

CITY OF SOUTH EL MONTE
BASIC FINANCIAL STATEMENTS

Year Ended June 30, 2014

City of South El Monte
Year Ended June 30, 2014

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Independent Auditor's Report

The Honorable 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 (the "City"), as of and for the year ended June 30, 2014, 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, as of June 30, 2014, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a required 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. Our opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, 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 an opinion on the financial statements that collectively comprise the City's basic financial statements. The schedules listed in the Supplementary Information section of the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the Supplementary Information section of the table of contents 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 schedules listed in the Supplementary Information section of the table of contents 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 April 9, 2015, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Handwritten signature in cursive script that reads "Van Lant + Fankhaed, LLP".

April 9, 2015

BASIC FINANCIAL STATEMENTS

City of South El Monte
Statement of Net Position
June 30, 2014

	Governmental Activities
ASSETS	
Cash and Investments	\$ 9,222,948
Receivables:	
Accounts	1,426,259
Taxes	764,946
Interest	7
Loans	896,907
Due from Other Governments	526,500
Prepaid Costs	42,005
Capital Assets:	
Non-depreciable:	
Land	956,100
Construction in Progress	430,218
Depreciable, Net of Accumulated Depreciation:	
Property and Equipment	429,422
Buildings and Improvements	4,133,028
Infrastructure	6,464,243
	25,292,583
Total Assets	
LIABILITIES	
Accounts Payable	1,150,203
Other Accrued Liabilities	32,912
Due to Other Governments	24,036
Unearned Revenue	600,295
Wages Payable	79,451
Noncurrent Liabilities:	
Due Within One Year	99,411
Due in More Than One Year	541,883
	2,528,191
Total Liabilities	
NET POSITION	
Net Investment in Capital Assets	12,011,564
Restricted:	
Community Programs	34,189
Community Development	283,035
Public Works	3,759,569
Unrestricted	6,676,035
	\$ 22,764,392
Total Net Position	

The accompanying notes are an integral part of this statement.

City of South El Monte
Statement of Activities
Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 2,944,846	\$ 626,894	\$ -	\$ -	\$ (2,317,952)
Public Safety	3,978,000	315,861	404,559	-	(3,257,580)
Community Development	2,684,201	46,179	297,606	-	(2,340,416)
Public Works	1,745,321	33,427	745,596	2,456,400	1,490,102
Community Service Programs	3,194,855	1,054,669	638,509	-	(1,501,677)
Interest on Long-Term Debt	20,465	-	-	-	(20,465)
Total Governmental Activities	\$ 14,567,688	\$ 2,077,030	\$ 2,086,270	\$ 2,456,400	(7,947,988)

General Revenues:

Taxes:

Property Tax, Levied for General Purpose	2,815,222
Transient Occupancy Taxes	213,613
Franchise Taxes	753,131
Sales Tax	6,428,562
Motor Vehicle in lieu Tax	9,600
Investment Income	18,273
Other	27,148

Total General Revenues 10,265,549

Change in Net Position 2,317,561

Net Position - Beginning of Year 20,446,831

Net Position - End of Year \$ 22,764,392

The accompanying notes are an integral part of this statement.

**City of South El Monte
Balance Sheet
Governmental Funds
June 30, 2014**

	General	Special Revenue CalHOME Grant	Capital Projects Capital Improvement
ASSETS			
Cash and Investments	\$ 4,858,109	\$ 339,657	\$ 435,963
Accounts Receivable	1,212,614	-	40,000
Taxes Receivable	764,946	-	-
Interest Receivable	7	-	-
Loans Receivable	-	644,907	-
Prepays	42,005	-	-
Due from Other Funds	123,508	-	147,174
Due from Other Governments	-	-	48,206
	<u>7,001,189</u>	<u>984,564</u>	<u>671,343</u>
Total Assets	<u>\$ 7,001,189</u>	<u>\$ 984,564</u>	<u>\$ 671,343</u>
LIABILITIES			
Accounts Payable	\$ 974,972	\$ 14,955	\$ 68,174
Other Accrued Liabilities	18,457	-	2,450
Wages Payable	70,367	-	-
Due to Other Governments	-	-	-
Due to Other Funds	-	-	-
Unearned Revenue	-	323,977	276,318
	<u>1,063,796</u>	<u>338,932</u>	<u>346,942</u>
Total Liabilities	<u>1,063,796</u>	<u>338,932</u>	<u>346,942</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues - Taxes	757,153	-	-
Unavailable Revenues - Accounts	27,020	-	-
Unavailable Revenues - Grants	-	-	48,206
Unavailable Revenues - Loans Receivable	-	644,907	-
	<u>784,173</u>	<u>644,907</u>	<u>48,206</u>
Total Deferred Inflows of Resources	<u>784,173</u>	<u>644,907</u>	<u>48,206</u>
FUND BALANCES (DEFICITS)			
Nonspendable	42,005	-	-
Restricted	-	725	276,195
Committed	538,968	-	-
Unassigned	4,572,247	-	-
	<u>5,153,220</u>	<u>725</u>	<u>276,195</u>
Total Fund Balances (Deficits)	<u>5,153,220</u>	<u>725</u>	<u>276,195</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 7,001,189</u>	<u>\$ 984,564</u>	<u>\$ 671,343</u>

The accompanying notes are an integral part of this statement.

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 3,589,219	\$ 9,222,948
173,645	1,426,259
-	764,946
-	7
252,000	896,907
-	42,005
-	270,682
478,294	526,500
<u>\$ 4,493,158</u>	<u>\$ 13,150,254</u>
\$ 92,102	\$ 1,150,203
12,005	32,912
9,084	79,451
24,036	24,036
270,682	270,682
-	600,295
<u>407,909</u>	<u>2,157,579</u>
-	757,153
198,000	225,020
280,294	328,500
252,000	896,907
<u>730,294</u>	<u>2,207,580</u>
-	42,005
3,578,186	3,855,106
-	538,968
<u>(223,231)</u>	<u>4,349,016</u>
<u>3,354,955</u>	<u>8,785,095</u>
<u>\$ 4,493,158</u>	<u>\$ 13,150,254</u>

The accompanying notes are an integral part of this statement.

City of South El Monte
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2014

Fund Balances of Governmental Funds		\$ 8,785,095
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets of governmental activities are not financial resources, and therefore, are not reported in the governmental funds.		12,413,011
Revenue is deferred in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the government-wide statements, and therefore the revenue is not deferred.		2,207,580
Long-term liabilities are not due and payable in the current period, and therefore, are not reported as a liability in the governmental funds, as follows:		
Compensated absences		(239,847)
Capital Leases/SEAACA Payable/Loan Payable		(401,447)
		\$ 22,764,392
Net Position of Governmental Activities		\$ 22,764,392

The accompanying notes are an integral part of this statement.

City of South El Monte
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2014

	General Fund	Special Revenue CalHOME Grant	Capital Projects Capital Improvement
REVENUES			
Taxes	\$ 8,440,494	\$ -	\$ -
Licenses & Permits	1,270,924	-	-
Fines & Forfeitures	302,830	-	-
Use of Money and Property	56,080	569	-
Charges for Services	318,962	-	-
Special Assessments	-	-	-
Intergovernmental	2,335,410	200,217	821,745
Other Revenues	24,188	-	-
Total Revenues	<u>12,748,888</u>	<u>200,786</u>	<u>821,745</u>
EXPENDITURES			
Current:			
General Government	2,914,363	-	-
Public Safety	3,842,029	-	-
Community Development	1,729,136	-	-
Public Works	1,437,607	-	-
Community Service Programs	1,866,468	200,217	-
Capital Outlay	-	-	1,031,471
Debt Service:			
Principal	60,052	-	-
Interest	20,465	-	-
Total Expenditures	<u>11,870,120</u>	<u>200,217</u>	<u>1,031,471</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>878,768</u>	<u>569</u>	<u>(209,726)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	34,100	-	495,687
Transfers Out	(116,126)	-	-
Total Other Financing Sources (Uses)	<u>(82,026)</u>	<u>-</u>	<u>495,687</u>
Net Change in Fund Balances	796,742	569	285,961
Fund Balances, Beginning of Year	<u>4,356,478</u>	<u>156</u>	<u>(9,766)</u>
Fund Balances, End of Year	<u>\$ 5,153,220</u>	<u>\$ 725</u>	<u>\$ 276,195</u>

The accompanying notes are an integral part of this statement.

Total Nonmajor Governmental Funds	Total Governmental Funds
\$ 540,054	\$ 8,980,548
-	1,270,924
-	302,830
7,494	64,143
7,630	326,592
377,661	377,661
1,856,227	5,213,599
6,214	30,402
<u>2,795,280</u>	<u>16,566,699</u>
2,543	2,916,906
118,718	3,960,747
-	1,729,136
642,608	2,080,215
782,358	2,849,043
-	1,031,471
-	60,052
-	20,465
<u>1,546,227</u>	<u>14,648,035</u>
<u>1,249,053</u>	<u>1,918,664</u>
66,638	596,425
<u>(480,299)</u>	<u>(596,425)</u>
<u>(413,661)</u>	<u>-</u>
835,392	1,918,664
<u>2,519,563</u>	<u>6,866,431</u>
<u>\$ 3,354,955</u>	<u>\$ 8,785,095</u>

The accompanying notes are an integral part of this statement.

