-2037	5,090,000	697,344	5,787,344
	<u>\$6,950,000</u>	<u>\$3,259,322</u>	<u>\$10,209,322</u>

NOTE 13 - SUCCESSOR AGENCY TO THE SOUTH EL MONTE BUSINESS IMPROVEMENT DISTRICT DISCLOSURES (CONTINUED)

Long-term Liabilities (Continued)

2015 Tax Allocation Refunding Bonds, Series A and B

On May 13, 2015, the Successor Agency to the South El Monte Improvement District issued \$8,985,000 in Tax Allocation Refunding Bonds, Series A, and \$6,595,000 in Tax Allocation Refunding Bonds, Series B. The 2015 Series A bonds were issued to refund all of the outstanding 2005 Tax Allocation Bonds, Series A. The 2015 Series B bonds were issued to refund all of the outstanding 2005 Tax Allocation Bonds, Series B. As a result, the 2005 Tax Allocation Bonds, Series A and B, are considered to be defeased and the liability has been removed from the statement of fiduciary net position. The 2005 bonds were issued to finance various projects for the redevelopment of the Merged Project Area.

The 2015 Series A and B bonds are payable from and secured by tax revenues as defined in the bond indenture. Interest on the 2015 bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2016. Principal payments are due on August 1 of each year, beginning with August 1, 2017 for the Series A bonds and August 1, 2016 for the Series B bonds.

Debt service on the Bonds will be made from the Successor Agency Private-purpose Trust Fund. Annual debt service requirements to maturity are as follows:

2015 Series A			
Year Ending June 30	Principal	Interest	Total
2022	\$ 45,000	\$ 362,175	\$ 407,175
2023	45,000	361,219	406,219
2024	50,000	360,088	410,088
2025	50,000	358,806	408,806
2026	50,000	357,400	407,400
2027-2031	3,485,000	1,558,094	5,043,094
2032-2036	5,080,000	652,356	5,732,356
	\$8,805,000	\$4,010,138	\$12,815,138

2015 Series B			
Year Ending June 30	Principal	Interest	Total
2022	\$ 595,000	\$ 130,000	\$ 725,000
2023	610,000	111,163	721,163
2024	625,000	90,312	715,312
2025	650,000	67,188	717,188
2026	675,000	41,500	716,500
2027	700,000	14,000	714,000
	\$3,855,000	\$ 454,163	\$ 4,309,163

NOTE 13 - SUCCESSOR AGENCY TO THE SOUTH EL MONTE BUSINESS IMPROVEMENT DISTRICT DISCLOSURES (CONTINUED)

Long-term Liabilities (Continued)

2019 Subordinate Taxable Tax Allocation Refunding Bonds

On September 26, 2019, the Successor Agency to the South El Monte Improvement District issued \$5,535,000 in Subordinate Taxable Tax Allocation Refunding Bonds, Series 2019. The 2019 bonds were issued to refund all of the outstanding 2007 Tax Allocation Bonds, Series A. As a result, the 2007 Tax Allocation Bonds, Series A, are considered to be defeased and the liability has been removed from the statement of fiduciary net position. The 2007 bonds were issued to finance various projects for the redevelopment of the Merged Project Area.

The 2019 bonds are payable from and secured by tax revenues as defined in the bond indenture. Interest on the 2019 bonds is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2020. Principal payments are due on August 1 of each year, beginning with August 1, 2020.

Debt service payments on the Bonds will be made from the Successor Agency Private-purpose Trust Fund. Annual debt service requirements to maturity are as follows:

Year Ending June 30	Principal	Interest	Total
2022	\$ 650,000	\$ 102,315	\$ 752,315
2023	665,000	88,670	753,670
2024	675,000	74,431	749,431
2025	690,000	59,585	749,585
2026	705,000	43,888	748,888
2027-2038	1,460,000	36,390	1,496,390
	<u>\$4,845,000</u>	<u>\$ 405,279</u>	<u>\$ 5,250,279</u>

NOTE 14 – CORONAVIRUS PANDEMIC

The worldwide pandemic that is the coronavirus continues to impact every aspect of society. The Fiscal Year 2020-21 financial statements include the impacts to revenue and expenditures from the economic and organizational response to the coronavirus. The FY 2021-22 budget was built conservatively, with continued uncertainty about how the pandemic would impact the City in coming months.

Management continues to monitor the impacts the coronavirus is having on the organization as well as the local and regional economy. There have been numerous changes to stay at home orders or other modified restrictions in the months after June 30, 2021. Management responds as necessary and for the most part has no control over the bottom line impact the coronavirus and the measures taken to control it have on the City. Management does not foresee significant impacts beyond what was forecast in the adopted budget for FY 2021-22. In addition, management does not anticipate having to take drastic actions to combat the impacts of the coronavirus, as new safety protocols implemented since March 2020 remain in place.

NOTE 15 - SUBSEQUENT EVENTS

In preparing these financial statements, the City has evaluated events and transactions for potential recognition or disclosure through May 2, 2022, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that, no subsequent events occurred that require recognition or additional disclosure in the financial statements other than the matter described in Note 5.

REQUIRED SUPPLEMENTARY

INFORMATION (UNAUDITED)

City of South El Monte
Required Supplementary Information (Unaudited)
Schedule of the Proportionate Share of
Net Pension Liability and Contributions
June 30, 2021

Fiscal Year Ended	Last 10 Years*						
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement period	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Plan's proportion of the net pension liability	0.06946%	0.08104%	0.07911%	0.07792%	0.07888%	0.08040%	0.08141%
Plan's proportionate share of the net pension liability	\$ 4,322,195	\$ 5,562,668	\$ 6,845,608	\$ 7,727,031	\$ 7,601,059	\$ 8,238,409	\$ 8,857,694
Plan's covered -employee payroll	\$ 2,082,997	\$ 2,360,098	\$ 2,560,239	\$ 2,473,404	\$ 2,308,132	\$ 2,886,967	\$ 2,997,621
Plan's proportionate share of the net pension liability as a percentage of covered payroll	207.50%	235.70%	267.38%	312.40%	329.32%	285.37%	295.49%
Plan's proportionate share of the fiduciary net position as a percentage of the plan's total pension liability	81.44%	76.88%	72.47%	72.10%	73.76%	72.80%	71.42%
Plan's proportionate share of aggregate employer contributions	\$ 512,700	\$ 639,714	\$ 670,946	\$ 755,365	\$ 813,902	\$ 913,613	\$ 989,023

Fiscal Year Ended	Last 10 Years*						
	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement period	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Actuarially determined contribution	\$ 422,541	\$ 473,701	\$ 643,085	\$ 511,152	\$ 572,837	\$ 673,881	\$ 776,018
Contribution in relation to the actuarially determined contribution	422,541	473,701	645,707	511,152	572,837	673,881	776,018
Contribution deficiency (excess)	\$ -	\$ -	\$ (2,623)	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 2,082,997	\$ 2,360,098	\$ 2,560,239	\$ 2,473,404	\$ 2,308,132	\$ 2,886,967	\$ 2,997,621
Contributions as a percentage of covered-employee payroll	20.29%	20.07%	25.22%	20.67%	24.82%	23.34%	25.89%

* Fiscal year 2015 was the first year of implementation, therefore only seven years are shown.

