

CITY OF SAN GABRIEL,
CALIFORNIA

Comprehensive Annual Financial Report

Year ended June 30, 2009

Prepared by:
FINANCE DEPARTMENT

Thomas Marston
Director of Finance

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CITY OF SAN GABRIEL
Comprehensive Annual Financial Report
Year ended June 30, 2009

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INTRODUCTORY SECTION

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December 13, 2009

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, 2009.

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 Mayer Hoffman McCann P.C., 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, 2009, are free of material misstatement. The independent audit involve 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, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City of 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 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 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 30th. 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 30 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 prepared a five year Capital Improvement Program document to better anticipate the costs of major projects and infrastructure improvements to the City. A second version of that document, like the first, was incorporated into the fiscal year's planning and budgetary processes. Each year a revised version will be developed and implemented for subsequent fiscal year.

Major road and sewer improvement projects were identified and included for future appropriation. Specific street improvement projects such as San Gabriel Boulevard and Roses Road 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 5.00%.

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, 2009, the claims payable for workers' compensation and general liability, based on information available to the City, were \$1,756,152 and \$240,524 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 from 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 in the amount of \$18,829,757. 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 65 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 this year, the City established a trust with PERS and made the first payment 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, 2008. 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 Mayer Hoffman McCann P.C. for their professional assistance and expertise.

Respectfully submitted,



Steven Preston
Interim City Manager



Thomas C. Marston
Finance Director

CITY OF SAN GABRIEL

Officials of the City of San Gabriel

June 30, 2009

CITY COUNCIL

Juli Costanzo - Mayor

Albert Y.M. Huang - Vice Mayor

Mario De La Torre

David R. Gutierrez

Kevin B. Sawkins

ELECTED OFFICIALS

Eleanor K. Andrews - City Clerk

John Janosik - City Treasurer

ADMINISTRATION AND DEPARTMENT HEADS

City Manager

Deputy City Manager

Police Chief

Fire Chief

Director of Finance

Director of Parks and Recreation

Mission Playhouse Manager

P. Michael Paules

Steven Preston

David Lawton

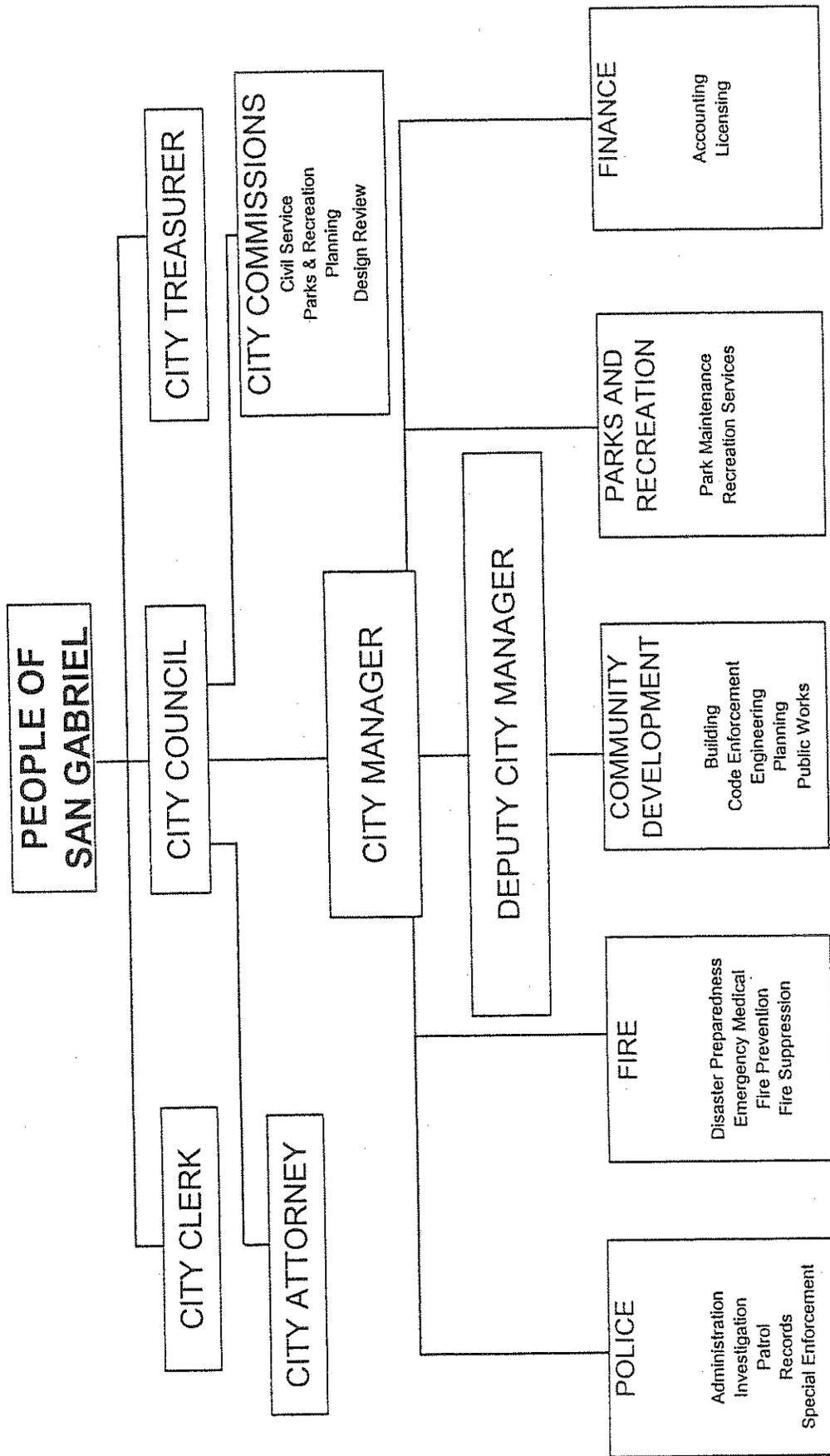
Joseph Nestor

Thomas Marston

Rebecca Perez

Anna Cross

City of San Gabriel Organization Chart



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, 2008

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



A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

FINANCIAL SECTION

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

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of San Gabriel, California, as of and for the year ended June 30, 2009, which collectively comprise the City's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the management of the City of San Gabriel. Our responsibility is to express opinions on these financial statements based on our audit. The prior year partial comparative information has been derived from the financial statements of the City of San Gabriel for the year ended June 30, 2008 and, in our report dated December 11, 2008, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of San Gabriel, California, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, of the City of San Gabriel, California for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described further in Note 9 to the financial statements, effective July 1, 2008, the City has changed its method of accounting for post-employment benefits other than pensions.

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



The Honorable Mayor and City Council
City of San Gabriel
San Gabriel, California
Page Two

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financing 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.

Mayer Hoffman McCann P.C.

Irvine, California
December 11, 2009

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, 2009. 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 .2% to \$59.2 million as a result of this year's operations.
- During the year, the City's taxes and general revenues exceeded governmental expenditures by \$95,000.
- The total revenues from all sources equaled \$35.8 million.
- The total cost of all City programs equaled \$35.7 million.
- The General Fund reported excess revenues over expenditures of \$1.1 million.
- For the General Fund, actual resources available for appropriation (revenues and transfers-in) were more than the final budget by \$25,000, while actual expenditures were \$3.9 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 Civic Auditorium. 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.

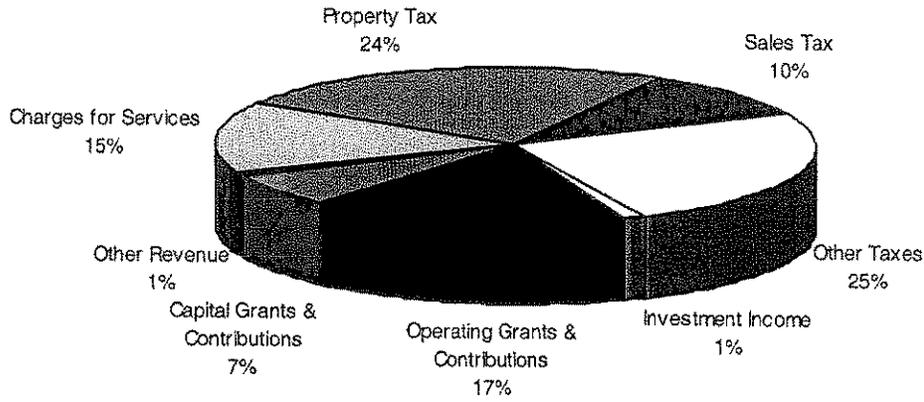
**Table 1
Statement of Net Assets
(in Millions)**

	Governmental Activities	
	<u>2009</u>	2008 (Restated)
Current and other assets	\$29.8	\$31.4
Capital Assets	<u>37.8</u>	<u>36.2</u>
Total Assets	\$67.6	\$67.6
Long-term debt outstanding	4.2	2.9
Other Liabilities	<u>4.2</u>	<u>5.6</u>
Total Liabilities	8.4	8.5
Net Assets:		
Invested in capital assets, net of debt	37.7	36.2
Unrestricted	<u>21.5</u>	<u>22.9</u>
Total net Assets	<u>59.2</u>	<u>59.1</u>

The City's net assets from governmental activities increased .2% from a restated \$59.1 million to \$59.2 million. This increase of \$.1 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 2009 GOVERNMENTAL ACTIVITIES
(See Table 2)

Sources of Revenue
Total - \$35,837,476



Functional Expenses
Total - \$35,742,894

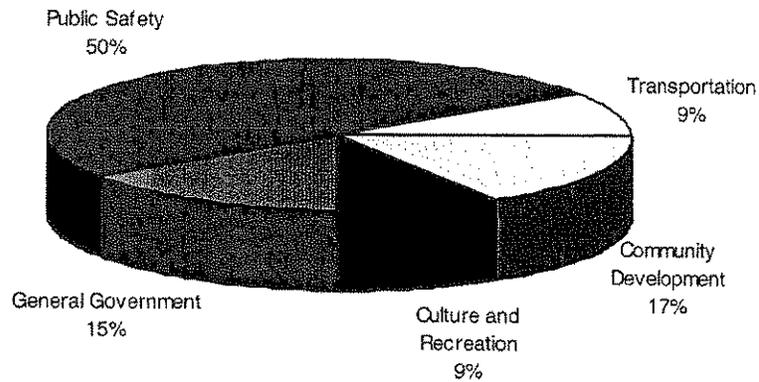


Table 2
Statement of Activities
(in Millions)

	Governmental Activities	
	<u>2009</u>	<u>2008</u>
Revenues		
Program Revenues		
Charges for Service	\$ 5.2	\$ 5.8
Operating Contributions and Grants	6.2	5.1
Capital Contributions and Grants	2.5	2.6
General Revenues		
Taxes		
Property Taxes	8.8	8.2
Utility User Taxes	3.9	3.6
Sales Taxes	3.5	4.1
Motor Vehicle in Lieu	3.6	3.3
Franchise Taxes	.6	.6
Transient Occupancy Taxes	.7	.6
Property Transfer Taxes	.1	.2
Investment Income	.5	.6
Other Revenue	<u>.2</u>	<u>.1</u>
Total Revenues	<u>35.8</u>	<u>34.8</u>
Expenses		
General Government	5.4	5.2
Public Safety	17.9	17.2
Transportation	3.3	2.1
Community Development	5.9	6.1
Culture and Recreation	<u>3.2</u>	<u>3.1</u>
Total Expenses	<u>35.7</u>	<u>33.7</u>
Increase (decrease) in net assets	<u>\$.1</u>	<u>\$ 1.1</u>

The City's total revenues were \$35.8 million, while the total cost of all programs and services were \$35.7 million. This is an increase of 2.9% in revenue and 5.9% increase in expenses over the prior year. The major increase in revenue came from Property Taxes which will be used to offset costs for retiree pension and healthcare benefits. Additionally, there was an increase in utility user taxes revenue when 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		Net Cost	
	Of Service		Of service	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Expenses				
General Government	5.4	5.2	(4.8)	(4.5)
Public Safety	17.9	17.2	(15.2)	(14.7)
Transportation	3.3	2.0	(1.5)	.2
Community Development	5.9	6.1	1.9	.8
Culture and Recreation	<u>3.2</u>	<u>3.1</u>	<u>(2.2)</u>	<u>(2.0)</u>
Totals	<u>35.7</u>	<u>33.7</u>	<u>(21.8)</u>	<u>(20.2)</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 \$3.9 million, and Sales Taxes \$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 \$2.6 million. However, it should be noted this amount includes approximately \$800,000 that is currently unavailable for immediate appropriation due to interfund loans. The remaining \$1.8 million is more than the City's policy of having \$1.4 million available for emergencies and for immediate appropriation. However, all but approximately \$500,000 is tentatively planned for future

street improvements, a new Public Works Yard and Police Station. The combination of a stable property tax base and a relatively diversified Sales Tax revenue stream, even in these uncertain times, has helped to ensure the City's revenues were 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 made its first payment under the prefunding plan.
- The Community Development Block Grant Fund is the only major fund in a deficit position and is due to the Community Development Commission's delayed payment to the City which is exactly equal to the amount of the deficit. It is fully anticipated that the City will receive this revenue 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.

General Fund Budgetary Highlights

The final expenditures for the General Fund at year-end was \$3.9 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." The City's budget policy is to incorporate a "Budget Savings" line item, anticipating a budgetary underexpenditure that has historically materialized and departments exceeded that underexpenditure this year. This underexpenditure was "masked over" by a combined \$1,015,000 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 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 \$35,000. 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 2009, the City had \$37.7 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 37 to the Financial Statements for additional information). This amount represents a net decrease (including additions and deductions) of \$1.5 million or 4.1% 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 37.)

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

	Government Activities	
	<u>2009</u>	2008 <i>(Restated)</i>
Land	7.2	7.2
Buildings & Improvements	5.9	5.0
Machinery & Equipment	2.9	2.9
Infrastructure	<u>21.7</u>	<u>21.1</u>
Totals	<u>37.7</u>	<u>36.2</u>

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 \$2,239,898 or \$341,919 more than the prior year. Of the \$2,239,898, \$447,980 is anticipated to be due within one year. At year-end the City's liability for Claims Payable/Self Insurance was \$1,996,676 or \$52,220 more than the prior year. Of the \$1,996,676, 599,003 is anticipated to be due within one year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

While the City maintains a diverse housing stock, the City's economy is 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 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.

