



CITY OF SAN DIMAS, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2011

Lance Soll & Lunghard, LLP

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CITY OF SAN DIMAS, CALIFORNIA

FINANCIAL STATEMENTS

JUNE 30, 2011

Prepared By

FINANCE DEPARTMENT

BARBARA BISHOP, FINANCE MANAGER

CITY OF SAN DIMAS
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FOR THE FISCAL YEAR ENDED JUNE 30, 2011

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City Council
CURTIS W. MORRIS, Mayor
JEFF TEMPLEMAN, Mayor Pro Tem
DENIS BERTONE
EMMETT BADAR
JOHN EBINER

City Manager
BLAINE M. MICHAELIS

Assistant City Manager / Treasurer
KENNETH J. DURAN

City Attorney
J. KENNETH BROWN



**Assistant City Manager of
Community Development**
LAWRENCE STEVENS

Director of Public Works
KRISHNA PATEL

**Director of Development
Services**
DAN COLEMAN

**Director of Parks
and Recreation**
THERESA BRUNS

City Clerk
INA RIOS

September 24, 2011

To the Honorable Mayor, City Council and Citizens of the City of San Dimas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual financial report of the City of San Dimas for the fiscal year ended June 30, 2011.

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

The City has in place as approved by the City Council; Financial Internal Controls Policies and Procedures and a Finance/Audit Committee consisting of 2 – elected officials, City Manager, Assistant City Manager, and the Finance/IS Manager to insure that the financial transactions are reviewed and discussed with the City auditors on an annual basis. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of San Dimas' financial statements have been audited by Lance, Soll & Lunghard, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of San Dimas for the fiscal year ended June 30, 2011, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles

used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of San Dimas' financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of this report.

The independent audit of the financial statements of the City of San Dimas includes the determination as to whether the City will require a Single Audit which is designed to meet the special needs of federal grantor agencies. For 2010-11 a Single Audit will be required since the amount of federal grants were over the threshold for reporting requirements.

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

Profile of the Government

The City of San Dimas is located midway (about 27 miles) between Los Angeles and San Bernardino, at the base of the San Gabriel Mountains. Superior access to freeways offers a centralized location from which to enjoy Southern California's many excellent cultural and recreational activities. San Dimas currently occupies a land area of 15 square miles and serves a population of 36,946. The City of San Dimas' citizens receive a full range of services through the combined efforts of the City's five departments (City Manager's Office, Administrative Services, Parks & Recreation, Public Works and Community Development) and the contract services of Los Angeles County. Services include police and fire protection, the construction and maintenance of highways, streets, and other infrastructure; and recreational activities and cultural events.

The City of San Dimas was incorporated in 1960 with a Council-Manager form of government. Policy-making and legislative authority are vested in a governing council consisting of the mayor and four council members. The governing council is responsible among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four year staggered terms, with two council members elected every two years. The mayor is directly elected to serve a two year term. The City of San Dimas is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the governing council.

The annual budget serves as the foundation for the City of San Dimas' financial planning and control. All departments and agencies of the City of San Dimas are required to submit requests for appropriation to the City Manager for the new fiscal year around March of each year. The City Manager uses these requests as the starting point for developing a proposed budget. Once budget sessions are complete the City Manager

then presents this proposed budget to the council for review prior to May 31st. The council is required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30th the close of the City of San Dimas' fiscal year. The appropriated budget is prepared by fund, function (e.g., public safety), and department (e.g., public works). Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Factors Affecting Financial Condition

The City of San Dimas, with a prudent spending plan, managed to present a fiscally responsible spending plan during the fiscal year, and that careful planning continues with the new fiscal year.

The City's Redevelopment Agency budget was significantly impacted in Fiscal Year 2009-2010 due to the State Supplemental Education Augmentation Fund (SERAF) revenue removal in May 2010 in the amount of \$2,085,522 and continued to be impacted for Fiscal Year 2010-11 due to an additional SERAF due in the amount of \$428,378. The California Redevelopment Agencies (CRA) challenged the State on the legality of this action. The matter awaits a final legal conclusion.

In June 2011, the State adopted provisions to eliminate Redevelopment Agencies unless Agencies consented to make payments to the State. The CRA and League of California Cities have filed a lawsuit against the State's actions and the case is currently scheduled to be heard in the California Supreme Court. The court has issued a temporary stay on certain sections of the bill until further review. In the meantime the Agency has adopted the Resolution of Intent to Continue with the San Dimas Redevelopment Agency and the Enforceable Obligation Payment Schedule as required per AB26 – Section 34167 and 34169 in order to comply with required deadlines before the court can make any further decisions.

If the court rules in favor of the State and AB26 and AB27 are upheld; the amount the City would have to pay the State to continue our Redevelopment Agency in 2011-12 is \$1,766,919 and in 2012-13 the amount is estimated at \$415,746; with additional annual payments each year thereafter. The Supreme Court has stated that they would have a decision on the constitutionality of AB26 and AB27 before the first payment is due in January 2012.

With these factors in mind the City had to budget accordingly with no new projects planned for CRA in 2011-12; the budget is for payment of current debt only. With careful planning, management was able to still present a balanced budget.

Over the past several years the City has worked to move forward on some very important community projects that improve the appearance of the City and further strengthen its economic base. This has enabled the City's financial position to remain strong despite the actions taken by the State. With that in mind, the City continues to provide quality essential services, invest in significant infrastructure improvements and build a comfortable reserve balance.

In 2010-11 the renovation of the Civic Center, Community Building and Plaza was complete and several major projects reached fruition that significantly improved the

appearance of the City. In the new year several projects will be completed and will provide services and recreation for the community, provide low and moderate housing and will strengthen the City's economic base.

Local economy. The City of San Dimas continues to maintain a steady environment in this uncertain economic time. Considering the slow economic growth the City anticipates continued stability and anticipates some growth with the completion of specific housing and mixed use projects.

The Grove Station is nearing completion although the project has been downsized from the original development due to the economy. The possibility of additional development on this project is still anticipated in the future. The City is continuing in the new fiscal year, with an apartment project at the Bonita Gateway/San Dimas Canyon site. These projects will contribute to the growth and cultural appeal of the City of San Dimas.

The City's central business district is expected to maintain its current rate of occupancy with a variety of stores, specialty shops, and commercial businesses even though some businesses have gone through changes due to the tough economic atmosphere. Most of the available land for residential use has been developed but the City continues to have infill and remodeling projects.

Long-term financial planning. The City has in place a multi-year capital improvement plan for the replacement of heavy equipment, computer and office equipment, and infrastructure improvements. As part of the renovation of the Civic Center the City in fiscal year 2010-11 replaced all staff computers, updated the data processing software and replaced and re-designed to Virtual Servers - the City's network. Additionally, the storage and backup equipment for the City's data was upgraded to accommodate current needs and future growth.

With several major projects on the horizon the City actively seeks out available grants for qualified projects and continues to be diligent in building up reserves to cover the cost of these projects, as well as, for future projects.

Cash management policies and practices. Cash temporarily idle during the year was mainly invested in the State Treasurer's investment pool, with additional short term Certificates of Deposit with local financial institutions. The City further diversified investments this year and deposited a portion of idle funds with the CalTrust investment pool.

Risk management. The City of San Dimas is a member of the Southern California Joint Powers Insurance Authority for general liability, workers compensation and property insurance. The general liability insurance had a slight increase due to the claims loss history of the City and the Insurance Pool. Property insurance increased this year due to the additional insurance required on the Walker House and for the re-modeled Civic Center. Workers Compensation insurance had a slight decrease from last year. The City has a comprehensive injury and illness prevention program to minimize risks and exposure to losses. The program includes a safety committee comprised of mid-management to analyze claims and losses and conduct periodic safety inspections, organizing quarterly safety meetings for all employees, and field employees conduct bi-weekly safety meetings on various subjects.

Pension and other post employment benefits. The City of San Dimas contracts with the Public Employees Retirement System (PERS) for the pension plan for miscellaneous employees. Each year, PERS prepares an actuarial report that calculates the amount of the annual contribution that the City of San Dimas must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. For fiscal year 2011-12 the City will have an employer rate of 13.967% and will contribute 4.5% of the employee's rate. The employees will contribute 2.5% from their pay to the retirement plan. For OPEB (Other Post Employee Benefits) the City pays a minimal amount for retiree health benefits and therefore, budgets and disburses payments on a "pay as you go" basis.

Additional information. The goal of the City of San Dimas' financial staff is to strive for excellence in the performance of the financial functions and reporting. The new requirements of GASB have increased the process of the normal financial reporting requirements. It is our goal to achieve the standards set by these professional organizations and preserve the qualities of excellence in financial reporting. As mentioned in the beginning of this letter the City of San Dimas' financial statements for the year ended June 30, 2011, were audited by Lance, Soll & Lunghard, LLP and we received an unqualified opinion.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Division and cooperation of all City departments. We would also like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.



Blaine Michaelis
City Manager



Ken Duran
Asst. City Manager/Treasurer



Barbara Bishop
Finance/IS Manager



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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of San Dimas, California (the City), as of and for the year ended June 30, 2011, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2011, and the respective changes in financial position and budgetary comparisons for the General Fund and the Golf Course Maintenance and Operation Fund, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We would like to draw the reader's attention to Note 12 – "California Redevelopment Agency Uncertainty". The note provides information on two bills passed, AB1X26 and 27 which dissolve redevelopment agencies effective October 1, 2011 and provide an option to avoid dissolution by making certain defined payments.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 15, 2011, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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.



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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section and the combining and individual nonmajor fund financial statements 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 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Lance, Soll & Lughard, LLP

Brea, California
September 15, 2011

CITY OF SAN DIMAS

Management's Discussion and Analysis

As management of the City of San Dimas, we offer readers of the City of San Dimas' financial statements this narrative overview and analysis of the financial activities of the City of San Dimas for the fiscal year ended June 30, 2011. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the City's financial statements.

Financial Highlights

- ◆ The assets of the City of San Dimas exceeded the liabilities at the close of the most recent fiscal year by \$77,164,690 (*net assets*). The net assets are comprised of (*capital assets*) in the amount of \$55,503,314 (*restricted and unrestricted net assets*) in the amount of \$21,661,376 for community development projects, parks and recreation, public works, debt service and the government's ongoing obligations.
- ◆ The City's net assets increased by \$758,213 as a result of the 2010-11 operations.
- ◆ The program and general revenues were \$32,118,211.
- ◆ The cost of governmental activities were \$30,564,431
- ◆ The General Fund reported excess revenues over expenditures of \$250,260.
- ◆ For the General Fund, actual resources available for appropriation (revenue inflows and fund balance) were more than the final budget by \$1,290,188 while actual appropriations (outflows) were \$101,317 less than budget.
- ◆ The City of San Dimas' total debt decreased by \$1,482,887 during the current fiscal year. The key factor in this decrease was due to annual payments on bond issues.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of San Dimas' basic financial statements. The City of San Dimas' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of San Dimas' finances, in a manner similar to private-sector business.

The *statement of net assets* presents information on all of the City of San Dimas' assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of San Dimas is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City of San Dimas that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of San Dimas include General Government, Public Safety, Community Development, Public Works and Parks and Recreation.

The government-wide financial statements include the blending of separate legal entities such as: The San Dimas Redevelopment Agency, San Dimas Public Financing Authority, San Dimas Public Corporation and San Dimas La Verne Facilities Authority. Although legally separate, these "component units" are important because the City of San Dimas is financially accountable for them.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of San Dimas, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of San Dimas can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of San Dimas maintains thirty-four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Capital Project - Civic Center Expansion Fund, Special Revenue – Golf Course Maintenance and Operations fund, and Capital Project – Redevelopment Agency fund; all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of

these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of San Dimas adopts an annual appropriated budget for all material funds. Budgetary comparison statements have been provided for the general fund and three other major funds to demonstrate compliance with this budget.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of San Dimas' own programs. Trustee funds are set up to account for the resources held for bond payments and for recording transactions performed by appointed trustees. The City does not budget for the trustee activities.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Combining statements. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the notes.