City of South El Monte
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2014

Net Changes in Fund Balances - Total Governmental Funds	\$	1,918,664
Amounts reported for governmental activities in the Statement of Activities are different because:		
Revenue is deferred in the governmental funds when it is not received soon enough after year-end to be considered available. The availability criteria does not apply to the government-wide financial statements, and therefore, the revenue is not deferred.		500,370
Governmental funds report capital outlays as an expenditure in the full amount as current financial sources are used. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives as depreciation expense, or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:		
Cost of assets capitalized		1,149,994
Depreciation expense		(1,333,646)
Long-term debt proceeds provide current financial resources to Governmental Funds, but issuing debt increases long-term liabilities in the Government-Wide Statement of Net Position. Principal repayments of long-term debt are expenditures in the Governmental Funds, but they reduce long-term liabilities in the Government-Wide Statement of Net Position.		
Principal Repayments:		
Capital Leases		60,052
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		22,127
		22,127
Change in Net Position of Governmental Activities	\$	2,317,561

The accompanying notes are an integral part of this statement.

City of South El Monte
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Successor Agency Private-purpose Trust Fund
ASSETS	
Pooled Cash and Investments	\$ 3,737,968
Receivables:	
Accounts Receivable	2,108
Loans Receivable	2,718,644
Property Held for Development	2,209,722
Land	15,945,987
Restricted Assets:	
Cash and Investments with Fiscal Agents	2,596,130
Total Assets	27,210,559
LIABILITIES	
Accounts Payable	8,932
Pass-through Payable	1,921,534
Due to City of South El Monte	-
Interest Payable	799,462
Loans Payable	1,591,793
Bonds Payable	30,555,290
Total Liabilities	34,877,011
NET POSITION	
Net Position Held in Trust for Successor Agency	\$ (7,666,452)

The accompanying notes are an integral part of this statement.

City of South El Monte
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2014

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Taxes	\$ 3,917,822
Interest Income	27,739
Other	26,466
Total Additions	3,972,027
DEDUCTIONS	
Administrative Costs	336,781
Contributions to City of South El Monte	697,197
Interest on Bonds	1,910,309
Total Deductions	2,944,287
Change in Net Position	1,027,740
Net Position - Beginning of Year	(8,694,192)
Net Position - End of Year	\$ (7,666,452)

The accompanying notes are an integral part of this statement.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

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 components required to be reported.

B) Basis of Presentation

The City has conformed to the pronouncements of the GASB, which are the primary authoritative statements of accounting principles generally accepted in the United States of America applicable to state and local governments.

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, liability, fund equity, revenues, and expenditures. The following are 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 Fund* - 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.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and infrastructure as well as long-term debt, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. 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. 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, and 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.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, 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 assets presented in the Government-Wide Financial Statements. The City has presented all major funds that met qualifications of GASB Statement No. 34.

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 and current liabilities are included on the Balance Sheets. 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 balances. Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. “Measurable” means that the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities 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 deferred revenues. Expenditures are recorded when the fund liability is incurred, if measurable. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The City reports the following major governmental funds:

The *General Fund* is the government's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

The *CalHOME Grant Special Revenue Fund* is used to account for grant money restricted for the HOME Investment Partnership grant.

The *Capital Improvement Fund* is used to account for the financial resources allocated for capital improvement projects.

In addition, the City reports the following fiduciary fund:

The *Successor Agency Private-purpose Trust Fund* is used to account for the wind-down of the former South El Monte Business Improvement District, and is presented on the accrual basis of accounting.

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

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

E) Budgetary Accounting

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.

F) Advances to/from Other Funds

Long-term interfund advances are recorded as a receivable in the advancing governmental fund and as a liability in the fund receiving the advance.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G) 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 Governmental Activities column of the Governmental-Wide Financial Statements. Capital assets are defined by the City as all land and buildings; vehicles, computers and equipment with an initial individual cost of more than \$5,000; and improvements and infrastructure assets with costs of more than \$5,000. Such assets are recorded at historical cost if purchased or constructed. Donated or annexed capital assets are recorded at estimated fair market value at the date of donation or annexation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. 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 Assets:	
Roadway Network	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 their infrastructure. Infrastructure is reported on a prospective basis from the year of implementation.

H) 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. After at least one full year of employment, all employees who terminate, die or retire are compensated for their unused sick leave based on a designated percentage of unused hours, with the percentage depending on the length of service with the City. The amount not expected to be paid from current available resources is accounted for as long-term debt.

At June 30, 2014, vested accrued vacation and compensatory time amounted to \$239,847.

I) Cash and Investments

The City pools cash and investment resources of its General Fund and special revenue funds in order to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. Investments are shown at fair value, except when they have a remaining maturity at the time of purchase of one year or less, they are shown at amortized costs and those classified as investment agreements. Fair value is based on quoted market prices. Investments are included within the financial statement classifications of "cash and investments" and "cash and investments-restricted" (see Note 2).

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

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. These deposits are subject to retrospective adjustment. 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) Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

L) Use of Restricted Resources

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

M) Property Held for Development

Property held for development is recorded in the Fiduciary Fund at the lower of acquisition cost or the anticipated resale cost. At June 30, 2014, the balance of property held for development was \$2,209,722.

N) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial 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 future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City currently has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position 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(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes, special assessments, grant receivables, and other miscellaneous receivables. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position

In the Government-wide financial statements; 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.

P) 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 in the statement of 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.

Q) Fund Balance

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the City Council ordinance or resolution to formally commit part of the City's fund balances or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal City Councils' action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Council's intent to use specified financial resources for specific purposes, but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of fund balance in excess of what can properly be classified in one of the other four categories, or negative balances.

2) CASH AND INVESTMENTS

Cash and investments as of June 30, 2014 consisted of the following:

Governmental Activities:	
Cash and Investments	\$ 9,222,948
Fiduciary Funds:	
Cash and Investments	3,737,968
Cash and Investments with Fiscal Agent	2,596,130
Total Cash and Investments	\$ 15,557,046

Cash and investments as of June 30, 2014, consist of the following:

Cash Deposits with Financial Institutions	\$ 12,945,730
Cash on Hand	2,200
Cash with Fiscal Agent	2,596,130
Local Agency Investment Fund (LAIF)	12,986
Total Cash and Investments	\$ 15,557,046

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

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 City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Negotiable Certificates of Deposit	5 years	30%	None
Money Market Mutual Funds	N/A	20%	10%
Local Agency Investment Fund (LAIF)	N/A	None	None

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt covenants rather than the general provisions of the California Government Code. These provisions do not specify maximum maturities or concentration of risk limitations.

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. The maturities of the City's investments are summarized below:

Investment Type	Fair Value	12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund (LAIF) Held by Fiscal Agent	\$ 12,986	\$ 12,986	\$ -	\$ -
U.S. Treasury Money Market Funds	2,596,130	2,596,130	-	-
Total	<u>\$ 2,609,116</u>	<u>\$ 2,609,116</u>	<u>\$ -</u>	<u>\$ -</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.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

2) CASH AND INVESTMENTS - Continued

Presented below is the minimum rating required (where applicable) by the California Government Code, debt agreements and the City's investment policy and the actual rating as of year-end for each investment type:

Investment Type	Fair Value	Minimum Legal Rating	Not Required to be Rated	AAA
Local Agency Investment Fund (LAIF) Held by Fiscal Agent:	\$ 12,986	N/A	\$ 12,986	\$ -
U.S. Treasury Money Market Funds	<u>2,596,130</u>	AAA	<u>-</u>	<u>2,596,130</u>
Total	<u>\$ 2,609,116</u>		<u>\$ 12,986</u>	<u>\$ 2,596,130</u>

Concentration of Credit Risk

The investment policy of the City or investments authorized by debt covenants contain no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent five percent or more of total investments.

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 California Government Code and the City's investment policy do not contain legal policy requirements that would limit the exposure to custodial credit risk for deposits, 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 government unit). 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, 2014, none of the City's deposits with financial institutions in excess of the Federal Depository Insurance Corporation's limits were held in uncollateralized accounts.

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 investments. 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).

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

2) CASH AND INVESTMENTS - Continued

Investment in State Investment Pool

The City is a voluntary participant in the LAIF that is regulated by the California Government Code 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 provide oversight to the management of the fund. The daily operation and responsibilities of LAIF fall under the auspices of the State Treasurer's office. The City is a voluntary participant in the investment pool.