The City's 2009-10 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 community placed a ballot measure to increase the utility user tax which was approved and should add approximately \$1.2 million per year starting with the 2009-10 fiscal year. The 2009-10 Budget reflects an increase in expenditures, equally offset by increases in revenue with the results producing a "balanced budget."

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.

BASIC FINANCIAL STATEMENTS

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CITY OF SAN GABRIEL

Statement of Net Assets

June 30, 2009

	<u>Governmental Activities</u>
Assets:	
Cash and investments (note 2)	\$ 24,725,933
Accounts receivable, net	1,129,842
Prepaids	2,640
Interest receivable	97,178
Due from other governments	2,362,223
Property held for resale	1,500,000
Capital assets, depreciated (note 4)	30,549,631
Capital assets, not depreciated (note 4)	<u>7,193,699</u>
Total assets	<u>67,561,146</u>
Liabilities:	
Accounts payable	3,493,110
Accrued payroll	640,668
Long-term liabilities (note 5):	
Due within one year	1,046,983
Due in more than one year	<u>3,189,591</u>
Total liabilities	<u>8,370,352</u>
Net assets:	
Invested in capital assets	37,743,330
Unrestricted	<u>21,447,464</u>
Total net assets	<u>\$ 59,190,794</u>

See accompanying notes to the basic financial statements.

GENERAL FUND

General Fund – This fund has been classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted for a particular purpose. The following funds have been classified as major funds. The budget-actual comparisons for these funds have been presented in the accompanying financial statements *are required supplementary information*:

Retirement Fund – This fund is used to account for the receipt of property taxes of a voter-approved tax levy. These funds are used to 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.

CAPITAL PROJECT FUND

The Capital Project Fund is established to account for administrative cost for start-up of the Redevelopment Agency and costs of redevelopment. The following fund has been classified as a major fund in the accompanying financial statements:

Redevelopment Fund – This fund is used to account for administrative and other costs of the Redevelopment Agency.

CITY OF SAN GABRIEL
Governmental Funds

Balance Sheet

June 30, 2009

(With Comparative Data for Prior Year)

	Special Revenue Funds					Capital Project Fund	Totals	
	General Fund	Retirement	Proposition C Local Return	Community Development		Non-Major Governmental Funds	2009	2008
				Block Grant	Redevelopment			
Assets:								
Cash and investments	\$ 6,888,093	2,188,685	2,483,360	-	4,928,774	7,063,956	23,552,868	25,373,351
Accounts receivable, net	830,467	-	-	-	-	71,879	902,346	926,281
Interest receivable	97,178	-	-	-	-	-	97,178	123,031
Due from other funds (note 3)	811,104	-	-	-	-	-	811,104	400,123
Due from other governments	764,576	155,806	38,879	40,632	-	1,362,330	2,362,223	1,630,542
Prepays	2,640	-	-	-	-	-	2,640	2,640
Advances to other funds (note 3)	3,758,882	-	-	-	-	-	3,758,882	2,665,120
Property held for resale	-	-	-	-	1,500,000	-	1,500,000	1,500,000
Total assets	\$ 13,152,940	2,344,491	2,522,239	40,632	6,428,774	8,498,165	32,987,241	32,621,088
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	\$ 425,791	-	6,687	8,320	1,984,571	1,040,155	3,465,524	4,085,713
Accrued payroll	611,676	-	-	6,985	500	14,081	633,242	529,616
Due to other funds (note 3)	-	-	-	25,327	-	785,777	811,104	400,123
Advances from other funds (note 3)	-	-	-	-	3,758,882	-	3,758,882	2,665,120
Deferred revenue	34,809	-	-	-	-	941,056	975,865	298,042
Total liabilities	1,072,276	-	6,687	40,632	5,743,953	2,781,069	9,644,617	7,978,614
Fund balances (deficit):								
Reserved for:								
Capital replacement	4,573,256	-	-	-	-	-	4,573,256	4,173,906
Encumbrances	345,861	-	-	-	-	-	345,861	228,168
Retirement	-	2,344,491	-	-	-	-	2,344,491	3,201,353
Prepays	2,640	-	-	-	-	-	2,640	2,640
Advances to other funds	3,758,882	-	-	-	-	-	3,758,882	2,665,118
Property held for resale	-	-	-	-	1,500,000	-	1,500,000	1,500,000
Future capital project	796,000	-	-	-	-	-	796,000	-
Unreserved:								
Reported in:								
General fund	2,604,025	-	-	-	-	-	2,604,025	3,898,435
Special revenue funds	-	-	2,515,552	-	-	5,717,096	8,232,648	9,787,423
Capital project fund	-	-	-	-	(815,179)	-	(815,179)	(814,569)
Total fund balances (deficit)	12,080,664	2,344,491	2,515,552	-	684,821	5,717,096	23,342,624	24,642,474
Total liabilities and fund balances	\$ 13,152,940	2,344,491	2,522,239	40,632	6,428,774	8,498,165	32,987,241	32,621,088

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL
Governmental Funds

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Assets

June 30, 2009

Fund balances of governmental funds \$ 23,342,624

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets, net of accumulated depreciation of \$55,362,005, have not been included as financial resources in governmental fund activity. 37,670,791

Compensated absences have not been included in the governmental fund activity:

Compensated absences (2,217,339)

Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting. 975,865

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. (581,147)

Net assets of governmental activities \$ 59,190,794

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2009
(With Comparative Data for Prior Year)

	Special Revenue Funds				Capital Project Fund	Non-Major Governmental Funds	Totals	
	General Fund	Retirement	Proposition C Local Return	Community Development Block Grant	Redevelopment		2009	2008
Revenues:								
Taxes	\$ 12,597,394	5,078,911	-	-	944,375	236,094	18,856,774	18,396,557
Intergovernmental	3,876,997	-	511,927	603,694	-	2,500,874	7,493,492	8,099,277
Charges for services	2,105,738	-	-	-	-	856,984	2,962,722	3,554,372
Fines and forfeitures	990,193	-	-	-	-	-	990,193	975,935
Licenses and permits	1,618,502	-	-	-	-	-	1,618,502	1,999,600
Investment income	1,053,531	199,559	97,355	-	148,778	225,976	1,725,199	1,657,104
Other	1,580,225	-	-	-	-	-	1,580,225	339,413
Total revenues	23,822,580	5,278,470	609,282	603,694	1,093,153	3,819,928	35,227,107	35,022,258
Expenditures:								
Current:								
General government	5,118,638	-	-	183,681	-	-	5,302,319	4,848,851
Public safety	16,590,508	-	-	-	-	121,493	16,712,001	16,041,314
Community development	4,039,702	-	-	-	996,965	94,239	5,130,906	4,953,814
Culture and recreation	2,812,282	-	-	69,791	-	152,672	3,034,745	2,909,229
Transportation	-	-	72,559	-	-	2,242,124	2,314,683	762,762
Pass-throughs	-	-	-	-	80,508	-	80,508	76,085
Capital outlay	437,242	-	362,796	259,325	-	2,440,289	3,499,652	2,793,920
Total expenditures	28,998,372	-	435,355	512,797	1,077,473	5,050,817	36,074,814	32,385,975
Excess (deficiency) of revenues over (under) expenditures	(5,175,792)	5,278,470	173,927	90,897	15,680	(1,230,889)	(847,707)	2,636,283
Other financing sources (uses):								
Transfers in (note 3)	6,288,189	-	-	-	-	16,290	6,304,479	6,571,507
Transfers out (note 3)	-	(6,135,332)	-	-	(16,290)	(605,000)	(6,756,622)	(6,894,820)
Total other financing sources (uses)	6,288,189	(6,135,332)	-	-	(16,290)	(588,710)	(452,143)	(323,313)
Net change in fund balances	1,112,397	(856,862)	173,927	90,897	(610)	(1,819,599)	(1,299,850)	2,312,970
Fund balances (deficit) at beginning of year	10,968,267	3,201,353	2,341,625	(90,897)	685,431	7,536,695	24,642,474	22,329,504
Fund balances at end of year	\$ 12,080,664	2,344,491	2,515,552	-	684,821	5,717,096	23,342,624	24,642,474

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL
Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities

Year ended June 30, 2009

Changes in fund balances of governmental funds \$ (1,299,850)

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

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Depreciation	(2,502,881)
Capital outlay	3,986,867

To record as an expense the net change in compensated absences in the statement of activities. (337,122)

Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting. 677,823

Internal service funds are used by management to charge the costs of certain activities, such as equipment management, to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities. (430,255)

Changes in net assets of governmental activities \$ 94,582

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL
Proprietary Funds
Statement of Net Assets
June 30, 2009
(With Comparative Data for Prior Year)

	Governmental Activities - Internal Service Funds	
	2009	2008
Assets:		
Current assets:		
Cash and investments	\$ 1,173,065	1,589,238
Accounts receivable, net	227,496	235,967
Prepays	-	17,673
Total current assets	1,400,561	1,842,878
Noncurrent assets:		
Capital assets		
Building	115,780	115,780
Machinery and equipment	49,053	11,200
Accumulated depreciation	(92,294)	(90,936)
Capital assets, net	72,539	36,044
Total assets	1,473,100	1,878,922
Liabilities:		
Current liabilities:		
Accounts payable	27,586	61,664
Accrued payroll	7,426	5,932
Compensated absences	22,559	17,762
Claims payable - current portion (note 5)	599,003	583,337
Total current liabilities	656,574	668,695
Noncurrent liabilities:		
Claims payable, net of current portion (note 5)	1,397,673	1,361,119
Total liabilities	2,054,247	2,029,814
Net assets (deficit):		
Invested in capital assets	72,539	36,044
Unrestricted	(653,686)	(186,936)
Total net assets (deficit)	\$ (581,147)	(150,892)

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL

Proprietary Funds

Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2009

(With Comparative Data for Prior Year)

	Governmental Activities - Internal Service Funds	
	<u>2009</u>	<u>2008</u>
Operating revenues:		
Charges for services	\$ 3,965,300	3,831,908
Total operating revenues	<u>3,965,300</u>	<u>3,831,908</u>
Operating expenses:		
Personnel services	329,450	226,865
Contractual services	41,556	30,252
Vehicle operating	225,348	282,535
Depreciation	1,358	1,200
Utilities	5,746	6,295
Uniforms	2,514	2,274
Operating expenses	16,079	2,362
Insurance premiums	1,388,503	1,272,630
Claims and judgments	<u>2,854,975</u>	<u>2,725,275</u>
Total operating expenses	<u>4,865,529</u>	<u>4,549,688</u>
Operating income (loss)	<u>(900,229)</u>	<u>(717,780)</u>
Non-operating revenues:		
Investment income	<u>17,831</u>	<u>38,100</u>
Income (loss) before transfers	<u>(882,398)</u>	<u>(679,680)</u>
Transfers in (note 3)	<u>452,143</u>	<u>323,313</u>
Change in net assets	(430,255)	(356,367)
Total net assets (deficit) at beginning of year	<u>(150,892)</u>	<u>205,475</u>
Total net assets (deficit) at end of year	<u>\$ (581,147)</u>	<u>(150,892)</u>

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL

Proprietary Funds

Statement of Cash Flows

Year ended June 30, 2009

(With Comparative Data for Prior Year)

	Governmental Activities - Internal Service Funds	
	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Cash received from user departments	\$ 3,973,771	3,827,724
Cash payments to suppliers for goods and services	(4,498,906)	(4,301,887)
Cash payments to employees for services	<u>(323,159)</u>	<u>(231,503)</u>
Net cash provided by (used for) operating activities	<u>(848,294)</u>	<u>(705,666)</u>
Cash flows from noncapital financing activities:		
Cash received from other funds	<u>452,143</u>	<u>323,314</u>
Net cash provided by noncapital financing activities	<u>452,143</u>	<u>323,314</u>
Cash flows from capital and related financing activities:		
Payments to acquire capital assets	<u>(37,853)</u>	-
Net cash provided by (used for) capital and related financing activities	<u>(37,853)</u>	-
Cash flows from investing activities:		
Interest received from investments	<u>17,831</u>	<u>38,099</u>
Net cash provided by investing activities	<u>17,831</u>	<u>38,099</u>
Net increase (decrease) in cash and cash equivalents	(416,173)	(344,253)
Cash and cash equivalents at beginning of year	<u>1,589,238</u>	<u>1,933,491</u>
Cash and cash equivalents at end of year	<u>\$ 1,173,065</u>	<u>1,589,238</u>
Reconciliation of net operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ (900,229)	(717,780)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation	1,358	1,200
(Increase) decrease in prepaids	17,673	17,672
(Increase) decrease in accounts receivable	8,471	(4,184)
Increase (decrease) in accounts payable	(34,078)	15,775
Increase (decrease) in accrued payroll	1,494	2,930
Increase (decrease) in compensated absences	4,797	(7,568)
Increase (decrease) in claims payable	<u>52,220</u>	<u>(13,711)</u>
Total adjustments	<u>51,935</u>	<u>12,114</u>
Net cash provided by (used for) operating activities	<u>\$ (848,294)</u>	<u>(705,666)</u>

Supplemental information:

During the year ended June 30, 2009 there were no noncash investing, capital or financing activities.

See accompanying notes to the basic financial statements.

CITY OF SAN GABRIEL
Agency Fund

Statement of Fiduciary Assets and Liabilities

June 30, 2009

	Deposits Fund	
	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash and investments (note 2)	\$ 682,788	597,517
Accounts receivable	<u>61,752</u>	<u>53,489</u>
Total assets	<u>\$ 744,540</u>	<u>651,006</u>
<u>Liabilities</u>		
Accounts payable	\$ 40,098	28,610
Deposits payable	<u>704,442</u>	<u>622,396</u>
Total liabilities	<u>\$ 744,540</u>	<u>651,006</u>

See accompanying notes to the basic financial statements.

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CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

Year ended June 30, 2009

(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) Reporting Entity

As required by generally accepted accounting principles, these financial statements present the City of San Gabriel and its component units, entities 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. Blended component unit, although legally 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, can be obtained at City Hall.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies. (Continued)

(b) Measurement Focus and Basis of Accounting

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

Financial reporting is based upon all GASB pronouncements, as well as the 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 and applied only to enterprise funds are not followed in preparation of the accompanying financial statements.

Government-wide 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 in accordance with the requirements of GASB Statement No. 33.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(b) Measurement Focus and Basis of Accounting, (Continued)

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.

Governmental Funds

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.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies. (Continued)

(b) Measurement Focus and Basis of Accounting. (Continued)

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.

