

# CITY OF SAN GABRIEL CALIFORNIA



FOUNDED 1771  
*CITY WITH A MISSION*

## Comprehensive Annual Financial Report

Fiscal Year Ended  
June 30, 2010



CITY OF SAN GABRIEL,  
CALIFORNIA  
Comprehensive Annual Financial Report  
Year ended June 30, 2010

Prepared by:  
FINANCE DEPARTMENT  
Thomas Marston  
Director of Finance



**City of San Gabriel**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2010**

**Table of Contents**

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	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>	
Letter of Transmittal .....	i
Officials of the City of San Gabriel.....	vi
Organization Chart.....	vii
Certificate of Achievement for Excellence in Financial Reporting (GFOA) .....	viii
<b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors' Report.....</b>	<b>1</b>
<b>Management's Discussion and Analysis (Required Supplementary Information) (Unaudited) .....</b>	<b>3</b>
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Assets.....	15
Statement of Activities and Changes in Net Assets.....	16
Fund Financial Statements:	
Governmental Fund Financial Statements:	
Balance Sheet .....	20
Reconciliation of the Governmental Funds Balance Sheet	
to the Government-Wide Statement of Net Assets.....	23
Statement of Revenues, Expenditures and Changes in Fund Balance .....	24
Reconciliation of the Governmental Statement of Revenues,	
Expenditures, and Changes in Fund Balance to the Government-Wide	
Statement of Activities and Changes in Net Assets .....	26
Proprietary Fund Financial Statements:	
Statement of Net Assets .....	28
Statement of Revenues, Expenditures and Changes in Net Assets .....	29
Statement of Cash Flows.....	30
Fiduciary Fund Financial Statements:	
Statement of Fiduciary Assets and Liabilities.....	32
Notes to Basic Financial Statements .....	33

**City of San Gabriel**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2010**

**Table of Contents**

	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued</u></b>	
<b>Required Supplementary Information (Unaudited):</b>	
Budgetary Information.....	60
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
General Fund.....	61
Retirement Fund.....	63
Proposition C Local Return Fund .....	64
Community Development Block Grant Fund .....	65
Other Post Employment Benefits.....	66
<b>Supplementary Information:</b>	
Non-Major Governmental Funds:	
Combining Balance Sheet.....	72
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Special Gas Tax .....	79
Proposition A Local Return .....	80
Low and Moderate Income Housing .....	81
Citizens Option for Public Safety (COPS) .....	82
Traffic Congestion Relief .....	83
Parks and Recreation Activity .....	84
Mission Playhouse/Facility .....	85
Other Grants .....	86
Local Law Enforcement Block Grant .....	87
Air Quality Management District .....	88
Narcotic Seizure .....	89
Waste Management .....	90
Development Impact Fees .....	91
Street Light .....	92
Office of Traffic Safety Grant.....	93
Measure R .....	94
Major Capital Project Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual:	
Redevelopment .....	96

**City of San Gabriel**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2010**

**Table of Contents**

	<u>Page</u>
<b><u>FINANCIAL SECTION, Continued</u></b>	
Internal Service Funds:	
Combining Statement of Net Assets .....	98
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets .....	99
Combining Statement of Cash Flows .....	100
Fiduciary Fund - Agency Fund:	
Statement of Changes in Fiduciary Net Assets .....	102
<b>Independent Auditor' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i></b> .....	<b>105</b>
<b>Schedule of Findings and Reponses</b> .....	<b>109</b>
 <b><u>STATISTICAL SECTION (Unaudited)</u></b>	
Net Assets by Component.....	112
Changes in Net Assets .....	114
Fund Balances of Governmental Funds .....	116
Changes in Fund Balances of Governmental Funds .....	118
Assessed Value of Taxable Property .....	110
Direct and Overlapping Property Tax Rate .....	111
Principal Property Tax Owners .....	122
Property Tax Levies and Collections .....	126
Direct and Overlapping Debt .....	127
Legal Debt Margin Information .....	128
Demographic and Economic Statistics .....	130
Principal Employers .....	131
Full-Time Equivalent City Government Employees by Function .....	132
Operating Indicators by Function .....	133
Capital Asset Statistics by Function .....	134

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# City of San Gabriel

◆ City With A Mission ◆ Founded 1717 ◆

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December 20, 2010

Honorable Mayor and City Council  
City of San Gabriel  
San Gabriel, California

State law requires that all local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of San Gabriel for the fiscal year ended June 30, 2010.

This report consists of management's representations concerning the finances of the City of San Gabriel. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of San Gabriel has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City of San Gabriel's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of San Gabriel's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of San Gabriel's financial statements have been audited by Caporicci & Larson, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of San Gabriel for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of San Gabriel's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

### *City of San Gabriel Profile*

The City of San Gabriel is a historically rich residential community borne from the fact that the fourth California Mission was established here in 1771. Due to this fact it has earned the moniker – “The Birthplace of the Los Angeles Region”. San Gabriel is located approximately 10 miles northeast of the City of Los Angeles and was incorporated in 1913 as a general law city which operates under the council-manager form of government. The City Council is comprised of five members who are elected at large serving a staggered term of four years. The City provides a full range of municipal services including but not limited to, police and fire protection, engineering and planning, street maintenance, traffic control, code enforcement, parks and recreation services, and general administrative activities. In addition to the preceding activities, the City is financially accountable for the City of San Gabriel Redevelopment Agency. This entity is considered a component unit of the City and its activities have been blended into the reporting entity.

The Budget serves as the foundation for the City of San Gabriel’s financial planning and control. All departments of the City of San Gabriel are required to submit requests for appropriation and the City Manager uses these requests as the starting point for developing a proposed budget. The Manager then presents this proposed budget to the Council for review prior to the Council holding public hearings on the proposed budget and to adopt a final budget by no later than June 30<sup>th</sup>. The appropriated budget is prepared by fund and function (e.g. Police, Fire.) Department heads may make transfers of appropriations within a department. Budget-to-actual comparisons are provided throughout the fiscal year for each individual governmental fund for which an appropriated annual budget has been adopted.

### *Factors Affecting Financial Condition*

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of San Gabriel operates.

## **Local Economy**

The City of San Gabriel is weathering the current economic environment with resiliency and local indicators point to continued stability. The region—generally referred to as the San Gabriel Valley—has a varied residential, commercial and industrial base that adds to the relative stability of the unemployment rate. It offers everything a company looks for when melding comfortable lifestyles for its employees with business and logistic needs. Steeped in history, the Valley is a safe high-quality environment in which to live, work and raise a family. The 31 cities and five un-incorporated communities that comprise the San Gabriel Valley contain an incredible variety and mixture of almost every type of residential and commercial area imaginable. Recreational and cultural opportunities abound. The educational system, from grade school through college, is the best you can find. Because the Valley affords its residents so much, it can boast a well-trained, multilevel, diverse and youthful labor pool. San Gabriel residents don't have to commute long distances to have it all.

## **Long-term Financial Planning**

In 2007-08 the City began an annual process to produce a five year Capital Improvement Program document to better anticipate the costs of major projects and infrastructure improvements to the City. This planning document's contents are incorporated into the each fiscal year's planning and budgetary processes.

Major road and sewer improvement projects were identified and included for future appropriation. Specific street improvement or street light improvement projects such as San Gabriel Boulevard and Las Tunas were included, as well as, the planning of the eventual replacement of the Police Station and Public Works Yard.

## **Cash Management**

Cash temporarily idle during the year was invested in certificates of deposit, obligations of U.S. Treasury, mutual funds, and State investment pools. The City manages all of its cash and investments on a pooled basis with the exception of the Deferred Compensation funds that are managed by the appointed fiscal agents. Interest earnings are allocated to the various funds based on their share of cash and investment balances. The average yield on investments managed by the City was 4.7%.

## **Risk Management**

The City is a member of the California Joint Powers Insurance Authority. The Authority is composed of 123 California public entities and is organized under a joint powers agreement pursuant to California Government. 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 coverages. The Authority's pool began in 1978, each member government has an elected official as its representative on the Board of Directors and the Board operates through a 9-member Executive Committee. At June 30, 2010, the claims payable for workers' compensation and general liability, based on information available to the City, were \$1,438,827 and \$159,455 respectively.

Listed below are the Authority's coverage limits and method to spread the Authority's costs:

**General Liability:**

The first \$30,000 of each occurrence is charged directly to the member's primary deposit; costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000. Losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll. Costs of covered claims from \$5,000,000 to \$50,000,000 are currently paid by excess insurance. The protection for each member is \$50,000,000 per occurrence and \$50,000,000 annual aggregate. Administrative expenses are paid from the Authority's investment earnings.

**Workers' Compensation:**

Each member pays a primary deposit to cover estimated losses for a fiscal year. After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Each member has a retention level of \$50,000 for each loss and this is charged directly to the member's primary deposit. Losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000. Losses from \$100,000 to \$2,000,000 and employer's liability losses from \$5,000,000 to \$10,000,000 and loss development reserves associated with those losses are pooled based on payroll. Losses from \$2,000,000 to \$5,000,000 are pooled with California State Association of Counties - Excess Insurance Authority Members. Costs from \$2,000,000 to \$300,000,000 are transferred to reinsurance carriers. Costs in excess of \$300,000,000 are pooled among the Members based on payroll. Administrative Expenses are paid by the Authority's investment earnings.

**Purchased Insurance:**

The City's property insurance is currently insured according to a schedule of covered property submitted by the City to the Authority. The City's property currently has all-risk property insurance protection totaling \$21,141,250, Boiler and Machinery protection totaling \$18,256,125 and Automobile Physical Damage protection totaling \$2,278,741. 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 retroactive adjustments.

**Pension and Other Post employment Benefits**

The City of San Gabriel contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer 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.

The City of San Gabriel also provides postretirement healthcare benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 67 retired employees receiving these benefits. With the implementation of GASB Statements 43 and 45 the City of San Gabriel has begun disclosing the costs and liabilities associated with other post employment benefits such as retiree healthcare. Beginning in 2008-09, the City established a trust with PERS and made the two payments according to the other post employment benefits prefunding actuarial schedule.

## Awards and Acknowledgements

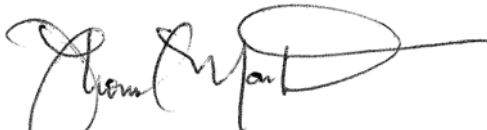
The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of San Gabriel for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the seventeenth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, the City published an easily readable and efficiently organized CAFR. This report satisfied both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the Comprehensive Annual Financial Report in accordance with GASB 34 financial reporting model was made possible by the dedicated work of the Finance Department Staff. Each member of the staff has our sincere appreciation for their contributions made in the preparation of the report. We would also like to thank the members of the City Council for their interest and support in planning and conducting the financial operations of the City, and to the firm of Caporicci & Larson for their professional assistance and expertise.

Respectfully submitted,



Steven A. Preston  
City Manager



Thomas C. Marston  
Finance Director

# CITY OF SAN GABRIEL

## Officials of the City of San Gabriel

June 30, 2010

### CITY COUNCIL

David R. Gutierrez - Mayor

Kevin B. Sawkins - Vice Mayor

Mario De La Torre

Juli Costanzo

### ELECTED OFFICIALS

Eleanor K. Andrews - City Clerk

John Janosik - City Treasurer

### ADMINISTRATION AND DEPARTMENT HEADS

City Manager

Police Chief

Fire Chief

Director of Finance

Director of Community Development

Director of Parks and Recreation

Director of Public Works

Deputy City Clerk

Mission Playhouse Manager

Steven A. Preston

David Lawton

Joseph Nestor

Thomas Marston

Jennifer Davis

Rebecca Perez

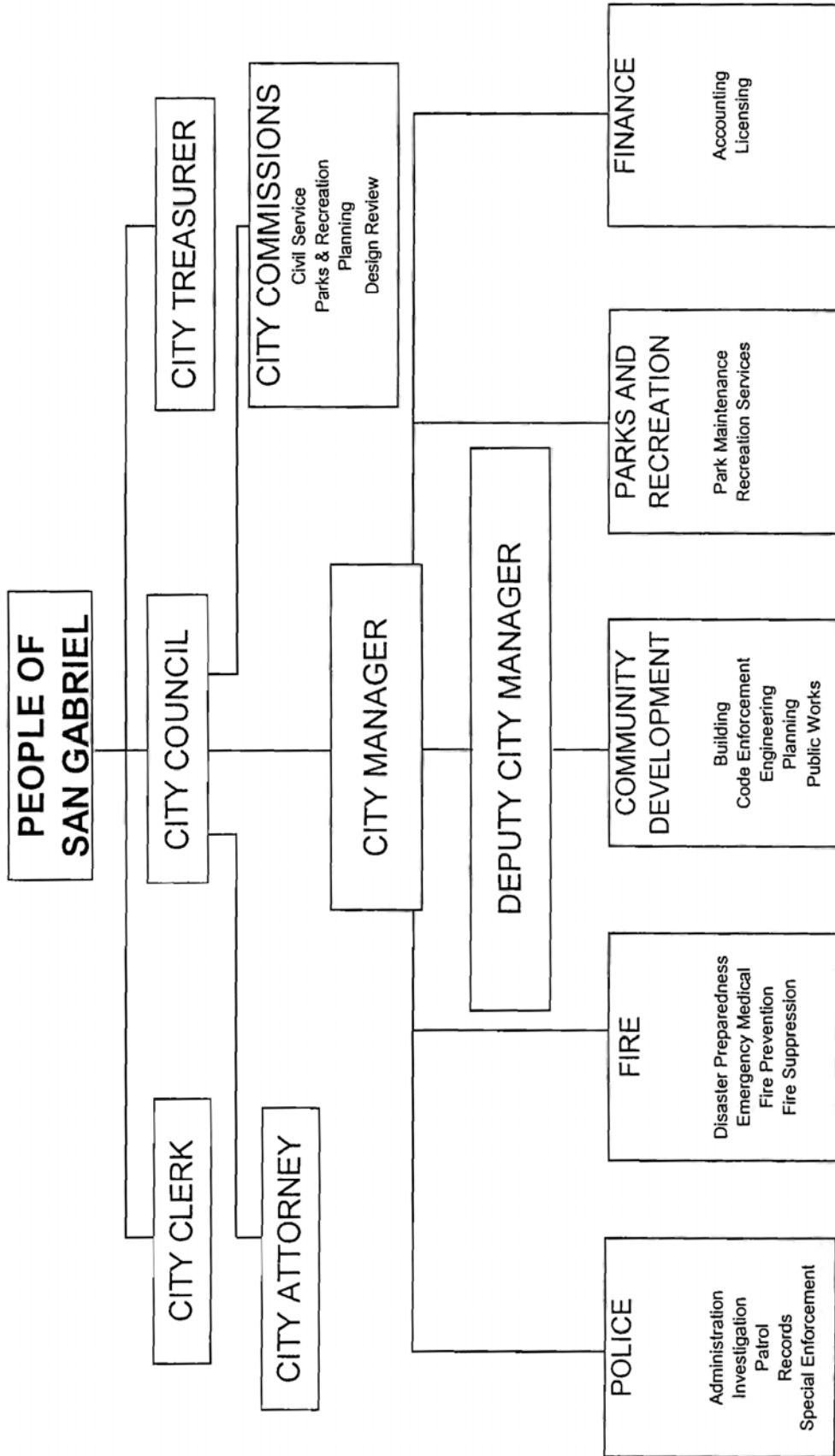
Robert Busto

Nina Castruita

Anna Cross

# City of San Gabriel Organization Chart

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# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Gabriel  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2009

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



President

Executive Director



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of City Council  
of the City of San Gabriel  
San Gabriel, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Gabriel, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these basic financial statements based on our audit. The prior year partial comparative information has been derived from the City's 2009 basic financial statements and the report of other auditors dated December 11, 2009, expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund.

The financial statements include partial prior year comparative information. Such information does not include all of the information required or sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2009, from which such partial information was derived.

As described in Note 13 to the financial statements, the City has restated its 2009 financial statements to conform with accounting principles generally accepted in the United States of America.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

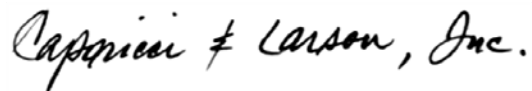
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

To the Honorable Mayor and Members of the City Council  
of the City of San Gabriel  
San Gabriel, California  
Page 2

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2010 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 grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Required Supplementary Information, such as Management's Discussion and Analysis and other information as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary 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 accompanying supplementary information is presented for purpose of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory and Statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
Irvine, California  
December 20, 2010

# MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of San Gabriel's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the accompanying transmittal letter and the accompanying basic financial statements.

## FINANCIAL HIGHLIGHTS

- The City's net assets as restated increased .8% to \$58.2 million as a result of this year's operations.
- During the year, the City's taxes and general revenues exceeded governmental expenditures by \$435,000.
- The total revenues from all sources equaled \$35.6 million.
- The total cost of all City programs equaled \$35.2 million.
- The General Fund reported excess expenditures over revenues of \$.9 million.
- For the General Fund, actual resources available for appropriation (revenues and transfers-in) were less than the final budget by \$1.2 million, while actual expenditures were \$.9 million less than the budget.

## USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities provide information about the activities of the City as a whole and present a longer-term view of the City's finances. Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. The remaining statements provide financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

### Reporting the City as a Whole

#### The Statement of Net Assets and the Statement of Activities

One of the most important questions asked about the City's finances is, "As a whole, is the City better off or worse off as a result of this year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that helps answer this question. These statements include *All* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the City's *net assets* and changes in them. You can think of the City's net assets—the difference between assets and liabilities-- as one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors however, such as changes in the City's property tax base and the condition of the City's roads, to assess the *overall health* of the City.

The Statement of Net Assets and the Statement of Activities, present information about the following:

- Governmental activities— All of the City’s basic services are considered to be governmental activities, including general government, community development, public safety, public works, parks and recreation and the Mission Playhouse. Property taxes, transient occupancy taxes, sales taxes, and vehicle license fees finance most of these activities.
- Component units— The City’s governmental activities include blending the San Gabriel Redevelopment Agency, a separate legal entity. Although legally separate, this “component unit” is important because the City is financially accountable for it.

## **Reporting the City’s Most Significant Funds Fund Financial Statements**

The fund financial statements provide detailed information about the most significant funds—not the City as a whole. Some funds are required to be established by State law and by bond covenants. However, the City Council establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The City’s two kinds of funds— *governmental and proprietary*— use different accounting approaches.

- *Governmental Funds* – Most of the City’s basic services are reported in governmental funds, which focus on how money flows in and out and the balances left at year-end that are available for spending. These funds are reported using an accounting method called the *modified accrual* accounting, which measures cash and all other *financial* assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the City’s general government operation and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City’s programs. We describe the relationship between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in reconciliation at the bottom of the fund financial statements.
- *Proprietary funds* – When the City charges its own department for certain services it provides, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities.

## **The City as Trustee Reporting the City’s Fiduciary Responsibilities**

The City is the trustee, or *fiduciary*, for certain amounts held on behalf of developers, property owners, and others. The City’s fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. We exclude these activities from the City’s other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## **THE CITY AS A WHOLE**

Our analysis focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City’s governmental activities. The City has chosen to account for its Mission Playhouse operation in the General Fund rather than in an enterprise fund. Therefore, no business type activities are reported in the government-wide statements.

