

**CITY OF SAN MARINO, CALIFORNIA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED**  
**JUNE 30, 2012**

CITY OF SAN MARINO, CALIFORNIA  
FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2012

CITY OF SAN MARINO  
 FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

|   | <u>Page<br/>Number</u> |
|---|------------------------|
| INDEPENDENT AUDITORS' REPORT .....  | 1                      |
| MANAGEMENT'S DISCUSSION AND ANALYSIS .....  | 3                      |
| BASIC FINANCIAL STATEMENTS  |                        |
| Government-Wide Financial Statements:   |                        |
| Statement of Net Assets .....   | 11                     |
| Statement of Activities .....   | 12                     |
| Fund Financial Statements:  |                        |
| Balance Sheet - Governmental Funds.....   | 12                     |
| Reconciliation of the Balance Sheet of Governmental Funds<br>to the Statement of Net Assets .....   | 14                     |
| Statement of Revenues, Expenditures and Changes in Fund<br>Balances - Governmental Funds .....  | 15                     |
| Reconciliation of the Statement of Revenues, Expenditures and<br>Changes in Fund Balances of Governmental Funds to the<br>Statement of Activities ..... | 16                     |
| Budgetary Comparison Statement - General Fund .....   | 17                     |
| Budgetary Comparison Statement - Homeland Security Fund .....   | 18                     |
| Statement of Fiduciary Net Assets - Fiduciary Funds .....   | 19                     |
| Notes to Financial Statements.....  | 21                     |
| COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES  |                        |
| Combining Balance Sheet - Nonmajor Governmental Funds .....   | 42                     |
| Combining Statement of Revenues, Expenditures and Changes<br>in Fund Balances - Nonmajor Governmental Funds .....                                       | 50                     |

CITY OF SAN MARINO  
 FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2012

TABLE OF CONTENTS

|  | <u>Page<br/>Number</u> |
|--|------------------------|
| COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES (Continued) |                        |
| Budgetary Comparison Schedules - Special Revenue Funds:            |                        |
| State Gas Tax .....  | 57                     |
| Community Development.....   | 58                     |
| County Park Bond .....   | 59                     |
| Prop. A Transit .....  | 60                     |
| Southern California Air Quality.....                               | 61                     |
| Prop. C Transit.....   | 62                     |
| Asset Seizure .....  | 63                     |
| Granada Avenue Assessment District #2 .....                        | 64                     |
| Assistance to Firefighters Grant.....                              | 65                     |
| California Recycling Grant .....                                   | 66                     |
| COPS Grant.....  | 67                     |
| Safe Routes to School .....  | 68                     |
| Prop 1B Street Funds .....   | 69                     |
| Measure R .....  | 70                     |
| LSTA Staff Education Grant .....                                   | 71                     |
| Energy Efficient Block Grant.....                                  | 72                     |
| PEG Fund .....   | 73                     |
| Budgetary Comparison Schedule - Capital Projects Fund .....        | 74                     |
| Statement of Changes in Assets and Liabilities - Agency Fund.....  | 75                     |



CERTIFIED PUBLIC ACCOUNTANTS

- Brandon W. Burrows, CPA
- David E. Hale, CPA, CFP  
A Professional Corporation
- Donald G. Slater, CPA
- Richard K. Kikuchi, CPA
- Susan F. Matz, CPA
- Shelly K. Jackley, CPA
- Bryan S. Gruber, CPA
- Deborah A. Harper, CPA

## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of 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, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City of San Marino, California's management. Our responsibility is to express an opinion 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 the 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 opinion.

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 City of San Marino, California, as of June 30, 2012, and the respective changes in financial position, thereof and the respective budgetary comparison for the General Fund and Homeland Security 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 December 21, 2012, on our consideration of the City of San Marino, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other



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

knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of San Marino, California's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Lance, Solt & Lughard, LLP*

Brea, California  
December 21, 2012

## **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, 2012. 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 by \$54,645 as a result of operations.
- During the year, the City had revenues that were \$379,118 more than the \$22.4 million expenses recorded by the City in its governmental activities.
- The revenues available for expenditure were \$453,096 more than budgeted for in the General Fund
- The City over-spent its expenditure budget by \$1.96 million in its General Fund. This is due to a \$2.5 million in transfers made from the general fund to the debt service fund to cover negative balances that were not budgeted.

### **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 \$54,645 from \$200.031 million to \$200.086 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, 2012

|   | Governmental<br>Activities |                       |
|---|----------------------------|-----------------------|
|   | 2012                       | 2011                  |
| Current and Other Assets                    | \$ 23,545,158              | \$ 27,318,976         |
| Capital Assets                              | 186,301,100                | 186,560,229           |
| <b>TOTAL ASSETS</b>                         | <b>209,846,258</b>         | <b>213,879,205</b>    |
| Current Liabilities                         | 1,331,077                  | 1,601,909             |
| Long-term Liabilities                       | 8,429,470                  | 12,246,230            |
| <b>TOTAL LIABILITIES</b>                    | <b>9,760,547</b>           | <b>13,848,139</b>     |
| Net Assets:                                 |                            |                       |
| Invested in Capital, net of<br>Related Debt | 185,489,309                | 181,888,366           |
| Restricted                                  | 1,882,837                  | 2,086,093             |
| Unrestricted                                | 12,713,565                 | 16,056,607            |
| <b>TOTAL NET ASSETS</b>                     | <b>\$ 200,085,711</b>      | <b>\$ 200,031,066</b> |

Compared to the prior year, net assets of the City's governmental activities increased by \$54,645. 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, 2012

|                                       | Governmental<br>Activities |                |
|---------------------------------------|----------------------------|----------------|
|                                       | 2012                       | 2011           |
| REVENUES:                             |                            |                |
| Program Revenues                      |                            |                |
| Charges for Services & Special Taxes  | \$ 6,380,148               | \$ 6,536,560   |
| Operating Grants & Contributions      | 1,280,425                  | 1,918,290      |
| Capital Grants & Contributions        | 305,027                    | 783,956        |
| General Revenues                      |                            |                |
| Property Taxes                        | 10,441,067                 | 10,097,061     |
| Utility Users Taxes                   | 1,637,745                  | 1,655,557      |
| Business License Taxes                | 475,482                    | 453,185        |
| Sales Taxes                           | 384,884                    | 348,168        |
| Franchise Taxes                       | 524,774                    | 506,458        |
| Intergovernmental-Unrestricted        | 1,121,288                  | 1,124,352      |
| Use of Money & Property               | 129,375                    | 177,631        |
| Other Revenues                        | 112,415                    | 55,103         |
| <br>TOTAL REVENUES                    | <br>22,792,630             | <br>23,656,321 |
| EXPENSES:                             |                            |                |
| General Government                    | 3,919,973                  | 3,914,672      |
| Public Safety                         | 9,434,808                  | 9,415,719      |
| Community Development                 | 953,297                    | 904,732        |
| Recreation                            | 2,144,097                  | 2,276,429      |
| Parks & Public Works                  | 3,991,153                  | 4,216,406      |
| Library                               | 1,606,825                  | 1,703,893      |
| Interest on Long Term Debt            | 363,359                    | 458,243        |
| <br>TOTAL EXPENSES                    | <br>22,413,512             | <br>22,890,094 |
| <br>INCREASE/(DECREASE) IN NET ASSETS | <br>\$ 379,118             | <br>\$ 766,227 |

**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 \$5.5 million is the additional burden in excess of that tax.

**Table 3  
Governmental Activities**

|                            | <u>Total Cost<br/>of Services</u> | <u>Net Cost<br/>of Services</u> |
|----------------------------|-----------------------------------|---------------------------------|
| General Government         | \$ 3,919,973                      | \$ 3,393,116                    |
| Public Safety              | 9,434,808                         | 5,485,816                       |
| Community Development      | 953,297                           | (12,349)                        |
| Recreation                 | 2,144,097                         | 582,855                         |
| Parks & Public Works       | 3,991,153                         | 3,248,296                       |
| Library                    | 1,606,825                         | 1,386,819                       |
| Interest on Long Term Debt | 363,359                           | 363,359                         |
| Total                      | \$ 22,413,512                     | \$ 14,447,912                   |

**THE CITY'S FUNDS**

On page 13, the governmental funds balance sheet is shown. The combined fund balance of \$16.1 million decreased from \$19.5 million, or 17.5 percent. This is mostly due to a \$2 million capital lease payment for the Stoneman School.

**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 \$21.4 million were \$453,096 more than the final budgeted revenues of \$20.9 million. The most of this was because of the receipt of more property tax than expected. Also, building activity was higher than expected.

The general fund actual ending expenditures of \$24.5 million were almost \$2 million more than the final budget of \$22.5 million. This was due to \$2.5 million in transfers made from the general fund to the debt service fund to cover negative balances that were not budgeted. The City also prepaid its PERS side fund for miscellaneous employees in the amount of \$617,000 to save interest on expense. There was no budget appropriation for this, although the prepayment was approved by the City Council.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

At the end of 2012, the City had \$186 million invested in a broad range of capital assets. (See Table 4). This amount represents a net decrease (including additions and deductions) of \$259,129. This is mainly due to the restatement for the Stoneman School depreciation.

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

|                           | <b>Governmental<br/>Activities</b> |                |
|---------------------------|------------------------------------|----------------|
|                           | <b>2012</b>                        | <b>2011</b>    |
| Land                      | \$ 148,584,512                     | \$ 148,584,512 |
| Construction in Progress  | 148,575                            | 360,494        |
| Structures & Improvements | 14,829,255                         | 15,331,494     |
| Furniture & Equipment     | 1,698,680                          | 1,722,383      |
| Infrastructure            | 21,040,078                         | 20,561,346     |
| Total                     | \$ 186,301,100                     | \$ 186,560,229 |

As presented in the Adopted Operating budget for Fiscal Year 2011-12 the capital outlay totaled \$2.3 million for all categories of the capital improvement projects reported by the various City departments. The previous fiscal year's Capital Budget was also \$2.2 million.

## **ECONOMIC FACTORS AND NEXT YEAR'S (FY 2012-13) BUDGET**

In preparing the budget for 2012-13, management looked at the following economic factors:

- A slight decrease in interest rates
- Moderate economic growth

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

- Property Tax revenues are expected to increase by 2%.
- 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 2012-13 is \$19.71 million. The prior year's original operating budget was \$19.53 million. This \$18,000 increase includes planned increases for labor agreements, and a decrease of 1.68 full time equivalent (FTE) staff positions. The prior two years included a total of 14.33 FTEs, mostly in the Recreation Department.

Questions or requests for information regarding the City of San Marino's 2012-13 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.

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF SAN MARINO

STATEMENT OF NET ASSETS  
 JUNE 30, 2012

|  | <u>Primary<br/>Governmental<br/>Activities</u> |
|--|--|
| <b>Assets:</b>                                     |  |
| Cash and investments                               | \$ 15,837,076                                  |
| Receivables:                                       |  |
| Accounts   | 29,930   |
| Taxes  | 1,102,329                                      |
| Notes and loans                                    | 49,731   |
| Accrued interest                                   | 13,540   |
| Due from other governments                         | 353,983  |
| Inventories  | 56,555   |
| Deferred charges                                   | 101,262  |
| Restricted assets:                                 |  |
| Cash with fiscal agent                             | 43   |
| Prepaid pension obligation                         | 6,000,709                                      |
| Capital assets not being depreciated               | 148,733,087                                    |
| Capital assets, net of depreciation                | <u>37,568,013</u>                              |
| <b>Total Assets</b>                                | <b><u>209,846,258</u></b>                      |
| <b>Liabilities:</b>                                |  |
| Accounts payable                                   | 594,287  |
| Accrued liabilities                                | 695,147  |
| Accrued interest                                   | 39,284   |
| Deposits payable                                   | 2,359  |
| Noncurrent liabilities:                            |  |
| Due within one year                                | 1,990,767                                      |
| Due in more than one year                          | <u>6,438,703</u>                               |
| <b>Total Liabilities</b>                           | <b><u>9,760,547</u></b>                        |
| <b>Net Assets:</b>                                 |  |
| Invested in capital assets,<br>net of related debt | 185,489,309                                    |
| Restricted for:                                    |  |
| Community development projects                     | 61,142   |
| Public safety                                      | 230,491  |
| Parks and recreation                               | 458,142  |
| Public works                                       | 1,133,019                                      |
| Debt service                                       | 43   |
| Unrestricted                                       | <u>12,713,565</u>                              |
| <b>Total Net Assets</b>                            | <b><u>\$ 200,085,711</u></b>                   |

