



CITY OF SAN MARINO, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2010

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CITY OF SAN MARINO, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2010

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 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

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FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

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

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 Marino, California, as of and for the year ended June 30, 2010, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of San Marino's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of San Marino as of June 30, 2010, and the respective changes in financial position thereof, and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2010, on our consideration of the City of San Marino's internal control over financial reporting and our tests of its compliance with certain 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 financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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



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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplemental schedules listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the City of San Marino. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

Lance, Soll & Lughard, LLP

October 11, 2010

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of San Marino, we offer readers of the City of San Marino's financial statements this narrative overview and analysis of the financial activities of the City of San Marino for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the City's financial statements.

FINANCIAL HIGHLIGHTS

- The City's governmental activities net assets increased \$2.35 million, or 1.2% as a result of operations. \$1.0 million of this was due to donations received for the construction of the new Library.
- During the year, the City had revenues that were \$2.35 million more than the \$20.57 million expenses recorded by the City in its governmental activities.
- The revenues available for expenditure were \$387,155 less than budgeted for in the General Fund
- The City under-spent its expenditure budget by \$166,818 in its General Fund.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and Statement of Activities (on pages 11 and 12) provide information about the activities of the City as a whole and present a long-term view of the City's finances. Fund financial statements start on page 13. For governmental activities, these fund statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operation in more detail than the government-wide statements by providing information about the City's most significant funds and other funds. The remaining fiduciary (Agency) fund statement provides financial information about activities for which the City acts solely as a trustee or agent for the benefit of those outside of the government.

REPORTING THE CITY AS A WHOLE

The Statement of Net Assets and the Statement of Activities:

Our analysis of the City as a whole begins on page 11. One of the most important questions asked about the City's finances is, "Is the City as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities in a way that answers this question. These statements include all assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most

private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements:

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

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

THE CITY AS TRUSTEE

Reporting the City's Fiduciary Responsibilities:

The City is the trustee, or *fiduciary*, for certain funds held on behalf of those entities outside of the government. The City's fiduciary activities are reported in a separate Statement of Fiduciary Net Assets. We exclude these activities from the City's other financial statements because the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE CITY AS A WHOLE

The City's combined net assets increased \$2.35 million from \$197.1 million to \$199.4 million. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the City's governmental activities.

TABLE 1
NET ASSETS

As of June 30, 2010

	Governmental Activities	
	2010	2009
Current and Other Assets	\$ 29,285,943	\$ 27,338,417
Capital Assets	181,238,456	181,344,054
TOTAL ASSETS	210,524,399	208,682,471
Current Liabilities	1,362,422	1,625,399
Long-term Liabilities	9,717,829	9,963,743
TOTAL LIABILITIES	11,080,251	11,589,142
Net Assets:		
Invested in Capital, net of Related Debt	179,330,429	179,389,397
Restricted	2,137,398	2,019,946
Unrestricted	17,976,321	15,683,986
TOTAL NET ASSETS	\$ 199,444,148	\$ 197,093,329

Compared to the prior year, net assets of the City's governmental activities increased by 1.2% or \$2.35 million. The City's Net Assets are made-up of three components: Investment in Capital Assets, Net of Related Debt, Restricted Net Assets and Unrestricted Net Assets.

**TABLE 2
CHANGES IN NET ASSETS**

As of June 30, 2010

	Governmental Activities	
	2010	2009
REVENUES:		
Program Revenues		
Charges for Services & Special Taxes	\$ 6,311,172	\$ 6,205,534
Operating Grants & Contributions	1,548,372	2,613,015
Capital Grants & Contributions	866,457	-
General Revenues		
Property Taxes	9,774,711	9,649,512
Utility Users Taxes	1,652,799	1,582,742
Business License Taxes	429,461	453,855
Sales Taxes	480,046	440,292
Franchise Taxes	494,514	586,761
Other Taxes		
Intergovernmental-Unrestricted	1,168,703	1,063,674
Use of Money & Property	124,686	352,498
Other Revenues	72,325	122,237
TOTAL REVENUES	22,923,246	23,070,120
EXPENSES:		
General Government	2,656,933	2,859,382
Public Safety	8,741,940	8,552,160
Community Development	816,439	888,432
Recreation	2,333,364	2,482,617
Library	1,570,010	1,264,283
Parks & Public Works	4,029,141	4,767,687
Interest on Long Term Debt	424,600	465,606
TOTAL EXPENSES	20,572,427	21,280,167

Governmental Activities

The following (Table 3) presents the cost of each of the City's departments – general government, public safety, community development, library, recreation and parks & public works – as well as each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions. The Public Safety tax has already been factored into the net cost of services so the \$5.2 million is the additional burden in excess of that tax.

**Table 3
Governmental Activities**

	Total Cost of Services	Net Cost of Services
General Government	\$ 2,656,933	\$ 2,150,594
Public Safety	8,741,940	5,146,915
Community Development	816,439	81,687
Library	1,570,010	412,037
Recreation	2,333,364	544,292
Parks & Public Works	4,029,141	3,086,301
Interest on Long Term Debt	424,600	424,600
Total	\$20,572,427	\$ 11,846,426

THE CITY’S FUNDS

On page 13, the governmental funds balance sheet is shown. The combined fund balance of \$21.4 million increased from \$19.06 million, or 13 percent. This is partly due to the receipt of donations for the construction of the new Library. The remainder is due to a decrease in expenditures greater than the decrease in revenues realized. This total includes the general fund and capital projects fund balances of \$19 million combined. These two funds had combined balances of \$17 million in the prior year. The City’s general fund and capital projects fund balances combined include reservations for advances and encumbrances of \$780,438.

General Fund Budgetary Highlights

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

For the City’s general fund, actual ending revenues of \$38.59 million were \$387,155 less than the final budgeted revenues of \$38.98 million. There were several reasons for this, including lower than expected service charges, interest and donations.

The general fund actual ending expenditures of \$19.3 million were \$166,818 less than the final budget of \$19.47 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of 2010, the City had \$181 million invested in a broad range of capital assets. (See Table 4). This amount represents a net decrease (including additions and deductions) of \$105,604. This is mainly due to annual depreciation exceeding investments in capital.

Table 4
CAPITAL ASSETS AT YEAR-END
(NET OF DEPRECIATION)

	Governmental Activities	
	2010	2009
Land	\$ 144,097,193	\$ 144,097,193
Construction in Progress	396,603	718,108
Structures & Improvements	15,332,405	15,647,587
Furniture & Equipment	1,755,560	1,801,791
Infrastructure	19,656,695	19,079,375
Total	\$ 181,238,456	\$ 181,344,054

As presented in the Adopted Operating budget for Fiscal Year 2009-10 the capital outlay totaled \$2.04 million for all categories of the capital improvement projects reported by the various City departments. The previous fiscal year's Capital Budget was \$1.6 million.

ECONOMIC FACTORS AND NEXT YEAR'S (FY 2009-10) BUDGET

In preparing the budget for 2010-11, management looked at the following economic factors:

- Moderate increase in interest rates
- Moderate economic growth

Key budget assumptions for forecasting General Fund revenues included the following:

- Property Tax revenues were expected to increase by 1%.
- City revenues may be adversely affected by court decisions, state legislative actions, various propositions, initiatives, or other actions beyond the City's control. The main concern is the State budget. The effects are unknown as of the writing of this letter.

The original operating budget for 2010-11 is \$19.53 million. The prior year's original operating budget was \$19.45 million. This \$80,000 increase includes planned increases for labor agreements, and a decrease of 3.75 full time equivalent staff positions, mostly in the Recreation Department. In the prior year there was a reduction of 10.58 full time equivalent staff positions, again mostly in the Recreation Department.

Questions or requests for information regarding the City of San Marino's 2010-11 budget should be sent to the City Manager's Office at the address below.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of San Marino's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information, should be addressed to the City Manager's Office, at the City of San Marino, 2200 Huntington Drive, San Marino, CA 91108.