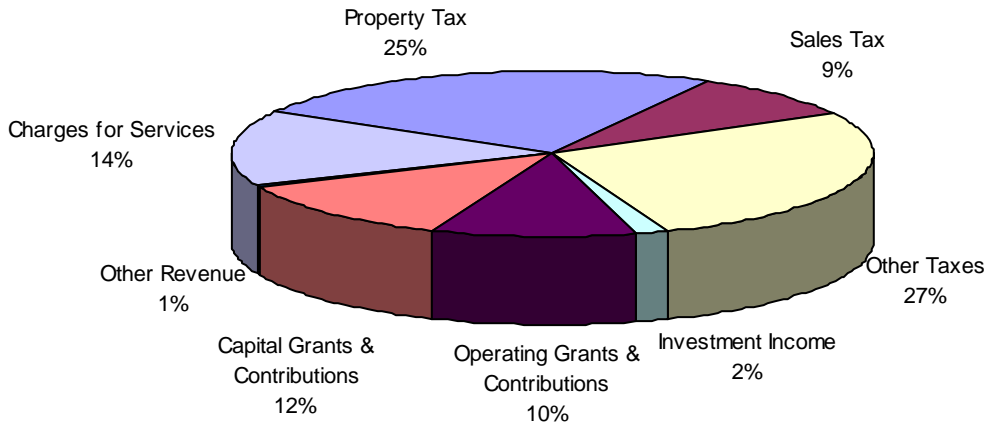
**Table 1  
Statement of Net Assets  
(in Millions)**

	Governmental Activities	
	2010	2009 (Restated)
<b>Assets:</b>		
Current and other assets	\$ 29.2	\$ 28.3
Property held for resale	1.5	1.5
Capital assets	37.8	37.8
<b>Total assets</b>	<b>68.5</b>	<b>67.6</b>
<b>Liabilities:</b>		
Current Liabilities	5.8	4.2
Noncurrent Liabilities	4.5	5.7
<b>Total Liabilities</b>	<b>10.3</b>	<b>9.9</b>
<b>Net assets:</b>		
Invested in capital assets	37.8	36.2
Restricted for:		
Special projects	12.2	-
Capital projects	0.1	-
Unrestricted	8.1	21.5
<b>Total net assets</b>	<b>\$ 58.2</b>	<b>\$ 57.7</b>

The City's net assets from governmental activities increased .8% from a restated \$57.7 million to \$58.2 million. This increase of \$.5 million comes from the change in net assets as recorded in the Statement of Activities and flows through the Statement of Net Assets.

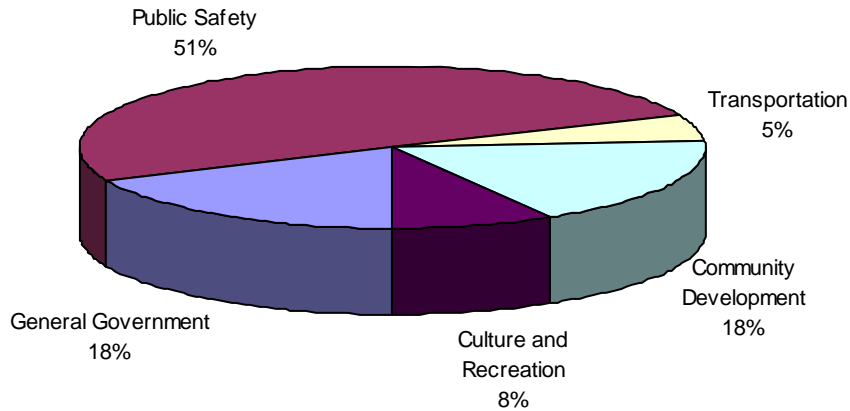
**FISCAL YEAR 2010 GOVERNMENTAL ACTIVITIES  
(See Table 2)**

**Sources of Revenue  
Total - \$35,645,245**



## Functional Expenses

**Total - \$35,210,499**



**Table 2  
Statement of Activities  
(in Millions)**

	Governmental Activities	
	2010	2009
<b>Revenues</b>		
Program revenue		
Charges for service	\$ 5.2	\$ 5.2
Operating grants and contributions	3.6	6.2
Capital grants and contributions	4.3	2.5
General Revenue		
Taxes		
Property taxes	8.8	8.9
Utility user taxes	4.7	3.9
Sales taxes	3.1	3.5
Motor vehicle in lieu	3.6	3.6
Franchise taxes	0.6	0.6
Transient occupancy taxes	0.8	0.7
Property transfer taxes	0.1	0.1
Investment income	0.6	0.5
Other revenue	0.2	0.1
<b>Total revenues</b>	<b>35.6</b>	<b>35.8</b>
<b>Expenses</b>		
General government	6.4	5.4
Public safety	17.8	17.9
Community Development	6.4	5.9
Culture and recreation	2.9	3.2
Transportation	1.7	3.3
<b>Total expenses</b>	<b>35.2</b>	<b>35.7</b>
<b>Increase (decrease) in net assets</b>	<b>\$ 0.4</b>	<b>\$ 0.1</b>

The City's total revenues were \$35.6 million, while the total cost of all programs and services were \$35.2 million. This is a decrease of .6% in revenue and 1.4% decrease in expenses over the prior year. The major increase in revenue came from Utility User Taxes which will be used to offset costs for general operating expenses of the City. This increase in utility user taxes revenue is the first full fiscal year of revenue. The rate was increased from 6% to 8% by a vote of the public in November of 2008. This approved rate increase was implemented in February of 2009.

## Government Activities

Table 3 presents the cost of each of the City's five largest programs—general government, public safety, transportation, community development and culture and recreation—as well as the *net cost* (total cost less revenues generated by the activities). The net cost shows the financial impact on the City's taxpayers for each of these functions.

**Table 3**  
**Net Cost of Governmental Activities**  
**(in Millions)**

	Total Cost of Service		Net Cost of Service	
	2010	2009	2010	2009
<b>Expenses:</b>				
General Government	\$ 6.4	\$ 5.4	\$ (5.6)	\$ (4.8)
Public Safety	17.8	17.9	(15.0)	(15.2)
Community Development	6.4	5.9	(0.4)	1.9
Culture and Recreation	2.9	3.2	(2.0)	(2.2)
Transportation	1.7	3.3	1.0	(1.5)
<b>Totals</b>	<u>\$ 35.2</u>	<u>\$ 35.7</u>	<u>\$ (22.0)</u>	<u>\$ (21.8)</u>

- Community Development includes expenditures for the City's redevelopment agency.
- The net cost of services indicates that the overall cost of government is greater than the revenues generated to support it from fees and user charges. This is an indication that the taxes and general revenues charged by the City are necessary to support operations. The largest areas of tax support come from the property taxes \$8.8 million, Utility Users Taxes \$4.7 million, and Motor Vehicle in Lieu \$3.6 million. See the Statement of Activities for further detail on program revenues and general revenues.

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

At year-end the City's governmental funds reported combined fund balances of \$23.3 million, which is a \$1.3 million decrease from last year. Included in this amount is a net increase in fund balance for the General fund of approximately \$1.1 million.

- The City's General Fund unreserved fund balance is \$122,874. This is less than the City's policy of having \$1.4 million available for emergencies and for immediate appropriation. However, all but approximately \$3.8 million is tentatively planned for a new Public Works Yard and Police Station and while reserved could become available with appropriate City Council authorization. In addition, approximately \$5.0 million has been advanced to the Redevelopment agency and approximately \$2.3 million of those funds could be repaid to the General Fund. The combination of a stable property tax base and a relatively diversified Sales Tax revenue stream, even in these uncertain times, continues to ensure the City's revenues are not severely at risk for decline. In addition, a firm commitment by management to reduce expenditures provided for a significant "under-expenditure" of the approved budget.

- The Retirement fund revenues increased due to an increase in assessed valuations over the prior year. Transfers out, made to cover the retirement expenditures accounted for in other funds increased because of higher actuarial rates for the City’s CalPERS defined benefit program, but are also higher due to the implementation of GASB 45 whereby the City has established a trust account and continued to make payments under the prefunding plan.
- The Community Development Block Grant Fund’s revenues and expenditures declined due to delayed implementation of several programs due to vacancies in the Community Development Department. It is fully anticipated that the City will hire to fill these vacancies and that the program will return to a higher level of activity in the near future.
- The Redevelopment Fund has maintained a stable financial position and this is due to the further increases in assessed valuations within the redevelopment project area combined with the containment on expenditures which were again largely due to vacancies in the Community Development Department.

### General Fund Budgetary Highlights

The final expenditures for the General Fund at year-end were \$1.2 million less than the final budget. The budget to actual variance in appropriations was due to departments spending less than their historical average motivated to “do more with less.” This underexpenditure was “masked over” by a combined \$305,000 facility and equipment set-a-side. It is the City’s policy to budget in the Police and Fire operating budgets an amount sufficient to provide for future a new Police Facility and Fire Engines. The appropriate accounting treatment requires that the funds not be expended, but treated as a reserve to fund balance until such time as the set-a-side resources will be combined with the budgeted debt service payments. Actual revenues were less than the final budget by \$957,000. Budget amendments were made during the year to prevent budget overruns and to increase appropriation for unanticipated expenditures after adoption of the original budget.

### CAPIAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

At the end of fiscal year 2010, the City had \$37.8 million invested in a broad range of capital assets, including police and fire equipment, buildings, land, park facilities and roads (See Table 4 below and refer to Note #4 on page 54 to the Financial Statements for additional information). This amount represents a net increase (including additions and deductions) of \$85,000 or .2% above last year. Readers desiring more detailed information on Capital Assets activity will find it in the disclosure provided in the Basic financial Statements (Note #4 on page 54.)

**Table 4**  
**Capital Assets at Year-End**  
**(Net of Depreciation, in Millions)**

	Government Activities	
	2010	2009
<b>Capital Assets:</b>		
Land	\$ 7.2	\$ 7.2
Buildings & Improvements	6.0	5.9
Machinery & Equipment	2.6	2.9
Infrastructure	22.0	21.7
<b>Totals</b>	<b>\$ 37.8</b>	<b>\$ 37.7</b>

## **Debt**

At year-end, the City had no outstanding bonded indebtedness. The City's only long-term liability is for compensated absences for accumulated employee vacation and sick-time or for claims liability arising from normal governmental operations. At year-end the City's liability for Compensated Absences was \$2,011,778 or \$228,120 less than the prior year. Of the \$2,011,778, \$603,533 is anticipated to be due within one year. At year-end the City's liability for Claims Payable/Self Insurance was \$1,598,282 or \$398,394 less than the prior year. Of the \$1,598,282, 479,485 is anticipated to be due within one year. Readers desiring more detailed information on debt will find it in the disclosure provided in the Basic financial Statements (Note #5 on pages 55 through 57.)

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

While the City maintains a diverse housing stock, the City's economy continues to be predominately commercial and retail based mixed in with a developing Pacific Rim tourism business. Many of these tourists are here on business and later many decided to establish a home and/or a business for themselves or family. As such, while much has been made over that past year about declining property tax values, San Gabriel has been able to buck that trend. While in Los Angeles County values declined overall, the City of San Gabriel had a modest increase in assessed values and was in the top 10 in the County.

The City's 2010-11 Budget takes into account the historical trends of sales for the community and projecting transient occupancy tax, sales tax, and property taxes. In order to improve the revenue stream for the City, the City is striving to expand its economic development program and has committed additional resources to help the community expand in this area. The 2010-11 Budget reflects an increase in operating expenditures, equally offset by increases in revenue with the results producing a "balanced budget." There were no increases to taxes or fees recommended.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report, please contact the City's Finance Department, at the City of San Gabriel 425 S. Mission Drive, San Gabriel, California 91776.

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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**City of San Gabriel**  
**Statement of Net Assets**  
**June 30, 2010**

	Primary Government Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 25,581,456
Receivables:	
Accounts	1,074,201
Interest	55,815
Due from other governments	2,479,940
Prepaid costs	15,486
<b>Total current assets</b>	<b>29,206,898</b>
Noncurrent assets:	
Property held for resale	1,500,000
Capital assets:	
Nondepreciable assets	7,193,699
Depreciable assets, net	30,633,902
<b>Total noncurrent assets</b>	<b>39,327,601</b>
<b>Total assets</b>	<b>68,534,499</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	3,241,324
Accrued liabilities	708,114
Compensated absences, due within one year	603,533
Claims payable, due within one year	479,485
Other post employment benefit liabilities, due within one year	762,000
<b>Total current liabilities</b>	<b>5,794,456</b>
Noncurrent liabilities:	
Compensated absences, due in more than one year	1,408,245
Claims payable, due in more than one year	1,118,797
Other post employment benefit liabilities, due in more than one year	2,013,461
<b>Total noncurrent liabilities</b>	<b>4,540,503</b>
<b>Total liabilities</b>	<b>10,334,959</b>
<b>NET ASSETS</b>	
Investments in capital assets	37,827,601
Restricted for:	
Special projects	12,230,081
Capital projects	80,887
Unrestricted	8,060,971
<b>Total net assets</b>	<b>\$ 58,199,540</b>

See accompanying Notes to Basic Financial Statements.

**City of San Gabriel**  
**Statement of Activities and Changes in Net Assets**  
**For the year ended June 30, 2010**

Functions/Programs	Expenses	Program Revenues			Total Program Revenues	Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		
<b>Primary government:</b>						
<b>Governmental activities:</b>						
General government	\$ 6,437,800	\$ 738,643	\$ 138,837	\$ -	\$ 877,480	\$ (5,560,320)
Public safety	17,748,076	2,227,266	465,340	58,466	2,751,072	(14,997,004)
Community development	6,406,734	1,496,009	1,858,802	2,665,084	6,019,895	(386,839)
Culture and recreation	2,929,024	762,501	(800)	189,296	950,997	(1,978,027)
Transportation	1,688,865	6,000	1,186,463	1,389,609	2,582,072	893,207
Total governmental activities	35,210,499	5,230,419	3,648,642	4,302,455	13,181,516	(22,028,983)
<b>Total primary government</b>	<b>\$ 35,210,499</b>	<b>\$ 5,230,419</b>	<b>\$ 3,648,642</b>	<b>\$ 4,302,455</b>	<b>\$ 13,181,516</b>	<b>(22,028,983)</b>
<b>General revenues:</b>						
Taxes:						
Property taxes						8,843,052
Utility users tax						4,685,188
Sales taxes						3,090,531
Franchise taxes						563,514
Transient occupancy taxes						760,976
Property transfer tax						130,419
Motor vehicle in lieu - unrestricted						3,597,698
Investment income						645,521
Other						146,830
<b>Total general revenues</b>						<b>22,463,729</b>
<b>Change in net assets</b>						<b>434,746</b>
<b>Net assets - beginning of year, as restated (Note 13)</b>						<b>57,764,794</b>
<b>Net assets - end of year</b>						<b>\$ 58,199,540</b>

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*  
*Proprietary Fund Financial Statements*  
*Fiduciary Fund Financial Statements*

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**GOVERNMENTAL FUND  
FINANCIAL STATEMENTS**

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**City of San Gabriel**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2010**

	General Fund	Special Revenue Funds		
		Retirement	Proposition C Local Return	Community Development Block Grant
<b>ASSETS</b>				
Cash and investments	\$ 5,229,694	\$ 1,746,587	\$ 2,101,506	\$ -
Receivables:				
Accounts	1,007,575	-	-	-
Interest	55,815	-	-	-
Due from other funds	98,044	-	-	-
Due from other governments	1,493,382	136,352	-	168,809
Prepaid costs	2,640	-	-	-
Advance to other funds	4,951,252	-	-	-
Property held for resale	-	-	-	-
<b>Total assets</b>	<b>\$ 12,838,402</b>	<b>\$ 1,882,939</b>	<b>\$ 2,101,506</b>	<b>\$ 168,809</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 299,966	\$ -	\$ 3,783	\$ 81,004
Accrued liabilities	673,461	-	8,376	8,388
Due to other funds	-	-	-	79,417
Advance from other funds	-	-	-	-
Deferred revenue	704,154	-	-	-
<b>Total liabilities</b>	<b>1,677,581</b>	<b>-</b>	<b>12,159</b>	<b>168,809</b>
<b>Fund Balances:</b>				
Reserved for:				
Capital replacement	3,750,094	-	-	-
Encumbrances	1,857,961	-	58,877	-
Retirement	-	1,882,939	-	-
Prepaid costs	2,640	-	-	-
Advances to other fund	4,951,252	-	-	-
Property held for resale	-	-	-	-
Future capital projects	476,000	-	-	-
Unreserved, reported in:				
General fund	122,874	-	-	-
Special revenue funds	-	-	2,030,470	-
Capital projects fund	-	-	-	-
<b>Total fund balances</b>	<b>11,160,821</b>	<b>1,882,939</b>	<b>2,089,347</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 12,838,402</b>	<b>\$ 1,882,939</b>	<b>\$ 2,101,506</b>	<b>\$ 168,809</b>

See accompanying Notes to Basic Financial Statements.

Capital Project Fund	Non-major Governmental Funds	Total Governmental Funds	
		2010	2009
Redevelopment			
\$ 5,254,376	\$ 8,901,055	\$ 23,233,218	\$ 23,552,868
-	66,626	1,074,201	902,346
-	-	55,815	97,178
-	-	98,044	811,104
27,549	653,848	2,479,940	2,362,223
-	-	2,640	2,640
-	-	4,951,252	3,758,882
1,500,000	-	1,500,000	1,500,000
<u>\$ 6,781,925</u>	<u>\$ 9,621,529</u>	<u>\$ 33,395,110</u>	<u>\$ 32,987,241</u>
\$ 1,744,486	\$ 833,321	\$ 2,962,560	\$ 3,465,524
5,300	4,217	699,742	633,242
-	18,627	98,044	811,104
4,951,252	-	4,951,252	3,758,882
-	507,569	1,211,723	975,865
<u>6,701,038</u>	<u>1,363,734</u>	<u>9,923,321</u>	<u>9,644,617</u>
-	-	3,750,094	4,573,256
648,743	-	2,565,581	345,861
-	-	1,882,939	2,344,491
-	-	2,640	2,640
-	-	4,951,252	3,758,882
1,500,000	-	1,500,000	1,500,000
-	-	476,000	796,000
-	-	122,874	2,604,025
-	8,257,795	10,288,265	8,232,648
(2,067,856)	-	(2,067,856)	(815,179)
<u>80,887</u>	<u>8,257,795</u>	<u>23,471,789</u>	<u>23,342,624</u>
<u>\$ 6,781,925</u>	<u>\$ 9,621,529</u>	<u>\$ 33,395,110</u>	<u>\$ 32,987,241</u>

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**City of San Gabriel**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Assets**  
**June 30, 2010**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 23,471,789</b>
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets, net of accumulated depreciation of \$37,758,156, have not been included as financial resources in governmental fund activity:	
Capital assets, net of accumulated depreciation - governmental activities	37,827,601
Capital assets, net of accumulated depreciation - internal service funds	(69,445)
Compensated absences have not been included in the governmental fund activity:	
Compensated absences - governmental activities	(2,011,778)
Compensated absences - internal service funds	25,402
Other post employment benefit liabilities have not been included in the governmental fund activity:	
Other post employment benefit liabilities	(2,775,461)
Revenues that are measureable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.	1,211,723
Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net assets.	519,709
<b>Net Assets of Governmental Activities</b>	<b>\$ 58,199,540</b>

**City of San Gabriel**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2010**

	General Fund	Special Revenue Funds		
		Retirement	Proposition C Local Return	Community Development Block Grant
<b>REVENUES:</b>				
Taxes	\$ 12,284,197	\$ 5,140,067	\$ -	\$ -
Intergovernmental	4,125,913	-	451,311	429,832
Charges for services	2,128,094	-	-	-
Fines and forfeitures	1,010,089	-	-	-
Licenses and permits	1,525,324	-	-	-
Investment income	1,156,178	125,315	82,752	-
Other	402,551	-	-	-
<b>Total revenues</b>	<b>22,632,346</b>	<b>5,265,382</b>	<b>534,063</b>	<b>429,832</b>
<b>EXPENDITURES:</b>				
Current:				
General government	5,748,554	-	-	-
Public safety	16,257,976	-	-	-
Community development	3,837,812	-	-	83,722
Culture and recreation	2,624,113	-	-	70,863
Transportation	-	-	765,232	-
Pass-throughs	-	-	-	-
Capital outlay	598,599	-	195,036	275,247
<b>Total expenditures</b>	<b>29,067,054</b>	<b>-</b>	<b>960,268</b>	<b>429,832</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(6,434,708)</b>	<b>5,265,382</b>	<b>(426,205)</b>	<b>-</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	5,747,395	-	-	-
Transfers out	(232,530)	(5,726,934)	-	-
<b>Total other financing sources (uses)</b>	<b>5,514,865</b>	<b>(5,726,934)</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(919,843)</b>	<b>(461,552)</b>	<b>(426,205)</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	12,080,664	2,344,491	2,515,552	-
End of year	\$ 11,160,821	\$ 1,882,939	\$ 2,089,347	\$ -

See accompanying Notes to Basic Financial Statements.