Government-wide Financial Analysis

Our analysis focuses on the net assets and changes in net assets of the City's governmental activities. No business-type activities are reported in the government-wide statements.

Governmental Activities Net Assets

	<u>2011</u>	<u>2010</u>
Current and other assets	\$38,332,082	\$48,563,865
Capital assets	<u>\$63,659,472</u>	<u>\$54,849,485</u>
Total assets	<u>\$101,991,554</u>	<u>\$103,413,350</u>
Long-term liabilities outstanding	\$21,204,371	\$22,687,138
Other liabilities	<u>\$ 3,622,493</u>	<u>\$ 4,319,735</u>
Total liabilities	<u>\$24,826,864</u>	<u>\$27,006,873</u>
Net Assets:		
Invested in capital assets, net of debt	\$55,503,314	\$42,863,112
Restricted/Unrestricted	<u>\$21,661,376</u>	<u>\$33,543,365</u>
Total net assets	<u>\$77,164,690</u>	<u>\$76,406,477</u>

The City's net assets from governmental activities increased from \$76,406,477 to \$77,164,690. This increase comes from the change in net assets of \$1,553,780 and a

restatement of net assets in the amount of (\$795,567) as recorded in the Statement of Activities and flows through the Statement of Net Assets.

Governmental activities. Governmental activities increased the City of San Dimas' net assets by a total of \$758,213.

Governmental Activities Changes in Net Assets		
	<u>2011</u>	<u>2010</u>
Revenues		
Program Revenues:		
Charges for Services	\$ 2,578,493	\$ 5,292,988
Operating contributions and grants	\$ 3,494,182	\$ 2,606,389
General Revenues:		
Taxes:		
Property Taxes	\$11,729,168	\$11,946,345
Sales Taxes	\$ 7,311,155	\$ 6,909,162
Franchise Taxes	\$ 2,016,079	\$ 1,969,421
Other Taxes	\$ 1,189,093	\$ 1,214,168
Motor Vehicle In Lieu Unrestricted	\$ 169,436	\$ 133,753
Use of Money & Property	\$ 3,602,236	\$ 3,548,557
Other	<u>\$ 28,369</u>	<u>\$ 565,968</u>
Total Revenues	<u>\$32,118,211</u>	<u>\$34,186,751</u>
Expenses		
General Government	\$ 7,389,371	\$10,096,746
Public Safety	\$ 5,989,623	\$ 5,828,601
Community Development	\$ 1,716,640	\$ 1,719,107
Public Works	\$ 6,433,029	\$ 8,489,237
Parks and Recreation	\$ 6,579,071	\$ 5,287,012
Interest on Long-term Debt	<u>\$ 2,456,697</u>	<u>\$ 2,242,179</u>
Total Expenses	<u>\$30,564,431</u>	<u>\$33,662,882</u>
Change in net assets	<u>\$ 1,553,780</u>	<u>\$ 523,869</u>
Net assets - beginning balance	\$76,406,477	\$75,799,866
Change in net assets	\$ 1,553,780	\$ 523,869
Restatement of net assets	<u>(\$795,567)</u>	<u>\$ 82,742</u>
Net assets – ending balance	<u>\$77,164,690</u>	<u>\$76,406,477</u>

The City's total revenues are \$32,118,211 while the cost of all programs and services are \$30,564,431 for a change in net assets of \$1,553,780.

The following presents the cost of each of the City's six largest programs – General Government, Public Safety, Community Development, Parks and Recreation, Public Works and Interest on Long-Term Debt – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial impact that was placed on the City's resources by each of these functions.

Governmental Activities

	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>
General Government	\$7,389,371	\$6,280,382
Public Safety	\$5,989,623	\$5,246,848
Community Development	\$1,716,640	\$1,030,812
Parks and Recreation	\$6,579,071	\$5,818,971
Public Works	\$6,433,029	\$3,658,046
Interest on Long-Term Debt	<u>\$2,456,697</u>	<u>\$2,456,697</u>
Totals	\$30,564,431	\$24,491,756

The net cost of services indicates that the overall cost of government is significantly more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program revenues and general revenues.

Financial Analysis of the Government's Funds

The City of San Dimas uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of San Dimas' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of San Dimas' financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of San Dimas' governmental funds reported combined ending fund balances of \$26,054,896 a decrease of \$10,334,820 in comparison with the prior year. The major factor in this decrease was due to the renovation of the Civic Center/Community Building.

The General Fund is the chief operating fund of the City of San Dimas. At the end of the current fiscal year, excluding operating transfers, the General Fund had excess revenues over expenditures of \$250,260. Additionally, at the end of the current fiscal year, the Redevelopment Agency Capital Project fund revenues were under expenditures by (\$90,244) excluding operating transfers, mainly due to capital projects in the redevelopment areas.

General Fund Budgetary Highlights

The final budget for appropriations in the General Fund at year-end was \$19,810,529. The actual appropriations were \$19,709,212, under budget by \$101,317 for the fiscal year including transfers out. Actual revenues in the General Fund exceeded the budget by \$1,290,188 for the fiscal year including transfer in.

Capital Asset and Debt Administration

Capital Assets. At the end of fiscal year 2010-11, the City of San Dimas had \$63,659,472 million invested in a broad range of capital assets, including land, buildings, infrastructure, and equipment. This amount represents a net increase of \$8,809,987 over last year. The increase was primarily due to the completion of the renovation of the Civic Center/Community Building project, other construction of infrastructure, and additions in capital assets.

Capital Assets (Net of Depreciation)

	<u>Governmental Activities</u>	
	<u>2011</u>	<u>2010</u>
Land	\$13,769,781	\$13,769,781
Construction in Progress	\$ 0	\$ 2,624,581
Buildings and Structures	\$22,712,141	\$11,387,780
Improvements Other Than Buildings	\$ 2,292,282	\$ 2,678,925
Furniture and Equipment	\$ 1,261,230	\$ 807,614
Infrastructure	<u>\$23,624,038</u>	<u>\$23,580,804</u>
Totals	\$63,659,472	\$54,849,485

The City's Capital Improvement Plan includes expenditures for street improvements, street reconstructions, miscellaneous storm drain improvements, and recreation facilities. Funding will come from current fund balance, projected revenues and grants. In addition, the Agency will at this time only be paying according to the Enforceable Obligation Payment Schedule adopted by the City Council due to the pending litigation between the CRA and City against the State's actions regarding the elimination of Redevelopment Agencies. More detailed information about the City's capital assets is presented in Note 1 and Note 4 to the financial statements.

Long-term Debt. At the end of the current fiscal year, the City of San Dimas had total bonded debt outstanding for the San Dimas Redevelopment Agency, Civic Center Parking District, Civic Center Facilities, San Dimas Public Financing Authority and accrued employee's benefits of \$21,215,109.

City of San Dimas Outstanding Debt

	Governmental Activities	
	2011	2010
Bonds Payable	\$19,626,634	\$21,169,993
Accrued Employee Benefits	\$1,588,475	\$ 1,528,003
Totals	\$21,215,109	\$22,697,996

More detailed information about the City's long-term debt is presented in Note 6 to the financial statements.

The City of San Dimas' total debt decreased by \$1,482,887 during the current fiscal year. The key factor in this decrease was due to annual bond and interest payments. The City of San Dimas maintains an "AA" rating from Standard & Poor's and Fitch for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 10 percent of its total assessed valuation. The current debt limitation for the City of San Dimas is \$1,230,602,397 which is significantly in excess of the City of San Dimas' outstanding general obligation debt.

Economic Factors and Next Year's Budget and Rates

The revenue and expenditure projections provided for the 2011-12 budget are based upon economic forecasts and trends for the area in which the City is located. It is based on the information supplied by outside agencies, such as the State Department of Finance, State Board of Equalization, and the Los Angeles County Assessor's Office, to predict revenues for entitlements, grants, state subventions, sales tax and property tax.

This year, the assumption used for forecasting the revenues was very conservative considering the prior year fluctuations in revenue collections and with no significant increases in revenue due to the current economic climate. Property Tax, Sales Tax and Other Taxes have been estimated at the same level as last year. However, it is anticipated that there will be an impact to Sales Tax revenue at some point in the year due to the relocation of a major business in town.

The California Redevelopment Agencies are still awaiting the decision on an appeal filed against the California Legislature's SB26 that required the shift in tax increment revenues for 2009-10 and 2010-11 for Supplemental Educational Revenue Augmentation Fund (SERAF) that required the City to pay over \$2,500,000 to be distributed to meet the State's Prop 98 obligations to schools. Additionally, with the State passage of AB26 and AB27 Elimination of Redevelopment Agencies, the City once again has joined with the CRA and League of California Cities and filed a lawsuit against the State's actions and the case is currently being heard in the California Supreme Court. The court has issued a temporary stay on certain sections of the bill until further review. With these factors in mind the City had to budget accordingly with no new projects planned for CRA in 2011-12; the budget is only for payment of current debt as outlined in our adopted Enforceable Payment Obligation Schedule.

The assumption used for forecasting expenditures include a prudent spending plan with some major projects put on hold until the City realizes the outcome of the State's actions. There was no CPI increase in salaries or any increase in fringe benefits for the third year in a row for employees due to the current economic climate.

In addition, wherever possible, any expenditures which are not "on-going", such as expenditures identified for certain capital or fixed asset items, have not been carried forward as expenditures in the following years.

In fiscal year 2010-11 the major renovation of the Civic Center/Community Building was completed, as well as, other infrastructure projects. The continuation of the agreement between the Agency and the developer to subsidize affordable housing as part of a mixed use project at the Canyon Center Property is ongoing. Due to the uncertainty of AB26 and AB27 as noted earlier there are no new projects or agreements in the Redevelopment Agency budgeted for 2011-12. The City will continue to build reserves in anticipation of future projects.

A priority of the City of San Dimas is to present a well balanced budget and maintain a high quality of services to the community within the City's constraint and is consistent with the City Council's goals and objectives.

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's finances and to show the City's accountability for the money it receives. If you have any questions about this report or need additional information, contact the City's Administrative Services Department, Finance Division, at the City of San Dimas, 245 East Bonita Avenue, San Dimas, CA 91773, (909) 394-6225.

CITY OF SAN DIMAS

STATEMENT OF NET ASSETS
 JUNE 30, 2011

	Governmental Activities
Assets:	
Cash and investments	\$ 25,693,866
Receivables:	
Accounts	1,243,063
Taxes	933,055
Notes and loans	426,392
Accrued interest	29,072
Deferred loans	447,144
Grants	489,379
Deferred charges	113,908
Land held for resale	5,315,020
Restricted assets:	
Cash with fiscal agent	3,641,183
Capital assets not being depreciated	13,769,781
Capital assets, net of depreciation	<u>49,889,691</u>
 Total Assets	 <u>101,991,554</u>
 Liabilities:	
Accounts payable	3,312,305
Accrued liabilities	3,852
Accrued interest	265,877
Unearned revenue	40,167
Deposits payable	292
Noncurrent liabilities:	
Due within one year	2,140,486
Due in more than one year	<u>19,063,885</u>
 Total Liabilities	 <u>24,826,864</u>
 Net Assets:	
Invested in capital assets, net of related debt	55,503,314
Restricted for:	
Community development projects	11,635,004
Parks and recreation	6,033
Public works	3,187,153
Debt service	1,029,829
Unrestricted	<u>5,803,357</u>
 Total Net Assets	 <u>\$ 77,164,690</u>

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CITY OF SAN DIMAS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues			Net (Expenses) Revenues and Changes in Net Assets
	Expenses	Charges for Services	Operating Contributions and Grants	
Primary Government:				
Governmental Activities:				
General government	\$ 7,389,371	\$ 461,963	\$ 647,026	\$ -
Public safety	5,989,623	544,850	197,925	-
Community development	1,716,640	640,463	45,365	-
Parks and recreation	6,579,071	686,130	73,970	-
Public works	6,433,029	245,087	2,529,896	-
Interest on long-term debt	2,456,697	-	-	-
Total Governmental Activities	30,564,431	2,578,493	3,494,182	-
Total Primary Government	\$ 30,564,431	\$ 2,578,493	\$ 3,494,182	\$ -
General Revenues:				
Taxes:				
Property taxes, levied for general purpose				11,729,168
Transient occupancy taxes				669,994
Sales taxes				7,311,155
Franchise taxes				2,016,079
Business licenses taxes				380,807
Other taxes				138,292
Motor vehicle in lieu - unrestricted				169,436
Use of money and property				3,602,236
Other				28,369
Total General Revenues				26,045,536
Change in Net Assets				1,553,780
Net Assets at Beginning of Year				76,406,477
Restatement of Net Assets				(795,567)
Net Assets at End of Year				\$ 77,164,690