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CITY OF SAN MARINO

STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Primary Governmental Activities</u>
Assets:	
Cash and investments	\$ 21,473,640
Receivables:	
Accounts	32,629
Taxes	775,807
Notes and loans	71,760
Accrued interest	28,800
Internal balances	-
Prepaid costs	193,699
Due from other governments	136,279
Inventories	35,983
Restricted assets:	
Cash with fiscal agent	35
Unamortized debt issuance costs	133,380
Prepaid pension obligation	6,403,931
Capital assets not being depreciated	144,493,796
Capital assets, net of depreciation	<u>36,744,660</u>
Total Assets	<u>210,524,399</u>
Liabilities:	
Accounts payable	824,552
Accrued liabilities	409,284
Accrued interest	45,746
Deposits payable	23,093
OPEB obligation	59,747
Noncurrent liabilities:	
Due within one year	1,175,846
Due in more than one year	<u>8,541,983</u>
Total Liabilities	<u>11,080,251</u>
Net Assets:	
Invested in capital assets, net of related debt	179,330,429
Restricted for:	
Public safety	136,785
Public works	1,966,062
Special purposes	34,551
Unrestricted	<u>17,976,321</u>
Total Net Assets	<u>\$ 199,444,148</u>

CITY OF SAN MARINO

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Program Revenues				Net
	Expenses	Charges for Services	Operating	Capital	(Expenses)
			Contributions and Grants	Contributions and Grants	Revenues and Changes in Net Assets
					Governmental Activities
Functions/Programs					
Primary Government:					
Governmental Activities:					
General government	\$ 2,656,933	\$ 319,857	\$ 186,482	\$ -	\$ (2,150,594)
Public safety	8,741,940	3,386,989	208,036	-	(5,146,915)
Community development	816,439	675,055	59,697	-	(81,687)
Recreation	2,333,364	1,785,038	4,034	-	(544,292)
Parks & public works	4,029,141	76,383	-	866,457	(3,086,301)
Library	1,570,010	67,850	1,090,123	-	(412,037)
Interest on long-term debt	424,600	-	-	-	(424,600)
Total Governmental Activities	20,572,427	6,311,172	1,548,372	866,457	(11,846,426)
Total Primary Government	\$ 20,572,427	\$ 6,311,172	\$ 1,548,372	\$ 866,457	(11,846,426)
General Revenues:					
Taxes:					
Property taxes, levied for general purpose					9,774,711
Sales taxes					480,046
Franchise taxes					494,514
Business licenses taxes					429,461
Utility users tax					1,652,799
Motor vehicle in lieu - unrestricted					1,168,703
Use of money and property					124,686
Other					72,325
Total General Revenues, Contributions, Special Items and Transfers					14,197,245
Change in Net Assets					2,350,819
Net Assets at Beginning of Year					197,093,329
Net Assets at End of Year					\$ 199,444,148

CITY OF SAN MARINO

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Pooled cash and investments	\$ 19,199,642	\$ 2,273,998	\$ 21,473,640
Receivables:			
Accounts	32,629	-	32,629
Taxes	735,771	40,036	775,807
Notes and loans	71,760	-	71,760
Accrued interest	25,805	2,995	28,800
Prepaid costs	193,699	-	193,699
Due from other governments	-	136,279	136,279
Due from other funds	54,998	-	54,998
Inventories	35,983	-	35,983
Restricted assets:			
Cash and investments with fiscal agents	-	35	35
Total Assets	<u>\$ 20,350,287</u>	<u>\$ 2,453,343</u>	<u>\$ 22,803,630</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 563,628	\$ 260,924	\$ 824,552
Accrued liabilities	409,284	-	409,284
Due to other funds	-	54,998	54,998
Deferred revenues	67,037	38,394	105,431
Deposits payable	23,093	-	23,093
Total Liabilities	<u>1,063,042</u>	<u>354,316</u>	<u>1,417,358</u>
Fund Balances:			
Reserved:			
Reserved for encumbrances	11,926	1,203,778	1,215,704
Reserved for notes and loans	71,760	-	71,760
Reserved for prepaid costs	193,699	-	193,699
Reserved for inventory	35,983	-	35,983
Reserved for war memorial	42,974	-	42,974
Reserved for library	11,285	-	11,285
Unreserved:			
Unreserved, reported in nonmajor:			
Special revenue funds	-	1,663,726	1,663,726
Capital projects funds	-	(768,512)	(768,512)
Debt service funds	-	35	35
Designated for beautification committee	11,423	-	11,423
Designated for San Marino Centennial	220,000	-	220,000
Undesignated	18,688,195	-	18,688,195
Total Fund Balances	<u>19,287,245</u>	<u>2,099,027</u>	<u>21,386,272</u>
Total Liabilities and Fund Balances	<u>\$ 20,350,287</u>	<u>\$ 2,453,343</u>	<u>\$ 22,803,630</u>

CITY OF SAN MARINO

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Fund balances of governmental funds	\$ 21,386,272
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets net of depreciation have not been included as financial resources in governmental fund activity.	181,238,456
Prepaid pension obligation relates to long-term liabilities, which are recorded when expended in the governmental fund statement, but these are accrued over the life of the pension obligation bond for government-wide statements.	6,403,931
Other post-employment benefits obligation is reported on the government-wide financial statements but not the fund-level financial statements.	(59,747)
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets.	133,380
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Long-term liabilities	(9,099,539)
Compensated Absences	(618,290)
Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds.	(45,746)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	105,431
Net assets of governmental activities	\$ 199,444,148

CITY OF SAN MARINO

STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

	General	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ 16,533,971	\$ 245,305	\$ 16,779,276
Licenses and permits	491,641	-	491,641
Intergovernmental	84,068	1,054,777	1,138,845
Charges for services	2,701,470	-	2,701,470
Use of money and property	201,517	13,848	215,365
Fines and forfeitures	308,953	-	308,953
Contributions	1,060,662	-	1,060,662
Miscellaneous	134,186	-	134,186
Total Revenues	21,516,468	1,313,930	22,830,398
Expenditures:			
Current:			
General government	2,616,950	86,874	2,703,824
Public safety	8,143,183	168,791	8,311,974
Community development	745,118	54,218	799,336
Library	1,242,637	-	1,242,637
Recreation	2,187,581	129,743	2,317,324
Parks & public works	2,942,244	17,829	2,960,073
Capital outlay	262,019	1,212,588	1,474,607
Debt service:			
Principal retirement	-	276,630	276,630
Interest and fiscal charges	-	416,844	416,844
Total Expenditures	18,139,732	2,363,517	20,503,249
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,376,736	(1,049,587)	2,327,149
Other Financing Sources (Uses):			
Transfers in	-	1,161,994	1,161,994
Transfers out	(1,161,271)	(723)	(1,161,994)
Net Change in Fund Balances	2,215,465	111,684	2,327,149
Fund Balances, Beginning of Year	17,071,780	1,987,343	19,059,123
Fund Balances, End of Year	\$ 19,287,245	\$ 2,099,027	\$ 21,386,272

CITY OF SAN MARINO

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010**

Net change in fund balances - total governmental funds	\$ 2,327,149
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(105,598)
The prepaid pension obligation is an expenditure in governmental funds, but this cost is capitalized and amortized on the statement of net assets. This is the amortization for the current period.	(166,743)
The change in other post-employment benefits is reported on the government-wide financial statements but not on the fund-level financial statements.	(36,567)
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	278,210
Debt issuance costs are expenditures in governmental funds, but these costs are capitalized on the statement of net assets.	9,026
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	2,840
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as in the Statement of Activities. These are included in the intergovernmental revenues.	(50,346)
Revenues reported as deferred revenue in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.	<u>92,848</u>
Change in net assets of governmental activities	<u><u>\$ 2,350,819</u></u>