Capital Project Fund		Non-major Governmental Funds	Total Governmental Funds	
Redevelopment			2010	2009
\$ 1,234,314	\$ 308,578	\$ 18,967,156	\$ 18,856,774	
-	3,858,243	8,865,299	7,493,492	
-	769,591	2,897,685	2,962,722	
-	-	1,010,089	990,193	
-	-	1,525,324	1,618,502	
157,444	195,778	1,717,467	1,725,199	
-	-	402,551	1,580,225	
<u>1,391,758</u>	<u>5,132,190</u>	<u>35,385,571</u>	<u>35,227,107</u>	
-	-	5,748,554	5,302,319	
-	132,937	16,390,913	16,712,001	
727,804	64,427	4,713,765	5,130,906	
-	145,681	2,840,657	3,034,745	
-	32,110	797,342	2,314,683	
464,566	-	464,566	80,508	
782,030	1,637,628	3,488,540	3,499,652	
<u>1,974,400</u>	<u>2,012,783</u>	<u>34,444,337</u>	<u>36,074,814</u>	
<u>(582,642)</u>	<u>3,119,407</u>	<u>941,234</u>	<u>(847,707)</u>	
-	21,292	5,768,687	6,304,479	
(21,292)	(600,000)	(6,580,756)	(6,756,622)	
<u>(21,292)</u>	<u>(578,708)</u>	<u>(812,069)</u>	<u>(452,143)</u>	
(603,934)	2,540,699	129,165	(1,299,850)	
684,821	5,717,096	23,342,624	24,642,474	
<u>\$ 80,887</u>	<u>\$ 8,257,795</u>	<u>\$ 23,471,789</u>	<u>\$ 23,342,624</u>	

# City of San Gabriel

## Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2010

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 129,165</b>
 Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:	
 Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over the estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period:	
Capital addition	2,812,658
Capital deletion	(215,156)
Depreciation - governmental activities	(2,513,231)
Depreciation - internal service funds	3,094
 To record as an adjustment to expense the net change in compensated absences in the statement of activities.	 230,963
 To record as an adjustment to expense the net change in other post employment benefit liabilities in the statement of activities.	 (1,349,461)
 Revenues that are measureable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting.	 235,858
 Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The new revenues (expenses) of the internal service funds are reported with governmental activities.	 1,100,856
 <b>Change in Net Assets of Governmental Activities</b>	 <b>\$ 434,746</b>

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# PROPIETARY FUND FINANCIAL STATEMENTS

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**City of San Gabriel**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2010**

	Governmental Activities	
	Internal Service Funds	
	2010	2009
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 2,348,238	\$ 1,173,065
Receivables:		
Accounts	-	227,496
Prepaid costs	12,846	-
<b>Total current assets</b>	<b>2,361,084</b>	<b>1,400,561</b>
Noncurrent assets:		
Capital assets:		
Building	115,780	115,780
Machinery and equipment	49,053	49,053
Accumulated depreciation	(95,388)	(92,294)
<b>Total capital assets</b>	<b>69,445</b>	<b>72,539</b>
<b>Total assets</b>	<b>2,430,529</b>	<b>1,473,100</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	278,764	27,586
Accrued payroll	8,372	7,426
Compensated absences	25,402	22,559
Claims payable - current portion	479,485	599,003
<b>Total current liabilities</b>	<b>792,023</b>	<b>656,574</b>
Noncurrent liabilities:		
Claims payable, net of current portion	1,118,797	1,397,673
<b>Total liabilities</b>	<b>1,910,820</b>	<b>2,054,247</b>
<b>NET ASSETS</b>		
Investment in capital assets, net of related debt	69,445	72,539
Unrestricted	450,264	(653,686)
<b>Total net assets</b>	<b>\$ 519,709</b>	<b>\$ (581,147)</b>

See accompanying Notes to Basic Financial Statements.

**City of San Gabriel**  
**Statement of Revenues, Expenditures and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Governmental Activities Internal Service Funds	
	2010	2009
<b>OPERATING REVENUES:</b>		
Charges for services	\$ 4,846,468	\$ 3,965,300
<b>Total operating revenues</b>	<b>4,846,468</b>	<b>3,965,300</b>
<b>OPERATING EXPENDITURES:</b>		
Personnel services	269,384	329,450
Contractual services	54,585	41,556
Vehicle operating	313,095	225,348
Depreciation	3,094	1,358
Utilities	5,547	5,746
Uniforms	2,524	2,514
Operating expenses	2,953	16,079
Insurance premiums	3,235,884	1,388,503
Claims and judgments	694,431	2,854,975
<b>Total operating expenses</b>	<b>4,581,497</b>	<b>4,865,529</b>
<b>OPERATING INCOME (LOSS)</b>	<b>264,971</b>	<b>(900,229)</b>
<b>NONOPERATING REVENUES:</b>		
Investment income	23,816	17,831
<b>Total other financing sources (uses)</b>	<b>23,816</b>	<b>17,831</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>288,787</b>	<b>(882,398)</b>
Transfers in	812,069	452,143
Change in net assets	1,100,856	(430,255)
<b>NET ASSETS</b>		
Beginning of year	(581,147)	(150,892)
End of year	\$ 519,709	\$ (581,147)

See accompanying Notes to Basic Financial Statements.

**City of San Gabriel**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2010**

	Governmental Activities	
	Internal Service Funds	
	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from user departments	\$ 5,073,964	\$ 3,973,771
Cash payments to suppliers for goods and services	(4,469,081)	(4,498,906)
Cash payments to employees for services	(265,595)	(323,159)
<b>Net cash provided by (used for) operating activities</b>	<b>339,288</b>	<b>(848,294)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash received from other funds	812,069	452,143
<b>Net cash provided by noncapital financing activities</b>	<b>812,069</b>	<b>452,143</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Payments to acquire capital assets	-	(37,853)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>(37,853)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received from investments	23,816	17,831
<b>Net cash provided by investing activities</b>	<b>23,816</b>	<b>17,831</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>1,175,173</b>	<b>(416,173)</b>
<b>CASH AND CASH EQUIVALENTS</b>		
Beginning of year	1,173,065	1,589,238
End of year	<b>\$ 2,348,238</b>	<b>\$ 1,173,065</b>
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS)</b>		
<b>TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 264,971	\$ (900,229)
Adjustments to reconcile operating income (loss)		
to net cash provided by (used for) operating activities:		
Depreciation	3,094	1,358
(Increase) decrease in prepaids	227,496	17,673
(Increase) decrease in accounts receivable	(12,846)	8,471
Increase (decrease) in accounts payable	251,178	(34,078)
Increase (decrease) in accrued payroll	946	1,494
Increase (decrease) in compensated absences	2,843	4,797
Increase (decrease) in claims payable	(398,394)	52,220
<b>Total adjustments</b>	<b>74,317</b>	<b>51,935</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 339,288</b>	<b>\$ (848,294)</b>

See accompanying Notes to Basic Financial Statements.

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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**City of San Gabriel**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2010**

	Deposits Fund	
	2010	2009
<b>ASSETS</b>		
Cash and investments	\$ 560,941	\$ 682,788
Account receivable	49,112	61,752
<b>Total assets</b>	<b>\$ 610,053</b>	<b>\$ 744,540</b>
<b>LIABILITIES</b>		
Accounts payable	\$ 19,154	\$ 40,098
Deposits payable	590,899	704,442
<b>Total liabilities</b>	<b>\$ 610,053</b>	<b>\$ 744,540</b>

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# NOTES TO BASIC FINANCIAL STATEMENTS

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# City of San Gabriel

## Notes to Basic Financial Statements

### For the year ended June 30, 2010

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#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of San Gabriel (City) was incorporated April 24, 1913 under the general laws of the state of California and enjoys all the rights and privileges pertaining to such "General Law" cities. The City is a municipal corporation governed by an elected five-member council.

The accounting policies of the City conform to generally accepted accounting principles. The following is a summary of the more significant policies.

##### A. *Financial Reporting Entity*

As required by generally accepted accounting principles, these financial statements present the City of San Gabriel and its component unit, an entity for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete. A brief description of the component unit is as follows:

- The San Gabriel Redevelopment Agency (Agency) was established in February 1991, pursuant to the State of California Health and Safety Code Section 33000 entitled, "Community Redevelopment Law." Although it is a legally separate entity from the City, the Agency is reported as if it were part of the City because of its purpose to prepare and execute plans for the improvement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City. Separate financial statements for the Agency are available at City Hall.

Since the City Council serves as the governing board for this component unit, it is considered to be a blended component unit. A blended component unit, although legally a separate entity, is in substance, part of the City's operations and so data from the unit is reported with the interfund data of the primary government. The Agency issues separate component unit financial statements, and upon their completion, they can be obtained at City Hall.

##### B. *Basis of Accounting and Measurement Focus*

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

For governmental funds financial reporting is based upon all GASB pronouncements. For proprietary funds, financial reporting is based on all GASB pronouncements, as well as FASB Statements and Interpretations, APB Opinions, and Accounting Research Bulletins that were issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. FASB pronouncements issued after November 30, 1989 are not followed in preparation of the accompanying financial statements.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Government – Wide and Fund Financial Statements*

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units), as well as its discretely presented component units. The City of San Gabriel has no business-type activities or discretely presented component units. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City.

Government-wide financial statements are presented using the economic resources measurement focus and accrual basis of accounting. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized when the accrual basis criteria are met and the revenues are available.

Program revenues include charges for services and payments made by parties outside the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

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

*Fund Financial Statements*

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds. Fiduciary statements include financial information for the fiduciary fund. The fiduciary fund of the City primarily represents assets held by the City in a custodial capacity for other individuals or organizations.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

*Governmental Fund*

In the fund financial statements, governmental funds are presented using the modified-accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of sixty days.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received by the government.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed nonexchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary nonexchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

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

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***B. Basis of Accounting and Measurement Focus, Continued***

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as expenditures in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as an other financing source rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenses are considered to be paid first from restricted resources, and then from unrestricted resources.

*Propriety Fund*

The City's internal service funds are proprietary funds. In the fund financial statements, proprietary funds are presented using the accrual basis of accounting. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds are presented using the economic resources measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net assets. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's internal service funds are charges to customers for sales and services. Operating expenses for internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as noncapital revenues and expenses.

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

*Agency Fund*

Agency Fund are custodial in nature and do not involve in measurement of results of operations.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

**C. Major Governmental Funds, Internal Service Funds and Fiduciary Fund Types**

The City's major governmental funds are as follows:

General Fund - The primary fund of the City is used to account for all revenues and expenditures of the City not legally restricted as to use. A broad range of municipal activities are provided through this fund including City Manager, City Attorney, Finance, City Clerk, Community Development, Public Safety and Culture and Recreation.

Retirement Fund - This fund is used to account for the receipt of property taxes of a voter-approved tax levy and pay the City's cost of retirement for employees.

Proposition C Local Return Fund - This fund is used to account for monies received from an allocation of sales tax revenue restricted to fund local transportation related activities in accordance with Proposition C regulations.

Community Development Block Grant Fund - This fund is used to account for funds from the Community Development Block Grant for neighborhood improvement and rehabilitation purposes.

Redevelopment Capital Project Fund - This fund is used to account for revenues and expenditures associated with the acquisition or construction of capital items for the San Gabriel Redevelopment Agency.

Other fund types of the City are as follows:

Internal Service Funds:

Self-Insurance Fund - This fund is used to account for payments for the City's workers' compensation and general liability claims.

Automotive Maintenance Fund - This fund is used to account for the costs of operating a maintenance facility for automotive equipment used by City departments.

Agency Fund:

Deposit Fund - This fund is used to account for deposits collected by the City which will be refunded at some later date.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*D. Investments*

For financial reporting purposes, investments are adjusted to their fair value whenever the difference between fair market value and the carrying amount is material.

Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments. Investment income earned by the pooled investments is allocated to the various funds based on each fund's average cash and investment balances.

*E. Cash Equivalents*

For purposes of the statement of cash flows, cash equivalents are defined as short term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash equivalents also represent the proprietary funds' share in the cash and investment pool of the City of San Gabriel. Cash equivalents have an original maturity date of three months or less from the date of purchase. For purposes of the statement of cash flows, the entire balance of cash and investments on the combined balance sheet for the internal service fund is considered cash and cash equivalents.

*F. Capital Assets*

Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Contributed capital assets are valued at their estimated fair market value at the date of the contribution. Generally, capital asset purchases in excess of \$5,000 are capitalized if they have an expected useful life of three years or more.

Capital assets include additions to public domain (infrastructure) general fixed assets consisting of certain improvements including roads, streets, sidewalks, medians, and storm drains. Infrastructure acquired prior to fiscal years ended June 30, 1980 is reported.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements and in the fund financial statements of the internal service funds. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. The range of lives used for depreciation purposes for each capital asset class are as follows:

Buildings and improvements	20-50 years
Machinery and equipment	5-20 years
Infrastructure	15-50 years

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*G. Encumbrances*

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the governmental funds. Encumbrances outstanding at year end do not constitute expenditures or liabilities, but are reported as reservations of fund balance.

*H. Compensated Absences*

Permanent City employees earn from 10 to 20 vacation days and 12 sick leave days a year. Upon termination, employees are paid for all unused vacation hours. Upon a service retirement, employees are paid one-third of accumulated sick leave.

A liability is recorded for unused vacation and similar compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payments upon termination or retirement.

A liability is recorded for unused sick leave balances only to the extent that it is probable that the unused balances will result in termination payments. This is estimated by including in the liability the unused balances of employees currently entitled to receive termination payments, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

*I. Property Taxes*

Under California law, property taxes are assessed and collected by the counties up to 1 % 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 of San Gabriel accrues only those taxes which are received from the county within 60 days after year-end:

Lien date	March 1
Levy date	July 1 to June 30
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

*J. Property Held for Resale*

The property held for resale was acquired as a result of a court settlement by condemnation for redevelopment purposes. The settlement cost was \$1,500,000.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

*K. Use of Estimates*

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

*L. Prior Year Data*

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statements, from which this selected financial data was derived.

*M. Internal Activity Elimination*

Internal fund balances generally must be eliminated in the government-wide financial statements. However, interfund services provided and used are not eliminated in the process of consolidation.

*N. Prepaid Costs*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2010 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 25,581,456
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	560,941
Total cash and investments	<u>\$ 26,142,397</u>
Cash and investments as of June 30, 2010 consist of the following:	
Cash on hand	\$ 2,200
Deposits with financial institutions	19,846,675
Investments	6,293,522
Total cash and investments	<u>\$ 26,142,397</u>

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**2. CASH AND INVESTMENTS, Continued**

Investments Authorized by the California Government Code and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, and concentration of credit risk.

Investment Types Authorized by State Law	Authorized By Investment Policy	*Maximum Maturity	*Maximum Percentage Of Portfolio	* Maximum Investment In One Issuer
Local Agency Bonds	Yes	5 years	None	None
U.S. Treasury Obligations	Yes	5 years	None	None
U.S. Agency Securities	Yes	5 years	20%	None
Banker's Acceptances	Yes	180 days	40%	30%
Commercial Paper	Yes	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	Yes	1 year	None	None
Reverse Repurchase Agreements	Yes	92 days	20% of basic value	None
Medium-Term Notes	Yes	5 years	30%	None
Mutual Funds	Yes	N/A	10%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	Yes	5 years	20%	None
County Pooled Investment Funds	Yes	N/A	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	None	None
JP A Pools (other investment pools)	No	N/A	None	None

\* Based on state law requirements or investment policy requirements, whichever is more restrictive.

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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**2. CASH AND INVESTMENTS, Continued**

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)			
		12 Months Or Less	13 to 24 Months	25-60 Months	More Than 60 Months
Mutual funds	\$ 218,410	\$ 218,410	\$ -	\$ -	\$ -
LAIF	6,075,112	6,075,112	-	-	-
<b>Total</b>	<b>\$ 6,293,522</b>	<b>\$ 6,293,522</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

Credit Risk

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

Investment Type	Total	Rating as of Year End		
		Minimum Legal Rating	AAA	Not Rated
Mutual funds	\$ 218,410	N/A	\$ 218,410	\$ -
LAIF	6,075,112	N/A	-	6,075,112
<b>Total</b>	<b>\$ 6,293,522</b>		<b>\$ 218,410</b>	<b>\$ 6,075,112</b>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2010, none of the City's deposits or investments was exposed to custodial credit risk.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**2. CASH AND INVESTMENTS, Continued**

Investment in State Investment Pool

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2010, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2010, the City had \$6,075,112 invested in LAIF, which had invested 5.42% of the pool investment funds in Structured Notes and Asset-Backed Securities. The LAIF fair value factor of 1.001643776 was used to calculate the fair value of the investments in LAIF.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

**3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

**Due To and Due From Other Funds -** At June 30, 2010, the City had the following due to/from other funds:

Due to Other Funds	Due from Other funds	
	Governmental Funds	
	General	
<b>Governmental Funds:</b>		
Community Development Block Grant Fund	\$	79,417 (A)
Nonmajor Governmental Funds		18,627 (A)
<b>Total</b>	<b>\$</b>	<b>98,044</b>

(A) Short-term borrowing to cover temporary cash shortfalls.

**Advances To/From Other Funds -** At June 30, 2010, the City had the following advances to/from other funds:

Advances from Other Funds	Advances to Other Funds	
	Governmental Funds	
	General Fund	
<b>Governmental Funds:</b>		
Redevelopment Capital Project Fund	\$	4,951,252 (B)

(B) To provide funding for capital projects within the project area. The advance accrues interest at 9.75% per annum with no required repayment date.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**3. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS, Continued**

**Transfers** - At June 30, 2010, the City had the following transfers in/out:

<b>Transfers Out</b>	<b>Transfers In</b>			<b>Total</b>	
	<b>Governmental Funds</b>		<b>Proprietary Funds</b>		
	General Fund	Nonmajor Governmental Funds	Internal Service Fund		
<b>Governmental Funds:</b>					
General Fund	\$ -	\$ -	\$ 232,530	\$ 232,530	(C)
Retirement Special Revenue Fund	5,147,395	-	579,539	5,726,934	(D)
Redevelopment Capital Project Fund	-	21,292	-	21,292	(E)
Nonmajor Governmental Funds	600,000	-	-	600,000	(F)
<b>Total</b>	<u>\$ 5,747,395</u>	<u>\$ 21,292</u>	<u>\$ 812,069</u>	<u>\$ 6,580,756</u>	

(C) To provide funding for fire engines.

(D) To provide funding for retirement costs.

(E) To provide funding for low and moderate housing qualified expenditures.

(F) To provide funding for gas tax qualified expenditures.

**4. CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2010 was as follows:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<b>Capital assets being depreciated:</b>				
Building and improvements	\$ 9,041,923	\$ 341,048	\$ -	\$ 9,382,971
Machinery and equipment	8,008,597	336,757	(197,886)	8,147,468
Infrastructure	68,953,410	2,134,853	(220,673)	70,867,590
Total cost of depreciable assets	<u>86,003,930</u>	<u>2,812,658</u>	<u>(418,559)</u>	<u>88,398,029</u>
<b>Less accumulated depreciation:</b>				
Buildings and improvements	3,172,160	213,949	-	3,386,109
Machinery and equipment	5,062,010	638,077	(197,886)	5,502,201
Infrastructure	47,220,129	1,661,205	(5,517)	48,875,817
Total accumulated depreciation	<u>55,454,299</u>	<u>2,513,231</u>	<u>(203,403)</u>	<u>57,764,127</u>
<b>Total depreciable assets, net</b>	<u>30,549,631</u>	<u>299,427</u>	<u>(215,156)</u>	<u>30,633,902</u>
<b>Capital assets not depreciated:</b>				
Land	7,193,699	-	-	7,193,699
<b>Capital assets, net</b>	<u>\$ 37,743,330</u>	<u>\$ 299,427</u>	<u>\$ (215,156)</u>	<u>\$ 37,827,601</u>

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**4. CAPITAL ASSETS, Continued**

Depreciation expense was charged to the following functions in the Statement of Activities:

General government	\$	121,665
Public safety		500,455
Transportation		1,079,167
Community development		667,426
Culture and recreation		144,518
Total	\$	<u>2,513,231</u>

**5. LONG-TERM DEBT**

Changes in long-term liabilities during the year ended June 30, 2010 were as follows:

	Balance July 1, 2009	Prior Period Adjustment	Additions	Deletions	Balance June 30, 2010	Classification	
						Due Within One Year	Due More Than One Year
Compensated absences	\$ 2,239,898	\$ -	\$ 1,160,848	\$ (1,388,968)	\$ 2,011,778	\$ 603,533	\$ 1,408,245
OPEB liabilities	-	1,426,000	1,349,461	-	2,775,461	762,000	2,013,461
Claims payable	1,996,676	-	1,385,604	(1,783,998)	1,598,282	479,485	1,118,797
	<u>\$ 4,236,574</u>	<u>\$ 1,426,000</u>	<u>\$ 3,895,913</u>	<u>\$ (3,172,966)</u>	<u>\$ 6,385,521</u>	<u>\$ 1,845,018</u>	<u>\$ 4,540,503</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1H. This liability amounting to \$2,011,778 at June 30, 2010 is expected to be paid in future years from future resources, typically liquidated from the General Fund.