CITY OF SAN DIMAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	<u>General</u>	<u>Special Revenue Funds Golf Course Maintenance and Operation</u>	<u>Capital Projects Funds</u>	
			<u>Civic Center Expansion</u>	<u>Redevelopment Agency</u>
Assets:				
Pooled cash and investments	\$ 13,953,998	\$ 86,328	\$ 1,160,819	\$ 4,728,216
Receivables:				
Accounts	1,165,861	21,210	-	8,554
Taxes	470,291	-	-	113,943
Notes and loans	426,392	-	-	-
Accrued interest	29,072	-	-	-
Deferred loans	-	-	-	13,354
Grants	23,452	-	-	-
Due from other funds	38,088	-	-	-
Advances to other funds	23,628,101	-	-	1,668,441
Land held for resale	-	-	-	5,315,020
Restricted assets:				
Cash and investments with fiscal agents	-	-	745,329	2,617,745
Total Assets	\$ 39,735,255	\$ 107,538	\$ 1,906,148	\$ 14,465,273
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 867,012	\$ 24,674	\$ 986,129	\$ 64,025
Accrued liabilities	3,852	-	-	-
Deferred revenues	7,963,943	-	-	13,354
Unearned revenues	-	40,167	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	8,997,795	-	14,630,306
Total Liabilities	8,834,807	9,062,636	986,129	14,707,685
Fund Balances:				
Nonspendable:				
Land held for resale	-	-	-	5,315,020
Advances to other funds	16,439,389	-	-	1,668,441
Restricted for:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	745,329	-
Low and moderate housing	-	-	-	8,375,563
Committed to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Assigned to:				
Capital projects	-	-	174,690	-
Risk management	2,848,478	-	-	-
Emergency	652,227	-	-	-
Equipment replacement	258,501	-	-	-
General plan update	250,000	-	-	-
Unassigned	10,451,853	(8,955,098)	-	(15,601,436)
Total Fund Balances	30,900,448	(8,955,098)	920,019	(242,412)
Total Liabilities and Fund Balances	\$ 39,735,255	\$ 107,538	\$ 1,906,148	\$ 14,465,273

CITY OF SAN DIMAS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Other Governmental Funds	Total Governmental Funds
Assets:		
Pooled cash and investments	\$ 5,764,505	\$ 25,693,866
Receivables:		
Accounts	47,438	1,243,063
Taxes	348,821	933,055
Notes and loans	-	426,392
Accrued interest	-	29,072
Deferred loans	433,790	447,144
Grants	465,927	489,379
Due from other funds	1,865	39,953
Advances to other funds	-	25,296,542
Land held for resale	-	5,315,020
Restricted assets:		
Cash and investments with fiscal agents	278,109	3,641,183
Total Assets	\$ 7,340,455	\$ 63,554,669
Liabilities and Fund Balances:		
Liabilities:		
Accounts payable	\$ 1,370,465	\$ 3,312,305
Accrued liabilities	-	3,852
Deferred revenues	829,365	8,806,662
Unearned revenues	-	40,167
Deposits payable	292	292
Due to other funds	39,953	39,953
Advances from other funds	1,668,441	25,296,542
Total Liabilities	3,908,516	37,499,773
Fund Balances:		
Nonspendable:		
Land held for resale	-	5,315,020
Advances to other funds	-	18,107,830
Restricted for:		
Parks and recreation	6,033	6,033
Public works	3,187,153	3,187,153
Debt service	284,500	1,029,829
Low and moderate housing	-	8,375,563
Committed to:		
Parks and recreation	156,493	156,493
Public works	1,596,867	1,596,867
Assigned to:		
Capital projects	-	174,690
Risk management	-	2,848,478
Emergency	-	652,227
Equipment replacement	-	258,501
General plan update	-	250,000
Unassigned	(1,799,107)	(15,903,788)
Total Fund Balances	3,431,939	26,054,896
Total Liabilities and Fund Balances	\$ 7,340,455	\$ 63,554,669

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CITY OF SAN DIMAS

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Fund balances of governmental funds	\$ 26,054,896
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.	63,659,472
Bond issuance cost is an expenditure in the governmental funds, but it is a deferred charge in the statement of net assets.	113,908
Long-term debt and compensated absences that have not been included in the governmental fund activity:	
Long-term liabilities	(19,615,896)
Compensated Absences	(1,588,475)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(265,877)
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>8,806,662</u>
Net assets of governmental activities	<u><u>\$ 77,164,690</u></u>

CITY OF SAN DIMAS

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	General	Special	Capital Projects Funds	
		Revenue Funds	Civic Center	Redevelopment
		Golf Course	Expansion	Agency
		Maintenance		
		and Operation		
Revenues:				
Taxes	\$ 14,958,233	\$ -	\$ -	\$ 1,337,512
Licenses and permits	635,343	-	-	-
Intergovernmental	228,534	-	-	-
Charges for services	1,257,283	-	-	-
Use of money and property	1,458,066	627,352	2,821	1,178,563
Fines and forfeitures	533,330	-	-	-
Miscellaneous	118,018	-	-	8,172
Total Revenues	19,188,807	627,352	2,821	2,524,247
Expenditures:				
Current:				
General government	5,970,504	-	113,788	77,901
Public safety	5,781,192	-	-	-
Planning and development	991,961	-	-	715,635
Parks and recreation	3,050,237	196,332	-	-
Public works	2,311,597	-	-	-
Capital outlay	833,056	-	9,639,954	306,613
Debt service:				
Principal retirement	-	-	450,000	255,092
Interest and fiscal charges	-	693,579	289,833	1,259,250
Total Expenditures	18,938,547	889,911	10,493,575	2,614,491
Excess (Deficiency) of Revenues Over (Under) Expenditures	250,260	(262,559)	(10,490,754)	(90,244)
Other Financing Sources (Uses):				
Transfers in	1,001,358	-	-	1,529,220
Transfers out	(770,665)	-	-	(797,100)
Total Other Financing Sources (Uses)	230,693	-	-	732,120
Net Change in Fund Balances	480,953	(262,559)	(10,490,754)	641,876
Fund Balances, Beginning of Year, as previously reported	30,419,495	(8,692,539)	12,265,994	(909,084)
Restatements	-	-	(855,221)	24,796
Fund Balances, Beginning of Year, as restated	30,419,495	(8,692,539)	11,410,773	(884,288)
Fund Balances, End of Year	\$ 30,900,448	\$ (8,955,098)	\$ 920,019	\$ (242,412)

CITY OF SAN DIMAS

**STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Other Governmental Funds	Total Governmental Funds
Revenues:		
Taxes	\$ 6,105,481	\$ 22,401,226
Licenses and permits	-	635,343
Intergovernmental	2,687,789	2,916,323
Charges for services	132,286	1,389,569
Use of money and property	7,372	3,274,174
Fines and forfeitures	-	533,330
Miscellaneous	51,268	177,458
Total Revenues	8,984,196	31,327,423
Expenditures:		
Current:		
General government	898,899	7,061,092
Public safety	208,431	5,989,623
Planning and development	-	1,707,596
Parks and recreation	1,008,551	4,255,120
Public works	2,397,321	4,708,918
Capital outlay	2,355,277	13,134,900
Debt service:		
Principal retirement	838,267	1,543,359
Interest and fiscal charges	223,406	2,466,068
Total Expenditures	7,930,152	40,866,676
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,054,044	(9,539,253)
Other Financing Sources (Uses):		
Transfers in	1,640,903	4,171,481
Transfers out	(2,603,716)	(4,171,481)
Total Other Financing Sources (Uses)	(962,813)	-
Net Change in Fund Balances	91,231	(9,539,253)
Fund Balances, Beginning of Year, as previously reported	3,305,850	36,389,716
Restatements	34,858	(795,567)
Fund Balances, Beginning of Year, as restated	3,340,708	35,594,149
Fund Balances, End of Year	\$ 3,431,939	\$ 26,054,896

CITY OF SAN DIMAS

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011**

Net change in fund balances - total governmental funds	\$ (9,539,253)
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.	8,809,987
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	1,420,843
Debt issuance costs are expenditures in governmental funds, but these costs are capitalized on the statement of net assets.	113,908
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	17,979
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.	(60,472)
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>790,788</u>
Change in net assets of governmental activities	<u><u>\$ 1,553,780</u></u>

CITY OF SAN DIMAS

**BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 30,419,495	\$ 30,419,495	\$ 30,419,495	\$ -
Resources (Inflows):				
Taxes	11,083,065	11,083,065	14,958,233	3,875,168
Licenses and permits	472,320	472,320	635,343	163,023
Intergovernmental	3,091,616	3,091,616	228,534	(2,863,082)
Charges for services	1,217,185	1,217,185	1,257,283	40,098
Use of money and property	1,356,521	1,356,521	1,458,066	101,545
Fines and forfeitures	612,000	612,000	533,330	(78,670)
Miscellaneous	76,050	76,050	118,018	41,968
Transfers in	991,220	991,220	1,001,358	10,138
Amounts Available for Appropriation	49,319,472	49,319,472	50,609,660	1,290,188
Charges to Appropriation (Outflow):				
General government				
City council	60,720	60,720	53,734	6,986
City manager/city clerk	678,913	678,913	654,744	24,169
Administrative services	908,304	908,304	925,672	(17,368)
City attorney	255,000	255,000	433,759	(178,759)
General services	3,664,842	3,664,842	3,902,595	(237,753)
Public safety				
Law enforcement	5,808,718	5,808,718	5,692,428	116,290
Risk management/law enforcement	2,000	2,000	-	2,000
Emergency services	64,500	64,500	88,764	(24,264)
Community development				
Community development	434,944	434,944	354,259	80,685
Department services	645,042	645,042	637,702	7,340
Parks and recreation				
Facilities	594,173	594,173	554,231	39,942
Civic center	160,600	160,600	137,212	23,388
Senior center/community building	75,400	75,400	68,111	7,289
Park maintenance	303,994	303,994	286,028	17,966
Parkways and trees	549,813	549,813	517,301	32,512
Recreation	1,114,438	1,114,438	1,078,816	35,622
Swim and racquet club	447,408	447,408	408,538	38,870
Public works				
Public works	671,958	671,958	599,178	72,780
Building and safety	457,301	457,301	497,473	(40,172)
Equipment replacement	38,800	38,800	37,248	1,552
Street maintenance	756,859	756,859	687,750	69,109
Vehicle/yard maintenance	300,293	300,293	281,410	18,883
Traffic control	246,559	246,559	208,538	38,021
Capital outlay	835,285	835,285	833,056	2,229
Transfers out	734,665	734,665	770,665	(36,000)
Total Charges to Appropriations	19,810,529	19,810,529	19,709,212	101,317
Budgetary Fund Balance, June 30	\$ 29,508,943	\$ 29,508,943	\$ 30,900,448	\$ 1,391,505

CITY OF SAN DIMAS

**BUDGETARY COMPARISON STATEMENT
GOLF COURSE MAINTENANCE AND OPERATION
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (8,692,539)	\$ (8,692,539)	\$ (8,692,539)	\$ -
Resources (Inflows):				
Use of money and property	490,000	490,000	627,352	137,352
Amounts Available for Appropriation	(8,202,539)	(8,202,539)	(8,065,187)	137,352
Charges to Appropriation (Outflow):				
Parks and recreation	141,000	141,000	196,332	(55,332)
Debt service:				
Interest and fiscal charges	349,000	349,000	693,579	(344,579)
Total Charges to Appropriations	490,000	490,000	889,911	(399,911)
Budgetary Fund Balance, June 30	\$ (8,692,539)	\$ (8,692,539)	\$ (8,955,098)	\$ (262,559)

CITY OF SAN DIMAS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	<u>Agency Funds</u>
Assets:	
Pooled cash and investments	\$ 404,652
Receivables:	
Accounts	<u>66</u>
Total Assets	<u><u>\$ 404,718</u></u>
Liabilities:	
Accounts payable	\$ 2,647
Deposits payable	<u>402,071</u>
Total Liabilities	<u><u>\$ 404,718</u></u>

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I. SIGNIFICANT ACCOUNTING POLICIES

Note 1: Organization and Summary of Significant Accounting Policies

a. Description of the Reporting Entity

The City of San Dimas, California ("City"), was incorporated on August 4, 1960, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. It is governed by an elected five-member board. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of San Dimas (the primary government) and its component units. The component units discussed below are included in the reporting entity because their governing boards are the same as that of the primary government and because of their operational or financial relationships with the City of San Dimas.