CITY OF SAN MARINO

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2010**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 17,071,780	\$ 17,071,780	\$ 17,071,780	\$ -
Resources (Inflows):				
Taxes	16,192,026	16,192,026	16,533,971	341,945
Licenses and permits	524,070	524,070	491,641	(32,429)
Intergovernmental	40,600	40,600	84,068	43,468
Charges for services	2,958,374	2,958,374	2,701,470	(256,904)
Use of money and property	360,370	360,370	201,517	(158,853)
Fines and forfeitures	292,350	292,350	308,953	16,603
Contributions	1,450,800	1,460,800	1,060,662	(400,138)
Miscellaneous	75,033	75,033	134,186	59,153
Amounts Available for Appropriation	38,965,403	38,975,403	38,588,248	(387,155)
Charges to Appropriation (Outflow):				
General government				
City council	7,350	7,350	10,512	(3,162)
Administration	1,545,318	1,565,813	1,436,726	129,087
SMTV Channel 19	26,000	26,000	25,009	991
General operations	1,151,994	1,152,594	1,091,996	60,598
El Molino Viejo	55,276	55,276	52,707	2,569
Public safety				
Emergency services	37,818	38,818	35,081	3,737
Police	4,859,627	4,860,240	4,585,849	274,391
Fire	3,871,465	3,887,572	3,522,253	365,319
Community development				
Planning & building	731,990	731,990	745,118	(13,128)
Library				
Library	574,734	577,411	544,651	32,760
Adult services	334,843	334,854	335,164	(310)
Children services	147,193	150,901	145,577	5,324
Processing	82,579	82,579	67,028	15,551
Circulation	156,206	156,206	150,217	5,989
Recreation				
Recreation administration	452,820	452,820	436,347	16,473
Aquatics	156,904	170,894	186,013	(15,119)
Contract classes	482,752	482,752	373,011	109,741
Special events	118,132	118,132	100,199	17,933
Senior activities	16,223	16,223	15,519	704
Day care	96,031	96,031	88,812	7,219
Day camp	98,365	98,365	87,423	10,942
Preschool	685,087	685,087	695,624	(10,537)
Teen center	43,523	43,523	38,248	5,275
Kindercare	87,163	87,163	74,743	12,420
San Marino Center	96,871	96,871	70,017	26,854
Gym monitoring	19,058	19,058	21,625	(2,567)
Parks & Public Works				
Public works administration	262,473	267,473	225,977	41,496
Garage	212,978	212,978	205,216	7,762
Sewers	316,037	326,333	278,303	48,030
Streets	1,052,768	1,052,768	973,628	79,140
Lacy Park	374,791	374,791	434,171	(59,380)
Public grounds	896,425	896,425	824,949	71,476
Capital outlay	185,100	342,530	262,019	80,511
Transfers out	-	-	1,161,271	(1,161,271)
Total Charges to Appropriations	19,235,894	19,467,821	19,301,003	166,818
Budgetary Fund Balance, June 30	\$ 19,729,509	\$ 19,507,582	\$ 19,287,245	\$ (220,337)

CITY OF SAN MARINO

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	<u>Agency Fund</u>
Assets:	
Receivables:	
Accounts	\$ 175,641
Total Assets	<u>\$ 175,641</u>
Liabilities:	
Accounts payable	\$ 175,120
Deposits payable	<u>521</u>
Total Liabilities	<u>\$ 175,641</u>

I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Summary of Significant Accounting Policies

a. Description of Entity

The City of San Marino is a reporting entity which consists of the following:

Reporting Entity:

Primary Government:

City of San Marino

The attached financial statements contain information for the total reporting entity, which includes the City of San Marino (the primary government). There is no component unit as defined by accounting principles generally accepted in the United States of America.

The City of San Marino was incorporated on April 13, 1913, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied.

Note 1: Summary of Significant Accounting Policies (Continued)

Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for grants and State Gas Tax revenue for which the City uses a 310 day availability period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental fund:

- The General Fund - used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Additionally, the City reports the following fund types:

- Special Revenue Funds – used to account for financial resources which are restricted for specific purposes.
- Capital Projects Fund – used to account for financial resources to be used for the acquisition or construction of major capital facilities.
- Debt Service Fund – used to account for the accumulation of resources for and the payment of general long-term debt principal and interest.
- Agency Fund – used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment and remittance of fiduciary resources to individuals, private organizations or other governments.

d. Assets, Liabilities and Net Assets or Equity

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City are reported at fair value, which is the quoted market price at June 30, 2010. The City's policy is generally to hold investments until maturity or until market values equal or exceed cost. The State Treasurer's Investment Pool

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

operates in accordance with appropriate state laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

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

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

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

Functional Classifications

Expenditures of the Governmental Funds are classified by function. Functional classifications are defined as follows:

- General Government includes legislative activities that have a primary objective of providing legal and policy guidelines for the City. Also included in this classification are those activities that provide management or support services across more than one functional area.
- Public Safety includes those activities that involve the protection of people and property.
- Community Development includes those activities that involve the enhancing of the general quality of life.
- Library includes those activities related to the provision of library services to the community.
- Recreation includes activities for children, adults and senior citizens.
- Parks and Public Works include those activities that involve the maintenance and improvement of City streets, roads and park department development and maintenance.

Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories in the General Fund consist of gasoline and garage items. Inventory costs are recorded as expenditures when used.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

The General Fund inventory is accounted for on the consumption method and is equally offset by a reservation of fund balance in the fund-level statements, which indicates that it does not constitute "available spendable resources."

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

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

In accordance with GASB Statement No. 34, the City has reported general infrastructure assets acquired in the current and prior fiscal years.

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

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

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

<u>Assets</u>	<u>Years</u>
Structures and Improvements	7-50
Furniture and Equipment	3-20
Infrastructure	25-100

Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation time accrued is transferable from one year to the next with the exception that no more than 180 through 624 hours of vacation time may be carried over to the next year, depending on the job classification. An employee accruing the maximum number of hours for vacation time shall be compensated at the employee's regular hourly rate on a monthly basis for the number of vacation hours the employee would have accrued, until the number of accrued hours drops below the number of accruable hours.

Note 1: Summary of Significant Accounting Policies (Continued)

Employees are entitled to accrue sick leave, depending on job classification, from 240 up to 288 hours. Upon reaching the maximum accrual allowed, the employee shall cease to accrue sick leave time until such time as the total accrued hours are less than the maximum permitted. Employees have no vested rights in the accrued sick leave time.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities in the statement of net assets.

Fund Equity

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

Property Tax Revenue

Property tax revenue is recognized on the basis of NCGA Interpretation No. 3, (adopted by GASB) that is, in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due and receivable within the current period and collected within the current period, or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 A.M. on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy is made July 1 and covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent, if unpaid, on August 31.

e. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term debts and compensated absences have not been included in the governmental fund activity." The details of this \$(9,099,539) long-term debt difference are as follows:

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

Long -term debt:	
Pension obligation bonds	\$ (6,540,000)
Facility lease	(1,908,027)
Bond discount	22,010
Accrued claims and judgments	<u>(673,522)</u>
 Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of governmental activities	 <u><u>\$ (9,099,539)</u></u>

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

The governmental fund statement of revenues, expenditures and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$(105,598) difference are as follows:

Capital outlay	\$ 1,574,461
Depreciation expense	(1,488,700)
Net book value of asset disposals	<u>(191,359)</u>
 Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	 <u><u>\$ (105,598)</u></u>

Another element of that reconciliation states that "the issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds." Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The detail of this \$287,236 difference is as follows:

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 1: Summary of Significant Accounting Policies (Continued)

Lease Repayments:	
Facility lease	\$ 46,630
Principal repayments:	
Pension obligation bonds	230,000
Bond discount amortization	(1,570)
Costs of issuance amortization	(9,026)
Changes in claims and judgments liabilities	<u>21,202</u>
Net adjustment to decrease net changes in fund balance of governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 287,236</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The annual budget is adopted by the City Council and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
2. The City Council approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" covers substantially all City expenditures. Actual expenditures may not exceed budgeted appropriations at the fund level. The City Manager is authorized to transfer budgeted amounts between the accounts of any department. Budgets are controlled at the function level.
3. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the Governmental Fund Types during the year. However, at year-end all appropriations lapse. Accordingly, encumbrances are canceled and generally reappropriated as part of the following year's budget. Encumbrances are not included in reported expenditures.
4. The following fund contained a deficit fund balance:

<u>Fund</u>	<u>Amount</u>
Special Revenue Fund:	
County Park Bond	\$ (38,406)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 2: Stewardship, Compliance and Accountability (Continued)

5. Excesses of expenditures over appropriations were as follows:

Fund	<u>Expenditures</u>	<u>Appropriations</u>	<u>Excess</u>
Proposition A Transit:			
Capital outlay	\$ 564	\$ -	\$ (564)
Southern California Air Quality:			
General government	1,735	-	(1,735)
COPS Grant			
Public Safety	112,060	111,510	(550)
Capital outlay	5,193	5,000	(193)

6. Budgets for the general, special revenue and capital project funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant reconciling items. A formal budget has not been adopted for the Granada Avenue Assessment District #1, Asset Seizure, CLEEP Grant and Local Law Enforcement Block Grant Special Revenue Funds, therefore a budgetary comparison is not presented for these funds. The debt service fund is monitored through the use of the bond indenture, therefore no formal budget has been adopted for this fund.

7. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2010, based on calculations by City management, proceeds of taxes did not exceed appropriations.

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2010, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	<u>\$ 21,473,675</u>
Total Cash and Investments	<u><u>\$ 21,473,675</u></u>

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under provisions of bond indentures. Interest income earned on pooled cash and investments is allocated monthly to the various funds based on monthly cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

Deposits

At June 30, 2010, the carrying amount of the City's deposits was \$381,834 and the bank balance was \$339,124. The \$42,710 difference represents outstanding checks and other reconciling items.

Note 3: Cash and Investments (Continued)

The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities with a value of 110% of a city's deposits. California law also allows financial institutions to secure city deposits by pledging first trust deed mortgage notes having a value of 150% of a city's total deposits. The City Treasurer may waive the collateral requirement for deposits that are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an Agent of Depository has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held for, and in the name of, the local governmental agency.

Investments

Under provision of the City's investment policy and in accordance with the California Government Code, the following investments are authorized:

- United States Treasury Bills, Bonds and Notes
- Obligations issued by the Government National Mortgage (GNMA), the Federal Farm Credit System (FFCB), the Federal Home Loan Bank Board (FHLB), the Federal National Mortgage Association (FNMA), the Student Loan Marketing Association (SLMA), and the Federal Home Loan Mortgage Corporation (FHLMC).
- State of California Local Agency Investment Fund (LAIF)
- Money Market Accounts

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.

The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 3: Cash and Investments (Continued)

GASB Statement No. 31

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

Custodial Credit Risk

The custodial credit risk for deposits is the risk that in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

As of June 30, 2010, none of the City's deposits or investments were exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy does not impose restrictions on the percentage that the City can invest in certain types of investments. As of June 30, 2010, in accordance with GASB Statement No. 40, Deposits and Investment Risk Disclosures – an amendment of GASB Statement No. 3, the City has not invested more than 5% of its total investments in any one issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment policy states that all investments shall mature in five years or less. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2010, the City had the following investments and remaining maturities:

	Maturities (in Years)	Fair Value
	Less Than 1	
California Local Agency Investment Fund	\$ 21,091,800	\$ 21,091,800
Money market mutual funds - held by fiscal agent	41	41
	<u>\$ 21,091,841</u>	<u>\$ 21,091,841</u>

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 4: Capital Assets (Continued)

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

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 144,097,193	\$ -	\$ -	\$ -	\$ 144,097,193
Construction-in-progress	718,108	396,603	-	(718,108)	396,603
Total Capital Assets, Not Being Depreciated	<u>144,815,301</u>	<u>396,603</u>	<u>-</u>	<u>(718,108)</u>	<u>144,493,796</u>
Capital assets, being depreciated:					
Structures and improvements	16,551,915	10,542	-	-	16,562,457
Furniture and equipment	4,019,284	327,283	147,722	-	4,198,845
Infrastructure	61,859,051	840,033	1,001,305	718,108	62,415,887
Total Capital Assets, Being Depreciated	<u>82,430,250</u>	<u>1,177,858</u>	<u>1,149,027</u>	<u>718,108</u>	<u>83,177,189</u>
Less accumulated depreciation:					
Structures and improvements	904,328	325,724	-	-	1,230,052
Furniture and equipment	2,217,493	363,928	138,136	-	2,443,285
Infrastructure	42,779,676	799,048	819,532	-	42,759,192
Total Accumulated Depreciation	<u>45,901,497</u>	<u>1,488,700</u>	<u>957,668</u>	<u>-</u>	<u>46,432,529</u>
Total Capital Assets, Being Depreciated, Net	<u>36,528,753</u>	<u>(310,842)</u>	<u>191,359</u>	<u>718,108</u>	<u>36,744,660</u>
Governmental Activities Capital Assets, Net	<u>\$ 181,344,054</u>	<u>\$ 85,761</u>	<u>\$ 191,359</u>	<u>\$ -</u>	<u>\$ 181,238,456</u>

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

General government	\$ 52,176
Public safety	232,273
Library	327,373
Recreation	7,816
Park and Public works	<u>869,062</u>
Total Governmental Activities:	<u>\$ 1,488,700</u>

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 5: Interfund Receivable, Payable and Transfers

The composition of interfund balances as of June 30, 2010, was as follows:

a. Due To/From Other Funds

	<u>Due to Other Funds</u>
<u>Due From Other Funds:</u>	<u>Nonmajor Funds</u>
General Fund	<u>\$ 54,998</u>
 Total	 <u><u>\$ 54,998</u></u>

The due to General Fund of \$54,998 from various nonmajor funds was a result of temporary deficit cash balances in those funds.

b. Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In Nonmajor Funds</u>	<u>Total</u>
General Fund	\$ 1,161,271	\$ 1,161,271
Nonmajor Funds	<u>723</u>	<u>723</u>
 Total	 <u><u>\$ 1,161,994</u></u>	 <u><u>\$ 1,161,994</u></u>

Transfers into the General Fund are to reimburse costs incurred by the General Fund on behalf of nonmajor funds. The majority of transfers out of the General Fund are to transfer donations received by the General Fund to the Capital Projects Fund and to the Debt Service Fund for the library construction and debt service.

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 6: Long Term Debt

The following is a summary of changes in long-term debt of the City for the year ended June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010	Due Within One Year
Pension Obligation Bonds	\$ 6,770,000	\$ -	\$ 230,000	\$ 6,540,000	\$ 265,000
Facility Lease	1,954,657	-	46,630	1,908,027	47,955
Compensated absences	567,944	991,291	940,945	618,290	618,290
Accrued claims and judgments	694,724	828,215	849,417	673,522	244,601
Total Long Term Debt	\$ 9,987,325	\$ 1,819,506	\$ 2,066,992	9,739,839	\$ 1,175,846
			Unamortized bond discount	(22,010)	
				\$ 9,717,829	

a. Taxable Pension Obligation Bonds, 2007 Series A-1

On April 1, 2007, the City issued \$7,095,000 in Taxable Pension Obligation Bonds, 2007 Series A-1, for the purpose of funding its unfunded accrued actuarial liability of the California Public Employee's Retirement System. The bonds mature annually each June 1, commencing June 1, 2008 through June 1, 2024, in amounts ranging from \$130,000 to \$545,000. The bonds bear interest at 5.210% and are subject to optional redemption prior to their maturity at the option of the City, in whole or in part on any date, at a redemption price equal to the greater of: (1) 100% of the principal amount of the Redeemable Term Bonds to be redeemed; or (2) the sum of the present values of the remaining scheduled payments of principal and interest on the Redeemable Term Bonds to be redeemed discounted to the date of redemption on a semiannual basis. As of June 30, 2010, the outstanding balance was \$6,540,000.