CITY OF SAN MARINO

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2012

|  | Program Revenues     |                         |  | Net<br>(Expenses)<br>Revenues and<br>Changes in Net<br>Assets |
|--|----------------------|-------------------------|--|---|
|  | Expenses             | Charges for<br>Services | Operating<br>Contributions<br>and Grants |   |
| <b>Functions/Programs</b>                  |                      |                         |  |   |
| <b>Primary Government:</b>                 |                      |                         |  |   |
| Governmental Activities:                   |                      |                         |  |   |
| General government                         | \$ 3,919,973         | \$ 295,242              | \$ 231,615                               | \$ -  |
| Public safety                              | 9,434,808            | 3,484,487               | 464,505                                  | -   |
| Community development                      | 953,297              | 944,857                 | 20,789                                   | -   |
| Recreation                                 | 2,144,097            | 1,519,866               | 41,376                                   | -   |
| Parks & public works                       | 3,991,153            | 74,785                  | 363,045                                  | 305,027   |
| Library                                    | 1,606,825            | 60,911                  | 159,095                                  | -   |
| Interest on long-term debt                 | 363,359              | -                       | -  | -   |
| <b>Total Governmental Activities</b>       | <b>22,413,512</b>    | <b>6,380,148</b>        | <b>1,280,425</b>                         | <b>305,027</b>  |
| <b>Total Primary Government</b>            | <b>\$ 22,413,512</b> | <b>\$ 6,380,148</b>     | <b>\$ 1,280,425</b>                      | <b>\$ 305,027</b>   |
| <b>General Revenues:</b>                   |                      |                         |  |   |
| Taxes:                                     |                      |                         |  |   |
| Property taxes, levied for general purpose |                      |                         |  | 10,441,067  |
| Sales taxes                                |                      |                         |  | 384,884   |
| Franchise taxes                            |                      |                         |  | 524,774   |
| Business licenses taxes                    |                      |                         |  | 475,482   |
| Utility users tax                          |                      |                         |  | 1,637,745   |
| Motor vehicle in lieu - unrestricted       |                      |                         |  | 1,121,288   |
| Use of money and property                  |                      |                         |  | 129,375   |
| Other                                      |                      |                         |  | 112,415   |
| <b>Total General Revenues</b>              |                      |                         |  | <b>14,827,030</b>   |
| Change in Net Assets                       |                      |                         |  | 379,118   |
| Net Assets at Beginning of Year            |                      |                         |  | 200,031,066   |
| Restatement of Net Assets                  |                      |                         |  | (324,473)   |
| <b>Net Assets at End of Year</b>           |                      |                         |  | <b>\$ 200,085,711</b>   |



CITY OF SAN MARINO

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2012**

|  | General              | Special Revenue Funds | Capital Projects Funds | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|------------------------|--------------------------|--------------------------|
|  |                      | Homeland Security     | Capital Projects Fund  |                          |                          |
| <b>Assets:</b>                             |                      |                       |                        |                          |                          |
| Pooled cash and investments                | \$ 13,967,177        | \$ -                  | \$ -                   | \$ 1,869,899             | \$ 15,837,076            |
| Receivables:                               |                      |                       |                        |                          |                          |
| Accounts                                   | 29,930               | -                     | -                      | -                        | 29,930                   |
| Taxes                                      | 1,055,494            | -                     | -                      | 46,835                   | 1,102,329                |
| Notes and loans                            | 49,731               | -                     | -                      | -                        | 49,731                   |
| Accrued interest                           | 11,919               | -                     | -                      | 1,621                    | 13,540                   |
| Due from other governments                 | -                    | 276,880               | -                      | 77,103                   | 353,983                  |
| Due from other funds                       | 353,848              | -                     | -                      | -                        | 353,848                  |
| Inventories                                | 56,555               | -                     | -                      | -                        | 56,555                   |
| Restricted assets:                         |                      |                       |                        |                          |                          |
| Cash and investments with fiscal agents    | -                    | -                     | -                      | 43                       | 43                       |
| <b>Total Assets</b>                        | <b>\$ 15,524,654</b> | <b>\$ 276,880</b>     | <b>\$ -</b>            | <b>\$ 1,995,501</b>      | <b>\$ 17,797,035</b>     |
| <b>Liabilities and Fund Balances:</b>      |                      |                       |                        |                          |                          |
| <b>Liabilities:</b>                        |                      |                       |                        |                          |                          |
| Accounts payable                           | \$ 545,159           | \$ -                  | \$ 13,750              | \$ 35,378                | \$ 594,287               |
| Accrued liabilities                        | 692,307              | -                     | -                      | 2,840                    | 695,147                  |
| Deferred revenues                          | 25,938               | -                     | -                      | -                        | 25,938                   |
| Deposits payable                           | 2,359                | -                     | -                      | -                        | 2,359                    |
| Due to other funds                         | -                    | 276,729               | -                      | 77,119                   | 353,848                  |
| <b>Total Liabilities</b>                   | <b>1,265,763</b>     | <b>276,729</b>        | <b>13,750</b>          | <b>115,337</b>           | <b>1,671,579</b>         |
| <b>Fund Balances:</b>                      |                      |                       |                        |                          |                          |
| <b>Nonspendable:</b>                       |                      |                       |                        |                          |                          |
| Inventory                                  | 56,555               | -                     | -                      | -                        | 56,555                   |
| Notes and loans                            | 49,731               | -                     | -                      | -                        | 49,731                   |
| <b>Restricted for:</b>                     |                      |                       |                        |                          |                          |
| Community development projects             | -                    | -                     | -                      | 61,142                   | 61,142                   |
| Public safety                              | -                    | 151                   | -                      | 230,340                  | 230,491                  |
| Parks and recreation                       | -                    | -                     | -                      | 458,142                  | 458,142                  |
| Public works                               | -                    | -                     | -                      | 1,133,019                | 1,133,019                |
| Debt service                               | -                    | -                     | -                      | 43                       | 43                       |
| <b>Unassigned</b>                          | <b>14,152,605</b>    | <b>-</b>              | <b>(13,750)</b>        | <b>(2,522)</b>           | <b>14,136,333</b>        |
| <b>Total Fund Balances</b>                 | <b>14,258,891</b>    | <b>151</b>            | <b>(13,750)</b>        | <b>1,880,164</b>         | <b>16,125,456</b>        |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 15,524,654</b> | <b>\$ 276,880</b>     | <b>\$ -</b>            | <b>\$ 1,995,501</b>      | <b>\$ 17,797,035</b>     |

**CITY OF SAN MARINO**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET ASSETS  
JUNE 30, 2012**

---

|   |                    |                                     |
|---|--------------------|-------------------------------------|
| Fund balances of governmental funds   |                    | \$ 16,125,456                       |
| 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  |                    | 186,301,100                         |
| 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 |                    | 6,000,709                           |
| Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets  |                    | 101,262                             |
| Long-term debt and compensated absences that have not been included in the governmental fund activity:  |                    |                                     |
| Long-term liabilities:  |                    |                                     |
| Pension obligation bonds  | \$ (5,975,000)     |                                     |
| Stoneman School lease   | (811,791)          |                                     |
| Bond discount   | 18,866             |                                     |
| OPEB obligation   | (115,325)          |                                     |
| Accrued claims and judgments  | <u>(1,000,898)</u> | (7,884,148)                         |
| Compensated Absences  |                    | (545,322)                           |
| Accrued interest payable for the current portion of interest due on Bonds has not been reported in the governmental funds   |                    | (39,284)                            |
| 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>25,938</u>                       |
| <b>Net assets of governmental activities</b>  |                    | <b><u><u>\$ 200,085,711</u></u></b> |

CITY OF SAN MARINO

STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

|  | General              | Special Revenue Funds | Capital Projects Funds | Other Governmental Funds | Total Governmental Funds |
|--|----------------------|-----------------------|------------------------|--------------------------|--------------------------|
|  |                      | Homeland Security     | Capital Projects Fund  |                          |                          |
| <b>Revenues:</b>   |                      |                       |                        |                          |                          |
| Taxes  | \$ 17,344,694        | \$ -                  | \$ -                   | \$ 202,034               | \$ 17,546,728            |
| Licenses and permits   | 592,936              | -                     | -                      | -                        | 592,936                  |
| Intergovernmental  | 41,300               | 253,925               | -                      | 943,942                  | 1,239,167                |
| Charges for services   | 2,660,803            | -                     | -                      | 27,430                   | 2,688,233                |
| Use of money and property                                    | 125,184              | -                     | 2                      | 4,189                    | 129,375                  |
| Fines and forfeitures  | 270,294              | -                     | -                      | -                        | 270,294                  |
| Contributions  | 143,870              | -                     | -                      | -                        | 143,870                  |
| Miscellaneous  | 172,219              | -                     | -                      | -                        | 172,219                  |
| <b>Total Revenues</b>  | <b>21,351,300</b>    | <b>253,925</b>        | <b>2</b>               | <b>1,177,595</b>         | <b>22,782,822</b>        |
| <b>Expenditures:</b>   |                      |                       |                        |                          |                          |
| Current:   |                      |                       |                        |                          |                          |
| General government   | 3,392,593            | -                     | -                      | 127,638                  | 3,520,231                |
| Public safety  | 8,630,362            | 253,774               | -                      | 119,993                  | 9,004,129                |
| Community development  | 929,749              | -                     | -                      | 19,882                   | 949,631                  |
| Recreation   | 2,005,437            | -                     | -                      | 132,240                  | 2,137,677                |
| Parks & public works   | 3,067,060            | -                     | -                      | 52,543                   | 3,119,603                |
| Library  | 1,311,325            | -                     | -                      | -                        | 1,311,325                |
| Capital outlay   | 158,332              | -                     | 490,324                | 966,410                  | 1,615,066                |
| Debt service:  |                      |                       |                        |                          |                          |
| Principal retirement   | -                    | -                     | 2,000,000              | 2,160,072                | 4,160,072                |
| Interest and fiscal charges                                  | -                    | -                     | -                      | 389,039                  | 389,039                  |
| <b>Total Expenditures</b>                                    | <b>19,494,858</b>    | <b>253,774</b>        | <b>2,490,324</b>       | <b>3,967,817</b>         | <b>26,206,773</b>        |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,856,442            | 151                   | (2,490,322)            | (2,790,222)              | (3,423,951)              |
| <b>Other Financing Sources (Uses):</b>                       |                      |                       |                        |                          |                          |
| Transfers in   | 4,434                | -                     | 2,413,196              | 2,588,997                | 5,006,627                |
| Transfers out  | (5,001,923)          | -                     | -                      | (4,704)                  | (5,006,627)              |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>(4,997,489)</b>   | <b>-</b>              | <b>2,413,196</b>       | <b>2,584,293</b>         | <b>-</b>                 |
| Net Change in Fund Balances                                  | (3,141,047)          | 151                   | (77,126)               | (205,929)                | (3,423,951)              |
| Fund Balances, Beginning of Year                             | 17,399,938           | -                     | 63,376                 | 2,086,093                | 19,549,407               |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 14,258,891</b> | <b>\$ 151</b>         | <b>\$ (13,750)</b>     | <b>\$ 1,880,164</b>      | <b>\$ 16,125,456</b>     |

**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, 2012**

---

Net change in fund balances - total governmental funds \$ (3,423,951)

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

|                                   |              |        |
|-----------------------------------|--------------|--------|
| Capital outlay                    | \$ 1,575,258 |        |
| Depreciation expense              | (1,500,298)  |        |
| Net book value of asset disposals | (9,616)      | 65,344 |

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. (209,132)

The change in other post-employment benefits is reported on the government-wide financial statements but not on the fund level-financial statements. (22,288)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and debt issuance costs are expenditures in governmental funds, but these costs are capitalized on the statement of net assets

|   |           |           |
|---|-----------|-----------|
| Lease repayments:                           |           |           |
| Facility lease                              | 1,860,072 |           |
| Principal repayments:                       |           |           |
| Pension obligation bonds                    | 300,000   |           |
| Stoneman School lease                       | 2,000,000 |           |
| Bond discount amortization                  | (1,572)   |           |
| Cost of issuance amortization               | (23,094)  |           |
| Changes in claims and judgments liabilities | (273,004) | 3,862,402 |