3) INTERFUND TRANSACTIONS

Interfund Balances

Interfund balances consisted of the following at June 30, 2014:

	<u>DUE FROM</u>	
<u>DUE TO</u>	Other Governmental Funds	<u>Total</u>
General Fund	\$ 123,509	\$ 123,509
Capital Improvement	147,173	147,173
Total	<u>\$ 270,682</u>	<u>\$ 270,682</u>

The interfund balances totaling \$270,682 from the Other Governmental Funds to the General Fund and Capital Improvement Capital Projects Fund are to cover operating cash deficits in the current year. These deficits are expected to be repaid during the 2013-14 fiscal year.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

3) INTERFUND TRANSACTIONS

Interfund Transfers

Interfund transfers for the year ended June 30, 2014, consisted of the following:

<u>TRANSFERS OUT</u>	<u>TRANSFERS IN</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Improvement Fund</u>	<u>Other Governmental Funds</u>	
General Fund	\$ -	\$ 44,410	\$ 71,716	\$ 116,126
Other Governmental Funds	<u>34,100</u>	<u>446,199</u>	<u>-</u>	<u>480,299</u>
Total	<u>\$ 34,100</u>	<u>\$ 490,609</u>	<u>\$ 71,716</u>	<u>\$ 596,425</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization or grant matching requirements.

Non-major funds transferred funds to the Capital Improvement Fund for various project costs. The General Fund transferred \$44,410 to the Capital Improvement Fund to cover various project costs. The Non-major funds transferred \$34,100 to the General Fund to cover operating costs.

4) DOWN PAYMENT ASSISTANCE AND HOME REHABILITATION GRANTS

The City operates a First-Time Homebuyers and a Home Rehabilitation Program that provides 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 Fiduciary Fund. The balance of those grants at June 30, 2014 was \$2,582,900.

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 loans outstanding in these funds at year-end is \$252,000 and \$644,907, respectively.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

5) OWNER PARTICIPATION AGREEMENTS

As part of community redevelopment projects, the District participates and enters into various owner participation agreements and/or developer agreements whereby loans are provided to the developer in exchange for the completion of low/mod income housing projects. Agreements entered into by the District as of June 30, 2014 include loans that are forgiven at the completion of the project and are only to be repaid to the District if the project is not completed. The receivables related to these loans are in the Fiduciary Fund. The balance of the loans that represent loans to be forgiven for projects not yet completed as of June 30, 2014 was \$9,471,030.

6) CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2014, is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	\$ 956,100	\$ -	\$ -	\$ 956,100
Construction in Progress	135,484	298,281	(3,547)	430,218
Total Capital Assets Not Being Depreciated	<u>1,091,584</u>	<u>298,281</u>	<u>(3,547)</u>	<u>1,386,318</u>
Capital Assets, Being Depreciated:				
Buildings and Improvements	11,224,047	642,861	-	11,866,908
Property and Equipment	1,537,290	-	-	1,537,290
Machinery and Equipment	508,598	53,540	-	562,138
Infrastructure				
Roadway System	10,476,417	158,859	-	10,635,276
Total Capital Assets, Being Depreciated	<u>23,746,352</u>	<u>855,260</u>	<u>-</u>	<u>24,601,612</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ (7,290,064)	\$ (443,816)	\$ -	\$ (7,733,880)
Property and Equipment	(1,119,345)	(128,311)	-	(1,247,656)
Machinery and Equipment	(355,961)	(66,389)	-	(422,350)
Infrastructure				
Roadway System	(3,475,903)	(695,130)	-	(4,171,033)
Total Accumulated Depreciation	<u>(12,241,273)</u>	<u>(1,333,646)</u>	<u>-</u>	<u>(13,574,919)</u>
Total Capital Assets, Being Depreciated, Net	<u>11,505,079</u>	<u>(478,386)</u>	<u>-</u>	<u>11,026,693</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,596,663</u>	<u>\$ (180,105)</u>	<u>\$ (3,547)</u>	<u>\$ 12,413,011</u>

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

6) CAPITAL ASSETS AND DEPRECIATION - Continued

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

General Government	\$ 50,067
Public Safety	17,253
Public Works	722,508
Community Development	16,185
Community Services	<u>527,633</u>
 Total Depreciation Expense - Governmental Activities	 <u>\$ 1,333,646</u>

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Fiduciary Funds				
Capital Assets Not Being Depreciated:				
Land	\$ 15,945,987	\$ -	\$ -	\$ 15,945,987
 Total Capital Assets Not Being Depreciated	 <u>\$ 15,945,987</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 15,945,987</u>

*See Note 15 for more information.

7) LONG-TERM DEBT

	<u>Balance Beginning of Year</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Employee Compensated Absences	\$ 261,974	\$ 26,275	\$ (48,402)	\$ 239,847	\$ 36,357
Capital Lease Obligation - Energy Retrofit	432,257	-	(48,744)	383,513	51,232
SEAACA Payable	<u>29,242</u>	<u>-</u>	<u>(11,308)</u>	<u>17,934</u>	<u>11,822</u>
 Total	 <u>\$ 723,473</u>	 <u>\$ 26,275</u>	 <u>\$ (108,454)</u>	 <u>\$ 641,294</u>	 <u>\$ 99,411</u>

A) Employee Compensated Absences

There is no fixed payment schedule for employee compensated absences.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

7) LONG-TERM DEBT - Continued

B) Capital Leases

Energy Retrofit Lease

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. Total amount financed of \$752,786 includes \$12,939 of capitalized interest, with the remaining \$739,848 and \$443,774 accounted for in equipment and accumulated depreciation, respectively. The lease payments are amortized over 15 years. Annual payment requirements are as follows:

Year Ending June 30,	2005 Lighting Retrofit Capital Lease		
	Principal	Interest	Total
2015	\$ 51,232	\$ 17,976	\$ 69,208
2016	53,848	15,360	69,208
2017	56,598	12,611	69,209
2018	59,487	9,721	69,208
2019	62,524	6,684	69,208
2020 - 2021	99,824	3,990	103,814
Total	<u>\$ 383,513</u>	<u>\$ 66,342</u>	<u>\$ 449,855</u>

C) SEAACA Payable

The City entered into an agreement with the South East Area Animal Control Association (SEAACA) to share in the costs of constructing a new animal shelter facility. The maximum amount to be contributed by the City under this agreement is \$124,938 and is amortized over a 15-year period at 7 percent interest. The debt service schedule for this agreement is as follows:

Year Ending June 30,	Principal	Interest	Total
2015	\$ 11,822	\$ 675	\$ 12,497
2016	6,112	138	6,250
Total	<u>\$ 17,934</u>	<u>\$ 813</u>	<u>\$ 18,747</u>

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

7) LONG-TERM DEBT - Continued

D) Fiduciary Fund Long-term Debt

The following is a schedule of changes in long-term debt of the Fiduciary fund for the fiscal year ended June 30, 2014:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
2005 Tax Allocation Bonds:					
Series A (Nontaxable)	\$ 8,840,000	\$ -	\$ (10,000)	\$ 8,830,000	\$ 15,000
Premium on Series A	156,762	-	(7,099)	149,663	-
Series B (Taxable)	7,335,000	-	(370,000)	6,965,000	385,000
Discount on Series B	(80,668)	-	6,166	(74,502)	-
2007 Tax Allocation Bonds:	8,645,000	-	(380,000)	8,265,000	405,000
Discount on Series A	(53,174)	-	3,776	(49,398)	-
2008 Tax Allocation Bonds:					
Series A	6,620,000	-	-	6,620,000	-
Discount on Series A	(157,287)	-	6,814	(150,473)	-
Kruse Loan Payable	1,650,134	-	(58,341)	1,591,793	1,591,793
	<u>\$32,955,767</u>	<u>\$ -</u>	<u>\$ (808,684)</u>	<u>\$32,147,083</u>	<u>\$ 2,396,793</u>

2005 Tax Allocation Bonds

On August 1, 2005, the District issued the 2005 Tax Allocation (Merged Project Areas) Bonds (the Bonds). The Bonds were issued in two series: Series A (nontaxable) in the amount of \$8,900,000 and Series B (taxable) in the amount of \$9,220,000. The Bonds were issued to finance various redevelopment activities and projects of the District. The project fund proceeds from each series were deposited 80 percent in the capital projects funds and 20 percent in the housing special revenues funds. The Bonds are payable from and secured by a pledge of the District's tax increment revenues from the District's three project areas (merged project areas).