The annual requirements to amortize the 2007 Taxable Pension Obligation Bonds outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest
2010-2011	\$ 265,000	\$ 349,317
2011-2012	300,000	335,829
2012-2013	340,000	320,439
2013-2014	385,000	302,895
2014-2015	420,000	282,913
2015-2020	2,930,000	1,021,480
2020-2025	1,900,000	272,362
Totals	\$ 6,540,000	\$ 2,885,235

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 6: Long Term Debt (Continued)**b. Facility Lease**

On January 1, 2008, the City of San Marino entered into a facility lease in the amount of \$2,000,000 with the California Infrastructure and Economic Bank (CIEDB) to finance a portion of the construction, acquisition and installation of the San Marino Public Library. The lease arrangement makes provision to CIEDB to lease the facility to the City under a lease agreement as consideration for CIEDB to finance the construction of the project. As of June 30, 2010, the outstanding balance was \$1,908,027.

The annual requirements to amortize the Facility Lease outstanding at June 30, 2010, were as follows:

Year Ending June 30,	Principal	Interest
2010-2011	\$ 47,955	\$ 53,507
2011-2012	49,317	52,126
2012-2013	50,717	50,706
2013-2014	52,158	49,245
2014-2015	53,639	47,742
2015-2020	291,929	214,639
2020-2025	335,804	170,139
2025-2030	386,276	118,953
2030-3035	444,333	60,071
2035-2040	195,899	5,602
Totals	<u>\$ 1,908,027</u>	<u>\$ 822,730</u>

c. Compensated Absences and Accrued Claims and Judgments

Compensated absences and accrued claims and judgments are normally liquidated by the General Fund. There is no fixed payment schedule.

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan)**a. PERS – Public Employees Retirement System****Plan Description**

The City of San Marino 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, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS' annual financial report may be obtained from their executive office located at 400 P Street, Sacramento, California 95814.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

Funding Policy

Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate; the current rate is 16.213% for non-safety employees, 20.335% for police employees, 19.748% for fire tier I employees and 17.633% of fire tier II employees, of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost and Net Pension Obligation

The City of San Marino annual pension cost and change in net pension obligation for fiscal year ending June 30, 2010, were as follows:

Annual required contribution	\$ 1,574,850
Interest on net pension obligation	(510,265)
Adjustment to annual required contribution	<u>690,395</u>
Annual pension cost	1,754,980
Contributions made	<u>1,574,850</u>
Increase (decrease) in net pension obligation	180,130
Net pension obligation beginning of year	<u>(6,584,061)</u>
Net (prepaid) pension obligation end of year	<u><u>\$ (6,403,931)</u></u>

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2008	\$ 1,148,677	86.5%	\$ (6,769,258)
6/30/2009	1,693,524	89.1%	(6,584,061)
6/30/2010	1,754,980	89.7%	(6,403,931)

The required contribution was determined as part of the June 30, 2007 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service and (c) 3% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of PERS assets was determined using techniques that smooth the effect of short-term volatility in the market value of investments over a three-year period (smoothed market value). PERS unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis.

Initial unfunded liabilities are amortized over a closed period that depends on the plan's date of entry into CalPERS. Subsequent plan amendments are amortized as a level percent of pay over a closed 20-year period. Gains and losses that occur in the

Note 7: City Employees Retirement Plan (Defined Benefit Pension Plan) (Continued)

operation of the plan are amortized over a rolling period, which results in an amortization of 10% of unamortized gains and losses each year. If the plan's accrued liability exceeds the actuarial value of plan assets, the amortization payment on the total unfunded liability may not be lower than the payment calculated over a 30-year amortization period.

The City of San Marino participated in risk pooling. Risk pooling consists of combining assets and liabilities across employers to produce large groups where the impact of a catastrophic demographic event is shared among all employees of the same risk pool. Participation in risk pools is mandatory for all rate plans with less than 100 active members. Mandated participation in risk pools was initially based on the active membership of each rate plan as of June 30, 2003. The implementation of risk pools was done in a way that minimizes the impact on employer contribution rates.

The first year in risk pools, the employer contribution rates are almost identical to what the rates would have been outside the pools. Future rates will be based on the experience of each pool. Pooling will reduce the volatility of future employer rates. Mandated participation will occur on an annual basis. If on any valuation date starting with the June 30, 2003, valuation, a rate plan has less than 100 active members, it will be mandated in one of the risk pools effective on that valuation date.

b. PARS - Public Agency Retirement System

The City of San Marino contributed to the California Public Agency Retirement System (PARS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State of California.

PARS is a defined contribution retirement plan in which the City and the participant each contribute 3.75% of the participant's before tax compensation. All City employees who are not participating in PERS are required to participate in PARS. Employees are 100% vested in employee and City contributions upon enrollment.

For fiscal year 2009-2010, the City and employee's contributions to PARS were \$42,589 (7.5% of covered payroll). Total covered payroll was \$567,861. Total payroll for the City was \$9,959,196

Note 8: Postemployment Benefits

Plan Description

The City has established the City of San Marino Retiree Health Insurance Program, a single-employer defined benefit retiree health insurance plan. The plan, which is administered by the City, provides medical insurance benefits to eligible retirees. The plan provides lifetime benefits ranging from \$175 to \$275 per month towards the health insurance premiums of all employees who retire from employment with the City and who elect to buy insurance through CALPERS. All employees are vested after five years of employment and must reach the age of 50 and qualify for CALPERS retirement in order to receive these benefits. The plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreement between the City and the bargaining units. The plan does not issue a separate report. All transactions are included within the financial statements of the City of San Marino.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2010

Note 8: Postemployment Benefits (Continued)

Funding Policy

The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2009-2010, the City contributed \$131,878 to the plan in the form of current premiums. Plan members receiving benefits contribute the difference between the City contribution of \$100 per month and the plan members' chosen CALPERS medical plan. The funding policy is determined by the City Council.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 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:

	Fiscal Year Ended <u>June 30, 2010</u>
Annual required contribution	\$ 155,609
Interest on OPEB obligation (a)	1,828
Adjustment to annual required contribution	<u>(2,379)</u>
Annual OPEB cost	155,058
Less: contributions made	(131,878)
Increase in net OPEB obligation	23,180
Net OPEB obligation - beginning of year	<u>36,567</u>
Net OPEB obligation -end of year	<u><u>\$ 59,747</u></u>

(a) Rate is estimated at 5%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009-10 and the two preceding years were as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost</u>	<u>Annual OPEB Cost Contributed</u>	<u>Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2008	n/a	n/a	n/a	n/a
6/30/2009	\$ 174,569	\$ 138,002	79.1%	\$ 36,567
6/30/2010	155,609	131,878	84.7%	59,747

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2010

Note 8: Postemployment Benefits (Continued)

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trends. 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 below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. This is the first year of the plan. The actuarial valuation is prepared biennially. The table below presents the latest information available.

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UAAL as a Percent of Covered Payroll	Interest Rate	Salary Scale
Actual	6/30/2008	100%	\$ 2,051,764	\$ 2,051,764	0%	\$ 9,786,063	21%	5%	3%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. 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 value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2009 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, an annual healthcare cost trend rate of 8% initially, reduced by decrements to an ultimate rate of 5% after three years, and a payroll increase rate of 3%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was twenty-eight years. The number of active plan participants is 124.

Note 9: Risk Management

a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of San Marino is a member of the California Joint Powers Insurance Authority (the 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

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

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

c. Purchased Insurance

Environmental Insurance: The City of San Marino participates in the pollution legal liability and remediation legal liability insurance which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by City of San Marino. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50,000,000 for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10,000,000 sub-limit during the 3-year term of the policy.

Property Insurance: The City of San Marino participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of San Marino property is currently insured according to a schedule of covered property submitted by City of San Marino to the Authority. City of San Marino property currently has all-risk property insurance protection in the amount of \$27,433,404. 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.

Note 9: Risk Management (Continued)

d. Self-Insurance

Workers' Compensation: The City of San Marino also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for fiscal year 2009-2010. 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.

e. 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 in the prior year.