Other Post Employment Benefit Liabilities

The amount of net other post employment benefits liabilities at June 30, 2010 was \$2,775,461. See Note 9 for details.

Claims Payable/Self Insurance

**A. Description of Self Insurance Pool Pursuant to Joint Powers Agreement**

The City 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 California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee. Authority financial statements can be obtained from CJPIA at 8081 Moody Street, La Palma, California 90623.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**5. LONG-TERM DEBT, Continued**

***B. Self-insurance Programs of the Authority***

General Liability - Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between police and non-police. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$30,000 of each occurrence is charged directly to the member's primary deposit; (2) costs from \$30,000 to \$750,000 and the loss development reserves associated with losses up to \$750,000 are pooled based on the member's share of losses under \$30,000; (3) losses from \$750,000 to \$5,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$5,000,000 to \$10,000,000 are paid under reinsurance policies and are subject to a \$2,500,000 annual aggregate deductible; (4b) costs of covered claims from \$10,000,000 to \$50,000,000 are covered through excess insurance policies; (4c) Costs of covered claims for subsidence losses are paid by excess insurance with a sub-limit of \$25,000,000 per occurrence per member. This \$25,000,000 subsidence sub-limit is composed of \$10,000,000 in reinsurance and \$15,000,000 in excess insurance. The excess insurance layer has a \$15,000,000 annual aggregate. The costs associated with 4a, 4b, and 4c are estimated using actuarial models and pre-funded as part of the primary and retrospective deposits.

The overall policy limit for each member including all layers of coverage is \$50,000,000 per occurrence.

Workers' Compensation - The City also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

***C. Purchased Insurance***

Property Insurance - The City of San Gabriel participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City of San Gabriel property is currently insured according to a schedule of covered property submitted by the City of San Gabriel to the Authority. The City of San Gabriel currently has all-risk property insurance protection in the amount of \$21,141,250. 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 retroactive adjustments.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**5. LONG-TERM DEBT, Continued**

*D. Adequacy of Protection*

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. Additionally, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year. Activity pertaining to the City's insurance programs in handled through the Self Insurance Internal Service Fund.

Reconciliation of the changes in the City's aggregate liabilities for the years ended June 30, 2010 and 2009 is as follows:

2010	Liability Beginning of Year	Claims and Changes in Estimates	Claim Payments	Liability End of Year
Liability claims	\$ 240,524	\$ 423,380	\$ 504,449	\$ 159,455
Workers' compensation	1,756,152	962,224	1,279,549	1,438,827
Total	<u>\$ 1,996,676</u>	<u>\$ 1,385,604</u>	<u>\$ 1,783,998</u>	<u>\$ 1,598,282</u>
2009				
Liability claims	\$ 369,297	\$ 670,412	\$ 799,185	\$ 240,524
Workers' compensation	1,575,159	1,718,490	1,537,497	1,756,152
Total	<u>\$ 1,944,456</u>	<u>\$ 2,388,902</u>	<u>\$ 2,336,682</u>	<u>\$ 1,996,676</u>

**6. FUND DEFICITS**

At June 30, 2010, the following funds had deficit balances:

	Amount
Special Revenue:	
Other Grants	\$ 3,099 (A)
Office of Traffic Safety Grant	10,211 (A)

(A) The deficits will be paid back with future grant revenues.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**7. EXPENDITURES IN EXCESS OF APPROPRIATIONS**

Expenditures for the year ended June 30, 2010 exceeded the appropriations of the following departments/funds:

	Budget	Actual	Variance
General:			
City Manager	\$ 528,697	\$ 537,528	\$ (8,831)
Personnel and purchasing	538,868	551,799	(12,931)
Disaster preparedness	17,129	21,907	(4,778)
Park maintenance	775,028	775,399	(371)
Special Revenue:			
Parks and Recreation Activity Fund	144,000	145,681	(1,681)
Office of Traffic Safety Grant Fund	27,500	42,141	(14,641)

**8. DEFINED BENEFIT PENSION PLAN (PERS)**

Plan Description

The City of San Gabriel contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer 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. PERS issues a publicly available financial report that includes financial statements and required supplementary information for the cost sharing plans that are administered by PERS. Copies of PERS' annual financial report may be obtained by writing to 400 "P" Street, Sacramento, California 95814.

Contributions

Miscellaneous and safety participants are required to contribute 8% and 9%, respectively, of their annual covered salary. The City makes the contributions required of the City employees on their behalf and for their account. Benefit provisions and all other requirements are established by state statute and city contract with employee bargaining groups.

For each of the fiscal years shown below, the City has contributed at the actuarially determined rate provided by PERS' actuaries. Under GASB 27, an employer reports an annual pension cost (APC) equal to the annual required contribution (ARC) plus an adjustment for the cumulative difference between the APC and the employer's actual plan contributions for the year. The cumulative difference is called the net pension obligation (NPO). The ARC for the period July 1, 2009 to June 30, 2010 has been determined by an actuarial valuation of the plan as of June 30, 2007. The City's covered payroll for PERS was \$15,154,433 for the year ended June 30, 2010, while the City's total payroll for all employees was \$16,779,117 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2010, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2009 to June 30, 2010,

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**8. DEFINED BENEFIT PENSION PLAN (PERS), Continued**

Three-Year Trend Information

Fiscal Year	Annual Pension Cost (Safety)			Net Pension Obligation
	Employer Contribution Rate	Employer Contribution	Percentage Contributed	
6/30/2008	28.302%	\$ 2,363,214	100.000%	\$ -
6/30/2009	28.588%	2,523,541	100.000%	-
6/30/2010	28.989%	2,616,086	100.000%	-

Fiscal Year	Annual Pension Cost (Miscellaneous)			Net Pension Obligation
	Employer Contribution Rate	Employer Contribution	Percentage Contributed	
6/30/2008	17.066%	\$ 913,865	100.000%	\$ -
6/30/2009	17.457%	1,046,615	100.000%	-
6/30/2010	18.336%	1,124,001	100.000%	-

**9. OTHER POST EMPLOYEE BENEFITS ("OPEB")**

Description of Plan

The City contracts with the California Public Employees' Retirement System to provide Post-Retirement Health benefits. As an agent multi-employer postemployment benefit plan, the City pays \$150 per month towards health insurance premiums for employees who retired before July 1, 2003. The amount the City pays for employees who retire after July 1, 2003 is varies based on years of service. The exact amount is calculated based on CalPERS vesting schedule (\$22893) The schedule is adjusted annually based on the 100%/90%, employee/dependent, formula as provided in Section 22825.1 of the Public Employees' Medical and Hospital Act and for the fiscal year ending June 30, 2010. The schedule is displayed as follows:

Years of PERS Service	1 Party	2 Party	3+Party	% of Employer Contribution
Less than 10	\$ -	\$ -	\$ -	0%
10	235.50	443.00	564.50	50%
11	259.05	487.30	620.95	55%
12	282.60	531.60	677.40	60%
13	306.15	575.90	733.85	65%
14	329.70	620.20	790.30	70%
15	353.25	664.50	846.75	75%
16	376.80	708.80	903.20	80%
17	400.35	753.10	959.65	85%
18	423.90	797.40	1,016.10	90%
19	447.45	841.70	1,072.55	95%
20 or more	471.00	886.00	1,129.00	100%

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**9. OTHER POST EMPLOYEE BENEFITS (“OPEB”), Continued**

Funding Policy and Contribution Rules

The funding policy of the City with respect to its OPEB obligation is to irrevocably place into a trust used solely for the payment of the City’s OPEB benefits an annual amount that is approved by the City Council and consistent with the City's budgetary objectives for that fiscal year. The amount of \$260,323 was placed in trust in addition to the contributions paid by the City on behalf of its current retirees in the form of benefit payments in the amount of \$319,216 for the year ended June 30, 2010. The OPEB trust used by the City is administered by CalPERS. Trust financial statements can be obtained from CalPERS at P.O. Box 942703, Sacramento, CA 94229-2703.

*Annual OPEB Cost and Net OPEB Obligation* - The City's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). An amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation for these benefits:

Annual required contribution	\$ 1,929,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost (expense)	<u>1,929,000</u>
Contributions made (including premiums paid)	<u>(579,539)</u>
Increase in net OPEB obligation	1,349,461
Net OPEB obligation - beginning of year	<u>1,426,000</u>
Net OPEB obligation - end of year	<u><u>\$ 2,775,461</u></u>

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

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contribution	Net OPEB Obligation
6/30/2009	\$ 442,000	23.662%	\$ 1,426,000
6/30/2010	579,539	30.043%	2,775,461

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**9. OTHER POST EMPLOYEE BENEFITS (“OPEB”), Continued**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Rate amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information below, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

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

**Actuarial Assumptions**

June 30, 2008 Valuation

- Valuation Date
  - June 30, 2008
  - Cost for 2008/09 & 2009/10 fiscal year
- Discount Rate
  - 20 year graded 4.5% to 7.75% - Pre-funded through CERB (CalPERS OPEB Trust), phase in to full ARC over 20 years
- General Inflation
  - 3.00%
- Payroll Increase
  - Aggregate Increase - 3.25%
  - Merit Increases - CalPERS 1997/2002 Experience Study

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**9. OTHER POST EMPLOYEE BENEFITS (“OPEB”), Continued**

Healthcare Trend Rate	<u>Increase from prior year</u>			
	<u>Non-Medicare</u>		<u>Medicare</u>	
	<u>HMO</u>	<u>PPO</u>	<u>HMO</u>	<u>PPO</u>
2008	Actual 2008 Premiums			
2009	Actual 2009 Premiums			
2010	9.05%	9.75%	9.40%	10.10%
2011	8.40%	9.00%	8.70%	9.30%
↓	↓	↓	↓	↓
2017	4.50%	4.50%	4.50%	4.50%

- 2009 PEMHCA Rates:
  - Kaiser & PORAC: Increased based on experience
  - Blue Shield: Applied rollover credit
  - PPOs: Applied reserves
- Adjustment to the above trend rates for:
  - Kaiser PORAC: No adjustment
  - Blue Shield: Increase 1% each year for 2010-2012
  - PPOs: Increase 1% each year for 2010-2013

**Actuarial Method**

- |                       |  |
|-----------------------|--|
| • Plan Assets         | • None   |
| • Cost Method         | • Entry Age Normal (same as CalPERS)   |
| • Amortization Period | • 30 years<br>• 20 years (for sensitivity analysis)  |
| • Amortization Method | • Level percent of payroll (same as CalPERS)   |
| • Future New Entrants | • None – closed group  |
| • “Implied Subsidy”   | • Employer cost for allowing retirees to participate, irrespective of employer contribution<br>• Community rated plans not required to value implied subsidy<br>• PEMHCA is, for most employers, community rated |

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**9. OTHER POST EMPLOYEE BENEFITS (“OPEB”), Continued**

**Annual Required Contribution (ARC)**  
**20-year Graded 4.50% to 7.75%**  
**2008/09 Fiscal Year**  
**(000’s Omitted)**

	<u>Misc</u>	<u>Fire</u>	<u>Police</u>	<u>Total</u>
• ARC - \$				
o Normal Cost	\$435	\$214	\$378	\$1,028
o UAAL Amortization <sup>1</sup>	<u>307</u>	<u>198</u>	<u>336</u>	<u>840</u>
• Total 2008/09 ARC	\$742	\$411	\$713	\$1,868
• Projected Payroll	\$5,375	\$2,923	\$4,412	\$12,710
• ARC - %				
o Normal Cost	8.1%	7.3%	8.6%	8.1%
o UAAL Amortization	<u>5.7%</u>	<u>6.8%</u>	<u>7.6%</u>	<u>6.6%</u>
• Total 2008/09 ARC	13.8%	14.1%	16.2%	14.7

<sup>1</sup> Amortized as a level percent of payroll over 30 years

**Discount Rate \$ Amortization Period Sensitivity**  
**(000’s Omitted)**

• Discount Rate	20-year Graded 4.5% to 7.75%
• Amortization Period	30 years
• Present Value of Benefits	\$26,826
• Funded Status	
o AAL	16,882
o Assets	-
o Unfunded AAL	<u>\$16,882</u>
• 2008/09 ARC	
o Normal cost	\$1,028
o UAAL Amortization	840
o Total ARC	<u>\$1,868</u>
o ARC as % payroll	14.7%
• 2008/09 Pay Go Costs	\$367
• 2009/10 ARC	\$1,929
• Projected 2009/10 Payroll	\$13,123

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**9. OTHER POST EMPLOYEE BENEFITS (“OPEB”), Continued**

**20-year Phase In Pre-Funding Progress**  
**20-year Graded 4.50% to 7.75% Discount Rate, 30-Year Amortization**  
**(000's Omitted)**

FYE July 1,	Beginning of Year Net OPEB Obligation	Contribution	Annual OPEB Cost (AOC)	Payroll	Contribution as % of Payroll
2008	\$ -	\$ 442	\$ 1,868	\$ 12,710	3.5%
2009	1,426	591	2,000	13,123	4.5%
2010	2,835	762	2,137	13,550	5.6%
2011	4,210	945	2,280	13,990	6.8%
2012	5,545	1,144	2,427	14,445	7.9%
2013	6,828	1,354	2,577	14,914	9.1%
2014	8,051	1,575	2,730	15,399	10.2%
2015	9,205	1,808	2,884	15,899	11.4%
2016	10,281	2,053	3,040	16,416	12.5%
2017	11,268	2,305	3,196	16,949	13.6%

**SCHEDULE OF FUNDING PROGRESS**  
**Required Supplementary Information**

The funding progress of the plan as of the date of the most recent actuarial valuation is follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded (Overfunded) Actuarial Accrued Liability (B-A) (C)	Funded Ratio (A/B) (D)	Covered Payroll (E)	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll (C/E) (F)
6/30/2008	\$ -	\$ 16,882,000	\$ 16,882,000	0.0%	\$ 12,710,000	132.8%

\*Based on the latest actuarial valuation available.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**10. CONTINGENCIES**

The City is presently involved in other matters of litigation that have arisen in the normal course of the City's business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to have a material adverse financial impact on the City.

The City annually imposes a special tax for payment of PERS retirement costs for City employees. This tax, approved by the voters prior to the passage of Proposition 13, is not subject to the limitations of that enactment. An Appellate Court ruled that the City of Huntington Beach could not levy and use its voter approved retirement tax to pay for retirement plan enhancements that had been added after the date of voter approval. The City of San Gabriel currently levies and uses its tax to pay for subsequently added retirement benefits. After reviewing the decision and the text of San Gabriel's voter approved initiative, the City Attorney has concluded that the measure approved by San Gabriel's voters does authorize the City to levy and use the tax to pay for subsequently added benefits and have advised the City that it may continue to do so. The City has potential exposure to litigation over this issue. However, due to tax claim procedures enacted by City Ordinance No. 516, if a challenge were successfully mounted, the City Attorney believes that any significant impact would be prospective in nature.

State Action to Borrow Local Government Property Tax Funds in Fiscal Year 2009-10

On July 28, 2009, legislation was signed into law that enabled the State of California to borrow a portion of the property tax revenue due to be remitted to local governments in fiscal year 2009-10. This action was taken to replace a portion of the shortfall in state revenues associated with current economic conditions.

Efforts are being made to develop legislation that would authorize the California Statewide Communities Development Authority (CSCDA), a joint powers agency, to issue debt that would be used to provide to participating local governments funds to replace the property tax revenue borrowed by the state. If such debt is issued, it is anticipated that the State would be responsible for repayment of the bonds.

Under the modified accrual basis of accounting, the re-directed property taxes are not permitted to be recognized as revenue in the fund financial statements until the tax revenues (or the substituted funds provided by the planned CSCDA debt issue) are received by the local government (i.e., collected during that local government's "availability period"). In the government-wide financial statements, the property tax revenues are recognized for the year in which they were levied.

When adopting its budget for fiscal year 2009-10, the State of California reflected in that budget a shift of a significant portion of tax increment revenue from redevelopment agencies to school districts for fiscal years 2009-10 and 2010-11. The California Redevelopment Association has filed a lawsuit challenging the legality of this tax shift in the third district court of appeals. While the City hopes for a decision by May 2011, there is no way to predict when a decision will be handed down.

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

**11. CONSTRUCTION COMMITMENTS**

The following material construction commitments existed at June 30, 2010:

Project Name	Expenditures as of June 30, 2010	Remaining Commitments
Public Works Yard	\$ 71,096	\$ 4,928,904
San Gabriel Boulevard Rehabilitation	757,802	1,632,577
Vincent Lugo Park Improvement	80,555	1,426,400
San Gabriel Boulevard Reconstruction	568,394	1,367,593
Las Tunas Street Light Retrofit	28,606	1,215,381
Broadway/Walnut Grove Intersection Improvement	24,244	952,059
Fairview Rehabilitation and Median	4,726	600,274
San Gabriel Boulevard Streetscape Improvement	147,940	325,850
SG Las Tunas & Broadway Intersection improvement	70,332	281,056
Bilton-Hazel Way Rehabilitation	318,429	272,331
San Gabriel & Mission Intersection Improvement	17,851	229,277
Del Mar Rehabilitation Wells-Mission	56,460	113,540

**12. OPERATING LEASES**

During the year ended June 30, 2010, the City entered into several operating leases for certain office equipment. The leases provide for monthly payments, commencement date, maturity date, and payments are as follows:

	Monthly Payments	Commencing Date	Maturity Date
Copier/Printer - City Hall	\$ 808	June 2009	May 2012
Copier/Printer - Police Department	970	February 2010	January 2013
Copier/Printer - Fire Department	237	May 2010	April 2015

Minimum future rental payments under the operating leases are as follows:

2011	\$ 24,180
2012	23,372
2013	9,634

**City of San Gabriel**  
**Notes to Basic Financial Statements, Continued**  
**For the year ended June 30, 2010**

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**13. RESTATEMENT OF NET ASSETS**

The beginning net assets as of July 1, 2009 have been restated to include other post employment benefit liabilities previously not recorded as long term liabilities. The adjustment is shown in the following table:

	Government-wide Net Assets
Beginning July 1, 2009	\$ 59,190,794
Restatement	<u>(1,426,000)</u>
Ending July 1, 2009	<u>\$ 57,764,794</u>

**14. SUBSEQUENT EVENT**

On October 19, 2010 City Councilmember and current Mayor Albert Y.M.Huang resigned from office. On November 2, 2010 at a regularly scheduled City Council meeting, Vice Mayor David R. Gutierrez was appointed Mayor and Councilmember Kevin B. Sawkins was appointed to serve as Vice Mayor. The City's business operations have continued on their normal course under the direction of the City Manager. The seat held by Mr. Huang will be subject to election in March, 2011. The filing period for prospective candidates opened on November 15, 2010 and closed on December 10, 2010.

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**REQUIRED SUPPLEMENTARY  
INFORMATION  
(Unaudited)**

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**City of San Gabriel**  
**Required Supplementary Information (Unaudited)**  
**For the year ended June 30, 2010**

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**1. BUDGETARY INFORMATION**

The City adheres to the following general procedures in establishing its annual budget, which is reflected in the accompanying basic financial statements:

- The annual budget adopted by the City Council provides for the general operations of the City. It includes proposed expenditures and the means of financing them. Budgeted remaining appropriations lapse at the end of the fiscal year.
- The City Council approves total budgeted appropriations and amendments to appropriations throughout the year. The City Council must approve budget appropriation transfers between departments within a fund. The departments of the General Fund are considered to be departments for purposes of this requirement. Actual expenditures may not legally exceed budgeted appropriations at the fund level.
- Annual budgets are adopted for all Governmental Fund Types on a basis substantially consistent with Generally Accepted Accounting Principles (GAAP).
- The budgetary information shown for revenues and expenditures represents the original adopted budget adjusted for any changes made by the City Council for the year ended June 30, 2010. Supplemental appropriations in the amount of \$17,499,156 were made.
- Formal budgetary information is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures. Appropriations, which are encumbered at year end, lapse and then are added to the following year's budgeted appropriations. However, encumbrances at year-end are reported as reservations of fund balance.