The Series A Bonds bear interest at rates ranging from 4.60 - 5.00 percent and the Series B Bonds bear interest at rates ranging from 4.35 - 5.00 percent. Interest is due semi-annually on August 1 and February 1 of each year, commencing February 1, 2006. Principal payments are due annually on August 1, commencing on August 1, 2008. The Bonds are subject to mandatory sinking fund redemption commencing on August 1, 2008 for Series A and August 1, 2016 for Series B.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

7) LONG-TERM DEBT - Continued

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,	2005 Tax Allocation Bonds - Series A		
	Principal	Interest	Total
2015	\$ 15,000	\$ 437,155	\$ 452,155
2016	10,000	436,580	446,580
2017	15,000	436,005	451,005
2018	10,000	435,430	445,430
2019	15,000	434,855	449,855
2020-2024	85,000	2,162,775	2,247,775
2025-2029	1,670,000	2,068,100	3,738,100
2030-2034	4,755,000	1,181,125	5,936,125
2035-2036	2,255,000	114,125	2,369,125
Total	\$ 8,830,000	\$ 7,706,150	\$ 16,536,150

Year Ending June 30,	2005 Tax Allocation Bonds - Series B		
	Principal	Interest	Total
2015	\$ 385,000	\$ 367,039	\$ 752,039
2016	405,000	347,385	752,385
2017	425,000	325,785	750,785
2018	450,000	302,160	752,160
2019	470,000	277,320	747,320
2020-2024	2,775,000	962,152	3,737,152
2025-2027	2,055,000	173,388	2,228,388
Total	\$ 6,965,000	\$ 2,755,229	\$ 9,720,229

The District has pledged a portion of future tax increment revenues to repay the \$8.9 million and the \$9.2 million Series A and B Tax Allocation Bonds issued in 2005, as the source of repayment of the bonds. Tax increment revenues were projected to produce 139 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$26,256,379 through 2036.

2007 Tax Allocation Bonds

On February 21, 2007, the District issued the 2007 Tax Allocation (Merged Project Area) Bonds (the Bonds) in the amount of \$10,270,000. The Bonds were issued to finance various redevelopment activities and projects of the District. The project fund proceeds were deposited 47 percent in the Improvement District Capital Projects Areas 1, 2, 3 Fund, 39 percent in the Low/Mod Income Housing Set Aside Fund, and 14 percent in the Debt Service Fund. The Bonds are payable from and secured by a pledge of the District's tax increment revenues from the District's three project areas (merged project areas).

The 2007 Series A Bonds bear interest at rates ranging from 5.50 to 6.00 percent. Interest is due semi-annually on August 1, and February 1 of each year, commencing August 1, 2008. Principal payments are due annually on August 1, commencing on August 1, 2008. The Bonds are subject to mandatory sinking fund redemption commencing on August 1, 2008.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

7) LONG-TERM DEBT - Continued

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,	2007 Tax Allocation Bonds - Series A		
	Principal	Interest	Total
2015	\$ 405,000	\$ 469,013	\$ 874,013
2016	425,000	446,187	871,187
2017	450,000	422,125	872,125
2018	470,000	396,825	866,825
2019	500,000	369,525	869,525
2020-2024	2,960,000	1,368,689	4,328,689
2025-2028	3,055,000	379,650	3,434,650
Total	\$ 8,265,000	\$ 3,852,014	\$ 12,117,014

The District has pledged a portion of future tax increment revenues to repay the \$10.2 million issued in 2007, as the source of repayment for the bonds. Tax increment revenues were projected to produce 145 percent to 267 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$12,117,014, payable through 2028.

2008 Tax Allocation Bonds

On October 29, 2008, the District issued the 2008 Tax Allocation (Merged Project Area) Bonds (the Bonds) in the amount of \$6,755,000. The Bonds were issued to finance various redevelopment activities and projects of the District. The project fund proceeds were deposited 86 percent in the Capital Projects Funds, and 14 percent in the Debt Service Funds. The Bonds are payable from and secured by a pledge of the District's tax increment revenues from the District's three project areas (merged project areas).

The 2008 Series A Bonds bear interest at rates ranging from 4.25 to 7.50 percent. Interest is due semi-annually on August 1, and February 1 of each year, commencing February 1, 2009. Principal payments are due annually on August 1, commencing on August 1, 2009. The Bonds are subject to optional and mandatory redemption prior to maturity.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

7) LONG-TERM DEBT - Continued

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,	2008 Tax Allocation Bonds - Series A		
	Principal	Interest	Total
2015	\$ -	\$ 496,500	\$ 496,500
2016	-	496,500	496,500
2017	-	496,500	496,500
2018	-	496,500	496,500
2019	-	496,500	496,500
2020-2024	-	2,482,500	2,482,500
2025-2029	485,000	2,464,312	2,949,312
2030-2034	3,030,000	1,765,500	4,795,500
2035-2037	3,105,000	409,313	3,514,313
Total	\$ 6,620,000	\$ 9,604,125	\$ 16,224,125

The District has pledged a portion of future tax increment revenues to repay the \$6.7 million issued in 2008, as the source of repayment for the bonds. Tax increment revenues were projected to produce 125 percent to 148 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$16,224,125, payable through 2037.

Kruse Loan Payable

On September 16, 2009, the District entered into a purchase and sale agreement to purchase property owned by the Kruse Family Trust. The Kruse Family Trust loaned the District \$1,850,000 in exchange for title to the property. Payments are due annually beginning December 31, 2009 and continue to the maturity date of December 31, 2014. The stated interest rate is 6.50%.

The following schedule represents the principal and interest payments remaining on the loan:

Year Ending June 30,	Kruse Loan		
	Principal	Interest	Total
2015	\$ 1,591,793	\$ 106,659	\$ 1,756,793
Total	\$ 1,591,793	\$ 106,659	\$ 1,756,793

8) GROUND LEASE

The District (now the Successor Agency) has entered into an agreement with a developer for the purpose of constructing a shopping center project. The date of the agreement was September 27, 2007. The lease term is 55 years from the date of the agreement with three (3) ten (10) year options. The agreement includes the use of land (owned by the District) by the developer in exchange for lease rental payments.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

8) GROUND LEASE - Continued

The lease rental payments by the developer are dependent on the developer earning income ratios higher than a specific amount established in the agreement and amendments to the agreement with the District. The amount of future lease rental payments could not be estimated due to these income limitations and as such have not been recognized as a receivable in the Statement of Fiduciary Net Position.

9) FUND BALANCE

The details of the fund balances as of June 30, 2014 are presented below:

	General Fund	CalHOME Grant Special Revenue	Capital Improvement Capital Projects	Total Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays	\$ 42,005	\$ -	\$ -	\$ -	\$ 42,005
Restricted for:					
Public Safety	-	-	-	1,912	1,912
Transportation	-	-	-	2,279,990	2,279,990
Street Projects	-	-	276,195	-	276,195
Public Works	-	-	-	287,589	287,589
Community Development	-	-	-	1,849	1,849
PEG	-	-	-	32,339	32,339
Sewer Projects	-	-	-	974,507	974,507
Housing Grants	-	725	-	-	725
Committed to:					
Kruse Loan Repayment	488,968	-	-	-	488,968
Public Safety	50,000	-	-	-	50,000
Assigned to:	-	-	-	-	-
Unassigned	4,572,247	-	-	(223,231)	4,349,016
Total Fund Balance	<u>\$ 5,153,220</u>	<u>\$ 725</u>	<u>\$ 276,195</u>	<u>\$ 3,354,955</u>	<u>\$ 8,785,095</u>

The unassigned category above encompasses fund designations that do not satisfy the criteria of the other categories presented. The \$4,572,247 reported in the General Fund includes the council approved economic stabilization amount of \$1,651,982.

10) PENSION PLAN

Plan Description

The City of South El Monte contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing public employee defined benefit pension plan. PERS provides retirement, disability benefits, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

10) PENSION PLAN - Continued

are established by State statute. Copies of CalPERS' annual financial report may be obtained from its executive office at 400 "P" Street, Sacramento, California 95814.

Funding Policy

A contribution of eight percent of annual covered salary is required for each active plan member. For local miscellaneous members, the City pays the four percent contributions for all full-time employees, while four percent is contributed by the employees. Effective April 5, 2009, all new hired PERS eligible part-time employees contribute eight percent from earnings. Additionally, the City is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rate for the fiscal year 2013/14 was 22.130% for level 1, 8.486% for level 2; and 6.25% for PEPRAs members. The contribution requirements of the plan members are established by State statute and the employer contributions rate is established and may be amended by CalPERS.

<u>Fiscal Year</u>	<u>Required Contribution</u>	<u>Percent Contributed</u>
6/30/12	\$ 337,732	100%
6/30/13	\$ 370,679	100%
6/30/14	\$ 407,306	100%

11) INSURANCE

A) Description of Participation in the California Joint Powers Insurance Authority

The City of South El Monte is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 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 Authority's pool 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 9-member Executive Committee.

Self-Insurance Programs of the Authority

Each member government pays an annual contribution to cover estimated losses for the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required. The total funding requirement for self-insurance programs is estimated using the actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to the other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

11) INSURANCE - Continued

General Liability - In the liability program claims are pooled separately between police and non-police 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 \$30,000 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 \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

Workers Compensation - In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety 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 \$50,000 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 \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

11) INSURANCE - Continued

Purchased Insurance

Pollution Legal Liability Insurance - The City of South El Monte participates in the pollution legal liability insurance program (formerly called environmental insurance) 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 \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

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 \$22,259,123. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

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 \$11,410,588. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

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 arranged by the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability Insurance - The City of South El Monte further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premiums is paid by the tenant user and its paid to the City of South El Monte according to a schedule. The City of South El Monte then pays for the insurance. The insurance is arranged by the Authority.