The CJPIA has published its own financial report for the year ended June 30, 2010, which can be obtained from California Joint Powers Insurance Authority, La Palma, California.

Note 10: Commitments and Contingent Liabilities

Numerous claims and suits have been filed against the City in the normal course of business. Based upon information received from the City Attorney and the self-insurance administrator, the estimated liability under such claims would be adequately covered by self-insurance designations and insurance coverage.

Note 11: Transactions with the State of California

a. Proposition 1A Borrowing by the State of California

Under the provisions of Proposition 1A and as part of the 2009-10 budget package passed by the California state legislature on July 28, 2009, the State of California borrowed 8% of the amount of property tax revenue, including those property taxes associated with the in-lieu motor vehicle license fee, the triple flip in lieu sales tax, and supplemental property tax, apportioned to cities, counties and special districts (excluding redevelopment agencies). The state is required to repay this borrowing plus interest by June 30, 2013. After repayment of this initial borrowing, the California legislature may consider only one additional borrowing within a ten-year period. The amount of this borrowing pertaining to the City of San Marino was \$854,232.

Note 11: Transactions with the State of California (Continued)

Authorized with the 2009-10 State budget package, the Proposition 1A Securitization Program was instituted by the California Statewide Communities Development Authority ("California Communities"), a joint powers authority sponsored by the California State Association of Counties and the League of California Cities, to enable local governments to sell their Proposition 1A receivables to California Communities. Under the Securitization Program, California Communities simultaneously purchased the Proposition 1A receivables and issued bonds ("Prop 1A Bonds") to provide local agencies with cash proceeds in two equal installments, on January 15, 2010 and May 3, 2010. The purchase price paid to the local agencies equaled 100% of the amount of the property tax reduction. All transaction costs of issuance and interest were paid by the State of California. Participating local agencies have no obligation on the bonds and no credit exposure to the State. The City participated in the securitization program and accordingly property taxes have been recorded in the same manner as if the State had not exercised its rights under Proposition 1A. The receivable sale proceeds were equal to the book value and, as a result, no gain or loss was recorded.

b. Delay of State Gas Tax Payments

In March 2010, the State Legislature passed legislation delaying a variety of State payments to local agencies in response to anticipated State cash flow problems in fiscal year 2010-2011. AB5 8x contains provisions to delay a portion (approximately 60%) of the payments of State Gas Tax monies for the first nine months of 2010-2011 (July 2010 through March 2011) to be paid no later than April 28, 2011.

CITY OF SAN MARINO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Special Revenue Funds</u>			
	<u>State Gas Tax</u>	<u>Community Development</u>	<u>County Park Bond</u>	<u>Prop. A Transit</u>
Assets:				
Cash and investments	\$ 584,154	\$ -	\$ -	\$ 473,496
Receivables:				
Taxes	22,350	-	-	-
Accrued interest	790	-	-	640
Due from other governments	-	-	38,406	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 607,294</u>	<u>\$ -</u>	<u>\$ 38,406</u>	<u>\$ 474,136</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 23,919	\$ -	\$ 39	\$ 36,155
Deferred revenues	-	-	38,394	-
Due to other funds	-	-	38,379	-
Total Liabilities	<u>23,919</u>	<u>-</u>	<u>76,812</u>	<u>36,155</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	135,292	-	-	7,500
Undesignated	448,083	-	(38,406)	430,481
Total Fund Balances	<u>583,375</u>	<u>-</u>	<u>(38,406)</u>	<u>437,981</u>
Total Liabilities and Fund Balances	<u>\$ 607,294</u>	<u>\$ -</u>	<u>\$ 38,406</u>	<u>\$ 474,136</u>

CITY OF SAN MARINO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Granada Avenue Assessment District #1	Southern California Air Quality	TDA Article 3	Prop. C Transit
Assets:				
Cash and investments	\$ -	\$ 14,828	\$ -	\$ 302,547
Receivables:				
Taxes	-	-	17,615	-
Accrued interest	-	20	-	409
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ -	\$ 14,848	\$ 17,615	\$ 302,956
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,286	\$ 60,983
Deferred revenues	-	-	-	-
Due to other funds	-	-	16,329	-
Total Liabilities	-	-	17,615	60,983
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	219,557
Undesignated	-	14,848	-	22,416
Total Fund Balances	-	14,848	-	241,973
Total Liabilities and Fund Balances	\$ -	\$ 14,848	\$ 17,615	\$ 302,956

CITY OF SAN MARINO

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2010

	Special Revenue Funds			
	Asset Seizure	Granada Avenue Assessment District #2	CLEEP Grant	California Recycling Grant
Assets:				
Cash and investments	\$ 1,869	\$ 12,591	\$ 875	\$ 7,031
Receivables:				
Taxes	-	71	-	-
Accrued interest	-	-	-	10
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,869	\$ 12,662	\$ 875	\$ 7,041
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	-
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	-
Undesignated	1,869	12,662	875	7,041
Total Fund Balances	1,869	12,662	875	7,041
Total Liabilities and Fund Balances	\$ 1,869	\$ 12,662	\$ 875	\$ 7,041

CITY OF SAN MARINO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Traffic Congestion Relief Act	COPS Grant	Homeland Security	Local Law Enforcement Block Grant
Assets:				
Cash and investments	\$ 72,355	\$ 127,979	\$ -	\$ 35
Receivables:				
Taxes	-	-	-	-
Accrued interest	143	173	4	-
Due from other governments	33,595	7,548	56,730	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	<u>\$ 106,093</u>	<u>\$ 135,700</u>	<u>\$ 56,734</u>	<u>\$ 35</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 1,707	\$ 56,431	\$ -
Deferred revenues	-	-	-	-
Due to other funds	-	-	290	-
Total Liabilities	<u>-</u>	<u>1,707</u>	<u>56,721</u>	<u>-</u>
Fund Balances:				
Reserved:				
Reserved for encumbrances	72,917	-	-	-
Undesignated	33,176	133,993	13	35
Total Fund Balances	<u>106,093</u>	<u>133,993</u>	<u>13</u>	<u>35</u>
Total Liabilities and Fund Balances	<u>\$ 106,093</u>	<u>\$ 135,700</u>	<u>\$ 56,734</u>	<u>\$ 35</u>

CITY OF SAN MARINO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds			Capital Projects Fund
	STPL	Prop 1B Street Funds	Measure R	Capital Projects Fund
Assets:				
Cash and investments	\$ 116,194	\$ 393,984	\$ 85,656	\$ 80,404
Receivables:				
Taxes	-	-	-	-
Accrued interest	157	533	116	-
Due from other governments	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 116,351	\$ 394,517	\$ 85,772	\$ 80,404
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 80,404
Deferred revenues	-	-	-	-
Due to other funds	-	-	-	-
Total Liabilities	-	-	-	80,404
Fund Balances:				
Reserved:				
Reserved for encumbrances	-	-	-	768,512
Undesignated	116,351	394,517	85,772	(768,512)
Total Fund Balances	116,351	394,517	85,772	-
Total Liabilities and Fund Balances	\$ 116,351	\$ 394,517	\$ 85,772	\$ 80,404

CITY OF SAN MARINO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	<u>Debt Service Fund</u>	
	<u>City Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:		
Cash and investments	\$ -	\$ 2,273,998
Receivables:		
Taxes	-	40,036
Accrued interest	-	2,995
Due from other governments	-	136,279
Restricted assets:		
Cash and investments with fiscal agents	35	35
Total Assets	<u>\$ 35</u>	<u>\$ 2,453,343</u>
 Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ -	\$ 260,924
Deferred revenues	-	38,394
Due to other funds	-	54,998
Total Liabilities	<u>-</u>	<u>354,316</u>
 Fund Balances:		
Reserved:		
Reserved for encumbrances	-	1,203,778
Undesignated	35	895,249
Total Fund Balances	<u>35</u>	<u>2,099,027</u>
 Total Liabilities and Fund Balances	<u>\$ 35</u>	<u>\$ 2,453,343</u>

