

Comprehensive Annual Financial Report

Year Ended June 30, 2011

PREPARED BY DEPARTMENT OF FINANCE

HIGHLIGHTS

PROGRAMS

- Transit
- Senior and Youth Recreation
- Public Safety
- Housing
- Healthy Community
- Environmental

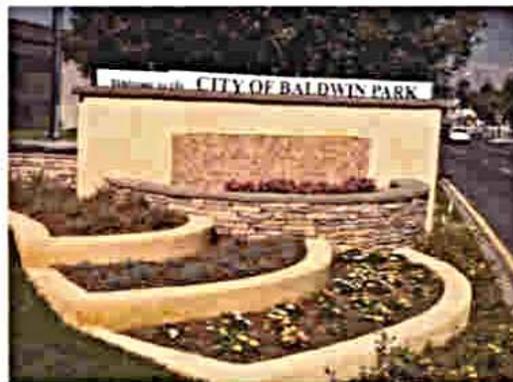
GROWTH

- New Superior Grocers
- New 52 Unit Residential Development
- Transit CNG Bus Purchase

PROJECTS

- Ramona Blvd Improvements
- Morgan Park Improvements
- Energy Efficiency Projects
- Prop 1B Citywide St. Improvements
- Francisquito Tree Planting

City of Baldwin Park, California



Ramona Roadway Improvements



Economic Development



CNG Buses



Energy Efficiency Projects



Morgan Park Improvements



Third Year in a Row

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December 20, 2011

Honorable Mayor and City Council
City of Baldwin Park
Baldwin Park, California

It is our pleasure to submit for your information the Comprehensive Annual Financial Report (CAFR) of the City of Baldwin Park for the fiscal year ended June 30, 2011.

Financial Condition and Overview

As of June 30, 2011, the General Fund cash balance is \$5.5 million and the total General Fund Reserves is \$5.9 million (\$3.4 million is unassigned and \$2.5 million is committed [based on the City's policy to maintain 10% of operating expenses as the minimum reserves for emergency purposes]). These reserves are healthy in spite of having had experienced the worst recession in many decades coupled with revenues that declined by more than \$2 million since their peak in 2008.

In addition to achieving healthy reserves, the City, through its Community Development Commission (the "Agency"), has continued to promote new businesses during these challenging economic times and was able to attract new companies thus creating new jobs and assisting in reducing economic blight. The following are some examples:

- On June 29, 2011, a new 46,600 square foot Superior Grocers opened within the 13-acre shopping center located in the Central Business District Redevelopment Project Area.
- In the Sierra Vista Redevelopment Project area, a new dental office, Total Care Dental, and T-Mobile opened in the summer within the Sierra Center, filling a space once occupied by Hollywood Video.
- Within the Baldwin Park Marketplace, 3 Men's Suits opened their store in February 2011 and Wells Fargo bank opened their new bank on June 26, 2011.

The City will continue to promote new business opportunities while it tries to combat the negative effects of the State of California against Redevelopment Agencies. The latest attack against Redevelopment Agencies occurred on June 29, 2011 when the Governor signed AB1X 26 and AB1X27. Basically, AB1X 26 dissolves Agencies and AB1X27 allows Agencies to continue if the Agency pays certain amounts to the State (the Agency's payment was reduced from \$2,090,636 to \$1,815,809 after it filed an Appeal to the State). This legislation is discussed in detail in Note 19 to the Financial Statements.

The California Redevelopment Agency (CRA) and the League filed a petition to overturn the legislations because they violate the Constitution; a decision is expected by January 15, 2012. The City and the Agency have adopted all the necessary documents that would allow it to pay the State if the Courts decide this is what is necessary to continue the operations of the Agency.

Financial Statements and Management's Responsibility

The financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as promulgated by the Government Accounting Standards Board (GASB). This report consists of management's representations concerning the finances of the City of Baldwin Park, California. 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, City management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls have been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Vasquez & Company LLP; a public accounting firm, fully licensed and qualified to perform audits of the State and local governments within the State of California. The purpose of the independent audit was to provide reasonable assurance that the financial statements of the City of Baldwin Park, California for the fiscal year ended June 30, 2011, are free of material misstatements. 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Baldwin Park, California's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of Federal grantor agencies.

The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the City's separately issued Single Audit Report.

GAAP requires 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 compliment MD&A and the MD&A should be read in conjunction with it.

Profile of the City of Baldwin Park

The City of Baldwin Park was founded in 1887 and incorporated on January 25, 1956, under the general laws of the State of California. The City operates under Council-Chief Executive Officer form of government. The City's Mayor is elected at large every two years, and the City Council members are elected at large to four-year terms in alternate slates every two years. The City is located 17 miles east of Los Angeles, in the center of the San Gabriel Valley, and shares common boundaries with the cities of El Monte to the west, West Covina to the east and south and Irwindale to the north.

Baldwin Park occupies 6.7 square miles. Infill residential development has increased the population from 50,554 in 1980 to 81,604 in 2010. The City is diversified with single family and multiple family housing development, commercial development and industrial development. Major businesses include Home Depot, Wal-Mart, Nichols Lumber & Hardware, Target, In N Out Burgers and Harley Davidson Sales.

City Services

The City provides a full range of municipal services. Services provided include police, street maintenance and improvements, transit, storm drains, recreation, public improvements, planning, zoning, and general administrative and support services.

Financial data for all funds through which services are provided by the City have been included in this report based on the criteria adopted by the Governmental Accounting Standards Board (GASB), which is the authoritative body in establishing U.S. generally accepted accounting principles (GAAP) for local governments.

As required by GAAP, these financial statements present the City (the primary government) and its component units (entities for which the government is considered to be financially accountable). Blended component units (although legally separate entities) are in substance part of the government's operations, and so data from these units are combined with data of the primary government.

Budget

The City of Baldwin Park adopts a comprehensive budget by department prior to the start of the fiscal year on July 1. The budget is further detailed by cost center (division) and character of expenditure, defined as Contractual Services, Personnel Services, Maintenance and Operations, and Capital Outlay. The ledgers of the City and its component units are maintained by the line item detail or object of expenditure. However, all budgetary controls are exercised at the department and fund level. Revenues are estimated annually and measured against actual revenues earned.

Employee Benefits

The City provides its full-time and eligible part-time employees retirement benefits. Members and their beneficiaries are provided benefits through defined benefit pension plans for both public safety employees and miscellaneous employees (City, Redevelopment Agency, and Housing Authority). These plans are part of the California Public Employees' Retirement System (CalPERS). The City contributes to the plans based on amounts determined by CalPERS actuaries. The City also contributes the employees' required contributions or a portion thereof on their behalf and for their account.

The City also provides post-retirement health benefits to its employees in accordance with agreements reached with the various employees bargaining groups. The City pays for retirees' health care premiums in these plans up to limits established in the agreements with the bargaining units. Additional information on the City's retirement and post-employment benefits can be found in Notes 13 and 14 in the notes to the financial statements.

Local Economy and Economic Outlook

The greatest recession since the great depression is officially over. However, the nation is still experiencing foreclosures, unemployment and the housing market remains at its lowest. Revenues for local governments in California have not recuperated due to reduced tax collections and decreased sales; thus many governments have had to face cuts and reductions in staffing, programs and services.

Although the City of Baldwin Park experienced lower tax revenues due to the recession, in fiscal year 2010/2011 revenues also decreased due to changes in the policy related to impounding of vehicles. This resulted in decreases in police revenues related to Franchise Taxes and Vehicle Release Fees (of about \$474,000 for both). Nevertheless, as of June 30, 2011, the City has been able to avoid significant impacts on its fiscal position, budget, services and programs. During the recession, the City was able to absorb the effects of the economic downturn due to the City's previous efforts in implementing revenue and expenditure restructuring programs. Thus the financial condition of the City's General Fund has strengthened and the reserves and cash balances have increased to more comfortable levels.

For the upcoming 2011/2012 fiscal year, the City adjusted its revenue projections to new expected levels; note that no significant increases are expected even though the recession has ended. In addition, the City has adjusted its expenditures to absorb the CALPERS rate hikes. Overall, even though the City was able to absorb a significant portion of the CALPERS increases by eliminating all non-sworn vacancies and reducing certain operating expenses, it was not enough and the City had to use about \$590,000 of its General Fund Reserves. The City will be reviewing various options, including new revenues or restructuring of employee benefits relating to both retirement formulas and contributions, for the upcoming years to minimize the further use of reserves. However, this will be difficult since the State of California's large spending deficits are on-going and the State will continue to be a threat to local governments as long as they continue to experience difficulties balancing their budget.

GFOA Certificate of Achievement Award

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Baldwin Park for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

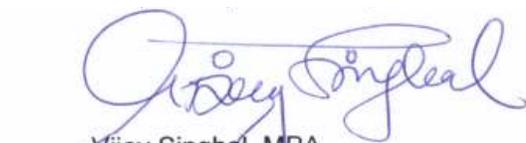
In order to be awarded a Certificate of Achievement a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this CAFR reflects the hard work, talent, and commitment of the staff members of the Finance Department. This document could not have been accomplished without the high level of professionalism and dedication that they bring to the City of Baldwin Park. We sincerely appreciate the dedication and commitment that the Finance Staff members bring to the City. We would also like to express our appreciation to Vasquez & Company LLP, the City's independent auditors, who assisted and contributed to the preparation of the Comprehensive Annual Financial Report.

Special acknowledgement is given to the Mayor and City Council for their support and interest in directing the financial affairs of the City in a responsible, professional and progressive manner.

Respectfully submitted,



Vijay Singhal, MBA
Chief Executive Office



Lorena Quijano, CPA, MPA
Director of Finance

MANUEL LOZANO
Mayor

SUSAN RUBIO
Mayor Pro Tem

MARLEN GARCIA
Councilmember

MONICA GARCIA
Councilmember

RICARDO PACHECO
Councilmember

ADMINISTRATION

MARIA CONTRERAS
City Treasurer

ALEJANDRA AVILA
City Clerk

JOSEPH PANNONE
City Attorney

EXECUTIVE TEAM

VIJAY SINGHAL
Chief Executive Officer

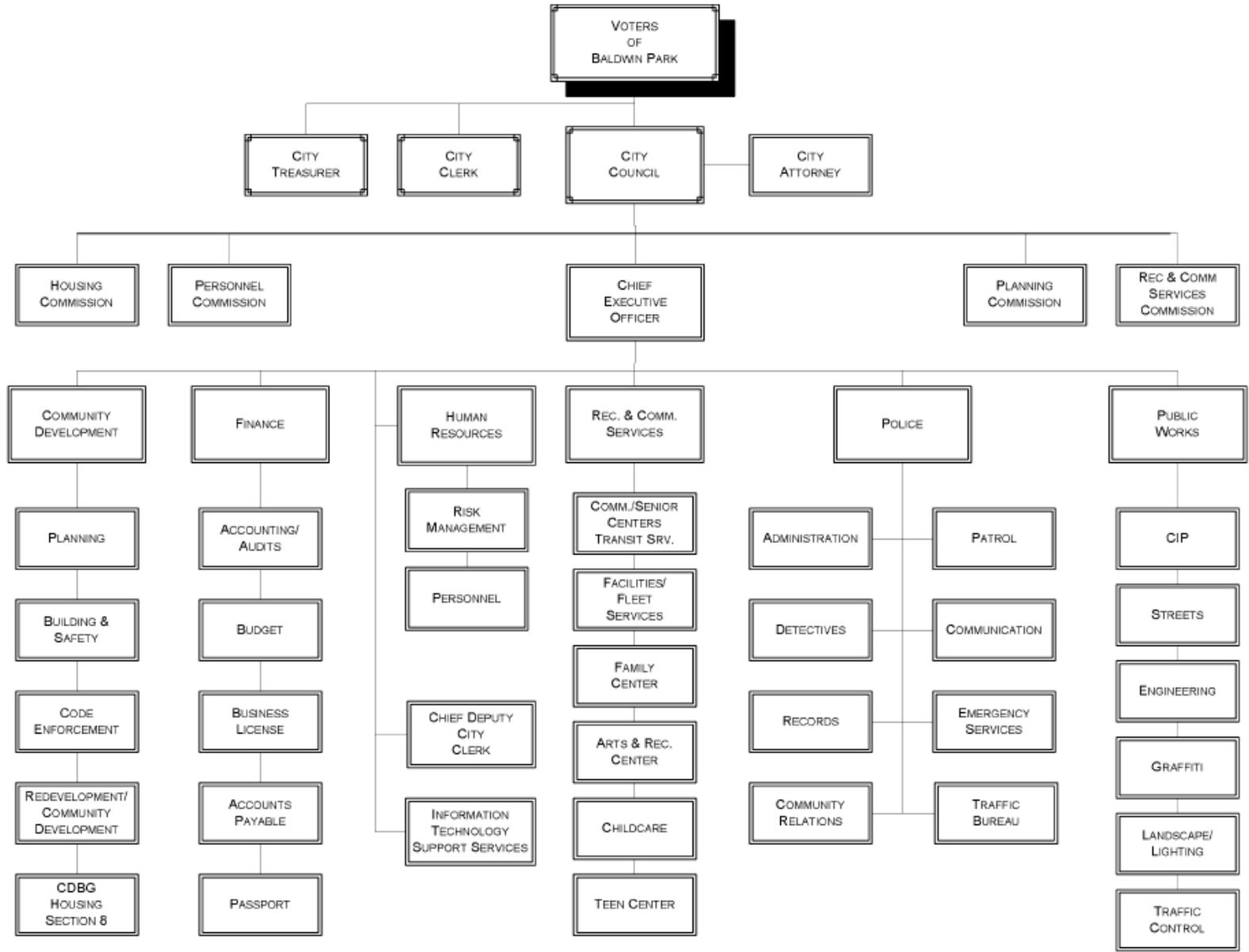
LILI HADSELL
Chief of Police

WILLIAM GALVEZ
Director of Public Works

MANUEL CARRILLO
Director of Recreation and
Community Services

LORENA QUIJANO
Director of Finance

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Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Baldwin Park
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

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



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

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**The Government Finance Officers Association
of the United States and Canada**

presents this

AWARD OF FINANCIAL REPORTING ACHIEVEMENT

to

Finance Department
City of Baldwin Park, California



The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.

Executive Director

Date August 8, 2011

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Report of Independent Auditors

The Honorable City Council of the City of Baldwin Park, California

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Baldwin Park, California, 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 the City of Baldwin Park's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note 19, the Agency's legal status and financial position and operations may be significantly impacted by legislation passed during the year ended June 30, 2011, and related litigation. The California Supreme Court has issued a partial stay of the effectiveness of the legislation until it can consider and rule on the issues of the matter. The outcome of the litigation and the effects of the legislation, if enacted, are not reasonably determinable.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Baldwin Park, California, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

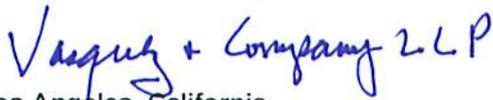
During the year, the City of Baldwin Park implemented Government Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund-type Definitions*, as discussed in Note 1.

The management's discussion and analysis, the budgetary comparison information, and the public employees retirement system schedule of funding progress as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2011 on our consideration of the City of Baldwin Park's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over 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.

A handwritten signature in blue ink that reads "Vasquez + Company LLP". The signature is written in a cursive, flowing style.

Los Angeles, California
December 20, 2011

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As management of the City of Baldwin Park ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2011. Please read it in conjunction with the accompanying transmittal letter at the front of this report, and the basic financial statements, which follow this section.

Financial Highlights

- ❖ The assets of the City exceeded its liabilities at June 30, 2011 by \$106 million. This amount is referred to as the net assets of the City. Of this amount, \$14 million is unrestricted net assets and may be used to meet the City's ongoing obligations to citizens and creditors.
- ❖ The City's net assets increased by \$2.5 million during the past year; that is, total revenues were greater than total expenditures by \$2.5 million. For FY 2010-11, Revenues, including Special Items, increased by \$3.0 million while Expenses decreased by \$1.8 million over FY 2009-10 levels.
- ❖ As of the close of the 2010-11 fiscal year, the City's governmental funds reported combined ending fund balances of \$38.4 million, an increase of \$7.0 million over the prior fiscal year. The City's internal service funds, which are not reported as part of the City's governmental funds, have a negative fund balance of \$1.5 million at June 30, 2011.
- ❖ As of June 30, 2011, the unassigned fund balance of the City's General Fund was \$3.4 million and the committed fund balance was \$2.5 million for a total of \$5.9 million; this represents an increase of \$0.7 million from the prior year.
- ❖ In the General Fund, revenues exceeded expenditures by \$1.7 million, before other financing sources.
- ❖ The City's total long-term liabilities decreased by \$0.35 million, or 0.4%, during the fiscal year ended June 30, 2011, to a level of \$78.6 million.

Overview of the Financial Statements

This discussion and analysis are an introduction to the City's basic financial statements, which consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also consists of supplementary information in addition to the basic financial statements.

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

The *statement of net assets* presents information on all of the City's 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 is improving or deteriorating.

The *statement of activities* presents information showing how the City'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).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*). The *governmental activities* of the City include general government, public safety, public works, community development, recreation, non-departmental, and interest on long-term debt.

The government-wide financial statements include not only the City itself (known as the primary government), but also three legally separate entities, the Baldwin Park Redevelopment Agency, the Baldwin Park Housing Authority, and the Baldwin Park Public Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself.

The government-wide financial statements can be found beginning on page 16 of this report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the City's funds can be divided into three categories: governmental funds, proprietary 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 the City's near-term financial 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 City's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenue, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 36 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, the Housing and Community Development Fund, Future Development Fund, Low/Moderate Income Housing Fund, Redevelopment Agency Debt Service Fund, and Redevelopment Agency Capital Project Fund, each of which are considered to be major funds. Data from the other 30 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* in the *nonmajor governmental funds supplementary information* section of this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate its compliance with this budget.

The governmental fund financial statements can be found beginning on page 18 of this report.

Proprietary Funds. The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses an enterprise fund to account for its public housing operation. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle operation and maintenance, information services and self-insurance activities, including general claims liability and workers' compensation insurance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the maintenance and operation of a public housing fund, which is considered a governmental fund in the government-wide financial statements. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements in the *supplementary information* section of this report.

The basic proprietary fund financial statements can be found beginning on page 25 of this report.

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 statements because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statements can be found on page 28 of this report.

Notes to the Basic Financial Statements. The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 29 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the City's progress in funding its obligation to provide pension benefits to its employees and a comparison of budgeted to actual results for the general and major special revenue funds. *Required supplementary information* can be found beginning on page 61 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following *the required supplementary information*. Combining and individual fund statements and schedules can be found beginning on page 67 of this report.

Government-wide Financial Analysis

Net assets. As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, net assets were approximately \$106 million as of June 30, 2011. Net assets increased \$2.5 million, or 2.4%, during fiscal year 2010-11. Assets increased 1.0% and liabilities decreased by 1.0% compared to June 30, 2010.

By far the largest portion of the City's net assets at June 30, 2011 (\$79.6 million, or 75.1% of total net assets) reflects its investment in capital assets (e.g., land, infrastructure, buildings, machinery and equipment) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Summary of Net Assets
June 30, 2011 and 2010**

	Governmental Activities	
	2011	2010
ASSETS		
Cash and other assets	\$ 69,248,711	\$ 63,643,314
Capital assets net of accumulated depreciation	119,512,421	123,293,430
Total assets	188,761,132	186,936,744
LIABILITIES		
Current and other liabilities	4,136,136	4,489,883
Long-term liabilities	78,641,430	78,991,279
Total liabilities	82,777,566	83,481,162
NET ASSETS		
Invested in capital assets, net of related debt	79,629,227	82,368,940
Restricted	13,841,440	9,097,505
Unrestricted	12,512,899	11,989,137
Total net assets	\$ 105,983,566	\$ 103,455,582

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City, assets exceeded liabilities by \$106 million at June 30, 2011.

A portion of the City's net assets (13.1%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$12,512,899, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net assets, for the City as a whole.

Governmental Activities. Governmental activities increased the City's net assets by \$2.5 million for fiscal year 2010-11.