B) Summary Disclosure of Self-Insurance Losses

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City currently reports all of its risk management activities in its General Fund.

During the past three fiscal (claims) years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. The City has no material claims that it is aware of that would require additional loss provisions in the financial statements.

City of South El Monte
Notes to Financial Statements
Year Ended June 30, 2014

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 and state programs. These programs are subject to examination by the grantors and the amount, if any, of expenditures, which may be disallowed by the granting agencies, cannot be determined at this time.

13) 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 sixty days after year-end.

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

14) OTHER REQUIRED FUND DISCLOSURES

The following non-major funds had deficit fund balances as of June 30, 2014 as follows:

Special Revenue Funds:	
Older American Act	\$ 1,075
Community Development Block Grant	93,465
Park Bond Grant	128,691

The deficits will be eliminated through future revenues.

15) SUBSEQUENT EVENTS

In July 2014, subsequent to the end of the fiscal year, the Successor Agency to the former South El Monte Business Improvement District issued the 2014 Series A Tax Allocation Refunding Bonds in the amount of \$6,950,000. The 2014 A Bonds were issued to refund the 2008 Series A Tax Allocation Bonds.

REQUIRED SUPPLEMENTARY INFORMATION

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - General Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 7,398,000	\$ 7,398,000	\$ 8,440,494	\$ 1,042,494
Licenses & Permits	1,038,000	1,038,000	1,270,924	232,924
Fines & Forfeitures	310,000	310,000	302,830	(7,170)
Use of Money and Property	40,000	40,000	56,080	16,080
Charges for Services	355,000	355,000	318,962	(36,038)
Intergovernmental	2,120,000	2,120,000	2,335,410	215,410
Other Revenues	16,000	16,000	24,188	8,188
	<u>11,277,000</u>	<u>11,277,000</u>	<u>12,748,888</u>	<u>1,471,888</u>
Total Revenues				
EXPENDITURES				
Current:				
General Government	2,461,701	2,561,792	2,914,363	(352,571)
Public Safety	3,946,954	3,946,954	3,842,029	104,925
Community Development	1,537,360	1,606,260	1,729,136	(122,876)
Public Works	1,463,933	1,489,733	1,437,607	52,126
Community Service Program	1,813,080	1,892,802	1,866,468	26,334
Debt Service:				
Principal	60,000	60,000	60,052	(52)
Interest	20,000	20,000	20,465	(465)
	<u>11,303,028</u>	<u>11,577,541</u>	<u>11,870,120</u>	<u>(292,579)</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	<u>(26,028)</u>	<u>(300,541)</u>	<u>878,768</u>	<u>1,179,309</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	34,100	34,100
Transfers Out	(51,000)	(51,000)	(116,126)	(65,126)
	<u>(51,000)</u>	<u>(51,000)</u>	<u>(82,026)</u>	<u>(31,026)</u>
Total Other Financing Sources (Uses)				
Net Change in Fund Balance	(77,028)	(351,541)	796,742	1,148,283
Fund Balance, Beginning of Year	<u>4,356,478</u>	<u>4,356,478</u>	<u>4,356,478</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,279,450</u>	<u>\$ 4,004,937</u>	<u>\$ 5,153,220</u>	<u>\$ 1,148,283</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - CalHOME Grant Special Revenue Fund
Year Ended June 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,036,140	\$ 1,036,140	\$ 200,786	\$ (835,354)
Use of Money and Property	-	-	-	-
Total Revenues	<u>1,036,140</u>	<u>1,036,140</u>	<u>200,786</u>	<u>(835,354)</u>
EXPENDITURES				
Current:				
Community Service Programs	<u>1,366,992</u>	<u>1,366,992</u>	<u>200,217</u>	<u>1,166,775</u>
Total Expenditures	<u>1,366,992</u>	<u>1,366,992</u>	<u>200,217</u>	<u>1,166,775</u>
Excess (Deficiency) of Revenues over Expenditures	(330,852)	(330,852)	569	331,421
Fund Balance, Beginning of Year	<u>156</u>	<u>156</u>	<u>156</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (330,696)</u></u>	<u><u>\$ (330,696)</u></u>	<u><u>\$ 725</u></u>	<u><u>\$ -</u></u>

City of South El Monte
Notes to Required Supplementary Information
Year Ended June 30, 2014

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 BEGIN Grant Special Revenue fund. The budgetary comparison schedules for the remaining major funds are presented to aid in additional analysis and are not a required part of the basic financial statements.

SUPPLEMENTARY INFORMATION

City of South El Monte
Supplementary Schedule for the Older American Act Grants
Year Ended June 30, 2014

A supplementary schedule of revenues and expenditures is presented for the Older American Act grant programs administered by the City of South El Monte. These grants are passed through the County of Los Angeles to the City.

	Title III CI Congregate Meals	CII Supportive Services and Homebound Meals	Total
Intergovernmental Revenues:			
County Congregate	\$ 140,801	\$ -	\$ 140,801
County Homebound	-	21,049	21,049
USDA Congregate	5,691	-	5,691
USDA Homebound	-	833	833
Total	<u>\$ 146,492</u>	<u>\$ 21,882</u>	<u>\$ 168,374</u>
Expenditures:			
Salaries & Benefits	\$ 38,325	\$ -	\$ 38,325
Supplies	194,923	45,021	239,944
Miscellaneous	-	-	-
Total	<u>\$ 233,248</u>	<u>\$ 45,021</u>	<u>\$ 278,269</u>
Revenues:			
Intergovernmental			\$ 168,374
Donations			41,591
Total			<u>\$ 209,965</u>
Expenditure Summary by Funding Sources:			
Older American Act Fund			
Federal Portion	\$ 168,374		
Donations	41,591		
City Match (General Fund)	70,250		
Older American Act Fund Expenditures			<u>\$ 280,215</u>
Total Program Expenditures			<u>\$ 280,215</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Capital Improvement Capital Projects Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 726,500	\$ 821,745	\$ 95,245
Other Revenues	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	726,500	821,745	95,245
	<u> </u>	<u> </u>	<u> </u>
EXPENDITURES			
Capital Outlay	-	1,031,471	(1,031,471)
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	-	1,031,471	(1,031,471)
	<u> </u>	<u> </u>	<u> </u>
Excess (Deficiency) of Revenues over Expenditures	726,500	(209,726)	(936,226)
	<u> </u>	<u> </u>	<u> </u>
OTHER FINANCING SOURCES (USES)			
Transfers In	1,806,593	495,687	(1,310,906)
Transfers Out	-	-	-
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources (Uses)	1,806,593	495,687	(1,310,906)
	<u> </u>	<u> </u>	<u> </u>
Net Change in Fund Balance	2,533,093	285,961	(2,247,132)
Fund Balance, Beginning of Year	(9,766)	(9,766)	-
	<u> </u>	<u> </u>	<u> </u>
Fund Balance, End of Year	<u>\$ 2,523,327</u>	<u>\$ 276,195</u>	<u>\$ (2,247,132)</u>

City of South El Monte
Non-Major Governmental Funds
June 30, 2014

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for taxes and other revenue set-aside in accordance with law or administrative regulation for a specific purpose.

State Gas Tax Fund - This fund accounts for funds collected from the State of California, which are used for street construction, street maintenance and engineering, and administration costs.

Older American Act Fund - This fund accounts for Federal grants received through Los Angeles County, which are used to finance senior citizen nutrition programs.

Maintenance District Fund - This fund accounts for the reimbursement of one-half of the cost to maintain the Rosemead Boulevard maintenance district and 100 percent of the cost of maintaining the Hayward Tract maintenance district.

Air Quality Management Fund - This fund account for the City's share of automobile registration fees collected by the South Coast Air Quality management District from the State. The funds are used in improving transportation systems and reduce the reliance of private vehicles.

State Deferred Loan Program Fund - This fund accounts for grants to be used for loans to City residents for registration improvements. A budget for 2008-2009 was not adopted for this fund.

Community Development Block Grant Fund - This fund accounts for Community Development Block Grants received from the United States Department of Housing and Urban Development.

Prop A Transportation Funds - This fund accounts for the City's share of additional sales tax collected in the County of Los Angeles as a result of Proposition A. The funds are used to finance public transportation projects.

Prop C Transportation Funds - This fund accounts for the City's share of additional sales tax collected in the County of Los Angeles as a result of voter approved Proposition C to be used for public transportation improvement projects.

Justice Assistance Grant Fund - This fund accounts for the proceeds from the Federal law enforcement grant.

State COPS Grant Fund - This fund accounts for the proceeds from the COPS grant.

Used Oil Block Grant Fund - This fund accounts for grant funds received from the California Integrated Waste Management Board to encourage the recycling of used motor oil and other household chemicals.

Quimby In Lieu Fees Fund - This fund is used to account for park development impact fees.

PEG Fund - This fund is used to account for the Public Educational and Government fees collected by the City.