Non-current 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. Non-current portions of long-term receivables are offset by fund balance reserve accounts.

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.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies. (Continued)

(b) Measurement Focus and Basis of Accounting. (Continued)

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.

Proprietary and Fiduciary Funds

The City's internal service funds are proprietary funds. In the fund financial statements, proprietary funds and fiduciary fund 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.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(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:

Deposits 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 the Basic Financial Statements

(Continued)

(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 fund. 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.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies, (Continued)

(f) Capital Assets, (Continued)

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

(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.

In accordance with GASB Statement No. 16, 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.

Under GASB Statement No. 16 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 payment, as well as those who are expected to become eligible to receive termination benefits as a result of continuing their employment with the City.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(1) Summary of Significant Accounting Policies. (Continued)

(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.

(k) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that 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 must generally be eliminated in the government-wide financial statements, except for net residual amounts due between governmental activities.

CITY OF SAN GABRIEL
Notes to the Basic Financial Statements
(Continued)

(2) Cash and Investments

Cash and investments as of June 30, 2009 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$24,725,933
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	<u>682,788</u>
Total cash and investments	<u>\$25,408,721</u>

Cash and investments as of June 30, 2009 consist of the following:

Cash on hand	\$ 2,200
Deposits with financial institutions	18,150,405
Investments	<u>7,256,116</u>
Total cash and investments	<u>\$25,408,721</u>

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(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.

<u>Investment Types Authorized by State Law</u>	<u>Authorized By Investment Policy</u>	<u>*Maximum Maturity</u>	<u>*Maximum Percentage Of Portfolio</u>	<u>*Maximum Investment In One Issuer</u>
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
JPA Pools (other investment pools)	No	N/A	None	None

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

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. 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.

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:

<u>Investment Type</u>	<u>Total</u>	<u>Remaining Maturity (in Months)</u>			
		<u>12 Months Or Less</u>	<u>13 to 24 Months</u>	<u>25-60 Months</u>	<u>More Than 60 Months</u>
Mutual funds	\$ 208,416	208,416	-	-	-
LAIF	<u>7,047,700</u>	<u>7,047,700</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$7,256,116</u>	<u>7,256,116</u>	<u>-</u>	<u>-</u>	<u>-</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. 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.

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Rating as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
Mutual funds	\$ 208,416	N/A	208,416	-
LAIF	<u>7,047,700</u>	N/A	<u>-</u>	<u>7,047,700</u>
Total	<u>\$7,256,116</u>		<u>208,416</u>	<u>7,047,700</u>

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(2) Cash and Investments, (Continued)

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, 2009, none of the City's deposits or investments was exposed to custodial credit risk.

Investment in State Investment Pool

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

(3) Interfund Receivables, Payables and Transfers

Current interfund receivables and payables as of June 30, 2009 were as follows:

<u>Due from other funds</u>	<u>Due to other funds</u>	<u>Amount</u>
General Fund	Community Development Block Grant Fund	\$ 25,327 (A)
	Non-major governmental fund	<u>785,777 (A)</u>
		<u>\$811,104</u>

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

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(3) Interfund Receivables, Payables and Transfers, (Continued)

Noncurrent interfund receivables and payables as of June 30, 2009 were as follows:

<u>Advances to other funds</u>	<u>Advances from other funds</u>	<u>Amount</u>
General Fund	Redevelopment Capital Project Fund	<u>\$3,758,882</u> (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.

Transfers in and out for the year ended June 30, 2009 were as follows:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Retirement Fund	\$5,683,189 (C)
	Non-Major Governmental Funds	605,000 (D)
Internal Service Funds	Retirement Fund	452,143 (C)
Non-Major Governmental Funds	Redevelopment Fund	<u>16,290</u>
		<u>\$6,756,622</u>

(C) To provide fundings for retirement costs.

(D) To provide fundings for gas tax and street maintenance qualified expenditures.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(4) Capital Assets

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

	Restated* Balance at <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>June 30, 2009</u>
Capital assets being depreciated:				
Building and improvements	\$ 8,030,071	1,011,852	-	9,041,923
Machinery and equipment	7,522,596	754,078	268,077	8,008,597
Infrastructure	<u>66,689,843</u>	<u>2,263,567</u>	<u>-</u>	<u>68,953,410</u>
Total cost of depreciable assets	<u>82,242,510</u>	<u>4,029,497</u>	<u>268,077</u>	<u>86,003,930</u>
Less accumulated depreciation for:				
Building and improvements	3,005,151	167,009	-	3,172,160
Machinery and equipment	4,622,705	702,605	263,300	5,062,010
Infrastructure	<u>45,585,504</u>	<u>1,634,625</u>	<u>-</u>	<u>47,220,129</u>
Total accumulated depreciation	<u>53,213,360</u>	<u>2,504,239</u>	<u>263,300</u>	<u>55,454,299</u>
Net depreciable assets	29,029,150	1,525,258	(4,777)	30,549,631
Capital assets not depreciated:				
Land	<u>7,193,699</u>	<u>-</u>	<u>-</u>	<u>7,193,699</u>
Capital assets, net	<u>\$36,222,849</u>	<u>1,525,258</u>	<u>(4,777)</u>	<u>37,743,330</u>

* The beginning balance has been restated to correct the valuation errors. See Note 13.

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

General government	\$ 112,194
Public safety	585,947
Transportation	1,056,145
Community development	620,159
Culture and recreation	<u>129,794</u>
Total	<u>\$2,504,239</u>

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities

Changes in long-term liabilities during the year ended June 30, 2009 were as follows:

	Balance at July 1, 2008	Additions	Retirement	Balance at June 30, 2009	Amount due within one year	Amount beyond one year
Compensated absences	\$1,897,979	1,901,385	1,559,466	2,239,898	447,980	1,791,918
Claims payable	<u>1,944,456</u>	<u>2,388,902</u>	<u>2,336,682</u>	<u>1,996,676</u>	<u>599,003</u>	<u>1,397,673</u>
	<u>\$3,842,435</u>	<u>4,290,287</u>	<u>3,896,148</u>	<u>4,236,574</u>	<u>1,046,983</u>	<u>3,189,591</u>

Compensated Absences

The City's policies relating to compensated absences are described in Note 1. This liability amounting to \$2,239,898 at June 30, 2009 is expected to be paid in future years from future resources, typically liquidated from the General Fund.

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 coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

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 costs under \$30,000; (3) losses from \$750,000 to \$2,000,000 and the associated loss development reserves are pooled based on payroll; (4a) costs of covered claims from \$2,000,000 to \$50,000,000 are paid under reinsurance and

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities, (Continued)

B. Self-insurance Programs of the Authority, (Continued)

excess insurance policies (4b) subject to a \$3,000,000 annual aggregate deductible (4c) and a quota-sharing agreement whereby the Authority is financially responsible for 40% of losses occurring within the \$2,000,000 to \$10,000,000 layer. The costs associated with 4a-c 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. Costs of covered claims for subsidence losses are paid by excess insurance with the following sub-limits per member: \$25,000,000 per occurrence with a \$15,000,000 annual aggregate.

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 participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property 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 in the amount of \$18,829,757. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(5) Long-Term Liabilities, (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. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

Reconciliation of the changes in the City's aggregate liabilities for the years ended June 30, 2009 and 2008 is as follows:

<u>2009</u>	<u>Liability Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
Liability claims	\$ 369,297	670,412	799,185	240,524
Workers' compensation	<u>1,575,159</u>	<u>1,718,490</u>	<u>1,537,497</u>	<u>1,756,152</u>
	<u>\$1,944,456</u>	<u>2,388,902</u>	<u>2,336,682</u>	<u>1,996,676</u>
<u>2008</u>	<u>Liability Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
Liability claims	\$ 237,920	969,573	838,196	369,297
Workers' compensation	<u>1,720,247</u>	<u>1,231,815</u>	<u>1,376,903</u>	<u>1,575,159</u>
	<u>\$1,958,167</u>	<u>2,201,388</u>	<u>2,215,099</u>	<u>1,944,456</u>

(6) Fund Deficits

At June 30, 2009, the following fund had deficit balance:

	<u>Amount</u>
Special Revenue:	
Other Grants	\$465,079 (A)
Office of Traffic Safety Grant	6,463 (A)
Internal Service:	
Self-insurance	702,601 (B)

(A) The deficit will be paid back in the future with grant revenues.

(B) The deficit will be paid back in the future by increasing user fees.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(7) Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2009 exceeded the appropriations of the following funds/departments:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General:			
Information services	\$ 59,712	82,912	(23,200)
Personnel and purchasing	493,978	507,116	(13,138)
General services	2,165,211	2,246,235	(81,024)
Disaster preparedness	17,124	19,285	(2,161)
Facilities maintenance	163,967	171,308	(7,341)
Capital Project:			
Redevelopment	383,021	1,077,473	(694,452)

(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, 2008 to June 30, 2009 has been determined by an

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(8) Defined Benefit Pension Plan (PERS), (Continued)

Contributions, (Continued)

actuarial valuation of the plan as of June 30, 2006. The City's covered payroll for PERS was \$14,822,662 for the year ended June 30, 2009, while the City's total payroll for all employees was \$15,189,165 during the same period. In order to calculate the dollar value of the ARC for inclusion in financial statements prepared as of June 30, 2009, the contribution rate is multiplied by the payroll of covered employees that were paid during the period from July 1, 2008 to June 30, 2009.

Three-Year Trend Information

Annual Pension cost (Safety)

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	27.875%	\$2,179,274	100%	-
6/30/08	28.302%	2,363,214	100%	-
6/30/09	28.588%	2,523,541	100%	-

Annual Pension cost (Miscellaneous)

<u>Fiscal Year</u>	<u>Employer Contribution Rate</u>	<u>Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Pension Obligation</u>
6/30/07	12.268%	\$ 780,777	100%	-
6/30/08	17.066%	913,865	100%	-
6/30/09	17.457%	1,046,615	100%	-

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(9) Other Post Employment Benefits (“OPEB”)

Description of Plan

The City contracts with the California Public Employees’ Retirement System to provide Post-Retirement Health benefits. City pays \$150 per month towards health insurance premium 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, 2009. The schedule is displayed as follows:

Years of PERS <u>Service</u>	<u>1 Party</u>	<u>2 Party</u>	<u>3+Party</u>	<u>% of Employer Contribution</u>
Less than 10	\$0	\$0	\$0	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	1016.10	90%
19	447.45	841.70	1072.55	95%
20 or more	471.00	886.00	1129.00	100%

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 City Council and consistent with the City’s budgetary objectives for that fiscal year. The amount in the amount of \$141,497 placed in trust is 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 \$300,503 for the year ended June 30, 2009. The OPEB trust used by the City is administered by CalPERS. Trust financial statements can be obtained from CalPERS by requesting the same from CalPERS at P.O. Box 942703, Sacramento, CA 94229-2703.

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(9) Other Post Employment Benefits (“OPEB”), (Continued)

Funding Policy and Contribution Rules, (Continued)

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 cost 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	\$1,868,000
Interest on net OPEB obligation	-
Adjustment to annual required contribution	<u>-</u>
Annual OPEB cost (expense)	1,868,000
Contributions made (including premiums paid)	<u>(442,000)</u>
Increase in net OPEB obligation	1,426,000
Net OPEB obligation – beginning of year	<u>-</u>
Net OPEB obligation – end of year	<u>\$1,426,000</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:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/07	N/A	N/A	N/A
6/30/08	N/A	N/A	N/A
6/30/09	\$1,868,000	23.7%	\$1,426,000

CITY OF SAN GABRIEL
Notes to the Basic Financial Statements
(Continued)

(9) Other Post Employment Benefits (“OPEB”), (Continued)

Funding Policy and Contribution Rules, (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. 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	<ul style="list-style-type: none"> • June 30, 2008 • Cost for 2008/09 & 2009/10 fiscal year
■ Discount Rate	<ul style="list-style-type: none"> • 20 year graded 4.50% to 7.75% - Pre-funded through CERBT (CalPERS OPEB Trust), phase in to full ARC over 20 years
■ General Inflation	<ul style="list-style-type: none"> • 3.00%
■ Payroll Increase	<ul style="list-style-type: none"> • Aggregate Increases – 3.25% • Merit Increases – CalPERS 1997-2002 Experience Study

CITY OF SAN GABRIEL
Notes to the Basic Financial Statements
(Continued)

(9) Other Post Employment Benefits (“OPEB”), (Continued)

Actuarial Assumptions

	June 30, 2008 Valuation				
<ul style="list-style-type: none"> ■ Healthcare Trend 	Increase from prior Year				
		Non-Medicare		Medicare	
		<u>HMO</u>	<u>PPO</u>	<u>HMO</u>	<u>PPO</u>
	2008	<i>Actual 2008 Premiums</i>			
	2009	<i>Actual 2009 Premiums</i>			
	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%
		<ul style="list-style-type: none"> • 2009 PEMHCA Rates: <ul style="list-style-type: none"> ❖ Kaiser & PORAC: Increased based on experience ❖ Blue Shield: Applied rollover credit ❖ PPOs: Applied reserves • Adjustment to the above trend rates for: <ul style="list-style-type: none"> ❖ Kaiser & PORAC: No adjustment ❖ Blue Shield: Increase 1% each year for 2010 – 2012 ❖ PPOs: Increase 1% each year for 2010 - 2013 			

CITY OF SAN GABRIEL
Notes to the Basic Financial Statements
(Continued)

(9) Other Post Employment Benefits (“OPEB”), (Continued)

Actuarial Methods

Method	June 30, 2008 Valuation
■ Plan Assets	<ul style="list-style-type: none"> • None
■ Cost Method	<ul style="list-style-type: none"> • Entry Age Normal (same as CalPERS)
■ Amortization Period	<ul style="list-style-type: none"> • 30 years • 20 years (for sensitivity analysis)
■ Amortization Method	<ul style="list-style-type: none"> • Level percent of payroll (same as CalPERS)
■ Future New Entrants	<ul style="list-style-type: none"> • None – closed group
■ “Implied Subsidy”	<ul style="list-style-type: none"> • Employer cost for allowing retirees to participate, irrespective of employer contribution • Community rated plans not required to value implied subsidy • PEMHCA is, for most employers, community rated

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(9) Other Post Employment Benefits (“OPEB”), (Continued)

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

	<u>Misc</u>	<u>Fire</u>	<u>Police</u>	<u>Total</u>
■ ARC - \$				
• Normal Cost	\$ 435	\$ 214	\$ 378	\$1,028
• UAAL Amortization ¹	<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 - %				
• Normal Cost	8.1%	7.3%	8.6%	8.1%
• 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%

¹Amortized as a level percent of payroll over 30 years

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(9) Other Post Employment Benefits (“OPEB”), (Continued)

Discount Rate & Amortization Period Sensitivity
(000’s Omitted)

■ Discount Rate ■ Amortization Period	20-year Graded 4.50% to 7.75%
■ Present Value of Benefits	\$26,826
■ Funded Status	
• AAL	16,882
• Assets	<u> -</u>
• Unfunded AAL	16,882
■ 2008/09 ARC	
• Normal cost	1,028
• UAAL Amortization	<u>1,084</u>
• Total ARC	2,112
• ARC as % of payroll	16.6%
■ 2008/09 Pay Go Costs	367
■ 2009/10 ARC	2,181
■ Proj. 2009/10 Payroll	13,123

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(9) Other Post Employment 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)

FYB 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 are as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)- Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/08	\$0	\$16,882,000	16,882,000	0%	12,710,000	132.8%

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(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 Attorneys have 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 Attorneys believe 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 (fiscal year 2009-10) as a receivable to be collected upon the State's repayment of the withheld property taxes).