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds			
	State Gas Tax	Community Development	County Park Bond	Prop. A Transit
Revenues:				
Taxes	\$ 225,282	\$ -	\$ -	\$ -
Intergovernmental	-	59,697	3,734	171,184
Use of money and property	3,583	-	-	3,031
Total Revenues	228,865	59,697	3,734	174,215
Expenditures:				
Current:				
General government	-	9,896	-	75,243
Public safety	-	-	-	-
Community development	-	49,850	-	3,000
Recreation	-	-	42,140	87,603
Parks & public works	-	-	-	-
Capital outlay	179,636	-	-	564
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	179,636	59,746	42,140	166,410
Excess (Deficiency) of Revenues Over (Under) Expenditures	49,229	(49)	(38,406)	7,805
Other Financing Sources (Uses):				
Transfers in	-	49	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	49	-	-
Net Change in Fund Balances	49,229	-	(38,406)	7,805
Fund Balances, Beginning of Year	534,146	-	-	430,176
Fund Balances, End of Year	\$ 583,375	\$ -	\$ (38,406)	\$ 437,981

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Granada Avenue Assessment District #1	Southern California Air Quality	TDA Article 3	Prop. C Transit
Revenues:				
Taxes	\$ 723	\$ -	\$ 17,615	\$ -
Intergovernmental	-	15,298	-	142,004
Use of money and property	-	89	-	2,235
Total Revenues	723	15,387	17,615	144,239
Expenditures:				
Current:				
General government	-	1,735	-	-
Public safety	-	-	-	-
Community development	-	-	-	1,368
Recreation	-	-	-	-
Parks & public works	-	-	-	-
Capital outlay	-	-	17,615	181,183
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	1,735	17,615	182,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	723	13,652	-	(38,312)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(723)	-	-	-
Total Other Financing Sources (Uses)	(723)	-	-	-
Net Change in Fund Balances	-	13,652	-	(38,312)
Fund Balances, Beginning of Year	-	1,196	-	280,285
Fund Balances, End of Year	\$ -	\$ 14,848	\$ -	\$ 241,973

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	Special Revenue Funds			
	Asset Seizure	Granada Avenue Assessment District #2	CLEEP Grant	California Recycling Grant
Revenues:				
Taxes	\$ -	\$ 1,685	\$ -	\$ -
Intergovernmental	299	-	-	-
Use of money and property	-	-	-	50
Total Revenues	299	1,685	-	50
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Recreation	-	-	-	-
Parks & public works	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	299	1,685	-	50
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	299	1,685	-	50
Fund Balances, Beginning of Year	1,570	10,977	875	6,991
Fund Balances, End of Year	\$ 1,869	\$ 12,662	\$ 875	\$ 7,041

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010

(Continued)

	Special Revenue Funds			
	Traffic Congestion Relief Act	COPS Grant	Homeland Security	Local Law Enforcement Block Grant
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	121,170	124,275	56,730	-
Use of money and property	450	794	14	-
Total Revenues	121,620	125,069	56,744	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	112,060	56,731	-
Community development	-	-	-	-
Recreation	-	-	-	-
Parks & public works	-	-	-	-
Capital outlay	103,026	5,193	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	103,026	117,253	56,731	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,594	7,816	13	-
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	18,594	7,816	13	-
Fund Balances, Beginning of Year	87,499	126,177	-	35
Fund Balances, End of Year	\$ 106,093	\$ 133,993	\$ 13	\$ 35

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	<u>Special Revenue Fund</u>			<u>Capital Projects Funds</u>
	<u>STPL</u>	<u>Prop 1B Street Funds</u>	<u>Measure R</u>	<u>Capital Projects Fund</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	85,441	274,945
Use of money and property	591	2,642	331	-
Total Revenues	591	2,642	85,772	274,945
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Recreation	-	-	-	-
Parks & public works	-	17,829	-	-
Capital outlay	-	14,555	-	710,816
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	-	32,384	-	710,816
Excess (Deficiency) of Revenues Over (Under) Expenditures	591	(29,742)	85,772	(435,871)
Other Financing Sources (Uses):				
Transfers in	-	-	-	484,998
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	484,998
Net Change in Fund Balances	591	(29,742)	85,772	49,127
Fund Balances, Beginning of Year	115,760	424,259	-	(49,127)
Fund Balances, End of Year	\$ 116,351	\$ 394,517	\$ 85,772	\$ -

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2010**

	<u>Debt Service Fund</u>	<u>Total Nonmajor Governmental Funds</u>
	<u>City Debt Service Fund</u>	
Revenues:		
Taxes	\$ -	\$ 245,305
Intergovernmental	-	1,054,777
Use of money and property	38	13,848
Total Revenues	<u>38</u>	<u>1,313,930</u>
Expenditures:		
Current:		
General government	-	86,874
Public safety	-	168,791
Community development	-	54,218
Recreation	-	129,743
Parks & public works	-	17,829
Capital outlay	-	1,212,588
Debt service:		
Principal retirement	276,630	276,630
Interest and fiscal charges	416,844	416,844
Total Expenditures	<u>693,474</u>	<u>2,363,517</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(693,436)</u>	<u>(1,049,587)</u>
Other Financing Sources (Uses):		
Transfers in	676,947	1,161,994
Transfers out	-	(723)
Total Other Financing Sources (Uses)	<u>676,947</u>	<u>1,161,271</u>
Net Change in Fund Balances	<u>(16,489)</u>	<u>111,684</u>
Fund Balances, Beginning of Year	<u>16,524</u>	<u>1,987,343</u>
Fund Balances, End of Year	<u>\$ 35</u>	<u>\$ 2,099,027</u>

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 STATE GAS TAX
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 534,146	\$ 534,146	\$ 534,146	\$ -
Resources (Inflows):				
Taxes	205,700	205,700	225,282	19,582
Use of money and property	5,970	5,970	3,583	(2,387)
Amounts Available for Appropriation	745,816	745,816	763,011	17,195
Charges to Appropriation (Outflow):				
Capital outlay	383,900	744,247	179,636	564,611
Total Charges to Appropriations	383,900	744,247	179,636	564,611
Budgetary Fund Balance, June 30	\$ 361,916	\$ 1,569	\$ 583,375	\$ 581,806

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 COMMUNITY DEVELOPMENT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	161,976	161,976	59,697	(102,279)
Transfers from other funds	-	-	49	49
Amounts Available for Appropriation	161,976	161,976	59,746	(102,230)
Charges to Appropriation (Outflow):				
General government	10,265	10,265	9,896	369
Community development	26,711	66,711	49,850	16,861
Capital outlay	125,000	85,000	-	85,000
Total Charges to Appropriations	161,976	161,976	59,746	102,230
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 COUNTY PARK BOND
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	43,739	43,739	3,734	(40,005)
Amounts Available for Appropriation	43,739	43,739	3,734	(40,005)
Charges to Appropriation (Outflow):				
Recreation	43,739	43,739	42,140	1,599
Total Charges to Appropriations	43,739	43,739	42,140	1,599
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ (38,406)	\$ (38,406)

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION A TRANSIT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 430,176	\$ 430,176	\$ 430,176	\$ -
Resources (Inflows):				
Intergovernmental	194,500	194,500	171,184	(23,316)
Use of money and property	6,600	6,600	3,031	(3,569)
Amounts Available for Appropriation	631,276	631,276	604,391	(26,885)
Charges to Appropriation (Outflow):				
General government	116,300	116,300	75,243	41,057
Community development	7,500	15,000	3,000	12,000
Recreation	87,000	95,000	87,603	7,397
Capital outlay	-	-	564	(564)
Total Charges to Appropriations	210,800	226,300	166,410	59,890
Budgetary Fund Balance, June 30	\$ 420,476	\$ 404,976	\$ 437,981	\$ 33,005