State CLEEP Fund - This fund accounts for proceeds from the California Law Enforcement Equipment Program grant.

Miscellaneous Grants Fund - This fund accounts for asset seizure money restricted for law enforcement purposes.

City of South El Monte
Non-Major Governmental Funds - Continued
June 30, 2014

SPECIAL REVENUE FUNDS - Continued

Beverage Container Recycle Fund - This fund accounts for state grant funds to support recycling programs within the community.

Park Bond Grant Fund - This fund accounts for the Safe Neighborhood Parks Proposition of 1992 (Proposition A) funding for park and open space improvement projects.

TDA – This fund accounts for revenues received from the Transportation Development Act that are to be used exclusively for transportation projects and improvements.

Measure R – This fund accounts for revenues received from Los Angeles County under Measure R that are to be used exclusively for transportation projects and improvements.

Sewer Assessment Fund - This fund accounts for tax assessments received for improvement of the sewer infrastructure of the City.

BEGIN Grant – This fund accounts for financial resources allocated to make deferred-payment second mortgage loans for qualified homebuyers.

City of South El Monte
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2014

	Special Revenue			
	State Gas Tax	Older American Act	Maintenance District	Air Quality Management
ASSETS				
Cash and Investments	\$ 309,312	\$ 2,290	\$ 27,501	\$ 107,971
Accounts Receivable	69,387	13,462	68	-
Loans Receivable	-	-	-	-
Due from Other Governments	-	1,076	-	6,544
Total Assets	\$ 378,699	\$ 16,828	\$ 27,569	\$ 114,515
LIABILITIES				
Accounts Payable	\$ 24,610	\$ 16,250	\$ -	\$ 1,060
Other Accrued Liabilities	-	-	-	-
Wages Payable	30	577	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	24,640	16,827	-	1,060
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Accounts	-	-	-	-
Unavailable Revenues - Grants	-	1,076	-	6,544
Unavailable Revenues - Loans Receivable	-	-	-	-
Total Deferred Inflows of Resources	-	1,076	-	6,544
FUND BALANCES (DEFICITS)				
Restricted	354,059	-	27,569	106,911
Unassigned	-	(1,075)	-	-
Total Fund Balances (Deficits)	354,059	(1,075)	27,569	106,911
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 378,699	\$ 16,828	\$ 27,569	\$ 114,515

Special Revenue

State Deferred Loan Program	Community Development Block Grant	Prop A	Prop C	Justice Assistance Grant	State COPS Grant	Used Oil Block Grant
\$ 13,349	\$ -	\$ 218,654	\$ 1,287,399	\$ -	\$ -	\$ 7,062
-	-	-	-	-	-	-
-	93,465	-	-	-	-	-
<u>\$ 13,349</u>	<u>\$ 93,465</u>	<u>\$ 218,654</u>	<u>\$ 1,287,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,062</u>
\$ -	\$ 2,227	\$ 9,102	\$ 286	\$ -	\$ -	\$ 1,359
11,500	-	-	505	-	-	-
-	3,277	3,840	-	-	-	-
-	-	-	-	-	-	-
-	87,961	-	-	-	-	-
-	-	-	-	-	-	-
<u>11,500</u>	<u>93,465</u>	<u>12,942</u>	<u>791</u>	<u>-</u>	<u>-</u>	<u>1,359</u>
-	-	-	-	-	-	-
-	93,465	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>93,465</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,849	-	205,712	1,286,608	-	-	5,703
-	(93,465)	-	-	-	-	-
<u>1,849</u>	<u>(93,465)</u>	<u>205,712</u>	<u>1,286,608</u>	<u>-</u>	<u>-</u>	<u>5,703</u>
<u>\$ 13,349</u>	<u>\$ 93,465</u>	<u>\$ 218,654</u>	<u>\$ 1,287,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,062</u>

Continued

City of South El Monte
Combining Balance Sheet - Continued
Non-Major Governmental Funds
June 30, 2014

	Special Revenue			
	Quimby In Lieu Fees	PEG	State CLEEP	Miscellaneous Grants Fund
ASSETS				
Cash and Investments	\$ 228,985	\$ 30,598	\$ -	\$ 1,912
Accounts Receivable	-	1,741	-	-
Loans Receivable	-	-	-	-
Due from Other Governments	-	-	-	-
Total Assets	\$ 228,985	\$ 32,339	\$ -	\$ 1,912
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Other Accrued Liabilities	-	-	-	-
Wages Payable	-	-	-	-
Due to Other Governments	-	-	-	-
Due to Other Funds	-	-	-	-
Unearned Revenues	-	-	-	-
Total Liabilities	-	-	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues - Accounts	-	-	-	-
Unavailable Revenues - Grants	-	-	-	-
Unavailable Revenues - Loans Receivable	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Restricted	228,985	32,339	-	1,912
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	228,985	32,339	-	1,912
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 228,985	\$ 32,339	\$ -	\$ 1,912

Special Revenue						Total Nonmajor Governmental Funds
Beverage Container Recycle	Park Bond Grant	TDA	Measure R	Sewer Assessment	Begin Grant	
\$ 19,896	\$ -	\$ -	\$ 362,315	\$ 971,975	\$ -	\$ 3,589,219
5,626	51,065	27,001	-	5,295	-	173,645
-	-	-	-	-	252,000	252,000
-	179,209	-	198,000	-	-	478,294
<u>\$ 25,522</u>	<u>\$ 230,274</u>	<u>\$ 27,001</u>	<u>\$ 560,315</u>	<u>\$ 977,270</u>	<u>\$ 252,000</u>	<u>\$ 4,493,158</u>
\$ 190	\$ -	\$ -	\$ 35,615	\$ 1,403	\$ -	\$ 92,102
-	-	-	-	-	-	12,005
-	-	-	-	1,360	-	9,084
-	-	24,036	-	-	-	24,036
-	179,756	2,965	-	-	-	270,682
-	-	-	-	-	-	-
<u>190</u>	<u>179,756</u>	<u>27,001</u>	<u>35,615</u>	<u>2,763</u>	<u>-</u>	<u>407,909</u>
-	-	-	198,000	-	-	198,000
-	179,209	-	-	-	-	280,294
-	-	-	-	-	252,000	252,000
-	179,209	-	198,000	-	252,000	730,294
25,332	-	-	326,700	974,507	-	3,578,186
-	(128,691)	-	-	-	-	(223,231)
<u>25,332</u>	<u>(128,691)</u>	<u>-</u>	<u>326,700</u>	<u>974,507</u>	<u>-</u>	<u>3,354,955</u>
<u>\$ 25,522</u>	<u>\$ 230,274</u>	<u>\$ 27,001</u>	<u>\$ 560,315</u>	<u>\$ 977,270</u>	<u>\$ 252,000</u>	<u>\$ 4,493,158</u>

City of South El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended June 30, 2014

	Special Revenue			
	State Gas Tax	Older American Act	Maintenance District	Air Quality Management
REVENUES				
Taxes	\$ -	\$ -	\$ 1,051	\$ -
Use of Money and Property	-	-	72	263
Charges for Services	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental	707,521	209,965	-	18,495
Other Revenues	-	-	-	-
Total Revenues	<u>707,521</u>	<u>209,965</u>	<u>1,123</u>	<u>18,758</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Public Works	378,809	-	93	9,299
Community Service Programs	-	278,266	-	-
Capital Outlay	-	-	-	-
Total Expenditures	<u>378,809</u>	<u>278,266</u>	<u>93</u>	<u>9,299</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>328,712</u>	<u>(68,301)</u>	<u>1,030</u>	<u>9,459</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	70,249	-	-
Transfers Out	<u>(219,927)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(219,927)</u>	<u>70,249</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	108,785	1,948	1,030	9,459
Fund Balances, Beginning of Year	<u>245,274</u>	<u>(3,023)</u>	<u>26,539</u>	<u>97,452</u>
Fund Balances, End of Year	<u>\$ 354,059</u>	<u>\$ (1,075)</u>	<u>\$ 27,569</u>	<u>\$ 106,911</u>

Special Revenue

State Deferred Loan Program	Community Development Block Grant	Prop A	Prop C	Justice Assistance Grant	State COPS Grant	Used Oil Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	-	470	3,151	-	-	-
-	-	7,630	-	-	-	-
-	-	-	-	-	-	-
-	91,201	344,731	287,549	10,302	100,000	5,872
-	-	-	-	-	-	-
<u>35</u>	<u>91,201</u>	<u>352,831</u>	<u>290,700</u>	<u>10,302</u>	<u>100,000</u>	<u>5,872</u>
-	-	-	-	-	-	-
-	-	-	-	11,302	100,000	-
-	-	-	10,163	-	-	5,025
-	179,588	271,511	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>179,588</u>	<u>271,511</u>	<u>10,163</u>	<u>11,302</u>	<u>100,000</u>	<u>5,025</u>
<u>35</u>	<u>(88,387)</u>	<u>81,320</u>	<u>280,537</u>	<u>(1,000)</u>	<u>-</u>	<u>847</u>
-	(5,078)	-	-	1,000	-	-
-	-	-	(44,515)	-	-	-
<u>-</u>	<u>(5,078)</u>	<u>-</u>	<u>(44,515)</u>	<u>1,000</u>	<u>-</u>	<u>-</u>
35	(93,465)	81,320	236,022	-	-	847
1,814	-	124,392	1,050,586	-	-	4,856
<u>\$ 1,849</u>	<u>\$ (93,465)</u>	<u>\$ 205,712</u>	<u>\$ 1,286,608</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,703</u>