CITY OF SAN GABRIEL

Notes to the Basic Financial Statements

(Continued)

(10) Contingencies, (Continued)

State Action to Borrow Local Government Property Tax Funds in Fiscal Year 2009-10, (Continued)

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. The outcome of that lawsuit is not certain at this time.

(11) Construction Commitments

The following material construction commitments existed at June 30, 2009:

<u>Project Name</u>	<u>Expenditures as of June 30, 2009</u>	<u>Remaining Commitments</u>
Del Mar Wash/Bridge Rehabilitation	\$ -	615,488
Vincent Lugo Park	647,643	859,302
San Gabriel Boulevard Rehabilitation	1,288,342	2,611,659
Roses Road Street Improvements	809,185	296,815
Live Oak Rehabilitation	552,724	118,782
Las Tunas/Broadway Rehabilitation	30,974	477,616
Fairview Avenue Street Rehabilitation	320,108	79,892
Bilton-Hazel Way Rehabilitation	43,740	590,760

(12) Operating Leases

During the year ended June 30, 2009, the City entered into several operating leases for certain office equipment. The leases provide for monthly payments, commencing date, and maturity date as follows:

	<u>Monthly Payments</u>	<u>Commencing Date</u>	<u>Maturity Date</u>
Copier/printer	\$1,052	November 2006	October 2009
Imaging system	808	June 2009	May 2012

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

2010	\$14,957
2011	9,696
2012	8,888

CITY OF SAN GABRIEL
Notes to the Basic Financial Statements
(Continued)

(13) Prior Year Adjustment

Net asset previously reported as of June 30, 2008		\$56,328,504
Capital assets – correction of errors discovered by the City:		
(A) Park & Ride Lot – previously reported	\$ 199,543	
Corrected amount	<u>890,668</u>	
	<u>691,125</u>	
(B) Smith Park – previously reported	600,280	
Corrected amount	<u>2,676,863</u>	
	<u>2,076,583</u>	<u>2,767,708</u>
Net asset balance as of June 30, 2008, restated		<u>\$59,096,212</u>

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REQUIRED SUPPLEMENTARY INFORMATION

GENERAL FUND

General Fund – This fund has been classified as a major fund and is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for a particular purpose. The following funds have been classified as major funds. The budget-actual comparisons for these funds have been presented in the accompanying financial statements are *required supplementary information*:

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.

CITY OF SAN GABRIEL

Notes to Required Supplementary Information

Year ended June 30, 2009

(1) Budgetary Control and Accounting

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 appropriations lapse at the end of the 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, 2009, supplemental appropriations in the amount of \$13,445,580 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
General Fund

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

Year ended June 30, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Revenues:					
Taxes	\$ 13,040,000	12,740,000	12,597,394	(142,606)	12,589,525
Intergovernmental	3,566,000	3,639,133	3,876,997	237,864	3,645,173
Charges for services	2,509,751	2,314,650	2,105,738	(208,912)	2,529,219
Fines and forfeitures	1,100,000	1,003,000	990,193	(12,807)	975,935
Licenses and permits	2,053,785	1,638,075	1,618,502	(19,573)	1,999,600
Investment income	1,081,915	1,054,340	1,053,531	(809)	1,165,439
Other	312,000	1,467,000	1,580,225	113,225	339,413
Total revenues	<u>23,663,451</u>	<u>23,856,198</u>	<u>23,822,580</u>	<u>(33,618)</u>	<u>23,244,304</u>
Expenditures:					
General government:					
City Council	305,777	314,571	263,903	50,668	268,768
City Clerk	115,848	145,738	137,276	8,462	176,466
City Treasurer	109,431	118,923	117,470	1,453	110,962
City Manager	404,547	489,613	467,273	22,340	480,845
City Attorney	139,500	157,598	144,923	12,675	132,955
Finance	886,239	1,044,554	987,912	56,642	872,603
Information services	149,305	59,712	82,912	(23,200)	95,107
Personnel and purchasing	469,560	493,978	507,116	(13,138)	435,838
General services	2,161,153	2,165,211	2,246,235	(81,024)	1,988,731
Community promotion	137,953	160,104	144,333	15,771	135,473
Disaster preparedness	16,266	17,124	19,285	(2,161)	17,197
Total general government	<u>4,895,579</u>	<u>5,167,126</u>	<u>5,118,638</u>	<u>48,488</u>	<u>4,714,945</u>
Public safety:					
Police	10,182,749	11,307,481	10,353,175	954,306	9,838,612
Fire	5,822,533	6,296,766	6,237,333	59,433	6,089,533
Total public safety	<u>16,005,282</u>	<u>17,604,247</u>	<u>16,590,508</u>	<u>1,013,739</u>	<u>15,928,145</u>

CITY OF SAN GABRIEL
General Fund

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

(Continued)

	2009			Variance with Final Budget Positive (Negative)	2008
	Budgeted Amounts		Actual		Actual
	Original	Final			
Community development:					
Development services	1,884,276	2,181,793	2,017,348	164,445	2,019,112
Street services	1,361,105	1,439,436	1,367,691	71,745	1,299,055
Maintenance services	622,574	627,590	512,049	115,541	485,153
Code enforcement	154,413	162,879	142,614	20,265	144,477
Total community development	<u>4,022,368</u>	<u>4,411,698</u>	<u>4,039,702</u>	<u>371,996</u>	<u>3,947,797</u>
Culture and recreation:					
Mission playhouse	869,319	920,138	948,546	(28,408)	925,753
Park maintenance	779,434	818,100	790,975	27,125	769,392
Swimming pool	199,051	203,383	188,265	15,118	183,311
Facilities maintenance	163,589	163,967	171,308	(7,341)	150,833
Concessions	44,852	44,371	37,891	6,480	36,243
Recreation	636,732	685,921	675,297	10,624	594,073
Total culture and recreation	<u>2,692,977</u>	<u>2,835,880</u>	<u>2,812,282</u>	<u>23,598</u>	<u>2,659,605</u>
Capital outlay	<u>326,440</u>	<u>2,844,834</u>	<u>437,242</u>	<u>2,407,592</u>	<u>305,672</u>
Total expenditures	<u>27,942,646</u>	<u>32,863,785</u>	<u>28,998,372</u>	<u>3,865,413</u>	<u>27,556,164</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,279,195)</u>	<u>(9,007,587)</u>	<u>(5,175,792)</u>	<u>3,831,795</u>	<u>(4,311,860)</u>
Other financing sources:					
Transfers in	<u>(4,940,500)</u>	<u>6,229,863</u>	<u>6,288,189</u>	<u>58,326</u>	<u>5,847,935</u>
Total other financing sources	<u>(4,940,500)</u>	<u>6,229,863</u>	<u>6,288,189</u>	<u>58,326</u>	<u>5,847,935</u>
Net change in fund balances	661,305	(2,777,724)	1,112,397	3,890,121	1,536,075
Fund balance at beginning of year	<u>10,968,267</u>	<u>10,968,267</u>	<u>10,968,267</u>	-	<u>9,432,192</u>
Fund balance at end of year	<u>\$ 11,629,572</u>	<u>8,190,543</u>	<u>12,080,664</u>	<u>3,890,121</u>	<u>10,968,267</u>

CITY OF SAN GABRIEL
Special Revenue Fund

Retirement Fund

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

Year ended June 30, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Taxes	\$ 4,900,000	4,900,000	5,078,911	178,911	4,691,413
Investment income	-	180,000	199,559	19,559	-
Total revenues	<u>4,900,000</u>	<u>5,080,000</u>	<u>5,278,470</u>	<u>198,470</u>	<u>4,691,413</u>
Other financing uses:					
Transfers out	<u>(4,723,848)</u>	<u>(6,078,831)</u>	<u>(6,135,332)</u>	<u>(56,501)</u>	<u>(5,690,259)</u>
Net change in fund balances	176,152	(998,831)	(856,862)	141,969	(998,846)
Fund balance at beginning of year	<u>3,201,353</u>	<u>3,201,353</u>	<u>3,201,353</u>	-	<u>4,200,199</u>
Fund balance at end of year	<u>\$ 3,377,505</u>	<u>2,202,522</u>	<u>2,344,491</u>	<u>141,969</u>	<u>3,201,353</u>

CITY OF SAN GABRIEL
Special Revenue Fund

Proposition C Local Return Fund

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

Year ended June 30, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Intergovernmental	\$ 550,000	550,000	511,927	(38,073)	561,952
Investment income	100,000	100,000	97,355	(2,645)	127,127
Total revenues	<u>650,000</u>	<u>650,000</u>	<u>609,282</u>	<u>(40,718)</u>	<u>689,079</u>
Expenditures:					
Current:					
Transportation	50,000	125,000	72,559	52,441	49,700
Capital outlay	580,000	2,287,662	362,796	1,924,866	76,458
Total expenditures	<u>630,000</u>	<u>2,412,662</u>	<u>435,355</u>	<u>1,977,307</u>	<u>126,158</u>
Excess (deficiency) of revenues over (under) expenditures	<u>20,000</u>	<u>(1,762,662)</u>	<u>173,927</u>	<u>1,936,589</u>	<u>562,921</u>
Other financing uses:					
Transfers out	-	-	-	-	(584,165)
Net change in fund balances	20,000	(1,762,662)	173,927	1,936,589	(21,244)
Fund balance at beginning of year	<u>2,341,625</u>	<u>2,341,625</u>	<u>2,341,625</u>	-	<u>2,362,869</u>
Fund balance at end of year	<u>\$ 2,361,625</u>	<u>578,963</u>	<u>2,515,552</u>	<u>1,936,589</u>	<u>2,341,625</u>

CITY OF SAN GABRIEL
Special Revenue Fund
Community Development Block Grant Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual

Year ended June 30, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Intergovernmental	\$ 643,032	1,090,103	603,694	(486,409)	812,528
Total revenues	<u>643,032</u>	<u>1,090,103</u>	<u>603,694</u>	<u>(486,409)</u>	<u>812,528</u>
Expenditures:					
Current:					
General government	71,554	215,299	183,681	31,618	133,906
Culture and recreation	48,542	79,423	69,791	9,632	68,710
Capital outlay	<u>290,321</u>	<u>815,232</u>	<u>259,325</u>	<u>555,907</u>	<u>522,101</u>
Total expenditures	<u>410,417</u>	<u>1,109,954</u>	<u>512,797</u>	<u>597,157</u>	<u>724,717</u>
Excess (deficiency) of revenues over (under) expenditures	<u>232,615</u>	<u>(19,851)</u>	<u>90,897</u>	<u>110,748</u>	<u>87,811</u>
Net change in fund balances	232,615	(19,851)	90,897	110,748	87,811
Fund balances (deficits) at beginning of year	<u>(90,897)</u>	<u>(90,897)</u>	<u>(90,897)</u>	<u>-</u>	<u>(178,708)</u>
Fund balances (deficits) at end of year	<u>\$ 141,718</u>	<u>(110,748)</u>	<u>-</u>	<u>110,748</u>	<u>(90,897)</u>

SUPPLEMENTARY SCHEDULES

NON- MAJOR SPECIAL REVENUE FUNDS

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 ½ 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 Civic Auditorium.

Other Grants Fund

To account for funds from the State – 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.

NON-MAJOR SPECIAL REVENUE FUNDS, (CONTINUED)

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 to a multi-ethnic comprehensive traffic safety program.