City of South El Monte
Required Supplementary Information (Unaudited)
Schedule of Changes in the Total OPEB Liability and Related Ratios
June 30, 2021

Fiscal Year Ended	Last 10 Years*			
	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
Measurement period	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
Total beginning OPEB liability	\$ 1,488,214	\$ 1,576,627	\$ 1,812,356	\$ 1,616,518
Changes for the year:				
Service cost	75,958	78,142	70,946	133,079
Interest	54,928	58,076	67,155	53,995
Difference between expected and actual experience	-	(7,307)	(290,662)	(4,504)
Changes in assumptions	-	153,632	13,089	177,995
Benefit payments	(12,162)	(15,424)	(15,986)	(12,372)
Implicit subsidy credit	(30,311)	(31,390)	(40,380)	(36,629)
Net changes	88,413	235,729	(195,838)	311,564
Total ending OPEB liability (a)	<u>\$ 1,576,627</u>	<u>\$ 1,812,356</u>	<u>\$ 1,616,518</u>	<u>\$ 1,928,082</u>
Total beginning plan fiduciary net position	\$ -	\$ -	\$ -	\$ -
Changes for the year:				
Contribution - employer	12,162	15,424	15,986	12,372
Expected benefit payments	(12,162)	(15,424)	(15,986)	(12,372)
Net changes	-	-	-	-
Total ending plan fiduciary net position (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net ending OPEB liability (a) - (b)	\$ 1,576,627	\$ 1,812,356	\$ 1,616,518	\$ 1,928,082
Covered-employee payroll	\$ 1,992,079	\$ 2,046,861	\$ 2,783,335	\$ 2,991,252
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%
Net OPEB asset as a percentage of covered payroll	79.1%	88.5%	58.1%	64.5%

* Fiscal year 2018 was the first year of implementation, therefore only four years are shown.

City of South El Monte
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
General Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ 11,975,306	\$ 12,235,306	\$ 14,102,143	\$ 1,866,837
Licenses and permits	1,350,700	1,350,700	1,752,197	401,497
Fines and forfeitures	193,000	193,000	134,735	(58,265)
Use of money and property	76,000	76,000	99,266	23,266
Charges for services	190,250	190,250	190,755	505
Intergovernmental	430,000	430,000	878,301	448,301
Other revenues	25,000	25,000	96,155	71,155
TOTAL REVENUES	14,240,256	14,500,256	17,253,552	2,753,296
EXPENDITURES:				
Current:				
General government	4,446,269	4,446,269	4,839,635	(393,366)
Public safety	5,845,239	5,845,239	5,749,350	95,889
Community development	1,380,725	1,380,725	1,171,661	209,064
Public works/utilities	3,245,640	3,245,640	3,718,766	(473,126)
Community services programs	1,169,375	1,169,375	1,009,212	160,163
Capital outlay	317,800	317,800	235,553	82,247
Debt service:				
Principal	219,210	219,210	149,444	69,766
Interest	-	-	20,119	(20,119)
TOTAL EXPENDITURES	16,624,258	16,624,258	16,893,740	(269,482)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,384,002)	(2,124,002)	359,812	2,483,814
OTHER FINANCING SOURCES (USES):				
Transfers in	-	487,547	548,352	60,805
TOTAL OTHER FINANCING SOURCES (USES)	-	487,547	548,352	60,805
NET CHANGE IN FUND BALANCE	(2,384,002)	(1,636,455)	908,164	2,544,619
FUND BALANCE - BEGINNING OF YEAR	6,399,267	6,399,267	6,399,267	-
FUND BALANCE - END OF YEAR	\$ 4,015,265	\$ 4,762,812	\$ 7,307,431	\$ 2,544,619

See independent auditor's report.

City of South El Monte
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
HSIP Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 867,016	\$ 867,016	\$ 156,042	\$ (710,974)
TOTAL REVENUES	<u>867,016</u>	<u>867,016</u>	<u>156,042</u>	<u>(710,974)</u>
EXPENDITURES:				
Capital outlay	<u>867,016</u>	<u>867,016</u>	<u>517,798</u>	<u>349,218</u>
TOTAL EXPENDITURES	<u>867,016</u>	<u>867,016</u>	<u>517,798</u>	<u>349,218</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(361,756)</u>	<u>(361,756)</u>
NET CHANGE IN FUND BALANCE	-	-	(361,756)	(361,756)
FUND BALANCE - BEGINNING OF YEAR	<u>(650,872)</u>	<u>(650,872)</u>	<u>(650,872)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ (650,872)</u></u>	<u><u>\$ (650,872)</u></u>	<u><u>\$ (1,012,628)</u></u>	<u><u>\$ (361,756)</u></u>

See independent auditor's report.

City of South El Monte
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
Sewer Assessment Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Special assessments	\$ 390,000	\$ 390,000	\$ 383,564	\$ (6,436)
TOTAL REVENUES	390,000	390,000	383,564	(6,436)
EXPENDITURES:				
Current:				
Public works/utilities	-	-	950	(950)
TOTAL EXPENDITURES	-	-	950	(950)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	390,000	390,000	382,614	(7,386)
NET CHANGE IN FUND BALANCE	390,000	390,000	382,614	(7,386)
FUND BALANCE - BEGINNING OF YEAR	2,662,053	2,662,053	2,662,053	-
FUND BALANCE - END OF YEAR	<u>\$ 3,052,053</u>	<u>\$ 3,052,053</u>	<u>\$ 3,044,667</u>	<u>\$ (7,386)</u>

See independent auditor's report.

City of South El Monte
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule
Housing Successor Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Current:				
Community development	-	-	797,090	(797,090)
TOTAL EXPENDITURES	-	-	797,090	(797,090)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(797,090)	(797,090)
NET CHANGE IN FUND BALANCE	-	-	(797,090)	(797,090)
FUND BALANCE - BEGINNING OF YEAR	4,798,683	4,798,683	4,798,683	-
FUND BALANCE - END OF YEAR	<u>\$ 4,798,683</u>	<u>\$ 4,798,683</u>	<u>\$ 4,001,593</u>	<u>\$ (797,090)</u>

See independent auditor's report.

NOTE 1 – BUDGETARY POLICY AND CONTROL

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budget/actual comparisons in this report use the GAAP basis. The budgetary comparison schedules present both the original adopted budget and the final budget with all amendments. The Budgetary comparison schedules are presented as Required Supplementary Information for the General Fund and major Special Revenue Funds as required by GASB Statement No. 34. However, the City did not budget for the HSIP Fund or the Housing Successor Special Revenue funds.