**City of San Gabriel**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

*Schedule of Revenues, Expenditures and Changes in fund balance – Budget and Actual:*  
*General Fund*

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
<b>REVENUES:</b>					
Taxes	\$ 13,440,000	\$ 12,510,000	\$ 12,284,197	\$ (225,803)	\$ 12,597,394
Intergovernmental	4,152,000	5,043,077	4,125,913	(917,164)	3,876,997
Charges for services	2,237,500	2,002,000	2,128,094	126,094	2,105,738
Fines and forfeitures	1,025,500	1,000,500	1,010,089	9,589	990,193
Licenses and permits	1,666,575	1,616,575	1,525,324	(91,251)	1,618,502
Investment income	1,184,160	1,075,470	1,156,178	80,708	1,053,531
Other	295,000	341,335	402,551	61,216	1,580,225
<b>Total revenues</b>	<b>24,000,735</b>	<b>23,588,957</b>	<b>22,632,346</b>	<b>(956,611)</b>	<b>23,822,580</b>
<b>EXPENDITURES:</b>					
General government:					
City Council	287,120	287,120	257,189	29,931	263,903
City Clerk	252,805	242,595	235,142	7,453	137,276
City Treasurer	120,213	116,341	115,251	1,090	117,470
City Manager	441,803	528,697	537,528	(8,831)	467,273
City Attorney	167,028	186,811	152,393	34,418	144,923
Finance	973,545	986,354	921,012	65,342	987,912
Information services	93,582	109,151	64,575	44,576	82,912
Personnel and purchasing	508,364	538,868	551,799	(12,931)	507,116
General services	2,771,284	2,773,263	2,761,923	11,340	2,246,235
Community promotion	137,177	158,453	129,835	28,618	144,333
Disaster preparedness	17,931	17,129	21,907	(4,778)	19,285
<b>Total general government</b>	<b>5,770,852</b>	<b>5,944,782</b>	<b>5,748,554</b>	<b>196,228</b>	<b>5,118,638</b>
Public safety:					
Police	11,357,402	11,161,592	10,155,825	1,005,767	10,353,175
Fire	6,367,305	6,224,554	6,102,151	122,403	6,237,333
<b>Total public safety</b>	<b>17,724,707</b>	<b>17,386,146</b>	<b>16,257,976</b>	<b>1,128,170</b>	<b>16,590,508</b>

**City of San Gabriel**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

*Schedule of Revenues, Expenditures and Changes in fund balance – Budget and Actual:*  
*General Fund, Continued*

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
<b>EXPENDITURES:</b>					
Community development:					
Development services	2,131,209	1,926,801	1,727,372	199,429	2,017,348
Street services	1,489,900	1,445,503	1,333,690	111,813	1,367,691
Maintenance services	556,193	550,423	534,415	16,008	512,049
Code enforcement	149,535	192,092	173,650	18,442	142,614
Economic Development	76,600	90,086	68,685	21,401	-
Total community development	4,403,437	4,204,905	3,837,812	367,093	4,039,702
Culture and recreation:					
Mission playhouse	926,480	901,216	896,846	4,370	948,546
Park maintenance	826,106	775,028	775,399	(371)	790,975
Swimming pool	196,742	194,576	180,826	13,750	188,265
Facilities maintenance	168,488	165,601	158,674	6,927	171,308
Concessions	31,945	31,223	20,367	10,856	37,891
Recreation	651,323	644,851	592,001	52,850	675,297
Total culture and recreation	2,801,084	2,712,495	2,624,113	88,382	2,812,282
Capital outlay	7,103,275	10,054,391	598,599	9,455,792	437,242
<b>Total expenditures</b>	<b>37,803,355</b>	<b>40,302,719</b>	<b>29,067,054</b>	<b>11,235,665</b>	<b>28,998,372</b>
<b>REVENUES OVER UNDER EXPENDITURE</b>	<b>(13,802,620)</b>	<b>(16,713,762)</b>	<b>(6,434,708)</b>	<b>(12,192,276)</b>	<b>(5,175,792)</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer in	5,989,999	5,989,999	5,747,395	(242,604)	6,288,189
Transfer out	7,103,275	10,054,391	(232,530)	(10,286,921)	831,129
<b>Total other financing sources</b>	<b>13,093,274</b>	<b>16,044,390</b>	<b>5,514,865</b>	<b>(10,529,525)</b>	<b>7,119,318</b>
<b>Net change in fund balances</b>	<b>(709,346)</b>	<b>(669,372)</b>	<b>(919,843)</b>	<b>(250,471)</b>	<b>1,943,526</b>
<b>FUND BALANCES</b>					
Beginning of year	-	12,911,793	12,911,793	-	10,968,267
End of year	\$ (709,346)	\$ 12,242,421	\$ 11,991,950	\$ (250,471)	\$ 12,911,793

**City of San Gabriel**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

*Schedule of Revenues, Expenditures and Changes in fund balance – Budget and Actual:*  
*Retirement Fund*

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
<b>REVENUES:</b>					
Taxes	\$ 5,300,000	\$ 5,200,000	\$ 5,140,067	\$ (59,933)	\$ 5,078,911
Investment income	180,000	135,000	125,315	(9,685)	199,559
<b>Total revenues</b>	<b>5,480,000</b>	<b>5,335,000</b>	<b>5,265,382</b>	<b>(69,618)</b>	<b>5,278,470</b>
<b>OTHER FINANCING SOURCES:</b>					
Transfer out	(5,980,999)	(5,980,999)	(5,726,934)	254,065	(6,135,332)
<b>Total other financing sources</b>	<b>(5,980,999)</b>	<b>(5,980,999)</b>	<b>(5,726,934)</b>	<b>254,065</b>	<b>(6,135,332)</b>
<b>Net change in fund balances</b>	<b>(500,999)</b>	<b>(645,999)</b>	<b>(461,552)</b>	<b>184,447</b>	<b>(856,862)</b>
<b>FUND BALANCES</b>					
Beginning of year	-	2,344,491	2,344,491	-	3,201,353
End of year	\$ (500,999)	\$ 1,698,492	\$ 1,882,939	\$ 184,447	\$ 2,344,491

**City of San Gabriel**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

*Schedule of Revenues, Expenditures and Changes in fund balance – Budget and Actual:*  
*Proposition C Local Return Fund*

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ 50,000	\$ 500,000	\$ 451,311	\$ (48,689)	\$ 511,927
Investment income	100,000	100,000	82,752	(17,248)	97,355
<b>Total revenues</b>	<b>150,000</b>	<b>600,000</b>	<b>534,063</b>	<b>(65,937)</b>	<b>609,282</b>
<b>EXPENDITURES:</b>					
Current					
Transportation	929,375	1,029,785	765,232	264,553	72,559
Capital outlay	715,000	2,058,066	195,036	1,863,030	362,796
<b>Total expenditures</b>	<b>1,644,375</b>	<b>3,087,851</b>	<b>960,268</b>	<b>2,127,583</b>	<b>435,355</b>
<b>REVENUES OVER UNDER EXPENDITURE</b>	<b>(1,494,375)</b>	<b>(2,487,851)</b>	<b>(426,205)</b>	<b>(2,193,520)</b>	<b>173,927</b>
<b>FUND BALANCES</b>					
Beginning of year	-	2,515,552	2,515,552	-	2,341,625
End of year	\$ (1,494,375)	\$ 27,701	\$ 2,089,347	\$ 2,061,646	\$ 2,515,552

**City of San Gabriel**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

**1. BUDGETARY INFORMATION, Continued**

*Schedule of Revenues, Expenditures and Changes in fund balance - Budget and Actual:*  
*Community Development Block Grant Fund*

	2010			Variance with Final Budget Positive (Negative)	2009
	Budgeted Amounts		Actual Amounts		Actual
	Original	Final			
<b>REVENUES:</b>					
Intergovernmental	\$ 680,793	\$ 823,929	\$ 429,832	\$ (394,097)	\$ 603,694
<b>Total revenues</b>	<b>680,793</b>	<b>823,929</b>	<b>429,832</b>	<b>(394,097)</b>	<b>603,694</b>
<b>EXPENDITURES:</b>					
Current					
Community development	117,431	113,016	83,722	29,294	183,681
Culture and recreation	70,704	70,908	70,863	45	69,791
Capital outlay	492,658	640,005	275,247	364,758	259,325
<b>Total expenditures</b>	<b>680,793</b>	<b>823,929</b>	<b>429,832</b>	<b>394,097</b>	<b>512,797</b>
<b>REVENUES OVER UNDER EXPENDITURE</b>	-	-	-	(788,194)	90,897
<b>FUND BALANCES</b>					
Beginning of year	-	-	-	-	(90,897)
End of year	\$ -	\$ -	\$ -	\$ -	\$ -

**City of San Gabriel**  
**Required Supplementary Information (Unaudited), Continued**  
**For the year ended June 30, 2010**

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**2. OTHER POST EMPLOYMENT BENEFITS**

**SCHEDULE OF FUNDING PROGRESS**

Required Supplementary Information

The funding progress of the plan as of the date of the most recent actuarial valuation is follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded (Overfunded) Actuarial Accrued Liability (B-A) (C)	Funded Ratio (A/B) (D)	Covered Payroll (E)	Unfunded (Overfunded) Actuarial Liability as Percentage of Covered Payroll (C/E) (F)
6/30/2008	\$ -	\$ 16,882,000	\$ 16,882,000	0.0%	\$ 12,710,000	132.8%

\*Based on the latest actuarial valuation available.

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# SUPPLEMENTARY INFORMATION

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# NON-MAJOR GOVERNMENTAL FUNDS

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The following Special Revenue Funds have been classified as non-major funds:

## **Special Gas Tax Fund**

To account for the City's share of state and county gasoline tax allocation. These funds are expended on street maintenance and construction.

## **Proposition A Local Return Fund**

To account for the City's share of the half-cent sales tax. These funds are used for local transit.

## **Low and Moderate Income Housing Fund**

Established per Section 33334.3 of the Health and Safety Code to account for 20% of tax increment received by the San Gabriel Redevelopment Agency which is to be expended for the purpose of increasing, improving, and preserving the low and moderate income housing available at affordable housing costs to persons and families of low or moderate income and to very low income households.

## **Citizens Option for Public Safety Fund**

To account for the revenues received from the California Department of Justice to be used to enhance existing law enforcement services.

## **Traffic Congestion Relief Fund**

To account for the revenues and expenditures for the City's street or road maintenance or reconstruction pursuant to AB2928.

## **Parks and Recreation Activity Fund**

To account for revenues and expenditures for the City's recreation programs provided through contract services.

## **Mission Playhouse/Facility Fund**

To account for a portion of the monies paid by the facility clients and to assure that they are set aside for capital and facility maintenance and improvements to the Mission Playhouse.

## **Other Grants Fund**

To account for funds from the State and Federal Natural Disaster Assistance Act for neighborhood improvement and rehabilitation purposes.

## **Local Law Enforcement Block Grant Fund**

To account for the revenues received from the U.S. Department of Justice to be used for local public safety enhancements.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## **Air Quality Management District Fund**

To account for revenues received from the Air Quality Management District for the improvement of air quality.

## **Narcotic Seizure Fund**

To account for revenues seized by the Police Department during narcotics investigations.

## **Waste Management Fund**

To account for the collection of a waste surcharge from consumers to finance waste management programs.

## **Development Impact Fees Fund**

To account for the collection of fees from developers. These funds are used for public facility improvements.

## **Street Light Fund**

To account for fees collected from new developments. These funds are used for the construction of street lights in certain areas of the City.

## **Office of Traffic Safety Grant Fund**

To account for the revenues from the California Office of Traffic Safety to be used towards a comprehensive traffic safety program.

## **Measure R**

To account for the City's share of the half-cent sales tax for Los Angeles County. These funds are used for traffic relief and transportation upgrades.

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**City of San Gabriel**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2010**

	State Gas Tax	Proposition A Local Return	Low and Moderate Income Housing	Citizen Option for Public Safety	Traffic Congestion Relief
<b>ASSETS</b>					
Cash and investments	\$ 1,081,925	\$ 832,606	\$ 1,664,121	\$ 99,667	\$ 749,384
Account receivables	-	-	-	-	-
Due from other governments	-	-	6,952	7,548	107,645
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,081,925</b>	<b>\$ 832,606</b>	<b>\$ 1,671,073</b>	<b>\$ 107,215</b>	<b>\$ 857,029</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 4,726	\$ 27,713	\$ 700,000	\$ -	\$ 73,951
Accrued liabilities	-	-	1,477	2,740	-
Deferred revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>4,726</b>	<b>27,713</b>	<b>701,477</b>	<b>2,740</b>	<b>73,951</b>
<b>Fund Balances:</b>					
Unreserved	1,077,199	804,893	969,596	104,475	783,078
<b>Total fund balances</b>	<b>1,077,199</b>	<b>804,893</b>	<b>969,596</b>	<b>104,475</b>	<b>783,078</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,081,925</b>	<b>\$ 832,606</b>	<b>\$ 1,671,073</b>	<b>\$ 107,215</b>	<b>\$ 857,029</b>

Parks and Recreation Activity	Mission Playhouse/ Facility	Other Grants	Local Law Enforcement Block Grant	Air Quality Management District	Narcotic Seizure	Waste Management	Development Impact Fees
\$ 201,737	\$ 210,861	\$ -	\$ 40,082	\$ 59,576	\$ 344,069	\$ 1,572,176	\$ 1,540,495
-	-	-	-	-	-	66,626	-
-	-	502,453	-	13,023	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 201,737</u>	<u>\$ 210,861</u>	<u>\$ 502,453</u>	<u>\$ 40,082</u>	<u>\$ 72,599</u>	<u>\$ 344,069</u>	<u>\$ 1,638,802</u>	<u>\$ 1,540,495</u>

\$ 11,714	\$ 407	\$ 5,794	\$ -	\$ -	\$ -	\$ -	\$ 9,016
-	-	-	-	-	-	-	-
-	-	497,146	-	-	-	-	-
-	-	2,612	-	-	-	-	-
<u>11,714</u>	<u>407</u>	<u>505,552</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,016</u>
<u>190,023</u>	<u>210,454</u>	<u>(3,099)</u>	<u>40,082</u>	<u>72,599</u>	<u>344,069</u>	<u>1,638,802</u>	<u>1,531,479</u>
<u>190,023</u>	<u>210,454</u>	<u>(3,099)</u>	<u>40,082</u>	<u>72,599</u>	<u>344,069</u>	<u>1,638,802</u>	<u>1,531,479</u>
<u>\$ 201,737</u>	<u>\$ 210,861</u>	<u>\$ 502,453</u>	<u>\$ 40,082</u>	<u>\$ 72,599</u>	<u>\$ 344,069</u>	<u>\$ 1,638,802</u>	<u>\$ 1,540,495</u>

(Continued)

**City of San Gabriel**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds, Continued**  
**June 30, 2010**

	Street Light	Office of Traffic Safety Grant	Measure R	2010	2009
<b>ASSETS</b>					
Cash and investments	\$ 229,961	\$ -	\$ 274,395	\$ 8,901,055	\$ 7,063,956
Account receivables	-	-	-	66,626	-
Due from other governments	-	16,227	-	653,848	71,879
Due from other funds	-	-	-	-	1,362,330
<b>Total assets</b>	<b>\$ 229,961</b>	<b>\$ 16,227</b>	<b>\$ 274,395</b>	<b>\$ 9,621,529</b>	<b>\$ 8,498,165</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 833,321	\$ 1,040,155
Accrued liabilities	-	-	-	4,217	14,081
Deferred revenues	-	10,423	-	507,569	785,777
Due to other funds	-	16,015	-	18,627	941,056
<b>Total liabilities</b>	<b>-</b>	<b>26,438</b>	<b>-</b>	<b>1,363,734</b>	<b>2,781,069</b>
<b>Fund Balances:</b>					
Unreserved	229,961	(10,211)	274,395	8,257,795	5,717,096
<b>Total fund balances</b>	<b>229,961</b>	<b>(10,211)</b>	<b>274,395</b>	<b>8,257,795</b>	<b>5,717,096</b>
<b>Total liabilities and fund balances</b>	<b>\$ 229,961</b>	<b>\$ 16,227</b>	<b>\$ 274,395</b>	<b>\$ 9,621,529</b>	<b>\$ 8,498,165</b>

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**City of San Gabriel**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the year ended June 30, 2010**

	State Gas Tax	Proposition A Local Return	Low and Moderate Income Housing	Citizen Option for Public Safety	Traffic Congestion Relief
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ 308,578	\$ -	\$ -
Intergovernmental	683,252	544,048	-	125,000	1,022,354
Charges for services	-	-	-	-	-
Investment income	44,157	21,382	48,030	2,575	14,686
<b>Total revenues</b>	<b>727,409</b>	<b>565,430</b>	<b>356,608</b>	<b>127,575</b>	<b>1,037,040</b>
<b>EXPENDITURES:</b>					
Current:					
Public safety	-	-	-	90,796	-
Community development	-	-	50,390	-	-
Culture and recreation	-	-	-	-	-
Transportation	-	32,110	-	-	-
Capital outlay	193,413	1,685	-	-	584,502
<b>Total expenditures</b>	<b>193,413</b>	<b>33,795</b>	<b>50,390</b>	<b>90,796</b>	<b>584,502</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>533,996</b>	<b>531,635</b>	<b>306,218</b>	<b>36,779</b>	<b>452,538</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	21,292	-	-
Transfers out	(600,000)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(600,000)</b>	<b>-</b>	<b>21,292</b>	<b>-</b>	<b>-</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(66,004)</b>	<b>531,635</b>	<b>327,510</b>	<b>36,779</b>	<b>452,538</b>
<b>FUND BALANCES:</b>					
Beginning of year	1,143,203	273,258	642,086	67,696	330,540
End of year	\$ 1,077,199	\$ 804,893	\$ 969,596	\$ 104,475	\$ 783,078

Parks and Recreation Activity	Mission Playhouse/ Facility	Other Grants	Local Law Enforcement Block Grant	Air Quality Management District	Narcotic Seizure	Waste Management	Development Impact Fees
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	1,055,915	-	48,494	28,102	-	-
133,690	49,669	-	-	-	-	487,296	98,936
-	-	-	-	1,439	10,536	-	50,122
133,690	49,669	1,055,915	-	49,933	38,638	487,296	149,058
-	-	-	-	-	-	-	-
-	-	14,037	-	-	-	-	-
145,681	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	32,562	579,898	-	71,955	-	98,623	74,990
145,681	32,562	593,935	-	71,955	-	98,623	74,990
(11,991)	17,107	461,980	-	(22,022)	38,638	388,673	74,068
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(11,991)	17,107	461,980	-	(22,022)	38,638	388,673	74,068
202,014	193,347	(465,079)	40,082	94,621	305,431	1,250,129	1,457,411
\$ 190,023	\$ 210,454	\$ (3,099)	\$ 40,082	\$ 72,599	\$ 344,069	\$ 1,638,802	\$ 1,531,479

(Continued)

**City of San Gabriel**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Non-Major Governmental Funds, Continued**  
**For the year ended June 30, 2010**

	Street Light	Office of Traffic Safety Grant	Measure R	2010	2009
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 308,578	\$ 236,094
Intergovernmental	41,141	38,393	271,544	3,858,243	2,500,874
Charges for services	-	-	-	769,591	856,984
Investment income	-	-	2,851	195,778	225,976
<b>Total revenues</b>	<b>41,141</b>	<b>38,393</b>	<b>274,395</b>	<b>5,132,190</b>	<b>3,819,928</b>
<b>EXPENDITURES:</b>					
Current:					
Public safety	-	42,141	-	132,937	121,493
Community development	-	-	-	64,427	94,239
Culture and recreation	-	-	-	145,681	152,672
Transportation	-	-	-	32,110	2,242,124
Capital outlay	-	-	-	1,637,628	2,440,289
<b>Total expenditures</b>	<b>-</b>	<b>42,141</b>	<b>-</b>	<b>2,012,783</b>	<b>5,050,817</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>41,141</b>	<b>(3,748)</b>	<b>274,395</b>	<b>3,119,407</b>	<b>(1,230,889)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	21,292	16,290
Transfers out	-	-	-	(600,000)	(605,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(578,708)</b>	<b>(588,710)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>41,141</b>	<b>(3,748)</b>	<b>274,395</b>	<b>2,540,699</b>	<b>(1,819,599)</b>
<b>FUND BALANCES:</b>					
Beginning of year	188,820	(6,463)	-	5,717,096	7,536,695
End of year	\$ 229,961	\$ (10,211)	\$ 274,395	\$ 8,257,795	\$ 5,717,096