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 50,346

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds 46,589

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. 9,808

**Change in net assets of governmental activities \$ 379,118**

CITY OF SAN MARINO

**BUDGETARY COMPARISON STATEMENT BY DEPARTMENT  
GENERAL FUND  
YEAR ENDED JUNE 30, 2012**

|  | <u>Budget Amounts</u> |                      | <u>Actual<br/>Amounts</u> | <u>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</u> |
|--|-----------------------|----------------------|---------------------------|---|
|  | <u>Original</u>       | <u>Final</u>         |                           |   |
| Budgetary Fund Balance                     | \$ 17,399,938         | \$ 17,399,938        | \$ 17,399,938             | \$ -  |
| <b>Resources (Inflows):</b>                |                       |                      |                           |   |
| Taxes                                      | 16,807,724            | 16,807,724           | 17,344,694                | 536,970   |
| Licenses and permits                       | 452,800               | 452,800              | 592,936                   | 140,136   |
| Intergovernmental                          | 127,100               | 127,100              | 41,300                    | (85,800)  |
| Charges for services                       | 2,746,165             | 2,746,165            | 2,660,803                 | (85,362)  |
| Use of money and property                  | 232,100               | 232,100              | 125,184                   | (106,916)   |
| Fines and forfeitures                      | 331,500               | 331,500              | 270,294                   | (61,206)  |
| Contributions                              | 168,141               | 168,141              | 143,870                   | (24,271)  |
| Miscellaneous                              | 23,108                | 37,108               | 172,219                   | 135,111   |
| Transfers in                               | -                     | -                    | 4,434                     | 4,434   |
| <b>Amounts Available for Appropriation</b> | <b>38,288,576</b>     | <b>38,302,576</b>    | <b>38,755,672</b>         | <b>453,096</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                       |                      |                           |   |
| General government                         |                       |                      |                           |   |
| City council                               | 8,800                 | 8,800                | 7,395                     | 1,405   |
| Administration                             | 1,569,699             | 1,584,163            | 1,458,886                 | 125,277   |
| SMTV Channel 19                            | 25,400                | 25,400               | 19,712                    | 5,688   |
| General operations                         | 1,274,563             | 1,462,444            | 1,844,613                 | (382,169)   |
| El Molino Viejo                            | 54,824                | 54,824               | 61,987                    | (7,163)   |
| Public safety                              |                       |                      |                           |   |
| Emergency services                         | 46,750                | 46,750               | 31,646                    | 15,104  |
| Police                                     | 5,202,851             | 5,202,851            | 4,827,337                 | 375,514   |
| Fire                                       | 4,211,012             | 4,214,512            | 3,771,379                 | 443,133   |
| Community development                      |                       |                      |                           |   |
| Planning & building                        | 888,411               | 888,411              | 929,749                   | (41,338)  |
| Library                                    |                       |                      |                           |   |
| Administration                             | 583,218               | 585,718              | 563,635                   | 22,083  |
| Adult services                             | 336,233               | 336,233              | 337,379                   | (1,146)   |
| Children services                          | 146,443               | 146,443              | 159,053                   | (12,610)  |
| Processing                                 | 95,715                | 95,715               | 93,230                    | 2,485   |
| Circulation                                | 160,657               | 160,657              | 158,028                   | 2,629   |
| Recreation                                 |                       |                      |                           |   |
| Recreation administration                  | 535,341               | 535,341              | 535,438                   | (97)  |
| Aquatics                                   | 195,335               | 198,160              | 198,626                   | (466)   |
| Contract classes                           | 436,481               | 436,481              | 370,035                   | 66,446  |
| Special events                             | 65,714                | 65,714               | 67,337                    | (1,623)   |
| Senior activities                          | 18,259                | 18,259               | 24,479                    | (6,220)   |
| Day care                                   | 67,729                | 67,729               | 73,335                    | (5,606)   |
| Day camp                                   | 89,189                | 89,189               | 72,069                    | 17,120  |
| Preschool                                  | 533,595               | 533,595              | 525,067                   | 8,528   |
| Kindercare                                 | 63,977                | 63,977               | 74,936                    | (10,959)  |
| San Marino Center                          | 86,864                | 86,864               | 64,115                    | 22,749  |
| Parks & Public works                       |                       |                      |                           |   |
| Public works administration                | 245,556               | 221,115              | 148,506                   | 72,609  |
| Garage                                     | 199,537               | 199,537              | 194,203                   | 5,334   |
| Sewers                                     | 357,345               | 386,872              | 302,676                   | 84,196  |
| Streets                                    | 978,219               | 963,708              | 880,522                   | 83,186  |
| Lacy Park                                  | 492,600               | 627,946              | 672,847                   | (44,901)  |
| Public grounds                             | 696,026               | 936,971              | 868,306                   | 68,665  |
| Capital outlay                             | 124,613               | 190,747              | 158,332                   | 32,415  |
| Transfers out                              | 2,100,000             | 2,100,000            | 5,001,923                 | (2,901,923)   |
| <b>Total Charges to Appropriations</b>     | <b>21,890,956</b>     | <b>22,535,126</b>    | <b>24,496,781</b>         | <b>(1,961,655)</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 16,397,620</b>  | <b>\$ 15,767,450</b> | <b>\$ 14,258,891</b>      | <b>\$ (1,508,559)</b>   |

CITY OF SAN MARINO

**BUDGETARY COMPARISON STATEMENT  
HOMELAND SECURITY  
YEAR ENDED JUNE 30, 2012**

|  | <b>Budget Amounts</b> |                    | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-----------------------|--------------------|---------------------------|---|
|  | <b>Original</b>       | <b>Final</b>       |                           |   |
| Budgetary Fund Balance, July 1             | \$ -                  | \$ -               | \$ -                      | \$ -  |
| <b>Resources (Inflows):</b>                |                       |                    |                           |   |
| Intergovernmental                          | 62,547                | 282,547            | 253,925                   | (28,622)  |
| <b>Amounts Available for Appropriation</b> | <b>62,547</b>         | <b>282,547</b>     | <b>253,925</b>            | <b>(28,622)</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                       |                    |                           |   |
| Public safety                              | 321,904               | 321,904            | 253,774                   | 68,130  |
| <b>Total Charges to Appropriations</b>     | <b>321,904</b>        | <b>321,904</b>     | <b>253,774</b>            | <b>68,130</b>   |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (259,357)</b>   | <b>\$ (39,357)</b> | <b>\$ 151</b>             | <b>\$ 39,508</b>  |

CITY OF SAN MARINO

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2012

---

|                             | <u>Agency<br/>Fund</u>   |
|-----------------------------|--------------------------|
| <b>Assets:</b>              |                          |
| Pooled cash and investments | \$ 23,835                |
| Receivables:                |                          |
| Accounts                    | <u>124,064</u>           |
| <b>Total Assets</b>         | <b><u>\$ 147,899</u></b> |
| <br>                        |                          |
| <b>Liabilities:</b>         |                          |
| Accounts payable            | \$ 145,909               |
| Deposits payable            | <u>1,990</u>             |
| <b>Total Liabilities</b>    | <b><u>\$ 147,899</u></b> |

**THIS PAGE INTENTIONALLY LEFT BLANK**



**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 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 funds:

- The General Fund - used to account for all financial resources of the general government, except those required to be accounted for in another fund.
- The Homeland Security Fund – used to account for all financial resources to be used for public safety.
- Capital Projects Fund - used to account for financial resources to be used for the acquisition or construction of major capital facilities.

Additionally, the City reports the following fund types:

- Special Revenue Funds – used to account for financial resources which are restricted for specific purposes.
- 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.

**Note 1: Summary of Significant Accounting Policies (Continued)**

**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, 2012. 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 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 is 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

---

**Note 1: Summary of Significant Accounting Policies (Continued)**

- 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.

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              | 25-10        |

**Note 1: Summary of Significant Accounting Policies (Continued)**

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.

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, government funds report the following fund balance classification:

Nonspendable include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted include amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed include amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is resolution.

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The Finance Director is authorized to assign amounts to a specific purpose, which was established by the governing body in resolution.

Unassigned include the residual amounts that have not been restricted, committed, or assigned to specific purposes.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted and Unrestricted amounts are to be

**Note 1: Summary of Significant Accounting Policies (Continued)**

considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

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.

**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.

**CITY OF SAN MARINO**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 2: Stewardship, Compliance and Accountability (Continued)**

4. The following funds contained a deficit fund balance:

| <u>Fund</u>            | <u>Amount</u> |
|------------------------|---------------|
| Special Revenue Funds: |               |
| Community Development  | \$ (674)      |
| County Park Bond       | (1,830)       |
| Capital Projects Fund  |               |
| Capital Projects Fund  | (13,750)      |

5. Excesses of expenditures over appropriations were as follows:

| <u>Fund</u>  | <u>Expenditures</u> | <u>Appropriations</u> | <u>Excess</u>  |
|--------------|---------------------|-----------------------|----------------|
| General Fund | \$ 24,496,781       | \$ 22,535,126         | \$ (1,961,655) |

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, TDA Article 3, CLEEP Grant, Traffic Congestion Relief Act, Local Law Enforcement Block Grant, and the STPL 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, 2012, 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, 2012, cash and investments were reported in the accompanying financial statements as follows:

|                            |                             |
|----------------------------|-----------------------------|
| Governmental Activities    | \$ 15,837,119               |
| Fiduciary Funds            | <u>23,835</u>               |
| Total Cash and Investments | <u><u>\$ 15,860,954</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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

---

**Note 3: Cash and Investments (Continued)**

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, 2012, the carrying amount of the City's deposits was \$683,722 and the bank balance was \$782,478. The \$98,756 difference represents outstanding checks and other reconciling items.

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.

A provision of the Dodd-Frank Wall Street Reform and Consumer Protection Act provides temporary unlimited deposit insurance coverage for noninterest-bearing transaction account at all FDIC-insured institutions. This provision was effective from December 31, 2010 and will remain effective until December 31, 2012. Noninterest-bearing transaction accounts is defined as an account (1) with respect to which interest is neither accrued nor paid; (2) on which the depositor or account holder is permitted to make withdrawals by negotiable or transferable instrument, payment orders of withdrawal, telephone or other electronic media transfers, or other similar items for the purpose of making payments or transfers to third parties or others; and (3) on which the FDIC-insured depository institutions does not reserve the right to require advance notice of an intended withdrawal. As of June 30, 2012, the City maintains cash deposits that are temporary covered by this provision.

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
- State of California Local Agency Investment Fund (LAIF)
- Money Market Funds
- Certificates of Deposit placed through a private placement service in compliance with California Government Code Sections 53601.8 and 53635.8



**Note 3: Cash and Investments (Continued)**

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.

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, 2012, 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, 2012, 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.

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

---

**Note 3: Cash and Investments (Continued)**

Credit Risk

As of June 30, 2012, the City's investments in external investment pools and money market mutual funds are unrated.

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, 2012, the City had the following investments and remaining maturities:

|   | <u>Maturities<br/>(in Years)</u> | <u>Fair<br/>Value</u> |
|---|----------------------------------|-----------------------|
|   | <u>Less<br/>Than 1</u>           |                       |
| California Local Agency Investment Fund             | \$ 15,177,189                    | \$ 15,177,189         |
| Money market mutual funds - held by<br>fiscal agent | <u>43</u>                        | <u>43</u>             |
|   | <u>\$ 15,177,232</u>             | <u>\$ 15,177,232</u>  |

**CITY OF SAN MARINO**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2012, was as follows:

|   | Beginning<br>Balance | Adjustments (*) | Adjusted<br>Beginning<br>Balance | Increases | Decreases | Transfers | Ending<br>Balance |
|---|----------------------|-----------------|----------------------------------|-----------|-----------|-----------|-------------------|
| Governmental Activities:                        |                      |                 |                                  |           |           |           |                   |
| Capital assets, not being depreciated:          |                      |                 |                                  |           |           |           |                   |
| Land  | \$ 148,584,512       | \$ -            | \$ 148,584,512                   | \$ -      | \$ -      | \$ -      | \$ 148,584,512    |
| Construction-in-progress                        | 360,494              | -               | 360,494                          | 134,807   | -         | (346,726) | 148,575           |
| Total Capital Assets,<br>Not Being Depreciated  | 148,945,006          | -               | 148,945,006                      | 134,807   | -         | (346,726) | 148,733,087       |
| Capital assets, being depreciated:              |                      |                 |                                  |           |           |           |                   |
| Structures and improvements                     | 16,886,930           | -               | 16,886,930                       | -         | -         | 147,066   | 17,033,996        |
| Furniture and equipment                         | 4,499,376            | -               | 4,499,376                        | 370,839   | 505,148   | -         | 4,365,067         |
| Infrastructure                                  | 63,464,480           | -               | 63,464,480                       | 1,069,612 | 1,108,335 | 199,660   | 63,625,417        |
| Total Capital Assets,<br>Being Depreciated      | 84,850,786           | -               | 84,850,786                       | 1,440,451 | 1,613,483 | 346,726   | 85,024,480        |
| Less accumulated depreciation:                  |                      |                 |                                  |           |           |           |                   |
| Structures and improvements                     | 1,555,436            | 324,473         | 1,879,909                        | 324,832   | -         | -         | 2,204,741         |
| Furniture and equipment                         | 2,776,993            | -               | 2,776,993                        | 394,542   | 505,148   | -         | 2,666,387         |
| Infrastructure                                  | 42,903,134           | -               | 42,903,134                       | 780,924   | 1,098,719 | -         | 42,585,339        |
| Total Accumulated<br>Depreciation               | 47,235,563           | 324,473         | 47,560,036                       | 1,500,298 | 1,603,867 | -         | 47,456,467        |
| Total Capital Assets,<br>Being Depreciated, Net | 37,615,223           | (324,473)       | 37,290,750                       | (59,847)  | 9,616     | 346,726   | 37,568,013        |
| Governmental Activities                         |                      |                 |                                  |           |           |           |                   |
| Capital Assets, Net                             | \$ 186,560,229       | \$ (324,473)    | \$ 186,235,756                   | \$ 74,960 | \$ 9,616  | \$ -      | \$ 186,301,100    |

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

|                                |                     |
|--------------------------------|---------------------|
| General government             | \$ 67,903           |
| Public safety                  | 250,898             |
| Community development          | 295,500             |
| Recreation                     | 11,545              |
| Park and Public works          | 867,525             |
| Library                        | 6,927               |
| Total Governmental Activities: | <u>\$ 1,500,298</u> |

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 5: Interfund Receivable, Payable and Transfers**

The composition of interfund balances as of June 30, 2012, was as follows:

**a. Due To/From Other Funds**

| <u>Due From Other Funds:</u> | <u>Due To Other Funds</u> |                       | <u>Total</u>      |
|------------------------------|---------------------------|-----------------------|-------------------|
|                              | <u>Homeland Security</u>  | <u>Nonmajor Funds</u> |                   |
| General Fund                 | \$ 276,729                | \$ 77,119             | \$ 353,848        |
| Total                        | <u>\$ 276,729</u>         | <u>\$ 77,119</u>      | <u>\$ 353,848</u> |

The due to General Fund of \$353,848 from the Homeland Security Fund and various nonmajor funds was a result of temporary deficit cash balances in those funds.