SUPPLEMENTARY

INFORMATION

Special Revenue Funds - Used to account for the proceeds of specific revenue sources that are restricted by law or administrative action for specified purposes as listed below:

- **Gas Tax Fund** – State Gas Taxes are derived from State of California taxes on gasoline purchases and are allocated on a share basis to cities. These revenues are restricted for use designated by the Streets and Highways Code sections (Section 2103, 2105, 2106, 2107, 2107.5, and etc.) and can only be used on public street construction, improvements, and/or maintenance.
- **Older American Act Fund** – The Older Americans Act (OAA) Nutrition Programs, part of the Federal Administration on Aging within the Administration for Community Living, provide grants to States to help support nutrition services for older people throughout the country. The OAA Nutrition Programs include the Congregate Nutrition Program and the Home Delivered Nutrition Program. The purposes of these programs are to 1) reduce hunger and food insecurity, 2) promote socialization, 3) promote health and well-being, and 4) delay adverse health conditions. The intent is to make community based nutrition services available to older adults who may be at risk of losing their independence and their ability to remain in the community.
- **RMRA Fund** – As a result of the Road Repair and Accountability Act of 2017, Senate Bill 1 (SB1), funds are derived from the taxes on gasoline and diesel fuel and registration taxes on motor vehicles with allocations from the State of California for local streets and roads and other transportation purposes.
- **Rosemead Maintenance District Fund** – The Rosemead Maintenance District Fund was intended to provide for half of the Rosemead Maintenance District maintenance cost as an assessment on property tax bills and collected by the County.
- **Hayward Maintenance District** – The Hayward Maintenance District Fund was intended to provide for the full cost of the Hayward Maintenance District maintenance cost as an assessment on property tax bills and collected by the County.
- **Air Quality Management District** – The South Coast Air Quality Management District (AQMD) receives a small portion of the annual vehicle registration license fees. The AQMD remits a portion of these revenues to cities for selected anti-pollution/transportation projects.
- **Cable PEG Fund** – Per Federal Communications Commission, pursuant to Section 611 of the Communications Act, local franchising authorities may require cable operators to set aside channels for public, educational, or governmental ("PEG") use. The Cable Franchise and Public, Education, and Government (PEG) Fees Fund exist to account for such activities.
- **Quimby In Lieu Fee Fund** – The Quimby In Lieu Fees Fund account is for park development. Funds are collected from local developers in lieu of donation of land for local parks. The funds are restricted for park improvements and may not be used for park maintenance or operations.
- **DOE Fund** – The DOE Fund was historically used to account for unusual and infrequent grants not tracked in any other special revenue funds. This was previously named as Miscellaneous Grant Fund.

Special Revenue Funds (Continued)

- State COPS Grant Fund – The State Community Oriented Policing Services (COPS) Fund account is for AB3999 funds for law enforcement.
- Used Oil Recycling Grant Fund – The State of California enacted the California Oil Recycling Act, which provides grants to cities and counties for establishing and maintaining local used oil collection, used oil filter collection and public outreach programs to encourage used motor oil and filter recycling by "Do it Yourself" oil changers. The California Integrated Waste Management Board (CIWMB) has been delegated the responsibility for the administration of the program by the State, setting up the necessary procedures for awarding Local Government Opportunity Grants to help local governments establish or enhance permanent, sustainable used oil and filters recycling programs.
- Beverage Container Recycling Grant Fund – The State of California enacted the California Beverage Container Recycling and Litter Reduction Act that provides funds to cities and counties for beverage container recycling and litter cleanup activities. The California Department of Conservation's Division of Recycling has been delegated the responsibility for the administration of the program within the State, setting up necessary procedures for cities and counties or their designees under the program. Section 14581 (a)(4)(E) of the California Beverage Container Recycling and Litter Reduction Act, the eligible participant must submit the Funding Request Form by the due date and time in order to request funds from the Department of Conservation's Division of Recycling.
- Homelessness Initiative Fund – This fund was created in order to track the cost of providing care and services to the homeless from any available funding such as the County of Los Angeles Measure H or state grants.
- Measure M Local Return Fund – Measure M revenues represent the City's portion of a special Los Angeles County ½ cent on Sales Tax approved by the voters in 2016. Cities are entitled to 17% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. Funds are primarily utilized for street and road maintenance and improvement projects.
- Prop C Local Return Fund – Proposition "C" revenues represent the City's portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 1990. Cities are entitled to 20% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city's population. These revenues are restricted to fund transportation related activities and projects that benefit and support local transit services.
- CDBG Fund – The Federal Department of Housing and Urban Development created the Community Development Block Grant (CDBG) program to revitalize low and moderate income areas within American cities. The fund provides resources for activities that benefit persons with low and moderate income. The City receives funds through the County of Los Angeles as a subgrantee.
- Prop A Park Bond Grant Fund – The Safe Neighborhood Parks Proposition of 1992 (Proposition A) provides funding for park and open space improvement projects. On an annual basis, 15% of all proceeds of assessments levied and collected by Los Angeles County are set aside and designated as a maintenance and servicing fund for the maintenance of Measure A fund projects.

Special Revenue Funds (Continued)

- TDA Fund – The Transportation Development Act (TDA) Article 3 funds are allocations from the Los Angeles County Metropolitan Transportation Authority (MTA). These funds are allocated annually on a per capita basis. Local agencies may either draw down these funds or place them in reserve. Agencies must submit a claim form to Metro by the end of the fiscal year in which they are allocated.
- Prop A Local Return Fund – Proposition A revenues represent the City’s portion of a special Los Angeles County ½ cent Sales Tax passed by the voters in 1980. Cities are entitled to 25% of all the ½ cent revenues. Distribution to each city is pro-rated based on each city’s population. These revenues are restricted to fund transportation related activities and projects that benefit and support local transit services.
- Measure R Local Return Fund – Measure R revenues represent the City’s portion of a special Los Angeles County ½ cent Sales Tax approved by voters in 2008. Cities are entitled to 15% of all the ½ cent revenues for a period of 30 years. Distribution to each city is pro-rated based on each city’s population. Funds are to be utilized to improve local transit services, transportation infrastructure, public improvements and citywide roadway related capital improvement projects.
- State Deferred Loan Program Fund – This fund has been used to record any state loan program that is not part of the CalHome Grant Fund or the CalHome Reuse Fund.
- CalHome Grant Fund – The CalHome Grant Fund is used to account for the California Department of Housing and Community Development grants restricted for the HOME Investment Partnership program.
- Begin Program Fund – The Begin Program Fund was historically established to account for the City’s Begin Program. There has been no activities over 12 years.
- CalHome Reuse Fund – The CalHome Reuse Fund is used to account for the California Department of Housing and Community Development programs for first-time homebuyers.
- Grants Fund - This was historically used to account for unusual and infrequent grant reimbursement activities not tracked in any other special revenue funds. This was previously named as Miscellaneous State Grants Fund.
- Miscellaneous Federal Grants Fund – The was historically used to account for unusual and infrequent local grants not tracked in any other special revenue funds.
- Safe Clean Water Program Fund – This fund was created to record the activities funded by the Los Angeles County Measure W for safe clean water programs.
- Federal Grants Fund – This fund is expected to be merged with the Miscellaneous Federal Grants Fund in the near future.

Capital Projects Fund

- Capital Improvement Fund - Used to account for financial resources used for the construction of specific capital projects.