CITY OF SAN GABRIEL
Non-Major Special Revenue Funds

Combining Balance Sheet

June 30, 2009

	<u>Special Gas Tax</u>	<u>Proposition A Local Return</u>	<u>Low and Moderate Income Housing</u>	<u>Citizens Option for Public Safety</u>	<u>Traffic Congestion Relief</u>	<u>Parks and Recreation Activitiy</u>	<u>Mission Playhouse/ Facility</u>
<u>Assets</u>							
Cash and investments	\$ 1,154,585	307,978	1,348,179	70,364	284,880	191,750	196,114
Accounts receivable, net	-	2,735	-	-	-	12,454	-
Due from other governments	-	-	-	25,000	86,309	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,154,585</u>	<u>310,713</u>	<u>1,348,179</u>	<u>95,364</u>	<u>371,189</u>	<u>204,204</u>	<u>196,114</u>
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ 11,382	29,240	702,895	-	40,649	2,190	2,767
Accrued payroll	-	8,215	3,198	2,668	-	-	-
Due to other funds	-	-	-	-	-	-	-
Deferred revenue	-	-	-	25,000	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>11,382</u>	<u>37,455</u>	<u>706,093</u>	<u>27,668</u>	<u>40,649</u>	<u>2,190</u>	<u>2,767</u>
Fund balances:							
Unreserved	<u>1,143,203</u>	<u>273,258</u>	<u>642,086</u>	<u>67,696</u>	<u>330,540</u>	<u>202,014</u>	<u>193,347</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>1,143,203</u>	<u>273,258</u>	<u>642,086</u>	<u>67,696</u>	<u>330,540</u>	<u>202,014</u>	<u>193,347</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 1,154,585</u>	<u>310,713</u>	<u>1,348,179</u>	<u>95,364</u>	<u>371,189</u>	<u>204,204</u>	<u>196,114</u>

Other Grants	Local Law Enforcement Block Grant	Air Quality Management District	Narcotic Seizure	Waste Management	Development Impact Fees	Street Light	Office of Traffic Safety Grant	Totals	
								2009	2008
-	40,082	81,253	299,083	1,429,312	1,471,556	188,820	-	7,063,956	8,440,685
-	-	-	-	56,690	-	-	-	71,879	87,047
<u>1,224,630</u>	<u>-</u>	<u>13,368</u>	<u>6,348</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,675</u>	<u>1,362,330</u>	<u>458,097</u>
<u>1,224,630</u>	<u>40,082</u>	<u>94,621</u>	<u>305,431</u>	<u>1,486,002</u>	<u>1,471,556</u>	<u>188,820</u>	<u>6,675</u>	<u>8,498,165</u>	<u>8,985,829</u>
1,014	-	-	-	235,873	14,145	-	-	1,040,155	913,983
-	-	-	-	-	-	-	-	14,081	9,026
779,314	-	-	-	-	-	-	6,463	785,777	335,815
<u>909,381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,675</u>	<u>941,056</u>	<u>190,310</u>
<u>1,689,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>235,873</u>	<u>14,145</u>	<u>-</u>	<u>13,138</u>	<u>2,781,069</u>	<u>1,449,134</u>
<u>(465,079)</u>	<u>40,082</u>	<u>94,621</u>	<u>305,431</u>	<u>1,250,129</u>	<u>1,457,411</u>	<u>188,820</u>	<u>(6,463)</u>	<u>5,717,096</u>	<u>7,536,695</u>
<u>(465,079)</u>	<u>40,082</u>	<u>94,621</u>	<u>305,431</u>	<u>1,250,129</u>	<u>1,457,411</u>	<u>188,820</u>	<u>(6,463)</u>	<u>5,717,096</u>	<u>7,536,695</u>
<u>1,224,630</u>	<u>40,082</u>	<u>94,621</u>	<u>305,431</u>	<u>1,486,002</u>	<u>1,471,556</u>	<u>188,820</u>	<u>6,675</u>	<u>8,498,165</u>	<u>8,985,829</u>

CITY OF SAN GABRIEL
Non-Major Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Year ended June 30, 2009

	Special Gas Tax	Proposition A Local Return	Low and Moderate Income Housing	Citizens Option for Public Safety	Traffic Congestion Relief	Parks and Recreation Activity	Mission Playhouse/ Facility
Revenues:							
Taxes	\$ -	-	236,094	-	-	-	-
Intergovernmental	634,622	615,785	-	116,237	361,953	-	-
Charges for services	-	-	-	-	-	162,981	54,435
Investment income	48,280	30,604	45,965	2,370	26,791	-	-
Total revenues	<u>682,902</u>	<u>646,389</u>	<u>282,059</u>	<u>118,607</u>	<u>388,744</u>	<u>162,981</u>	<u>54,435</u>
Expenditures:							
Current:							
Public safety	-	-	-	98,406	-	-	-
Community development	-	-	58,079	-	-	-	-
Culture and recreation	-	-	-	-	-	152,672	-
Transportation	-	2,242,124	-	-	-	-	-
Capital outlay	19,956	-	-	-	765,718	-	105,411
Total expenditures	<u>19,956</u>	<u>2,242,124</u>	<u>58,079</u>	<u>98,406</u>	<u>765,718</u>	<u>152,672</u>	<u>105,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>662,946</u>	<u>(1,595,735)</u>	<u>223,980</u>	<u>20,201</u>	<u>(376,974)</u>	<u>10,309</u>	<u>(50,976)</u>
Other financing sources (uses):							
Transfers in	-	-	16,290	-	-	-	-
Transfers out	(605,000)	-	-	-	-	-	-
Total other financing sources (uses)	<u>(605,000)</u>	<u>-</u>	<u>16,290</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>57,946</u>	<u>(1,595,735)</u>	<u>240,270</u>	<u>20,201</u>	<u>(376,974)</u>	<u>10,309</u>	<u>(50,976)</u>
Fund balances (deficits) at beginning of year	<u>1,085,257</u>	<u>1,868,993</u>	<u>401,816</u>	<u>47,495</u>	<u>707,514</u>	<u>191,705</u>	<u>244,323</u>
Fund balances (deficits) at end of year	<u>\$ 1,143,203</u>	<u>273,258</u>	<u>642,086</u>	<u>67,696</u>	<u>330,540</u>	<u>202,014</u>	<u>193,347</u>

Other Grants	Local Law Enforcement Block Grant	Air Quality Management District	Narcotic Seizure	Waste Management	Development Impact Fees	Street Light	Office of Traffic Safety Grant	Totals	
								2009	2008
-	-	-	-	-	-	-	-	236,094	223,124
587,075	-	49,163	86,228	-	-	28,725	21,086	2,500,874	3,079,624
-	-	-	-	480,395	159,173	-	-	856,984	1,025,153
-	-	2,348	9,635	-	59,983	-	-	225,976	233,977
<u>587,075</u>	<u>-</u>	<u>51,511</u>	<u>95,863</u>	<u>480,395</u>	<u>219,156</u>	<u>28,725</u>	<u>21,086</u>	<u>3,819,928</u>	<u>4,561,878</u>
-	-	-	-	-	-	-	23,087	121,493	113,169
36,160	-	-	-	-	-	-	-	94,239	713,937
-	-	-	-	-	-	-	-	152,672	180,914
-	-	-	-	-	-	-	-	2,242,124	713,062
<u>634,937</u>	<u>6,826</u>	<u>92,304</u>	<u>12,212</u>	<u>577,566</u>	<u>225,359</u>	<u>-</u>	<u>-</u>	<u>2,440,289</u>	<u>1,889,689</u>
<u>671,097</u>	<u>6,826</u>	<u>92,304</u>	<u>12,212</u>	<u>577,566</u>	<u>225,359</u>	<u>-</u>	<u>23,087</u>	<u>5,050,817</u>	<u>3,610,771</u>
<u>(84,022)</u>	<u>(6,826)</u>	<u>(40,793)</u>	<u>83,651</u>	<u>(97,171)</u>	<u>(6,203)</u>	<u>28,725</u>	<u>(2,001)</u>	<u>(1,230,889)</u>	<u>951,107</u>
-	-	-	-	-	-	-	-	16,290	721,794
-	-	-	-	-	-	-	-	(605,000)	(605,000)
-	-	-	-	-	-	-	-	(588,710)	116,794
(84,022)	(6,826)	(40,793)	83,651	(97,171)	(6,203)	28,725	(2,001)	(1,819,599)	1,067,901
<u>(381,057)</u>	<u>46,908</u>	<u>135,414</u>	<u>221,780</u>	<u>1,347,300</u>	<u>1,463,614</u>	<u>160,095</u>	<u>(4,462)</u>	<u>7,536,695</u>	<u>6,468,794</u>
<u>(465,079)</u>	<u>40,082</u>	<u>94,621</u>	<u>305,431</u>	<u>1,250,129</u>	<u>1,457,411</u>	<u>188,820</u>	<u>(6,463)</u>	<u>5,717,096</u>	<u>7,536,695</u>

CITY OF SAN GABRIEL
Special Gas Tax Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 766,000	634,622	(131,378)	806,381
Investment income	<u>55,000</u>	<u>48,280</u>	<u>(6,720)</u>	<u>41,258</u>
Total revenues	<u>821,000</u>	<u>682,902</u>	<u>(138,098)</u>	<u>847,639</u>
Expenditures:				
Capital outlay	<u>481,270</u>	<u>19,956</u>	<u>461,314</u>	<u>3,730</u>
Excess of revenues over expenditures	<u>339,730</u>	<u>662,946</u>	<u>323,216</u>	<u>843,909</u>
Other financing sources (uses):				
Transfers out	<u>(605,000)</u>	<u>(605,000)</u>	<u>-</u>	<u>(293,186)</u>
Net change in fund balances	(265,270)	57,946	323,216	550,723
Fund balances at beginning of year	<u>1,085,257</u>	<u>1,085,257</u>	<u>-</u>	<u>534,534</u>
Fund balances at end of year	<u>\$ 819,987</u>	<u>1,143,203</u>	<u>323,216</u>	<u>1,085,257</u>

CITY OF SAN GABRIEL
Proposition A Local Return Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 650,000	615,785	(34,215)	675,980
Investment income	41,000	30,604	(10,396)	57,061
	691,000	646,389	(44,611)	733,041
Total revenues				
Expenditures:				
Current:				
Transportation	2,544,691	2,242,124	302,567	713,062
Capital outlay	50,000	-	50,000	-
	2,594,691	2,242,124	352,567	713,062
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	(1,903,691)	(1,595,735)	307,956	19,979
Other financing sources:				
Transfers in	-	-	-	648,827
Net change in fund balances	(1,903,691)	(1,595,735)	307,956	668,806
Fund balances at end of year	1,868,993	1,868,993	-	1,200,187
Fund balances (deficit) at end of year	\$ (34,698)	273,258	307,956	1,868,993

CITY OF SAN GABRIEL
Low and Moderate Income Housing Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Taxes	\$ 250,000	236,094	(13,906)	223,124
Investment income	50,000	45,965	(4,035)	40,440
Total revenues	<u>300,000</u>	<u>282,059</u>	<u>(17,941)</u>	<u>263,564</u>
Expenditures:				
Current:				
Community development	<u>113,035</u>	<u>58,079</u>	<u>54,956</u>	<u>701,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>186,965</u>	<u>223,980</u>	<u>37,015</u>	<u>(437,492)</u>
Other financing sources:				
Transfers in	<u>-</u>	<u>16,290</u>	<u>16,290</u>	<u>15,396</u>
Net change in fund balances	186,965	240,270	53,305	(422,096)
Fund balances at beginning of year	<u>401,816</u>	<u>401,816</u>	<u>-</u>	<u>823,912</u>
Fund balances at end of year	<u><u>\$ 588,781</u></u>	<u><u>642,086</u></u>	<u><u>53,305</u></u>	<u><u>401,816</u></u>

CITY OF SAN GABRIEL
Citizens Option for Public Safety Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 100,000	116,237	16,237	100,000
Investment income	3,000	2,370	(630)	4,109
Total revenues	103,000	118,607	15,607	104,109
Expenditures:				
Current:				
Public safety	169,259	98,406	70,853	98,419
Capital outlay	17,386	-	17,386	41,237
Total expenditures	186,645	98,406	88,239	139,656
Excess (deficiency) of revenues over (under) expenditures	(83,645)	20,201	103,846	(35,547)
Other financing sources:				
Transfers in	-	-	-	20,548
Net change in fund balances	(83,645)	20,201	103,846	(14,999)
Fund balances at beginning of year	47,495	47,495	-	62,494
Fund balances (deficit) at end of year	\$ (36,150)	67,696	103,846	47,495

CITY OF SAN GABRIEL
Traffic Congestion Relief Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 1,085,665	361,953	(723,712)	686,656
Investment income	30,000	26,791	(3,209)	20,857
Total revenues	<u>1,115,665</u>	<u>388,744</u>	<u>(726,921)</u>	<u>707,513</u>
Expenditures:				
Capital outlay	<u>1,963,432</u>	<u>765,718</u>	<u>1,197,714</u>	<u>5,135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(847,767)</u>	<u>(376,974)</u>	<u>470,793</u>	<u>702,378</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311,814)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(311,814)</u>
Net change in fund balances	(847,767)	(376,974)	470,793	390,564
Fund balances at beginning of year	<u>707,514</u>	<u>707,514</u>	<u>-</u>	<u>316,950</u>
Fund balances (deficit) at end of year	<u>\$ (140,253)</u>	<u>330,540</u>	<u>470,793</u>	<u>707,514</u>

CITY OF SAN GABRIEL
Parks and Recreation Activity Fund

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

Year ended June 30, 2009

	2009			2008
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 165,000	162,981	(2,019)	174,017
Total revenues	<u>165,000</u>	<u>162,981</u>	<u>(2,019)</u>	<u>174,017</u>
Expenditures:				
Culture and recreation	<u>165,000</u>	<u>152,672</u>	<u>12,328</u>	<u>180,914</u>
Total expenditures	<u>165,000</u>	<u>152,672</u>	<u>12,328</u>	<u>180,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>10,309</u>	<u>10,309</u>	<u>(6,897)</u>
Net change in fund balances	-	10,309	10,309	(6,897)
Fund balances at beginning of year	<u>191,705</u>	<u>191,705</u>	<u>-</u>	<u>198,602</u>
Fund balances at end of year	<u>\$ 191,705</u>	<u>202,014</u>	<u>10,309</u>	<u>191,705</u>

CITY OF SAN GABRIEL
Mission Playhouse/Facility Fund

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

Year ended June 30, 2009

	2009			2008
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Actual
Revenues:				
Charges for services	\$ 50,000	54,435	4,435	56,144
Total revenues	50,000	54,435	4,435	56,144
Expenditures:				
Capital outlay	287,613	105,411	182,202	43,483
Total expenditures	287,613	105,411	182,202	43,483
Excess (deficiency) of revenues over (under) expenditures	(237,613)	(50,976)	186,637	12,661
Net change in fund balances	(237,613)	(50,976)	186,637	12,661
Fund balances at beginning of year	244,323	244,323	-	231,662
Fund balances at end of year	\$ 6,710	193,347	186,637	244,323

CITY OF SAN GABRIEL
Other Grants Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 2,965,554	587,075	(2,378,479)	680,910
Investment income	-	-	-	1,620
Total revenues	2,965,554	587,075	(2,378,479)	682,530
Expenditures:				
Current:				
Community development	-	36,160	(36,160)	12,881
Capital outlay	2,397,579	634,937	1,762,642	1,287,158
Total expenditures	2,397,579	671,097	1,726,482	1,300,039
Excess (deficiency) of revenues over (under) expenditures	567,975	(84,022)	(651,997)	(617,509)
Other financing sources:				
Transfers in	-	-	-	37,023
Net change in fund balances	567,975	(84,022)	(651,997)	(580,486)
Fund balances (deficits) at beginning of year	(381,057)	(381,057)	-	199,429
Fund balances (deficits) at end of year	\$ 186,918	(465,079)	(651,997)	(381,057)