**b. Interfund Transfers**

| <u>Transfers Out</u> | <u>Transfers In</u> |                              |                       | <u>Total</u>        |
|----------------------|---------------------|------------------------------|-----------------------|---------------------|
|                      | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Funds</u> |                     |
| General Fund         | \$ -                | \$ 2,413,196                 | \$ 2,588,727          | \$ 5,001,923        |
| Nonmajor Funds       | 4,434               | -                            | 270                   | 4,704               |
| Total                | <u>\$ 4,434</u>     | <u>\$ 2,413,196</u>          | <u>\$ 2,588,997</u>   | <u>\$ 5,006,627</u> |

Transfers into the General Fund are to reimburse costs incurred by the General Fund on behalf of nonmajor funds. The transfers out of the General Fund are to cover negative fund balances of the capital projects, debt service and non-major funds.

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**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, 2012:

|                              | Balance<br>July 1, 2011 | Additions           | Deletions                 | Balance<br>June 30, 2012 | Due Within<br>One Year |
|------------------------------|-------------------------|---------------------|---------------------------|--------------------------|------------------------|
| Pension Obligation Bonds     | \$ 6,275,000            | \$ -                | \$ 300,000                | \$ 5,975,000             | \$ 340,000             |
| Lease                        |                         |                     |                           |                          |                        |
| Facility Lease               | 1,860,072               | -                   | 1,860,072                 | -                        | -                      |
| Stoneman School Lease        | 2,811,791               | -                   | 2,000,000                 | 811,791                  | 811,791                |
| OPEB obligation              | 93,037                  | 22,288              | -                         | 115,325                  | -                      |
| Compensated absences         | 591,911                 | 994,891             | 1,041,480                 | 545,322                  | 545,322                |
| Accrued claims and judgments | 727,894                 | 486,561             | 213,557                   | 1,000,898                | 293,654                |
| <b>Total Long Term Debt</b>  | <b>\$ 12,359,705</b>    | <b>\$ 1,503,740</b> | <b>\$ 5,415,109</b>       | 8,448,336                | <b>\$ 1,990,767</b>    |
|                              |                         |                     | Unamortized bond discount | (18,866)                 |                        |
|                              |                         |                     |                           | <b>\$ 8,429,470</b>      |                        |

**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, 2012, the outstanding balance was \$5,975,000.

The annual requirements to amortize the 2007 Taxable Pension Obligation Bonds outstanding at June 30, 2012, were as follows:

| Year Ending<br>June 30, | Principal           | Interest            |
|-------------------------|---------------------|---------------------|
| 2013                    | \$ 340,000          | \$ 320,439          |
| 2014                    | 385,000             | 302,895             |
| 2015                    | 420,000             | 282,913             |
| 2016                    | 475,000             | 260,737             |
| 2017                    | 525,000             | 235,562             |
| 2018-2022               | 2,790,000           | 710,621             |
| 2023-2027               | 1,040,000           | 86,921              |
| <b>Totals</b>           | <b>\$ 5,975,000</b> | <b>\$ 2,200,088</b> |

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

---

**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. On January 31, 2012 the City paid the balance of the loan, \$1,860,072, plus accrued interest, \$52,269. The original agreement stated that minimum lease payments would be made through August 1, 2036. There was no outstanding balance at June 30, 2012.

**c. Stoneman School Lease**

On March 9, 2011 the City of San Marino entered into a lease agreement in the amount of \$4,811,791 with the San Marino Unified School District for a place to be used for recreation purposes. Prior to this lease, the City only rented space from Stoneman School. As of June 30, 2012, the outstanding balance was \$811,791.

The annual requirements to amortize the lease outstanding at June 30, 2012 were as follows:

| Year Ending<br>June 30, | Principal         | Interest         |
|-------------------------|-------------------|------------------|
| 2013                    | \$ 811,791        | \$ 47,619        |
| Totals                  | <u>\$ 811,791</u> | <u>\$ 47,619</u> |

**d. OPEB Obligation**

Refer to Note 8 for the details of the City's other post-employment benefits.

**e. 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, 2012**

**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 17.890% for non-safety employees, 25.821% for police employees, 25.821% for fire tier I employees and 23.006% 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, 2012, were as follows:

|   |                              |
|---|------------------------------|
| Annual required contribution                  | \$ 1,963,458                 |
| Interest on net pension obligation            | (481,263)                    |
| Adjustment to annual required contribution    | <u>690,395</u>               |
| Annual pension cost                           | 2,172,590                    |
| Contributions made                            | <u>1,963,458</u>             |
| Increase (decrease) in net pension obligation | 209,132                      |
| Net pension obligation beginning of year      | <u>(6,209,841)</u>           |
| Net (prepaid) pension obligation end of year  | <u><u>\$ (6,000,709)</u></u> |

**Three-Year Trend Information for PERS**

| Fiscal Year | Annual Pension<br>Cost (APC) | Percentage of<br>APC Contributed | Net Pension<br>Obligation |
|-------------|------------------------------|----------------------------------|---------------------------|
| 6/30/2010   | \$ 1,754,980                 | 89.7%                            | \$ (6,403,931)            |
| 6/30/2011   | 1,768,940                    | 89.0%                            | (6,209,841)               |
| 6/30/2012   | 2,172,590                    | 90.4%                            | (6,000,709)               |

The required contribution was determined as part of the June 30, 2009 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 range from 3.55% to 14.45% depending on age, service, and type of employment. 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. The average remaining amortization period at June 30, 2009 was 17 years for Fire 2<sup>nd</sup> Tier and 18 years for Fire 1<sup>st</sup> Tier, Police and Miscellaneous.

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 operation of the plan are amortized over a rolling period, which results in an

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

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 2011-2012, the City and employee's contributions to PARS were \$36,580 (7.5% of covered payroll). Total covered payroll was \$487,733.

**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.



CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
 JUNE 30, 2012

**Note 8: Postemployment Benefits (Continued)**

**Funding Policy**

The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2011-2012, the City contributed \$165,887 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<br>Ended<br>June 30, 2012 |
|--|---------------------------------------|
| Annual required contribution (ARC)             | \$ 181,649                            |
| Interest on OPEB obligation (a)                | 2,786                                 |
| Adjustment to annual required contribution     | <u>3,740</u>                          |
| Annual OPEB cost                               | 188,175                               |
| Less: contributions made                       | 165,887                               |
| Increase in net OPEB obligation                | 22,288                                |
| Net OPEB obligation(asset) - beginning of year | <u>93,037</u>                         |
| Net OPEB obligation(asset) -end of year        | <u><u>\$ 115,325</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 2011-12 and the two preceding years were as follows:

| Three-Year Trend Information for OPEB |                     |                                    |   |                                   |
|---------------------------------------|---------------------|------------------------------------|---|-----------------------------------|
| Fiscal Year                           | Annual<br>OPEB Cost | Annual<br>OPEB<br>Cost Contributed | Percentage of<br>Annual<br>OPEB<br>Cost Contributed | Net OPEB<br>Obligation<br>(Asset) |
| 6/30/2010                             | \$ 174,569          | \$ 131,878                         | 75.5%   | \$ 55,724                         |
| 6/30/2011                             | 174,569             | 159,280                            | 91.2%   | 93,037                            |
| 6/30/2012                             | 181,649             | 165,887                            | 91.3%   | 115,325                           |

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

**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 third year of the plan. The actuarial valuation is prepared triennially. 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            | 7/1/2008                 | 100%                      | \$ 2,051,764                | \$ 2,051,764                         | 0%           | \$ 9,786,063    | 21%                                  | 5%            | 3%           |
| Actual            | 7/1/2011                 | 100%                      | \$ 2,137,188                | \$ 2,137,188                         | 0%           | \$ 8,071,681    | 26%                                  | 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 July 1, 2011 actuarial valuation, the Projected Unit Credit actuarial cost method was used. The actuarial assumptions included a 5% 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, 2012, was twenty-six years. The number of active plan participants is 121.

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

**b. Self-Insurance Programs of the Authority**

Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. On a cumulative basis for all 2011-12 reinsurance contracts the annual aggregate deductible is \$5.5 million. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

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

**CITY OF SAN MARINO**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**JUNE 30, 2012**

---

**Note 9: Risk Management (Continued)**

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$35 million per occurrence. This \$35 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$20 million in excess insurance. The excess insurance layer has a \$20 million annual aggregate.

**c. Self-Insurance – Workers Compensation**

The City is self-insured for workers compensation insurance up to a maximum of \$1,000,000 per incident. The claims which exceed the limit are insured by a commercial excess insurance policy up to a maximum per incident of \$10,000,000 for workers compensation and \$1,000,000 for employer's liability. Settled claims have not exceeded this commercial coverage in any of the past three years.

A reconciliation of changes in aggregate liabilities for claims for the current fiscal year and the prior fiscal year is as follows:

|  | <u>6/30/2011</u>  | <u>6/30/2012</u>    |
|--|-------------------|---------------------|
| Claims payable, beginning of year  | \$ 673,522        | \$ 727,894          |
| Incurred claims, including a provision for events for the current fiscal year and any changes in the provision for events of prior fiscal years and adjustments to estimates | 409,064           | 486,561             |
| Claims paid/dismissed  | <u>354,692</u>    | <u>213,557</u>      |
| Claims payable, end of year  | <u>\$ 727,894</u> | <u>\$ 1,000,898</u> |

**d. Purchased Insurance**

Pollution Legal Liability Insurance

The City of San Marino participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of San Marino. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of 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 the City of San Marino to the Authority. City of San Marino property currently has all-risk property insurance protection in the amount of \$28,349,652. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

CITY OF SAN MARINO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
JUNE 30, 2012

---

**Note 9: Risk Management (Continued)**

Crime Insurance

The City of San Marino purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

**e. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2011-12.

The CJPIA has published its own financial report for the year ended June 30, 2012, which can be obtained from California Joint Powers Insurance Authority, La Palma, California.

**Note 10: Restatements**

Beginning net assets has been restated as follows:

|   |    |         |
|---|----|---------|
| Governmental Activities   |    |         |
| To adjust accumulated depreciation for the Stoneman School building | \$ | 324,473 |

**Note 11: Commitments and Contingencies**

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.

The following material construction commitments existed at June 30, 2012:

| <u>Project Name</u>             | <u>Contract Amount</u> | <u>Expenditures to date as of June 30, 2012</u> | <u>Remaining Commitments</u> |
|---------------------------------|------------------------|---|------------------------------|
| Street Light Conversion Project | \$ 317,045             | \$ -  | \$ 317,045                   |
| Street Rehabilitation Project   | 388,806                | -   | 388,806                      |

**Note 12: Subsequent Event**

**Stoneman School Lease/Property**

In July, 2012 the City exercised its option to purchase the Stoneman School Site by making the final lease payment of \$811,791 and an additional \$1 payment for the purchase.