(Concluded)

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Special Gas Tax

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 696,000	\$ 683,252	\$ (12,748)	\$ 634,622
Investment income	50,000	44,157	(5,843)	48,280
<b>Total revenues</b>	<b>746,000</b>	<b>727,409</b>	<b>(18,591)</b>	<b>682,902</b>
<b>EXPENDITURES:</b>				
Capital outlay	819,616	193,413	626,203	19,956
<b>Total expenditures</b>	<b>819,616</b>	<b>193,413</b>	<b>626,203</b>	<b>19,956</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(73,616)</b>	<b>533,996</b>	<b>607,612</b>	<b>662,946</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers out	(600,000)	(600,000)	-	(605,000)
<b>Total other financing sources</b>	<b>(600,000)</b>	<b>(600,000)</b>	<b>-</b>	<b>(605,000)</b>
<b>Net change in fund balances</b>	<b>(673,616)</b>	<b>(66,004)</b>	<b>607,612</b>	<b>57,946</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,143,203	1,143,203	-	1,085,257
End of year	\$ 469,587	\$ 1,077,199	\$ 607,612	\$ 1,143,203

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Proposition A Local Return Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 600,000	\$ 544,048	\$ (55,952)	\$ 615,785
Investment income	21,000	21,382	382	30,604
<b>Total revenues</b>	<b>621,000</b>	<b>565,430</b>	<b>(55,570)</b>	<b>646,389</b>
<b>EXPENDITURES:</b>				
Current:				
Transportation	85,000	32,110	52,890	2,242,124
Capital outlay	111,000	1,685	109,315	-
<b>Total expenditures</b>	<b>196,000</b>	<b>33,795</b>	<b>162,205</b>	<b>2,242,124</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>425,000</b>	<b>531,635</b>	<b>106,635</b>	<b>(1,595,735)</b>
<b>Net change in fund balances</b>	<b>425,000</b>	<b>531,635</b>	<b>106,635</b>	<b>(1,595,735)</b>
<b>FUND BALANCES:</b>				
Beginning of year	273,258	273,258	-	1,868,993
End of year	\$ 698,258	\$ 804,893	\$ 106,635	\$ 273,258

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Low and Moderate Income Housing Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Taxes	\$ 275,000	\$ 308,578	\$ 33,578	\$ 236,094
Intergovernmental	48,602	-	(48,602)	-
Investment income	56,000	48,030	(7,970)	45,965
<b>Total revenues</b>	<b>379,602</b>	<b>356,608</b>	<b>(22,994)</b>	<b>282,059</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	69,416	50,390	19,026	58,079
<b>Total expenditures</b>	<b>69,416</b>	<b>50,390</b>	<b>19,026</b>	<b>58,079</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>310,186</b>	<b>306,218</b>	<b>(3,968)</b>	<b>223,980</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	21,292	21,292	16,290
<b>Total other financing sources</b>	<b>-</b>	<b>21,292</b>	<b>21,292</b>	<b>16,290</b>
<b>Net change in fund balances</b>	<b>310,186</b>	<b>327,510</b>	<b>17,324</b>	<b>240,270</b>
<b>FUND BALANCES:</b>				
Beginning of year	642,086	642,086	-	401,816
End of year	\$ 952,272	\$ 969,596	\$ 17,324	\$ 642,086

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Citizens Option for Public Safety Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 100,000	\$ 125,000	\$ 25,000	\$ 116,237
Investment income	2,000	2,575	575	2,370
<b>Total revenues</b>	<b>102,000</b>	<b>127,575</b>	<b>25,575</b>	<b>118,607</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	123,391	90,796	32,595	98,406
Capital outlay	17,386	-	17,386	-
<b>Total expenditures</b>	<b>140,777</b>	<b>90,796</b>	<b>49,981</b>	<b>98,406</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(38,777)</b>	<b>36,779</b>	<b>75,556</b>	<b>20,201</b>
<b>Net change in fund balances</b>	<b>(38,777)</b>	<b>36,779</b>	<b>75,556</b>	<b>20,201</b>
<b>FUND BALANCES:</b>				
Beginning of year	67,696	67,696	-	47,495
End of year	\$ 28,919	\$ 104,475	\$ 75,556	\$ 67,696

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Traffic Congestion Relief Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 1,035,000	\$ 1,022,354	\$ (12,646)	\$ 361,953
Investment income	13,000	14,686	1,686	26,791
<b>Total revenues</b>	<b>1,048,000</b>	<b>1,037,040</b>	<b>(10,960)</b>	<b>388,744</b>
<b>EXPENDITURES:</b>				
Capital outlay	1,096,062	584,502	511,560	765,718
<b>Total expenditures</b>	<b>1,096,062</b>	<b>584,502</b>	<b>511,560</b>	<b>765,718</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(48,062)</b>	<b>452,538</b>	<b>500,600</b>	<b>(376,974)</b>
<b>Net change in fund balances</b>	<b>(48,062)</b>	<b>452,538</b>	<b>500,600</b>	<b>(376,974)</b>
<b>FUND BALANCES:</b>				
Beginning of year	330,540	330,540	-	707,514
End of year	\$ 282,478	\$ 783,078	\$ 500,600	\$ 330,540

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Parks and Recreation Activity Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Charges for services	\$ 145,000	\$ 133,690	\$ 133,690	\$ 162,981
<b>Total revenues</b>	<b>145,000</b>	<b>133,690</b>	<b>(11,310)</b>	<b>162,981</b>
<b>EXPENDITURES:</b>				
Culture and recreation	144,000	145,681	(1,681)	152,672
<b>Total expenditures</b>	<b>144,000</b>	<b>145,681</b>	<b>(1,681)</b>	<b>152,672</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	1,000	(11,991)	(12,991)	10,309
<b>Net change in fund balances</b>	<b>1,000</b>	<b>(11,991)</b>	<b>(12,991)</b>	<b>10,309</b>
<b>FUND BALANCES:</b>				
Beginning of year	202,014	202,014	-	191,705
End of year	\$ 203,014	\$ 190,023	\$ (12,991)	\$ 202,014

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Mission Playhouse/Facility Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Charges for services	\$ 55,000	\$ 49,669	\$ (5,331)	\$ 54,435
<b>Total revenues</b>	<b>55,000</b>	<b>49,669</b>	<b>(5,331)</b>	<b>54,435</b>
<b>EXPENDITURES:</b>				
Capital outlay	182,201	32,562	149,639	105,411
<b>Total expenditures</b>	<b>182,201</b>	<b>32,562</b>	<b>149,639</b>	<b>105,411</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(127,201)	17,107	144,308	(50,976)
<b>Net change in fund balances</b>	<b>(127,201)</b>	<b>17,107</b>	<b>144,308</b>	<b>(50,976)</b>
Beginning of year	193,347	193,347	-	244,323
End of year	\$ 66,146	\$ 210,454	\$ 144,308	\$ 193,347

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Other Grants Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 2,986,603	\$ 1,055,915	\$ (1,930,688)	\$ 587,075
<b>Total revenues</b>	<b>2,986,603</b>	<b>1,055,915</b>	<b>(1,930,688)</b>	<b>587,075</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	14,037	(14,037)	36,160
Capital outlay	2,500,401	579,898	1,920,503	634,937
<b>Total expenditures</b>	<b>2,500,401</b>	<b>593,935</b>	<b>1,906,466</b>	<b>671,097</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>486,202</b>	<b>461,980</b>	<b>(24,222)</b>	<b>(84,022)</b>
<b>Net change in fund balances</b>	<b>486,202</b>	<b>461,980</b>	<b>(24,222)</b>	<b>(84,022)</b>
<b>FUND BALANCES:</b>				
Beginning of year	(465,079)	(465,079)	-	(381,057)
End of year	\$ 21,123	\$ (3,099)	\$ (24,222)	\$ (465,079)

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Local Law Enforcement Block Grant Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 45,560	\$ -	\$ (45,560)	\$ -
<b>Total revenues</b>	<b>45,560</b>	<b>-</b>	<b>45,560</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Capital outlay	45,560	-	45,560	6,826
<b>Total expenditures</b>	<b>45,560</b>	<b>-</b>	<b>(45,560)</b>	<b>6,826</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	-	-	-	(6,826)
<b>Net change in fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,826)</b>
<b>FUND BALANCES:</b>				
Beginning of year	40,082	40,082	-	46,908
End of year	\$ 40,082	\$ 40,082	\$ -	\$ 40,082

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Air Quality Management District Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 50,000	\$ 48,494	\$ (1,506)	\$ 49,163
Investment income	2,500	1,439	(1,061)	2,348
<b>Total revenues</b>	<b>52,500</b>	<b>49,933</b>	<b>(2,567)</b>	<b>51,511</b>
<b>EXPENDITURES:</b>				
Capital outlay	107,666	71,955	35,711	92,304
<b>Total expenditures</b>	<b>107,666</b>	<b>71,955</b>	<b>35,711</b>	<b>92,304</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(55,166)</b>	<b>(22,022)</b>	<b>33,144</b>	<b>(40,793)</b>
<b>Net change in fund balances</b>	<b>(55,166)</b>	<b>(22,022)</b>	<b>33,144</b>	<b>(40,793)</b>
<b>FUND BALANCES:</b>				
Beginning of year	94,621	94,621	-	135,414
End of year	\$ 39,455	\$ 72,599	\$ 33,144	\$ 94,621

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Narcotic Seizure Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 26,000	\$ 28,102	\$ 28,102	\$ 86,228
Investment income	14,000	10,536	10,536	9,635
<b>Total revenues</b>	<b>40,000</b>	<b>38,638</b>	<b>(1,362)</b>	<b>95,863</b>
<b>EXPENDITURES:</b>				
Capital outlay	8,497	-	8,497	12,212
<b>Total expenditures</b>	<b>8,497</b>	<b>-</b>	<b>8,497</b>	<b>12,212</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>31,503</b>	<b>38,638</b>	<b>7,135</b>	<b>83,651</b>
<b>Net change in fund balances</b>	<b>31,503</b>	<b>38,638</b>	<b>7,135</b>	<b>83,651</b>
<b>FUND BALANCES:</b>				
Beginning of year	305,431	305,431	-	221,780
End of year	\$ 336,934	\$ 344,069	\$ 7,135	\$ 305,431

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Waste Management Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Charges for services	\$ 460,000	\$ 487,296	\$ 27,296	\$ 480,395
<b>Total revenues</b>	<b>460,000</b>	<b>487,296</b>	<b>27,296</b>	<b>480,395</b>
<b>EXPENDITURES:</b>				
Capital outlay	753,444	98,623	654,821	577,566
<b>Total expenditures</b>	<b>753,444</b>	<b>98,623</b>	<b>654,821</b>	<b>577,566</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	(293,444)	388,673	682,117	(97,171)
<b>Net change in fund balances</b>	<b>(293,444)</b>	<b>388,673</b>	<b>682,117</b>	<b>(97,171)</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,250,129	1,250,129	-	1,347,300
End of year	\$ 956,685	\$ 1,638,802	\$ 682,117	\$ 1,250,129

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Development Impact Fees Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Charges for services	\$ 140,000	\$ 98,936	\$ (41,064)	\$ 159,173
Investment income	70,000	50,122	(19,878)	59,983
<b>Total revenues</b>	<b>210,000</b>	<b>149,058</b>	<b>(60,942)</b>	<b>219,156</b>
<b>EXPENDITURES:</b>				
Capital outlay	662,277	74,990	587,287	225,359
<b>Total expenditures</b>	<b>662,277</b>	<b>74,990</b>	<b>587,287</b>	<b>225,359</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(452,277)</b>	<b>74,068</b>	<b>526,345</b>	<b>(6,203)</b>
<b>Net change in fund balances</b>	<b>(452,277)</b>	<b>74,068</b>	<b>526,345</b>	<b>(6,203)</b>
<b>FUND BALANCES:</b>				
Beginning of year	1,457,411	1,457,411	-	1,463,614
End of year	\$ 1,005,134	\$ 1,531,479	\$ 526,345	\$ 1,457,411

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Street Light Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 25,000	\$ 41,141	\$ 16,141	\$ 28,725
<b>Total revenues</b>	<b>25,000</b>	<b>41,141</b>	<b>16,141</b>	<b>28,725</b>
<b>Net change in fund balances</b>	<b>25,000</b>	<b>41,141</b>	<b>16,141</b>	<b>28,725</b>
<b>FUND BALANCES:</b>				
Beginning of year	188,820	188,820	-	160,095
End of year	\$ 213,820	\$ 229,961	\$ 16,141	\$ (131,370)

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Office of Traffic Safety Grant Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 33,963	\$ 38,393	\$ 4,430	\$ 21,086
<b>Total revenues</b>	<b>33,963</b>	<b>38,393</b>	<b>4,430</b>	<b>21,086</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety	27,500	42,141	(14,641)	23,087
<b>Total expenditures</b>	<b>27,500</b>	<b>42,141</b>	<b>(14,641)</b>	<b>23,087</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>6,463</b>	<b>(3,748)</b>	<b>(10,211)</b>	<b>(2,001)</b>
<b>Net change in fund balances</b>	<b>6,463</b>	<b>(3,748)</b>	<b>(10,211)</b>	<b>(2,001)</b>
<b>FUND BALANCES:</b>				
Beginning of year	(6,463)	(6,463)	-	(4,462)
End of year	\$ -	\$ (10,211)	\$ (10,211)	\$ (6,463)

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### Measure R Fund

For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Intergovernmental	\$ 200,000	\$ 271,544	\$ 71,544	\$ -
Investment income	1,000	2,851	1,851	-
<b>Total revenues</b>	<b>201,000</b>	<b>274,395</b>	<b>73,395</b>	<b>-</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	201,000	274,395	73,395	-
<b>Net change in fund balances</b>	<b>201,000</b>	<b>274,395</b>	<b>73,395</b>	<b>-</b>
<b>FUND BALANCES:</b>				
Beginning of year	-	-	-	-
End of year	\$ 201,000	\$ 274,395	\$ 73,395	\$ -

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# MAJOR CAPITAL PROJECT FUND

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The Capital Project Fund is established to account for the Redevelopment Agency.

**Major Fund:**

Redevelopment Fund - to account for administrative and other costs of the Redevelopment Agency.

# City of San Gabriel

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual Redevelopment Fund For the year ended June 30, 2010

	2010		Variance with Final Budget Positive/ (Negative)	2009
	Final	Actual		Actual
<b>REVENUES:</b>				
Taxes	\$ 1,100,000	\$ 1,234,314	\$ 134,314	\$ 944,375
Investment income	190,000	157,444	(32,556)	148,778
<b>Total revenues</b>	<b>1,290,000</b>	<b>1,391,758</b>	<b>101,758</b>	<b>1,093,153</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	905,717	727,804	177,913	996,965
Pass-throughs	-	464,566	(464,566)	80,508
Capital outlay	3,009,587	782,030	2,227,557	-
<b>Total expenditures</b>	<b>3,915,304</b>	<b>1,974,400</b>	<b>1,940,904</b>	<b>1,077,473</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,625,304)</b>	<b>(582,642)</b>	<b>2,042,662</b>	<b>15,680</b>
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	-	-	-
Transfers out	-	(21,292)	(21,292)	(16,290)
<b>Total other financing sources</b>	<b>-</b>	<b>(21,292)</b>	<b>(21,292)</b>	<b>(16,290)</b>
<b>Net change in fund balances</b>	<b>(2,625,304)</b>	<b>(603,934)</b>	<b>2,021,370</b>	<b>(610)</b>
<b>FUND BALANCES:</b>				
Beginning of year	684,821	684,821	-	685,431
End of year	\$ (1,940,483)	\$ 80,887	\$ 2,021,370	\$ (16,900)

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# INTERNAL SERVICE FUND

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Internal Service Funds are used to finance and account for goods and services provided by one City department to other City departments or agencies. Funds included are:

Self-Insurance Fund - to account for payments made for the City's workers' compensation and general liability claims.

Automotive Maintenance Fund - to account for costs of operating a maintenance facility for automotive equipment used by City departments.

**City of San Gabriel**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**June 30, 2010**

	Self Insurance	Automotive Maintenance	Total	
			2010	2009
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 1,881,880	\$ 466,358	\$ 2,348,238	\$ 1,173,065
Accounts receivables, net	-	-	-	227,496
Prepaid costs	12,846	-	12,846	-
<b>Total current assets</b>	<b>1,894,726</b>	<b>466,358</b>	<b>2,361,084</b>	<b>1,400,561</b>
Noncurrent assets:				
Capital assets:				
Building	-	115,780	115,780	115,780
Machinery and equipment	-	49,053	49,053	49,053
Accumulated depreciation	-	(95,388)	(95,388)	(92,294)
<b>Total capital assets</b>	<b>-</b>	<b>69,445</b>	<b>69,445</b>	<b>72,539</b>
<b>Total assets</b>	<b>1,894,726</b>	<b>535,803</b>	<b>2,430,529</b>	<b>1,473,100</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	241,103	37,661	278,764	27,586
Accrued payroll	-	8,372	8,372	7,426
Compensated absences	-	25,402	25,402	22,559
Claims payable - current portion	479,485	-	479,485	599,003
<b>Total current liabilities</b>	<b>720,588</b>	<b>71,435</b>	<b>792,023</b>	<b>656,574</b>
Noncurrent liabilities:				
Claims payable, net of current portion	1,118,797	-	1,118,797	1,397,673
<b>Total liabilities</b>	<b>1,839,385</b>	<b>71,435</b>	<b>1,910,820</b>	<b>2,054,247</b>
<b>NET ASSETS</b>				
Investment in capital assets	-	69,445	69,445	-
Unrestricted	55,341	394,923	450,264	(581,147)
<b>Total net assets</b>	<b>\$ 55,341</b>	<b>\$ 464,368</b>	<b>\$ 519,709</b>	<b>\$ (581,147)</b>

**City of San Gabriel**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the year ended June 30, 2010**

	Self Insurance	Automotive Maintenance	Total	
			2010	2009
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 4,090,771	\$ 755,697	\$ 4,846,468	\$ 3,965,300
<b>Total operating revenues</b>	<b>4,090,771</b>	<b>755,697</b>	<b>4,846,468</b>	<b>3,965,300</b>
<b>OPERATING EXPENDITURES:</b>				
Personnel services	-	269,384	269,384	329,450
Contractual services	-	54,585	54,585	41,556
Vehicle operating	-	313,095	313,095	225,348
Depreciation	-	3,094	3,094	1,358
Utilities	-	5,547	5,547	5,746
Uniforms	-	2,524	2,524	2,514
Operating expenses	-	2,953	2,953	16,079
Insurance premiums	3,235,884	-	3,235,884	1,388,503
Claims and judgments	694,431	-	694,431	2,854,975
<b>Total operating expenses</b>	<b>3,930,315</b>	<b>651,182</b>	<b>4,581,497</b>	<b>4,865,529</b>
<b>OPERATING INCOME (LOSS)</b>	<b>160,456</b>	<b>104,515</b>	<b>264,971</b>	<b>(900,229)</b>
<b>NONOPERATING REVENUES:</b>				
Investment income	17,947	5,869	23,816	17,831
<b>Total other financing sources (uses)</b>	<b>17,947</b>	<b>5,869</b>	<b>23,816</b>	<b>17,831</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>178,403</b>	<b>110,384</b>	<b>288,787</b>	<b>(882,398)</b>
Transfers in	579,539	232,530	812,069	452,143
Change in net assets	757,942	342,914	1,100,856	(430,255)
<b>NET ASSETS</b>				
Beginning of year	(702,601)	121,454	(581,147)	(150,892)
End of year	\$ 55,341	\$ 464,368	\$ 519,709	\$ (581,147)

**City of San Gabriel**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2010**

	Self Insurance	Automotive Maintenance	Total	
			2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from user departments	\$ 4,318,267	\$ 755,697	\$ 5,073,964	\$ 3,973,771
Cash payments to suppliers for goods and services	(4,101,083)	(367,998)	(4,469,081)	(4,498,906)
Cash payments to employees for services	-	(265,595)	(265,595)	(323,159)
<b>Net cash provided by (used for) operating activities</b>	<b>217,184</b>	<b>122,104</b>	<b>339,288</b>	<b>(848,294)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other funds	579,539	232,530	812,069	452,143
<b>Net cash provided by noncapital financing activities</b>	<b>579,539</b>	<b>232,530</b>	<b>812,069</b>	<b>452,143</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Payments to acquire capital assets	-	-	-	(37,853)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(37,853)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received from investments	17,947	5,869	23,816	17,831
<b>Net cash provided by investing activities</b>	<b>17,947</b>	<b>5,869</b>	<b>23,816</b>	<b>17,831</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>814,670</b>	<b>360,503</b>	<b>1,175,173</b>	<b>(416,173)</b>
<b>CASH AND CASH EQUIVALENTS</b>				
Beginning of year	1,067,210	105,855	1,173,065	1,589,238
End of year	\$ 1,881,880	\$ 466,358	\$ 2,348,238	\$ 1,173,065
<b>RECONCILIATION OF NET OPERATING INCOME (LOSS)</b>				
<b>TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ 160,456	\$ 104,515	\$ 264,971	\$ (900,229)
Adjustments to reconcile operating income (loss)				
to net cash provided by (used for) operating activities:				
Depreciation	-	3,094	3,094	1,358
(Increase) decrease in accounts receivable	227,496	-	227,496	8,471
(Increase) decrease in prepaid costs	(12,846)	-	(12,846)	17,673
Increase (decrease) in accounts payable	240,472	10,706	251,178	(34,078)
Increase (decrease) in accrued payroll	-	946	946	1,494
Increase (decrease) in compensated absences	-	2,843	2,843	4,797
Increase (decrease) in claims payable	(398,394)	-	(398,394)	52,220
<b>Total adjustments</b>	<b>56,728</b>	<b>17,589</b>	<b>74,317</b>	<b>51,935</b>
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 217,184</b>	<b>\$ 122,104</b>	<b>\$ 339,288</b>	<b>\$ (848,294)</b>

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# FIDUCIARY AGENCY FUND

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The Agency Fund is used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. The Agency Fund operates as a clearing mechanism. Cash resources are collected, held for a brief period and then distributed to the proper recipients. The City has a fiduciary responsibility for the assets, which it does not own outright.