Continued

City of South El Monte
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Continued
Non-Major Governmental Funds
Year Ended June 30, 2014

	Special Revenue			Miscellaneous Grants Fund
	Quimby In Lieu Fees	PEG	State CLEEP	
REVENUES				
Taxes	\$ 265,912	\$ -	\$ -	\$ -
Use of Money and Property	536	74	1	6
Charges for Services	-	-	-	-
Special Assessments	-	-	-	-
Intergovernmental	-	-	-	-
Other Revenues	-	6,214	-	-
Total Revenues	266,448	6,288	1	6
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	2,840	4,576
Public Works	-	-	-	-
Community Service Programs	49,432	-	-	-
Capital Outlay	-	-	-	-
Total Expenditures	49,432	-	2,840	4,576
Excess (Deficiency) of Revenues Over Expenditures	217,016	6,288	(2,839)	(4,570)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	467	-
Transfers Out	(11,278)	-	-	-
Total Other Financing Sources (Uses)	(11,278)	-	467	-
Net Change in Fund Balances	205,738	6,288	(2,372)	(4,570)
Fund Balances, Beginning of Year	23,247	26,051	2,372	6,482
Fund Balances, End of Year	\$ 228,985	\$ 32,339	\$ -	\$ 1,912

Special Revenue						Total
Beverage Container Recycle	Park Bond Grant	TDA	Measure R	Sewer Assessment	Begin Grant	Nonmajor Governmental Funds
\$ -	\$ 59,692	\$ -	\$ 213,399	\$ -	\$ -	\$ 540,054
-	-	-	749	2,137	-	7,494
-	-	-	-	-	-	7,630
-	-	-	-	377,661	-	377,661
5,626	-	2,965	72,000	-	-	1,856,227
-	-	-	-	-	-	6,214
<u>5,626</u>	<u>59,692</u>	<u>2,965</u>	<u>286,148</u>	<u>379,798</u>	<u>-</u>	<u>2,795,280</u>
2,543	-	-	-	-	-	2,543
-	-	-	-	-	-	118,718
-	-	-	166,337	72,882	-	642,608
-	3,561	-	-	-	-	782,358
-	-	-	-	-	-	-
<u>2,543</u>	<u>3,561</u>	<u>-</u>	<u>166,337</u>	<u>72,882</u>	<u>-</u>	<u>1,546,227</u>
<u>3,083</u>	<u>56,131</u>	<u>2,965</u>	<u>119,811</u>	<u>306,916</u>	<u>-</u>	<u>1,249,053</u>
-	-	-	-	-	-	66,638
-	(176,195)	(2,965)	-	(25,419)	-	(480,299)
-	(176,195)	(2,965)	-	(25,419)	-	(413,661)
3,083	(120,064)	-	119,811	281,497	-	835,392
22,249	(8,627)	-	206,889	693,010	-	2,519,563
<u>\$ 25,332</u>	<u>\$ (128,691)</u>	<u>\$ -</u>	<u>\$ 326,700</u>	<u>\$ 974,507</u>	<u>\$ -</u>	<u>\$ 3,354,955</u>

City of South El Monte
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - State Gas Tax Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Intergovernmental	663,213	707,521	44,308
Total Revenues	663,213	707,521	44,308
EXPENDITURES			
Current:			
Public Works	451,210	378,809	72,401
Total Expenditures	451,210	378,809	72,401
Excess (Deficiency) of Revenues over Expenditures	212,003	328,712	116,709
OTHER FINANCING SOURCES (USES)			
Transfers Out	468,136	(219,927)	(688,063)
Total Other Financing Sources (Uses)	468,136	(219,927)	(688,063)
Net Change in Fund Balance	680,139	108,785	(571,354)
Fund Balance, Beginning of Year	245,274	245,274	-
Fund Balance, End of Year	<u>\$ 925,413</u>	<u>\$ 354,059</u>	<u>\$ (571,354)</u>

City of South El Monte
Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Older American Act Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 234,060	\$ 209,965	\$ (24,095)
Other Revenues	-	-	-
Total Revenues	<u>234,060</u>	<u>209,965</u>	<u>(24,095)</u>
EXPENDITURES			
Current:			
Community Service Programs	<u>284,060</u>	<u>278,266</u>	<u>5,794</u>
Total Expenditures	<u>284,060</u>	<u>278,266</u>	<u>5,794</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(50,000)</u>	<u>(68,301)</u>	<u>(18,301)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>50,000</u>	<u>70,249</u>	<u>20,249</u>
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>70,249</u>	<u>20,249</u>
Net Change in Fund Balance	-	1,948	1,948
Fund Balance, Beginning of Year	<u>(3,023)</u>	<u>(3,023)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (3,023)</u></u>	<u><u>\$ (1,075)</u></u>	<u><u>\$ 1,948</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Maintenance District Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ 1,051	\$ 1,051
Use of Money and Property	-	72	72
Total Revenues	-	1,123	1,123
EXPENDITURES			
Current:			
Public Works	-	93	(93)
Total Expenditures	-	93	(93)
Excess (Deficiency) of Revenues over Expenditures	-	1,030	1,030
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	-	1,030	1,030
Fund Balance, Beginning of Year	26,539	26,539	-
Fund Balance, End of Year	\$ 26,539	\$ 27,569	\$ 1,030

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual - Air Quality Management Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 200	\$ 263	\$ 63
Intergovernmental	24,000	18,495	(5,505)
Total Revenues	<u>24,200</u>	<u>18,758</u>	<u>(5,442)</u>
EXPENDITURES			
Current:			
Public Works	14,220	9,299	4,921
Total Expenditures	<u>14,220</u>	<u>9,299</u>	<u>4,921</u>
Excess (Deficiency) of Revenues over Expenditures	9,980	9,459	(521)
Fund Balance, Beginning of Year	<u>97,452</u>	<u>97,452</u>	<u>-</u>
Fund Balances, End of Year	<u><u>\$ 107,432</u></u>	<u><u>\$ 106,911</u></u>	<u><u>\$ (521)</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State Deferred Loan Program Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ 35	\$ 35
Total Revenues	-	35	35
Excess (Deficiency) of Revenues over Expenditures	-	35	35
Fund Balance, Beginning of Year	1,814	1,814	-
Fund Balance, End of Year	<u>\$ 1,814</u>	<u>\$ 1,849</u>	<u>\$ 35</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Community Development Block Grant Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Intergovernmental	\$ 270,960	\$ 91,201	\$ (179,759)
Total Revenues	<u>270,960</u>	<u>91,201</u>	<u>(179,759)</u>
EXPENDITURES			
Current:			
Community Service Programs	<u>190,960</u>	<u>179,588</u>	<u>11,372</u>
Total Expenditures	<u>190,960</u>	<u>179,588</u>	<u>11,372</u>
Excess (Deficiency) of Revenues over Expenditures	<u>80,000</u>	<u>(88,387)</u>	<u>(168,387)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	(5,078)	(5,078)
Transfers Out	<u>(80,000)</u>	<u>-</u>	<u>80,000</u>
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(5,078)</u>	<u>74,922</u>
Net Change in Fund Balance	-	(93,465)	(93,465)
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ (93,465)</u>	<u>\$ (93,465)</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Prop A Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ 470	\$ 470
Charges for Services	8,200	7,630	(570)
Intergovernmental	343,650	344,731	1,081
Other Revenues	-	-	-
Total Revenues	<u>351,850</u>	<u>352,831</u>	<u>981</u>
EXPENDITURES			
Current:			
Community Service Program	<u>314,780</u>	<u>271,511</u>	<u>43,269</u>
Total Expenditures	<u>314,780</u>	<u>271,511</u>	<u>43,269</u>
Excess (Deficiency) of Revenues over Expenditures	<u>37,070</u>	<u>81,320</u>	<u>44,250</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	37,070	81,320	44,250
Fund Balance, Beginning of Year	<u>124,392</u>	<u>124,392</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 161,462</u></u>	<u><u>\$ 205,712</u></u>	<u><u>\$ 44,250</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Prop C Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 2,000	\$ 3,151	\$ 1,151
Intergovernmental	286,050	287,549	1,499
Total Revenues	<u>288,050</u>	<u>290,700</u>	<u>2,650</u>
EXPENDITURES			
Current:			
Public Works	<u>56,450</u>	<u>10,163</u>	<u>46,287</u>
Total Expenditures	<u>56,450</u>	<u>10,163</u>	<u>46,287</u>
Excess (Deficiency) of Revenues over Expenditures	<u>231,600</u>	<u>280,537</u>	<u>48,937</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(419,457)</u>	<u>(44,515)</u>	<u>374,942</u>
Total Other Financing Sources (Uses)	<u>(419,457)</u>	<u>(44,515)</u>	<u>374,942</u>
Net Change in Fund Balance	(187,857)	236,022	423,879
Fund Balance, Beginning of Year	<u>1,050,586</u>	<u>1,050,586</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 862,729</u></u>	<u><u>\$ 1,286,608</u></u>	<u><u>\$ 423,879</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Justice Assistance Grant Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Intergovernmental	10,302	10,302	-
Total Revenues	10,302	10,302	-
EXPENDITURES			
Public Safety	11,302	11,302	-
Total Expenditures	11,302	11,302	-
Excess (Deficiency) of Revenues over Expenditures	(1,000)	(1,000)	(2,000)
OTHER FINANCING SOURCES (USES)			
Transfers In	1,000	1,000	-
Total Other Financing Sources (Uses)	1,000	1,000	-
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State COPS Grant Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Intergovernmental	100,000	100,000	-
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>-</u>
EXPENDITURES			
Current:			
Public Safety	100,000	100,000	-
Capital Outlay	-	-	-
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	-
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Used Oil Block Grant Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Intergovernmental	5,800	5,872	72
Total Revenues	<u>5,800</u>	<u>5,872</u>	<u>72</u>
EXPENDITURES			
Current:			
Public Works	5,800	5,025	775
Total Expenditures	<u>5,800</u>	<u>5,025</u>	<u>775</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>847</u>	<u>847</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	847	847
Fund Balance, Beginning of Year	<u>4,856</u>	<u>4,856</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 4,856</u>	<u>\$ 5,703</u>	<u>\$ 847</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Quimby In Lieu Fees Special Revenue Fund
Year Ended June 30, 2014