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**City of South El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue Funds					
	Gas Tax Fund	Older American Act Fund	RMRA Fund	Rosemead Maintenance District	Hayward Maintenance District	Air Quality Management District
ASSETS						
Cash and investments	\$ 251,405	\$ 5,029	\$ 190,002	\$ 9,123	\$ 22,933	\$ 67,523
Receivables:						
Accounts	-	71,833	-	179	16	-
Intergovernmental	-	-	71,633	-	-	7,040
Loans	-	-	-	-	-	-
Advance to other funds	441,725	-	937,670	184	639	15,124
TOTAL ASSETS	\$ 693,130	\$ 76,862	\$ 1,199,305	\$ 9,486	\$ 23,588	\$ 89,687
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 1,131	\$ 27,281	\$ 41,900	\$ -	\$ -	\$ -
Advance from other funds	-	99,914	-	-	-	-
Wages and other accrued liabilities	2,643	1,112	-	-	-	-
TOTAL LIABILITIES	3,774	128,307	41,900	-	-	-
FUND BALANCES:						
Restricted	689,356	-	1,157,405	9,486	23,588	89,687
Unassigned	-	(51,445)	-	-	-	-
TOTAL FUND BALANCES	689,356	(51,445)	1,157,405	9,486	23,588	89,687
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 693,130	\$ 76,862	\$ 1,199,305	\$ 9,486	\$ 23,588	\$ 89,687

**City of South El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

Special Revenue Funds						
Cable PEG Fund	Quimby In Lieu Fees Fund	DOE Fund	State COPS Grant Fund	Used Oil Recycling Grant Fund	Beverage Container Recycling Grant Fund	
\$ 106,847	\$ 408,034	\$ -	\$ 187,509	\$ 1,615	\$ 32,597	ASSETS
						Cash and investments
3,529	-	-	-	-	-	Receivables:
-	-	-	-	-	-	Accounts
-	-	-	-	-	-	Intergovernmental
-	-	-	-	-	-	Loans
2,354	3,625	-	-	-	998	Advance to other funds
<u>\$ 112,730</u>	<u>\$ 411,659</u>	<u>\$ -</u>	<u>\$ 187,509</u>	<u>\$ 1,615</u>	<u>\$ 33,595</u>	TOTAL ASSETS
						LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
						LIABILITIES:
\$ -	\$ -	\$ -	\$ -	\$ 4,676	\$ -	Accounts payable
-	-	25,616	44,246	5,642	-	Advance from other funds
-	-	-	-	-	-	Wages and other accrued liabilities
<u>-</u>	<u>-</u>	<u>25,616</u>	<u>44,246</u>	<u>10,318</u>	<u>-</u>	TOTAL LIABILITIES
						FUND BALANCES:
112,730	411,659	-	143,263	-	33,595	Restricted
<u>-</u>	<u>-</u>	<u>(25,616)</u>	<u>-</u>	<u>(8,703)</u>	<u>-</u>	Unassigned
<u>112,730</u>	<u>411,659</u>	<u>(25,616)</u>	<u>143,263</u>	<u>(8,703)</u>	<u>33,595</u>	TOTAL FUND BALANCES
<u>\$ 112,730</u>	<u>\$ 411,659</u>	<u>\$ -</u>	<u>\$ 187,509</u>	<u>\$ 1,615</u>	<u>\$ 33,595</u>	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

(Continued)

**City of South El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue Funds					
	Homelessness Initiative Fund	Measure M Local Return Fund	Prop C Local Return Fund	CDBG Fund	Prop A Park Bond Grant Fund	TDA Fund
ASSETS						
Cash and investments	\$ -	\$ 692,776	\$ 951,127	\$ 146,218	\$ 22,771	\$ -
Receivables:						
Accounts	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	23,938
TOTAL ASSETS	\$ -	\$ 692,776	\$ 951,127	\$ 146,218	\$ 22,771	\$ 23,938
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ -	\$ 5,000	\$ 95,583	\$ -	\$ -	\$ -
Advance from other funds	11,115	12,561	5,954	198,253	5,135	-
Wages and other accrued liabilities	-	-	1,664	-	178	-
TOTAL LIABILITIES	11,115	17,561	103,201	198,253	5,313	-
FUND BALANCES:						
Restricted	-	675,215	847,926	-	17,458	23,938
Unassigned	(11,115)	-	-	(52,035)	-	-
TOTAL FUND BALANCES	(11,115)	675,215	847,926	(52,035)	17,458	23,938
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ 692,776	\$ 951,127	\$ 146,218	\$ 22,771	\$ 23,938

**City of South El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

Special Revenue Funds						
Prop A Local Return Fund	Measure R Local Return Fund	State Deferred Loan Program Fund	CalHome Grant Fund	Begin Program Fund	CalHome Reuse Fund	
\$ 1,684,482	\$ 1,098,587	\$ 31,165	\$ 40,977	\$ -	\$ 371,485	ASSETS
						Cash and investments
-	-	-	-	-	-	Receivables:
-	-	-	-	-	-	Accounts
-	-	-	1,463,775	214,200	-	Intergovernmental
-	-	377	-	-	7,514	Loans
						Advance to other funds
<u>\$ 1,684,482</u>	<u>\$ 1,098,587</u>	<u>\$ 31,542</u>	<u>\$ 1,504,752</u>	<u>\$ 214,200</u>	<u>\$ 378,999</u>	TOTAL ASSETS
						LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES
						LIABILITIES:
\$ 2,245	\$ -	\$ -	\$ -	\$ -	\$ -	Accounts payable
822,940	352,855	-	6,938	-	-	Advance from other funds
10,793	10,073	11,500	680	-	-	Wages and other accrued liabilities
<u>835,978</u>	<u>362,928</u>	<u>11,500</u>	<u>7,618</u>	<u>-</u>	<u>-</u>	TOTAL LIABILITIES
						FUND BALANCES:
848,504	735,659	20,042	1,497,134	214,200	378,999	Restricted
-	-	-	-	-	-	Unassigned
<u>848,504</u>	<u>735,659</u>	<u>20,042</u>	<u>1,497,134</u>	<u>214,200</u>	<u>378,999</u>	TOTAL FUND BALANCES
<u>\$ 1,684,482</u>	<u>\$ 1,098,587</u>	<u>\$ 31,542</u>	<u>\$ 1,504,752</u>	<u>\$ 214,200</u>	<u>\$ 378,999</u>	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES

(Continued)

**City of South El Monte
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

	Special Revenue Funds			Capital Projects Fund		Nonmajor Governmental Funds
	Grants Fund	Miscellaneous Federal Grants Fund	Safe Clean Water Program Fund	Federal Grants Fund	Capital Improvement Fund	
ASSETS						
Cash and investments	\$ 417,446	\$ -	\$ 730,385	\$ -	\$ -	\$ 7,470,036
Receivables:						
Accounts	-	-	-	-	-	75,557
Intergovernmental	-	-	-	-	-	78,673
Loans	-	-	-	-	-	1,677,975
Advance to other funds	-	-	-	-	1,025,418	2,459,566
TOTAL ASSETS	\$ 417,446	\$ -	\$ 730,385	\$ -	\$ 1,025,418	\$ 11,761,807
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
LIABILITIES:						
Accounts payable	\$ 53,800	\$ -	\$ 2,852	\$ 27,000	\$ -	\$ 261,468
Advance from other funds	904,287	-	-	-	-	2,495,456
Wages and other accrued liabilities	-	-	-	-	-	38,643
TOTAL LIABILITIES	958,087	-	2,852	27,000	-	2,795,567
FUND BALANCES:						
Restricted	-	-	727,533	-	1,025,418	9,682,795
Unassigned	(540,641)	-	-	(27,000)	-	(716,555)
TOTAL FUND BALANCES	(540,641)	-	727,533	(27,000)	1,025,418	8,966,240
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 417,446	\$ -	\$ 730,385	\$ -	\$ 1,025,418	\$ 11,761,807