**City of Baldwin Park
Management's Discussion and Analysis
Year ended June 30, 2011**

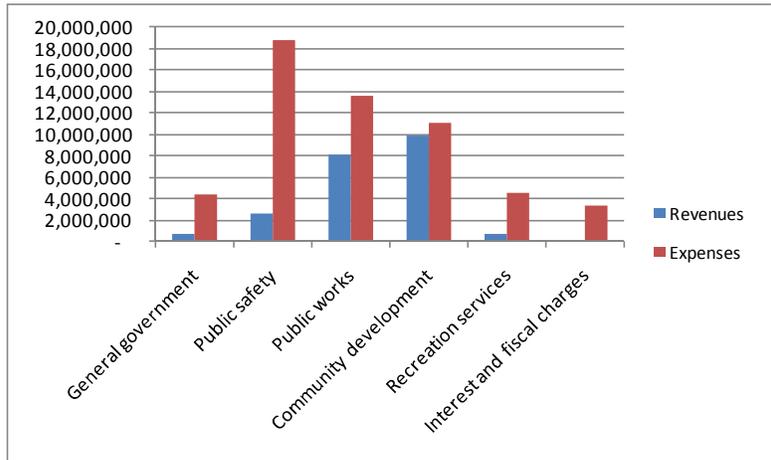
	2011	2010	Increase (Decrease)
General Revenues			
Charges for services	\$ 4,623,058	\$ 4,265,231	\$ 357,827
Grants and Contributions	17,256,159	19,179,294	(1,923,135)
Taxes			
Sales taxes	5,713,857	5,251,513	462,344
Property taxes	11,645,328	11,944,651	(299,323)
Utility users taxes	2,266,892	2,407,299	(140,407)
Tax increment	5,418,895	6,244,987	(826,092)
Franchise taxes	2,239,905	2,312,090	(72,185)
Other taxes	1,084,450	1,145,692	(61,242)
Investment income	337,283	388,977	(51,694)
Other income	2,138,900	1,963,572	175,328
Total	<u>52,724,727</u>	<u>55,103,306</u>	<u>(2,378,579)</u>
Expenses			
General government	4,408,497	3,142,685	1,265,812
Public safety	18,776,862	18,810,685	(33,823)
Public works	13,533,300	13,549,660	(16,360)
Community development	11,018,139	14,060,899	(3,042,760)
Recreation services	4,477,346	4,383,579	93,767
Interest and fiscal charges	3,355,401	3,424,605	(69,204)
	<u>55,569,545</u>	<u>57,372,113</u>	<u>(1,802,568)</u>
Change in net assets before special items	(2,844,818)	(2,268,807)	(576,011)
Special items			
Gain on sale of properties	4,988,913	-	4,988,913
Items related to payment of loans	383,889	-	383,889
Total special items	<u>5,372,802</u>	<u>-</u>	<u>5,372,802</u>
Change in net assets	2,527,984	(2,268,807)	4,796,791
Net assets, beginning	103,455,582	105,724,389	(2,268,807)
Net asset, ending	<u>\$ 105,983,566</u>	<u>\$ 103,455,582</u>	<u>\$ 2,527,984</u>

Key elements of both increases and decreases in fiscal year 2010/2011 are as follows:

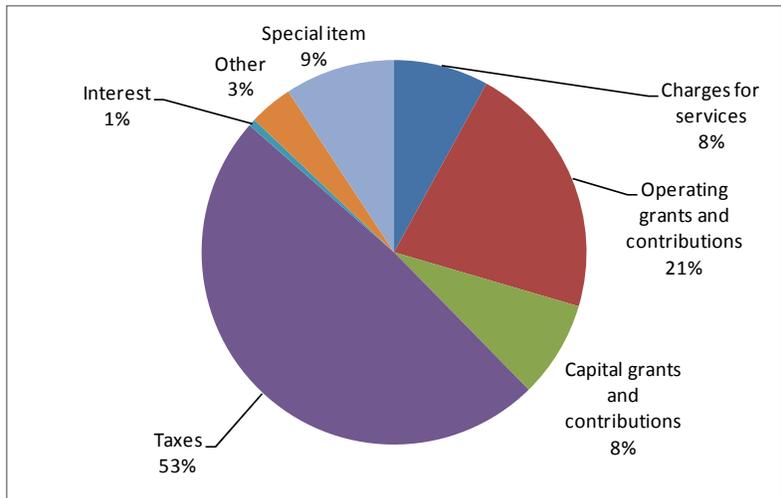
- An increase in charges for services of \$357,827 related to (1) an increase in the amount received from vehicle license fees of about \$135,000, the majority of which was related to a one time payments of monies due from the State for previous years; and (2) an increase of \$252,000 in the collection of monies in the Community Development department related to building plan check fees, construction permits, code enforcement citation, public arts fees and payment of principal and interest relating first time home buyers loans.
- A decrease in the amount of grant monies received of \$1,923,135. The main decrease reflects about \$1.7 million in one-time monies received in fiscal year 2009/2010 from asset seizure funds, which was not received in the current year.
- An increase in sales tax revenues of \$462,344 reflects the recent addition of a new business that is generating additional sales tax for the City. On the other hand, a decrease in property taxes of \$299,323 is attributable to the sluggish economy and to reductions in assessed values by the Assessor's Office; thus decreasing local property taxes. Since Tax Increment is basically property tax, there was also a decrease. The decrease was a lot more significant at \$826,092.

- In terms of expenses, there was an increase in General Government of \$1.2 million due to significant increases in the future costs of worker's compensation claims, reflected in the insurance fund and due to increases in depreciation costs for new vehicles purchased during the year, along with increases in the cost of fuel.
- A decrease of \$3.0 million in Community Development expenses reflects decreases of about \$700,000 in grants received and spent by the department, decrease in the issuance of CAL Home Grants of about \$45,000; decreases in the amount paid of \$1.9 million in the Debt Service Funds, mainly relating to the SERAF payment made in fiscal year 2010 of \$1.8 million; and decreases in expenses of about \$200,000 in both the General Fund and Capital Projects Fund.
- Special Items reflect about \$5 million in gains from the sale of properties to the Agency and about \$380,000 in payment of loans made by the Agency to the City during the year.

Expenses and Program Revenues- Governmental Activities



Revenues by Source- Governmental Activities



Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

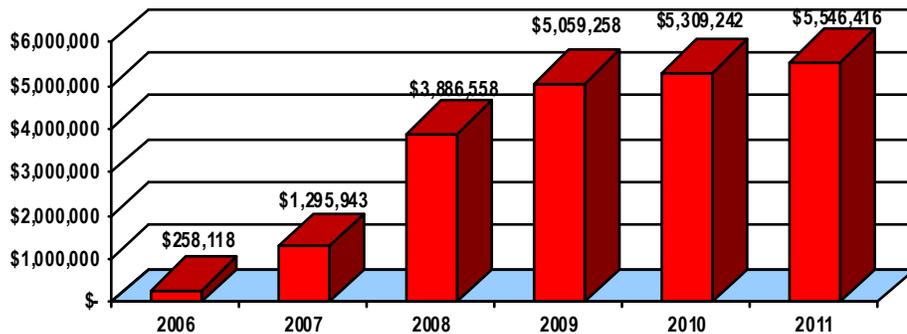
Governmental Funds. The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information may be useful in assessing the City's financing requirements.

In fiscal year 2010-2011, the City implemented GASB Statement #54 which substantially altered the categories and terminology used to describe "fund balance." The new categories are as follows:

- Nonspendable fund balance (inherently nonspendable)
- Restricted fund balance (externally enforceable limitations on use)
- Committed fund balance (self-imposed limitations on use)
- Assigned fund balance (limitation resulting from intended use)
- Unassigned fund balance (residual net resources)

Unassigned fund balance, previously referred to as *unreserved fund balance*, may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$38,433,103. Of the total fund balance \$24,395,043 is nonspendable of which \$6.9 million is related to long-term loans receivables, \$11.4 million is for long-term advances to other funds, and \$5.9 million is for property held for resale; \$29,137,747 is Restricted of which \$26.2 million is related to Special Funds and \$2.9 million is for debt service; \$4,139,852 is Committed of which \$1.6 million is for the economic development fund and \$2,477,618 is set aside specifically for General Fund reserves of ten percent based on the operating budget; and (\$19,239,103) is Unassigned.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the total fund balance is \$17,077,153. Of this amount, \$11.2 million is Nonspendable since its related to long-term advances to other funds, \$2.4 million is Committed as noted above to maintaining a ten percent minimum in reserves and \$3.4 million is unassigned. As a measure of General Fund liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. General Fund unassigned fund balance represents 15% of total general fund expenditures of \$22,364,752. In addition to strengthening its fund balance, the City has also increased its General Fund cash reserves over the last five years, as noted below:



The General Fund's Net Change in Fund Balance before Special Items was \$659,768; this positive balance was attributed to lower personnel costs in departments which did not fill full-time vacancies that occurred during the fiscal year. The increase was despite a (\$305,134) variance in the budget to actual revenues resulting from less collections in monies related to vehicle impounds. In total and after the special items, the City's General Fund decreased by \$1.8 million during the current fiscal year due transfers made to the Future Development Fund.

Both the Redevelopment Agency Debt Service and Capital Projects had decreases in the fund balance of \$1,617,058 and \$675,214, respectively that were due to lower revenues within the particular funds, the payment of Supplemental Revenue Augmentation Funds (SERAF), and the repayment of advances back to the City; these funds will be analyzed during the year in order to evaluate revenues and expenditure levels.

Proprietary Funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Enterprise Funds. Net assets of the enterprise fund totaled \$572,710 which includes a small increase in net assets of \$14,725 for the year ended June 30, 2011.

Internal Service Funds. The City's internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, including liability insurance, and workers' compensation insurance, vehicle operations and maintenance, and information services. As of June 30, 2011, net assets of the internal service funds had a deficit of \$1,493,028 and a decrease in net assets of \$1,010,034. The decrease in the current year's net assets resulted from a significant increase in the amount of reserves set-aside for the future payment of potential losses to the City; the increase in reserves is based on current activity. The services provided by the internal service funds have been allocated to governmental functions, based on user percentages, in the government-wide financial statements.

General Fund Budgetary Highlights

In the General Fund, differences between the original budget and the final amended budget resulted in a slight increase in appropriation of \$315,000 attributable to the police budget.

Capital Asset and Debt Administration

Capital Assets. The City's investment in capital assets for its governmental activities amounts to \$119,512,424 (net of accumulated depreciation of \$122,754,321) as of June 30, 2011. This investment in capital assets includes land, buildings, improvements other than building, infrastructure (roads, sidewalks, streetlights, etc.), and machinery and equipment. After reflecting the adjustments to capital assets for adoption of GASB 34 (previously discussed), the total decrease in the City's investment in capital assets for the current fiscal year was \$3,781,006 before depreciation.

**Capital Assets
(Net of Accumulated Depreciation)
June 30, 2011 and 2010**

	2011	2010
Capital assets, not being depreciated:		
Land	\$ 1,804,151	\$ 1,194,139
Construction in progress	4,185,726	1,437,457
Total capital assets, not being depreciated	5,989,877	2,631,596
Capital assets, being depreciated:		
Buildings and improvements	31,906,756	31,906,756
Equipment	9,144,897	8,149,532
Vehicles and related equipment	4,372,184	4,519,356
Infrastructure	190,853,031	190,853,030
Total capital assets, being depreciated	236,276,868	235,428,674
Less accumulated depreciation for:		
Buildings and improvements	11,347,572	10,815,512
Equipment	7,300,705	7,050,224
Vehicles and related equipment	3,930,439	3,699,637
Infrastructure	100,175,605	93,201,467
Total accumulated depreciation	122,754,321	114,766,840
Total capital assets being depreciated, net	113,522,547	120,661,834
Capital asset activity, net	\$ 119,512,424	\$ 123,293,430

Additional information on the City's capital assets can be found in note 7 to the basic financial statements of this report.

Debt Administration. At the end of the current fiscal year, the City had total bonded debt outstanding of \$41.818 million. Of this amount, \$28,000 represents special assessment bonds to finance public works maintenance and improvement projects, \$9.520 million represents lease revenue bonds, \$9.720 million represents pension obligation bonds used to finance the unfunded liability of the safety retirement system, and \$22.550 million represents tax allocation bonds issued for redevelopment projects. Reduction from last year was because of repayment of outstanding principal totaling \$2.4 million.

**Outstanding Debt
June 30, 2011 and 2010**

Long-term debt
June 30, 2011 and 2010
(amounts rounded to nearest 000's)

	2011	2010
Bonded Indebtedness:		
Certificates of participation	\$ -	\$ 125,000
Assessment district bonds	28,000	54,000
Tax allocation and refunding bonds	22,550,000	23,620,000
Pension obligation bonds	9,720,000	10,645,000
Lease revenue bond	9,520,000	9,740,000
Other long-term debt:		
Capital lease obligations	248,000	515,000
Other post-employment benefits	3,038,000	1,985,000
Compensated absences	1,337,000	1,316,000
Los Angeles County deferrals	17,969,000	17,408,000
Notes and loans payable	6,827,000	7,385,000
Total	\$ 71,237,000	\$ 72,793,000

State statutes limit the amount of general obligation debt a governmental entity may issue to 15 percent of its total assessed valuation. The current debt limitation for the City is \$169,945,222 which is significantly in excess of the City's outstanding general obligation debt. Additional information on the City's long-term liabilities can be found in note 9 to the basic financial statements of this report.

Economic Factors and Next Year's Budget

In the last few years, the nation experienced the greatest recession since the last depression. This has impacted all local governments including our City. However, in the years before the recession, we were able to successfully strategize on ways to combat future negative trends while also improving organizational effectiveness and program efficiencies. Thus our reserves gradually increased allowing us to fair much better than surrounding cities that had to use their reserves. Having said that, the City experienced some challenges due to the recession; mainly, the City's revenues were lower compared to the 2010/2011 budget and the City has now adjusted its revenues for the 2011/2012 budget to reflect the current economy. Nevertheless, the City is experiencing some growth in its sales tax resulting from a new manufacturing business; these additional revenues are offsetting some of the decreases that were experienced in some areas. In addition, the City is continuing to attract businesses, which included the opening of a new 46,600 square foot Superior Grocers that opened within the 13-acre shopping center located in the Central Business District Redevelopment Project Area and the opening of other businesses such as 3 Men's Suits, T-Mobile and Wells Fargo Bank.

The biggest factor affecting us in 2011/2012 is the significant increase in CALPERS rates which forced the City to use its reserves to cover some of the increases; something it had not had to do in a very long time. We will be working diligently in 2012 to minimize any further use of reserves.

Despite tough economic times, the City has continued its programs and the level of services it provides to the residents and the community. The performance of all programs has improved significantly and it is staff's endeavor to continue to improve overall city performance by continuing programs, encouraging business development programs and partnerships. The City is also implementing programs to promote healthy living through partnerships and outreach. The City intends to continue these programs in the next year while preserving and enhancing the safety and welfare of the community.

Request for Information

This financial report is designed to provide a general overview of the City's finances for readers of the financial statements. Questions concerning any of the information in this report or request for additional financial information should be addressed to the Department of Finance, 14403 E. Pacific Avenue, Baldwin Park, CA 91706.

City of Baldwin Park
Statement of Net Assets
June 30, 2011

ASSETS		
Unrestricted cash and investments		\$ 39,427,835
Restricted cash and investments		<u>2,674,564</u>
Total cash and investments		42,102,399
Intergovernmental receivables		5,007,209
Property taxes receivable		732,935
Other receivables, net		80,818
Loans receivable		6,948,387
Prepays		71,552
Deferred charges		374,750
Property held for resale, net		5,965,898
Pension asset, net of amortization		7,964,763
Capital assets not being depreciated		
Land	\$ 1,804,151	
Construction-in-progress	4,185,725	
Capital assets, net of accumulated depreciation		
Building and improvements	20,559,183	
Equipment	1,844,191	
Vehicles and related equipment	441,745	
Infrastructure	<u>90,677,426</u>	<u>119,512,421</u>
Total assets		<u><u>188,761,132</u></u>
LIABILITIES		
Accounts payable		2,331,238
Accrued interest		710,106
Accrued other liabilities		529,385
Deposits		388,051
Due to other governmental agencies		93,440
Unearned revenues		83,917
Long-term liabilities:		
Due within one year		3,150,000
Due in more than one year		65,048,476
Other post-employment benefits		3,037,652
Insurance liabilities- current portion		1,350,000
Insurance liabilities- long-term portion		<u>6,055,302</u>
Total liabilities		<u><u>82,777,566</u></u>
NET ASSETS		
Invested in capital assets, net of related debt		79,629,227
Restricted for debt service		2,931,195
Restricted for low/moderate income housing		10,910,245
Unrestricted		<u>12,512,899</u>
Total net assets		<u><u>\$ 105,983,566</u></u>

The notes to the financial statements are an integral part of these financial statements.

**City of Baldwin Park
Statement of Activities
Year ended June 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Change in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Contributions and Grants</u>	<u>Capital Contributions and Grants</u>	
Governmental activities					
General government	\$ 4,408,497	\$ 608,221	\$ 31,913	\$ -	\$ (3,771,014)
Public safety	18,776,862	1,757,968	798,702	2,041	(16,260,756)
Public works	13,533,300	157,631	4,104,695	3,836,812	(5,418,865)
Community development	11,018,139	1,602,720	7,421,769	884,820	(1,094,165)
Recreation services	4,477,346	496,518	175,407	-	(3,790,127)
Interest and fiscal charges	3,355,401	-	-	-	(3,355,401)
Total governmental activities	\$ 55,569,545	\$ 4,623,058	\$ 12,532,486	\$ 4,723,673	(33,690,328)
General revenues					
Taxes					
Property taxes					\$ 11,645,328
Sales taxes					5,713,857
Tax increment					5,418,895
Franchise taxes					2,239,905
Utility users taxes					2,266,892
Other taxes					1,084,450
Interest					337,283
Other					2,138,900
Total general revenues					30,845,510
Change in net assets before special items					(2,844,818)
Special items					
Gain on sale of properties					4,988,913
Items related to payment of loans					383,889
Total special items					5,372,802
Change in net assets					2,527,984
Net assets-beginning					103,455,582
Net assets-ending					\$ 105,983,566

The notes to the financial statements are an integral part of these financial statements.

	General	Special Revenue		
		Housing and Community Development Grant	Future Development	Low/ Moderate Income Housing
ASSETS				
Pooled cash and investments	\$ 5,546,416	-	10,449,263	710,190
Cash and investments with fiscal agents	-	-	-	-
Property taxes receivable	244,941	-	-	-
Intergovernmental receivables	1,408,435	572,814	-	58
Loans receivable	-	4,305,494	-	2,462,340
Other receivables, net	15,309	74	-	8,784
Due from other funds	-	204,480	-	1,772,597
Prepays	20,987	23,280	-	-
Advances to other funds	17,682,749	278,300	-	-
Property held for resale, net	-	-	-	5,965,898
Total assets	\$ 24,918,837	5,384,442	10,449,263	10,919,867
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 402,836	55,157	-	229
Accrued liabilities	518,765	7,621	-	2,998
Deposits	-	-	-	-
Due to other funds	386,857	582,202	-	6,395
Advances from other funds	-	-	-	-
Due to other governmental agencies	-	93,440	-	-
Deferred revenue	6,533,226	4,305,494	-	2,462,339
Total liabilities	7,841,684	5,043,914	-	2,471,961
Fund balances				
Nonspendable				
Loans receivable	-	-	-	-
Advances to other funds, net of accrued interest	11,149,523	278,300	-	-
Prepaid items	20,987	23,280	-	-
Property held for resale	-	-	-	5,965,898
Restricted				
Low and moderate income housing projects	-	-	-	2,482,008
Special revenue funds	-	38,948	10,449,263	-
Debt service funds	-	-	-	-
Capital projects funds	-	-	-	-
Committed to				
Economic development fund	-	-	-	-
10% budget stabilization fund	2,477,618	-	-	-
Unrestricted				
Unassigned	3,429,025	-	-	-
Total fund balances	17,077,153	340,528	10,449,263	8,447,906
Total liabilities and fund balances	\$ 24,918,837	5,384,442	10,449,263	10,919,867

**City of Baldwin Park
Balance Sheet
Governmental Funds
June 30, 2011**

<u>Debt Service</u>	<u>Capital Project</u>	Other Governmental Funds	Totals
733,648	195,627	17,761,929	\$ 35,397,073
986,434	-	1,688,130	2,674,564
350,490	137,504	-	732,935
-	-	3,025,902	5,007,209
-	-	180,553	6,948,387
-	-	17,640	41,807
1,608,275	857,777	-	4,443,129
-	544	8,123	52,934
-	-	-	17,961,049
-	-	-	5,965,898
<u>3,678,847</u>	<u>1,191,452</u>	<u>22,682,277</u>	<u>\$ 79,224,985</u>
50,825	7,815	1,670,454	\$ 2,187,316
-	-	-	529,384
-	-	386,250	386,250
1,936,663	1,813,481	1,343,315	6,068,913
300,000	17,661,049	-	17,961,049
-	-	-	93,440
-	-	264,471	13,565,530
<u>2,287,488</u>	<u>19,482,345</u>	<u>3,664,490</u>	<u>40,791,882</u>
-	-	180,553	180,553
-	-	-	11,427,823
-	544	8,123	52,934
-	-	-	5,965,898
-	-	-	2,482,008
-	-	15,744,881	26,233,092
1,391,359	-	1,537,862	2,929,221
-	-	12,408	12,408
-	-	1,662,234	1,662,234
-	-	-	2,477,618
-	(18,291,437)	(128,274)	(14,990,686)
<u>1,391,359</u>	<u>(18,290,893)</u>	<u>19,017,787</u>	<u>38,433,104</u>
<u>3,678,847</u>	<u>1,191,452</u>	<u>22,682,277</u>	<u>\$ 79,224,985</u>

The notes to the financial statements are an integral part of these financial statements.