CITY OF SAN MARINO

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

|  | Special Revenue Funds |                       |                  |                   |
|--|-----------------------|-----------------------|------------------|-------------------|
|  | State Gas Tax         | Community Development | County Park Bond | Prop. A Transit   |
| <b>Assets:</b>                             |                       |                       |                  |                   |
| Cash and investments                       | \$ 601,220            | \$ -                  | \$ -             | \$ 467,171        |
| Receivables:                               |                       |                       |                  |                   |
| Taxes                                      | 39,924                | -                     | -                | -                 |
| Accrued interest                           | 524                   | -                     | -                | 407               |
| Due from other governments                 | -                     | 9,278                 | 40,868           | -                 |
| Restricted assets:                         |                       |                       |                  |                   |
| Cash and investments with fiscal agents    | -                     | -                     | -                | -                 |
| <b>Total Assets</b>                        | <b>\$ 641,668</b>     | <b>\$ 9,278</b>       | <b>\$ 40,868</b> | <b>\$ 467,578</b> |
| <b>Liabilities and Fund Balances:</b>      |                       |                       |                  |                   |
| <b>Liabilities:</b>                        |                       |                       |                  |                   |
| Accounts payable                           | \$ -                  | \$ 2                  | \$ 794           | \$ 9,470          |
| Accrued liabilities                        | -                     | -                     | 1,036            | -                 |
| Due to other funds                         | -                     | 9,950                 | 40,868           | -                 |
| <b>Total Liabilities</b>                   | <b>-</b>              | <b>9,952</b>          | <b>42,698</b>    | <b>9,470</b>      |
| <b>Fund Balances:</b>                      |                       |                       |                  |                   |
| <b>Restricted for:</b>                     |                       |                       |                  |                   |
| Community development projects             | -                     | -                     | -                | -                 |
| Public safety                              | -                     | -                     | -                | -                 |
| Parks and recreation                       | -                     | -                     | 34               | 458,108           |
| Public works                               | 641,668               | -                     | -                | -                 |
| Debt service                               | -                     | -                     | -                | -                 |
| <b>Unassigned</b>                          | <b>-</b>              | <b>(674)</b>          | <b>(1,864)</b>   | <b>-</b>          |
| <b>Total Fund Balances</b>                 | <b>641,668</b>        | <b>(674)</b>          | <b>(1,830)</b>   | <b>458,108</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 641,668</b>     | <b>\$ 9,278</b>       | <b>\$ 40,868</b> | <b>\$ 467,578</b> |

CITY OF SAN MARINO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

|  | Special Revenue Funds           |                                       |               |                    |
|--|---------------------------------|---------------------------------------|---------------|--------------------|
|  | Granada<br>Avenue<br>Assessment | Southern<br>California Air<br>Quality | TDA Article 3 | Prop. C<br>Transit |
| <b>Assets:</b>                             |                                 |                                       |               |                    |
| Cash and investments                       | \$ -                            | \$ 15,967                             | \$ 16         | \$ 374,711         |
| Receivables:                               |                                 |                                       |               |                    |
| Taxes                                      | -                               | -                                     | -             | -                  |
| Accrued interest                           | -                               | 14                                    | -             | 326                |
| Due from other governments                 | -                               | -                                     | -             | -                  |
| Restricted assets:                         |                                 |                                       |               |                    |
| Cash and investments with fiscal agents    | -                               | -                                     | -             | -                  |
| <b>Total Assets</b>                        | <b>\$ -</b>                     | <b>\$ 15,981</b>                      | <b>\$ 16</b>  | <b>\$ 375,037</b>  |
| <b>Liabilities and Fund Balances:</b>      |                                 |                                       |               |                    |
| <b>Liabilities:</b>                        |                                 |                                       |               |                    |
| Accounts payable                           | \$ -                            | \$ -                                  | \$ -          | \$ -               |
| Accrued liabilities                        | -                               | -                                     | -             | -                  |
| Due to other funds                         | -                               | -                                     | -             | -                  |
| <b>Total Liabilities</b>                   | <b>-</b>                        | <b>-</b>                              | <b>-</b>      | <b>-</b>           |
| <b>Fund Balances:</b>                      |                                 |                                       |               |                    |
| <b>Restricted for:</b>                     |                                 |                                       |               |                    |
| Community development projects             | -                               | 15,981                                | -             | -                  |
| Public safety                              | -                               | -                                     | -             | -                  |
| Parks and recreation                       | -                               | -                                     | -             | -                  |
| Public works                               | -                               | -                                     | 16            | 375,037            |
| Debt service                               | -                               | -                                     | -             | -                  |
| <b>Unassigned</b>                          | <b>-</b>                        | <b>-</b>                              | <b>-</b>      | <b>-</b>           |
| <b>Total Fund Balances</b>                 | <b>-</b>                        | <b>15,981</b>                         | <b>16</b>     | <b>375,037</b>     |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ -</b>                     | <b>\$ 15,981</b>                      | <b>\$ 16</b>  | <b>\$ 375,037</b>  |

CITY OF SAN MARINO

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

|  | Special Revenue Funds |                           |                                  |             |
|--|-----------------------|---------------------------|----------------------------------|-------------|
|  | Asset Seizure         | Granada Avenue Assessment | Assistance to Firefighters Grant | CLEEP Grant |
| <b>Assets:</b>                             |                       |                           |                                  |             |
| Cash and investments                       | \$ 63,501             | \$ 14,353                 | \$ 6,164                         | \$ -        |
| Receivables:                               |                       |                           |                                  |             |
| Taxes                                      | -                     | 143                       | -                                | -           |
| Accrued interest                           | 55                    | -                         | 5                                | -           |
| Due from other governments                 | -                     | -                         | -                                | -           |
| Restricted assets:                         |                       |                           |                                  |             |
| Cash and investments with fiscal agents    | -                     | -                         | -                                | -           |
| <b>Total Assets</b>                        | <b>\$ 63,556</b>      | <b>\$ 14,496</b>          | <b>\$ 6,169</b>                  | <b>\$ -</b> |
| <b>Liabilities and Fund Balances:</b>      |                       |                           |                                  |             |
| <b>Liabilities:</b>                        |                       |                           |                                  |             |
| Accounts payable                           | \$ -                  | \$ -                      | \$ -                             | \$ -        |
| Accrued liabilities                        | -                     | -                         | -                                | -           |
| Due to other funds                         | -                     | -                         | -                                | -           |
| <b>Total Liabilities</b>                   | <b>-</b>              | <b>-</b>                  | <b>-</b>                         | <b>-</b>    |
| <b>Fund Balances:</b>                      |                       |                           |                                  |             |
| <b>Restricted for:</b>                     |                       |                           |                                  |             |
| Community development projects             | -                     | -                         | -                                | -           |
| Public safety                              | 63,556                | -                         | 6,169                            | -           |
| Parks and recreation                       | -                     | -                         | -                                | -           |
| Public works                               | -                     | 14,496                    | -                                | -           |
| Debt service                               | -                     | -                         | -                                | -           |
| <b>Unassigned</b>                          | <b>-</b>              | <b>-</b>                  | <b>-</b>                         | <b>-</b>    |
| <b>Total Fund Balances</b>                 | <b>63,556</b>         | <b>14,496</b>             | <b>6,169</b>                     | <b>-</b>    |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 63,556</b>      | <b>\$ 14,496</b>          | <b>\$ 6,169</b>                  | <b>\$ -</b> |



CITY OF SAN MARINO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

|  | Special Revenue Funds            |                                     |                   |                          |
|--|----------------------------------|-------------------------------------|-------------------|--------------------------|
|  | California<br>Recycling<br>Grant | Traffic<br>Congestion<br>Relief Act | COPS Grant        | Safe Routes<br>to School |
| <b>Assets:</b>                             |                                  |                                     |                   |                          |
| Cash and investments                       | \$ 14,267                        | \$ -                                | \$ 160,475        | \$ -                     |
| Receivables:                               |                                  |                                     |                   |                          |
| Taxes                                      | -                                | -                                   | -                 | -                        |
| Accrued interest                           | 12                               | -                                   | 140               | -                        |
| Due from other governments                 | -                                | -                                   | -                 | 26,957                   |
| Restricted assets:                         |                                  |                                     |                   |                          |
| Cash and investments with fiscal agents    | -                                | -                                   | -                 | -                        |
| <b>Total Assets</b>                        | <b>\$ 14,279</b>                 | <b>\$ -</b>                         | <b>\$ 160,615</b> | <b>\$ 26,957</b>         |
| <b>Liabilities and Fund Balances:</b>      |                                  |                                     |                   |                          |
| <b>Liabilities:</b>                        |                                  |                                     |                   |                          |
| Accounts payable                           | \$ -                             | \$ -                                | \$ -              | \$ 138                   |
| Accrued liabilities                        | -                                | -                                   | -                 | 518                      |
| Due to other funds                         | -                                | -                                   | -                 | 26,301                   |
| <b>Total Liabilities</b>                   | <b>-</b>                         | <b>-</b>                            | <b>-</b>          | <b>26,957</b>            |
| <b>Fund Balances:</b>                      |                                  |                                     |                   |                          |
| <b>Restricted for:</b>                     |                                  |                                     |                   |                          |
| Community development projects             | 14,279                           | -                                   | -                 | -                        |
| Public safety                              | -                                | -                                   | 160,615           | -                        |
| Parks and recreation                       | -                                | -                                   | -                 | -                        |
| Public works                               | -                                | -                                   | -                 | -                        |
| Debt service                               | -                                | -                                   | -                 | -                        |
| <b>Unassigned</b>                          | <b>-</b>                         | <b>-</b>                            | <b>-</b>          | <b>-</b>                 |
| <b>Total Fund Balances</b>                 | <b>14,279</b>                    | <b>-</b>                            | <b>160,615</b>    | <b>-</b>                 |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 14,279</b>                 | <b>\$ -</b>                         | <b>\$ 160,615</b> | <b>\$ 26,957</b>         |

CITY OF SAN MARINO

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

|  | Special Revenue Funds                   |               |                         |                   |
|--|---|---------------|-------------------------|-------------------|
|  | Local Law<br>Enforcement<br>Block Grant | STPL          | Prop 1B<br>Street Funds | Measure R         |
| <b>Assets:</b>                             |   |               |                         |                   |
| Cash and investments                       | \$ -                                    | \$ 574        | \$ 3,697                | \$ 113,897        |
| Receivables:                               |   |               |                         |                   |
| Taxes                                      | -                                       | -             | -                       | -                 |
| Accrued interest                           | -                                       | -             | 3                       | 99                |
| Due from other governments                 | -                                       | -             | -                       | -                 |
| Restricted assets:                         |   |               |                         |                   |
| Cash and investments with fiscal agents    | -                                       | -             | -                       | -                 |
| <b>Total Assets</b>                        | <b>\$ -</b>                             | <b>\$ 574</b> | <b>\$ 3,700</b>         | <b>\$ 113,996</b> |
| <b>Liabilities and Fund Balances:</b>      |   |               |                         |                   |
| <b>Liabilities:</b>                        |   |               |                         |                   |
| Accounts payable                           | \$ -                                    | \$ -          | \$ 1,780                | \$ 13,386         |
| Accrued liabilities                        | -                                       | -             | -                       | 1,286             |
| Due to other funds                         | -                                       | -             | -                       | -                 |
| <b>Total Liabilities</b>                   | <b>-</b>                                | <b>-</b>      | <b>1,780</b>            | <b>14,672</b>     |
| <b>Fund Balances:</b>                      |   |               |                         |                   |
| <b>Restricted for:</b>                     |   |               |                         |                   |
| Community development projects             | -                                       | -             | -                       | -                 |
| Public safety                              | -                                       | -             | -                       | -                 |
| Parks and recreation                       | -                                       | -             | -                       | -                 |
| Public works                               | -                                       | 574           | 1,920                   | 99,324            |
| Debt service                               | -                                       | -             | -                       | -                 |
| <b>Unassigned</b>                          | <b>-</b>                                | <b>-</b>      | <b>-</b>                | <b>-</b>          |
| <b>Total Fund Balances</b>                 | <b>-</b>                                | <b>574</b>    | <b>1,920</b>            | <b>99,324</b>     |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ -</b>                             | <b>\$ 574</b> | <b>\$ 3,700</b>         | <b>\$ 113,996</b> |

CITY OF SAN MARINO

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2012

(Continued)

|  | Special Revenue Funds      |                              |                  | Debt Service Funds     |
|--|----------------------------|------------------------------|------------------|------------------------|
|  | LSTA Staff Education Grant | Energy Efficient Block Grant | PEG Fund         | City Debt Service Fund |
|  |                            |                              |                  |                        |
| <b>Assets:</b>                             |                            |                              |                  |                        |
| Cash and investments                       | \$ -                       | \$ -                         | \$ 33,886        | \$ -                   |
| Receivables:                               |                            |                              |                  |                        |
| Taxes                                      | -                          | -                            | 6,768            | -                      |
| Accrued interest                           | -                          | -                            | 36               | -                      |
| Due from other governments                 | -                          | -                            | -                | -                      |
| Restricted assets:                         |                            |                              |                  |                        |
| Cash and investments with fiscal agents    | -                          | -                            | -                | 43                     |
| <b>Total Assets</b>                        | <b>\$ -</b>                | <b>\$ -</b>                  | <b>\$ 40,690</b> | <b>\$ 43</b>           |
| <b>Liabilities and Fund Balances:</b>      |                            |                              |                  |                        |
| <b>Liabilities:</b>                        |                            |                              |                  |                        |
| Accounts payable                           | \$ -                       | \$ -                         | \$ 9,808         | \$ -                   |
| Accrued liabilities                        | -                          | -                            | -                | -                      |
| Due to other funds                         | -                          | -                            | -                | -                      |
| <b>Total Liabilities</b>                   | <b>-</b>                   | <b>-</b>                     | <b>9,808</b>     | <b>-</b>               |
| <b>Fund Balances:</b>                      |                            |                              |                  |                        |
| <b>Restricted for:</b>                     |                            |                              |                  |                        |
| Community development projects             | -                          | -                            | 30,882           | -                      |
| Public safety                              | -                          | -                            | -                | -                      |
| Parks and recreation                       | -                          | -                            | -                | -                      |
| Public works                               | -                          | -                            | -                | -                      |
| Debt service                               | -                          | -                            | -                | 43                     |
| <b>Unassigned</b>                          | <b>-</b>                   | <b>-</b>                     | <b>-</b>         | <b>-</b>               |
| <b>Total Fund Balances</b>                 | <b>-</b>                   | <b>-</b>                     | <b>30,882</b>    | <b>43</b>              |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ -</b>                | <b>\$ -</b>                  | <b>\$ 40,690</b> | <b>\$ 43</b>           |