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City of South El Monte
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds					
	Gas Tax Fund	Older American Act Fund	RMRA Fund	Rosemead Maintenance District	Hayward Maintenance District	Air Quality Management District
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ 1,381	\$ 91	\$ -
Use of money and property	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	466,030	551,823	422,856	-	-	27,688
Other revenues	-	-	-	-	-	-
TOTAL REVENUES	466,030	551,823	422,856	1,381	91	27,688
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	-	-	-
Public works/utilities	3,083	-	8,880	-	-	-
Community services programs	-	409,323	-	-	-	-
Capital outlay	-	-	33,020	-	-	15,579
TOTAL EXPENDITURES	3,083	409,323	41,900	-	-	15,579
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	462,947	142,500	380,956	1,381	91	12,109
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	462,947	142,500	380,956	1,381	91	12,109
FUND BALANCES - BEGINNING OF YEAR	226,409	(193,945)	776,449	8,105	23,497	77,578
FUND BALANCES - END OF YEAR	\$ 689,356	\$ (51,445)	\$ 1,157,405	\$ 9,486	\$ 23,588	\$ 89,687

City of South El Monte
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

Special Revenue Funds						
Cable PEG Fund	Quimby In Lieu Fees Fund	DOE Fund	State COPS Grant Fund	Used Oil Recycling Grant Fund	Beverage Container Recycling Grant Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	REVENUES:
-	-	-	-	-	-	Taxes
-	249,517	-	-	-	-	Use of money and property
-	-	-	156,727	5,000	6,855	Charges for services
17,803	-	-	-	-	-	Intergovernmental
-	-	-	-	-	-	Other revenues
<u>17,803</u>	<u>249,517</u>	<u>-</u>	<u>156,727</u>	<u>5,000</u>	<u>6,855</u>	TOTAL REVENUES
						EXPENDITURES:
						Current:
-	-	-	-	-	-	General government
-	-	-	-	-	5,720	Community development
-	-	-	-	7,014	-	Public works/utilities
-	-	-	-	-	-	Community services programs
-	-	-	-	-	-	Capital outlay
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>5,720</u>	TOTAL EXPENDITURES
<u>17,803</u>	<u>249,517</u>	<u>-</u>	<u>156,727</u>	<u>(2,014)</u>	<u>1,135</u>	EXCESS OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	-	-	-	OTHER FINANCING SOURCES (USES):
-	-	-	-	-	-	Transfers in (out)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	TOTAL OTHER FINANCING SOURCES (USES)
17,803	249,517	-	156,727	(2,014)	1,135	NET CHANGE IN FUND BALANCE
94,927	162,142	(25,616)	(13,464)	(6,689)	32,460	FUND BALANCES - BEGINNING OF YEAR
<u>\$ 112,730</u>	<u>\$ 411,659</u>	<u>\$ (25,616)</u>	<u>\$ 143,263</u>	<u>\$ (8,703)</u>	<u>\$ 33,595</u>	FUND BALANCES - END OF YEAR

(Continued)

City of South El Monte
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds					
	Homelessness Initiative Fund	Measure M Local Return Fund	Prop C Local Return Fund	CDBG Fund	Prop A Park Bond Grant Fund	TDA Fund
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Intergovernmental	-	302,393	355,357	316,183	-	-
Other revenues	-	-	-	-	-	-
TOTAL REVENUES	-	302,393	355,357	316,183	-	-
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	-
Community development	-	-	-	262,642	-	-
Public works/utilities	-	7,500	17,039	-	130	-
Community services programs	11,115	-	-	2,201	-	-
Capital outlay	-	170,357	293,500	54,042	-	-
TOTAL EXPENDITURES	11,115	177,857	310,539	318,885	130	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,115)	124,536	44,818	(2,702)	(130)	-
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
NET CHANGE IN FUND BALANCE	(11,115)	124,536	44,818	(2,702)	(130)	-
FUND BALANCES - BEGINNING OF YEAR	-	550,679	803,108	(49,333)	17,588	23,938
FUND BALANCES - END OF YEAR	\$ (11,115)	\$ 675,215	\$ 847,926	\$ (52,035)	\$ 17,458	\$ 23,938

City of South El Monte
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

Special Revenue Funds						
Prop A Local Return Fund	Measure R Local Return Fund	State Deferred Loan Program Fund	CalHome Grant Fund	Begin Program Fund	CalHome Reuse Fund	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	REVENUES:
-	-	-	-	-	-	Taxes
300	-	-	-	-	-	Use of money and property
428,417	266,887	-	-	-	-	Charges for services
-	-	17,676	-	-	-	Intergovernmental
-	-	-	-	-	95,000	Other revenues
<u>428,717</u>	<u>266,887</u>	<u>17,676</u>	<u>-</u>	<u>-</u>	<u>95,000</u>	TOTAL REVENUES
						EXPENDITURES:
						Current:
-	-	-	-	-	-	General government
-	-	-	258,313	37,800	-	Community development
-	106,085	-	-	-	-	Public works/utilities
241,276	-	-	-	-	-	Community services programs
-	-	-	-	-	-	Capital outlay
<u>241,276</u>	<u>106,085</u>	<u>-</u>	<u>258,313</u>	<u>37,800</u>	<u>-</u>	TOTAL EXPENDITURES
<u>187,441</u>	<u>160,802</u>	<u>17,676</u>	<u>(258,313)</u>	<u>(37,800)</u>	<u>95,000</u>	EXCESS OF REVENUES OVER (UNDER) EXPENDITURES
-	-	-	-	-	-	OTHER FINANCING SOURCES (USES):
-	-	-	-	-	-	Transfers in (out)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	TOTAL OTHER FINANCING SOURCES (USES)
187,441	160,802	17,676	(258,313)	(37,800)	95,000	NET CHANGE IN FUND BALANCE
661,063	574,857	2,366	1,755,447	252,000	283,999	FUND BALANCES - BEGINNING OF YEAR
<u>\$ 848,504</u>	<u>\$ 735,659</u>	<u>\$ 20,042</u>	<u>\$ 1,497,134</u>	<u>\$ 214,200</u>	<u>\$ 378,999</u>	FUND BALANCES - END OF YEAR

(Continued)

City of South El Monte
Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended June 30, 2021