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City of Baldwin Park
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

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

Total fund balances	\$	38,433,103
Deferred charges represent costs associated with the issuance of long-term debt, which are deferred and amortized over the life of the debt. The costs are reported as expenditures of current financial resources in the governmental funds.		374,750
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 242,266,746	
Less accumulated depreciation	<u>(122,754,325)</u>	119,512,421
Loans receivable not expected to be collected in the current period are offset by unearned revenue in the funds. They have been recognized and are in net assets in the government-wide financial statements.		6,479,508
Accrued interest on long-term debt is not due and payable in the current period and is not reported in the funds.		(710,106)
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. Those revenues are recognized on the accrual basis in the government-wide statements.		
Unearned interest income on advances for administrative expenses	\$ 6,533,226	
Interest on Low/Moderate Income Housing agreement	<u>468,879</u>	7,002,105
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Tax allocation bonds	\$ (22,550,000)	
Lease revenue bonds	(9,520,000)	
Improvement bonds	(28,000)	
Pension obligation bonds	(9,720,000)	
Notes payable	(6,827,490)	
Compensated absences	(1,336,773)	
Other postemployment benefits	(3,037,652)	
County deferral	(17,968,616)	
Capital lease obligations	<u>(247,597)</u>	(71,236,128)
Payment of unfunded pension liabilities are expenditures at the fund level but are deferred and subject to capitalization and amortization on the government wide statement of net assets		7,964,763
Internal service funds are used by management to charge the costs of information systems, insurance charges and fleet services to individual funds. The assets and liabilities of internal funds are included in governmental activities in the statement of net assets.		
Unrestricted net asset of the Internal Service Funds		(1,906,483)
Enterprise fund represents housing for low-income elderly tenants. Since the purpose of the fund corresponds with other governmental activities, the assets and liabilities of the enterprise fund are included in governmental activities in the statement of net assets.		
Unrestricted net asset of the Enterprise Fund		<u>69,633</u>
Net assets of governmental activities	\$	<u>105,983,566</u>

The notes to the financial statements are an integral part of these financial statements.

	Special Revenue			
	General	Housing and Community Development Grant	Future Development	Low/ Moderate Income Housing
Revenues				
Taxes	\$ 19,620,872	-	-	1,195,903
Licenses and permits	559,605	-	-	-
Fines, forfeitures and penalties	1,421,252	-	-	-
Use of money and property	336,705	17,618	-	83,830
Intergovernmental	557,261	1,677,505	-	-
Charges for services	1,507,339	-	-	-
Other	73,943	115,343	-	49,244
Total revenues	<u>24,076,977</u>	<u>1,810,466</u>	<u>-</u>	<u>1,328,977</u>
Expenditures				
Current:				
General government	2,232,004	100,560	-	79,518
Public safety	16,007,714	40,445	-	-
Public works	237,123	56,820	-	-
Community development	850,585	897,208	-	147,883
Recreation services	3,020,617	76,327	-	-
Capital outlay:				
Public works	-	6,980	-	-
Community development	16,709	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	6,715
Total expenditures	<u>22,364,752</u>	<u>1,178,340</u>	<u>-</u>	<u>234,116</u>
Excess (deficiency) of revenues over expenditures	<u>1,712,225</u>	<u>632,126</u>	<u>-</u>	<u>1,094,861</u>
Other financing sources (uses)				
Gain on sale of properties	-	-	-	-
Transfers in	32,694	-	-	-
Transfers out	(1,085,151)	(499,167)	-	-
Net other financing sources (uses)	<u>(1,052,457)</u>	<u>(499,167)</u>	<u>-</u>	<u>-</u>
Change in fund balances before special item	<u>659,768</u>	<u>132,959</u>	<u>-</u>	<u>1,094,861</u>
Special items				
Gain on sale of properties	4,988,913	-	-	-
Items related to payment of loans	383,889	-	-	-
Items related to future developments	(7,874,255)	-	10,449,263	-
Net special items	<u>(2,501,453)</u>	<u>-</u>	<u>10,449,263</u>	<u>-</u>
Change in fund balances	<u>(1,841,685)</u>	<u>132,959</u>	<u>10,449,263</u>	<u>1,094,861</u>
Beginning fund balances	<u>18,918,838</u>	<u>207,569</u>	<u>-</u>	<u>7,353,045</u>
Ending fund balances	<u>\$ 17,077,153</u>	<u>340,528</u>	<u>10,449,263</u>	<u>8,447,906</u>

The notes to the financial statements are an integral part of these financial statements.

City of Baldwin Park
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2011

<u>Debt Service</u>	<u>Capital Project</u>	Other Governmental Funds	Totals
5,311,844	-	2,653,210	\$ 28,781,829
-	-	24,330	583,935
-	-	320,689	1,741,941
9,799	12,438	102,730	563,120
-	-	14,913,701	17,148,467
-	-	393,268	1,900,607
231,531	16,290	1,738,314	2,224,665
<u>5,553,174</u>	<u>28,728</u>	<u>20,146,242</u>	<u>52,944,564</u>
-	259,768	399,549	3,071,399
-	-	1,084,163	17,132,322
-	-	5,066,073	5,360,016
3,248,905	289,535	5,436,774	10,870,890
-	-	1,106,109	4,203,053
-	-	5,264,270	5,271,250
-	-	-	16,709
1,070,000	-	1,854,000	2,924,000
1,458,367	90,070	1,393,476	2,948,628
<u>5,777,272</u>	<u>639,373</u>	<u>21,604,414</u>	<u>51,798,267</u>
<u>(224,098)</u>	<u>(610,645)</u>	<u>(1,458,172)</u>	<u>1,146,297</u>
-	522,745	-	522,745
577,095	1,403,414	3,307,009	5,320,212
(1,941,668)	-	(1,794,226)	(5,320,212)
<u>(1,364,573)</u>	<u>1,926,159</u>	<u>1,512,783</u>	<u>522,745</u>
<u>(1,588,671)</u>	<u>1,315,514</u>	<u>54,611</u>	<u>1,669,042</u>
-	-	-	4,988,913
-	-	-	383,889
-	-	(2,575,008)	-
<u>-</u>	<u>-</u>	<u>(2,575,008)</u>	<u>5,372,802</u>
(1,588,671)	1,315,514	(2,520,397)	7,041,844
<u>2,980,030</u>	<u>(19,606,407)</u>	<u>21,538,184</u>	<u>31,391,260</u>
<u>1,391,359</u>	<u>(18,290,893)</u>	<u>19,017,787</u>	<u>\$ 38,433,104</u>

The notes to the financial statements are an integral part of these financial statements.

City of Baldwin Park

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes In Fund Balances to the Statement of Activities
Year ended June 30, 2011**

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

Change in fund balance - governmental funds	\$	7,041,844
Governmental funds report capital outlay as expenditures. In the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	\$ 4,353,649	
Depreciation expense	<u>(7,711,914)</u>	(3,358,265)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.		
Unearned interest income on advances for administrative expenses	(397,767)	
Interest on Low/Moderate Income Housing agreement	<u>47,290</u>	(350,477)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Principal repayment of capital lease obligation	\$ 12,538	
County deferral received	(560,619)	
Amortization of deferred costs of issuance	(41,884)	
Principal repayments of notes payable	558,000	
Principal repayments of bonds	<u>2,366,000</u>	2,334,035
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Accrual of other postemployment benefits		(1,052,857)
Payment of unfunded pension liabilities are expenditures at the fund level but are deferred and subject to capitalization and amortization on the government wide statement of net assets		
		(1,137,824)
Repayment of long-term receivables are treated as revenue in governmental funds, but the repayment reduces the long-term receivables in the statement of net assets.		
		(229,251)
Issuance of long-term receivables are treated as expenditures in governmental funds but are treated as increases in receivables in the statement of net assets		
		293,418
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Change in accrued interest on long-term debt	\$ 32,877	
Compensated absences	<u>(20,757)</u>	12,120
Internal service funds are used by management to charge the costs of information systems, insurance charges and fleet services to individual funds. The net income of the internal service funds is reported with governmental activities.		
		(1,010,034)
Enterprise fund represents housing for low-income elderly tenants. Since the purpose of the fund corresponds with other governmental activities, the net loss of the enterprise fund is included in governmental activities.		
		<u>(14,725)</u>
Change in net assets of governmental activities	\$	<u>2,527,984</u>

The notes to the financial statements are an integral part of these financial statements.

**City of Baldwin Park
Statement of Net Assets
Proprietary Funds
June 30, 2011**

	Governmental Activities	
	Enterprise Fund	Internal Service Funds
ASSETS		
Current assets		
Pooled cash and investments	\$ 72,957	\$ 3,957,805
Accounts receivable	1,512	33,616
Interest receivable	-	3,883
Due from other funds	-	1,625,784
Prepaid expenses	-	18,618
Total current assets	74,469	5,639,706
Noncurrent assets		
Capital assets:		
Equipment	855,831	6,917,948
Less accumulated depreciation	(352,754)	(6,256,896)
Net capital assets	503,077	661,052
Total noncurrent assets	503,077	661,052
Total assets	577,546	6,300,758
LIABILITIES		
Current liabilities		
Accounts payable	3,035	140,887
Current portion of capital lease obligations	-	146,889
Current portion of insurance liabilities	-	1,350,000
Tenant security deposits	1,801	-
Total current liabilities	4,836	1,637,776
Noncurrent liabilities		
Capital lease obligations	-	100,708
Workers' compensation liability	-	5,022,899
General insurance liability	-	937,403
Unemployment insurance liability	-	20,000
Disability insurance liability	-	75,000
Total noncurrent liabilities	-	6,156,010
Total liabilities	4,836	7,793,786
NET ASSETS		
Invested in capital assets, net of related debt	503,077	413,455
Unrestricted	69,633	(1,906,483)
Total net assets \$	572,710	\$ (1,493,028)

The notes to the financial statements are an integral part of these financial statements.

City of Baldwin Park
Statement of Revenues, Expenses and Changes in Fund Net Assets
Proprietary Funds
Year ended June 30, 2011

	Governmental Activities	
	Enterprise Fund	Internal Service Funds
Operating revenues		
Charges for services	\$ 915	\$ 4,129,727
Other	31,902	200,924
Total operating revenues	32,817	4,330,651
Operating expenses		
Maintenance and operations	30,459	667,454
Internal service charge	-	126,900
Provision for insurance claims	5,100	2,948,486
Depreciation	11,983	377,436
Lease and equipment purchase	-	126,406
Personnel services	-	601,389
Contractual services	-	468,984
Interest expense	-	17,795
Total operating expenses	47,542	5,334,850
Operating income (loss)	(14,725)	(1,004,199)
Nonoperating income (loss)		
Loss on sale of capital assets	-	(22,307)
Interest income	-	16,472
Total nonoperating income (loss)	-	(5,835)
Change in net assets	(14,725)	(1,010,034)
Total net assets - beginning	587,435	(482,994)
Total net assets - ending \$	572,710	\$ (1,493,028)

The notes to the financial statements are an integral part of these financial statements.

**City of Baldwin Park
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2011**

	Governmental Activities	
	Enterprise Fund	Internal Service Funds
Cash flows from operating activities		
Receipts from tenants, customers and users	\$ 32,815	\$ 4,317,564
Payments to suppliers	(16,174)	(1,763,281)
Payments to employees	(17,419)	(341,654)
Payments for insurance	-	(1,741,552)
Net cash provided by (used in) operating activities	(778)	471,077
Cash flows from capital and related financing activities		
Proceeds from sale of capital assets	-	11,021
Reduction in capital lease obligations	-	(254,478)
Net cash used in capital and related financing activities	-	(243,457)
Cash flows from non-capital financing activities		
Interfund advances	(61)	774,418
Net cash provided by (used in) non-capital financing activities	(61)	774,418
Cash flows from investing activities		
Interest received	-	17,543
Change in cash and cash equivalents	(839)	1,019,581
Beginning cash and cash equivalents	73,796	2,938,224
Ending cash and cash equivalents	\$ 72,957	\$ 3,957,805
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ (14,725)	\$ (1,004,199)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	11,983	377,436
(Increase) decrease in accounts receivable	-	(13,087)
Increase (decrease) in accounts payable	1,964	(95,487)
Increase in prepaid expenses	-	(520)
Increase in insurance liabilities	-	1,206,934
Net cash provided by (used in) operating activities	\$ (778)	\$ 471,077
Supplemental schedule of noncash investing and financing activities		
Equipment acquired through capital lease	\$ 126,406	\$ 122,027

The notes to the financial statements are an integral part of these financial statements.

City of Baldwin Park
Fiduciary Funds
Statement of Fiduciary Assets and Liabilities
June 30, 2011

Assets

Pooled cash and investments		\$	549,737
Interest receivable			518
Total		\$	<u>550,255</u>

Liabilities

Accounts payable		\$	16,235
Deposit accounts:			
Canine donation			1,688
Crime prevention			8,899
Explorer			1,140
Leagues, etc.			22,414
Other			6,109
Miscellaneous trust			41,067
Court cost fees			32
Contingency deposits			17,910
Engineering trust			183,707
Police donations			50
Bicycle Rodeo			472
Donations			48,055
Inmate welfund			5,381
Offsite improvement bond			42,385
Police foundation			11,019
Pride program			43,575
Police training			57,133
Swimteam/Interpreting			21,563
Family impact/Domestic violence			1,553
Family impact			4,600
Revolving nuisance abatement			2,911
Street signs			4,876
Fingerprints - clients			1,666
NPDES Refundable Deposit			5,815
Total		\$	<u>550,255</u>

The notes to the financial statements are an integral part of these financial statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The reporting entity "City of Baldwin Park" includes the financial activities of the Baldwin Park Redevelopment Agency, the Baldwin Park Housing Authority and the Baldwin Park Public Financing Authority, as well as the City. Although these entities are legally separate from each other, they are included within the scope of the reporting entity.

The inclusion of an organization within the City of Baldwin Park reporting entity is based on the provisions of GASB Statement 39. These organizations are legally separate entities for which the City of Baldwin Park is financially accountable. The governing body of these organizations is substantially the same as the City Council. As a result, the financial statements of the individual component units described below are blended with the City's financial statements. Separate financial statements are available for the Baldwin Park Redevelopment Agency and can be obtained at Baldwin Park City Hall. Separate financial statements are not prepared for the Baldwin Park Housing Authority or the Baldwin Park Financing Authority.

The City of Baldwin Park (the City), incorporated on January 25, 1956, is a general law city, which operates under a Council-Chief Executive Officer form of government. The City Council appoints the City Attorney, the Chief Executive Officer, and five department heads. Currently, the City is managed by an Executive Team. The Executive Team is composed of the Chief Executive Officer and six department heads. The City provides a broad range of services to its citizens, which include police protection, street construction and maintenance, parks and recreation, public improvements, planning and zoning, housing and community development and general and administrative support services.

The Baldwin Park Community Development Commission (the Redevelopment Agency), formerly known as Baldwin Park Redevelopment Agency, was established on November 27, 1974, pursuant to the Health and Safety Code of the State of California. The Agency's purpose is to prepare and carry out plans for the improvement, rehabilitation and development of blighted areas within the boundaries of the City. There are currently two approved project areas.

The Baldwin Park Housing Authority (the Housing Authority) was established on October 27, 1977 pursuant to the Health and Safety Code of the State of California. The Housing Authority's purpose is to oversee the administration of federally funded housing assistance programs. These programs are designed to provide affordable housing opportunities for low and moderate income residents of the cities of Baldwin Park, West Covina, Monrovia and South El Monte.

The Baldwin Park Public Financing Authority (the Financing Authority) was established on April 6, 1988 between the City of Baldwin Park and the Baldwin Park Redevelopment Agency by execution of a joint exercise of powers agreement. The Financing Authority is governed by a five-member board consisting of the City Council. The Financing Authority's purpose is to acquire, finance, construct, manage and maintain or operate certain public capital improvements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The City's more significant accounting policies are described below.

Government-wide and Fund Financial Statements

The statement of net assets and statement of activities (i.e., the government-wide financial statements) display information on all of the non-fiduciary activities of the primary government (the City) and its blended component units. Eliminations have been made to minimize the effect of interfund activity. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the City's *governmental* and *business-type activities*. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties. The City reports its enterprise fund under governmental activities in the government-wide financial statements because the purpose of the fund corresponds with governmental activities and it is only partially self-supporting. Therefore, the City does not currently report any business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the City's governmental activities and for each segment of the City's business-type activities. Direct expenses are those that are specifically associated with a program or function and are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The accounts of the City of Baldwin Park (the City) are organized on the basis of funds, each of which is considered a separate accounting entity with a self-balancing set of accounts established for the purpose of carrying out specific activities or attaining certain objectives in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the last is excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liabilities are incurred regardless of the timing of related cashflows. 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. The City considers taxes and assessments associated with the current fiscal period to be available if they are collected within 60 days of the end of the current fiscal period. All other revenue items are considered to be measurable and available only when the City receives cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, are generally followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The City reports the following major governmental funds:

General Fund - The General Fund is the City's general operating fund. It is used to account for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds - The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those for Capital Projects Funds) that are legally restricted to expenditures for special purposes. Major special revenue funds are:

<i>Housing and Community Development Grant Fund</i>	Accounts for revenues from the Department of Housing and Urban Development. These revenues must be expended to accomplish one of the following objectives: elimination of slum or blight, be of benefit to low and moderate income persons, or meet certain urgent community needs. The fund includes revenues from the BLOCK and HOME programs.
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<i>Low/Moderate Income Housing Fund</i>	Accounts for monies set aside in accordance with Community Redevelopment Law for the provision of affordable housing for low and moderate income persons and families.
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<i>Future Development</i>	This fund is to account for monies set-aside for economic development projects.
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Debt Service Funds - The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt, including special assessment debt with governmental commitment.

<i>Redevelopment Agency Debt Service Fund</i>	Accounts for the receipt of resources and payment of debt incurred to develop the redevelopment project areas.
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Capital Project Funds - used to account for financial resources to be used for the acquisition or construction of major capital facilities.

<i>Redevelopment Agency Capital Project Fund</i>	This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities in the redevelopment project areas.
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Additionally, the City reports the following fund types:

Governmental Funds

Description for Special Revenue funds and Debt Service fund can be found on pages 67 to 69.

Proprietary Funds

Enterprise Fund - The Enterprise Fund is used to account for a 12-unit complex occupied by elderly low-income tenants, who pay monthly rents to the City.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Internal Service Funds - The Internal Service Funds are used to account for the financing of goods or services provided by one City department to the other departments or agencies on a cost reimbursement basis. These funds account for the revenues and expenses of the City's Fleet Services, Information Services and Internal Insurance.