CITY OF SAN GABRIEL
Local Law Enforcement Block Grant fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual	(Negative)	Actual
Revenues:				
Intergovernmental	\$ 5,478	-	(5,478)	-
Total revenues	5,478	-	(5,478)	-
Expenditures:				
Capital outlay	52,386	6,826	45,560	92,535
Total expenditures	52,386	6,826	45,560	92,535
Excess (deficiency) of revenues over (under) expenditures	(46,908)	(6,826)	40,082	(92,535)
Net change in fund balances	(46,908)	(6,826)	40,082	(92,535)
Fund balances at beginning of year	46,908	46,908	-	139,443
Fund balances at end of year	\$ -	40,082	40,082	46,908

CITY OF SAN GABRIEL
Air Quality Management District Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 50,000	49,163	(837)	38,228
Investment income	<u>2,500</u>	<u>2,348</u>	<u>(152)</u>	<u>6,902</u>
Total revenues	<u>52,500</u>	<u>51,511</u>	<u>(989)</u>	<u>45,130</u>
Expenditures:				
Capital outlay	<u>113,080</u>	<u>92,304</u>	<u>20,776</u>	<u>61,539</u>
Total expenditures	<u>113,080</u>	<u>92,304</u>	<u>20,776</u>	<u>61,539</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,580)</u>	<u>(40,793)</u>	<u>19,787</u>	<u>(16,409)</u>
Net change in fund balances	(60,580)	(40,793)	19,787	(16,409)
Fund balances at beginning of year	<u>135,414</u>	<u>135,414</u>	<u>-</u>	<u>151,823</u>
Fund balances at end of year	<u><u>\$ 74,834</u></u>	<u><u>94,621</u></u>	<u><u>19,787</u></u>	<u><u>135,414</u></u>

CITY OF SAN GABRIEL
Narcotic Seizure Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 40,000	86,228	46,228	45,101
Investment income	<u>14,000</u>	<u>9,635</u>	<u>(4,365)</u>	<u>12,071</u>
Total revenues	<u>54,000</u>	<u>95,863</u>	<u>41,863</u>	<u>57,172</u>
Expenditures:				
Capital outlay	<u>19,269</u>	<u>12,212</u>	<u>7,057</u>	<u>103,914</u>
Total expenditures	<u>19,269</u>	<u>12,212</u>	<u>7,057</u>	<u>103,914</u>
Excess (deficiency) of revenues over (under) expenditures	<u>34,731</u>	<u>83,651</u>	<u>48,920</u>	<u>(46,742)</u>
Net change in fund balances	34,731	83,651	48,920	(46,742)
Fund balances at beginning of year	<u>221,780</u>	<u>221,780</u>	<u>-</u>	<u>268,522</u>
Fund balances at end of year	<u>\$ 256,511</u>	<u>305,431</u>	<u>48,920</u>	<u>221,780</u>

CITY OF SAN GABRIEL
Waste Management Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Charges for services	\$ 480,000	480,395	395	509,657
Total revenues	<u>480,000</u>	<u>480,395</u>	<u>395</u>	<u>509,657</u>
Expenditures:				
Capital outlay	1,538,232	577,566	960,666	216,550
Total expenditures	<u>1,538,232</u>	<u>577,566</u>	<u>960,666</u>	<u>216,550</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,058,232)</u>	<u>(97,171)</u>	<u>961,061</u>	<u>293,107</u>
Net change in fund balances	(1,058,232)	(97,171)	961,061	293,107
Fund balances at beginning of year	<u>1,347,300</u>	<u>1,347,300</u>	-	<u>1,054,193</u>
Fund balances at end of year	<u>\$ 289,068</u>	<u>1,250,129</u>	<u>961,061</u>	<u>1,347,300</u>

CITY OF SAN GABRIEL
Development Impact Fees Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Charges for services	\$ 225,000	159,173	(65,827)	285,335
Investment income	15,000	59,983	44,983	49,659
Total revenues	<u>240,000</u>	<u>219,156</u>	<u>(20,844)</u>	<u>334,994</u>
Expenditures:				
Capital outlay	<u>713,770</u>	<u>225,359</u>	<u>488,411</u>	<u>34,408</u>
Total expenditures	<u>713,770</u>	<u>225,359</u>	<u>488,411</u>	<u>34,408</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(473,770)</u>	<u>(6,203)</u>	<u>467,567</u>	<u>300,586</u>
Net change in fund balances	(473,770)	(6,203)	467,567	300,586
Fund balances at beginning of year	<u>1,463,614</u>	<u>1,463,614</u>	-	<u>1,163,028</u>
Fund balances at end of year	<u>\$ 989,844</u>	<u>1,457,411</u>	<u>467,567</u>	<u>1,463,614</u>

CITY OF SAN GABRIEL
Street Light Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 25,000	28,725	3,725	23,725
Total revenues	<u>25,000</u>	<u>28,725</u>	<u>3,725</u>	<u>23,725</u>
Excess of revenues over expenditures	<u>25,000</u>	<u>28,725</u>	<u>3,725</u>	<u>23,725</u>
Net change in fund balances	25,000	28,725	3,725	23,725
Fund balances at beginning of year	<u>160,095</u>	<u>160,095</u>	<u>-</u>	<u>136,370</u>
Fund balances at end of year	<u><u>\$ 185,095</u></u>	<u><u>188,820</u></u>	<u><u>3,725</u></u>	<u><u>160,095</u></u>

CITY OF SAN GABRIEL
Office of Traffic Safety Grant Fund

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

Year ended June 30, 2009

	2009		Variance with Final Budget Positive (Negative)	2008
	Final Budget	Actual		Actual
Revenues:				
Intergovernmental	\$ 24,000	21,086	(2,914)	22,643
Total revenues	24,000	21,086	(2,914)	22,643
Expenditures:				
Current:				
Public safety	24,000	23,087	913	14,750
Total expenditures	24,000	23,087	913	14,750
Excess (deficiency) of revenues over (under) expenditures	-	(2,001)	(2,001)	7,893
Net change in fund balances	-	(2,001)	(2,001)	7,893
Fund balances (deficits) at beginning of year	(4,462)	(4,462)	-	(12,355)
Fund balances (deficits) at end of year	\$ (4,462)	(6,463)	(2,001)	(4,462)

MAJOR CAPITAL PROJECT FUND

The Capital Project Fund is established to account for administrative cost for start-up of the Redevelopment Agency and costs of redevelopment.

Major Fund:

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

CITY OF SAN GABRIEL
Capital Project Fund
Redevelopment Fund

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

Year ended June 30, 2009

	2009			Variance with Final Budget Positive (Negative)	2008
	Budget		Actual		Actual
	Original	Final			
Revenues:					
Taxes	\$ 1,100,000	1,000,000	944,375	(55,625)	892,495
Investment income	85,000	160,000	148,778	(11,222)	130,561
Total revenues	<u>1,185,000</u>	<u>1,160,000</u>	<u>1,093,153</u>	<u>(66,847)</u>	<u>1,023,056</u>
Expenditures:					
Current:					
Community development	276,976	283,021	996,965	(713,944)	292,080
Pass-throughs	-	100,000	80,508	19,492	76,085
Total expenditures	<u>276,976</u>	<u>383,021</u>	<u>1,077,473</u>	<u>(694,452)</u>	<u>368,165</u>
Excess of revenues over expenditures	<u>908,024</u>	<u>776,979</u>	<u>15,680</u>	<u>(761,299)</u>	<u>654,891</u>
Other financing sources (uses):					
Transfers in	3,187	-	-	-	1,778
Transfers out	-	(3,037,250)	(16,290)	3,020,960	(15,396)
Total other financing sources (uses)	<u>3,187</u>	<u>(3,037,250)</u>	<u>(16,290)</u>	<u>3,020,960</u>	<u>(13,618)</u>
Net change in fund balances	911,211	(2,260,271)	(610)	2,259,661	641,273
Fund balances at beginning of year	<u>685,431</u>	<u>685,431</u>	<u>685,431</u>	<u>-</u>	<u>44,158</u>
Fund balances (deficit) at end of year	<u>\$ 1,596,642</u>	<u>(1,574,840)</u>	<u>684,821</u>	<u>2,259,661</u>	<u>685,431</u>

INTERNAL SERVICE FUNDS

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
Internal Service Funds

Combining Statement of Net Assets

June 30, 2009

	<u>Self- Insurance</u>	<u>Automotive Maintenance</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
<u>Assets</u>				
Current assets:				
Cash and investments	\$ 1,067,210	105,855	1,173,065	1,589,238
Accounts receivable, net	227,496	-	227,496	235,967
Prepays	-	-	-	17,673
Total current assets	<u>1,294,706</u>	<u>105,855</u>	<u>1,400,561</u>	<u>1,842,878</u>
Noncurrent assets:				
Capital assets:				
Building	-	115,780	115,780	115,780
Machinery and equipment	-	49,053	49,053	11,200
Accumulated depreciation	-	(92,294)	(92,294)	(90,936)
Capital assets, net	<u>-</u>	<u>72,539</u>	<u>72,539</u>	<u>36,044</u>
Total assets	<u>1,294,706</u>	<u>178,394</u>	<u>1,473,100</u>	<u>1,878,922</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	631	26,955	27,586	61,664
Accrued payroll	-	7,426	7,426	5,932
Compensated absences	-	22,559	22,559	17,762
Claims payable - current portion	599,003	-	599,003	583,337
Total current liabilities	<u>599,634</u>	<u>56,940</u>	<u>656,574</u>	<u>668,695</u>
Noncurrent liabilities:				
Claims payable, net of current portion	1,397,673	-	1,397,673	1,361,119
Total liabilities	<u>1,997,307</u>	<u>56,940</u>	<u>2,054,247</u>	<u>2,029,814</u>
<u>Net assets</u>				
Unrestricted	<u>(702,601)</u>	<u>121,454</u>	<u>(581,147)</u>	<u>(150,892)</u>
Total net assets (deficit)	<u>\$ (702,601)</u>	<u>121,454</u>	<u>(581,147)</u>	<u>(150,892)</u>

CITY OF SAN GABRIEL
Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Assets

Year ended June 30, 2009

	<u>Self- Insurance</u>	<u>Automotive Maintenance</u>	<u>Totals</u>	
			<u>2009</u>	<u>2008</u>
Operating revenues:				
Charges for services	\$ 3,334,401	630,899	3,965,300	3,831,908
Total operating revenues	<u>3,334,401</u>	<u>630,899</u>	<u>3,965,300</u>	<u>3,831,908</u>
Operating expenses:				
Personnel services	-	329,450	329,450	226,865
Contractual services	-	41,556	41,556	30,252
Vehicle operating	-	225,348	225,348	282,535
Depreciation	-	1,358	1,358	1,200
Utilities	-	5,746	5,746	6,295
Uniforms	-	2,514	2,514	2,274
Operating expenses	-	16,079	16,079	2,362
Insurance premiums	1,388,503	-	1,388,503	1,272,630
Claims and judgments	2,854,975	-	2,854,975	2,725,275
Total operating expenses	<u>4,243,478</u>	<u>622,051</u>	<u>4,865,529</u>	<u>4,549,688</u>
Operating income (loss)	<u>(909,077)</u>	<u>8,848</u>	<u>(900,229)</u>	<u>(717,780)</u>
Non-operating revenues:				
Investment income	13,412	4,419	17,831	38,100
Income (loss) before transfers	<u>(895,665)</u>	<u>13,267</u>	<u>(882,398)</u>	<u>(679,680)</u>
Transfers in	452,143	-	452,143	323,313
Net change in net assets	(443,522)	13,267	(430,255)	(356,367)
Total net assets (deficits) at beginning of year	<u>(259,079)</u>	<u>108,187</u>	<u>(150,892)</u>	<u>205,475</u>
Total net assets (deficits) at end of year	<u>\$ (702,601)</u>	<u>121,454</u>	<u>(581,147)</u>	<u>(150,892)</u>

CITY OF SAN GABRIEL
Internal Service Funds
Combining Statement of Cash Flows
Year ended June 30, 2009

	Self- Insurance	Automotive Maintenance	Totals	
			2009	2008
Cash flows from operating activities:				
Cash received from user departments	\$ 3,342,872	630,899	3,973,771	3,827,724
Cash payments to suppliers for goods and services	(4,209,611)	(289,295)	(4,498,906)	(4,301,887)
Cash payments to employees for services	-	(323,159)	(323,159)	(231,503)
Net cash provided by (used for) operating activities	<u>(866,739)</u>	<u>18,445</u>	<u>(848,294)</u>	<u>(705,666)</u>
Cash flows from noncapital financing activities:				
Cash received from other funds	<u>452,143</u>	-	<u>452,143</u>	<u>323,313</u>
Net cash provided by noncapital financing activities	<u>452,143</u>	-	<u>452,143</u>	<u>323,313</u>
Cash flows from capital and related financing activities:				
Payments to acquire capital assets	-	(37,853)	(37,853)	-
Net cash provided by (used for) capital and related financing activities	<u>-</u>	<u>(37,853)</u>	<u>(37,853)</u>	<u>-</u>
Cash flows from investing activities:				
Interest received from investments	<u>13,412</u>	<u>4,419</u>	<u>17,831</u>	<u>38,100</u>
Net cash provided by investing activities	<u>13,412</u>	<u>4,419</u>	<u>17,831</u>	<u>38,100</u>
Net increase (decrease) in cash and cash equivalents	(401,184)	(14,989)	(416,173)	(344,253)
Cash and cash equivalents at beginning of year	<u>1,468,394</u>	<u>120,844</u>	<u>1,589,238</u>	<u>1,933,491</u>
Cash and cash equivalents at end of year	<u>\$ 1,067,210</u>	<u>105,855</u>	<u>1,173,065</u>	<u>1,589,238</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	<u>\$ (909,077)</u>	<u>8,848</u>	<u>(900,229)</u>	<u>(717,780)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation	-	1,358	1,358	1,200
(Increase) decrease in accounts receivable	8,471	-	8,471	(4,184)
(Increase) decrease in prepaids	17,673	-	17,673	17,672
Increase (decrease) in accounts payable	(36,026)	1,948	(34,078)	15,775
Increase (decrease) in accrued payroll	-	1,494	1,494	2,930
Increase (decrease) in compensated absences	-	4,797	4,797	(7,568)
Increase (decrease) in claims payable	<u>52,220</u>	-	<u>52,220</u>	<u>(13,711)</u>
Total adjustments	<u>42,338</u>	<u>9,597</u>	<u>51,935</u>	<u>12,114</u>
Net cash provided by (used for) operating activities	<u>\$ (866,739)</u>	<u>18,445</u>	<u>(848,294)</u>	<u>(705,666)</u>

Supplemental information:

During the fiscal year ended June 30, 2009, there were no noncash investing, capital or financing activities.