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 SOUTHERN CALIFORNIA AIR QUALITY
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,196	\$ 1,196	\$ 1,196	\$ -
Resources (Inflows):				
Intergovernmental	15,000	15,000	15,298	298
Use of money and property	1,005	1,005	89	(916)
Amounts Available for Appropriation	17,201	17,201	16,583	(618)
Charges to Appropriation (Outflow):				
General government	-	-	1,735	(1,735)
Total Charges to Appropriations	-	-	1,735	(1,735)
Budgetary Fund Balance, June 30	\$ 17,201	\$ 17,201	\$ 14,848	\$ (2,353)

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 TDA ARTICLE 3
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Taxes	30,669	30,669	17,615	(13,054)
Amounts Available for Appropriation	30,669	30,669	17,615	(13,054)
Charges to Appropriation (Outflow):				
Capital outlay	-	20,711	17,615	3,096
Total Charges to Appropriations	-	20,711	17,615	3,096
Budgetary Fund Balance, June 30	\$ 30,669	\$ 9,958	\$ -	\$ (9,958)

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION C TRANSIT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 280,285	\$ 280,285	\$ 280,285	\$ -
Resources (Inflows):				
Intergovernmental	192,700	192,700	142,004	(50,696)
Use of money and property	15,000	15,000	2,235	(12,765)
Amounts Available for Appropriation	487,985	487,985	424,524	(63,461)
Charges to Appropriation (Outflow):				
Community development	-	17,200	1,368	15,832
Capital outlay	280,540	479,371	181,183	298,188
Total Charges to Appropriations	280,540	496,571	182,551	314,020
Budgetary Fund Balance, June 30	\$ 207,445	\$ (8,586)	\$ 241,973	\$ 250,559

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 GRANADA AVENUE ASSESSMENT DISTRICT #2
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 10,977	\$ 10,977	\$ 10,977	\$ -
Resources (Inflows):				
Taxes	2,200	2,200	1,685	(515)
Amounts Available for Appropriation	13,177	13,177	12,662	(515)
Budgetary Fund Balance, June 30	\$ 13,177	\$ 13,177	\$ 12,662	\$ (515)

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 CALIFORNIA RECYCLING GRANT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,991	\$ 6,991	\$ 6,991	\$ -
Resources (Inflows):				
Intergovernmental	5,000	5,000	-	(5,000)
Use of money and property	101	101	50	(51)
Amounts Available for Appropriation	12,092	12,092	7,041	(5,051)
Charges to Appropriation (Outflow):				
Community development	5,000	5,000	-	5,000
Total Charges to Appropriations	5,000	5,000	-	5,000
Budgetary Fund Balance, June 30	\$ 7,092	\$ 7,092	\$ 7,041	\$ (51)

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 TRAFFIC CONGESTION RELIEF ACT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 87,499	\$ 87,499	\$ 87,499	\$ -
Resources (Inflows):				
Intergovernmental	127,268	127,268	121,170	(6,098)
Use of money and property	500	500	450	(50)
Amounts Available for Appropriation	215,267	215,267	209,119	(6,148)
Charges to Appropriation (Outflow):				
Capital outlay	72,917	215,268	103,026	112,242
Total Charges to Appropriations	72,917	215,268	103,026	112,242
Budgetary Fund Balance, June 30	\$ 142,350	\$ (1)	\$ 106,093	\$ 106,094

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 COPS GRANT
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 126,177	\$ 126,177	\$ 126,177	\$ -
Resources (Inflows):				
Intergovernmental	100,000	100,000	124,275	24,275
Use of money and property	2,205	2,205	794	(1,411)
Amounts Available for Appropriation	228,382	228,382	251,246	22,864
Charges to Appropriation (Outflow):				
Public safety	101,000	111,510	112,060	(550)
Capital outlay	5,000	5,000	5,193	(193)
Total Charges to Appropriations	106,000	116,510	117,253	(743)
Budgetary Fund Balance, June 30	\$ 122,382	\$ 111,872	\$ 133,993	\$ 22,121

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 HOMELAND SECURITY
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	86,000	92,750	56,730	(36,020)
Use of money and property	-	-	14	14
Amounts Available for Appropriation	86,000	92,750	56,744	(36,006)
Charges to Appropriation (Outflow):				
Public safety	86,000	92,750	56,731	36,019
Total Charges to Appropriations	86,000	92,750	56,731	36,019
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ 13	\$ 13

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 STPL
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 115,760	\$ 115,760	\$ 115,760	\$ -
Resources (Inflows):				
Use of money and property	-	-	591	591
Amounts Available for Appropriation	115,760	115,760	116,351	591
Charges to Appropriation (Outflow):				
Capital outlay	-	115,760	-	115,760
Total Charges to Appropriations	-	115,760	-	115,760
Budgetary Fund Balance, June 30	\$ 115,760	\$ -	\$ 116,351	\$ 116,351

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 PROPOSITION 1B STREET FUNDS
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 424,259	\$ 424,259	\$ 424,259	\$ -
Resources (Inflows):				
Use of money and property	6,000	6,000	2,642	(3,358)
Amounts Available for Appropriation	430,259	430,259	426,901	(3,358)
Charges to Appropriation (Outflow):				
Parks & public works	-	19,341	17,829	1,512
Capital outlay	-	395,975	14,555	381,420
Total Charges to Appropriations	-	415,316	32,384	382,932
Budgetary Fund Balance, June 30	\$ 430,259	\$ 14,943	\$ 394,517	\$ 379,574

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 MEASURE R
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	69,294	69,294	85,441	16,147
Use of money and property	-	-	331	331
Amounts Available for Appropriation	69,294	69,294	85,772	16,478
Charges to Appropriation (Outflow):				
Capital outlay	67,088	67,088	-	67,088
Total Charges to Appropriations	67,088	67,088	-	67,088
Budgetary Fund Balance, June 30	\$ 2,206	\$ 2,206	\$ 85,772	\$ 83,566

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE
 CAPITAL PROJECTS
 YEAR ENDED JUNE 30, 2010

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (49,127)	\$ (49,127)	\$ (49,127)	\$ -
Resources (Inflows):				
Intergovernmental	-	312,622	274,945	(37,677)
Transfers from other funds	-	-	484,998	484,998
Amounts Available for Appropriation	(49,127)	263,495	710,816	447,321
Charges to Appropriation (Outflow):				
Capital outlay	1,275,000	1,745,108	710,816	1,034,292
Total Charges to Appropriations	1,275,000	1,745,108	710,816	1,034,292
Budgetary Fund Balance, June 30	\$ (1,324,127)	\$ (1,481,613)	\$ -	\$ 1,481,613

CITY OF SAN MARINO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUND
 YEAR ENDED JUNE 30, 2010

	<u>Balance July 1, 2009</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2010</u>
<u>Agency Fund</u>				
Assets:				
Cash and investments	\$ -	\$ 485,528	\$ 485,528	\$ -
Receivables:				
Accounts	89,548	465,653	379,560	175,641
Total Assets	<u>\$ 89,548</u>	<u>\$ 951,181</u>	<u>\$ 865,088</u>	<u>\$ 175,641</u>
Liabilities:				
Accounts payable	\$ 78,773	\$ 581,873	\$ 485,526	\$ 175,120
Deposits payable	10,775	108,905	119,159	521
Total Liabilities	<u>\$ 89,548</u>	<u>\$ 690,778</u>	<u>\$ 604,685</u>	<u>\$ 175,641</u>
<u>Totals - All Agency Funds</u>				
Assets:				
Pooled cash and investments	\$ -	\$ 485,528	\$ 485,528	\$ -
Receivables:				
Accounts	89,548	465,653	379,560	175,641
Total Assets	<u>\$ 89,548</u>	<u>\$ 951,181</u>	<u>\$ 865,088</u>	<u>\$ 175,641</u>
Liabilities:				
Accounts payable	\$ 78,773	\$ 581,873	\$ 485,526	\$ 175,120
Deposits payable	10,775	108,905	119,159	521
Total Liabilities	<u>\$ 89,548</u>	<u>\$ 690,778</u>	<u>\$ 604,685</u>	<u>\$ 175,641</u>