CITY OF SAN MARINO

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2012

|  | <b>Total Nonmajor<br/>Governmental<br/>Funds</b> |
|--|--|
| <b>Assets:</b>                             |  |
| Cash and investments                       | \$ 1,869,899                                     |
| Receivables:                               |  |
| Taxes                                      | 46,835   |
| Accrued interest                           | 1,621  |
| Due from other governments                 | 77,103   |
| Restricted assets:                         |  |
| Cash and investments with fiscal agents    | 43   |
|  | <hr/>  |
| <b>Total Assets</b>                        | <b>\$ 1,995,501</b>                              |
|  | <hr/> <hr/>                                      |
| <b>Liabilities and Fund Balances:</b>      |  |
| <b>Liabilities:</b>                        |  |
| Accounts payable                           | \$ 35,378  |
| Accrued liabilities                        | 2,840  |
| Due to other funds                         | 77,119   |
|  | <hr/>  |
| <b>Total Liabilities</b>                   | <b>115,337</b>                                   |
|  | <hr/>  |
| <b>Fund Balances:</b>                      |  |
| <b>Restricted for:</b>                     |  |
| Community development projects             | 61,142   |
| Public safety                              | 230,340  |
| Parks and recreation                       | 458,142  |
| Public works                               | 1,133,035  |
| Debt service                               | 43   |
| <b>Unassigned</b>                          | (2,538)  |
|  | <hr/>  |
| <b>Total Fund Balances</b>                 | <b>1,880,164</b>                                 |
|  | <hr/>  |
| <b>Total Liabilities and Fund Balances</b> | <b>\$ 1,995,501</b>                              |
|  | <hr/> <hr/>                                      |

**THIS PAGE INTENTIONALLY LEFT BLANK**

CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

|  | <u>Special Revenue Funds</u> |                              |                         |                        |
|--|------------------------------|------------------------------|-------------------------|------------------------|
|  | <u>State Gas Tax</u>         | <u>Community Development</u> | <u>County Park Bond</u> | <u>Prop. A Transit</u> |
| <b>Revenues:</b>   |                              |                              |                         |                        |
| Taxes  | \$ 199,594                   | \$ -                         | \$ -                    | \$ -                   |
| Intergovernmental  | 183,863                      | 20,789                       | 40,868                  | 196,033                |
| Charges for services   | -                            | -                            | -                       | -                      |
| Use of money and property                                    | 1,176                        | -                            | -                       | 1,283                  |
| <b>Total Revenues</b>  | <b>384,633</b>               | <b>20,789</b>                | <b>40,868</b>           | <b>197,316</b>         |
| <b>Expenditures:</b>   |                              |                              |                         |                        |
| Current:   |                              |                              |                         |                        |
| General government   | -                            | 9,422                        | -                       | 110,776                |
| Public safety  | -                            | -                            | -                       | -                      |
| Community development  | -                            | 12,041                       | -                       | -                      |
| Recreation   | -                            | -                            | 42,732                  | 89,508                 |
| Parks & public works   | -                            | -                            | -                       | -                      |
| Capital outlay   | 455,273                      | -                            | -                       | -                      |
| Debt service:  |                              |                              |                         |                        |
| Principal retirement   | -                            | -                            | -                       | -                      |
| Interest and fiscal charges                                  | -                            | -                            | -                       | -                      |
| <b>Total Expenditures</b>                                    | <b>455,273</b>               | <b>21,463</b>                | <b>42,732</b>           | <b>200,284</b>         |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | (70,640)                     | (674)                        | (1,864)                 | (2,968)                |
| <b>Other Financing Sources (Uses):</b>                       |                              |                              |                         |                        |
| Transfers in   | 266                          | -                            | -                       | -                      |
| Transfers out  | -                            | -                            | -                       | -                      |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>266</b>                   | <b>-</b>                     | <b>-</b>                | <b>-</b>               |
| Net Change in Fund Balances                                  | (70,374)                     | (674)                        | (1,864)                 | (2,968)                |
| Fund Balances, Beginning of Year                             | 712,042                      | -                            | 34                      | 461,076                |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 641,668</b>            | <b>\$ (674)</b>              | <b>\$ (1,830)</b>       | <b>\$ 458,108</b>      |

CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

|  | Special Revenue Funds           |                                       |               |                    |
|--|---------------------------------|---------------------------------------|---------------|--------------------|
|  | Granada<br>Avenue<br>Assessment | Southern<br>California Air<br>Quality | TDA Article 3 | Prop. C<br>Transit |
| <b>Revenues:</b>   |                                 |                                       |               |                    |
| Taxes  | \$ 1,226                        | \$ -                                  | \$ -          | \$ -               |
| Intergovernmental  | -                               | 15,568                                | -             | 163,151            |
| Charges for services   | -                               | -                                     | -             | -                  |
| Use of money and property                                    | -                               | 27                                    | 1             | 833                |
| <b>Total Revenues</b>  | <b>1,226</b>                    | <b>15,595</b>                         | <b>1</b>      | <b>163,984</b>     |
| <b>Expenditures:</b>   |                                 |                                       |               |                    |
| Current:   |                                 |                                       |               |                    |
| General government   | -                               | -                                     | -             | -                  |
| Public safety  | -                               | -                                     | -             | -                  |
| Community development  | -                               | -                                     | -             | -                  |
| Recreation   | -                               | -                                     | -             | -                  |
| Parks & public works   | -                               | -                                     | -             | -                  |
| Capital outlay   | -                               | -                                     | -             | -                  |
| Debt service:  |                                 |                                       |               |                    |
| Principal retirement   | -                               | -                                     | -             | -                  |
| Interest and fiscal charges                                  | -                               | -                                     | -             | -                  |
| <b>Total Expenditures</b>                                    | <b>-</b>                        | <b>-</b>                              | <b>-</b>      | <b>-</b>           |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 1,226                           | 15,595                                | 1             | 163,984            |
| <b>Other Financing Sources (Uses):</b>                       |                                 |                                       |               |                    |
| Transfers in   | -                               | -                                     | 15            | -                  |
| Transfers out  | (1,226)                         | -                                     | -             | -                  |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>(1,226)</b>                  | <b>-</b>                              | <b>15</b>     | <b>-</b>           |
| Net Change in Fund Balances                                  | -                               | 15,595                                | 16            | 163,984            |
| Fund Balances, Beginning of Year                             | -                               | 386                                   | -             | 211,053            |
| <b>Fund Balances, End of Year</b>                            | <b>\$ -</b>                     | <b>\$ 15,981</b>                      | <b>\$ 16</b>  | <b>\$ 375,037</b>  |

CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

|  | Special Revenue Funds |                           |                                  |              |
|--|-----------------------|---------------------------|----------------------------------|--------------|
|  | Asset Seizure         | Granada Avenue Assessment | Assistance to Firefighters Grant | CLEEP Grant  |
| <b>Revenues:</b>   |                       |                           |                                  |              |
| Taxes  | \$ -                  | \$ 1,214                  | \$ -                             | \$ -         |
| Intergovernmental  | 49,846                | -                         | 6,164                            | -            |
| Charges for services   | -                     | -                         | -                                | -            |
| Use of money and property                                    | 119                   | -                         | 5                                | -            |
| <b>Total Revenues</b>  | <b>49,965</b>         | <b>1,214</b>              | <b>6,169</b>                     | <b>-</b>     |
| <b>Expenditures:</b>   |                       |                           |                                  |              |
| Current:   |                       |                           |                                  |              |
| General government   | -                     | -                         | -                                | -            |
| Public safety  | -                     | -                         | -                                | -            |
| Community development  | -                     | -                         | -                                | -            |
| Recreation   | -                     | -                         | -                                | -            |
| Parks & public works   | -                     | -                         | -                                | -            |
| Capital outlay   | -                     | -                         | -                                | -            |
| Debt service:  |                       |                           |                                  |              |
| Principal retirement   | -                     | -                         | -                                | -            |
| Interest and fiscal charges                                  | -                     | -                         | -                                | -            |
| <b>Total Expenditures</b>                                    | <b>-</b>              | <b>-</b>                  | <b>-</b>                         | <b>-</b>     |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 49,965                | 1,214                     | 6,169                            | -            |
| <b>Other Financing Sources (Uses):</b>                       |                       |                           |                                  |              |
| Transfers in   | 11,543                | -                         | -                                | -            |
| Transfers out  | (2,290)               | -                         | -                                | (875)        |
| <b>Total Other Financing Sources (Uses)</b>                  | <b>9,253</b>          | <b>-</b>                  | <b>-</b>                         | <b>(875)</b> |
| Net Change in Fund Balances                                  | 59,218                | 1,214                     | 6,169                            | (875)        |
| Fund Balances, Beginning of Year                             | 4,338                 | 13,282                    | -                                | 875          |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 63,556</b>      | <b>\$ 14,496</b>          | <b>\$ 6,169</b>                  | <b>\$ -</b>  |



CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

|  | Special Revenue Funds            |                                     |                   |                          |
|--|----------------------------------|-------------------------------------|-------------------|--------------------------|
|  | California<br>Recycling<br>Grant | Traffic<br>Congestion<br>Relief Act | COPS Grant        | Safe Routes to<br>School |
| <b>Revenues:</b>   |                                  |                                     |                   |                          |
| Taxes  | \$ -                             | \$ -                                | \$ -              | \$ -                     |
| Intergovernmental  | 10,000                           | -                                   | 100,000           | 29,482                   |
| Charges for services   | -                                | -                                   | -                 | -                        |
| Use of money and property                                    | 37                               | -                                   | 319               | -                        |
| <b>Total Revenues</b>  | <b>10,037</b>                    | <b>-</b>                            | <b>100,319</b>    | <b>29,482</b>            |
| <b>Expenditures:</b>   |                                  |                                     |                   |                          |
| Current:   |                                  |                                     |                   |                          |
| General government   | -                                | -                                   | -                 | -                        |
| Public safety  | -                                | -                                   | 90,511            | 29,482                   |
| Community development  | 7,841                            | -                                   | -                 | -                        |
| Recreation   | -                                | -                                   | -                 | -                        |
| Parks & public works   | -                                | -                                   | -                 | -                        |
| Capital outlay   | -                                | -                                   | -                 | -                        |
| Debt service:  |                                  |                                     |                   |                          |
| Principal retirement   | -                                | -                                   | -                 | -                        |
| Interest and fiscal charges                                  | -                                | -                                   | -                 | -                        |
| <b>Total Expenditures</b>                                    | <b>7,841</b>                     | <b>-</b>                            | <b>90,511</b>     | <b>29,482</b>            |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | 2,196                            | -                                   | 9,808             | -                        |
| <b>Other Financing Sources (Uses):</b>                       |                                  |                                     |                   |                          |
| Transfers in   | -                                | -                                   | -                 | -                        |
| Transfers out  | -                                | (266)                               | -                 | -                        |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>-</b>                         | <b>(266)</b>                        | <b>-</b>          | <b>-</b>                 |
| Net Change in Fund Balances                                  | 2,196                            | (266)                               | 9,808             | -                        |
| Fund Balances, Beginning of Year                             | 12,083                           | 266                                 | 150,807           | -                        |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 14,279</b>                 | <b>\$ -</b>                         | <b>\$ 160,615</b> | <b>\$ -</b>              |

CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

|  | Special Revenue Funds                   |               |                         |                  |
|--|---|---------------|-------------------------|------------------|
|  | Local Law<br>Enforcement<br>Block Grant | STPL          | Prop 1B Street<br>Funds | Measure R        |
| <b>Revenues:</b>   |   |               |                         |                  |
| Taxes  | \$ -                                    | \$ -          | \$ -                    | \$ -             |
| Intergovernmental  | -                                       | -             | -                       | 121,164          |
| Charges for services   | -                                       | -             | -                       | -                |
| Use of money and property                                    | -                                       | 2             | -                       | 281              |
| <b>Total Revenues</b>  | <b>-</b>                                | <b>2</b>      | <b>-</b>                | <b>121,445</b>   |
| <b>Expenditures:</b>   |   |               |                         |                  |
| Current:   |   |               |                         |                  |
| General government   | -                                       | -             | -                       | -                |
| Public safety  | -                                       | -             | -                       | -                |
| Community development  | -                                       | -             | -                       | -                |
| Recreation   | -                                       | -             | -                       | -                |
| Parks & public works   | -                                       | -             | -                       | 52,543           |
| Capital outlay   | -                                       | -             | 358,734                 | 128,116          |
| Debt service:  |   |               |                         |                  |
| Principal retirement   | -                                       | -             | -                       | -                |
| Interest and fiscal charges                                  | -                                       | -             | -                       | -                |
| <b>Total Expenditures</b>                                    | <b>-</b>                                | <b>-</b>      | <b>358,734</b>          | <b>180,659</b>   |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -                                       | 2             | (358,734)               | (59,214)         |
| <b>Other Financing Sources (Uses):</b>                       |   |               |                         |                  |
| Transfers in   | -                                       | -             | -                       | -                |
| Transfers out  | (35)                                    | -             | -                       | -                |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>(35)</b>                             | <b>-</b>      | <b>-</b>                | <b>-</b>         |
| Net Change in Fund Balances                                  | (35)                                    | 2             | (358,734)               | (59,214)         |
| Fund Balances, Beginning of Year                             | 35                                      | 572           | 360,654                 | 158,538          |
| <b>Fund Balances, End of Year</b>                            | <b>\$ -</b>                             | <b>\$ 574</b> | <b>\$ 1,920</b>         | <b>\$ 99,324</b> |

CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

(Continued)

|  | Special Revenue Funds            |                                    |                  | Debt Service Funds        |
|--|----------------------------------|------------------------------------|------------------|---------------------------|
|  | LSTA Staff<br>Education<br>Grant | Energy<br>Efficient Block<br>Grant | PEG Fund         | City Debt<br>Service Fund |
| <b>Revenues:</b>   |                                  |                                    |                  |                           |
| Taxes  | \$ -                             | \$ -                               | \$ -             | \$ -                      |
| Intergovernmental  | -                                | 7,014                              | -                | -                         |
| Charges for services   | -                                | -                                  | 27,430           | -                         |
| Use of money and property                                    | -                                | -                                  | 103              | 3                         |
| <b>Total Revenues</b>  | <b>-</b>                         | <b>7,014</b>                       | <b>27,533</b>    | <b>3</b>                  |
| <b>Expenditures:</b>   |                                  |                                    |                  |                           |
| Current:   |                                  |                                    |                  |                           |
| General government   | -                                | -                                  | 7,440            | -                         |
| Public safety  | -                                | -                                  | -                | -                         |
| Community development  | -                                | -                                  | -                | -                         |
| Recreation   | -                                | -                                  | -                | -                         |
| Parks & public works   | -                                | -                                  | -                | -                         |
| Capital outlay   | -                                | 7,014                              | 17,273           | -                         |
| Debt service:  |                                  |                                    |                  |                           |
| Principal retirement   | -                                | -                                  | -                | 2,160,072                 |
| Interest and fiscal charges                                  | -                                | -                                  | -                | 389,039                   |
| <b>Total Expenditures</b>                                    | <b>-</b>                         | <b>7,014</b>                       | <b>24,713</b>    | <b>2,549,111</b>          |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | -                                | -                                  | 2,820            | (2,549,108)               |
| <b>Other Financing Sources (Uses):</b>                       |                                  |                                    |                  |                           |
| Transfers in   | -                                | -                                  | 28,062           | 2,549,111                 |
| Transfers out  | (12)                             | -                                  | -                | -                         |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>(12)</b>                      | <b>-</b>                           | <b>28,062</b>    | <b>2,549,111</b>          |
| Net Change in Fund Balances                                  | (12)                             | -                                  | 30,882           | 3                         |
| Fund Balances, Beginning of Year                             | 12                               | -                                  | -                | 40                        |
| <b>Fund Balances, End of Year</b>                            | <b>\$ -</b>                      | <b>\$ -</b>                        | <b>\$ 30,882</b> | <b>\$ 43</b>              |

CITY OF SAN MARINO

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2012

|  | <b>Total Nonmajor<br/>Governmental<br/>Funds</b> |
|--|--|
| <b>Revenues:</b>   |  |
| Taxes  | \$ 202,034                                       |
| Intergovernmental  | 943,942  |
| Charges for services   | 27,430   |
| Use of money and property                                    | 4,189  |
|  | <hr/>  |
| <b>Total Revenues</b>  | <b>1,177,595</b>                                 |
|  | <hr/>  |
| <b>Expenditures:</b>   |  |
| Current:   |  |
| General government   | 127,638  |
| Public safety  | 119,993  |
| Community development  | 19,882   |
| Recreation   | 132,240  |
| Parks & public works   | 52,543   |
| Capital outlay   | 966,410  |
| Debt service:  |  |
| Principal retirement   | 2,160,072  |
| Interest and fiscal charges                                  | 389,039  |
|  | <hr/>  |
| <b>Total Expenditures</b>                                    | <b>3,967,817</b>                                 |
|  | <hr/>  |
| Excess (Deficiency) of Revenues<br>Over (Under) Expenditures | <u>(2,790,222)</u>                               |
|  | <hr/>  |
| <b>Other Financing Sources (Uses):</b>                       |  |
| Transfers in   | 2,588,997  |
| Transfers out  | (4,704)  |
|  | <hr/>  |
| <b>Total Other Financing Sources<br/>(Uses)</b>              | <b>2,584,293</b>                                 |
|  | <hr/>  |
| Net Change in Fund Balances                                  | <u>(205,929)</u>                                 |
|  | <hr/>  |
| Fund Balances, Beginning of Year                             | 2,086,093  |
|  | <hr/>  |
| <b>Fund Balances, End of Year</b>                            | <b>\$ 1,880,164</b>                              |
|  | <hr/> <hr/>                                      |

CITY OF SAN MARINO

**BUDGETARY COMPARISON SCHEDULE  
STATE GAS TAX  
YEAR ENDED JUNE 30, 2012**

|  | <b>Budget Amounts</b> |                  | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-----------------------|------------------|---------------------------|---|
|  | <b>Original</b>       | <b>Final</b>     |                           |   |
| Budgetary Fund Balance, July 1             | \$ 712,042            | \$ 712,042       | \$ 712,042                | \$ -  |
| <b>Resources (Inflows):</b>                |                       |                  |                           |   |
| Taxes                                      | 229,000               | 229,000          | 199,594                   | (29,406)  |
| Intergovernmental                          | 86,000                | 86,000           | 183,863                   | 97,863  |
| Use of money and property                  | 1,300                 | 1,300            | 1,176                     | (124)   |
| Transfers in                               | -                     | -                | 266                       | 266   |
| <b>Amounts Available for Appropriation</b> | <b>1,028,342</b>      | <b>1,028,342</b> | <b>1,096,941</b>          | <b>68,599</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                       |                  |                           |   |
| Capital outlay                             | 602,741               | 991,547          | 455,273                   | 536,274   |
| <b>Total Charges to Appropriations</b>     | <b>602,741</b>        | <b>991,547</b>   | <b>455,273</b>            | <b>536,274</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 425,601</b>     | <b>\$ 36,795</b> | <b>\$ 641,668</b>         | <b>\$ 604,873</b>   |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 COMMUNITY DEVELOPMENT  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts  |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|-----------------|-------------------|---|
|  | Original        | Final           |                   |   |
| Budgetary Fund Balance, July 1             | \$ -            | \$ -            | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                |                 |                 |                   |   |
| Intergovernmental                          | 66,000          | 66,000          | 20,789            | (45,211)  |
| <b>Amounts Available for Appropriation</b> | <b>66,000</b>   | <b>66,000</b>   | <b>20,789</b>     | <b>(45,211)</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                 |                 |                   |   |
| General government                         | 8,788           | 8,788           | 9,422             | (634)   |
| Community development                      | 14,374          | 14,374          | 12,041            | 2,333   |
| Capital outlay                             | 40,000          | 40,000          | -                 | 40,000  |
| <b>Total Charges to Appropriations</b>     | <b>63,162</b>   | <b>63,162</b>   | <b>21,463</b>     | <b>41,699</b>   |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 2,838</b> | <b>\$ 2,838</b> | <b>\$ (674)</b>   | <b>\$ (3,512)</b>                                       |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 COUNTRY PARK BOND  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts  |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|-----------------|-------------------|---|
|  | Original        | Final           |                   |   |
| Budgetary Fund Balance, July 1             | \$ 34           | \$ 34           | \$ 34             | \$ -  |
| <b>Resources (Inflows):</b>                |                 |                 |                   |   |
| Intergovernmental                          | 49,537          | 49,537          | 40,868            | (8,669)   |
| <b>Amounts Available for Appropriation</b> | <b>49,571</b>   | <b>49,571</b>   | <b>40,902</b>     | <b>(8,669)</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                 |                 |                   |   |
| Parks and recreation                       | 47,498          | 47,498          | 42,732            | 4,766   |
| <b>Total Charges to Appropriations</b>     | <b>47,498</b>   | <b>47,498</b>   | <b>42,732</b>     | <b>4,766</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 2,073</b> | <b>\$ 2,073</b> | <b>\$ (1,830)</b> | <b>\$ (3,903)</b>                                       |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 PROP A TRANSIT  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts    |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| Budgetary Fund Balance, July 1             | \$ 461,076        | \$ 461,076        | \$ 461,076        | \$ -  |
| <b>Resources (Inflows):</b>                |                   |                   |                   |   |
| Intergovernmental                          | 180,000           | 180,000           | 196,033           | 16,033  |
| Use of money and property                  | 2,000             | 2,000             | 1,283             | (717)   |
| <b>Amounts Available for Appropriation</b> | <b>643,076</b>    | <b>643,076</b>    | <b>658,392</b>    | <b>15,316</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                   |                   |                   |   |
| General government                         | 128,448           | 128,448           | 110,776           | 17,672  |
| Parks and recreation                       | 91,000            | 91,000            | 89,508            | 1,492   |
| Capital outlay                             | 100,000           | 100,000           | -                 | 100,000   |
| <b>Total Charges to Appropriations</b>     | <b>319,448</b>    | <b>319,448</b>    | <b>200,284</b>    | <b>119,164</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 323,628</b> | <b>\$ 323,628</b> | <b>\$ 458,108</b> | <b>\$ 134,480</b>                                       |



CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 SOUTHERN CALIFORNIA AIR QUALITY  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1             | \$ 386           | \$ 386           | \$ 386            | \$ -  |
| <b>Resources (Inflows):</b>                |                  |                  |                   |   |
| Intergovernmental                          | 15,000           | 15,000           | 15,568            | 568   |
| Use of money and property                  | -                | -                | 27                | 27  |
| <b>Amounts Available for Appropriation</b> | <b>15,386</b>    | <b>15,386</b>    | <b>15,981</b>     | <b>595</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 15,386</b> | <b>\$ 15,386</b> | <b>\$ 15,981</b>  | <b>\$ 595</b>   |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 PROP C TRANSIT  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts    |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| Budgetary Fund Balance, July 1             | \$ 211,053        | \$ 211,053        | \$ 211,053        | \$ -  |
| <b>Resources (Inflows):</b>                |                   |                   |                   |   |
| Intergovernmental                          | 150,000           | 150,000           | 163,151           | 13,151  |
| Use of money and property                  | 600               | 600               | 833               | 233   |
| <b>Amounts Available for Appropriation</b> | <b>361,653</b>    | <b>361,653</b>    | <b>375,037</b>    | <b>13,384</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                   |                   |                   |   |
| Capital outlay                             | 364,477           | 364,477           | -                 | 364,477   |
| <b>Total Charges to Appropriations</b>     | <b>364,477</b>    | <b>364,477</b>    | <b>-</b>          | <b>364,477</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (2,824)</b> | <b>\$ (2,824)</b> | <b>\$ 375,037</b> | <b>\$ 377,861</b>                                       |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 ASSET SEIZURE  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1             | \$ 4,338         | \$ 4,338         | \$ 4,338          | \$ -  |
| <b>Resources (Inflows):</b>                |                  |                  |                   |   |
| Intergovernmental                          | 17,100           | 17,100           | 49,846            | 32,746  |
| Use of money and property                  | -                | -                | 119               | 119   |
| Transfers in                               | -                | -                | 11,543            | 11,543  |
| <b>Amounts Available for Appropriation</b> | <b>21,438</b>    | <b>21,438</b>    | <b>65,846</b>     | <b>44,408</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                  |                  |                   |   |
| Transfers out                              | -                | -                | 2,290             | (2,290)   |
| <b>Total Charges to Appropriations</b>     | <b>-</b>         | <b>-</b>         | <b>2,290</b>      | <b>(2,290)</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 21,438</b> | <b>\$ 21,438</b> | <b>\$ 63,556</b>  | <b>\$ 42,118</b>  |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 GRANADA AVENUE ASSESSMENT DISTRICT #2  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1             | \$ 13,282        | \$ 13,282        | \$ 13,282         | \$ -  |
| <b>Resources (Inflows):</b>                |                  |                  |                   |   |
| Taxes                                      | 2,200            | 2,200            | 1,214             | (986)   |
| <b>Amounts Available for Appropriation</b> | <b>15,482</b>    | <b>15,482</b>    | <b>14,496</b>     | <b>(986)</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 15,482</b> | <b>\$ 15,482</b> | <b>\$ 14,496</b>  | <b>\$ (986)</b>   |