Blended component units:

The San Dimas Redevelopment Agency ("Agency") was created on September 8, 1969, and as of the date of this report two project areas have been formed. Financial statements for the Redevelopment Agency, the only separately issued component unit financial statements, may be obtained from the City of San Dimas at 245 East Bonita Ave., San Dimas, California 91773.

The San Dimas - La Verne Recreational Authority was created by a joint exercise of powers agreement between the cities of San Dimas and La Verne dated December 1, 1970.

The San Dimas Public Financing Authority was created by a joint exercise of powers agreement between the City of San Dimas and the San Dimas Redevelopment Agency on April 23, 1996, to facilitate the issuance of bonds from the Redevelopment Agency.

The San Dimas Public Facilities Financing Corporation was formed November 12, 1991. It is a nonprofit public benefit corporation, organized and existing under the laws of the State of California, authorized pursuant to Section 5140 of the Corporations Code, to assist the City in financing certain public facilities.

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 are normally supported by taxes and intergovernmental revenues. The primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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. The fiduciary funds are reported on the accrual basis of accounting. 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. 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. 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, with the exception of grants which has an availability period of 90 days. 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 is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The Golf Course Maintenance and Operations Fund accounts for the proceeds of the golf course activities that are restricted by law or administrative action to expenditures for specified purposes.
- The Civic Center Expansion Fund accounts for the financing, construction and administrative activities for the expansion of the Civic Center.
- The Redevelopment Agency Capital Projects Fund accounts for the construction and administrative activities of the Redevelopment Agency.
- Additionally, the City also reports the following fund types:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Agency Funds - These funds are 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.

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

d. Assets, Liabilities and Net Assets or Equity

1. Deposits 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, as well as for its component units, are reported at fair value. 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.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

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.

Property tax revenue is recognized 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 (not to exceed 60 days), 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 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 on August 31.

3. Inventories, Prepaid Items and Land Held for Resale

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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.

Land purchased for resale is capitalized as inventory at acquisition costs or net realizable value, if lower.

4. Policy for Eliminating Internal Activity in Government-Wide Statement of Activities

Administrative overhead charges are made to funds and programs and are thereby included in the direct expenses of those funds and programs.

5. Capital Assets

Capital assets which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets other than infrastructure assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Infrastructure assets have a capitalization threshold of \$50,000. 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 No. 34, the City has reported general infrastructure assets acquired in the current year and prior 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.

Property, plant and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Structures	10-25
Equipment	3-10
Improvements other than building	3-25
Infrastructure	20-50

6. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits.

Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally an employee cannot accrue more than two and one-half times their regular annual entitlement.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Sick leave is payable when an employee is unable to work because of illness. Except for retirement, unused sick leave is forfeited upon termination. Upon retirement an employee will be paid for any unused sick leave up to the first 100 hours at full pay and the remainder will be paid at a 50% rate.

All vacation and sick leave pay is accrued when incurred in the government-wide statements. Compensated absences are paid, if matured, out of the general fund.

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. Bond premiums and discounts as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

In the fund financial statements, government funds report the following fund balance classification:

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

Assigned include amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed. The City Manager, Assistant City Manager and/or Finance/IS Manager are authorized to assign amounts to a specific purpose, which was established by the governing body in a minute action.

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 (assigned or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

e. Reconciliation of Government-Wide and Fund Financial Statements

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

The governmental fund balance sheet includes reconciliation between fund balance - governmental funds and net assets of governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term debts are not due and payable in the current period and therefore, have not been included in the governmental fund activity."

The detail of the \$(19,615,896) long-term debt difference is as follows:

Long Term Debt:	
Limited obligation improvement bonds payable	\$ (49,165)
Certificate of participation	(175,000)
Lease Revenue Bonds	(7,945,000)
Bonds payable	(9,965,000)
Loans payable	(1,492,469)
Bond Discount	10,738
	<u>10,738</u>
Net adjustment to reduce fund balance of total governmental funds to arrive at net assets of government activities	<u>\$ (19,615,896)</u>

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

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

The details of this \$8,809,987 difference are as follows:

Capital outlay	\$ 12,911,801
Depreciation expense	(4,093,873)
Loss on disposal of capital assets	(7,941)
	<u>(7,941)</u>
Net adjustment to increase net changes in fund balances of total government funds to arrive at changes in net assets of governmental activities	<u>\$ 8,809,987</u>

II. STEWARDSHIP

Note 2: Stewardship, Compliance and Accountability

a. Budgetary Data

General Budget Policies

The City Council approves each year's budget submitted by the City manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Intradepartmental budget changes are approved by the City manager. In most cases, expenditures may not exceed appropriations at the function level. At fiscal year-end all unencumbered operating budget appropriations lapse. During the year several supplementary appropriations were necessary.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue and similar governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities. During the current fiscal year there were no encumbrances outstanding.

Budget Basis of Accounting

Budgets for governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP).

b. The following funds do not have legally adopted budget:

- Property Development Tax:
 - North and West
 - East
- 1998 Certificates of Participation
- Civic Center Expansion

c. Excess of expenditures over appropriations within individual funds by are as follows:

Fund	Expenditures	Appropriations	Excess
Major Governmental Funds:			
General Fund:			
Administrative services	\$ 925,672	\$ 908,304	\$ 17,368
City attorney	433,759	255,000	178,759
General services	3,902,595	3,664,842	237,753
Emergency services	88,764	64,500	24,264
Building and safety	497,473	457,301	40,172
Golf Course Maintenance and Operation Fund:			
Parks and recreation	196,332	141,000	55,332
Debt Service Interest	693,579	349,000	344,579

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 2: Stewardship, Compliance and Accountability (Continued)

d. The following funds contained deficit fund balances:

Fund	Amount
Special Revenue Funds:	
Golf Course Maintenance and Operation	\$ (8,955,098)
Civic Center Parking District	(1,891)
Capital Projects Funds:	
Redevelopment Agency	(242,412)
Debt Service Funds:	
Redevelopment Agency	(1,519,107)

III. DETAILED NOTES ON ALL FUNDS

Note 3: Cash and Investments

As of June 30, 2011, cash and investments were reported in the accompanying financial statements as follows:

Governmental Activities	\$ 29,335,049
Fiduciary Funds	<u>404,652</u>
Total	<u><u>\$ 29,739,701</u></u>

The City of San Dimas maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported on the combined balance sheet as cash and investments. The City has adopted an investment policy which authorizes it to invest in various investments.

Deposits

At June 30, 2011, the carrying amount of the City's deposits was \$264,369 and the bank balance was \$1,364,691. The \$1,100,322 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 which 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.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 3: Cash and Investments (Continued)

Investments

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

- Securities of the U.S. Government, or its agencies
- Certificate of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies.
- Negotiable Certificate of Deposit
- Local Agency Investment Fund (State Pool) Demand Deposits
- Repurchase Agreements (Repos)
- Passbook Savings Account Demand Deposits

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.

Credit Risk

As of June 30, 2011, the City's investments in external investment pools and money market mutual funds are unrated.

On Aug. 5, 2011, Standard & Poor's Ratings Services lowered its long-term sovereign credit rating on the United States of America to AA+ from AAA. As a result, on Aug. 8, 2011, Standard & Poor's Ratings Services lowered its issuer credit ratings and related issue ratings on various Federal Home Loan Bank, Federal Farm Credit Bank, Fannie Mae and Freddie Mac to AA+ from AAA. The City invests in LAIF which invests in various underlying securities, including the federal agency securities listed above. While LAIF is not rated, the federal agency securities are, and these have been affected by this rating change.

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 3: Cash and Investments (Continued)

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, 2011, none of the City's deposits or investments was exposed to custodial credit risk.

Concentration of Credit Risk

The City's investment policy imposes restrictions on the percentage that the City can invest in certain types of investments. As of June 30, 2011, in accordance with GASB 40 requirements, the City has not invested more than 5% of its total investments in any one issuer. Investments guaranteed by the U.S. government and investments in mutual funds and external investment pools are excluded from this requirement.

Interest Rate Risk

The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rates. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2011, the City had the following investments and maturities:

	Remaining Investment Maturities			Fair Value
	1 year or less	1 to 3 years	3 to 5 years	
Certificate of Deposit	\$ 650,000	\$ 4,000,000	\$ 100,000	\$ 4,750,000
Local Agency Investment Fund	17,056,943	-	-	17,056,943
Money Market Funds	4,027,205	-	-	4,027,205
Cash with Fiscal Agents				
Money Market Mutual Funds	3,641,184	-	-	3,641,184
Total	\$ 25,375,332	\$ 4,000,000	\$ 100,000	\$ 29,475,332

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Transfers	Additions	Deletions	Ending Balance
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 13,769,781	\$ -	\$ -	\$ -	\$ 13,769,781
Construction in progress	2,624,581	(2,624,581)	-	-	-
Total Capital Assets, Not Being Depreciated	<u>16,394,362</u>	<u>(2,624,581)</u>	<u>-</u>	<u>-</u>	<u>13,769,781</u>
Capital assets, being depreciated:					
Buildings and structures	17,133,241	2,624,581	9,834,810	1,195,956	28,396,676
Equipment	3,577,414	-	848,340	19,958	4,405,796
Improvements other than buildings	12,376,944	-	-	-	12,376,944
Infrastructure	119,117,424	-	2,228,651	412,978	120,933,097
Total Capital Assets, Being Depreciated	<u>152,205,023</u>	<u>2,624,581</u>	<u>12,911,801</u>	<u>1,628,892</u>	<u>166,112,513</u>
Less accumulated depreciation:					
Buildings and structures	5,745,461	-	1,135,030	1,195,956	5,684,535
Equipment	2,769,800	-	394,723	19,957	3,144,566
Improvements other than buildings	9,698,019	-	386,643	-	10,084,662
Infrastructure	95,536,620	-	2,177,477	405,038	97,309,059
Total Accumulated Depreciation	<u>113,749,900</u>	<u>-</u>	<u>4,093,873</u>	<u>1,620,951</u>	<u>116,222,822</u>
Total Capital Assets, Being Depreciated, Net	<u>38,455,123</u>	<u>2,624,581</u>	<u>8,817,928</u>	<u>7,941</u>	<u>49,889,691</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,849,485</u>	<u>\$ -</u>	<u>\$ 8,817,928</u>	<u>\$ 7,941</u>	<u>\$ 63,659,472</u>

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

Governmental Activities:	
General government	\$ 309,943
Public works	2,306,698
Parks and recreation	<u>1,477,232</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 4,093,873</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 5: Pension Plan

Plan Description

The City of San Dimas contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer defined benefit plan. PERS provides retirement and 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: 400 P Street, Sacramento, CA 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The City makes 4.5% of the contribution and the employees contribute 2.5%. The City is required to contribute at an actuarially determined rate; the current rate is 13.967% of annual covered payroll for non-safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2011, the City's annual pension cost of \$957,790 for PERS was equal to the City's required and actual contributions. 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 vary by duration of service and (c) 3% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3%. 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 remaining amortization period at June 30, 2011, was 12 years.