FIDUCIARY FUNDS

AGENCY FUND

The Agency Fund is used to accounting 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
Agency Fund

Statement of Changes in Fiduciary Net Assets

Year ended June 30, 2009

	<u>Balance at</u> <u>July 1, 2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>June 30, 2009</u>
<u>DEPOSIT FUND</u>				
<u>Assets</u>				
Cash and investments	\$ 597,517	1,317,651	1,232,380	682,788
Accounts receivable	<u>53,489</u>	<u>61,752</u>	<u>53,489</u>	<u>61,752</u>
 Total assets	 <u>\$ 651,006</u>	 <u>1,379,403</u>	 <u>1,285,869</u>	 <u>744,540</u>
<u>Liabilities</u>				
Accounts payable	\$ 28,610	40,098	28,610	40,098
Deposits payable	<u>622,396</u>	<u>1,264,539</u>	<u>1,182,493</u>	<u>704,442</u>
 Total liabilities	 <u>\$ 651,006</u>	 <u>1,304,637</u>	 <u>1,211,103</u>	 <u>744,540</u>

STATISTICAL SECTION

STATISTICAL SECTION

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.	91-95
Revenue Capacity	
These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	96-100
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.	101-102
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.	103-104
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.	105-107

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

TABLE 1

CITY OF SAN GABRIEL
 Net Assets by Component
 Last Seven Fiscal Years
 (accrual basis of accounting)

	2009	2008	2007	2006	2005	2004	2003
Primary government							
Invested in capital assets, net of related debt	\$ 37,743,330	33,455,141	33,796,931	32,625,226	34,550,210	34,584,514	34,987,701
Restricted	-	-	-	-	-	-	-
Unrestricted	\$ 21,447,464	22,873,363	21,411,617	16,489,547	13,185,700	13,181,974	13,018,335
Total primary government net assets	\$ 59,190,794	56,328,504	55,208,548	49,114,773	47,735,910	47,766,488	48,006,036

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

CITY OF SAN GABRIEL
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Expenses							
Governmental activities:							
General Government	\$ 5,443,922	5,226,785	3,202,488	4,629,928	3,632,467	3,471,388	3,135,735
Public Safety	17,869,728	17,229,072	14,685,584	14,278,926	14,394,449	12,168,593	10,326,967
Community Development	5,926,698	6,067,911	3,902,507	4,607,455	6,072,509	4,161,676	3,712,609
Transportation	3,256,021	2,063,459	2,153,567	3,386,808	697,797	2,331,649	2,142,391
Culture & Recreation	3,246,525	3,102,722	2,855,572	2,737,045	2,784,195	2,625,740	2,182,577
Total primary government expenses	<u>35,742,894</u>	<u>33,689,949</u>	<u>26,799,718</u>	<u>29,640,162</u>	<u>27,581,417</u>	<u>24,759,046</u>	<u>21,500,279</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	667,009	697,239	673,429	204,187	3,505,044	1,202,766	2,168,926
Public safety	1,978,130	1,843,374	2,008,412	1,938,757	1,343,392	1,371,383	1,335,946
Culture and recreation	829,795	799,899	739,107	517,130	506,565	409,709	553,364
Community development	1,736,552	2,417,507	2,099,574	2,592,783	2,919,783	2,570,863	1,942,160
Transportation	6,000	5,500	6,000	5,500	6,500	6,000	26,485
Operating grants and contributions	6,224,331	5,097,352	4,561,119	5,149,940	4,026,667	3,184,871	4,358,304
Capital grants and contributions	2,456,961	2,602,237	2,019,336	1,497,228	1,040,705	1,966,768	702,835
Total governmental activities program rev	<u>13,898,778</u>	<u>13,463,108</u>	<u>12,106,977</u>	<u>11,905,525</u>	<u>13,348,656</u>	<u>10,712,360</u>	<u>11,088,020</u>
Net revenue/(expenses)							
Total primary government net expense	\$ (21,844,116)	(20,226,841)	(14,692,741)	(17,734,637)	(14,232,761)	(14,046,686)	(10,412,259)

TABLE 2
Continued

CITY OF SAN GABRIEL
Changes in Net Assets
Last Seven Fiscal Years
(accrual basis of accounting)

General Revenues and Other Changes in Net Assets	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Governmental activities:							
Taxes							
Property taxes	\$ 8,852,999	8,193,765	7,765,406	6,810,825	5,408,729	5,406,831	4,801,327
Sales Taxes	3,507,109	4,051,011	4,146,868	3,951,558	3,924,613	3,783,872	3,626,265
Franchise taxes	639,870	625,398	668,599	581,641	565,710	556,582	608,215
Transient occupancy tax	702,295	645,892	565,719	492,500	367,974	53,631	64,535
Utility users tax	3,867,625	3,570,013	3,542,633	3,436,485	3,259,972	3,204,161	2,937,247
Property transfer tax	106,406	194,860	237,345	225,367	198,064	213,818	164,342
Major vehicle in lieu(unrestricted)	3,583,434	3,300,106	3,174,911	3,014,702			
Investment earnings	470,795	600,514	616,772	521,702	353,378	292,887	269,883
Miscellaneous	208,165	165,238	68,263	78,720	123,743.00	295,356.00	609,230.00
Total governmental activities	21,938,698	21,346,797	20,786,516	19,113,500	14,202,183	13,807,138	13,081,044
Total primary government	21,938,698	21,346,797	20,786,516	19,113,500	14,202,183	13,807,138	13,081,044
Changes in Net Assets							
Total primary government	\$ 94,582	1,119,956	6,093,775	1,378,863	(30,578)	(239,548)	2,668,785

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 3

CITY OF SAN GABRIEL
Fund Balances of Governmental Funds
Last Seven Fiscal Years (1)
(modified accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
General fund							
Reserved	\$ 9,476,639	7,069,832	5,480,870	4,272,486	3,129,445	1,923,998	1,845,580
Unreserved	2,604,025	3,898,435	3,951,322	2,830,700	1,547,760	1,549,942	2,349,402
Total general fund	<u>\$ 12,080,664</u>	<u>10,968,267</u>	<u>9,432,192</u>	<u>7,103,186</u>	<u>4,677,205</u>	<u>3,473,940</u>	<u>4,194,982</u>
All other governmental funds							
Reserved	\$ 3,844,491	4,701,353	4,200,199	4,656,964	5,154,535	6,157,919	5,758,216
Unreserved, reported in:							
Special revenue funds	8,232,648	9,787,423	8,652,955	6,820,730	5,323,606	4,910,204	3,833,019
Capital projects funds	<u>(815,179)</u>	<u>(814,569)</u>	<u>(1,455,842)</u>	<u>(1,943,857)</u>	<u>(761,763)</u>	<u>(802,329)</u>	<u>(792,414)</u>
Total all other governmental funds	<u>\$ 11,261,960</u>	<u>13,674,207</u>	<u>11,397,312</u>	<u>9,533,837</u>	<u>9,716,378</u>	<u>10,265,794</u>	<u>8,798,821</u>

(1) Seventh year GASB 34 implementation.

TABLE 4

CITY OF SAN GABRIEL
Changes in Fund Balances of Governmental Funds
Last Seven Fiscal Years (1)
(modified accrual basis of accounting)

	Fiscal Year						
	2009	2008	2007	2006	2005	2004	2003
Revenues							
Tax	\$18,856,774	18,396,557	17,819,605	16,357,216	14,279,916	13,350,237	12,502,126
Licenses and permits	1,618,502	1,999,600	1,804,288	1,751,879	1,522,070	1,466,456	1,095,066
Intergovernmental	7,493,492	8,099,277	6,674,651	7,376,681	6,645,842	5,745,683	6,331,359
Charges for services	2,962,722	3,554,372	3,378,104	3,172,456	3,433,174	3,017,850	2,556,007
Fines	990,193	975,935	1,134,103	935,568	505,031	589,054	653,878
Investment earnings	1,725,199	1,657,104	1,603,128	1,201,027	543,184	421,241	384,816
Miscellaneous	1,580,225	339,413	196,614	964,280	124,063	295,366	609,655
Total revenues	35,227,107	35,022,258	32,610,493	31,759,107	27,053,280	24,885,887	24,132,907
Expenditures							
General government	5,302,319	4,848,851	4,653,839	4,488,526	3,484,375	3,348,343	3,056,428
Police	10,474,668	9,951,781	9,013,299	8,651,059	8,129,980	7,037,866	6,145,663
Fire	6,237,333	6,089,533	5,415,918	5,165,018	4,955,281	4,433,485	3,731,959
Community development	5,211,414	5,029,899	3,826,599	3,778,788	3,923,588	3,342,852	3,120,389
Culture and recreation	3,034,745	2,909,229	2,760,442	2,599,376	2,477,786	2,434,397	2,061,358
Capital outlay	3,499,652	2,793,920	1,787,862	1,418,409	2,637,308	2,358,160	2,943,895
Transportation	2,314,683	762,762	714,778	1,688,142	621,934	1,050,263	921,018
Total expenditures	36,074,814	32,385,975	28,172,737	27,789,318	26,230,252	24,005,366	21,980,710
Excess of revenues over (under) expenditure:	(847,707)	2,636,283	4,437,756	3,969,789	823,028	880,521	2,152,197
Other financing sources (uses)							
Transfers in	6,304,479	6,571,507	5,878,963	5,497,386	4,880,058	3,040,877	3,136,576
Transfers out	(6,756,622)	(6,894,820)	(6,124,238)	(5,723,735)	(5,049,237)	(3,175,467)	(3,252,745)
Sales of capital assets	-	-	-	-	-	-	-
Total other financing sources (uses)	(452,143)	(323,313)	(245,275)	(226,349)	(169,179)	(134,590)	(116,169)
Net change in fund balance:	\$ (1,299,850)	2,312,970	4,192,481	3,743,440	653,849	745,931	2,036,028

(1) Seventh year GASB 34 implementation.

TABLE 5

CITY OF SAN GABRIEL
 Assessed Value and Estimated Actual Value of Taxable Property

Fiscal Year	Last Ten Fiscal Years					Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
	Residential Property	Commercial Property	Industrial Property					
1999-2000	\$ 1,386,199,044	\$ 416,906,938	\$ 50,614,262	\$ 10,293,465	\$ 1,843,426,779	0.1965%		
2000-2001	1,456,233,461	437,797,493	50,726,129	11,701,203	1,933,055,880	0.1958%		
2001-2002	1,552,035,307	468,710,065	54,034,685	11,688,507	2,063,091,550	0.2046%		
2002-2003	1,653,432,464	488,962,063	56,502,244	12,998,045	2,185,898,726	0.2063%		
2003-2004	1,816,341,125	519,001,911	58,806,602	13,241,637	2,380,908,001	0.2078%		
2004-2005	1,954,983,363	534,095,932	60,925,561	13,950,179	2,536,054,677	0.2115%		
2005-2006	2,147,415,244	572,858,300	61,727,068	13,972,591	2,768,028,021	0.2445%		
2006-2007	2,357,776,029	709,325,979	69,591,831	14,065,867	3,136,693,839	0.2685%		
2007-2008	2,536,813,542	720,257,939	75,044,285	14,927,928	3,332,115,766	0.2648%		
2008-2009	2,688,432,244	902,400,041	79,640,809	14,441,989	3,670,473,094	0.2727%		

Source: Los Angeles County Assessor's Office

TABLE 6

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

	2008/09	2007/08	2006/07	2005/06	2004/05	2003/04	2002/03	2001/02	2000/01	1999/00
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	0.14	0.14	0.14	0.14	0.14	0.11000	0.11000	0.11000	0.11000	0.11000
Total City Direct Rate	1.14000	1.14000	1.14000	1.14000	1.11000	1.11000	1.11000	1.11000	1.11000	1.11000
Overlapping Rates:										
Detention Facilities	-	-	0.00066	0.00080	0.00092	0.00099	0.00103	0.00113	0.00131	0.00142
Water District	0.0043	0.00450	0.00470	0.00520	0.00580	0.00610	0.00670	0.00770	0.00880	0.00890
Flood Control District	-	-	0.00005	0.00005	0.00024	0.00047	0.00088	0.00107	0.00156	0.00176
LA Community College	0.02212	0.00878	0.02146	0.01430	0.01810	0.01986	0.01460	0.01600	-	-
Alhambra School Dist.	0.03625	0.05460	0.05942	0.06379	0.01949	0.02000	0.01988	0.02021	0.02131	0.01523
Garvey School Dist.	0.06835	0.05061	0.05075	0.05221	0.02319	0.02471	0.05286	0.03118	-	-
Rosemead School Dist.	0.06875	0.08282	0.05420	0.07515	0.07095	0.04517	0.00540	0.08858	-	-
El Monte School Dist.	0.05159	0.02820	0.05846	0.05425	0.03928	0.03573	-	-	-	-
Pasadena Community Coll	0.01741	0.01972	0.02080	0.00410	0.00879	0.00681	-	-	-	-
San Gabriel School Dist.	0.09293	0.05742	0.04930	0.05284	0.05729	0.05224	0.05803	-	-	-
Temple City School Dist.	0.04661	0.04413	0.04977	0.04466	0.04778	0.04818	0.04842	0.05445	0.05064	0.05230
Total Direct Rate	1.54831	1.49078	1.50957	1.50735	1.40183	1.37026	1.31780	1.33032	1.19362	1.18961

Source: Los Angeles County Assessor 2008/09 Tax Rate Table.