Fiduciary Funds

Agency Funds - The Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent on behalf of employees, individuals, private organizations, other governments or other funds. These funds include resources held for seized assets, police training, donations for others, etc. Agency funds, which are custodial in nature, do not involve measurement of results of operations.

Financial Statement Elements

Cash and Investments

Investments are stated at fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties other than a forced or liquidation sale.

The City pools all nonrestricted cash for investment purposes. Interest income earned on pooled cash is allocated quarterly to the various funds based on their month-end cash balances. Interest income from restricted cash is allocated directly to the fund earning the income.

Property Taxes

The County of Los Angeles has the responsibility for property tax and assessment levies and collections. The County's property tax calendar is July 1 to June 30. Property taxes are an enforceable lien on the property as of the preceding January 1. Property tax bills, which include assessments, are levied June 30 and are due in equal installments on November 1 and February 1 of each property tax year. The City records property tax assessment revenues upon receipt or anticipated receipt from the County. Property taxes receivable reported in the fund statements are not offset by deferred revenues because they are collectable within 60 days of fiscal year end.

Receivables and Payables

Property, sales, use and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year-end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of net assets. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and collectable. Earned but unbilled revenue is recognized as revenue and accounts receivable in the enterprise funds.

Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

“advances to/from other funds” (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances”. Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the government-wide presentation.

Restricted Assets

Certain proceeds of debt issues, 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.

Capital Assets

Capital assets, which include land, buildings, improvements, vehicles, furniture, equipment and infrastructure assets (e.g., roads, bridges, curbs and gutters, sidewalks and lighting and drainage systems) are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at historical cost or estimated cost, if historical cost is not available. Contributed assets are recorded at their estimated fair value at the time received. The costs of normal maintenance and repairs that do not add value to the asset or materially extend lives are not capitalized.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building	60 years
Machinery and equipment	3 to 20 years
Vehicles and related equipment	5 to 15 years
Roadway network	20 to 50 years
Commuter rail network	50 years
Sewer network	60 years
Storm drain network	50 years

It is the City’s policy to capitalize all land, building, improvements, equipment and infrastructure assets, except assets costing less than \$5,000. Interest incurred during the construction phase of capital assets of business-type activities is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related activity. In governmental funds, the sale of general capital

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale. Provision for depreciation of capital assets is computed using the straight-line method.

Property Held for Resale

Property held for resale is recorded at the lower of cost or fair value. A corresponding nonspendable fund balance account is recorded which indicates the asset does not represent available expendable resources.

Compensated Absences

It is the City's policy to record the liability for employees vested earned vacation, compensatory time off, etc. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The City does not provide for the vesting of sick leave; therefore, no liability has been recorded.

Self-Insurance Programs

The City has initiated self-insurance programs for long-term disability and unemployment insurance claims. In addition, the City maintains a cash reserve to provide for the per-occurrence deductible on property damage, workers' compensation and general liability claims of \$10,000, \$500,000 and \$300,000, respectively. These activities are accounted for in the Internal Insurance Service Fund.

Operating revenues are primarily user charges to other funds and are planned to match estimated payments resulting from self-insurance programs, operating expenses and reinsurance premiums. The fund accrues the estimated liability for claims when such amounts are reasonably determinable and where the liability is probable. Further, the fund sets up a cash reserve for these known claims as well as for the estimated liability for such claims expected to be filed for incidents, which had occurred as of June 30, 2011. The calculation is based on ten-year historical trend analysis.

The City is a member of the Independent Cities Risk Management Authority (ICRMA), a joint powers authority formed to provide liability insurance coverage for independent cities. Under the terms of the agreement with ICRMA, the City is insured for liability losses in excess of the \$300,000 Self-Insurance Retention (SIR), with a liability limit of \$2,000,000 per occurrence and workers' compensation losses in excess of the \$300,000 Self-Insured Retention (SIR), with a liability limit of \$1,000,000 per any one loss (see Note 16).

Deferred Revenues

Deferred revenues in governmental funds arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Unearned revenues

In the government-wide financial statements, unearned revenues arise when the City receives resources before it has a legal claim to them (e.g., when grant monies are received prior to the incurrence of qualifying expenditures).

Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are recorded as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, if applicable, 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 life of the related debt using the straight-line method.

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 net proceeds received, are reported as debt service expenditures.

Fund Balance

In fiscal year 2010-11, the City of Baldwin Park adopted Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund-type Definitions*. Fund balance is the difference between the assets and liabilities reported in the City's governmental funds. There are generally limitations on the purpose for which all or a portion of the resources of a governmental fund may be used. The force behind these limitations can vary significantly, depending upon their source. Consequently, the fund balance reported in the annual financial statements is categorized into five components whereby each component identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the fund can be spent. The five components of fund balance are as follows (See Note 11):

- **Nonspendable:** Resources that are 1) not in spendable form, such as inventories, prepaids, long-term receivables, or non-financial assets held for resale, or 2) required to be maintained intact such as an endowment.
- **Restricted:** Resources that are subject to externally enforceable legal restrictions; these restrictions would be either 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or 2) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** Resources that are constrained to specific purposes by a formal action of the City Council such as an ordinance or resolution. The constraint remains binding unless removed in the same formal manner by the City Council. Council action to commit fund balance must occur within the fiscal reporting period while the amount committed may be determined subsequently.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- Assigned: Resources that are constrained by the City's intent to be used for specific purposes, but that are neither restricted nor committed.
- Unassigned: Within the General Fund, the residual resources, either positive or negative, in excess of what can be properly classified in one of the other four fund balance categories. Within all other governmental funds, the negative residual resources in excess of what can be properly classified as nonspendable, restricted, or committed.

Statement of Cash Flows

For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash and not subject to significant changes in value from interest rate fluctuations.

The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considered all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

Use of Estimates

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

NOTE 2 NET ASSETS/FUND BALANCES

The governmental activities and business-type activities in the government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

- Invested in capital assets, net of related debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance of this category.
- Restricted net assets – This category presents external restrictions imposed by creditors, grantors, contributors, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted net assets – This category represents the City's net assets, which are not restricted for any project or other purpose.

NOTE 3 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balance

The following funds have deficit fund balances or net assets at June 30, 2011. Management expects to eliminate the deficits with subsequent revenue in the funds or transfers from the General Fund.

Major Fund		
Redevelopment Agency Capital Project	\$	18,290,893
Nonmajor Funds		
Nonmajor proprietary funds:		
Internal Insurance		1,992,152
Total funds	\$	<u>20,283,045</u>

NOTE 4 CASH AND INVESTMENTS

At June 30, 2011, the City's cash and investments consist of:

	Government-wide Statement of Net assets	Fiduciary Fund Statement of Net Assets	Total
Unrestricted assets			
Cash and investments	\$ 39,427,835	\$ 549,737	\$ 39,977,572
Restricted assets			
Cash and investments with fiscal agent	<u>2,674,564</u>	-	<u>2,674,564</u>
Total cash and Investments	<u>\$ 42,102,399</u>	<u>\$ 549,737</u>	<u>\$ 42,652,136</u>

Cash and investments at June 30, 2011 consisted of the following:

Cash on hand	\$ 833
Deposits with financial institutions	4,839,965
Investments	<u>37,811,338</u>
Total cash and investments	<u>\$ 42,652,136</u>

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

Investment Policy

The City's investment policy outlines the guidelines required to be used in effectively managing the City's available cash in accordance with the California Government Code. Summarized below are the investment vehicles that are authorized and certain provisions of the policy that address interest rate risk and concentration of credit risk.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

	<u>Maturity</u>	<u>Maximum Allowable Investment Percentage</u>	<u>Maximum Percentage per Issuer</u>
U.S. Treasury Obligations	365 days	Unlimited	N/A
U.S. Agency Securities and Instrumentalities of Government Sponsored Corporation	365 days	Unlimited	N/A
Negotiable Certificates of Deposit	365 days	30%	N/A
Time Deposits – Collateralized	365 days	Unlimited	\$500,000
Time Deposits – Uncollateralized	365 days	Unlimited	\$100,000
Banker’s Acceptances	180 days	40%	30%
Repurchase Agreements	180 days	Unlimited	N/A
Commercial Paper rated A-1 by Standard and Poor’s Corporation or P-1 by Moody’s Investors Services, Inc.	180 days	30%	10%
LAIF	N/A	Unlimited	\$40,000,000

Cash and Investments with Fiscal Agents - The City has monies held by trustees or fiscal agents pledged to the payment or security of certain notes, bonds and certain construction projects. Money market mutual funds may be purchased as allowed under California Government Code. Only funds holding U.S. Treasury or Agency obligations can be utilized.

Interest Rate Risk

Interest rate risk, as defined under Governmental Accounting Standards Board (GASB) Statement No. 40, is the risk that changes in interest rates will adversely affect the fair value of an investment. Most of the City’s investments are held in trust by the fiscal agents as required by the bond indenture. The following table summarizes the distribution of the City’s investments according to maturity at June 30, 2011.

	<u>Less than 1 year</u>	<u>1 -5 years</u>	<u>More than 5 years</u>	<u>Total</u>
Pooled cash and investments	\$ 39,977,572	\$ -	\$ -	\$ 39,977,572
Unrestricted cash and investments	<u>39,977,572</u>	<u>-</u>	<u>-</u>	<u>39,977,572</u>
Pooled investments	-	-	-	-
Cash and investments with fiscal agents	-	-	2,674,564	2,674,564
Restricted cash and investments	<u>-</u>	<u>-</u>	<u>2,674,564</u>	<u>2,674,564</u>
Total cash and investments	\$ 39,977,572	\$ -	\$ 2,674,564	\$ 42,652,136

Concentration of Credit Risk

Under GASB Statement No. 40, concentration of credit risk is the risk of loss attributable to the magnitude of the City’s investment in a single issuer. As of June 30, 2011, the City’s investments in First American Treasury Obligation Fund amounted to \$1,236,639.

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Credit Risk on Pooled Deposits

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The California Government Code requires California banks and savings and loan associations to secure a city's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 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 may waive collateral requirements for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC).

Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. In accordance with GASB Statement 40, deposits are exposed to custodial credit risk if they are uninsured and either:

- a. Uncollateralized
- b. Collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the depositor-government's name

At June 30, 2011, the amount of the City's bank deposits' book balance was \$4,839,965 while the corresponding bank balance was \$5,339,076. Of the total bank balance, \$250,000 was covered by FDIC while \$5,089,076 was secured by pledged government securities not in the City's name.

Credit Risk and Fair Value of Investments

Investments are exposed to custodial credit risk if they are uninsured, unregistered and held by either:

- a. The counterparty
- b. The counterparty's trust department or agent but not in the government's name

The City's investments are in external investment pools and in mutual funds, which are not exposed to custodial credit risk.

Presented below is the minimum rating as required by (where applicable) the California Government Code, the City's investment policy, or debt agreement and the actual rating as reported by Standard & Poor's as of year end for each investment type.

Investment Type	Totals as of June 30, 2011	Minimum Legal Rating	Rating not available	Not required to be rated	Unrated
Local Agency Investment Fund	\$ 35,136,774	(1)	\$ -	\$ -	\$ 35,136,774
Held by bond trustee:					
Money Market Mutual Fund	2,203,764	(1)	-	2,203,764	-
Investment Agreement	470,800	(2)	470,800	-	-
Total cash and investments	\$ 37,811,338		\$ 470,800	\$ 2,203,764	\$ 35,136,774

- (1) Not applicable
- (2) Acceptable to the Municipal Bond Insurer

NOTE 4 CASH AND INVESTMENTS (CONTINUED)

Local Agency Investment Fund (LAIF)

Cash on deposit with LAIF represents short-term demand deposits with the State Treasurer, who invests available cash balances of participating California government entities. The management of LAIF has indicated to the City that as of June 30, 2011, the estimated fair value of the pool, including accrued interest, was approximately \$66.4 billion. The City's proportionate share of the estimated fair value is \$35.1 million. LAIF's (and the City's) exposure to risk (credit, market or legal) is not currently available.

Restricted Cash and Investments

The City has monies held by financial institutions, which are restricted for the payment of certain notes and bonds.

NOTE 5 LOANS RECEIVABLE AND DEFERRED REVENUES

Unearned revenues on the General Fund represent interest on interfund advances, which is not available for current operations.

Loans Receivable and Unearned Revenues at June 30, 2011 consisted of the following:

	Loans Receivable	Unearned Revenues
General Fund	\$ -	\$ 6,533,226
Special Revenue Funds:		
Loans receivable from Commercial Rehabilitation Program	45,811	45,811
Loans receivable from Residential Rehabilitation Program	357,374	357,374
Loans receivable from HOME Program	3,948,120	3,948,120
Loans receivable from CalHOME Program	134,743	134,743
Loans receivable from Single Family Repo Housing	39,000	39,000
Loans receivable from Low/Moderate Income Housing, net	1,954,460	1,954,460
Accrued interest from Low/Moderate Income Housing agreement	468,879	468,879
Unearned grants	-	83,917
Total \$	6,948,387	\$ 13,565,530

NOTE 6 INTERFUND BALANCES

At June 30, 2011, the City's interfund receivables and payables were as follows:

	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Advances to <u>Other Funds</u>	Advances from <u>Other Funds</u>
Major governmental funds				
General Fund	\$ -	386,857	17,682,749	\$ -
Housing and Community Development	204,480	582,202	278,300	-
Low/Moderate Income Housing	1,772,597	6,395	-	-
Redevelopment Agency Debt Service Fund	1,608,275	1,936,663	-	300,000
Redevelopment Agency Capital Project Fund	857,777	1,813,481	-	17,661,049
Total major governmental funds	<u>4,443,129</u>	<u>4,725,598</u>	<u>17,961,049</u>	<u>17,961,049</u>
Nonmajor governmental funds	-	1,343,315	-	-
Total governmental funds	<u>4,443,129</u>	<u>6,068,913</u>	<u>17,961,049</u>	<u>17,961,049</u>
Proprietary funds				
Internal Service Funds	1,625,784	-	-	-
Total proprietary funds	<u>1,625,784</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total funds	<u>\$ 6,068,913</u>	<u>6,068,913</u>	<u>17,961,049</u>	<u>\$ 17,961,049</u>

Due to and due from other funds:

Amounts due to the General Fund and Internal Service Funds represent short-term borrowings by the nonmajor funds and Redevelopment Agency, to compensate for negative cash balances and general operations. These balances are expected to be repaid within the next fiscal year.

The amounts due to Housing and Community Development from the Home Program represent the portion of the first time homebuyers loan repayments deposited to the Home Program Fund. The balance is expected to be paid in the near future.

The amounts due to the Debt Service Fund represent loans due from the General Fund in previous years. The balances belong to the Debt Service Fund and are expected to be collected in near future.

A portion of the amounts due to Low/Moderate Income Housing represent the accrued 20% set aside low-moderate income housing from tax increments. The balances are expected to be repaid within the next fiscal year.

The remaining amounts due to Low/Moderate Income Housing represent borrowings from the 20% set aside low-moderate income by the Redevelopment Debt Service Funds to pay the Supplemental Educational Revenue Augmentation Funds (SERAF) obligation for FY 2009-2010 and FY 2010-11. The housing set-aside fund is scheduled to repay \$1,312,140 borrowed from FY2009-10 by June 30, 2015, and \$294,933 borrowed from FY 2010-11 by June 30, 2016 with no interest to accrue on the loan.

NOTE 6 INTERFUND BALANCES (CONTINUED)

If not repaid by the deadline, then the housing set-aside allocation is increased to 25% permanently as required by Assembly Trailer Bill ABX4 26.

The amounts due to the Redevelopment Agency Capital Project Fund and Debt Service Fund represent short-term borrowings within the Redevelopment Agency Funds to compensate for negative cash balances. These balances are expected to be repaid within the next fiscal year.

The amounts due to Building Reserve Capital Project Fund and Redevelopment Agency Debt Service Fund represent borrowings by the Low-Mod Income Housing Fund which will be repaid in the future.

Advances to and advances from other funds

General Fund advances to Redevelopment Agency

The City has an agreement with the Baldwin Park Redevelopment Agency providing for the advance of funds to finance improvements and operations relating to and within the project areas. The Agency accrues interest on the original advances at LAIF's prevailing interest rate. At June 30, 2011, the City has advanced \$17,682,749 which includes accrued interest of \$6,533,226.

The City's interfund transfers during the year were as follows:

	<u>Transfers in</u>	<u>Transfers out</u>
Major governmental funds		
General Fund	\$ 32,694	\$ 1,085,151
Housing and Community Development	-	499,167
Future Development	-	-
Debt Service Fund:		
Redevelopment Agency	577,095	1,941,668
Capital Project Fund:		
Redevelopment Agency	1,403,414	-
Total major governmental funds	2,013,203	3,525,986
Nonmajor governmental funds	3,307,009	1,794,226
Total governmental funds	5,320,212	5,320,212
Total funds	\$ 5,320,212	\$ 5,320,212

The Baldwin Park Financing Authority Debt Service Fund received resources mostly from the Redevelopment Debt Service Funds for debt service payments.

Transfers to other governmental funds were to fund the matching requirements on certain grants and capital projects. Transfers to proprietary funds were to provide funds for expenditures.

NOTE 7 CAPITAL ASSETS

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

	Balance July 1, 2010	Increases	Decreases	Balance June 30 2011
Capital assets not being depreciated:				
Land	\$ 1,194,139	610,012	-	1,804,151
Construction in progress	1,437,456	2,748,269	-	4,185,725
Total capital assets not being depreciated	2,631,595	3,358,281	-	5,989,876
Capital assets being depreciated:				
Buildings and improvements	31,906,755	-	-	31,906,755
Equipment	8,149,532	1,025,294	29,929	9,144,897
Vehicles and related equipment	4,519,356	-	147,172	4,372,184
Infrastructure	190,853,031	-	-	190,853,031
Total capital assets being depreciated	235,428,674	1,025,294	177,101	236,276,867
Less accumulated depreciation for:				
Buildings and improvements	10,815,512	532,060	-	11,347,572
Equipment	7,050,223	250,482	-	7,300,705
Vehicles and related equipment	3,699,637	344,646	113,844	3,930,439
Infrastructure	93,201,467	6,974,138	-	100,175,605
Total accumulated depreciation	114,766,840	8,101,326	113,844	122,754,322
Total capital assets being depreciated, net	120,661,834	(7,076,032)	63,257	113,522,545
Capital asset activity, net	\$ 123,293,429	(3,717,751)	63,257	119,512,421

Depreciation expense was charged to functions of the governmental activities as follows:

General government	\$	205,339
Public safety		123,340
Public works, including depreciation of general infrastructure assets		7,088,622
Parks and recreation		94,694
Community development		325,739
Capital assets held by internal service funds are charged to various functions based on their usage of the assets		263,592
Total depreciation expense – governmental activities	\$	8,101,326

NOTE 8 ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES

Composition of accounts payable and other current liabilities is as follows:

	<u>Vendors</u>	<u>Accrued Liabilities</u>	<u>Deposits</u>	<u>Total</u>
Major governmental funds				
General Fund	\$ 402,836	\$ 518,765	\$ -	\$ 921,601
Housing and Community Development Grant	55,157	7,621	-	62,778
Low/Moderate Income Housing	229	2,998	-	3,228
Redevelopment Agency Debt Service Fund	50,825	-	-	50,825
Redevelopment Agency Capital Project Fund	7,815	-	-	7,815
Total major governmental funds	<u>516,862</u>	<u>529,384</u>	<u>-</u>	<u>1,046,247</u>
Nonmajor governmental funds	1,670,454	-	386,250	2,056,704
Total funds	<u>\$ 2,187,316</u>	<u>\$ 529,384</u>	<u>\$ 386,250</u>	<u>\$ 3,102,951</u>

NOTE 9 LONG-TERM LIABILITIES

Changes in Long-term Liabilities

Summary of changes in long-term liabilities during the year ended June 30, 2011 (in \$ thousands):

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011	Due Within One Year
Bonded indebtedness	\$ 44,184	-	2,366	\$ 41,818	\$ 2,418
Notes payable	7,385	-	558	6,827	585
County deferral	17,408	561	-	17,969	-
Compensated absences	1,316	21	-	1,337	-
Other postemployment benefits	1,985	1,652	599	3,038	-
Capital leases	515	-	267	248	147
Total	<u>\$ 72,793</u>	<u>2,234</u>	<u>3,790</u>	<u>\$ 71,237</u>	<u>\$ 3,150</u>

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Bonded Indebtedness

At June 30, 2011, bonded indebtedness consisted of (in \$ thousands):

	Date Issued	Final Maturity	Interest Rate %	Amount Issued	Outstanding
Improvement Bonds:					
Baldwin Avenue	Jul-01	Sep-11	6	132	17
Bogart Avenue	Jul-01	Sep-11	6	84	11
Total special assessment bonds				216	28
Lease Revenue Bonds:					
Financing Authority Community Center	Oct-04	Aug-34	3.75 - 5.0	10,840	9,520
Pension Obligation Bonds					
2007- Series A-1	Apr-07	Jun-18	5.06-5.30	12,810	9,720
Tax Allocation Bonds:					
Financing Authority Series A	Jan-90	Aug-19	6.65 - 7.75	14,205	4,065
San Gabriel River Project	May-98	Aug-21	3.75 - 5.25	11,875	5,365
Merged Project	Jun-00	Sep-30	4.20 - 5.75	10,215	8,720
Financing Authority Series 2003	Dec-03	Aug-21	1.75 - 5.25	6,265	4,400
Total tax allocation bonds				42,560	22,550
Total bonded indebtedness				\$ 67,426	\$ 41,818

Sources of Debt Service

Special assessment bonds interest and principal redemptions are to be funded by future assessments against properties in the Districts. Interest and principal redemptions for lease revenue bonds and certificates of participation are payable solely from lease payments made by the City to the Financing Authority as the rental for the Community Center and City's corporation yard, respectively. Tax allocation bonds interest and principal redemptions are to be funded by incremental tax revenues derived from the redevelopment project areas.