	Special Revenue Funds			Capital Projects Fund		Nonmajor Governmental Funds
	Grants Fund	Miscellaneous Federal Grants Fund	Safe Clean Water Program Fund	Federal Grants Fund	Capital Improvement Fund	
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,472
Use of money and property	-	-	-	-	17	17
Charges for services	-	-	-	-	-	249,817
Intergovernmental	369,980	-	734,203	-	132,336	4,542,735
Other revenues	-	-	-	-	-	130,479
TOTAL REVENUES	369,980	-	734,203	-	132,353	4,924,520
EXPENDITURES:						
Current:						
General government	-	-	-	27,000	-	27,000
Community development	-	-	-	-	-	564,475
Public works/utilities	262,492	-	6,670	-	-	418,893
Community services programs	-	-	-	-	-	663,915
Capital outlay	142,183	-	-	-	-	708,681
TOTAL EXPENDITURES	404,675	-	6,670	27,000	-	2,382,964
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(34,695)	-	727,533	(27,000)	132,353	2,541,556
OTHER FINANCING SOURCES (USES):						
Transfers in (out)	(367,868)	(180,484)	-	-	-	(548,352)
TOTAL OTHER FINANCING SOURCES (USES)	(367,868)	(180,484)	-	-	-	(548,352)
NET CHANGE IN FUND BALANCE	(402,563)	(180,484)	727,533	(27,000)	132,353	1,993,204
FUND BALANCES - BEGINNING OF YEAR	(138,078)	180,484	-	-	893,065	6,973,036
FUND BALANCES - END OF YEAR	\$ (540,641)	\$ -	\$ 727,533	\$ (27,000)	\$ 1,025,418	\$ 8,966,240

(Concluded)