CITY OF SAN GABRIEL
Principal Property Taxpayers
Last Ten Fiscal Years
(amounts expressed in thousands)

Taxpayer	2009			2008			2007			2006			2005		
	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	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Universal Shopping Plaza	\$ 58,496	2	1.59%	\$ 57,349	1	2.93%	\$ 56,225	2	1.79%	54,439	2	1.97%	\$ 53,372	2	2.05%
Tony C. Chu Trust	20,883	5	0.57%	23,481	2	0.66%	20,072	3	0.64%	19,799	3	0.72%	19,292	3	0.74%
Life Plaza Center LLC				19,078	3	0.54%							6,963	10	0.27%
C & B Limited Partnership				18,973	4	0.54%									
Maria W. Shiau				11,970	5	0.34%									
Hawaii Property Inc.				11,657	6	0.33%									
De Marco Parties Partnership				11,276	7	0.33%									
Demer Properties Inc.	17,331	6	0.47%	10,889	8	0.32%	16,658	4	0.53%	18,372	4	0.66%	14,247	4	0.55%
China Times Inc.				10,058	9	0.29%	9,077	9	0.29%						
San Gabriel Valley Medical Center	61,190	1	1.67%	9,002	10	0.26%	60,296	1	1.92%	76,240	1	2.68%	77,185	1	2.96%
San Gabriel Medical Plaza LLC Lessee	14,501	8	0.40%				13,938	5	0.44%						
Landwin Hospitality LLC	54,455	3	1.48%				13,609	6	0.43%	13,079	5	0.47%			
Setiawan & Dharmawan Trust	16,524	7	0.45%				10,889	7	0.35%						
Amson Realty LLC							10,500	8	0.33%						
Grand Valley LLC							8,490	10	0.27%						
King Summer Star LLC															
Lucky Center LLC															
Roman Catholic Archbishop of LA															
Shih Properties Inc.															
Thomas K. & Hsui Y. Wong				10,579	8										
Dennis D. Jacobsen Family Holdings															
Lancer Investment LLC	25,403	4	0.69%												
Triunion LLC	12,004	9	0.33%												
Joan Chiang Trust	10,935	10	0.30%												

Source: Los Angeles County Assessor

CITY OF SAN GABRIEL
Principal Property Taxpayers
Last Ten Fiscal Years
(amounts expressed in thousands)

Taxpayer	2004			2003			2002			2001			2000		
	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	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Universal Shopping Plaza	\$ 52,394	2	2.10%	\$ 51,366	2	2.23%	\$ 50,359	1	2.43%	\$ 49,277	1	2.47%	\$ 48,311	1	2.54%
Tony C. Chu Trust	15,639	3	0.63%	15,332	3	0.67%	12,352	2	0.60%	11,430	2	0.58%	11,013	2	0.58%
Life Plaza Center LLC	6,835	10	0.27%				6,570	7	0.32%	6,441	7	0.32%	6,328	5	0.33%
C & B Limited Partnership				7,034	9	0.31%	9,221	5	0.44%	9,040	3	0.45%	8,863	4	0.47%
Maria W. Shiau										4,907	9	0.25%	5,115	8	0.27%
Hawaii Property Inc.	11,195	5	0.45%	11,140	5	0.51%	9,878	3	0.48%	7,020	6	0.35%	6,190	6	0.32%
De Marco Parties Partnership							5,475	10	0.26%	5,570	8	0.28%	5,955	7	0.31%
Demer Properties Inc.	13,986	4	0.56%	11,657	4	0.51%	9,602	4	0.46%	9,012	4	0.45%	9,012	3	0.47%
China Times Inc.										4,606	10	0.23%	4,429	9	0.23%
San Gabriel Valley Medical Center	74,893	1	3%	71,702	1	3.11%									
Landwin Hospitality LLC				9,868	6	0.43%	6,376	8	0.31%						
Archdiocese of LA Educ & Welfare				8,472	7	0.37%									
Lucky Center LLC				7,632	8	0.33%	7,483	6	0.36%	7,336	5	0.37%			
Shih Properties Inc.															
Thomas K. & Hsui Y. Wong				6,890	10	0.30%									
Charter Communication	10,600	6	0.42%				5,627	9	0.27%						
San Gabriel Club	7,785	9	0.31%												
	8,398	8	0.34%												
	8,836	7	0.35%												
													3,885	10	0.20%

TABLE 8

CITY OF SAN GABRIEL
Property Tax Levies and Collections
Last Ten Fiscal Years
(amounts expressed in thousands)

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
1999-2000	\$ 3,833,835	3,944,874 (1)	103%	12,852	3,957,726	103%
2000-2001	4,127,621	4,313,059 (1)	104%	110,999	4,424,058	107%
2001-2002	4,379,411	4,490,474	103%	139,824	4,630,299	106%
2002-2003	4,620,864	4,836,083	105%	81,785	4,917,868	106%
2003-2004	5,018,082	5,050,186	101%	62,137	5,112,323	102%
2004-2005	5,320,209	5,533,175	104%	198,174	5,731,349	108%
2005-2006	6,611,481	6,539,265	99%	470,993	7,010,258	106%
2006-2007	7,456,596	7,487,101	100%	268,406	7,755,507	104%
2007-2008	7,820,367	7,663,787	98%	323,702	7,987,489	102%
2008-2009	8,596,883	8,268,052	96%	345,078	8,613,130 (2)	100%

(1) Includes collection of prior years delinquent taxes due to recording method during those years.

(2) Includes penalty.

Source: Los Angeles County Auditor-Controller

CITY OF SAN GABRIEL

Schedule of Direct and Overlapping Debt

June 30, 2009

	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	0.412	\$ 137,096,151	564,772
GARVEY SCHOOL DISTRICT DS 2000 SERIES A	12.535	6,789,903	851,146
GARVEY SCHOOL DISTRICT DS 2000 SERIES B	12.535	6,344,519	795,315
GARVEY SCHOOL DISTRICT 2004 SERIES 2005	12.535	8,913,736	1,117,378
GARVEY SCHOOL DISTRICT 2004 SERIES 2006	12.535	10,999,898	1,378,888
GARVEY SCHOOL DISTRICT 2004 SERIES C	12.535	8,997,964	1,127,936
ROSEMEAD SCHOOL DISTRICT DS 2000 SERIES A	11.595	6,775,000	785,542
ROSEMEAD SCHOOL DISTRICT DS 2000 SERIES B	11.595	9,350,000	1,084,106
ROSEMEAD SCHOOL DISTRICT DS 2000 SERIES C	11.595	6,890,000	798,876
EL MONTE UN HSD DS 2002 SERIES A	2.348	4,475,000	105,065
EL MONTE UN HSD DS 2002 SERIES B	2.348	6,580,000	154,487
EL MONTE UN HSD DS 2006 REFUNDING BONDS	2.348	38,005,173	892,294
EL MONTE UN HSD DS 2002 SER C	2.348	83,746,269	1,966,214
L.A. CCD DS 2001 SERIES A	0.584	27,815,000	162,478
L.A. CCD DS 2003 SER B	0.584	77,040,000	450,021
L.A. CCD DS 2003 TAXABLE SERIES 2004B	0.584	23,385,000	136,601
L.A. CCD DS 2001 TAXABLE SERIES 2004A	0.584	75,105,000	438,718
L.A. CCD DS REFUNDING 2001 SERIES 2005A	0.584	432,345,000	2,525,499
L.A. CCD DS 2001, 2006 SERIES B	0.584	383,000,000	2,237,255
L.A. CCD DS 2003, 2006 SERIES C	0.584	308,500,000	1,802,071
L.A. CCD DS 2001, 2008 SER E-1	0.584	276,500,000	1,615,146
L.A. CCD DS 2001, 2008 TAXABLE SER E-2	0.584	15,000,000	87,621
L.A. CCD DS 2003, 2008 SER F-1	0.584	364,915,000	2,131,614
L.A. CCD DS 2003, 2008 SER F-2	0.584	425,000,000	2,482,594
PASADENA AREA CCD DS 2002 SERIES A	0.438	3,715,000	16,285
PASADENA AREA CCD DS 2006 SERIES B	0.438	581,980,000	2,551,086
PASADENA AREA CCD DS 2006 REF BD SERIES C	0.438	20,763,399	91,016
SAN GABRIEL USD DS 2002 SERIES A	74.351	11,087,600	8,243,695
SAN GABRIEL USD DS 2002 SERIES B	74.351	6,708,892	4,988,100
SAN GABRIEL USD DS 2005 REFUNDING BONDS	74.351	17,285,000	12,851,498
SAN GABRIEL USD DS 2002 SERIES 2007 C	74.351	10,832,878	8,054,308
SAN GABRIEL USD DS 2008 SER A	74.351	20,548,245	15,277,739
ALHAMBRA USD DS 1999 SERIES A	0.012	6,655,561	777
ALHAMBRA USD DS 1999 SERIES B	0.012	33,988,627	3,966
ALHAMBRA USD DS 2005 REFUNDING BONDS	0.012	8,785,000	1,025
ALHAMBRA USD DS 2004 SERIES A	0.012	80,759,695	9,423
Total Overlapping Debt:			<u>\$ 77,780,555</u>

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.

Source: Los Angeles County Assessor

TABLE 10

CITY OF SAN GABRIEL

Legal Debt Margin Information

Last Ten Fiscal Years

	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Assessed value	3,670,473,094	3,332,115,766	3,136,693,839	2,782,000,612	2,550,004,856	2,394,149,638	2,198,896,771	2,074,780,057	1,944,757,083	1,853,720,244
Conversion percentage	<u>25%</u>									
Adjusted assessed valuation	917,618,274	833,028,942	784,173,460	695,500,153	637,501,214	598,537,410	549,724,193	518,695,014	486,189,271	463,430,061
Debt limit percentage	<u>15%</u>									
Debt limit	137,642,741	124,954,341	117,626,019	104,325,023	95,625,182	89,780,611	82,458,629	77,804,252	72,928,391	69,514,509
Total net debt applicable to limit:	-	-	-	-	-	-	-	-	-	-
Legal debt margin	137,642,741	124,954,341	117,626,019	104,325,023	95,625,182	89,780,611	82,458,629	77,804,252	72,928,391	69,514,509
Total debt applicable to the limit as a percentage of debt limit	0%	0%	0%	0%	0%	0%	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 11

CITY OF SAN GABRIEL
Demographic Statistics
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>City Population (1)</u>	<u>Personal Income (amounts expressed in thousands) (2)</u>	<u>Per Capita Personal income (2)</u>	<u>Unemployment Rate (2)</u>
2000	39,804	\$ 279,049,532	29,232	5.40%
2001	40,363	294,508,314	30,503	5.60%
2002	40,969	301,002,945	30,828	7.20%
2003	41,571	310,043,501	31,452	7.50%
2004	41,853	329,048,068	33,179	6.90%
2005	42,125	346,053,200	35,147	5.30%
2006	42,320	373,322,192	37,991	4.70%
2007	42,691	390,295,865	39,794	5.20%
2008	42,762	N/A	N/A	7.10%
2009	42,829	N/A	N/A	11.30%

Source:

(1) Estimates from State Department of Finance

(2) State of California Employment Development Department and U.S. Department of Commerce, Bureau of Economic Analysis, (data shown is for the County.)

TABLE 12

CITY OF SAN GABRIEL
Principal Employers
Last Seven Years (1)

Employer	2009		2008		2007		2006		2005		2004		2003	
	No. of Emp	% of Total City Emp												
AHMC San Gabriel Valley Medical	860	11.12%	791	11.14%	N/A	N/A								
99 RANCH MARKET	180	2.33%	180	2.53%	180	2.58%	171	2.53%	171	2.59%	161	2.48%	161	2.68%
SAN GABRIEL SUPERSTORE	143	1.85%	154	2.17%	154	2.21%	144	2.13%	106	1.61%	112	1.73%	106	1.77%
LANDWIN HOSPITALITY LLC	180	2.33%	184	2.59%	137	1.96%	18	0.27%	-	0.00%	-	0.00%	-	0.00%
HAWAII SUPERMARKET	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	136	1.76%	119	1.68%	111	1.59%	92	1.21%	87	1.32%	81	1.25%	88	1.25%
ALDERWOOD MANOR	101	1.31%	103	1.45%	105	1.50%	103	1.52%	100	1.51%	101	1.56%	70	1.17%
MISSION LODGE SANITARIUM	98	1.27%	110	1.55%	105	1.50%	98	1.45%	106	1.61%	116	1.79%	111	1.85%
PARK UNIFORM RENTAL	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	99	1.28%	87	1.23%	95	1.36%	109	1.61%	97	1.47%	93	1.43%	92	1.53%
FERNVIEW CONVALESCENT HOSPITAL	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.	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	0.67%	60	0.84%	82	1.18%	82	1.21%	92	1.39%	96	1.48%	93	1.55%
A G SAN GABRIEL, LLC	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	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.	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

TABLE 13

CITY OF SAN GABRIEL
Full-time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Management services										
Finance	7	7	7	7	7	7	6	6	6	6
Planning	9	8	8	8	7	7	7	6	5	5
Building	4	4	4	4	4	4	4	3	2	3
Other	4	2	2	2	2	1	2	1	1	1
Police	5	5	6	4	5	5	5	3	3	2
Officers	57	60	54	53	54	53	50	54	52	53
Civilians	14	13	14	14	12	15	15	13	13	14
Fire										
Firefighters and officers	33	33	31	33	32	34	33	32	33	33
Civilians	2	2	2	2	2	2	2	2	1	1
Highways and streets										
Engineering	3	2	2	2	1	1	1	-	-	-
Maintenance	17	16	16	19	19	19	17	18	19	18
Redevelopment	2	2	0	1	1	1	1	1	1	-
Parks and recreation	17	22	20	21	21	21	21	22	21	20
Total	174	176	166	170	167	170	164	161	157	156

Source: City Finance Department

CITY OF SAN GABRIEL
 Operating Indicators by Function/Program
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
General government										
Building permits issued	1344	1773	1,648	1,293	1,868	1,998	2,026	1,539	1,396	N/A
Building inspections conducted	5396	5956	5,947	4,671	6,868	9,002	6,723	4,095	3,545	N/A
Police										
Physical arrests	670	652	598	868	907	727	664	787	826	860
Parking violations	14870	12731	13,836	12,432	8,599	9,919	12,288	12,205	15,068	11,858
Traffic violations	7783	7136	4,865	7,456	7,008	9,078	7,632	9,045	10,756	11,310
Fire										
Emergency responses	2125	2173	2,331	1,805	2,234	2,177	2,127	2,074	2,157	2,161
Inspections	2619	2448	2,420	2,423	2,062	1,877	2,423	2,411	1,943	1,798
Highways and streets										
Street resurfacing (miles)	10.8	0.76	0.00	0.00	3.05	1.45	1.50	2.06	3.23	0.56
Potholes repaired	1400	1880	1,920	2,304	2,112	1,920	1,728	2,024	1,980	1,824
Culture and recreation										
Classes offered	266	294	285	289	362	383	323	321	325	319
Facility rentals	48	50	45	35	33	41	30	15	15	15

Source: City Finance Department

CITY OF SAN GABRIEL
 Capital Asset Statistics by Function
 Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	26	27	27	27	27	27	26	27	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	780	765	750	730	715	700
Traffic signals	915	915	915	915	915	915	915	915	915	903
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

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