Bond Covenants and Other Requirements

The City is in compliance with all the provisions of the bond covenants and the requirements regarding arbitrage rebates.

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Notes Payable

Notes payable is composed of:

Section 108 loan from the Department of Housing and Urban Development (HUD) for the City's real property acquisitions. The loan is payable annually from August 2008 through August 2021 with interest payable semi-annually with rates ranging from 5.25% to 5.46% during fiscal year 2006. The loan will be repaid through future HUD entitlements.	\$ 4,108,000
Promissory certificate from the Bank of West for the City's lease payments. The loan is payable annually from October 2009 through October 2017 with interest payable semi-annually at 4.05%.	2,446,000
Other	273,490
	\$ 6,827,490

County Deferral

The Agency and County entered into an agreement whereby the County will defer tax increment (County Deferral) generated within the project area to meet the Agency's debt service obligations. Only the County Deferrals for Sierra Vista accrue interest of 2.42%. The County Deferrals are to be repaid whenever there are property tax revenues received by the Agency in excess of its debt payment requirements. The County Deferrals are recorded as revenue when received by the Agency. At June 30, 2011, the balance of the County Deferrals including interest was \$17,969,000.

The following are future scheduled Annual Debt Service Requirements (in \$ thousands):

Year ending June 30,	Bonded Indebtedness	Notes Payable	Capital Leases	Total	Interest	Total Debt Service
2012	\$ 2,418	\$ 585	\$ 147	\$ 3,150	\$ 2,547	\$ 5,697
2013	2,585	614	84	3,283	2,389	5,672
2014	2,790	645	17	3,452	2,222	5,674
2015	3,000	676	-	3,676	2,040	5,716
2016	3,230	710	-	3,940	1,842	5,782
2017-2021	13,075	2,835	-	15,910	6,075	21,985
2022-2026	7,070	489	-	7,559	2,987	10,546
2027-2031	5,230	-	-	5,230	1,254	6,484
2032-2035	2,420	-	-	2,420	250	2,670
Indeterminate	-	273	-	273	-	273
Total	\$ 41,818	\$ 6,827	\$ 248	\$ 48,893	\$ 21,606	\$ 70,499

NOTE 9 LONG-TERM LIABILITIES (CONTINUED)

Compensated Absences Payable

The City's policies relating to compensated absences are described in Note 1. The outstanding balance at June 30, 2011, was \$1,336,773. The liability for governmental activities is primarily liquidated from the general fund while the liability for business-type activities is liquidated from the enterprise funds.

NOTE 10 CAPITAL LEASES

The City has lease agreements for vehicles and equipment that meet the criteria for capitalization. The City reserves the right to purchase these items on any lease payment date. For the year ended June 30, 2011, the City did not enter into new lease agreements. The total capital lease obligations at June 30, 2011 amounted to \$248,000, net of interest of \$11,000. Lease payments for the fiscal year ended June 30, 2011 amounted to approximately \$262,000.

NOTE 11 FUND BALANCE

	Special Revenue		Debt Service		Capital Project		Other Governmental Funds	Total Governmental Funds
	General	Housing and Community Development Grant	Future Development	Low/ Moderate Income Housing	Redevelopment Agency	Redevelopment Agency		
Fund Balances:								
Nonspendable								
Prepays	\$ 20,987	\$ 23,280	\$ -	\$ -	\$ -	\$ 544	\$ 8,123	\$ 52,934
Property held for resale	-	-	-	5,965,898	-	-	-	5,965,898
Advances to other funds, net of accrued interest	11,149,523	278,300	-	-	-	-	-	11,427,823
Loans receivable	-	-	-	-	-	-	180,553	180,553
Restricted for								
Housing and Community development	-	38,948	-	-	-	-	-	38,948
Low and Moderate Income Housing Fund	-	-	-	2,482,008	-	-	-	2,482,008
Redevelopment Debt Service	-	-	-	-	1,391,359	-	-	1,391,359
Future Development	-	-	10,449,263	-	-	-	-	10,449,263
Business Improvement Fees	-	-	-	-	-	-	168,675	168,675
Air Quality Improvement	-	-	-	-	-	-	479,792	479,792
Federal Asset Forfeiture	-	-	-	-	-	-	1,814,284	1,814,284
State Gasoline Tax	-	-	-	-	-	-	2,712,230	2,712,230
Bicycle and Pedestrian Safety	-	-	-	-	-	-	369	369
Proposition A	-	-	-	-	-	-	113,715	113,715
Proposition C	-	-	-	-	-	-	2,567,188	2,567,188
Street Light and Landscape	-	-	-	-	-	-	729,263	729,263
Residential Development Tax	-	-	-	-	-	-	4	4
Integrated Waste Management	-	-	-	-	-	-	246,425	246,425
Federal Surface	-	-	-	-	-	-	-	-
Transportation Program	-	-	-	-	-	-	674,463	674,463
Assessment District	-	-	-	-	-	-	337,490	337,490
State Asset Forfeiture	-	-	-	-	-	-	173,672	173,672
Local Law Enforcement Block Grant	-	-	-	-	-	-	14,458	14,458
Economic Development Administration	-	-	-	-	-	-	512	512
Traffic Congestion Relief	-	-	-	-	-	-	49,402	49,402
Grants	-	-	-	-	-	-	336,512	336,512
Park Land and Public Art Fees	-	-	-	-	-	-	849,547	849,547
Storm Drain NPDS	-	-	-	-	-	-	28,173	28,173
Calhome Grant	-	-	-	-	-	-	-	-
General Plan Fees	-	-	-	-	-	-	364,600	364,600
Housing Authority	-	-	-	-	-	-	2,980,987	2,980,987
Measure R	-	-	-	-	-	-	1,103,120	1,103,120
City Debt Service Fund	-	-	-	-	-	-	60,401	60,401
Pension Obligation Debt	-	-	-	-	-	-	694	694
Baldwin Park Financing Authority Debt Service	-	-	-	-	-	-	1,476,767	1,476,767
Building Resene	-	-	-	-	-	-	12,408	12,408
Committed to								
Economic Development Act Revolving Loan	-	-	-	-	-	-	1,662,234	1,662,234
10% Budget Stabilization Fund	2,477,618	-	-	-	-	-	-	2,477,618
Unassigned	3,429,025	-	-	-	-	(18,291,437)	(128,274)	(14,990,686)
Total Fund Balances	\$ 17,077,153	\$ 340,528	\$ 10,449,263	\$ 8,447,906	\$ 1,391,359	\$ (18,290,893)	\$ 19,017,787	\$ 38,433,104

NOTE 11 FUND BALANCE (CONTINUED)

The financial statements show an aggregate amount of \$24,395,043 for nonspendable fund balances. Details of this amount are shown below:

Fund	Amount	Details
General	\$ 11,149,523	Advances to other funds
General	20,987	Prepays
Housing and Community Development Grant	4,305,494	Loans
Housing and Community Development Grant	278,300	Advances to other funds
Housing and Community Development Grant	23,280	Prepays
Low/Moderate Income Housing	2,462,340	Loans
Low/Moderate Income Housing	5,965,898	Property held for resale
Redevelopment Capital Projects	544	Prepays
Federal Asset Forfeiture	1,156	Prepays
Economic Development Act Revolving Loan	45,811	Loans receivable
Grants	450	Prepays
Calhome Grant	134,743	Loans receivable
Housing Authority	6,517	Prepays
	<u>\$ 24,395,043</u>	

The City's Fund Balance Policy delegates authority to the City Council to assign amounts, which are neither restricted nor committed, to be used for specific purposes for annual financial statement reporting. The City has no assigned fund balances as of June 30, 2011.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned, or unassigned fund balances are available, the City's policy is to first apply committed fund balance, then assigned fund balance, and finally unassigned fund balance.

NOTE 12 COMMITMENTS AND CONTINGENCIES

There are various litigation and claims pending against the City, which have been considered in determining the estimated liability for self-insurance. The outcome of these cases and eventual liability to the City, if any, is unknown at this time. The City estimates that the self-insurance liability and cash reserve are adequate to cover any claims not otherwise covered by insurance.

NOTE 13 RETIREMENT PLANS

Plan Description: The City of Baldwin Park contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan (miscellaneous plan) and a cost sharing plan (safety 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 its executive office: 400 P Street, Sacramento, CA 95814.

All permanent safety (police) and general personnel working 20 hours or more a week and temporary employees who have worked 40 hours a week for over six months are eligible to participate in PERS. Benefits vest after five years of service. General employees who retire at or after age 55 and police members who retire at or after age 50 with five years of credited service are entitled to retirement benefits. PERS also provides death and disability retirement benefits. These benefit provisions and all other requirements are established by state statute and City ordinance.

Funding Policy: Participants are required to contribute 7% (9% for safety employees) of their annual covered salary. The City makes the contributions required of City employees on their behalf and for their account. The City is required to contribute at an actuarially determined rate of annual covered payroll; the current rate is 8.829% for non-safety employees and 19.094% for safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

PERS Plan Amendments: During fiscal year 2002-03, PERS required mandatory pooling of plans with less than 100 active members. As a result, the accrued actuarial liability and actuarial value of assets for the City's safety plan have been pooled with other government agencies. As of the date of pooling, differences between the City's normal cost and the pool's normal cost will be amortized over a five year period, at which time, the City's normal cost will approximate the pool's normal cost.

Annual Pension Cost: The three-year trend information for PERS (In \$ thousands) is presented below:

NOTE 13 RETIREMENT PLANS (CONTINUED)

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Prepaid Pension Asset
6/30/2009	\$ 4,223	100%	\$ 10,240
6/30/2010	4,119	100%	9,103
6/30/2011	4,424	100%	7,965

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS

Plan Description and Funding Policy

The City of Baldwin Park provides postretirement health care benefits, as per the requirements of the Public Employees' Retirement System, with which the City contracts for health care benefits, for employees who retire while employed with the City. As provided by the Public Employees' Medical and Hospital and Care Act (PEMHCA), the City has been under contract with CalPERS for medical plan coverage since at least 1999. As a PEMHCA employer, the City has chosen to satisfy its retiree medical benefit commitment using equal contribution approach, where it contributes exactly the same amount for retirees as contributed toward active employee medical plan coverage.

The benefit level varies depending upon the bargaining group that represents the employee. Employees represented by S.E.I.U. Local 347 will receive a varying flat monthly amount that has been negotiated through the meet and confer process and all other employees will receive the equivalent of the single party premium for the plan of their choice that has been negotiated through the meet and confer process.

Following is a description of the current retiree benefit plan:

	S.E.I.U. employees	Nonrepresented
Benefit types provided	Medical only	Medical only
Duration of benefits	Lifetime	Lifetime
Required service	5 years	5 years
Minimum age	50	50
Dependent coverage	Yes	Yes
City Contribution	100%	100%
City Cap	\$618 per month	Minimum MEC allowed per PEMHCA

Eligible participants to the plan at January 1, 2011, the date of the latest actuarial valuation are as follows:

Eligible active employees:	
Participating	126
Not currently participating	107
	Subtotal 233
Eligible retirees	113
	Total 346

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

As of June 30, 2011, the City has not established a trust or equivalent that contains an irrevocable transfer of assets dedicated to providing benefits to retirees in accordance with the terms of the plan and that are legally protected from creditors. The City finances these postemployment benefits on a pay-as-you-go basis. Its share of the annual premiums for these benefits are payable as they become due. The cost of retiree health care insurance benefits is recognized as expenditure as insurance premiums are paid. For fiscal year ended June 30, 2011, \$599,112 of postemployment benefit expenditures was paid.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the City's annual Other Post Employment Benefits (OPEB) cost for the year (based on 30-year amortization), the amount of benefits and/or insurance premiums actually paid and the City's Net OPEB obligation as of June 30, 2011:

	Amount
Annual required contribution	\$ 1,649,385
Interest on net OPEB obligation as of June 30, 2010	89,316
Adjustment to the ARC	(86,732)
Annual OPEB cost (expense)	1,651,969
Premium payments including benefit payments	(599,112)
Contributions to irrevocable trust	-
Increase in net OPEB obligation	1,052,857
Net OPEB obligation - beginning of the year	1,984,795
Net OPEB obligation - end of the year	\$ 3,037,652

The Annual Required Contribution (ARC) is an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and 2010 were:

Fiscal Year	Annual OPEB	Annual	Percentage of	Net OPEB
End	Cost	Contribution	Annual OPEB	Obligation
			Cost Contributed	
06/30/11	\$ 1,648,385	\$ 599,112	36%	\$ 3,037,652
06/30/10	1,613,289	577,749	36%	1,984,795

Funded Status and Funding Projects

The funded status of the plan as of June 30, 2011 based on the plan's most recent actuarial valuation date of January 1, 2011, was:

NOTE 14 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	<u>Amount</u>
Actuarial accrued liability (AAL)	\$ 23,548,132
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 23,548,132</u>
Normal cost	<u>\$ 629,271</u>

The normal cost for the plan is the amount that the liabilities are expected to increase during the year based on increased eligibility and service. Normal cost is the value of benefits expected to be earned during the year, based on certain methods and assumptions.

The Schedule of Funding Progress for OPEB is presented below. As presented based on the Actuarial Study of Retiree Health Liabilities as of January 1, 2011, the Unfunded Actuarial Accrued Liability (UAAL) ratio to covered payroll has increased from 204% to 216%. Since the City has not established a trust, the plan is unfunded therefore the actuarial value of plan assets remains at zero.

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (AAL) (A)	Actuarial Asset Value (B)	Unfunded Actuarial Accrued Liability (Excess Assets) [(A)-(B)] (UAAL) (C)	Funded Ratio [(B)/(A)] (D)	Covered Payroll (E)	Unfunded Accrued Actuarial Liability as Percentage of Covered Payroll {[(A)-(B)]/(E)} (F)
January 1, 2009	\$ 22,320,143	\$ -	\$ 22,320,143	0.00%	\$ 10,932,861	204%
January 1, 2011	23,548,132	-	23,548,132	0.00%	10,926,010	216%

Actuarial Methods and Assumptions

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

In the January 2011 actuarial valuation, the entry age normal actuarial cost method was used to value liabilities. Under the entry age normal cost method, an average age at hire and average retirement age are determined for eligible employees. The actuarial assumptions included (1) a 4.5% discount rate, (2) a 3.25% annual salary increase and (3) medical plan premiums (cost) rate increase of 9.5% for year 2009 decreasing by .5% every year until year 2017. The UAAL is being amortized as a level percentage of projected payroll over 30 years. Amortization of the unfunded AAL has been determined on a level percent of payroll over a closed 30-year period established in the fiscal year ended June 30, 2009. The remaining amortization years used in developing the ARC for the City's fiscal year ending June 30, 2011 was 28 years.

NOTE 15 DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. The plan assets are under the participants control and are principally invested in demand deposits and mutual funds and are held in trust for the exclusive benefit of the participants and their beneficiaries. At June 30, 2011, the amount held by trustee for employees is \$6,345,608.

NOTE 16 INSURANCE PROGRAM

Self-Insurance Programs

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions, injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

The City is a participant in the Independent Cities Risk Management Authority (ICRMA), a public entity risk pool, formed to enable individual cities to join together to obtain certain liability and workers' compensation insurance coverages as a group, to self-insure, where necessary, and to obtain adequate liability coverages at an affordable cost. ICRMA has 31 member cities, and each city appoints one member to the ICRMA Governing Board. The City has a 2.47% participation in ICRMA, which is computed based on the City's self-insurance retention levels under the liability coverages selected. The City pays an annual premium to ICRMA for this liability and workers' compensation insurance coverage. ICRMA is considered a self-sustaining risk pool that will provide coverage for its members for up to \$20,000,000 (\$2,000,000 per occurrence) for liability claims, \$1,000,000 for workers' compensation claims and \$1,000,000 for employer's liability claims.

Changes in the balances of claims liabilities for the three years ended June 30, 2011 were as follows:

Insurance	Year ended June 30,	Beginning Balance	Claims and Changes in Estimates	Claims Payments	Ending Balance
General Liability	2011	\$ 866,128	\$ 189,980	\$ 23,705	\$ 1,032,403
	2010	862,843	10,938	7,653	866,128
	2009	1,139,185	(269,726)	6,616	862,843
Workers' Compensation	2011	5,331,065	1,825,315	783,481	6,372,899
	2010	5,012,604	390,948	72,487	5,331,065
	2009	5,110,602	(66,993)	31,005	5,012,604

There were no significant changes in insurance coverage as compared to last year and settlements have not exceeded coverage in any of the past three fiscal years.

NOTE 16 INSURANCE PROGRAM (CONTINUED)

Purchased Insurance

Property Insurance – The properties of the City of Baldwin Park are covered by commercial insurance purchased from independent third parties. The City is currently insured according to a schedule of covered property submitted by the City to the insurance company. The total property insurance coverage is \$38,397,400 at 90% coinsurance. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Adequacy of Protection

During the past fiscal years none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

NOTE 17 RISKS AND UNCERTAINTIES

The City invests in various investment securities, including Local Agency Investment Fund (LAIF) which are exposed to various risks such as interest rate, market, and credit risks. Because of the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the values of investments as of June 30, 2011. The actual amount of exposure as of December 20, 2011 is not determinable.

NOTE 18 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS

GASB No. 55 - GASB has issued Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to incorporate the hierarchy of generally accepted accounting principles (GAAP) for state and local governments into the Governmental Accounting Standards Board's (GASB) authoritative literature. The Board does not expect that this Statement will result in a change in current practice.

GASB No. 56 - GASB has issued Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. The objective of this Statement is to incorporate into the Governmental Accounting Standards Board's (GASB) authoritative literature certain accounting and financial reporting guidance presented in the American Institute of Certified Public Accountants' Statements on Auditing Standards. This Statement addresses three issues not included in the authoritative literature that establishes *accounting principles*—related party transactions, going concern considerations, and subsequent events. This Statement does not establish new accounting standards but rather incorporates the existing guidance (to the extent appropriate in a governmental environment) into the GASB standards.

**NOTE 18 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS (CONTINUED)**

GASB No. 57 - GASB has issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans that have fewer than 100 total plan members and by the agent multiple-employer OPEB plans in which they participate. In addition, it clarifies requirements of Statements 43 and 45 related to the coordination of the timing and frequency of OPEB measurements by agent employers and the agent multiple-employer OPEB plans in which they participate.