Three-Year Trend Information for PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2009	\$ 946,696	100%	\$ -
6/30/2010	920,777	100%	-
6/30/2011	957,790	100%	-

For fiscal year 2010-2011, the City of San Dimas 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 employers 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 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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 6: Long-Term Debt

- a. A description of long-term debt outstanding as of June 30, 2011, follows:

Compensated Absences Payable

The City's policy relating to compensated absences is described in Note 1 of the Notes to Financial Statements. This liability will be paid in future years from future resources. The outstanding liability for compensated absences earned was \$1,588,475.

1991 Tax Allocation Refunding Bonds, Creative Growth Redevelopment Project

On April 1, 1991, the Agency issued \$8,020,000 of Creative Growth Redevelopment Project 1991 Tax Allocation Refunding Bonds to advance refund \$4,750,000 of outstanding 1985 Tax Allocation Refunding Bonds and \$3,070,000 of outstanding 1987 Tax Allocation Subordinated Bonds. As a result, the 1985 and 1987 Series Bonds are considered to be defeased and the liability for those bonds has been removed from the City's Long-Term Debt. Interest on the bonds is payable semi-annually each September 1 and March 1 beginning September 1, 1991. The bonds bear interest rates varying from 5.75% to 6.75%. Principal maturities on serial bonds begin September 1, 1992, and continue on September 1 of each year through September 1, 2005; term bonds are due September 1, 2016. The bonds are not a debt of the City of San Dimas, the State of California or any of its political subdivisions, and neither said city, said state nor any of its political subdivisions is liable therefore. The interest on and principal of the bonds are payable solely from tax revenues allocated to the Agency from the project area as defined in the resolution. On July 1, 1998, \$2,965,000 of these bonds was defeased by the issuance of the 1998 Series A Creative Growth Tax Allocation Bonds. The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2011, including interest, are as follows:

Year Ending June 30,	1991 Creative Growth Tax Allocation Refunding Bonds	
	Principal	Interest
2011-2012	\$ 50,000	\$ 21,938
2012-2013	50,000	18,563
2013-2014	55,000	15,019
2014-2015	60,000	11,138
2015-2016	65,000	6,919
2016-2021	70,000	2,363
Totals	<u>\$ 350,000</u>	<u>\$ 75,940</u>

1996 Housing Set-Aside Creative Growth Tax Allocation Revenue Bonds

On May 15, 1996, the Agency issued \$2,415,000 of Housing Set-Aside Creative Growth Redevelopment Project, Tax Allocation Revenue Bonds, Series 1996. Interest on the bonds is payable semi-annually each September 1 and March 1 beginning September 1, 1996. The bonds bear interest rates varying from 3.45% to 5.00%. Principal maturities on serial bonds begin September 1, 1996, and continue on September 1 of each year through September 1, 2005; term bonds are due September 1, 2011. The bonds are special obligations of the Agency payable exclusively from the Housing Set-Aside Revenues.

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 6: Long-Term Debt (Continued)

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2011, including interest, are as follows:

Year Ending June 30,	1996 Tax Allocation Revenue Bonds	
	Principal	Interest
2011-2012	\$ 195,000	\$ 5,509
Totals	\$ 195,000	\$ 5,509

1998 Creative Growth Tax Allocation Bonds

On July 1, 1998, the Agency issued \$5,950,000 of Creative Growth Redevelopment Project Tax Allocation Bonds, 1998 Series A, to partially advance refund the Agency's previously issued Creative Growth Redevelopment Project 1991 Tax Allocation Refunding Bonds, Series A and to provide financing for redevelopment purposes within the Redevelopment Project. The bonds bear interest rates varying from 3.75% to 5.00%. Interest on the bonds is payable semi-annually each March 1 and September 1 beginning September 1, 1998. Principal maturities on serial bonds begin September 1, 1999, and continue annually through September 1, 2006; term bonds are due September 1, 2016. The interest on and principal of the bonds are payable solely from tax revenues allocated to the Agency from the project area as defined in the resolution.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2011, including interest, are as follows:

Year Ending June 30,	1998 Tax Allocation Bonds	
	Principal	Interest
2011-2012	\$ 450,000	\$ 142,250
2012-2013	475,000	119,125
2013-2014	500,000	94,750
2014-2015	520,000	69,250
2015-2016	550,000	42,500
2016-2021	575,000	14,375
Totals	\$ 3,070,000	\$ 482,250

1998 Mobile Home Park Housing Revenue Bonds

On June 18, 1998 the City of San Dimas Housing Authority issued \$8,075,000 of Mobile Home Park Revenue Bonds, Series 1998A. The bonds were issued pursuant to an Indenture of Trust, dated as of June 1, 1998, between the Authority and the U.S. Bank Trust National Association, as trustee. The bonds were issued to finance the Authority's acquisition of a mobile home park known as Charter Oak Mobile Home Estates, and to finance certain capital improvement thereto. Interest on the bonds is payable semi-annually on January 1 and July 1 of each year, commencing January 1, 1999. Principal maturities on serial bonds begin July 1, 1999, and continue annually through July 1, 2028.

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 6: Long-Term Debt (Continued)

The bonds are special limited obligations of the Authority, secured and payable from net operating revenues arising from the operation of the Project and Housing Set-Aside Revenues pledged by the Agency under the Housing Assistance Agreement dated as of June 1, 1998, by and between the Authority and the Agency.

The bonds are not a debt of the City of San Dimas, the State of California or any of its political subdivisions and neither said city, said state, nor any of its political subdivisions is liable thereon, except the Agency with respect to up to \$160,000 of debt service per fiscal year pursuant to the Housing Assistance Agreement.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2011, including interest, are as follows:

Year Ending June 30,	1998 Mobile Home Park Revenue Bonds	
	Principal	Interest
2011-2012	\$ 210,000	\$ 355,965
2012-2013	225,000	343,568
2013-2014	235,000	330,458
2014-2015	250,000	316,635
2015-2016	265,000	301,958
2016-2021	1,565,000	1,258,988
2021-2026	2,060,000	745,845
2026-2031	1,540,000	134,805
Totals	<u>\$ 6,350,000</u>	<u>\$ 3,788,222</u>

1996 Assessment District No. 96-1 Limited Obligation Improvement Bonds

On July 31, 1997, the City issued \$990,000 1996 Assessment District No. 96-1 (Puddingstone Parking District) Limited Obligation Improvement Bonds. The bonds bear interest at 6%. Interest is paid semi-annually on March 2 and September 2, starting September 2, 1997. Principal is paid annually on September 2 starting in 1997 and continuing through 2016. The bonds were issued to finance improvements in the Puddingstone Parking District. The bonds are secured by property assessments in the parking district and are a limited obligation of the City. The bonds bear interest rates varying from 3.75% to 4.70%.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2011, including interest, are as follows:

Year Ending June 30,	AD 96-1 Improvement Bonds	
	Principal	Interest
2011-2012	\$ 8,267	\$ 2,702
2012-2013	8,267	2,206
2013-2014	8,267	1,710
2014-2015	8,267	1,214
2015-2016	8,267	718
2016-2021	7,830	235
Totals	<u>\$ 49,165</u>	<u>\$ 8,785</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 6: Long-Term Debt (Continued)1998 Certificates of Participation

These bonds were issued July 1, 1998, in the amount of \$1,925,000 and were used to advance refund \$1,830,000 of outstanding 1991 Certificates of Participation and to finance the construction of a Senior Citizens/Community Center. Interest on the bonds is payable semi-annually on June 1 and December 1 beginning December 1, 1998. Principal maturities began June 1, 1999, and continue on June 1 of each year through June 1, 2012. The annual principal requirements to amortize the COP's outstanding as of June 30, 2011, are as follows:

Year Ending June 30,	1998 Certificates of Participation	
	Principal	Interest
2011-2012	\$ 175,000	\$ 8,225
Totals	\$ 175,000	\$ 8,225

Walker House Loan

The Walker House LLC loaned the Agency \$1,650,000 for Agency operations. The note bears interest of 5.5% with annual principal and interest payments due June 30 each year with the first payment date of June 30, 2009. The term of the note is 20 years. The balance outstanding at June 30, 2011, is \$1,492,469. The following schedule illustrates the debt service requirements to maturity as of June 30, 2011:

Fiscal Year Ending June 30	Walker House Loan	
	Principal	Interest
2011-2012	\$ 57,847	\$ 74,623
2012-2013	60,739	71,731
2013-2014	63,776	68,694
2014-2015	66,965	65,505
2015-2016	70,313	62,157
2016-2021	407,951	254,400
2021-2026	520,661	141,691
2026-2031	244,217	18,409
Totals	\$ 1,492,469	\$ 757,210

San Dimas Public Financing Authority Lease Revenue Bonds, Series 2010

On June 2, 2010, the City of San Dimas Public Financing Authority issued \$8,395,000 Lease Revenue Bonds (Civic Center Renovation and Expansion), Series 2010. The bonds were issued to finance the expansion and renovation of the City Hall, Plaza, and Community Center. The bonds are secured by pledges of net revenue as described in the official statement.

Bond proceeds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. In addition, funds have been restricted for future capital improvements by City resolution.

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 6: Long-Term Debt (Continued)

The bonds mature annually from June 1, 2011 to June 2, 2025, in increasing amounts from \$450,000 to \$710,000. The bonds bear interest at rates ranging from 3.0% to 4.2%. Interest is paid semi-annually on June 1 and December 1, starting December 1, 2010. Principal is paid annually on June 1 starting in 2011 and continuing through 2025.

The annual requirements to amortize the outstanding bond indebtedness as of June 30, 2011, including interest, are as follows:

Fiscal Year Ending June 30	PFA Lease Revenue Bonds, Series 2010	
	Principal	Interest
2011-2012	\$ 460,000	\$ 282,920
2012-2013	470,000	269,120
2013-2014	485,000	255,020
2014-2015	500,000	240,470
2015-2016	515,000	225,470
2016-2021	2,840,000	866,018
2021-2026	2,675,000	281,030
Totals	\$ 7,945,000	\$ 2,420,048

b. The following is a schedule of changes in long-term debt of the City for the fiscal year ended June 30, 2011:

	Outstanding July 1, 2010	Additions	Repayments	Outstanding June 30, 2011	Due Within One Year
<u>City of San Dimas:</u>					
Accrued employee benefits	\$ 1,528,003	\$ 574,501	\$ 514,029	\$ 1,588,475	\$ 534,372
1998 Certificates of Participation	345,000	-	170,000	175,000	175,000
1996 AD 96-1 Improvement Bonds	57,432	-	8,267	49,165	8,267
2010 Lease Revenue Bonds	8,395,000	-	450,000	7,945,000	460,000
<u>San Dimas Redevelopment Agency:</u>					
1991 Tax Allocation Refunding Bonds	395,000	-	45,000	350,000	50,000
1996 Tax Allocation Revenue Bonds	380,000	-	185,000	195,000	195,000
1998 Mobile Home Park Housing Rev Bonds	6,550,000	-	200,000	6,350,000	210,000
1998 Tax Allocation Revenue Bonds	3,500,000	-	430,000	3,070,000	450,000
Walker House Loan	1,547,561	-	55,092	1,492,469	57,847
Total	\$ 22,697,996	\$ 574,501	\$ 2,057,388	21,215,109	\$ 2,140,486
				Less: Unamortized premiums/discounts	(10,738)
				Net Long-Term Debt	\$ 21,204,371

c. The City has pledged, as security for bonds it has issued, a portion of the tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. These bonds were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. The City has committed to appropriate each year, from these resources amounts sufficient to cover the principal and interest requirements on the debt. Total principal

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 6: Long-Term Debt (Continued)

and interest remaining on the debt is \$4,178,699 with annual debt service requirements as indicated above. For the current year, the total tax increment revenue, net of pass through payments, recognized by the City was \$4,320,868 and the debt service obligation on the bonds was \$865,638.