Deposit Fund- This fund is used to account for deposits collected by the City which will be refunded at some later date.

**City of San Gabriel**  
**Statement of Changes in Fiduciary Net Assets**  
**All Agency Funds**  
**June 30, 2010**

<b>Deposit Fund</b>	Balance July 1, 2009	Addition	Deductions	Balance June 30, 2010
<b>ASSETS</b>				
Cash and investments	\$ 682,788	\$ 817,427	\$ (939,274)	\$ 560,941
Account receivable	61,752	49,112	(61,752)	49,112
<b>Total assets</b>	<b>\$ 744,540</b>	<b>\$ 866,539</b>	<b>\$ (1,001,026)</b>	<b>\$ 610,053</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 40,098	\$ 722,935	\$ (743,879)	\$ 19,154
Deposits payable	704,442	829,951	(943,494)	590,899
<b>Total liabilities</b>	<b>\$ 744,540</b>	<b>\$ 1,552,886</b>	<b>\$ (1,687,373)</b>	<b>\$ 610,053</b>

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**REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS**

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Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor and Members of the City Council  
of the City of San Gabriel  
San Gabriel, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of San Gabriel, California (City), as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 20, 2010. 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.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies, or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency, described in the accompanying schedule of findings and responses to be a material weakness (2010-1).

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency, described in the accompanying schedule of findings and responses to be a significant deficiency (2010-2).

To the Honorable Mayor and Members of the City Council  
of the City of San Gabriel  
San Gabriel, California  
Page 2

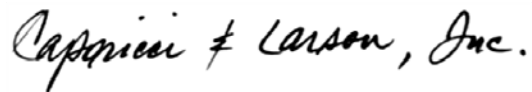
The City's written response to the deficiency identified in our audit has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly we do not express such an opinion. The results of our tests disclosed no instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the City in a separate letter dated December 20, 2010.

This report is intended solely for the information and use of the City Council, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.



Caporicci & Larson, Inc.  
A Subsidiary of Marcum LLP  
Certified Public Accountants  
Irvine, California  
December 20, 2010

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# **SCHEDULE OF FINDINGS AND RESPONSES**

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**City of San Gabriel**  
**Schedule of Findings and Responses**  
**June 30, 2010**

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**2010-1 Internal Controls over Financial Reporting**

**Condition:**

We have determined that processes utilized for closing and reporting of financial activity for the fiscal year ended June 30, 2009 resulted in an error on the prior year financial statements.

**Criteria:**

An effective internal control system provides reasonable assurance, for the safeguarding of assets, the reliability of financial information and the compliance with laws and regulations.

**Cause:**

The City's policies and procedures for recording financial transactions were not effectively complied with in the prior year.

**Effect:**

The prior year financial statements of the City were restated for the following error:

*Other post employment benefit liabilities* - The City identified errors and recorded adjustments increasing the other post employment benefit liabilities and decreasing the government-wide net asset which results in a net effect of \$1,426,000 as of June 30, 2009.

**Recommendation:**

We recommend that the City perform a more complete review of transactions for the year end general ledger accounts and closing process.

**Management Response:**

The processes for the closing and reporting of the financial activity for the fiscal year ended June 30, 2009 were not effectively complied with in the prior year. The City of San Gabriel having a strong regard for the authoritative standards set forth by Governmental Accounting Standards Board (GASB) in general, and GASB Statement 45 in particular, were researched and understood as they were then promulgated. The City of San Gabriel's previous independent audit firm, provided convincing authoritative guidance and insisted on the presentation of other post employee benefits and liabilities, or lack thereof, on the Government-Wide Financial Statements. The City of San Gabriel, having the benefit of additional time and informational resources has in fact concluded that the prior year presentation of the Government-Wide Financial Statements should be restated and will endeavor to improve our processes as recommended.

**City of San Gabriel  
Schedule of Findings and Responses  
June 30, 2010**

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**2010-2 Internal Controls over Capital Asset**

**Condition:**

We have determined that there is a segregation of duty issue on the recording of Capital Asset.

**Criteria:**

An effective internal control system provides reasonable assurance for the safeguarding of assets, the reliability of financial information, and the compliance with laws and regulations.

**Cause:**

The Accountant who prepared the Capital Asset Sub-ledger records capital assets without any additional review.

**Effect:**

There is the potential for error in the Capital Asset Sub-ledger without being detected.

**Recommendation:**

We recommend that the City review and evaluate its internal control structure for capital asset to establish that the accounting duties are separated and procedures are in place for proper management oversight.

**Management Response:**

The City of San Gabriel's control of 611 capital assets begins with the budgetary process and concludes with the annual audit. The segregation of duties includes two Accountants, a Management Analyst, all under the review of the Finance Director. The City of San Gabriel conducts a physical annual audit which includes inspection of all capital assets, tagging of newly acquired capital assets, posting of capital assets to a sub-ledger by one accountant, which are reviewed and reconciled to the General Ledger by a different accountant, under the approval of the Finance Director. The City of San Gabriel having a strong regard for the authoritative standards set forth by Governmental Accounting Standards Board (GASB) in general, and GASB Statement 34 in particular, will endeavor to review its personnel deployment and internal control practices to ensure duties are better separated and procedures are in place for improved management oversight.

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# STATISTICAL SECTION

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This part of the City of San Gabriel's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

## Contents

Page

### **Financial Trends**

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

112-119

### **Revenue Capacity**

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

110-126

### **Dept Capacity**

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

127-129

### **Demographic and Economic Information**

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

130-131

### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

132-134

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**City of San Gabriel**  
**Net Assets by Component**  
**Last Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year			
	2010	2009	2008	2007
Primary government				
Invested in capital assets, net of related debt	\$ 37,827,601	\$ 37,743,330	\$ 33,455,141	\$ 33,796,931
Restricted	12,310,968	-	-	-
Unrestricted	\$ 8,060,971	\$ 21,447,464	22,873,363	21,411,617
Total primary government net assets	\$ 58,199,540	\$ 59,190,794	\$ 56,328,504	\$ 55,208,548

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.  
Information prior to the implementation of GASB 34 is not available.

**TABLE 1**

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Fiscal Year			
<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
32,625,226	34,550,210	34,584,514	34,987,701
-	-	-	-
<u>16,489,547</u>	<u>13,185,700</u>	<u>13,181,974</u>	<u>13,018,335</u>
<u><u>49,114,773</u></u>	<u><u>47,735,910</u></u>	<u><u>47,766,488</u></u>	<u><u>48,006,036</u></u>

**City of San Gabriel**  
**Changes in Net Assets**  
**Las Eight Fiscal Years**  
**(accrual basis of accounting)**

	Fiscal Year			
	2010	2009	2008	2007
<b>Expenses</b>				
Governmental activities:				
General Government	\$ 6,437,800	\$ 5,443,922	\$ 5,226,785	\$ 3,202,488
Public Safety	17,748,076	17,869,728	17,229,072	14,685,584
Community Development	6,406,734	5,926,698	6,067,911	3,902,507
Culture & Recreation	2,929,024	3,246,525	3,102,722	2,855,572
Transportation	1,688,865	3,256,021	2,063,459	2,153,567
Total primary government expenses	<u>35,210,499</u>	<u>35,742,894</u>	<u>33,689,949</u>	<u>26,799,718</u>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
General government	738,643	667,009	697,239	673,429
Public safety	2,227,266	1,978,130	1,843,374	2,008,412
Community development	1,496,009	1,736,552	2,417,507	2,099,574
Culture and recreation	762,501	829,795	799,899	739,107
Transportation	6,000	6,000	5,500	6,000
Operating grants and contributions	3,648,642	6,224,331	5,097,352	4,561,119
Capital grants and contributions	4,302,455	2,456,961	2,602,237	2,019,336
Total governmental activities program revenues	<u>13,181,516</u>	<u>13,898,778</u>	<u>13,463,108</u>	<u>12,106,977</u>
<b>Net revenue/(expenses)</b>				
Total primary government net expense	<u>\$ (22,028,983)</u>	<u>\$ (21,844,116)</u>	<u>\$ (20,226,841)</u>	<u>\$ (14,692,741)</u>
<b>Governmental activities:</b>				
Taxes				
Property taxes	\$ 8,843,052	\$ 8,852,999	\$ 8,193,765	\$ 7,765,406
Utility users tax	4,685,188	3,867,625	3,570,013	3,542,633
Sales Taxes	3,090,531	3,507,109	4,051,011	4,146,868
Franchise taxes	563,514	639,870	625,398	668,599
Transient occupancy tax	760,976	702,295	645,892	565,719
Property transfer tax	130,419	106,406	194,860	237,345
Motor vehicle in lieu (unrestricted)	3,597,698	3,583,434	3,300,106	3,174,911
Investment earnings	645,521	470,795	600,514	616,772
Miscellaneous	146,830	208,165	165,238	68,263
Total governmental activities	<u>22,463,729</u>	<u>21,938,698</u>	<u>21,346,797</u>	<u>20,786,516</u>
Total primary government	<u>22,463,729</u>	<u>21,938,698</u>	<u>21,346,797</u>	<u>20,786,516</u>
<b>Changes in Net Assets</b>				
Total primary government	<u>\$ 434,746</u>	<u>\$ 94,582</u>	<u>\$ 1,119,956</u>	<u>\$ 6,093,775</u>

Notes: The city began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.  
Information prior to the implementation of GASB 34 is not available.

**TABLE 2**

Fiscal Year			
2006	2005	2004	2003
\$ 4,629,928	\$ 3,632,467	\$ 3,471,388	\$ 3,135,735
14,278,926	14,394,449	12,168,593	10,326,967
4,607,455	6,072,509	4,161,676	3,712,609
2,737,045	2,784,195	2,625,740	2,182,577
3,386,808	697,797	2,331,649	2,142,391
<u>29,640,162</u>	<u>27,581,417</u>	<u>24,759,046</u>	<u>21,500,279</u>
204,187	3,505,044	1,202,766	2,168,926
1,938,757	1,343,392	1,371,383	1,335,946
2,592,783	2,919,783	2,570,863	1,942,160
517,130	506,565	409,709	553,364
5,500	6,500	6,000	26,485
5,149,940	4,026,667	3,184,871	4,358,304
1,497,228	1,040,705	1,966,768	702,835
<u>11,905,525</u>	<u>13,348,656</u>	<u>10,712,360</u>	<u>11,088,020</u>
<u>\$ (17,734,637)</u>	<u>\$ (14,232,761)</u>	<u>\$ (14,046,686)</u>	<u>\$ (10,412,259)</u>
\$ 6,810,825	\$ 5,408,729	\$ 5,406,831	\$ 4,801,327
3,436,485	3,259,972	3,204,161	2,937,247
3,951,558	3,924,613	3,783,872	3,626,265
581,641	565,710	556,582	608,215
492,500	367,974	53,631	64,535
225,367	198,064	213,818	164,342
3,014,702			
521,702	353,378	292,887	269,883
78,720	123,743.00	295,356.00	609,230.00
<u>19,113,500</u>	<u>14,202,183</u>	<u>13,807,138</u>	<u>13,081,044</u>
<u>19,113,500</u>	<u>14,202,183</u>	<u>13,807,138</u>	<u>13,081,044</u>
<u>\$ 1,378,863</u>	<u>\$ (30,578)</u>	<u>\$ (239,548)</u>	<u>\$ 2,668,785</u>

**City of San Gabriel**  
**Fund Balances of Governmental Funds**  
**Last Eight Fiscal Years (1)**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2010	2009	2008	2007
General fund				
Reserved	\$ 11,037,947	\$ 9,476,639	\$ 7,069,832	\$ 5,480,870
Unreserved	122,874	2,604,025	3,898,435	3,951,322
Total general fund	<u>\$ 11,160,821</u>	<u>\$ 12,080,664</u>	<u>\$ 10,968,267</u>	<u>\$ 9,432,192</u>
All other governmental funds				
Reserved	\$ 4,090,559	\$ 3,844,491	\$ 4,701,353	\$ 4,200,199
Unreserved, reported in:				
Special revenue funds	10,288,265	8,232,648	9,787,423	8,652,955
Capital projects funds	(2,067,856)	(815,179)	(814,569)	(1,455,842)
Total all other governmental funds	<u>\$ 12,310,968</u>	<u>\$ 11,261,960</u>	<u>\$ 13,674,207</u>	<u>\$ 11,397,312</u>

(1) Eighth year GASB 34 implementation.

**TABLE 3**

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Fiscal Year			
2006	2005	2004	2003
\$ 4,272,486	\$ 3,129,445	\$ 1,923,998	\$ 1,845,580
2,830,700	1,547,760	1,549,942	2,349,402
<u>\$ 7,103,186</u>	<u>\$ 4,677,205</u>	<u>\$ 3,473,940</u>	<u>\$ 4,194,982</u>
\$ 4,656,964	\$ 5,154,535	\$ 6,157,919	\$ 5,758,216
6,820,730	5,323,606	4,910,204	3,833,019
(1,943,857)	(761,763)	(802,329)	(792,414)
<u>\$ 9,533,837</u>	<u>\$ 9,716,378</u>	<u>\$ 10,265,794</u>	<u>\$ 8,798,821</u>

**City of San Gabriel**  
**Changes in Fund Balances of Governmental Funds**  
**Last Eight Fiscal Years (1)**  
**(modified accrual basis of accounting)**

	Fiscal Year			
	2010	2009	2008	2007
<b>Revenues</b>				
Tax	\$ 18,967,156	\$ 18,856,774	\$ 18,396,557	\$ 17,819,605
Intergovernmental	8,865,299	7,493,492	8,099,277	6,674,651
Charges for services	2,897,685	2,962,722	3,554,372	3,378,104
Fines	1,010,089	990,193	975,935	1,134,103
Licenses and permits	1,525,324	1,618,502	1,999,600	1,804,288
Investment earnings	1,717,467	1,725,199	1,657,104	1,603,128
Miscellaneous	402,551	1,580,225	339,413	196,614
Total revenues	35,385,571	35,227,107	35,022,258	32,610,493
<b>Expenditures</b>				
General government	5,748,554	5,302,319	4,848,851	4,653,839
Police	10,288,761	10,474,668	9,951,781	9,013,299
Fire	6,102,152	6,237,333	6,089,533	5,415,918
Community development	5,178,331	5,211,414	5,029,899	3,826,599
Culture and recreation	2,840,657	3,034,745	2,909,229	2,760,442
Transportation	797,342	2,314,683	762,762	714,778
Capital outlay	3,488,540	3,499,652	2,793,920	1,787,862
Total expenditures	34,444,337	36,074,814	32,385,975	28,172,737
Excess of revenues over (under) expenditures	941,234	(847,707)	2,636,283	4,437,756
<b>Other financing sources (uses)</b>				
Transfers in	5,768,687	6,304,479	6,571,507	5,878,963
Transfers out	(6,580,756)	(6,756,622)	(6,894,820)	(6,124,238)
Sales of capital assets			-	-
Total other financing sources (uses)	(812,069)	(452,143)	(323,313)	(245,275)
Net change in fund balances	\$ 129,165	\$ (1,299,850)	\$ 2,312,970	\$ 4,192,481

(1) Eighth year GASB 34 implementation.

**TABLE 4**

Fiscal Year			
2006	2005	2004	2003
\$ 16,357,216	\$ 14,279,916	\$ 13,350,237	\$ 12,502,126
7,376,681	6,645,842	5,745,683	6,331,359
3,172,456	3,433,174	3,017,850	2,556,007
935,568	505,031	589,054	653,878
1,751,879	1,522,070	1,466,456	1,095,066
1,201,027	543,184	421,241	384,816
964,280	124,063	295,366	609,655
<u>31,759,107</u>	<u>27,053,280</u>	<u>24,885,887</u>	<u>24,132,907</u>
4,488,526	3,484,375	3,348,343	3,056,428
8,651,059	8,129,980	7,037,866	6,145,663
5,165,018	4,955,281	4,433,485	3,731,959
3,778,788	3,923,588	3,342,852	3,120,389
2,599,376	2,477,786	2,434,397	2,061,358
1,688,142	621,934	1,050,263	921,018
1,418,409	2,637,308	2,358,160	2,943,895
<u>27,789,318</u>	<u>26,230,252</u>	<u>24,005,366</u>	<u>21,980,710</u>
3,969,789	823,028	880,521	2,152,197
5,497,386	4,880,058	3,040,877	3,136,576
(5,723,735)	(5,049,237)	(3,175,467)	(3,252,745)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(226,349)</u>	<u>(169,179)</u>	<u>(134,590)</u>	<u>(116,169)</u>
<u>\$ 3,743,440</u>	<u>\$ 653,849</u>	<u>\$ 745,931</u>	<u>\$ 2,036,028</u>

# City of San Gabriel

**TABLE 5**

## Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Total Assessed Value
2000-2001	\$ 1,456,233,461	\$ 437,797,493	\$ 50,726,129	\$ 11,701,203	\$ 1,933,055,880	0.1958%	\$ 1,944,757,083
2001-2002	1,552,035,307	468,710,065	54,034,685	11,688,507	2,063,091,550	0.2046%	2,074,780,057
2002-2003	1,653,432,464	488,962,063	56,502,244	12,998,045	2,185,898,726	0.2063%	2,198,896,771
2003-2004	1,816,341,125	519,001,911	58,806,602	13,241,637	2,380,908,001	0.2078%	2,394,149,638
2004-2005	1,954,983,363	534,095,932	60,925,561	13,950,179	2,536,054,677	0.2115%	2,550,004,856
2005-2006	2,147,415,244	572,858,300	61,727,068	13,972,591	2,768,028,021	0.2445%	2,782,000,612
2006-2007	2,357,776,029	709,325,979	69,591,831	14,065,867	3,136,693,839	0.2685%	3,185,026,371
2007-2008	2,536,813,542	720,257,939	75,044,285	14,927,928	3,332,115,766	0.2648%	3,456,264,580
2008-2009	2,688,432,244	902,400,041	79,640,809	14,441,989	3,670,473,094	0.2727%	3,720,407,417
2009-2010	2,723,737,670	720,620,825	79,631,466	14,583,983	3,718,889,581	0.2755%	3,769,434,863

Source: Los Angeles County Assessor's Office

**City of San Gabriel**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(rate per \$100 of assessed value)**

**TABLE 6**

	Fiscal Year									
	2009/10	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01
City Direct Rates:										
Basic Levy	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
City Basic Rate	0.14000	0.14000	0.14000	0.14000	0.14000	0.11000	0.11000	0.11000	0.11000	0.11000
<b>Total City Direct Rate</b>	<b>1.14000</b>	<b>1.14000</b>	<b>1.14000</b>	<b>1.14000</b>	<b>1.14000</b>	<b>1.11000</b>	<b>1.11000</b>	<b>1.11000</b>	<b>1.11000</b>	<b>1.11000</b>
Overlapping Rates:										
Detention Facilities	-	-	-	0.00066	0.00080	0.00092	0.00099	0.00103	0.00113	0.00131
Water District	0.00430	0.00430	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770	0.00880
Flood Control District	-	-	-	0.00005	0.00005	0.00024	0.00047	0.00088	0.00107	0.00156
LA Community College	0.02311	0.02212	0.00878	0.02146	0.01430	0.01810	0.01986	0.01460	0.01600	-
Alhambra School Dist.	0.05151	0.03625	0.05460	0.05942	0.06379	0.01949	0.02000	0.01988	0.02021	0.02131
Garvey School Dist.	0.07836	0.06835	0.05061	0.05075	0.05221	0.02319	0.02471	0.05286	0.03118	-
Rosemead School Dist.	0.11358	0.06875	0.08282	0.05420	0.07515	0.07095	0.04517	0.00540	0.08858	-
El Monte School Dist.	0.09654	0.05159	0.02820	0.05846	0.05425	0.03928	0.03573	-	-	-
Pasadena Community College	0.02300	0.01741	0.01972	0.02080	0.00410	0.00879	0.00681	-	-	-
San Gabriel School Dist.	0.10070	0.09293	0.05742	0.04930	0.05284	0.05729	0.05224	0.05803	-	-
Temple City School Dist.	0.04910	0.04661	0.04413	0.04977	0.04466	0.04778	0.04818	0.04842	0.05445	0.05064
<b>Total Direct Rate</b>	<b>1.68020</b>	<b>1.54831</b>	<b>1.49078</b>	<b>1.50957</b>	<b>1.50735</b>	<b>1.40183</b>	<b>1.37026</b>	<b>1.31780</b>	<b>1.33032</b>	<b>1.19362</b>

Source: Los Angeles County Assessor 2009/10 Tax Rate Table.