	<u>Final Budgeted Amount</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES			
Taxes	\$ 334,612	\$ 265,912	\$ (68,700)
Use of Money and Property	<u>300</u>	<u>536</u>	<u>236</u>
Total Revenues	<u>334,912</u>	<u>266,448</u>	<u>(68,464)</u>
EXPENDITURES			
Current:			
Community Service Programs	<u>21,100</u>	<u>49,432</u>	<u>(28,332)</u>
Total Expenditures	<u>21,100</u>	<u>49,432</u>	<u>(28,332)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>313,812</u>	<u>217,016</u>	<u>(96,796)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>(11,278)</u>	<u>(11,278)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>(11,278)</u>	<u>(11,278)</u>
Net Change in Fund Balance	313,812	205,738	(108,074)
Fund Balance, Beginning of Year	<u>23,247</u>	<u>23,247</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 337,059</u>	<u>\$ 228,985</u>	<u>\$ (108,074)</u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - PEG Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 40	\$ 74	\$ 34
Other Revenues	6,000	6,214	214
Total Revenues	<u>6,040</u>	<u>6,288</u>	<u>248</u>
Net Change in Fund Balance	6,040	6,288	248
Fund Balance, Beginning of Year	<u>26,051</u>	<u>26,051</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 32,091</u></u>	<u><u>\$ 32,339</u></u>	<u><u>\$ 248</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - State CLEEP Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 50	\$ 1	\$ (49)
Total Revenues	50	1	(49)
EXPENDITURES			
Current:			
Public Safety	7,461	2,840	4,621
Total Expenditures	7,461	2,840	4,621
Excess (Deficiency) of Revenues over Expenditures	(7,411)	(2,839)	4,572
OTHER FINANCING SOURCES (USES)			
Transfers In	-	467	467
Total Other Financing Sources (Uses)	-	467	467
Net Change in Fund Balance	(7,411)	(2,372)	5,039
Fund Balance, Beginning of Year	2,372	2,372	-
Fund Balance, End of Year	\$ (5,039)	\$ -	\$ 5,039

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Miscellaneous Grants Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ 6	\$ 6
Intergovernmental	-	-	-
Total Revenues	<u>-</u>	<u>6</u>	<u>6</u>
EXPENDITURES			
Current:			
Public Safety	-	4,576	(4,576)
Total Expenditures	<u>-</u>	<u>4,576</u>	<u>(4,576)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(4,570)</u>	<u>(4,570)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	-	(4,570)	(4,570)
Fund Balance, Beginning of Year	<u>6,482</u>	<u>6,482</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 6,482</u></u>	<u><u>\$ 1,912</u></u>	<u><u>\$ (4,570)</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Beverage Container Recycle Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ -	\$ -	\$ -
Intergovernmental	5,500	5,626	126
Total Revenues	<u>5,500</u>	<u>5,626</u>	<u>126</u>
EXPENDITURES			
Current:			
General Government	<u>5,500</u>	<u>2,543</u>	<u>2,957</u>
Total Expenditures	<u>5,500</u>	<u>2,543</u>	<u>2,957</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>3,083</u>	<u>3,083</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	-	3,083	3,083
Fund Balance, Beginning of Year	<u>22,249</u>	<u>22,249</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 22,249</u></u>	<u><u>\$ 25,332</u></u>	<u><u>\$ 3,083</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Park Bond Grant Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 65,630	\$ 59,692	\$ (5,938)
Total Revenues	<u>65,630</u>	<u>59,692</u>	<u>(5,938)</u>
EXPENDITURES			
Current:			
Community Service Programs	<u>6,630</u>	<u>3,561</u>	<u>3,069</u>
Total Expenditures	<u>6,630</u>	<u>3,561</u>	<u>3,069</u>
Excess (Deficiency) of Revenues over Expenditures	<u>59,000</u>	<u>56,131</u>	<u>(2,869)</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(59,000)</u>	<u>(176,195)</u>	<u>(117,195)</u>
Total Other Financing Sources (Uses)	<u>(59,000)</u>	<u>(176,195)</u>	<u>(117,195)</u>
Net Change in Fund Balances	-	(120,064)	(120,064)
Fund Balance, Beginning of Year	<u>(8,627)</u>	<u>(8,627)</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ (8,627)</u></u>	<u><u>\$ (128,691)</u></u>	<u><u>\$ (120,064)</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - TDA Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	-	2,965	2,965
Total Revenues	-	2,965	2,965
EXPENDITURES			
Current:			
Public Works	-	-	-
Total Expenditures	-	-	-
Excess (Deficiency) of Revenues over Expenditures	-	2,965	2,965
OTHER FINANCING SOURCES (USES)			
Transfers Out	-	(2,965)	(2,965)
Total Other Financing Sources (Uses)	-	(2,965)	(2,965)
Net Change in Fund Balances	-	-	-
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	\$ -	\$ -	\$ -

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Measure R Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 213,790	\$ 213,399	\$ (391)
Use of Money and Property	300	749	449
Intergovernmental	-	72,000	72,000
Total Revenues	<u>214,090</u>	<u>286,148</u>	<u>72,058</u>
EXPENDITURES			
Current:			
Public Works	<u>200,000</u>	<u>166,337</u>	<u>33,663</u>
Total Expenditures	<u>200,000</u>	<u>166,337</u>	<u>33,663</u>
Excess (Deficiency) of Revenues over Expenditures	14,090	119,811	105,721
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(20,000)</u>	-	<u>20,000</u>
Total Other Financing Sources (Uses)	<u>(20,000)</u>	-	<u>20,000</u>
Net Change in Fund Balances	(5,910)	119,811	125,721
Fund Balance, Beginning of Year	<u>206,889</u>	<u>206,889</u>	-
Fund Balance, End of Year	<u><u>\$ 200,979</u></u>	<u><u>\$ 326,700</u></u>	<u><u>\$ 125,721</u></u>

City of South El Monte
Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual - Sewer Assessment Special Revenue Fund
Year Ended June 30, 2014

	Final Budgeted Amount	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Use of Money and Property	\$ 1,000	\$ 2,137	\$ 1,137
Special Assessments	380,270	377,661	(2,609)
Total Revenues	<u>381,270</u>	<u>379,798</u>	<u>(1,472)</u>
EXPENDITURES			
Current:			
Public Works	<u>98,780</u>	<u>72,882</u>	<u>25,898</u>
Total Expenditures	<u>98,780</u>	<u>72,882</u>	<u>25,898</u>
Excess (Deficiency) of Revenues over Expenditures	<u>282,490</u>	<u>306,916</u>	<u>24,426</u>
OTHER FINANCING SOURCES (USES)			
Transfers Out	<u>(760,000)</u>	<u>(25,419)</u>	<u>734,581</u>
Total Other Financing Sources (Uses)	<u>(760,000)</u>	<u>(25,419)</u>	<u>734,581</u>
Net Change in Fund Balance	(477,510)	281,497	759,007
Fund Balance, Beginning	<u>693,010</u>	<u>693,010</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 215,500</u></u>	<u><u>\$ 974,507</u></u>	<u><u>\$ 759,007</u></u>