- d. The following issues of Residential Mortgage Revenue Bonds, Certificates of Participation and Industrial Development Revenue Bonds were not reflected in the City's Long-Term Debt because these bonds are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Redevelopment Agency, the State of California or any political subdivision thereof is pledged for the payment of these bonds:

<u>Title</u>	<u>Original Amount</u>
San Dimas Redevelopment Agency Floating Rate Monthly Demand Commercial Development Refunding Revenue Bonds mature on December 1, 2013.	\$ 5,000,000
Industrial Development Authority of the Redevelopment Agency of the City of San Dimas, 1985 Industrial Development Revenue Bonds mature on December 1, 2015.	8,500,000
Industrial Development Authority of the Redevelopment Agency of the City of San Dimas, Variable Rate Demand Industrial Development Revenue Bonds, Series 1989 mature on July 1, 2014.	<u>2,500,000</u>
Total	<u><u>\$ 16,000,000</u></u>

Note 7: Interfund Receivables, Payables and Transfers

The composition of interfund balances as of June 30, 2011, is as follows:

Due To/From Other Funds

<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
	<u>Nonmajor Funds</u>
General Fund	\$ 38,088
Nonmajor Funds	<u>1,865</u>
Total	<u><u>\$ 39,953</u></u>

The Due To/From balances of \$39,953 were to temporarily resolve deficit cash balances in those funds at June 30, 2011.

CITY OF SAN DIMAS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 JUNE 30, 2011

Note 7: Interfund Receivables, Payables and Transfers (Continued)

Advances To/From Other Funds

Advances To Other Funds	Advances From Other Funds			Total
	Golf Course Maintenance and Operations	CRA Capital Projects	Nonmajor Funds	
General Fund	\$ 8,997,795	\$ 14,630,306	\$ -	\$ 23,628,101
CRA Capital Projects	-	-	1,668,441	1,668,441
Total	\$ 8,997,795	\$ 14,630,306	\$ 1,668,441	\$ 25,296,542

During the current and previous fiscal years, the City of San Dimas has made loans to the Golf Course Fund and the Redevelopment Agency. These loans bear interest at rates up to 8% per annum depending upon when the loan was initiated. The City may demand payment of all or a portion of the principal balance at any time as funds become available; however, such demands are not anticipated with the next fiscal year. As of June 30, 2011, principal and accrued unpaid interest owed on those loans was \$23,628,101.

Advances between the CRA Capital Projects Fund and nonmajor funds were for the CRA Debt Service Fund to borrow monies from Low and Moderate Housing for the 2010-2011 "Supplemental" Educational Revenue Augmentation Fund (SERAF).

Interfund Transfers

Transfers In	Transfers Out			Total
	General Fund	CRA Capital Projects	Nonmajor Funds	
General Fund	\$ -	\$ 590,838	\$ 410,520	\$ 1,001,358
CRA Capital Projects	-	-	1,529,220	1,529,220
Nonmajor Funds	770,665	206,262	663,976	1,640,903
Total	\$ 770,665	\$ 797,100	\$ 2,603,716	\$ 4,171,481

The City uses the Equipment Replacement Fund, the Infrastructure Replacement Fund and the Community Park Development Fund to account for some of its capital projects. The funding sources for those projects were reported as transfers from the General Fund for \$584,620. An additional transfer out of \$186,045 for annual bond payment is included in the total transfers for the year of \$770,665.

Transfers in the amount of \$590,838 from the Agency to the General fund were for administrative costs. The transfer of \$206,262 was for debt service payments and to temporarily resolve deficit cash balances to equal \$797,100 total transfers at June 30, 2011.

The nonmajor funds transferred \$2,603,716 for administrative costs, capital projects, and to temporarily resolve deficit cash balances.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 8: Construction Commitments

The following material construction commitments existed at June 30, 2011:

Project Name	Contract Amount	Expenditures to date as of June 30, 2011	Remaining Commitments
Reconstruction and overlay various projects Via Los Santos, Knollwood, Paseo Alicia, and San Dimas Lot	\$ 337,437	\$ -	\$ 337,437
Reconstruction and overlay of additional streets San Dimas Avenue - Vista Verde to Avenue Loma Vista, San Leandro, and Puddingstone Drive	90,000	-	90,000
Pavement Preservation, Zone G	347,834	211,874	135,960
Civic Center Renovation	12,468,926	11,392,969	1,075,957

IV. OTHER DISCLOSURES**Note 9: Self-Insurance Obligations****a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City is a member of the California Joint Powers Insurance Authority (the Authority). The Authority is composed of 121 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for property and other coverages. The Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine member Executive Committee.

b. Self-Insurance Programs of the Authority

A revised cost allocation methodology was introduced in 2010-11, however it retains many elements of the previous cost allocation methodology. 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.

General Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes

Note 9: Self-Insurance Obligations (Continued)

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 2010-11 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.

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.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$4 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$4 million to \$10 million are pooled among members.

c. Purchased Insurance

Environmental Insurance

The City 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. Coverage is on a claims made basis. There is a \$50,000 deductible. The

Note 9: Self-Insurance Obligations (Continued)

Authority has a limit of \$50 million for the 3-year period from July 1, 2008 through July 1, 2011. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$40,592,550. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City property currently has earthquake protection in the amount of \$32,919,468. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City 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.

Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on agency property. The insurance premium is paid by the tenant user and is paid to the City of San Dimas according to a schedule. The City of San Dimas then pays for the insurance. The insurance is arranged by the Authority.

d. 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 2010-11.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

Note 10: Fund Equity and Net Assets Restatements

Beginning fund has been restated as follows:

Major governmental funds:	
Civic Center Expansion	
To correct prior years accounts receivable	\$ (855,221)
Capital Projects Redevelopment Agency	
To correct prior years accounts payable	24,796
Non-Major governmental funds:	
Infrastructure Replacement	
To correct prior years accounts payable	7,282
Property Development Tax - North & West	
To properly record prior years revenue in correct fund	(55,468)
Property Development Tax - East	
To properly record prior years revenue in correct fund	55,468
Debt Service Redevelopment Agency	
To correct prior years accounts payable	<u>27,576</u>
Total Governmental Funds:	<u><u>\$ (795,567)</u></u>

Beginning net assets has been restated as follows:

Fund equity restatements listed above	<u>\$ (795,567)</u>
Total Governmental Activities:	<u><u>\$ (795,567)</u></u>

Note 11: Transactions with the State of California**a. SERAF Shift for fiscal year 2010-2011**

On July 23, 2009, the State adopted legislation, requiring a shift of monies during fiscal years 2009-2010 and 2010-2011 to be deposited into the County "Supplemental" Educational Revenue Augmentation Fund (SERAF). These monies were to be distributed to meet the State's Prop 98 obligations to schools. The California Redevelopment Association (CRA) and its member agencies filed a legal action in an attempt to stop these amounts from having to be paid; however, in May 2010, the Sacramento Superior Court upheld the legislation.

The payment of the SERAF was due on May 10, 2011, for fiscal year 2010-2011 and it was made in the amount of \$429,378. The legislation allowed this payment to be made from any available monies present in any project area(s). Subsequent legislation was passed which even allowed the funding for this payment to be borrowed from the Low and Moderate Income Housing Fund with appropriate findings from its legislative body. Any amounts borrowed from Low and Moderate Income Housing (including any suspended set-aside amounts) are to be repaid by June 30, 2015. If those amounts are not repaid, by that date, then the set-aside percentage to Low and Moderate Income Housing will increase from 20% to 25% for the remainder of the life of the Agency.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2011

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

To accomplish the payment, the Agency borrowed \$429,378 from the Creative Growth Redevelopment Project Low and Moderate Income Housing Fund.

Note 12: California Redevelopment Agency Uncertainty

On July 18, 2011, the California Redevelopment Association (“CRA”) and the League of California Cities (“League”) filed a petition for writ of mandate with the California Supreme Court, requesting the Court to declare unconstitutional two bills that were passed as part of the 2011-12 State Budget, AB1X 26 and 27. AB1X 26 dissolves redevelopment agencies effective October 1, 2011.

AB1X 27, give redevelopment agencies an option to avoid dissolution if it commits to making defined payments for the benefit of the State, school districts and certain special districts. In 2011-12, these payments amount to a state-wide total of \$1.7 billion. In 2012-13 and subsequent years, the payments total \$400 million, annually. Each city or county’s share of these payments is determined based on its proportionate share of state-wide tax increment.

CRA and the League contend that AB1X 26 and 27 are unconstitutional because they violate Proposition 22 which was passed by the voters in November, 2010. The effect of the legislation is to achieve a possible unconstitutional result, the use of redevelopment agencies’ tax increment funds to benefit the State and other units of local government, by way of threatening of the dissolution of redevelopment agencies.

Therefore, the CRA and the League have requested that the Court issue a stay, suspending the effectiveness of AB1X 26 and 27 until the Court can rule on its constitutionality. CRA and the League also asked the Court to expedite the briefing and hearing of the case so that a decision can be rendered by the Court before January 15, 2012, when the first payments are due. On August 11th, the California Supreme Court agreed to hear the case and granted a partial stay which was subsequently clarified.

As of the time of the issuance of this report, the outcome of AB1X 26 and 27 upon the San Dimas Redevelopment Agency is unknown and consequently the status and even future existence of the San Dimas Redevelopment Agency is uncertain as such. In accordance with AB1X 27, the San Dimas Redevelopment Agency has passed a resolution of intent to continue and will be required to make a payment to the State by January 15, 2012 to avoid dissolution. The Department of Finance issued their estimated payment amounts and the Agency filed an appeal regarding the calculation. The estimated payment from the Department of Finance’s calculation is \$1,753,485.

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CITY OF SAN DIMAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds			
	Gas Tax	Sewer Expansion	City Wide Lighting District	Landscape Parcel Tax
Assets:				
Pooled cash and investments	\$ 479,564	\$ 845,914	\$ 1,414,404	\$ 134,478
Receivables:				
Accounts	-	3,559	-	920
Taxes	-	500	63,935	35,441
Deferred loans	-	-	-	-
Grants	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 479,564	\$ 849,973	\$ 1,478,339	\$ 170,839
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 45,965	\$ 72,114	\$ 87,780	\$ 56,239
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	45,965	72,114	87,780	56,239
Fund Balances:				
Restricted for:				
Parks and recreation	-	-	-	-
Public works	433,599	-	1,390,559	114,600
Debt service	-	-	-	-
Committed to:				
Parks and recreation	-	-	-	-
Public works	-	777,859	-	-
Unassigned	-	-	-	-
Total Fund Balances	433,599	777,859	1,390,559	114,600
Total Liabilities and Fund Balances	\$ 479,564	\$ 849,973	\$ 1,478,339	\$ 170,839

CITY OF SAN DIMAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Infrastructure Replacement	Property Development Tax		
		Community Wide	North & West	East
Assets:				
Pooled cash and investments	\$ 845,352	\$ 165,978	\$ 210,510	\$ 91,406
Receivables:				
Accounts	-	351	-	-
Taxes	-	-	-	-
Deferred loans	-	-	-	-
Grants	427,839	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 1,273,191	\$ 166,329	\$ 210,510	\$ 91,406
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 360,524	\$ 9,836	\$ -	\$ -
Deferred revenues	395,575	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	756,099	9,836	-	-
Fund Balances:				
Restricted for:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Committed to:				
Parks and recreation	-	156,493	-	-
Public works	517,092	-	210,510	91,406
Unassigned	-	-	-	-
Total Fund Balances	517,092	156,493	210,510	91,406
Total Liabilities and Fund Balances	\$ 1,273,191	\$ 166,329	\$ 210,510	\$ 91,406

CITY OF SAN DIMAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds			
	Civic Center Parking District	Housing & Community Development	Citizen's Option For Public Safety	Department of Justice Law Enforcement Grant
Assets:				
Pooled cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables:				
Accounts	-	-	12,706	-
Taxes	9	-	-	-
Deferred loans	-	433,790	-	-
Grants	-	32,588	-	5,500
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 9	\$ 466,378	\$ 12,706	\$ 5,500
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 35	\$ -	\$ 12,706	\$ -
Deferred revenues	-	433,790	-	-
Deposits payable	-	-	-	-
Due to other funds	1,865	32,588	-	5,500
Advances from other funds	-	-	-	-
Total Liabilities	1,900	466,378	12,706	5,500
Fund Balances:				
Restricted for:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Debt service	-	-	-	-
Committed to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Unassigned	(1,891)	-	-	-
Total Fund Balances	(1,891)	-	-	-
Total Liabilities and Fund Balances	\$ 9	\$ 466,378	\$ 12,706	\$ 5,500