The requirements of this Statement apply to all state and local governmental agent multiple-employer OPEB plans that are administered as trusts, or equivalent arrangements, and to state and local governmental employers that participate in such plans. The provisions of this Statement related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

GASB No. 58 - GASB has issued Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*. This Statement establishes accounting and financial reporting standards for all governments that have petitioned for relief under Chapter 9 of the U.S. Bankruptcy Code or have been granted relief under the provisions of Chapter 9, including governments that enter into bankruptcy and are not expected to emerge as a going concern. This Statement does not apply to troubled debt restructurings that occur outside of bankruptcy. The disclosures required by this Statement cease to apply for periods following the fiscal year in which the bankruptcy case is closed or the government has its petition dismissed. The requirements of this Statement are effective for periods beginning after June 15, 2009. Retroactive application is required for all prior periods presented during which a government was in bankruptcy.

GASB No. 59 - GASB has issued Statement No. 59, *Financial Instruments Omnibus*. The requirements of this Statement will improve financial reporting by providing more complete information, by improving consistency of measurements, and by providing clarifications of existing standards. Applying the reporting provisions of Statement 31 for interest-earning investment contracts to unallocated insurance contracts improves consistency of investment measurements that are reported by pension and other postemployment benefit plans. Emphasizing the applicability of SEC requirements to 2a7-like external investment pools provides practitioners with improved guidance. Limiting interest rate risk disclosures for investments in mutual funds, external investment pools, and other pooled investments to debt investment pools provides better guidance regarding the applicability of interest rate risk disclosures. Finally, addressing the applicability of Statement 53 to certain financial instruments refines which financial instruments are within the scope of that Statement. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010.

**NOTE 18 NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS (CONTINUED)**

GASB No. 60 - GASB has issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. This Statement establishes guidance for accounting and financial reporting for SCAs. As used in this Statement, an SCA is an arrangement between a government (the transferor) and an operator in which all of the following criteria are met:

- a. The transferor conveys to the operator the right and related obligation to provide public services through the use and operation of a capital asset (referred to in this Statement as a "facility") in exchange for significant consideration, such as an up-front payment, installment payments, a new facility, or improvements to an existing facility.
- b. The operator collects and is compensated by fees from third parties.
- c. The transferor determines or has the ability to modify or approve what services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services.
- d. The transferor is entitled to significant residual interest in the service utility of the facility at the end of the arrangement.

The provisions of this Statement should be applied in financial statements of state and local governments that are prepared using the economic resources measurement focus. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011.

GASB No. 61 - GASB has issued Statement No. 61, *The Financial Reporting Entity: Omnibus, an amendment of GASB Statements No. 14 and No. 34*. This Statement modifies existing requirements for the assessment of potential component units in determining what should be included in the financial reporting entity, and financial reporting entity display and disclosure requirements. It applies to financial reporting by primary governments and other stand-alone governments, and to the separately issued financial statements of governmental component units. In addition, this Statement should be applied to nongovernmental component units when they are included in a governmental financial reporting entity. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012.

GASB No. 62 - GASB has issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement establishes accounting and financial reporting standards for the financial statements of state and local governments. The requirements of this Statement apply to accounting and financial reporting for governmental activities, business-type activities, and proprietary funds. The requirements in this Statement are effective for financial statements for periods beginning after December 15, 2011.

NOTE 19 RECENT LAWS AND REGULATIONS AFFECTING REDEVELOPMENT AGENCIES

For fiscal year 2011-12 budget, the Governor of California has proposed to dissolve redevelopment agencies (RDA) and distribute their funds (above the amount necessary to pay outstanding debts) to other local agencies. The proposal has met significant opposition as the RDAs and local governments have asserted that the RDAs are an essential tool to promote local economic development in blighted urban areas.

On June 29, 2011, AB1X 26 and AB1X 27 became effective. AB1X 26 (the "Dissolution Bill") prescribes strict limits on what RDAs may do between its effectiveness date and October 1, 2011, when all RDAs will be legally dissolved unless the legislative body enacts an Ordinance pursuant to AB1X 27 (the "Continuation Bill") committing itself to make payments to school districts and special districts (the "Continuation Payments"). Until enactment of the Ordinance, RDAs are prohibited from entering into new agreements or indebtedness, except as necessary to carry out "enforceable obligations" entered into prior to June 29, 2011. Enforceable Obligations are defined as bonds, loans, payments to the federal government or imposed by state law, judgments or settlements and contracts, including contracts necessary for the continued administration or operation of the RDA. AB1X 27 establishes an Alternative Voluntary Redevelopment Program (the "AVRP"), whereby a RDAs will be authorized to continue to exist and carry out the provisions of the Redevelopment Law upon the enactment by the City Council of an ordinance to participate in the AVRP. AB1X 27 also requires the government agency to make specified annual remittances to the applicable auditor-controller, who shall allocate the remittances for deposit into a Special District Allocation Fund and into the County Educational Revenue Augmentation Fund for allocation to educational entities.

On July 18, 2011, the California Redevelopment Agencies (CRA) and the League of California Cities filed a petition asking the California Supreme Court to overturn AB1X 26 and AB1X 27 because they violate the Constitution. CRA and the League of California Cities also had requested that the Court issue a stay to prevent the legislation from going into effect until the Court can decide the lawsuit. The central claim for the challenge to AB1X 26 and AB1X 27 is that these bills violate Proposition 22, the constitutional amendment passed in November 2010 by 61% of the state's voters and Article XVI, section 16, another voter initiative that set-up Tax Increment financing for RDAs.

On August 11, 2011, the Court issued a partial stay regarding suspension of the effectiveness of AB1X 26-27 until it can rule on the constitutionality of these two bills. The Court also agreed to hear the case on an expedited basis, in order to reach a decision before January 15, 2012, when the first payments under AB1X 27 would be due.

NOTE 19 RECENT LAWS AND REGULATIONS AFFECTING REDEVELOPMENT AGENCIES (CONTINUED)

Actions Taken by the City and Baldwin Park Community Development Commission

On January 25, 2011, the City Council of the City of Baldwin Park approved the following actions:

- City to sell to the Community Development Commission (CDC) certain parcels of land and parking easement for \$5 million. Funds will come from the Low and Moderate Income Housing Trust Fund (LMIHTF) and will be set-aside in a separate fund for use in community development or redevelopment purposes.
- Transfer of certain parcels from CDC non-housing fund to the CDC LMIHTF for \$629,100.
- CDC re-affirmed its loan from the City in the amount of \$20.6 million for operating and administrative purposes. The amount includes principal of \$13.7 million and interest of \$6.9 million. Payment of this loan shall begin and will be made at the end of each fiscal year using available tax increment, after payment of bonded and other superior indebtedness.
- CDC LMIHTF to repay \$3.4 million to the City, of which \$2.5 million is to be set-aside in a separate fund for use in future development or redevelopment of the community. Breakdown of this loan is as follows:

Building Reserve (Fund 301)	\$	2,575,008
San Gabriel River (Fund 831)		296,584
General Fund (Fund 100)		1,829
Operating and Administrative Fund (Fund 100)		525,580
	\$	3,399,001

- CDC to repay \$3.8 million to the City for administrative loans. Payments will come from the San Gabriel River Project and Sierra Vista Project. The funds will be set-aside in a separate fund restricted for future development or redevelopment of the community.

In July, August and September 2011, the CDC took the following actions:

- Adopted Ordinances and Resolutions, which declared the City and CDC's determination to make payments required by AB1X 27 and to comply with AVRP to ensure the continued exercise of redevelopment powers by the CDC.
- The CDC filed an Appeal of AB1X 27 Remittance Amount to the State of California Department of Finance. On October 14, 2011, the Department of Finance informed the CDC that the payment was reduced from \$2,090,636 to \$1,815,809.

NOTE 19 RECENT LAWS AND REGULATIONS AFFECTING REDEVELOPMENT AGENCIES (CONTINUED)

Effects of City Actions to the Financial Statements

City's Management decided to reflect the financial effects of the City Council/CDC actions in the audited financial statements for fiscal year ended June 30, 2011. The City has affirmed that regardless of the Court decision in 2012, the City is committed to continue the activities of the CDC and remit the Continuation Payments. City believes that it will recover part, if not all, of its Advances to CDC (current balance is about \$17.9 million) if CDC is continued.

The City created a Special Revenue Fund called "Future Development Fund" to record the transfers of assets from the General Fund as of June 30, 2011, as discussed above and as approved by the City Council. Monies in the Future Development Fund are intended to be used for economic development projects.

The current estimates for the payments to the State of California are \$1.8 million for fiscal year 2011-12 and over \$495,000 for every fiscal year thereafter. If AB1X 27 is not invalidated by the courts, payments for subsequent years could be increased by a decision of the Legislature.

NOTE 20 SUBSEQUENT EVENTS

The City has evaluated events subsequent to June 30, 2011 to assess the need for potential recognition or disclosure in the financial statements. Such events were evaluated through December 20, 2011, the date the financial statements were available to be issued. Based upon this evaluation, it was determined that no subsequent events occurred that require recognition or additional disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

General Fund				
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 19,700,000	19,700,000	19,620,872	(79,128)
Licenses and permits	669,000	669,000	559,605	(109,395)
Fines, forfeitures and penalties	1,670,000	1,670,000	1,421,252	(248,748)
Use of money and property	235,000	235,000	336,705	101,705
Intergovernmental	388,000	388,000	557,261	169,261
Charges for services	1,876,800	1,876,800	1,507,339	(369,461)
Other	227,200	227,200	73,943	(153,257)
Total revenues	24,766,000	24,766,000	24,076,977	(689,023)
Expenditures				
Current:				
General government	2,463,000	2,461,909	2,232,004	229,905
Public safety	16,137,500	16,436,591	16,007,714	428,877
Public works	236,050	236,050	237,123	(1,073)
Community development	984,350	1,001,350	850,585	150,765
Recreation services	3,218,350	3,218,350	3,020,617	197,733
Capital outlay:				
Public works	-	-	-	-
Community development	65,000	65,000	16,709	48,291
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	23,104,250	23,419,250	22,364,752	1,054,498
Excess (deficiency) of revenues over expenditures	1,661,750	1,346,750	1,712,225	365,475
Other financing sources (uses)				
Transfers in	100,000	100,000	32,694	(67,306)
Transfers out	(1,671,930)	(1,671,930)	(1,085,151)	586,779
Net other financing sources (uses)	(1,571,930)	(1,571,930)	(1,052,457)	519,473
Net change in fund balances before special items	89,820	(225,180)	659,768	884,948
Special items				
Gain on sale of properties	-	-	4,988,913	4,988,913
Items related to payment of loans	-	-	383,889	383,889
Items related to future developments	-	-	(7,874,255)	(7,874,255)
Net special items	-	-	(2,501,453)	(2,501,453)
Net change in fund balances	89,820	(225,180)	(1,841,685)	(1,616,505)
Beginning fund balances	18,918,838	18,918,838	18,918,838	-
Ending fund balances	\$ 19,008,658	18,693,658	17,077,153	(1,616,505)

City of Baldwin Park
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Major Governmental Funds
Year ended June 30, 2011

Special Revenue							
Housing and Community Development Grant				Future Development			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	17,618	17,618	-	-	-	-
3,337,528	3,337,528	1,677,505	(1,660,023)	-	-	-	-
-	-	-	-	-	-	-	-
-	-	115,343	115,343	-	-	-	-
<u>3,337,528</u>	<u>3,337,528</u>	<u>1,810,466</u>	<u>(1,527,062)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
68,900	68,900	100,560	(31,660)	-	-	-	-
21,744	36,744	40,445	(3,701)	-	-	-	-
80,819	80,819	56,820	23,999	-	-	-	-
2,054,084	2,034,857	897,208	1,137,649	-	-	-	-
72,100	76,327	76,327	-	-	-	-	-
540,714	540,714	6,980	533,734	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>2,838,361</u>	<u>2,838,361</u>	<u>1,178,340</u>	<u>1,660,021</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
499,167	499,167	632,126	132,959	-	-	-	-
-	-	-	-	-	-	-	-
<u>(499,167)</u>	<u>(499,167)</u>	<u>(499,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(499,167)</u>	<u>(499,167)</u>	<u>(499,167)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	132,959	132,959	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	10,449,263	10,449,263
-	-	-	-	-	-	10,449,263	10,449,263
-	-	132,959	132,959	-	-	10,449,263	10,449,263
207,569	207,569	207,569	-	-	-	-	-
<u>207,569</u>	<u>207,569</u>	<u>340,528</u>	<u>132,959</u>	<u>-</u>	<u>-</u>	<u>10,449,263</u>	<u>10,449,263</u>

City of Baldwin Park
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual (Continued)
Major Governmental Funds
Year ended June 30, 2011

	Special Revenue			
	Low/Moderate Income Housing			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
				Positive
				(Negative)
Revenues				
Taxes	\$ 1,326,800	1,326,800	1,195,903	(130,897)
Use of money and property	52,000	52,000	83,830	31,830
Other	14,200	14,200	49,244	35,044
Total revenues	1,393,000	1,393,000	1,328,977	(64,023)
Expenditures				
Current:				
General government	111,700	111,700	79,518	32,182
Community development	125,400	125,400	147,883	(22,483)
	-	-		
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	3,435	3,435	6,715	(3,280)
Total expenditures	240,535	240,535	234,116	6,419
Excess (deficiency) of revenues over expenditures	1,152,465	1,152,465	1,094,861	(57,604)
Other financing sources (uses)				
Transfers in		-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	-	-	-	-
Change in fund balances	1,152,465	1,152,465	1,094,861	(57,604)
Beginning fund balances	7,353,045	7,353,045	7,353,045	-
Ending fund balances	\$ 8,505,510	8,505,510	8,447,906	(57,604)

City of Baldwin Park
Schedule of Funding Progress
Year ended June 30, 2011

Defined Benefit Pension Plan
(California Public Employees' Retirement System)
(in \$ thousands)

Safety

Valuation Date	Actuarial Liabilities (A)	Actuarial Assets (B)	Unfunded Liabilities (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(B-A)/C]
6/30/2007	7,986,055	6,826,599	1,159,456	85.5%	831,608	139.42%
6/30/2008	8,700,468	7,464,928	1,235,540	85.8%	914,841	135.06%
6/30/2009	9,721,675	8,027,159	1,694,517	82.6%	973,814	174.01%
6/30/2010	10,165,475	8,470,235	1,695,240	83.3%	955,981	177.33%

(The schedule of the funding progress is for the entire risk pool)

Miscellaneous

Valuation Date	Actuarial Liabilities (A)	Actuarial Assets (B)	Unfunded Liabilities (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Covered Payroll [(B-A)/C]
6/30/2007	41,722	46,483	-4,761	111.4%	5,576	-85.38%
6/30/2008	44,632	42,337	2,295	94.9%	5,929	38.71%
6/30/2009	48,823	43,584	5,239	89.3%	5,624	93.15%
6/30/2010	53,040	45,458	7,582	85.7%	6,448	117.59%

(The schedule of the funding progress is for the entire risk pool)

Postemployment Benefit Plan

Actuarial Valuation Date	Entry Age Actuarial Accrued Liability (AAL) (A)	Actuarial Asset Value (B)	Unfunded Actuarial Accrued Liability (Excess Assets) [(A)-(B)] (UAAL) (C)	Funded Ratio [(B)/(A)] (D)	Covered Payroll (E)	Unfunded Accrued Actuarial Liability as Percentage of Covered Payroll {[(A)-(B)]/(E)} (F)
January 1, 2009 \$	22,320,143 \$	-	22,320,143	0.00%	10,932,861	204%
January 1, 2011	23,548,132	-	23,548,132	0.00%	10,926,010	216%

Basis of Presentation

Budgets for the General Fund and certain Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (“GAAP”). Accordingly, actual revenues and expenditures are comparable to budgeted amounts.

Budgetary Control and Accounting

The City budget is prepared under the direction of the Chief Executive Officer. Revenues are budgeted by source. Expenditures are budgeted by function, with sub classifications by department, cost center, object of expenditure, and project. A cost center represents a particular area of operations within a department; for example, within the Police Department there are cost centers for the Chief of Police, Patrol, Investigations, Administration, Communications, and Records. Total budgeted expenditures of each Governmental Fund may not legally exceed such fund’s appropriations.

The City Council approves total budgeted appropriations and any amendments to total appropriations made during the year. This “appropriated budget” covers substantially all City expenditures, with the exception of Assessment District and Low/Moderate Income Housing Special Revenue Funds and Debt Service and Capital Projects funds, which have legally authorized “nonappropriated budgets”. Department heads are authorized to transfer budgeted amounts up to \$10,000 between cost centers and any amount which does not alter total budgeted appropriations to a cost center, the Chief Executive Officer is authorized to transfer amounts in excess of \$10,000. City Council approval is required for any overall increase in total appropriations to a fund. The legal level of budgetary control is the fund level. All appropriations lapse at year-ended are appropriated and budgeted again, if necessary. Supplemental appropriations during the year ended June 30, 2011 were not significant.

Formal budgetary integration is employed as a management control device. Commitments for materials and services, such as purchase orders and contracts, are recorded during the year as encumbrances to assist in controlling expenditures. Such encumbrances are reappropriated into the City’s budget for the next fiscal year.

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes. If proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller or returned to the taxpayers through revised rates, revised fee schedules or other arrangements. For the fiscal year ended June 30, 2011, proceeds of taxes did not exceed allowed appropriations.

Expenditures in Excess of Appropriations

Expenditures for the year ended June 30, 2011 exceeded the appropriation by the following amounts in the following funds:

Nonmajor Special Revenue Fund	
Federal Asset Forfeiture	75,800
Federal Surface Transportation Program	11,950
Storm Drain NPDS	103,246
Measure R	33,047

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SUPPLEMENTARY INFORMATION

SPECIAL REVENUE FUNDS

The Special Revenue Funds account for the proceeds of specific sources that are legally restricted for expenditures related to specific purposes. Funds included are:

<i>Business Improvement Fees</i>	To account for the Parking and Business Improvement Area Law (AB-1693) revenue. The revenue is collected through a Citywide Business Improvement District and used by the Chamber of Commerce, under agreement with the City, to promote local business activities.
<i>Air Quality Improvement</i>	To account for monies received from the South Coast Air Quality Management District. These monies are to be used for programs that reduce air pollution from motor vehicles.
<i>Traffic Safety Fund</i>	To account for revenues derived from parking citations and fines or forfeitures related to violations of the vehicle code. According to State law, these revenues may only be used for traffic control and traffic safety related purposes.
<i>Federal Asset Forfeiture Fund</i>	To account for monies received from Federal agencies in Asset Forfeiture cases. These monies are restricted solely for law enforcement purposes.
<i>Park Maintenance District</i>	To account for revenues received from a City-wide Park Maintenance assessment district. The District is responsible for landscaping, tree trimming, irrigation and maintenance of parks within the City.
<i>State Gasoline Tax Fund</i>	To account for the City's share of tax revenues collected by the State on the sale of fuel for motor vehicles. The use of these funds is restricted to the construction, improvement, or maintenance of public streets.
<i>Bicycle and Pedestrian Safety</i>	To account for revenues received from the State under the Transportation Development Act. Their use is restricted to the construction of bicycle and pedestrian facilities.
<i>Prop A Fund</i>	To account for the City's share of an additional one-half percent sales tax that was approved by the electorate in November 1980 and is collected by the County of Los Angeles to finance certain transportation projects.
<i>Prop C Fund</i>	To account for the City's share of a sales tax increase approved by Los Angeles County voters in 1990 to fund transportation projects.
<i>Economic Development Act Revolving Loan Fund</i>	To account for the activity of several revolving business loan programs established with grant revenues made available through the Federal Economic Development Act.
<i>Street Light and Landscape Fund</i>	To account for revenues received from a citywide Landscape Maintenance District. The District is responsible for the maintenance of streetlights and the landscaping of median islands, parkways, street trees, and city parks.