CITY OF SAN MARINO

**BUDGETARY COMPARISON SCHEDULE  
ASSISTANCE TO FIREFIGHTERS GRANT  
YEAR ENDED JUNE 30, 2012**

|  | <b>Budget Amounts</b> |                    | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-----------------------|--------------------|---------------------------|---|
|  | <b>Original</b>       | <b>Final</b>       |                           |   |
| Budgetary Fund Balance, July 1             | \$ -                  | \$ -               | \$ -                      | \$ -  |
| <b>Resources (Inflows):</b>                |                       |                    |                           |   |
| Intergovernmental                          | -                     | -                  | 6,164                     | 6,164   |
| Use of money and property                  | -                     | -                  | 5                         | 5   |
| <b>Amounts Available for Appropriation</b> | <b>-</b>              | <b>-</b>           | <b>6,169</b>              | <b>6,169</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                       |                    |                           |   |
| Public safety                              | 6,276                 | 6,276              | -                         | 6,276   |
| Capital outlay                             | 85,500                | 85,500             | -                         | 85,500  |
| <b>Total Charges to Appropriations</b>     | <b>91,776</b>         | <b>91,776</b>      | <b>-</b>                  | <b>91,776</b>   |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (91,776)</b>    | <b>\$ (91,776)</b> | <b>\$ 6,169</b>           | <b>\$ 97,945</b>  |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 CALIFORNIA RECYCLING GRANT  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts  |                 | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------|-----------------|-------------------|---|
|  | Original        | Final           |                   |   |
| Budgetary Fund Balance, July 1             | \$ 12,083       | \$ 12,083       | \$ 12,083         | \$ -  |
| <b>Resources (Inflows):</b>                |                 |                 |                   |   |
| Intergovernmental                          | 5,000           | 5,000           | 10,000            | 5,000   |
| Use of money and property                  | -               | -               | 37                | 37  |
| <b>Amounts Available for Appropriation</b> | <b>17,083</b>   | <b>17,083</b>   | <b>22,120</b>     | <b>5,037</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                 |                 |                   |   |
| Community development                      | 15,000          | 15,000          | 7,841             | 7,159   |
| <b>Total Charges to Appropriations</b>     | <b>15,000</b>   | <b>15,000</b>   | <b>7,841</b>      | <b>7,159</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 2,083</b> | <b>\$ 2,083</b> | <b>\$ 14,279</b>  | <b>\$ 12,196</b>  |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 COPS GRANT  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts   |                  | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|------------------|------------------|-------------------|---|
|  | Original         | Final            |                   |   |
| Budgetary Fund Balance, July 1             | \$ 150,807       | \$ 150,807       | \$ 150,807        | \$ -  |
| <b>Resources (Inflows):</b>                |                  |                  |                   |   |
| Intergovernmental                          | -                | -                | 100,000           | 100,000   |
| Use of money and property                  | -                | -                | 319               | 319   |
| <b>Amounts Available for Appropriation</b> | <b>150,807</b>   | <b>150,807</b>   | <b>251,126</b>    | <b>100,319</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                  |                  |                   |   |
| Public safety                              | 95,550           | 95,550           | 90,511            | 5,039   |
| <b>Total Charges to Appropriations</b>     | <b>95,550</b>    | <b>95,550</b>    | <b>90,511</b>     | <b>5,039</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 55,257</b> | <b>\$ 55,257</b> | <b>\$ 160,615</b> | <b>\$ 105,358</b>                                       |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 SAFE ROUTES TO SCHOOL  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts      |                     | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|---------------------|-------------------|---|
|  | Original            | Final               |                   |   |
| Budgetary Fund Balance, July 1             | \$ -                | \$ -                | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                |                     |                     |                   |   |
| Intergovernmental                          | -                   | -                   | 29,482            | 29,482  |
| <b>Amounts Available for Appropriation</b> | <b>-</b>            | <b>-</b>            | <b>29,482</b>     | <b>29,482</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                     |                     |                   |   |
| Public safety                              | 124,000             | 124,000             | 29,482            | 94,518  |
| Capital outlay                             | 90,000              | 90,000              | -                 | 90,000  |
| <b>Total Charges to Appropriations</b>     | <b>214,000</b>      | <b>214,000</b>      | <b>29,482</b>     | <b>184,518</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (214,000)</b> | <b>\$ (214,000)</b> | <b>\$ -</b>       | <b>\$ 214,000</b>                                       |



CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 PROP 1B STREET FUNDS  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts    |                | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|----------------|-------------------|---|
|  | Original          | Final          |                   |   |
| Budgetary Fund Balance, July 1             | \$ 360,654        | \$ 360,654     | \$ 360,654        | \$ -  |
| <b>Resources (Inflows):</b>                |                   |                |                   |   |
| Use of money and property                  | 1,000             | 1,000          | -                 | (1,000)   |
| <b>Amounts Available for Appropriation</b> | <b>361,654</b>    | <b>361,654</b> | <b>360,654</b>    | <b>(1,000)</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                   |                |                   |   |
| Capital outlay                             | 30,988            | 361,654        | 358,734           | 2,920   |
| <b>Total Charges to Appropriations</b>     | <b>30,988</b>     | <b>361,654</b> | <b>358,734</b>    | <b>2,920</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 330,666</b> | <b>\$ -</b>    | <b>\$ 1,920</b>   | <b>\$ 1,920</b>   |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 MEASURE R  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts      |                    | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|---------------------|--------------------|-------------------|---|
|  | Original            | Final              |                   |   |
| Budgetary Fund Balance, July 1             | \$ 158,538          | \$ 158,538         | \$ 158,538        | \$ -  |
| <b>Resources (Inflows):</b>                |                     |                    |                   |   |
| Intergovernmental                          | 113,000             | 113,000            | 121,164           | 8,164   |
| Use of money and property                  | -                   | -                  | 281               | 281   |
| <b>Amounts Available for Appropriation</b> | <b>271,538</b>      | <b>271,538</b>     | <b>279,983</b>    | <b>8,445</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                     |                    |                   |   |
| Public works                               | 158,431             | 158,431            | 52,543            | 105,888   |
| Capital outlay                             | 224,268             | 141,844            | 128,116           | 13,728  |
| <b>Total Charges to Appropriations</b>     | <b>382,699</b>      | <b>300,275</b>     | <b>180,659</b>    | <b>119,616</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (111,161)</b> | <b>\$ (28,737)</b> | <b>\$ 99,324</b>  | <b>\$ 128,061</b>                                       |

CITY OF SAN MARINO

**BUDGETARY COMPARISON SCHEDULE  
LSTA STAFF EDUCATION GRANT  
YEAR ENDED JUNE 30, 2012**

|  | <b>Budget Amounts</b> |               | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget<br/>Positive<br/>(Negative)</b> |
|--|-----------------------|---------------|---------------------------|---|
|  | <b>Original</b>       | <b>Final</b>  |                           |   |
| Budgetary Fund Balance, July 1             | \$ 12                 | \$ 12         | \$ 12                     | \$ -  |
| <b>Resources (Inflows):</b>                |                       |               |                           |   |
| Intergovernmental                          | 15,000                | 15,000        | -                         | (15,000)  |
| <b>Amounts Available for Appropriation</b> | <b>15,012</b>         | <b>15,012</b> | <b>12</b>                 | <b>(15,000)</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                       |               |                           |   |
| General government                         | 15,000                | 15,000        | -                         | 15,000  |
| Transfers out                              | -                     | -             | 12                        | (12)  |
| <b>Total Charges to Appropriations</b>     | <b>15,000</b>         | <b>15,000</b> | <b>12</b>                 | <b>14,988</b>   |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ 12</b>          | <b>\$ 12</b>  | <b>\$ -</b>               | <b>\$ (12)</b>  |

CITY OF SAN MARINO

**BUDGETARY COMPARISON SCHEDULE  
ENERGY EFFICIENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2012**

|  | Budget Amounts    |                   | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-------------------|-------------------|-------------------|---|
|  | Original          | Final             |                   |   |
| Budgetary Fund Balance, July 1             | \$ -              | \$ -              | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                |                   |                   |                   |   |
| Intergovernmental                          | -                 | -                 | 7,014             | 7,014   |
| <b>Amounts Available for Appropriation</b> | <b>-</b>          | <b>-</b>          | <b>7,014</b>      | <b>7,014</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                   |                   |                   |   |
| Capital outlay                             | 7,014             | 7,014             | 7,014             | -   |
| <b>Total Charges to Appropriations</b>     | <b>7,014</b>      | <b>7,014</b>      | <b>7,014</b>      | <b>-</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (7,014)</b> | <b>\$ (7,014)</b> | <b>\$ -</b>       | <b>\$ 7,014</b>   |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 PEG FUND  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|----------------|---------------|-------------------|---|
|  | Original       | Final         |                   |   |
| Budgetary Fund Balance, July 1             | \$ -           | \$ -          | \$ -              | \$ -  |
| <b>Resources (Inflows):</b>                |                |               |                   |   |
| Charges for services                       | 30,000         | 30,000        | 27,430            | (2,570)   |
| Use of money and property                  | -              | -             | 103               | 103   |
| Transfers in                               | -              | -             | 28,062            | 28,062  |
| <b>Amounts Available for Appropriation</b> | <b>30,000</b>  | <b>30,000</b> | <b>55,595</b>     | <b>25,595</b>   |
| <b>Charges to Appropriation (Outflow):</b> |                |               |                   |   |
| General government                         | 10,000         | 10,000        | 7,440             | 2,560   |
| Capital outlay                             | 20,000         | 20,000        | 17,273            | 2,727   |
| <b>Total Charges to Appropriations</b>     | <b>30,000</b>  | <b>30,000</b> | <b>24,713</b>     | <b>5,287</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ -</b>    | <b>\$ -</b>   | <b>\$ 30,882</b>  | <b>\$ 30,882</b>  |

CITY OF SAN MARINO

BUDGETARY COMPARISON SCHEDULE  
 CAPITAL PROJECTS FUND  
 YEAR ENDED JUNE 30, 2012

|  | Budget Amounts        |                       | Actual<br>Amounts  | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--|-----------------------|-----------------------|--------------------|---|
|  | Original              | Final                 |                    |   |
| Budgetary Fund Balance, July 1             | \$ 63,376             | \$ 63,376             | \$ 63,376          | \$ -  |
| <b>Resources (Inflows):</b>                |                       |                       |                    |   |
| Use of money and property                  | -                     | -                     | 2                  | 2   |
| Transfers in                               | 2,110,000             | 2,110,000             | 2,413,196          | 303,196   |
| <b>Amounts Available for Appropriation</b> | <b>2,173,376</b>      | <b>2,173,376</b>      | <b>2,476,574</b>   | <b>303,198</b>  |
| <b>Charges to Appropriation (Outflow):</b> |                       |                       |                    |   |
| Capital outlay                             | 1,362,198             | 1,362,198             | 490,324            | 871,874   |
| Debt service:                              |                       |                       |                    |   |
| Principal retirement                       | 2,000,000             | 2,000,000             | 2,000,000          | -   |
| <b>Total Charges to Appropriations</b>     | <b>3,362,198</b>      | <b>3,362,198</b>      | <b>2,490,324</b>   | <b>871,874</b>  |
| <b>Budgetary Fund Balance, June 30</b>     | <b>\$ (1,188,822)</b> | <b>\$ (1,188,822)</b> | <b>\$ (13,750)</b> | <b>\$ 1,175,072</b>                                     |

CITY OF SAN MARINO

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUND  
 YEAR ENDED JUNE 30, 2012

|                           | <u>Balance<br/>July 1, 2011</u> | <u>Additions</u>         | <u>Deductions</u>        | <u>Balance<br/>June 30, 2012</u> |
|---------------------------|---------------------------------|--------------------------|--------------------------|----------------------------------|
| <b><u>Agency Fund</u></b> |                                 |                          |                          |                                  |
| <b>Assets:</b>            |                                 |                          |                          |                                  |
| Cash and investments      | \$ 22,839                       | \$ 505,198               | \$ 504,202               | \$ 23,835                        |
| Receivables:              |                                 |                          |                          |                                  |
| Accounts                  | 11,609                          | 440,463                  | 328,008                  | 124,064                          |
| <b>Total Assets</b>       | <b><u>\$ 34,448</u></b>         | <b><u>\$ 945,661</u></b> | <b><u>\$ 832,210</u></b> | <b><u>\$ 147,899</u></b>         |
| <b>Liabilities:</b>       |                                 |                          |                          |                                  |
| Accounts payable          | \$ 18,431                       | \$ 631,667               | \$ 504,189               | \$ 145,909                       |
| Deposits payable          | 16,017                          | 1,760                    | 15,787                   | 1,990                            |
| <b>Total Liabilities</b>  | <b><u>\$ 34,448</u></b>         | <b><u>\$ 633,427</u></b> | <b><u>\$ 519,976</u></b> | <b><u>\$ 147,899</u></b>         |

**THIS PAGE INTENTIONALLY LEFT BLANK**