CITY OF SAN DIMAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Air Quality Management District	Proposition A Local Transit	Transportation Proposition C	Open Space Maintenance District
Assets:				
Pooled cash and investments	\$ 82,737	\$ 674,146	\$ 455,360	\$ 11,326
Receivables:				
Accounts	10,600	19,302	-	-
Taxes	-	-	-	1,161
Deferred loans	-	-	-	-
Grants	-	-	-	-
Due from other funds	-	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
Total Assets	\$ 93,337	\$ 693,448	\$ 455,360	\$ 12,487
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 14,729	\$ 62,464	\$ 40,069	\$ 6,454
Deferred revenues	-	-	-	-
Deposits payable	-	292	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	14,729	62,756	40,069	6,454
Fund Balances:				
Restricted for:				
Parks and recreation	-	-	-	6,033
Public works	78,608	630,692	415,291	-
Debt service	-	-	-	-
Committed to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	78,608	630,692	415,291	6,033
Total Liabilities and Fund Balances	\$ 93,337	\$ 693,448	\$ 455,360	\$ 12,487

CITY OF SAN DIMAS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011

	Special Revenue Funds	Debt Service Funds		
	Measure R Transit Fund	1998 Certificates of Participation	Assessment District 96-1	Redevelopment Agency
Assets:				
Pooled cash and investments	\$ 348,804	\$ -	\$ 4,526	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	247,775
Deferred loans	-	-	-	-
Grants	-	-	-	-
Due from other funds	-	-	1,865	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	278,109
Total Assets	\$ 348,804	\$ -	\$ 6,391	\$ 525,884
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 225,000	\$ -	\$ -	\$ 376,550
Deferred revenues	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	1,668,441
Total Liabilities	225,000	-	-	2,044,991
Fund Balances:				
Restricted for:				
Parks and recreation	-	-	-	-
Public works	123,804	-	-	-
Debt service	-	-	6,391	278,109
Committed to:				
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Unassigned	-	-	-	(1,797,216)
Total Fund Balances	123,804	-	6,391	(1,519,107)
Total Liabilities and Fund Balances	\$ 348,804	\$ -	\$ 6,391	\$ 525,884

CITY OF SAN DIMAS

COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Total Governmental Funds
Assets:	
Pooled cash and investments	\$ 5,764,505
Receivables:	
Accounts	47,438
Taxes	348,821
Deferred loans	433,790
Grants	465,927
Due from other funds	1,865
Restricted assets:	
Cash and investments with fiscal agents	278,109
Total Assets	<u>\$ 7,340,455</u>
Liabilities and Fund Balances:	
Liabilities:	
Accounts payable	\$ 1,370,465
Deferred revenues	829,365
Deposits payable	292
Due to other funds	39,953
Advances from other funds	1,668,441
Total Liabilities	<u>3,908,516</u>
Fund Balances:	
Restricted for:	
Parks and recreation	6,033
Public works	3,187,153
Debt service	284,500
Committed to:	
Parks and recreation	156,493
Public works	1,596,867
Unassigned	<u>(1,799,107)</u>
Total Fund Balances	<u>3,431,939</u>
Total Liabilities and Fund Balances	<u>\$ 7,340,455</u>

CITY OF SAN DIMAS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds			
	Gas Tax	Sewer Expansion	City Wide Lighting District	Landscape Parcel Tax
Revenues:				
Taxes	\$ -	\$ 7,456	\$ 1,079,200	\$ 753,150
Intergovernmental	862,348	-	8,050	17,300
Charges for services	-	131,974	312	-
Use of money and property	847	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	863,195	139,430	1,087,562	770,450
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	770,573
Public works	359,481	92,170	724,186	-
Capital outlay	-	-	86,024	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	359,481	92,170	810,210	770,573
Excess (Deficiency) of Revenues Over (Under) Expenditures	503,714	47,260	277,352	(123)
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(225,000)	-	(95,000)	-
Total Other Financing Sources (Uses)	(225,000)	-	(95,000)	-
Net Change in Fund Balances	278,714	47,260	182,352	(123)
Fund Balances, Beginning of Year	154,885	730,599	1,208,207	114,723
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	154,885	730,599	1,208,207	114,723
Fund Balances, End of Year	\$ 433,599	\$ 777,859	\$ 1,390,559	\$ 114,600

CITY OF SAN DIMAS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

(Continued)

	Special Revenue Funds			
	Infrastructure Replacement	Property Development Tax		
		Community Wide	North & West	East
Revenues:				
Taxes	\$ -	\$ 3,044	\$ -	\$ -
Intergovernmental	1,225,448	45,000	-	-
Charges for services	-	-	-	-
Use of money and property	-	-	-	-
Miscellaneous	50,992	-	-	-
Total Revenues	1,276,440	48,044	-	-
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	200,933	-	-
Public works	380,036	-	-	-
Capital outlay	1,980,582	3,769	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	2,360,618	204,702	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,084,178)	(156,658)	-	-
Other Financing Sources (Uses):				
Transfers in	584,620	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	584,620	-	-	-
Net Change in Fund Balances	(499,558)	(156,658)	-	-
Fund Balances, Beginning of Year	1,009,368	313,151	265,978	35,938
Restatements	7,282	-	(55,468)	55,468
Fund Balances, Beginning of Year, as restated	1,016,650	313,151	210,510	91,406
Fund Balances, End of Year	\$ 517,092	\$ 156,493	\$ 210,510	\$ 91,406

CITY OF SAN DIMAS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds			
	Civic Center Parking District	Housing & Community Development	Citizen's Option For Public Safety	Department of Justice Law Enforcement
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	12,778	290,241	179,775	3,833
Charges for services	-	-	-	-
Use of money and property	-	-	169	-
Miscellaneous	-	-	-	-
Total Revenues	12,778	290,241	179,944	3,833
Expenditures:				
Current:				
General government	-	201,951	-	-
Public safety	-	-	204,367	3,833
Parks and recreation	-	-	-	-
Public works	19,885	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	19,885	201,951	204,367	3,833
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,107)	88,290	(24,423)	-
Other Financing Sources (Uses):				
Transfers in	6,766	-	-	-
Transfers out	-	(88,290)	-	-
Total Other Financing Sources (Uses)	6,766	(88,290)	-	-
Net Change in Fund Balances	(341)	-	(24,423)	-
Fund Balances, Beginning of Year	(1,550)	-	24,423	-
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	(1,550)	-	24,423	-
Fund Balances, End of Year	\$ (1,891)	\$ -	\$ -	\$ -

CITY OF SAN DIMAS

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011

(Continued)

	Special Revenue Funds			
	Air Quality Management District	Proposition A Local Transit	Transportation Proposition C	Open Space Maintenance District
Revenues:				
Taxes	\$ -	\$ 498,765	\$ 414,572	\$ 45,234
Intergovernmental	43,016	-	-	-
Charges for services	-	-	-	-
Use of money and property	46	2,953	1,994	-
Miscellaneous	-	276	-	-
Total Revenues	43,062	501,994	416,566	45,234
Expenditures:				
Current:				
General government	-	113,694	-	-
Public safety	231	-	-	-
Parks and recreation	-	-	-	37,045
Public works	-	501,988	319,575	-
Capital outlay	59,902	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	60,133	615,682	319,575	37,045
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,071)	(113,688)	96,991	8,189
Other Financing Sources (Uses):				
Transfers in	-	-	-	-
Transfers out	(2,230)	-	-	-
Total Other Financing Sources (Uses)	(2,230)	-	-	-
Net Change in Fund Balances	(19,301)	(113,688)	96,991	8,189
Fund Balances, Beginning of Year	97,909	744,380	318,300	(2,156)
Restatements	-	-	-	-
Fund Balances, Beginning of Year, as restated	97,909	744,380	318,300	(2,156)
Fund Balances, End of Year	\$ 78,608	\$ 630,692	\$ 415,291	\$ 6,033

CITY OF SAN DIMAS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Special Revenue Funds	Debt Service Funds		
	Measure R Transit Fund	1998 Certificates of Participation	Assessment District 96-1	Redevelopment Agency
Revenues:				
Taxes	\$ 309,239	\$ -	\$ 11,465	\$ 2,983,356
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Use of money and property	970	-	-	393
Miscellaneous	-	-	-	-
Total Revenues	310,209	-	11,465	2,983,749
Expenditures:				
Current:				
General government	6,093	-	-	577,161
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Public works	-	-	-	-
Capital outlay	225,000	-	-	-
Debt service:				
Principal retirement	-	170,000	8,267	660,000
Interest and fiscal charges	-	16,045	1,723	205,638
Total Expenditures	231,093	186,045	9,990	1,442,799
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,116	(186,045)	1,475	1,540,950
Other Financing Sources (Uses):				
Transfers in	-	186,045	-	863,472
Transfers out	-	-	(827)	(2,192,369)
Total Other Financing Sources (Uses)	-	186,045	(827)	(1,328,897)
Net Change in Fund Balances	79,116	-	648	212,053
Fund Balances, Beginning of Year	44,688	-	5,743	(1,758,736)
Restatements	-	-	-	27,576
Fund Balances, Beginning of Year, as restated	44,688	-	5,743	(1,731,160)
Fund Balances, End of Year	\$ 123,804	\$ -	\$ 6,391	\$ (1,519,107)

CITY OF SAN DIMAS

**COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2011**

	Total Governmental Funds
Revenues:	
Taxes	\$ 6,105,481
Intergovernmental	2,687,789
Charges for services	132,286
Use of money and property	7,372
Miscellaneous	51,268
	<hr/>
Total Revenues	8,984,196
	<hr/>
Expenditures:	
Current:	
General government	898,899
Public safety	208,431
Parks and recreation	1,008,551
Public works	2,397,321
Capital outlay	2,355,277
Debt service:	
Principal retirement	838,267
Interest and fiscal charges	223,406
	<hr/>
Total Expenditures	7,930,152
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,054,044
	<hr/>
Other Financing Sources (Uses):	
Transfers in	1,640,903
Transfers out	(2,603,716)
	<hr/>
Total Other Financing Sources (Uses)	(962,813)
	<hr/>
Net Change in Fund Balances	91,231
	<hr/>
Fund Balances, Beginning of Year	3,305,850
Restatements	34,858
	<hr/>
Fund Balances, Beginning of Year, as restated	3,340,708
	<hr/>
Fund Balances, End of Year	\$ 3,431,939
	<hr/> <hr/>

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
GAS TAX
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 154,885	\$ 154,885	\$ 154,885	\$ -
Resources (Inflows):				
Intergovernmental	583,346	583,346	862,348	279,002
Use of money and property	1,519	1,519	847	(672)
Amounts Available for Appropriation	739,750	739,750	1,018,080	278,330
Charges to Appropriation (Outflow):				
Public works	361,300	361,300	359,481	1,819
Transfers out	225,000	225,000	225,000	-
Total Charges to Appropriations	586,300	586,300	584,481	1,819
Budgetary Fund Balance, June 30	\$ 153,450	\$ 153,450	\$ 433,599	\$ 280,149

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
SEWER EXPANSION
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 730,599	\$ 730,599	\$ 730,599	\$ -
Resources (Inflows):				
Taxes	7,829	7,829	7,456	(373)
Charges for services	22,000	22,000	131,974	109,974
Amounts Available for Appropriation	760,428	760,428	870,029	109,601
Charges to Appropriation (Outflow):				
Public works	140,000	140,000	92,170	47,830
Total Charges to Appropriations	140,000	140,000	92,170	47,830
Budgetary Fund Balance, June 30	\$ 620,428	\$ 620,428	\$ 777,859	\$ 157,431