SPECIAL REVENUE FUNDS (CONTINUED)

<i>Residential Development Tax</i>	To account for fees received from developers constructing new residential units. These monies are used to help defray the cost of providing public services for the new residents.
<i>Integrated Waste Management Fund</i>	To account for revenues received from AB939 fees. These monies are used for waste management projects.
<i>Summer Food Program Fund</i>	To account for revenues received from the USDA, which are used to provide meals to youths.
<i>Federal Surface Transportation Program Fund</i>	To account for monies received from the Federal government to improve designated public right-of-ways.
<i>Prop A Parks Fund</i>	To account for monies received from the County to construct and improve parks.
<i>Assessment District Fund</i>	To account for the revenues collected through assessments of property owners within Assessment District 93-1. Assessment District 93-1 was formed to construct certain public improvements.
<i>Supplemental Law Enforcement Service Fund</i>	To account for monies received from the State allocated by AB3229 of 1996 for the Citizen Option for Public Safety (COPS) Program.
<i>State Asset Forfeiture Fund</i>	To account for monies received from State agencies in Asset Forfeiture cases. These monies are restricted solely for law enforcement purposes.
<i>Local Law Enforcement Block Grant Fund</i>	To account for monies received from the Federal government to be used for basic law enforcement purposes.
<i>Economic Development Administration Grant</i>	To account for monies received from the Economic Development Administration to improve designated public right-of-ways.
<i>Traffic Congestion Relief AB 2928</i>	This fund was created to monitor the use of funds provided by the State of California for street and highway pavement maintenance, rehabilitation and reconstruction of necessary associated facilities such as drainage and traffic control devices.
<i>Energy Conservation</i>	This fund is used to account for the expenditures of the new energy efficient program that provides for non-energy related capital improvements. This fund is substantially funded out of current state and local grants, energy and operational savings.
<i>State Grants</i>	This fund is used to account for revenues and expenditures for various grants that are restricted for specific use.
<i>Parkland (Quimby)</i>	May only be solely utilized for the acquisition of new and rehabilitation of existing community park and recreational facilities.
<i>Public Art</i>	May be utilized for the design, acquisition, commission, installation, improvement, maintenance, and insurance of an Art Work; to support performing arts; for the acquisition and improvement of real property for displaying of Art Work; maintenance of Art Work, costs associated with administering the Art in Public Places Program (15% max).

SPECIAL REVENUE FUNDS (CONTINUED)

<i>Storm Drain NPDS</i>	These are developer fees to be used for storm drain protection, master planning updates and system upgrade.
<i>CalHOME Grant</i>	This fund is used to account for revenues and expenditures for grants restricted for residential rehabilitation program.
<i>General Plan/Technology</i>	May be utilized toward activities that support and implement the goals and policies contained within the General Plan (i.e. Housing Element updates and Zoning Code changes). The technology portion of this fee shall only be utilized toward the purchase and on-going maintenance of an electronic permitting system for primary use by Building, Planning, Code Enforcement and Public Works.
<i>Housing and Community Development Block Grant</i>	This fund accounts for housing assistance programs, which include Voucher, CIAP and New Construction, administered by the City's Housing Authority under the rules and regulations of the U.S. Department of Housing and Urban Development.
Measure R	These are similar to local return type funds to be used for traffic relief and transportation upgrades citywide over the next 30 years. These funds may be for projects such as pothole repairs, major street resurfacing, left-turn signals, bikeways, pedestrian improvements, streetscapes, traffic signal synchronization, local transit services and programs.

DEBT SERVICE FUND

Debt Service Fund is used to account for the accumulation of resources for, and the payment of debt.

<i>City</i>	This fund is used to account for the receipts and debt service payments on the City's assessment districts.
<i>Pension Obligation</i>	This fund is used to account for the receipts and debt service payments on the pension obligation bond.
<i>Baldwin Park Financing Authority Debt Service Fund</i>	This fund accounts for the receipt of revenues and payment of debt incurred for the City's projects.

CAPITAL PROJECTS FUND

Capital project fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities.

<i>Building Reserve</i>	This fund is used to account for the receipt of resources for the 2004 Community Center Lease Revenue Bonds.
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**City of Baldwin Park
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2011**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals
Assets				
Pooled cash and investments	\$ 17,688,776	60,690	12,463	\$ 17,761,929
Cash with fiscal agent	-	1,688,130	-	1,688,130
Intergovernmental receivables	3,025,669	233	-	3,025,902
Loans receivable	180,553	-	-	180,553
Other receivables, net	17,550	90	-	17,640
Due from other funds	-	-	-	-
Prepays	8,123	-	-	8,123
Total assets	\$ 20,920,671	1,749,143	12,463	\$ 22,682,277
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ 1,670,399	-	55	\$ 1,670,454
Deposits and others	386,250	-	-	386,250
Due to other funds	1,132,034	211,281	-	1,343,315
Deferred revenue	264,471	-	-	264,471
Total liabilities	3,453,154	211,281	55	3,664,490
Fund balances				
Nonspendable				
Loans receivable	180,554	-	-	180,554
Prepaid items	8,123	-	-	8,123
Restricted				
Special revenue funds	15,744,881	-	-	15,744,881
Debt service funds	-	1,537,862	-	1,537,862
Capital projects funds	-	-	12,408	12,408
Committed	1,662,234	-	-	1,662,234
Unassigned	(128,275)	-	-	(128,275)
Total fund balances	17,467,517	1,537,862	12,408	19,017,787
Total liabilities and fund balances	\$ 20,920,671	1,749,143	12,463	\$ 22,682,277

City of Baldwin Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
Year ended June 30, 2011

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals
Revenues				
Taxes	\$ 2,653,210	-	-	\$ 2,653,210
Licenses and permits	24,330	-	-	24,330
Fines, forfeitures and penalties	320,689	-	-	320,689
Use of money and property	63,366	39,339	25	102,730
Intergovernmental	14,913,701	-	-	14,913,701
Charges for services	362,691	30,577	-	393,268
Other	254,973	1,483,341	-	1,738,314
Total revenues	<u>18,592,960</u>	<u>1,553,257</u>	<u>25</u>	<u>20,146,242</u>
Expenditures				
General government	399,549	-	-	399,549
Public safety	1,084,163	-	-	1,084,163
Public works	5,059,541	-	6,532	5,066,073
Community development	5,436,774	-	-	5,436,774
Recreation services	1,106,109	-	-	1,106,109
Capital outlay	5,264,270	-	-	5,264,270
Debt service				
Principal retirement	-	1,854,000	-	1,854,000
Interest and fiscal charges	-	1,393,476	-	1,393,476
Total expenditures	<u>18,350,406</u>	<u>3,247,476</u>	<u>6,532</u>	<u>21,604,414</u>
Excess (deficiency) of revenues over expenditures	<u>242,554</u>	<u>(1,694,219)</u>	<u>(6,507)</u>	<u>(1,458,172)</u>
Other financing sources (uses)				
Transfers in	907,925	1,713,259	685,825	3,307,009
Transfers out	(1,073,086)	(38,842)	(679,298)	(1,791,226)
Net other financing sources (uses)	<u>(168,161)</u>	<u>1,674,417</u>	<u>6,527</u>	<u>1,512,783</u>
Change in fund balances before special item	74,393	(19,802)	20	54,611
Special item	-	-	(2,575,008)	(2,575,008)
Change in fund balances	74,393	(19,802)	(2,574,988)	(2,520,397)
Beginning fund balances	<u>17,393,124</u>	<u>1,557,664</u>	<u>2,587,396</u>	<u>21,538,184</u>
Ending fund balances	<u>\$ 17,467,517</u>	<u>1,537,862</u>	<u>12,408</u>	<u>\$ 19,017,787</u>

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	Business Improvement Fees	Air Quality Improvement	Federal Asset Forfeiture	Park Maintenance District
Assets				
Pooled cash and investments	\$ 168,453	462,776	1,820,956	27,648
Intergovernmental receivables	-	19,518	8,764	19,567
Loans receivable	-	-	-	-
Other receivables, net	222	423	2,028	-
Due from other funds	-	-	-	-
Prepays	-	-	1,156	-
Total assets	\$ 168,675	482,717	1,832,904	47,215
Liabilities and fund balances				
Liabilities				
Accounts payable	\$ -	2,925	17,464	47,215
Deposits and others	-	-	-	-
Due to other funds	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	-	2,925	17,464	47,215
Fund balances				
Nonspendable				
Loans receivable	-	-	-	-
Prepaid items	-	-	1,156	-
Restricted				
Special revenue funds	168,675	479,792	1,814,284	-
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	168,675	479,792	1,815,440	-
Total liabilities and fund balances	\$ 168,675	482,717	1,832,904	47,215

**City of Baldwin Park
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2011**

State Gasoline Tax	Bicycle and Pedestrian Safety	Prop A Fund	Prop C Fund	Economic Development Act Revolving Loan	Street Light and Landscape
2,738,752	337	346,100	2,639,339	1,707,602	751,439
-	-	-	-	200	86,235
-	-	-	-	45,811	-
1,839	32	322	2,425	1,612	578
-	-	-	-	-	-
-	-	-	-	-	-
<u>2,740,591</u>	<u>369</u>	<u>346,422</u>	<u>2,641,764</u>	<u>1,755,225</u>	<u>838,252</u>
28,361	-	232,707	74,576	1,201	108,989
-	-	-	-	168	-
-	-	-	-	-	-
-	-	-	-	45,811	-
<u>28,361</u>	<u>-</u>	<u>232,707</u>	<u>74,576</u>	<u>47,180</u>	<u>108,989</u>
-	-	-	-	45,811	-
-	-	-	-	-	-
2,712,230	369	113,715	2,567,188	-	729,263
-	-	-	-	1,662,234	-
-	-	-	-	-	-
<u>2,712,230</u>	<u>369</u>	<u>113,715</u>	<u>2,567,188</u>	<u>1,708,045</u>	<u>729,263</u>
<u>2,740,591</u>	<u>369</u>	<u>346,422</u>	<u>2,641,764</u>	<u>1,755,225</u>	<u>838,252</u>

	Residential Development Tax	Integrated Waste Management	Summer Food Program
Assets			
Pooled cash and investments	\$ 4	586,338	1,204
Intergovernmental receivables	-	74,443	-
Loans receivable	-	-	-
Other receivables, net	-	559	-
Due from other funds	-	-	-
Prepays	-	-	-
Total assets	\$ 4	661,340	1,204
Liabilities and fund balances			
Liabilities			
Accounts payable	\$ -	28,833	1,204
Deposits and others	-	386,082	-
Due to other funds	-	-	-
Deferred revenue	-	-	-
Total liabilities	-	414,915	1,204
Fund balances			
Nonspendable			
Loans receivable	-	-	-
Prepaid items	-	-	-
Restricted			
Special revenue funds	4	246,425	-
Committed	-	-	-
Unassigned	-	-	-
Total fund balances	4	246,425	-
Total liabilities and fund balances	\$ 4	661,340	1,204

City of Baldwin Park
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2011

Federal Surface Transportation Program	Prop A Parks	Assessment District	State Asset Forfeiture	Local Law Enforcement Block Grant
695,608	1,267	335,598	172,490	14,444
-	-	1,576	-	-
-	-	-	-	-
510	-	316	2,271	14
-	-	-	-	-
-	-	-	-	-
<u>696,118</u>	<u>1,267</u>	<u>337,490</u>	<u>174,761</u>	<u>14,458</u>
21,655	1,267	-	1,089	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>21,655</u>	<u>1,267</u>	<u>-</u>	<u>1,089</u>	<u>-</u>
-	-	-	-	-
-	-	-	-	-
674,463	-	337,490	173,672	14,458
-	-	-	-	-
-	-	-	-	-
<u>674,463</u>	<u>-</u>	<u>337,490</u>	<u>173,672</u>	<u>14,458</u>
<u>696,118</u>	<u>1,267</u>	<u>337,490</u>	<u>174,761</u>	<u>14,458</u>

	Economic Development Administration Grant	Traffic Congestion Relief	Energy Conservation	Grants	Park Land and Public Art Fees
Assets					
Pooled cash and investments	\$ 512	228,494	-	-	848,746
Intergovernmental receivables	-	-	-	2,293,987	-
Loans receivable	-	-	-	-	-
Other receivables, net	-	114	-	-	801
Due from other funds	-	-	-	-	-
Prepays	-	-	-	450	-
Total assets	\$ 512	228,608	-	2,294,437	849,547
Liabilities and fund balances					
Liabilities					
Accounts payable	\$ -	179,206	-	741,524	-
Deposits and others	-	-	-	-	-
Due to other funds	-	-	-	1,132,034	-
Deferred revenue	-	-	-	83,917	-
Total liabilities	-	179,206	-	1,957,475	-
Fund balances					
Nonspendable					
Loans receivable	-	-	-	-	-
Prepaid items	-	-	-	450	-
Restricted					
Special revenue funds	512	49,402	-	336,512	849,547
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	512	49,402	-	336,962	849,547
Total liabilities and fund balances	\$ 512	228,608	-	2,294,437	849,547

**City of Baldwin Park
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2011**

Storm Drain NPDS	CalHome Grant	General Plan Fees	Housing Authority	Measure R	Totals
40,166	6,462	393,384	2,581,429	1,119,228	\$ 17,688,776
-	-	-	521,379	-	3,025,669
-	134,743	-	-	-	180,553
48	6	373	2,050	1,007	17,550
-	-	-	-	-	-
-	-	-	6,517	-	8,123
<u>40,214</u>	<u>141,211</u>	<u>393,757</u>	<u>3,111,375</u>	<u>1,120,235</u>	<u>20,920,671</u>
12,041	-	29,157	123,870	17,115	1,670,399
-	-	-	-	-	386,250
-	-	-	-	-	1,132,034
-	134,743	-	-	-	264,471
<u>12,041</u>	<u>134,743</u>	<u>29,157</u>	<u>123,870</u>	<u>17,115</u>	<u>3,453,154</u>
-	134,743	-	-	-	180,554
-	-	-	6,517	-	8,123
28,173	-	364,600	2,980,988	1,103,120	15,744,881
-	-	-	-	-	1,662,234
-	(128,275)	-	-	-	(128,275)
<u>28,173</u>	<u>6,468</u>	<u>364,600</u>	<u>2,987,505</u>	<u>1,103,120</u>	<u>17,467,517</u>
<u>40,214</u>	<u>141,211</u>	<u>393,757</u>	<u>3,111,375</u>	<u>1,120,235</u>	<u>20,920,671</u>

	Business Improvement Fees	Air Quality Improvement	Federal Asset Forfeiture	Park Maintenance District
Revenues				
Taxes	\$ 68,178	-	-	632,137
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	319,018	-
Use of money and property	880	1,692	9,029	-
Intergovernmental	-	89,540	-	-
Charges for services	-	-	-	-
Other	-	-	54,297	1,523
Total revenues	<u>69,058</u>	<u>91,232</u>	<u>382,344</u>	<u>633,660</u>
Expenditures				
General government	27,500	-	-	-
Public safety	-	-	745,722	-
Public works	-	-	-	290,986
Community development	-	12,399	-	-
Recreation services	72,285	-	-	484,008
Capital outlay	-	-	314,145	11,462
Total expenditures	<u>99,785</u>	<u>12,399</u>	<u>1,059,867</u>	<u>786,456</u>
Excess (deficiency) of revenues over expenditures	<u>(30,727)</u>	<u>78,833</u>	<u>(677,523)</u>	<u>(152,796)</u>
Other financing sources (uses)				
Transfers in	-	-	-	152,798
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,798</u>
Change in fund balances	(30,727)	78,833	(677,523)	2
Beginning fund balances	<u>199,402</u>	<u>400,959</u>	<u>2,492,963</u>	<u>(2)</u>
Ending fund balances	<u>\$ 168,675</u>	<u>479,792</u>	<u>1,815,440</u>	<u>-</u>

City of Baldwin Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
Year ended June 30, 2011

State Gasoline Tax	Bicycle and Pedestrian Safety	Prop A Fund	Prop C Fund	Economic Development Act Revolving Loan	Street Light and Landscape
-	-	-	-	-	1,719,471
-	-	24,330	-	-	-
-	-	-	-	1,671	-
6,817	33	1,055	10,967	4,438	1,041
1,889,842	50,000	1,125,961	949,318	-	-
-	-	-	-	-	-
5,048	-	2,210	2,633	71,580	5,704
<u>1,901,707</u>	<u>50,033</u>	<u>1,153,556</u>	<u>962,918</u>	<u>77,689</u>	<u>1,726,216</u>
14,332	-	53,609	54,180	-	38,368
-	-	-	-	-	-
526,621	50,000	1,049,794	554,601	-	1,295,914
-	-	-	-	16,806	-
2,681	-	59,156	15,146	-	40,259
-	-	-	629,780	-	-
<u>543,634</u>	<u>50,000</u>	<u>1,162,559</u>	<u>1,253,707</u>	<u>16,806</u>	<u>1,374,541</u>
<u>1,358,073</u>	<u>33</u>	<u>(9,003)</u>	<u>(290,789)</u>	<u>60,883</u>	<u>351,675</u>
-	-	230,567	73,851	-	-
(402,044)	-	(234,299)	-	-	-
<u>(402,044)</u>	<u>-</u>	<u>(3,732)</u>	<u>73,851</u>	<u>-</u>	<u>-</u>
956,029	33	(12,735)	(216,938)	60,883	351,675
1,756,201	336	126,450	2,784,126	1,647,162	377,588
<u>2,712,230</u>	<u>369</u>	<u>113,715</u>	<u>2,567,188</u>	<u>1,708,045</u>	<u>729,263</u>

	Residential Development <u>Tax</u>	Integrated Waste <u>Management</u>	Summer Food <u>Program</u>
Revenues			
Taxes	\$ -	-	-
Licenses and permits	-	-	-
Fines, forfeitures and penalties	-	-	-
Use of money and property	4	2,228	-
Intergovernmental	-	316,822	108,297
Charges for services	-	1,100	-
Other	-	2,614	615
Total revenues	<u>4</u>	<u>322,764</u>	<u>108,912</u>
Expenditures			
General government	-	7,075	-
Public safety	-	-	-
Public works	-	320,480	-
Community development	-	-	-
Recreation services	-	-	188,180
Capital outlay	-	-	-
Total expenditures	<u>-</u>	<u>327,555</u>	<u>188,180</u>
Excess (deficiency) of revenues over expenditures	<u>4</u>	<u>(4,791)</u>	<u>(79,268)</u>
Other financing sources (uses)			
Transfers in	-	-	65,000
Transfers out	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>65,000</u>
Change in fund balances	4	(4,791)	(14,268)
Beginning fund balances	-	251,216	14,268
Ending fund balances	<u>\$ 4</u>	<u>246,425</u>	<u>-</u>

City of Baldwin Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Federal Surface Transportation Program	Prop A Parks	Assessment District	State Asset Forfeiture	Local Law Enforcement Block Grant
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
1,942	41	1,328	714	59
233,173	65,095	12,242	3,925	-
-	-	-	-	-
-	921	-	-	-
<u>235,115</u>	<u>66,057</u>	<u>13,570</u>	<u>4,639</u>	<u>59</u>
-	-	-	-	-
-	-	-	9,623	-
-	84,765	-	-	-
-	-	-	-	-
-	-	-	-	-
11,950	-	-	-	-
<u>11,950</u>	<u>84,765</u>	<u>-</u>	<u>9,623</u>	<u>-</u>
<u>223,165</u>	<u>(18,708)</u>	<u>13,570</u>	<u>(4,984)</u>	<u>59</u>
-	18,660	-	-	-
-	-	-	-	-
<u>-</u>	<u>18,660</u>	<u>-</u>	<u>-</u>	<u>-</u>
223,165	(48)	13,570	(4,984)	59
<u>451,297</u>	<u>48</u>	<u>323,920</u>	<u>178,656</u>	<u>14,399</u>
<u>674,463</u>	<u>-</u>	<u>337,490</u>	<u>173,672</u>	<u>14,458</u>