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Gas Tax Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 504,740	\$ 504,740	\$ 466,030	\$ (38,710)
TOTAL REVENUES	<u>504,740</u>	<u>504,740</u>	<u>466,030</u>	<u>(38,710)</u>
EXPENDITURES:				
Current:				
Public works/utilities	-	-	3,083	(3,083)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>3,083</u>	<u>(3,083)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>504,740</u>	<u>504,740</u>	<u>462,947</u>	<u>(41,793)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(487,547)	-	487,547
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(487,547)</u>	<u>-</u>	<u>487,547</u>
NET CHANGE IN FUND BALANCE	504,740	17,193	462,947	445,754
FUND BALANCE - BEGINNING OF YEAR	<u>226,409</u>	<u>226,409</u>	<u>226,409</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 731,149</u>	<u>\$ 243,602</u>	<u>\$ 689,356</u>	<u>\$ 445,754</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Older American Act Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 224,000	\$ 224,000	\$ 551,823	\$ 327,823
TOTAL REVENUES	<u>224,000</u>	<u>224,000</u>	<u>551,823</u>	<u>327,823</u>
EXPENDITURES:				
Current:				
Community services programs	371,203	371,203	409,323	(38,120)
TOTAL EXPENDITURES	<u>371,203</u>	<u>371,203</u>	<u>409,323</u>	<u>(38,120)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(147,203)</u>	<u>(147,203)</u>	<u>142,500</u>	<u>289,703</u>
NET CHANGE IN FUND BALANCE	(147,203)	(147,203)	142,500	289,703
FUND BALANCE - BEGINNING OF YEAR	<u>(193,945)</u>	<u>(193,945)</u>	<u>(193,945)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (341,148)</u>	<u>\$ (341,148)</u>	<u>\$ (51,445)</u>	<u>\$ 289,703</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Road Maintenance and Rehabilitation Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 365,955	\$ 365,955	\$ 422,856	\$ 56,901
TOTAL REVENUES	<u>365,955</u>	<u>365,955</u>	<u>422,856</u>	<u>56,901</u>
EXPENDITURES:				
Current:				
Public works/utilities	-	-	8,880	(8,880)
Capital outlay	<u>815,700</u>	<u>815,700</u>	<u>33,020</u>	<u>782,680</u>
TOTAL EXPENDITURES	<u>815,700</u>	<u>815,700</u>	<u>41,900</u>	<u>773,800</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(449,745)</u>	<u>(449,745)</u>	<u>380,956</u>	<u>830,701</u>
NET CHANGE IN FUND BALANCE	(449,745)	(449,745)	380,956	830,701
FUND BALANCE - BEGINNING OF YEAR	<u>776,449</u>	<u>776,449</u>	<u>776,449</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 326,704</u>	<u>\$ 326,704</u>	<u>\$ 1,157,405</u>	<u>\$ 830,701</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Rosemead Maintenance District Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,381	\$ 1,381
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>1,381</u>	<u>1,381</u>
EXPENDITURES:				
Current:				
Public works/utilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>1,381</u>	<u>1,381</u>
NET CHANGE IN FUND BALANCE	-	-	1,381	1,381
FUND BALANCE - BEGINNING OF YEAR	<u>8,105</u>	<u>8,105</u>	<u>8,105</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,105</u>	<u>\$ 8,105</u>	<u>\$ 9,486</u>	<u>\$ 1,381</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Hayward Maintenance District Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Taxes	\$ -	\$ -	\$ 91	\$ 91
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</u>
EXPENDITURES:				
Current:				
Public works/utilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>91</u>	<u>91</u>
NET CHANGE IN FUND BALANCE	-	-	91	91
FUND BALANCE - BEGINNING OF YEAR	<u>23,497</u>	<u>23,497</u>	<u>23,497</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 23,497</u>	<u>\$ 23,497</u>	<u>\$ 23,588</u>	<u>\$ 91</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Air Quality Management District Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	<u>\$ 13,000</u>	<u>\$ 13,000</u>	<u>\$ 27,688</u>	<u>\$ 14,688</u>
TOTAL REVENUES	<u>13,000</u>	<u>13,000</u>	<u>27,688</u>	<u>14,688</u>
EXPENDITURES:				
Capital outlay	<u>-</u>	<u>-</u>	<u>15,579</u>	<u>(15,579)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>15,579</u>	<u>(15,579)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>13,000</u>	<u>13,000</u>	<u>12,109</u>	<u>(891)</u>
NET CHANGE IN FUND BALANCE	13,000	13,000	12,109	(891)
FUND BALANCE - BEGINNING OF YEAR	<u>77,578</u>	<u>77,578</u>	<u>77,578</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 90,578</u>	<u>\$ 90,578</u>	<u>\$ 89,687</u>	<u>\$ (891)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Cable PEG Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
REVENUES:				
Other revenues	\$ -	\$ -	\$ 17,803	\$ 17,803
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>17,803</u>	<u>17,803</u>
EXPENDITURES:				
Current:				
Public works/utilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>17,803</u>	<u>17,803</u>
NET CHANGE IN FUND BALANCE	-	-	17,803	17,803
FUND BALANCE - BEGINNING OF YEAR	<u>94,927</u>	<u>94,927</u>	<u>94,927</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 94,927</u>	<u>\$ 94,927</u>	<u>\$ 112,730</u>	<u>\$ 17,803</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Quimby In Lieu Fees Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ -	\$ -	\$ 249,517	\$ 249,517
TOTAL REVENUES	-	-	249,517	249,517
EXPENDITURES:				
Current:				
Public works/utilities	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	249,517	249,517
NET CHANGE IN FUND BALANCE	-	-	249,517	249,517
FUND BALANCE - BEGINNING OF YEAR	162,142	162,142	162,142	-
FUND BALANCE - END OF YEAR	<u>\$ 162,142</u>	<u>\$ 162,142</u>	<u>\$ 411,659</u>	<u>\$ 249,517</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - DOE Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Current:				
Public works/utilities	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR, as restated	(25,616)	(25,616)	(25,616)	-
FUND BALANCE - END OF YEAR	<u>\$ (25,616)</u>	<u>\$ (25,616)</u>	<u>\$ (25,616)</u>	<u>\$ -</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - State COPS Grant Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 156,727	\$ 56,727
TOTAL REVENUES	<u>100,000</u>	<u>100,000</u>	<u>156,727</u>	<u>56,727</u>
EXPENDITURES:				
Current:				
Public safety	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>100,000</u>	<u>100,000</u>	<u>156,727</u>	<u>56,727</u>
NET CHANGE IN FUND BALANCE	100,000	100,000	156,727	56,727
FUND BALANCE - BEGINNING OF YEAR	<u>(13,464)</u>	<u>(13,464)</u>	<u>(13,464)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 86,536</u>	<u>\$ 86,536</u>	<u>\$ 143,263</u>	<u>\$ 56,727</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Used Oil Recycling Grant Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	<u>\$ 6,000</u>	<u>\$ 6,000</u>	<u>\$ 5,000</u>	<u>\$ (1,000)</u>
TOTAL REVENUES	<u>6,000</u>	<u>6,000</u>	<u>5,000</u>	<u>(1,000)</u>
EXPENDITURES:				
Current:				
Public works/utilities	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>(7,014)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>7,014</u>	<u>(7,014)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>6,000</u>	<u>6,000</u>	<u>(2,014)</u>	<u>(8,014)</u>
NET CHANGE IN FUND BALANCE	6,000	6,000	(2,014)	(8,014)
FUND BALANCE - BEGINNING OF YEAR	<u>(6,689)</u>	<u>(6,689)</u>	<u>(6,689)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (689)</u>	<u>\$ (689)</u>	<u>\$ (8,703)</u>	<u>\$ (8,014)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Beverage Container Recycling Grant Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 6,855	\$ 1,855
TOTAL REVENUES	<u>5,000</u>	<u>5,000</u>	<u>6,855</u>	<u>1,855</u>
EXPENDITURES:				
Current:				
Community development	-	-	5,720	(5,720)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>5,720</u>	<u>(5,720)</u>
EXCESS OF REVENUES OVER (UUNDER) EXPENDITURES	<u>5,000</u>	<u>5,000</u>	<u>1,135</u>	<u>(3,865)</u>
NET CHANGE IN FUND BALANCE	5,000	5,000	1,135	(3,865)
FUND BALANCE - BEGINNING OF YEAR	<u>32,460</u>	<u>32,460</u>	<u>32,460</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 37,460</u>	<u>\$ 37,460</u>	<u>\$ 33,595</u>	<u>\$ (3,865)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Homelessness Initiative Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget
				Positive (Negative)
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Community services programs	<u>-</u>	<u>-</u>	<u>11,115</u>	<u>(11,115)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>11,115</u>	<u>(11,115)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(11,115)</u>	<u>(11,115)</u>
NET CHANGE IN FUND BALANCE	-	-	(11,115)	(11,115)
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (11,115)</u>	<u>\$ (11,115)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Measure M Local Return Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 316,433	\$ 316,433	\$ 302,393	\$ (14,040)
TOTAL REVENUES	<u>316,433</u>	<u>316,433</u>	<u>302,393</u>	<u>(14,040)</u>
EXPENDITURES:				
Current:				
Public works/utilities	-	-	7,500	(7,500)
Capital outlay	<u>394,272</u>	<u>394,272</u>	<u>170,357</u>	<u>223,915</u>
TOTAL EXPENDITURES	<u>394,272</u>	<u>394,272</u>	<u>177,857</u>	<u>216,415</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(77,839)</u>	<u>(77,839)</u>	<u>124,536</u>	<u>202,375</u>
NET CHANGE IN FUND BALANCE	(77,839)	(77,839)	124,536	202,375
FUND BALANCE - BEGINNING OF YEAR	<u>550,679</u>	<u>550,679</u>	<u>550,679</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 472,840</u>	<u>\$ 472,840</u>	<u>\$ 675,215</u>	<u>\$ 202,375</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Prop C Local Return Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 372,274	\$ 372,274	\$ 355,357	\$ (16,917)
TOTAL REVENUES	<u>372,274</u>	<u>372,274</u>	<u>355,357</u>	<u>(16,917)</u>
EXPENDITURES:				
Current:				
Public works/utilities	-	-	17,039	(17,039)
Capital outlay	<u>677,483</u>	<u>677,483</u>	<u>293,500</u>	<u>383,983</u>
TOTAL EXPENDITURES	<u>677,483</u>	<u>677,483</u>	<u>310,539</u>	<u>366,944</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(305,209)</u>	<u>(305,209)</u>	<u>44,818</u>	<u>350,027</u>
NET CHANGE IN FUND BALANCE	(305,209)	(305,209)	44,818	350,027
FUND BALANCE - BEGINNING OF YEAR	<u>803,108</u>	<u>803,108</u>	<u>803,108</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 497,899</u>	<u>\$ 497,899</u>	<u>\$ 847,926</u>	<u>\$ 350,027</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 902,116	\$ 902,116	\$ 316,183	\$ (585,933)
TOTAL REVENUES	<u>902,116</u>	<u>902,116</u>	<u>316,183</u>	<u>(585,933)</u>
EXPENDITURES:				
Current:				
Community development	103,991	103,991	262,642	(158,651)
Community services programs	-	-	2,201	(2,201)
Capital outlay	<u>798,125</u>	<u>798,125</u>	<u>54,042</u>	<u>744,083</u>
TOTAL EXPENDITURES	<u>902,116</u>	<u>902,116</u>	<u>318,885</u>	<u>583,231</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(2,702)</u>	<u>(2,702)</u>
NET CHANGE IN FUND BALANCE	-	-	(2,702)	(2,702)
FUND BALANCE - BEGINNING OF YEAR	<u>(49,333)</u>	<u>(49,333)</u>	<u>(49,333)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (49,333)</u>	<u>\$ (49,333)</u>	<u>\$ (52,035)</u>	<u>\$ (2,702)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Prop A Park Bond Grant Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
Public works/utilities	<u>-</u>	<u>-</u>	<u>130</u>	<u>(130)</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>130</u>	<u>(130)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(130)</u>	<u>(130)</u>
NET CHANGE IN FUND BALANCE	-	-	(130)	(130)
FUND BALANCE - BEGINNING OF YEAR	<u>17,588</u>	<u>17,588</u>	<u>17,588</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 17,588</u>	<u>\$ 17,588</u>	<u>\$ 17,458</u>	<u>\$ (130)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - TDA Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Intergovernmental	\$ 16,162	\$ 16,162	\$ -	\$ (16,162)
TOTAL REVENUES	<u>16,162</u>	<u>16,162</u>	<u>-</u>	<u>(16,162)</u>
EXPENDITURES:				
Current:				
Community services programs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,162</u>	<u>16,162</u>	<u>-</u>	<u>(16,162)</u>
NET CHANGE IN FUND BALANCE	16,162	16,162	-	(16,162)
FUND BALANCE - BEGINNING OF YEAR	<u>23,938</u>	<u>23,938</u>	<u>23,938</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 40,100</u>	<u>\$ 40,100</u>	<u>\$ 23,938</u>	<u>\$ (16,162)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Prop A Local Return Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Charges for services	\$ 6,500	\$ 6,500	\$ 300	\$ (6,200)
Intergovernmental	448,808	448,808	428,417	(20,391)
TOTAL REVENUES	455,308	455,308	428,717	(26,591)
EXPENDITURES:				
Current:				
Community services programs	214,375	214,375	241,276	(26,901)
TOTAL EXPENDITURES	214,375	214,375	241,276	(26,901)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	240,933	240,933	187,441	(53,492)
NET CHANGE IN FUND BALANCE	240,933	240,933	187,441	(53,492)
FUND BALANCE - BEGINNING OF YEAR	661,063	661,063	661,063	-
FUND BALANCE - END OF YEAR	\$ 901,996	\$ 901,996	\$ 848,504	\$ (53,492)