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
CITY WIDE LIGHTING DISTRICT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,208,207	\$ 1,208,207	\$ 1,208,207	\$ -
Resources (Inflows):				
Taxes	931,157	931,157	1,079,200	148,043
Intergovernmental	8,200	8,200	8,050	(150)
Charges for services	-	-	312	312
Amounts Available for Appropriation	2,147,564	2,147,564	2,295,769	148,205
Charges to Appropriation (Outflow):				
Public works	763,650	763,650	724,186	39,464
Capital outlay	120,000	120,000	86,024	33,976
Transfers out	95,000	95,000	95,000	-
Total Charges to Appropriations	978,650	978,650	905,210	73,440
Budgetary Fund Balance, June 30	\$ 1,168,914	\$ 1,168,914	\$ 1,390,559	\$ 221,645

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
LANDSCAPE PARCEL TAX
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 114,723	\$ 114,723	\$ 114,723	\$ -
Resources (Inflows):				
Taxes	753,000	753,000	753,150	150
Intergovernmental	17,300	17,300	17,300	-
Amounts Available for Appropriation	885,023	885,023	885,173	150
Charges to Appropriation (Outflow):				
Parks and recreation	838,400	838,400	770,573	67,827
Total Charges to Appropriations	838,400	838,400	770,573	67,827
Budgetary Fund Balance, June 30	\$ 46,623	\$ 46,623	\$ 114,600	\$ 67,977

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
INFRASTRUCTURE REPLACEMENT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 1,016,650	\$ 1,016,650	\$ 1,016,650	\$ -
Resources (Inflows):				
Intergovernmental	1,465,090	1,465,090	1,225,448	(239,642)
Miscellaneous	50,000	50,000	50,992	992
Transfers in	548,620	548,620	584,620	36,000
Amounts Available for Appropriation	3,080,360	3,080,360	2,877,710	(202,650)
Charges to Appropriation (Outflow):				
Public works	361,464	361,464	380,036	(18,572)
Capital outlay	1,750,645	1,750,645	1,980,582	(229,937)
Total Charges to Appropriations	2,112,109	2,112,109	2,360,618	(248,509)
Budgetary Fund Balance, June 30	\$ 968,251	\$ 968,251	\$ 517,092	\$ (451,159)

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
PROPERTY DEVELOPMENT TAX - COMMUNITY WIDE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 313,151	\$ 313,151	\$ 313,151	\$ -
Resources (Inflows):				
Taxes	-	-	3,044	3,044
Intergovernmental	163,000	163,000	45,000	(118,000)
Amounts Available for Appropriation	476,151	476,151	361,195	(114,956)
Charges to Appropriation (Outflow):				
Parks and recreation	389,500	389,500	200,933	188,567
Capital outlay	4,000	4,000	3,769	231
Total Charges to Appropriations	393,500	393,500	204,702	188,798
Budgetary Fund Balance, June 30	\$ 82,651	\$ 82,651	\$ 156,493	\$ 73,842

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
CIVIC CENTER PARKING DISTRICT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (1,550)	\$ (1,550)	\$ (1,550)	\$ -
Resources (Inflows):				
Intergovernmental	14,264	14,264	12,778	(1,486)
Transfers in	6,766	6,766	6,766	-
Amounts Available for Appropriation	19,480	19,480	17,994	(1,486)
Charges to Appropriation (Outflow):				
Public works	21,030	21,030	19,885	1,145
Total Charges to Appropriations	21,030	21,030	19,885	1,145
Budgetary Fund Balance, June 30	\$ (1,550)	\$ (1,550)	\$ (1,891)	\$ (341)

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
HOUSING & COMMUNITY DEVELOPMENT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	235,763	235,763	290,241	54,478
Amounts Available for Appropriation	235,763	235,763	290,241	54,478
Charges to Appropriation (Outflow):				
General government	157,611	157,611	201,951	(44,340)
Transfers out	78,152	78,152	88,290	(10,138)
Total Charges to Appropriations	235,763	235,763	290,241	(54,478)
Budgetary Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -

CITY OF SAN DIMAS

BUDGETARY COMPARISON SCHEDULE
 CITIZEN'S OPTION FOR PUBLIC SAFETY
 YEAR ENDED JUNE 30, 2011

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 24,423	\$ 24,423	\$ 24,423	\$ -
Resources (Inflows):				
Intergovernmental	223,000	223,000	179,775	(43,225)
Use of money and property	500	500	169	(331)
Amounts Available for Appropriation	247,923	247,923	204,367	(43,556)
Charges to Appropriation (Outflow):				
Public safety	244,600	244,600	204,367	40,233
Total Charges to Appropriations	244,600	244,600	204,367	40,233
Budgetary Fund Balance, June 30	\$ 3,323	\$ 3,323	\$ -	\$ (3,323)

CITY OF SAN DIMAS

BUDGETARY COMPARISON SCHEDULE
 DEPARTMENT OF JUSTICE LAW ENFORCEMENT GRANT
 YEAR ENDED JUNE 30, 2011

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
Resources (Inflows):				
Intergovernmental	-	-	3,833	3,833
Amounts Available for Appropriation	-	-	3,833	3,833
Charges to Appropriation (Outflow):				
Public safety	30,659	30,659	3,833	26,826
Total Charges to Appropriations	30,659	30,659	3,833	26,826
Budgetary Fund Balance, June 30	\$ (30,659)	\$ (30,659)	\$ -	\$ 30,659

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY MANAGEMENT DISTRICT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 97,909	\$ 97,909	\$ 97,909	\$ -
Resources (Inflows):				
Intergovernmental	44,600	44,600	43,016	(1,584)
Use of money and property	474	474	46	(428)
Amounts Available for Appropriation	142,983	142,983	140,971	(2,012)
Charges to Appropriation (Outflow):				
Public safety	16,180	16,180	231	15,949
Capital outlay	66,088	66,088	59,902	6,186
Transfers out	2,230	2,230	2,230	-
Total Charges to Appropriations	84,498	84,498	62,363	22,135
Budgetary Fund Balance, June 30	\$ 58,485	\$ 58,485	\$ 78,608	\$ 20,123

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
PROPOSITION A LOCAL TRANSIT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 744,380	\$ 744,380	\$ 744,380	\$ -
Resources (Inflows):				
Taxes	497,038	497,038	498,765	1,727
Use of money and property	6,013	6,013	2,953	(3,060)
Miscellaneous	800	800	276	(524)
Amounts Available for Appropriation	1,248,231	1,248,231	1,246,374	(1,857)
Charges to Appropriation (Outflow):				
General government	145,831	125,831	113,694	12,137
Public works	640,303	600,303	501,988	98,315
Capital outlay	364,000	4,000	-	4,000
Total Charges to Appropriations	1,150,134	730,134	615,682	114,452
Budgetary Fund Balance, June 30	\$ 98,097	\$ 518,097	\$ 630,692	\$ 112,595

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
TRANSPORTATION PROPOSITION C
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 318,300	\$ 318,300	\$ 318,300	\$ -
Resources (Inflows):				
Taxes	412,280	412,280	414,572	2,292
Use of money and property	5,957	5,957	1,994	(3,963)
Amounts Available for Appropriation	736,537	736,537	734,866	(1,671)
Charges to Appropriation (Outflow):				
Public works	-	420,000	319,575	100,425
Total Charges to Appropriations	-	420,000	319,575	100,425
Budgetary Fund Balance, June 30	\$ 736,537	\$ 316,537	\$ 415,291	\$ 98,754

CITY OF SAN DIMAS

BUDGETARY COMPARISON SCHEDULE
 OPEN SPACE MAINTENANCE DISTRICT
 YEAR ENDED JUNE 30, 2011

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (2,156)	\$ (2,156)	\$ (2,156)	\$ -
Resources (Inflows):				
Taxes	44,129	44,129	45,234	1,105
Amounts Available for Appropriation	41,973	41,973	43,078	1,105
Charges to Appropriation (Outflow):				
Parks and recreation	42,050	42,050	37,045	5,005
Total Charges to Appropriations	42,050	42,050	37,045	5,005
Budgetary Fund Balance, June 30	\$ (77)	\$ (77)	\$ 6,033	\$ 6,110

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
MEASURE R TRANSIT
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 44,688	\$ 44,688	\$ 44,688	\$ -
Resources (Inflows):				
Taxes	309,210	309,210	309,239	29
Use of money and property	500	500	970	470
Amounts Available for Appropriation	354,398	354,398	354,897	499
Charges to Appropriation (Outflow):				
General government	14,000	14,000	6,093	7,907
Capital outlay	280,000	280,000	225,000	55,000
Total Charges to Appropriations	294,000	294,000	231,093	62,907
Budgetary Fund Balance, June 30	\$ 60,398	\$ 60,398	\$ 123,804	\$ 63,406

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY - CAPITAL PROJECTS
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ (884,288)	\$ (884,288)	\$ (884,288)	\$ -
Resources (Inflows):				
Taxes	1,480,911	-	1,337,512	1,337,512
Use of money and property	128,382	128,382	1,178,563	
Miscellaneous	7,322	7,322	8,172	850
Transfers in	2,303,624	3,784,535	1,529,220	(2,255,315)
Amounts Available for Appropriation	3,035,951	3,035,951	3,169,179	(916,953)
Charges to Appropriation (Outflow):				
General government	111,450	111,450	77,901	33,549
Community development	940,245	940,245	715,635	224,610
Capital outlay	2,729,950	2,729,950	306,613	2,423,337
Debt service:				
Principal retirement	498,452	498,452	255,092	243,360
Interest and fiscal charges	892,599	892,599	1,259,250	(366,651)
Transfers out	803,247	803,247	797,100	6,147
Total Charges to Appropriations	5,975,943	5,975,943	3,411,591	2,564,352
Budgetary Fund Balance, June 30	\$ (2,939,992)	\$ (2,939,992)	\$ (242,412)	\$ 1,647,399

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
ASSESSMENT DISTRICT 96-1
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 5,743	\$ 5,743	\$ 5,743	\$ -
Resources (Inflows):				
Taxes	11,465	11,465	11,465	-
Amounts Available for Appropriation	17,208	17,208	17,208	-
Charges to Appropriation (Outflow):				
Debt service:				
Principal retirement	8,267	8,267	8,267	-
Interest and fiscal charges	3,198	3,198	1,723	1,475
Transfers out	827	827	827	-
Total Charges to Appropriations	12,292	12,292	10,817	1,475
Budgetary Fund Balance, June 30	\$ 4,916	\$ 4,916	\$ 6,391	\$ 1,475

CITY OF SAN DIMAS

**BUDGETARY COMPARISON SCHEDULE
REDEVELOPMENT AGENCY - DEBT SERVICE
YEAR ENDED JUNE 30, 2011**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ (1,731,160)	\$ (1,731,160)	\$ (1,731,160)	\$ -
Resources (Inflows):				
Taxes	3,597,606	5,417,717	2,983,356	(2,434,361)
Use of money and property	-	-	393	393
Transfers in	-	-	863,472	863,472
Amounts Available for Appropriation	1,866,446	3,686,557	2,116,061	(1,570,496)
Charges to Appropriation (Outflow):				
General government	551,268	551,268	577,161	(25,893)
Debt service:				
Principal retirement	-	-	660,000	(660,000)
Interest and fiscal charges	-	-	205,638	(205,638)
Transfers out	2,968,017	2,968,017	2,192,369	775,648
Total Charges to Appropriations	3,519,285	3,519,285	3,635,168	(115,883)
Budgetary Fund Balance, June 30	\$ (1,652,839)	\$ 167,272	\$ (1,519,107)	\$ (1,686,379)

CITY OF SAN DIMAS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 YEAR ENDED JUNE 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
<u>Agency</u>				
Assets:				
Pooled cash and investments	\$ 417,279	\$ 339,890	\$ 352,517	\$ 404,652
Receivables:				
Accounts	215	66	215	66
Total Assets	<u>\$ 417,494</u>	<u>\$ 339,956</u>	<u>\$ 352,732</u>	<u>\$ 404,718</u>
Liabilities:				
Accounts payable	\$ 7,132	\$ 2,666	\$ 7,151	\$ 2,647
Deposits payable	410,362	184,632	192,923	402,071
Total Liabilities	<u>\$ 417,494</u>	<u>\$ 187,298</u>	<u>\$ 200,074</u>	<u>\$ 404,718</u>