**City of San Gabriel**  
**Principal Property Taxpayers**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

Taxpayer	2010			2009		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Universal Shopping Plaza	59,666	1	1.60%	58,496	2	1.59%
Landwin Hospitality LLC	51,911	2	1.40%	54,455	3	1.48%
San Gabriel Valley Medical Center	49,403	3	1.33%	61,190	1	1.67%
Lancer Investment LLC	26,052	4	0.70%	25,403	4	0.69%
Valley Del Mar Plaza LLC	22,440	5	0.60%			
San Gabriel Medical Plaza LLC Lessee	21,552	6	0.58%	14,501	8	0.40%
Tony C. Chu Trust	21,300	7	0.57%	20,883	5	0.57%
Demer Properties Inc.	17,677	8	0.48%	17,331	6	0.47%
Setiawan Boedi Trust	16,854	9	0.45%			
San Gabriel Gateway Center	16,801	10	0.45%			
Amson Realty LLC						
C & B Limited Partnership						
China Times Inc.						
De Marco Parties Partnership						
Dennis D. Jacobsen Family Holdings						
Grand Valley LLC						
Hawaii Property Inc.						
Joan Chiang Trust				10,935	10	0.30%
King Summer Star LLC						
Lucky Center LLC						
Setiawan & Dharmawan Trust				16,524	7	0.45%
Shih Properties Inc.						
Triunion LLC				12,004	9	0.33%

Source: Los Angeles County Assessor

**TABLE 7**

2008			2007			2006		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 57,349	1	1.72%	\$ 56,225	2	1.79%	54,439	2	1.97%
24,525	2	0.74%	13,609	6	0.43%	13,079	5	0.47%
			60,296	1	1.92%	76,240	1	2.68%
14,217	6	0.43%	13,938	5	0.44%			
20,473	3	0.61%	20,072	3	0.64%	19,799	3	0.72%
16,991	4	0.51%	16,658	4	0.53%	18,372	4	0.66%
10,710	7	0.32%	10,500	8	0.33%			
9,903	9	0.30%	9,077	9	0.29%			
10,579	8	0.32%						
			8,490	10	0.27%	8,324	7	0.30%
						8,102	8	0.29%
						11,014	6	0.40%
16,200	5	0.49%	10,889	7	0.35%	8,089	9	0.29%
9,316	10	0.28%				7,613	10	0.28%

**City of San Gabriel**  
**Principal Property Taxpayers**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

	2005			2004		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<u>Taxpayer</u>						
Universal Shopping Plaza	\$ 53,372	2	2.05%	\$ 52,394	2	2.10%
Tony C. Chu Trust	19,292	3	0.74%	15,639	3	0.63%
Life Plaza Center LLC	6,963	10	0.28%	6,835	10	0.27%
C & B Limited Partnership						
Maria W. Shiau						
Hawaii Property Inc.	10,153	5	0.39%	11,195	5	0.45%
De Marco Parties Partnership						
Demer Properties Inc.	14,247	4	0.55%	13,986	4	0.56%
China Times Inc.						
San Gabriel Valley Medical Center	77,185	1	2.96%	74,893	1	3%
Landwin Hospitality LLC						
Archdiocese of LA Educ & Welfare	8583	8	0.33%			
King Summer Star LLC	10,798	6	0.41%			
Lucky Center LLC	7,930	9	0.30%			
Thomas K. & Hsui Y. Wong	8,895	7	0.34%	8,836	7	0.35%
Charter Communication				10,600	6	0.42%
San Gabriel Club				7,785	9	0.31%
Roman Catholic Archbishop of LA				8,398	8	0.34%

**TABLE 7**

2003			2002			2001		
Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
\$ 51,366	2	2.23%	\$ 50,359	1	2.43%	\$ 49,277	1	2.47%
15,332	3	0.67%	12,352	2	0.60%	11,430	2	0.58%
			6,570	7	0.32%	6,441	7	0.32%
7,034	9	0.31%	9,221	5	0.44%	9,040	3	0.45%
						4,907	9	0.25%
11,140	5	0.51%	9,878	3	0.48%	7,020	6	0.35%
			5,475	10	0.26%	5,570	8	0.28%
11,657	4	0.51%	9,602	4	0.46%	9,012	4	0.45%
						4,606	10	0.23%
71,702	1	3.11%						
9,868	6	0.43%	6,376	8	0.31%			
8,472	7	0.37%						
7,632	8	0.33%	7,483	6	0.36%	7,336	5	0.37%
6,800	10	0.30%						
			5,627	9	0.27%			

**City of San Gabriel**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
**(amounts expressed in thousands)**

**TABLE 8**

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2000-2001	4,127,621	4,097,406	99%	18,061	4,115,467	100%
2001-2002	4,379,411	4,090,162	93%	160,723	4,250,885	97%
2002-2003	4,620,864	4,318,771	93%	283,694	4,602,465	100%
2003-2004	5,050,644	4,775,222	95%	129,862	4,905,084	97%
2004-2005	5,420,209	5,236,233	97%	166,111	5,402,344	100%
2005-2006	6,706,481	6,192,581	92%	470,993	6,663,574	99%
2006-2007	7,456,596	7,213,559	97%	267,278	7,480,837	100%
2007-2008	7,853,970	7,538,774	96%	314,523	7,853,297	100%
2008-2009	8,654,549	8,212,669	95%	345,078	8,557,748	99%
2009-2010	8,974,995	8,127,697	91%	328,444	8,456,142	94%

(1) Total tax levy for the fiscal year includes the original levy and all supplementary tax levies.

(2) Collections excluded penalty and interest.

Source: Los Angeles County Auditor-Controller

**City of San Gabriel**  
**Schedule of Direct and Overlapping Debt**  
**June 30, 2010**

**TABLE 9**

	Percent Applicable to City of San Gabriel	Outstanding Debt 6/30/09	Amount Applicable to City of San Gabriel
Overlapping bonded debt:			
METROPOLITAN WATER DISTRICT	0.416	\$ 121,475,156	\$ 505,416
GARVEY SCHOOL DISTRICT DS 2000 SERIES A	12.559	6,504,903	816,922
GARVEY SCHOOL DISTRICT DS 2000 SERIES B	12.559	6,294,519	790,501
GARVEY SCHOOL DISTRICT 2004 SERIES 2005	12.559	8,653,736	1,086,785
GARVEY SCHOOL DISTRICT 2004 SERIES 2006	12.559	10,795,178	1,355,719
GARVEY SCHOOL DISTRICT 2004 SERIES C	12.559	8,997,964	1,130,015
ROSEMEAD SCHOOL DISTRICT DS 2000 SERIES A	11.252	6,595,000	742,082
ROSEMEAD SCHOOL DISTRICT DS 2000 SERIES B	11.252	9,150,000	1,029,575
ROSEMEAD SCHOOL DISTRICT DS 2000 SERIES C	11.252	6,775,000	762,336
ROSEMEAD SCHOOL DISTRICT DS 2007 REF. BONDS	11.252	5,000,000	562,610
ROSEMEAD SCHOOL DISTRICT DS 2008 SERIES A	11.252	9,000,000	1,012,697
EL MONTE UN HSD DS 2002 SERIES A	2.320	3,670,000	85,131
EL MONTE UN HSD DS 2002 SERIES B	2.320	5,585,000	129,553
EL MONTE UN HSD DS 2006 REFUNDING BONDS	2.320	37,343,698	866,246
EL MONTE UN HSD DS 2002 SERIES C	2.320	29,490,000	684,067
EL MONTE UN HSD DS 2008 SERIES A	2.320	54,001,305	1,252,645
L.A. CCD DS 2001 SERIES A	0.590	19,835,000	117,048
L.A. CCD DS 2003 SERIES B	0.590	74,435,000	439,247
L.A. CCD DS 2003 TAXABLE SERIES 2004B	0.590	20,705,000	122,182
L.A. CCD DS 2001 TAXABLE SERIES 2004A	0.590	74,940,000	442,227
L.A. CCD DS REFUNDING 2001 SERIES 2005A	0.590	431,720,000	2,547,615
L.A. CCD DS 2001, 2006 SERIES B	0.590	382,990,000	2,260,056
L.A. CCD DS 2003, 2006 SERIES C	0.590	300,625,000	1,774,013
L.A. CCD DS 2001, 2008 SERIES E-1	0.590	276,500,000	1,631,649
L.A. CCD DS 2001, 2008 TAXABLE SER E-2	0.590	5,250,000	30,981
L.A. CCD DS 2003, 2008 SERIES F-1	0.590	344,915,000	2,035,372
L.A. CCD DS 2003, 2008 SERIES F-2	0.590	8,600,000	50,749
L A CCD DS 2008, 2009 TAXABLE SERIES A	0.590	350,000,000	2,065,379
L A CCD DS 2008, 2009 TAXABLE SERIES B	0.590	75,000,000	442,581
PASADENA AREA CCD DS 2002 SERIES A	0.433	2,835,000	12,281
PASADENA AREA CCD DS 2006 SERIES B	0.433	50,590,000	219,158
PASADENA AREA CCD DS 2006 REF BD SERIES C	0.433	16,337,379	70,774
PASADENA AREA CCD DS 2006 REF BD SERIES D	0.433	52,000,000	225,267
SAN GABRIEL USD DS 2002 SERIES A	74.456	10,667,600	7,942,662
SAN GABRIEL USD DS 2002 SERIES B	74.456	6,683,892	4,976,555
SAN GABRIEL USD DS 2005 REFUNDING BONDS	74.456	17,205,000	12,810,145
SAN GABRIEL USD DS 2002 SERIES 2007 C	74.456	10,807,878	8,047,108
SAN GABRIEL USD DS 2008 SERIES A	74.456	19,988,245	14,882,437
ALHAMBRA USD DS 1999 SERIES B	0.022	5,580,561	1,256
ALHAMBRA USD DS 2005 REFUNDING BONDS	0.022	8,735,000	1,965
ALHAMBRA USD DS 2004 SERIES A	0.022	45,235,000	10,177
ALHAMBRA USD DS 2008 SERIES A SFID	0.022	33,963,627	7,641
ALHAMBRA USD-GARVEY DS 2004 SERIES B	0.022	34,999,695	7,874
<b>Total Overlapping Debt:</b>			<b>\$ 75,986,699</b>

This report reflects debt which is being repaid through voter-approved tax indebtedness. It excludes mortgage revenue tax allocation bonds, interim financing obligations, non-bonded capital lease obligations and certificates of participation unless provided by the city.

**City of San Gabriel**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year			
	2010	2009	2008	2007
Assessed value	3,718,889,581	3,670,473,094	3,332,115,766	3,136,693,839
Conversion percentage	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
Adjusted assessed valuation	929,722,395	917,618,274	833,028,942	784,173,460
Debt limit percentage	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
Debt limit	139,458,359	137,642,741	124,954,341	117,626,019
Total net debt applicable to limit:	-	-	-	-
Legal debt margin	<u>139,458,359</u>	<u>137,642,741</u>	<u>124,954,341</u>	<u>117,626,019</u>
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Source: (1) Los Angeles County Assessor  
(2) City Finance Department

**TABLE 10**

Fiscal Year					
2006	2005	2004	2003	2002	2001
2,782,000,612	2,550,004,856	2,394,149,638	2,198,896,771	2,074,780,057	1,944,757,083
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
695,500,153	637,501,214	598,537,410	549,724,193	518,695,014	486,189,271
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
104,325,023	95,625,182	89,780,611	82,458,629	77,804,252	72,928,391
-	-	-	-	-	-
104,325,023	95,625,182	89,780,611	82,458,629	77,804,252	72,928,391
0%	0%	0%	0%	0%	0%

**City of San Gabriel**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

**TABLE 11**

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<u>Fiscal Year</u>	<u>City Population (1)</u>	<u>Personal Income</u>	<u>Per Capita Personal income</u>	<u>Unemployment Rate (3)</u>
2001	40,363	677,930	16,806	5.60%
2002	40,969	689,934	16,863	7.20%
2003	41,571	715,566	17,249	7.50%
2004	41,853	754,297	18,051	6.90%
2005	42,125	792,137	18,825	5.30%
2006	42,320	842,210	19,976	4.70%
2007	42,691	877,029	20,740	5.20%
2008	42,762	888,014	20,917	7.10%
2009	42,829	868,932	20,363	11.30%
2010	42,984	N/A	N/A	12.50%

Source: (1) Estimates from State Department of Finance  
(2) HDL report.  
(3) Employment Development Department, (data shown is for the County.)

**City of San Gabriel  
Principal Employers  
Last Eight Years (1)**

**TABLE 12**

Employer	2010		2009		2008		2007		2006		2005		2004		2003	
	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp	No. of Emp	% of Total City Emp
AHMC San Gabriel Valley Medical	924	11.51%	860	11.12%	791	11.14%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
99 RANCH MARKET	180	2.24%	180	2.33%	180	2.53%	180	2.58%	171	2.53%	171	2.59%	161	2.48%	161	2.68%
SAN GABRIEL SUPERSTORE	139	1.73%	143	1.85%	154	2.17%	154	2.21%	144	2.13%	106	1.61%	112	1.73%	106	1.77%
LANDWIN HOSPITALITY LLC	80	1.00%	180	2.33%	184	2.59%	137	1.96%	18	0.27%	-	0.00%	-	0.00%	-	0.00%
HAWAII SUPERMARKET	130	1.62%	120	1.55%	139	1.96%	125	1.79%	121	1.79%	121	1.83%	121	1.87%	136	2.27%
LIVE OAK REHABILITATION CENTER	137	1.71%	136	1.76%	119	1.68%	111	1.59%	92	1.21%	87	1.32%	81	1.25%	88	1.25%
ALDERWOOD MANOR	114	1.42%	101	1.31%	103	1.45%	105	1.50%	103	1.52%	100	1.51%	101	1.56%	70	1.17%
MISSION LODGE SANITARIUM	87	1.08%	98	1.27%	110	1.55%	105	1.50%	98	1.45%	106	1.61%	116	1.79%	111	1.85%
PARK UNIFORM RENTAL	85	1.06%	100	1.29%	98	1.38%	100	1.43%	71	1.05%	59	0.89%	62	0.96%	80	1.33%
VISTA COVE CARE CENTER	103	1.28%	99	1.28%	87	1.23%	95	1.36%	109	1.61%	97	1.47%	93	1.43%	92	1.53%
FERNVIEW CONVALESCENT HOSPITAL	95	1.18%	88	1.14%	92	1.30%	90	1.29%	90	1.33%	97	1.47%	87	1.34%	74	1.23%
MARCO'S AUTO BODY, INC.	65	0.81%	70	0.91%	97	1.37%	89	1.28%	76	1.12%	73	1.11%	76	1.17%	76	1.27%
SAN GABRIEL NURSERY & FLORIST	52	0.65%	52	0.67%	60	0.84%	82	1.18%	82	1.21%	92	1.39%	96	1.48%	93	1.55%
A G SAN GABRIEL, LLC	71	0.88%	76	0.98%	69	0.97%	76	1.09%	57	0.84%	54	0.82%	52	0.80%	-	0.00%
O'DONNELL CHEVROLET-GEO-BUICK	59	0.73%	67	0.87%	71	1.00%	72	1.03%	74	1.09%	81	1.23%	82	1.27%	93	1.55%
CHINA TIMES PRINTING INC.	49	0.61%	53	0.69%	66	0.93%	68	0.97%	87	1.29%	101	1.53%	91	1.40%	96	1.60%

(1) Data before 2003 is not available.  
Source: City Finance Department

Full-time Equivalent City Government Employees by Function/Program  
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government										
Management services	6	7	7	7	7	7	7	6	6	6
Finance	9	9	8	8	8	7	7	7	6	5
Planning	3	4	4	4	4	4	4	4	3	2
Building	4	4	2	2	2	2	1	2	1	1
Other	4	5	5	6	4	5	5	5	3	3
Police										
Officers	54	57	60	54	53	54	53	50	54	52
Civilians	15	14	13	14	14	12	15	15	13	13
Fire										
Firefighters and officers	33	33	33	31	33	32	34	33	32	33
Civilians	1	2	2	2	2	2	2	2	2	1
Highways and streets										
Engineering	2	3	2	2	2	1	1	1	-	-
Maintenance	17	17	16	16	19	19	19	17	18	19
Redevelopment	1	2	2	0	1	1	1	1	1	1
Parks and recreation	22	17	22	20	21	21	21	21	22	21
Total	171	174	176	166	170	167	170	164	161	157

Source: City Finance Department

**City of San Gabriel**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

**TABLE 14**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General government										
Building permits issued	1,355	1,344	1,773	1,648	1,293	1,868	1,998	2,026	1,539	1,396
Building inspections conducted	5,381	5,396	5,956	5,947	4,671	6,868	9,002	6,723	4,095	3,545
Police										
Physical arrests	722	670	652	598	868	907	727	664	787	826
Parking violations	17,165	14,870	12,731	13,836	12,432	8,599	9,919	12,288	12,205	15,068
Traffic violations	10,001	7,783	7,136	4,865	7,456	7,008	9,078	7,632	9,045	10,756
Fire										
Emergency responses	2,008	2,125	2,173	2,331	1,805	2,234	2,177	2,127	2,074	2,157
Inspections	2,615	2,619	2,448	2,420	2,423	2,062	1,877	2,423	2,411	1,943
Highways and streets										
Street resurfacing (miles)	3	11	1	-	-	3	1	2	2	3
Potholes repaired	1,600	1,400	1,880	1,920	2,304	2,112	1,920	1,728	2,024	1,980
Culture and recreation										
Classes offered	352	266	294	285	289	362	383	323	321	325
Facility rentals	51	48	50	45	35	33	41	30	15	15

Source: City Finance Department

**City of San Gabriel**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

**TABLE 15**

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	26	27	27	27	27	27	26	27	27
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Highways and streets										
Streets (miles)	72	72	72	72	72	72	72	72	72	72
Streetlights	800	800	800	800	800	780	765	750	730	715
Traffic signals	915	915	915	915	915	915	915	915	915	915
Culture and recreation										
Parks acreage	25	25	25	25	25	25	25	25	25	25
Parks	4	4	4	4	4	4	4	4	4	4
Swimming pools	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Community centers	2	2	2	2	2	2	2	2	2	2

Source: City Finance Department