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Measure R Local Return Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 279,235	\$ 279,235	\$ 266,887	\$ (12,348)
TOTAL REVENUES	<u>279,235</u>	<u>279,235</u>	<u>266,887</u>	<u>(12,348)</u>
EXPENDITURES:				
Current:				
Public works/utilities	111,212	111,212	106,085	5,127
TOTAL EXPENDITURES	<u>111,212</u>	<u>111,212</u>	<u>106,085</u>	<u>5,127</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>168,023</u>	<u>168,023</u>	<u>160,802</u>	<u>(7,221)</u>
NET CHANGE IN FUND BALANCE	168,023	168,023	160,802	(7,221)
FUND BALANCE - BEGINNING OF YEAR	<u>574,857</u>	<u>574,857</u>	<u>574,857</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 742,880</u>	<u>\$ 742,880</u>	<u>\$ 735,659</u>	<u>\$ (7,221)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - State Deferred Loan Program Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
REVENUES:				
Other revenues	\$ -	\$ -	\$ 17,676	\$ 17,676
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>17,676</u>	<u>17,676</u>
EXPENDITURES:				
Current:				
General government	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>17,676</u>	<u>17,676</u>
NET CHANGE IN FUND BALANCE	-	-	17,676	17,676
FUND BALANCE - BEGINNING OF YEAR	<u>2,366</u>	<u>2,366</u>	<u>2,366</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,366</u>	<u>\$ 2,366</u>	<u>\$ 20,042</u>	<u>\$ 17,676</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - CalHOME Grant Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Current:				
Community development	-	-	258,313	(258,313)
TOTAL EXPENDITURES	-	-	258,313	(258,313)
EXCESS OF REVENUES OVER (Under) EXPENDITURES	-	-	(258,313)	(258,313)
NET CHANGE IN FUND BALANCE	-	-	(258,313)	(258,313)
FUND BALANCE - BEGINNING OF YEAR	1,755,447	1,755,447	1,755,447	-
FUND BALANCE - END OF YEAR	<u>\$ 1,755,447</u>	<u>\$ 1,755,447</u>	<u>\$ 1,497,134</u>	<u>\$ (258,313)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Begin Program Grant Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	-	-	-	-
EXPENDITURES:				
Current:				
Community development	-	-	37,800	(37,800)
TOTAL EXPENDITURES	-	-	37,800	(37,800)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(37,800)	(37,800)
NET CHANGE IN FUND BALANCE	-	-	(37,800)	(37,800)
FUND BALANCE - BEGINNING OF YEAR	252,000	252,000	252,000	-
FUND BALANCE - END OF YEAR	<u>\$ 252,000</u>	<u>\$ 252,000</u>	<u>\$ 214,200</u>	<u>\$ (37,800)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - CalHOME Reuse Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
REVENUES:				
Other revenues	\$ -	\$ -	\$ 95,000	\$ 95,000
TOTAL REVENUES	-	-	95,000	95,000
EXPENDITURES:				
Current:				
General government	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	95,000	95,000
NET CHANGE IN FUND BALANCE	-	-	95,000	95,000
FUND BALANCE - BEGINNING OF YEAR	283,999	283,999	283,999	-
FUND BALANCE - END OF YEAR	<u>\$ 283,999</u>	<u>\$ 283,999</u>	<u>\$ 378,999</u>	<u>\$ 95,000</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Grants Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 1,300,000	\$ 1,300,000	\$ 369,980	\$ (930,020)
TOTAL REVENUES	<u>1,300,000</u>	<u>1,300,000</u>	<u>369,980</u>	<u>(930,020)</u>
EXPENDITURES:				
Current:				
Public works/utilities	-	-	262,492	(262,492)
Capital outlay	<u>1,300,000</u>	<u>1,300,000</u>	<u>142,183</u>	<u>1,157,817</u>
TOTAL EXPENDITURES	<u>1,300,000</u>	<u>1,300,000</u>	<u>404,675</u>	<u>895,325</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(34,695)</u>	<u>(34,695)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	180,484	180,484
Transfers out	<u>-</u>	<u>-</u>	<u>(548,352)</u>	<u>(548,352)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(367,868)</u>	<u>(367,868)</u>
NET CHANGE IN FUND BALANCE	-	-	(402,563)	(402,563)
FUND BALANCE - BEGINNING OF YEAR	<u>(138,078)</u>	<u>(138,078)</u>	<u>(138,078)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (138,078)</u>	<u>\$ (138,078)</u>	<u>\$ (540,641)</u>	<u>\$ (402,563)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Miscellaneous Federal Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 629,000	\$ -	\$ (629,000)
TOTAL REVENUES	-	629,000	-	(629,000)
EXPENDITURES:				
Capital outlay	-	629,000	-	629,000
TOTAL EXPENDITURES	-	629,000	-	629,000
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(180,484)	(180,484)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(180,484)	(180,484)
NET CHANGE IN FUND BALANCE	-	-	(180,484)	(180,484)
FUND BALANCE - BEGINNING OF YEAR	180,484	180,484	180,484	-
FUND BALANCE - END OF YEAR	<u>\$ 180,484</u>	<u>\$ 180,484</u>	<u>\$ -</u>	<u>\$ (180,484)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Safe Clean Water Special Revenue Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 734,203	\$ 734,203
TOTAL REVENUES	-	-	734,203	734,203
EXPENDITURES:				
Current:				
Public works/utilities	-	-	6,670	(6,670)
TOTAL EXPENDITURES	-	-	6,670	(6,670)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	727,533	727,533
NET CHANGE IN FUND BALANCE	-	-	727,533	727,533
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ 727,533	\$ 727,533

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Federal Grants Special Revenue Fund
Year Ended June 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	-	-	27,000	(27,000)
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>27,000</u>	<u>(27,000)</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(27,000)</u>	<u>(27,000)</u>
NET CHANGE IN FUND BALANCE	-	-	(27,000)	(27,000)
FUND BALANCE - BEGINNING OF YEAR	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (27,000)</u>	<u>\$ (27,000)</u>

City of South El Monte
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget to Actual - Capital Improvement Capital Project Fund
Year Ended June 30, 2021

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Use of money and property	\$ -	\$ -	\$ 17	\$ 17
Intergovernmental	-	-	132,336	132,336
TOTAL REVENUES	-	-	132,353	132,353
EXPENDITURES:				
Current:				
Public works/utilities	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	132,353	132,353
NET CHANGE IN FUND BALANCE	-	-	132,353	132,353
FUND BALANCE - BEGINNING OF YEAR, as restated	893,065	893,065	893,065	-
FUND BALANCE - END OF YEAR	<u>\$ 893,065</u>	<u>\$ 893,065</u>	<u>\$ 1,025,418</u>	<u>\$ 132,353</u>