	Economic Development Administration Grant	Traffic Congestion Relief	Energy Conservation	Grants	Park Land and Public Art Fees
Revenues					
Taxes	\$ -	-	-	233,424	-
Licenses and permits	-	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-	-
Use of money and property	1	3,599	-	480	3,367
Intergovernmental	-	-	-	4,090,255	-
Charges for services	-	1,026	-	149,396	50,661
Other	-	-	-	3,029	-
Total revenues	<u>1</u>	<u>4,625</u>	<u>-</u>	<u>4,476,584</u>	<u>54,028</u>
Expenditures					
General government	-	-	-	22,590	-
Public safety	-	-	-	328,818	-
Public works	-	636,203	-	23,011	-
Community development	-	-	-	609,765	-
Recreation services	-	-	-	234,255	-
Capital outlay	-	935,920	-	3,337,266	7,340
Total expenditures	<u>-</u>	<u>1,572,123</u>	<u>-</u>	<u>4,555,705</u>	<u>7,340</u>
Excess (deficiency) of revenues over expenditures	<u>1</u>	<u>(1,567,498)</u>	<u>-</u>	<u>(79,121)</u>	<u>46,688</u>
Other financing sources (uses)					
Transfers in	-	-	132,750	234,299	-
Transfers out	-	(73,851)	(132,750)	(233,142)	-
Net other financing sources (uses)	<u>-</u>	<u>(73,851)</u>	<u>-</u>	<u>1,157</u>	<u>-</u>
Change in fund balances	1	(1,641,349)	-	(77,964)	46,688
Beginning fund balances	511	1,690,751	-	414,926	802,859
Ending fund balances	<u>\$ 512</u>	<u>49,402</u>	<u>-</u>	<u>336,962</u>	<u>849,547</u>

City of Baldwin Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
(Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Storm Drain NPDS	CallHome Grant	General Plan Fees	Housing Authority	Measure R	Totals
-	-	-	-	-	\$ 2,653,210
-	-	-	-	-	24,330
-	-	-	-	-	320,689
432	26	1,465	8,414	3,314	63,366
-	-	-	5,296,278	682,953	14,913,701
54,679	-	105,829	-	-	362,691
106	-	-	104,693	-	254,973
<u>55,217</u>	<u>26</u>	<u>107,294</u>	<u>5,409,385</u>	<u>686,267</u>	<u>18,592,960</u>
-	-	-	178,562	3,333	399,549
-	-	-	-	-	1,084,163
150,243	-	-	-	76,923	5,059,541
-	-	48,071	4,749,733	-	5,436,774
-	-	-	6,855	3,284	1,106,109
-	-	-	-	16,407	5,264,270
<u>150,243</u>	<u>-</u>	<u>48,071</u>	<u>4,935,150</u>	<u>99,947</u>	<u>18,350,406</u>
<u>(95,026)</u>	<u>26</u>	<u>59,223</u>	<u>474,235</u>	<u>586,320</u>	<u>242,554</u>
-	-	-	-	-	907,925
-	-	-	-	-	(1,076,086)
-	-	-	-	-	(168,161)
<u>(95,026)</u>	<u>26</u>	<u>59,223</u>	<u>474,235</u>	<u>586,320</u>	<u>74,393</u>
<u>123,199</u>	<u>6,442</u>	<u>305,377</u>	<u>2,513,270</u>	<u>516,800</u>	<u>17,393,124</u>
<u>28,173</u>	<u>6,468</u>	<u>364,600</u>	<u>2,987,505</u>	<u>1,103,120</u>	<u>\$ 17,467,517</u>

**City of Baldwin Park
Balance Sheet
Nonmajor Debt Service Funds
June 30, 2011**

	Pension Obligation	City	Baldwin Park Financing Authority	Totals
Assets				
Pooled cash and investments	\$ 583	60,107	-	\$ 60,690
Cash with fiscal agent	111	-	1,688,019	1,688,130
Intergovernmental receivables	-	233	-	233
Other receivables, net	-	61	29	90
Total assets \$	<u>694</u>	<u>60,401</u>	<u>1,688,048</u>	<u>\$ 1,749,143</u>
Liabilities and fund balances				
Liabilities				
Due to other funds	\$ -	-	211,281	\$ 211,281
Total liabilities	<u>-</u>	<u>-</u>	<u>211,281</u>	<u>211,281</u>
Fund balances				
Restricted				
Debt service funds	694	60,401	1,476,767	1,537,862
Total fund balances	<u>694</u>	<u>60,401</u>	<u>1,476,767</u>	<u>1,537,862</u>
Total liabilities and fund balances	<u>\$ 694</u>	<u>60,401</u>	<u>1,688,048</u>	<u>\$ 1,749,143</u>

City of Baldwin Park
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
Year ended June 30, 2011

	Pension Obligation	City	Baldwin Park Financing Authority	Totals
Revenues				
Use of money and property	\$ 113	219	39,007	\$ 39,339
Charges for services	-	30,577	-	30,577
Contribution from the City	1,483,341	-	-	1,483,341
Total revenues	<u>1,483,454</u>	<u>30,796</u>	<u>39,007</u>	<u>1,553,257</u>
Expenditures				
Debt Service				
Principal retirement	925,000	287,000	642,000	1,854,000
Interest and fiscal charges	564,117	257,227	572,132	1,393,476
Total expenditures	<u>1,489,117</u>	<u>544,227</u>	<u>1,214,132</u>	<u>3,247,476</u>
Excess (deficiency) of revenues over expenditures	<u>(5,663)</u>	<u>(513,431)</u>	<u>(1,175,125)</u>	<u>(1,694,219)</u>
Other financing sources (uses)				
Transfers in	-	499,167	1,214,092	1,713,259
Transfers out	-	-	(38,842)	(38,842)
Net other financing sources (uses)	<u>-</u>	<u>499,167</u>	<u>1,175,250</u>	<u>1,674,417</u>
Change in fund balances	(5,663)	(14,264)	125	(19,802)
Beginning fund balances	<u>6,357</u>	<u>74,665</u>	<u>1,476,642</u>	<u>1,557,664</u>
Ending fund balances	<u>\$ 694</u>	<u>60,401</u>	<u>1,476,767</u>	<u>\$ 1,537,862</u>

		Business Improvement Fees			
		Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Revenues		Original	Final		
Taxes	\$	69,900	69,900	68,178	(1,722)
Licenses and permits		-	-	-	-
Fines, forfeitures and penalties		-	-	-	-
Use of money and property		1,600	1,600	880	(720)
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Other		-	-	-	-
Total revenues		<u>71,500</u>	<u>71,500</u>	<u>69,058</u>	<u>(2,442)</u>
Expenditures					
General government		112,500	112,500	27,500	85,000
Public safety		-	-	-	-
Public works		-	-	-	-
Community development		-	-	-	-
Recreation services		-	-	72,285	(72,285)
Capital outlay		-	-	-	-
Debt service		-	-	-	-
Total expenditures		<u>112,500</u>	<u>112,500</u>	<u>99,785</u>	<u>12,715</u>
Excess (deficiency) of revenues over expenditures		<u>(41,000)</u>	<u>(41,000)</u>	<u>(30,727)</u>	<u>10,273</u>
Other financing sources (uses)					
Capital leases		-	-	-	-
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net other financing sources (uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances		<u>(41,000)</u>	<u>(41,000)</u>	<u>(30,727)</u>	<u>10,273</u>
Beginning fund balances		199,402	199,402	199,402	-
Ending fund balances	\$	<u>158,402</u>	<u>158,402</u>	<u>168,675</u>	<u>10,273</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balances –
Budget and Actual
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Air Quality Improvement			Variance with Final Budget- Positive (Negative)
Budgeted Amounts		Actual	
Original	Final		
-	-	-	-
-	-	-	-
-	-	-	-
2,600	2,600	1,692	(908)
96,900	96,900	89,540	(7,360)
-	-	-	-
-	-	-	-
<u>99,500</u>	<u>99,500</u>	<u>91,232</u>	<u>(8,269)</u>
5,100	5,100	-	5,100
-	-	-	-
-	-	-	-
22,300	22,300	12,399	9,901
-	-	-	-
-	-	-	-
-	-	-	-
<u>27,400</u>	<u>27,400</u>	<u>12,399</u>	<u>15,001</u>
<u>72,100</u>	<u>72,100</u>	<u>78,833</u>	<u>6,733</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>72,100</u>	<u>72,100</u>	<u>78,833</u>	<u>6,733</u>
<u>400,959</u>	<u>400,959</u>	<u>400,959</u>	<u>-</u>
<u>473,059</u>	<u>473,059</u>	<u>479,792</u>	<u>6,733</u>

	Federal Asset Forfeiture			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	577,300	577,300	319,018	(258,282)
Use of money and property	11,600	11,600	9,029	(2,571)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	54,297	54,297
Total revenues	<u>588,900</u>	<u>588,900</u>	<u>382,344</u>	<u>(206,556)</u>
Expenditures				
General government	-	-	-	-
Public safety	663,800	663,800	745,722	(81,922)
Public works	-	-	-	-
Community development	-	-	-	-
Recreation services	-	-	-	-
Capital outlay	-	320,267	314,145	6,122
Debt service	-	-	-	-
Total expenditures	<u>663,800</u>	<u>984,067</u>	<u>1,059,867</u>	<u>(75,800)</u>
Excess (deficiency) of revenues over expenditures	<u>(74,900)</u>	<u>(395,167)</u>	<u>(677,523)</u>	<u>(282,356)</u>
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(74,900)</u>	<u>(395,167)</u>	<u>(677,523)</u>	<u>(282,356)</u>
Beginning fund balances	<u>2,492,963</u>	<u>2,492,963</u>	<u>2,492,963</u>	<u>-</u>
Ending fund balances	<u>\$ 2,418,063</u>	<u>2,097,796</u>	<u>1,815,440</u>	<u>(282,356)</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Park Maintenance District				State Gasoline Tax			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
609,500	609,500	632,137	22,637	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	5,400	5,400	6,817	1,417
-	-	-	-	1,269,750	1,269,750	1,889,842	620,092
-	-	-	-	-	-	-	-
-	-	1,523	1,523	-	-	5,048	5,048
609,500	609,500	633,660	24,160	1,275,150	1,275,150	1,901,707	626,557
-	-	-	-	11,800	11,800	14,332	(2,532)
-	-	-	-	-	-	-	-
239,800	239,800	290,986	(51,186)	850,200	850,200	526,621	323,579
-	-	-	-	-	-	-	-
592,400	592,400	484,008	108,392	8,500	8,500	2,681	5,819
9,500	9,500	11,462	(1,962)	-	-	-	-
-	-	-	-	-	-	-	-
841,700	841,700	786,456	55,244	870,500	870,500	543,634	326,866
(232,200)	(232,200)	(152,796)	79,404	404,650	404,650	1,358,073	953,423
-	-	-	-	-	-	-	-
232,200	232,200	152,798	(79,402)	-	-	-	-
-	-	-	-	(407,100)	(407,100)	(402,044)	5,056
232,200	232,200	152,798	(79,402)	(407,100)	(407,100)	(402,044)	5,056
-	-	2	2	(2,450)	(2,450)	956,029	958,479
(2)	(2)	(2)	-	1,756,201	1,756,201	1,756,201	-
(2)	(2)	-	2	1,753,751	1,753,751	2,712,230	958,479

Bicycle and Pedestrian Safety				
	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	-	-	33	33
Intergovernmental	-	50,000	50,000	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>-</u>	<u>50,000</u>	<u>50,033</u>	<u>33</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	50,000	50,000	-
Community development	-	-	-	-
Recreation services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>-</u>	<u>-</u>	<u>33</u>	<u>33</u>
Beginning fund balances	<u>336</u>	<u>336</u>	<u>336</u>	<u>-</u>
Ending fund balances	<u>\$ 336</u>	<u>336</u>	<u>369</u>	<u>33</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Prop A Fund				Prop C Fund			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	-	-	-	-
40,000	40,000	24,330	(15,670)	-	-	-	-
-	-	-	-	-	-	-	-
1,000	1,000	1,055	55	20,100	20,100	10,967	(9,133)
1,207,000	1,207,000	1,125,961	(81,039)	1,000,000	1,000,000	949,318	(50,682)
-	-	-	-	-	-	-	-
-	-	2,210	2,210	-	-	2,633	2,633
<u>1,248,000</u>	<u>1,248,000</u>	<u>1,153,556</u>	<u>(94,444)</u>	<u>1,020,100</u>	<u>1,020,100</u>	<u>962,918</u>	<u>(57,182)</u>
63,400	63,400	53,609	9,791	59,400	59,400	54,180	5,220
-	-	-	-	-	-	-	-
1,054,300	1,159,300	1,049,794	109,506	743,700	598,700	554,601	44,099
-	-	-	-	-	-	-	-
55,300	55,300	59,156	(3,856)	14,600	14,600	15,146	(546)
75,000	75,000	-	75,000	2,550,000	2,550,000	629,780	1,920,220
-	-	-	-	-	-	-	-
<u>1,248,000</u>	<u>1,353,000</u>	<u>1,162,559</u>	<u>190,441</u>	<u>3,367,700</u>	<u>3,222,700</u>	<u>1,253,707</u>	<u>1,968,993</u>
-	(105,000)	(9,003)	95,997	(2,347,600)	(2,202,600)	(290,789)	1,911,811
-	-	-	-	-	-	-	-
-	-	230,567	230,567	-	-	73,851	73,851
-	-	(234,299)	(234,299)	-	-	-	-
-	-	(3,732)	(3,732)	-	-	73,851	73,851
-	(105,000)	(12,735)	92,265	(2,347,600)	(2,202,600)	(216,938)	1,985,662
<u>126,450</u>	<u>126,450</u>	<u>126,450</u>	<u>-</u>	<u>2,784,126</u>	<u>2,784,126</u>	<u>2,784,126</u>	<u>-</u>
<u>126,450</u>	<u>21,450</u>	<u>113,715</u>	<u>92,265</u>	<u>436,526</u>	<u>581,526</u>	<u>2,567,188</u>	<u>1,985,662</u>

Economic Development Act Revolving Loan				
	Budgeted Amounts			Variance with Final Budget- Positive (Negative)
	Original	Final	Actual	
Revenues				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	1,800	1,800	1,671	(129)
Use of money and property	7,600	7,600	4,438	(3,162)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other	19,000	19,000	71,580	52,580
Total revenues	<u>28,400</u>	<u>28,400</u>	<u>77,689</u>	<u>49,289</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	167,500	167,500	16,806	150,694
Recreation services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>167,500</u>	<u>167,500</u>	<u>16,806</u>	<u>150,694</u>
Excess (deficiency) of revenues over expenditures	<u>(139,100)</u>	<u>(139,100)</u>	<u>60,883</u>	<u>199,983</u>
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(139,100)</u>	<u>(139,100)</u>	<u>60,883</u>	<u>199,983</u>
Beginning fund balances	<u>1,647,162</u>	<u>1,647,162</u>	<u>1,647,162</u>	<u>-</u>
Ending fund balances	<u>\$ 1,508,062</u>	<u>1,508,062</u>	<u>1,708,045</u>	<u>199,983</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Street Light and Landscape				Residential Development Tax			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
1,757,700	1,757,700	1,719,471	(38,229)	-	-	-	-
-	-	-	-	-	-	-	-
700	700	1,041	341	-	-	4	4
-	-	-	-	-	-	-	-
-	-	5,704	5,704	-	-	-	-
<u>1,758,400</u>	<u>1,758,400</u>	<u>1,726,216</u>	<u>(32,184)</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>
37,300	37,300	38,368	(1,068)	-	-	-	-
-	-	-	-	-	-	-	-
1,680,400	1,680,400	1,295,914	384,486	-	-	-	-
-	-	-	-	-	-	-	-
40,700	40,700	40,259	441	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,758,400</u>	<u>1,758,400</u>	<u>1,374,541</u>	<u>383,859</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	351,675	351,675	-	-	4	4
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	351,675	351,675	-	-	4	4
377,588	377,588	377,588	-	-	-	-	-
<u>377,588</u>	<u>377,588</u>	<u>729,263</u>	<u>351,675</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>4</u>

		Integrated Waste Management			
		Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
		Original	Final		
Revenues					
Taxes	\$	-	-	-	-
Licenses and permits		-	-	-	-
Fines, forfeitures and penalties		-	-	-	-
Use of money and property		5,500	5,500	2,228	(3,272)
Intergovernmental		404,800	404,800	316,822	(87,978)
Charges for services		7,600	7,600	1,100	(6,500)
Other		-	-	2,614	2,614
Total revenues		<u>417,900</u>	<u>417,900</u>	<u>322,764</u>	<u>(95,135)</u>
Expenditures					
General government		6,800	6,800	7,075	(275)
Public safety		-	-	-	-
Public works		411,500	411,500	320,480	91,020
Community development		-	-	-	-
Recreation services		-	-	-	-
Capital outlay		50,500	50,500	-	50,500
Debt service		-	-	-	-
Total expenditures		<u>468,800</u>	<u>468,800</u>	<u>327,555</u>	<u>141,245</u>
Excess (deficiency) of revenues over expenditures		<u>(50,900)</u>	<u>(50,900)</u>	<u>(4,791)</u>	<u>46,109</u>
Other financing sources (uses)					
Capital leases		-	-	-	-
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net other financing sources (uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances		<u>(50,900)</u>	<u>(50,900)</u>	<u>(4,791)</u>	<u>46,109</u>
Beginning fund balances		<u>251,216</u>	<u>251,216</u>	<u>251,216</u>	<u>-</u>
Ending fund balances	\$	<u><u>200,316</u></u>	<u><u>200,316</u></u>	<u><u>246,425</u></u>	<u><u>46,109</u></u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Summer Food Program				Federal Surface Transportation Program			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	1,600	1,600	1,942	342
180,800	180,800	108,297	(72,503)	600,000	600,000	233,173	(366,827)
-	-	-	-	-	-	-	-
-	-	615	615	-	-	-	-
<u>180,800</u>	<u>180,800</u>	<u>108,912</u>	<u>(71,888)</u>	<u>601,600</u>	<u>601,600</u>	<u>235,115</u>	<u>(366,485)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
205,800	205,800	188,180	17,620	-	-	-	-
-	-	-	-	-	-	11,950	(11,950)
-	-	-	-	-	-	-	-
<u>205,800</u>	<u>205,800</u>	<u>188,180</u>	<u>17,620</u>	<u>-</u>	<u>-</u>	<u>11,950</u>	<u>(11,950)</u>
<u>(25,000)</u>	<u>(25,000)</u>	<u>(79,268)</u>	<u>(54,268)</u>	<u>601,600</u>	<u>601,600</u>	<u>223,165</u>	<u>(378,435)</u>
-	-	-	-	-	-	-	-
25,000	25,000	65,000	40,000	-	-	-	-
-	-	-	-	-	-	-	-
<u>25,000</u>	<u>25,000</u>	<u>65,000</u>	<u>40,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	(14,268)	(14,268)	601,600	601,600	223,165	(378,435)
14,268	14,268	14,268	-	451,297	451,297	451,297	-
<u>14,268</u>	<u>14,268</u>	<u>-</u>	<u>(14,268)</u>	<u>1,052,897</u>	<u>1,052,897</u>	<u>674,463</u>	<u>(378,435)</u>

		Prop A Parks		
		Budgeted Amounts		Variance with Final Budget- Positive (Negative)
		Original	Final	Actual
Revenues				
Taxes	\$	-	-	-
Licenses and permits		-	-	-
Fines, forfeitures and penalties		-	-	-
Use of money and property		-	-	41
Intergovernmental		63,000	63,000	65,095
Charges for services		-	-	-
Other		-	-	921
Total revenues		<u>63,000</u>	<u>63,000</u>	<u>66,057</u>
Expenditures				
General government		-	-	-
Public safety		-	-	-
Public works		87,100	87,100	84,765
Community development		-	-	-
Recreation services		-	-	-
Capital outlay		-	-	-
Debt service		-	-	-
Total expenditures		<u>87,100</u>	<u>87,100</u>	<u>84,765</u>
Excess (deficiency) of revenues over expenditures		<u>(24,100)</u>	<u>(24,100)</u>	<u>(18,708)</u>
Other financing sources (uses)				
Capital leases		-	-	-
Transfers in		24,100	24,100	18,660
Transfers out		-	-	-
Net other financing sources (uses)		<u>24,100</u>	<u>24,100</u>	<u>18,660</u>
Change in fund balances		-	-	(48)
Beginning fund balances		48	48	48
Ending fund balances	\$	<u>48</u>	<u>48</u>	<u>-</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Assessment District				State Asset Forfeiture			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,300	2,300	1,328	(972)	1,400	1,400	714	(686)
10,600	10,600	12,242	1,642	3,900	3,900	3,925	25
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,900</u>	<u>12,900</u>	<u>13,570</u>	<u>670</u>	<u>5,300</u>	<u>5,300</u>	<u>4,639</u>	<u>(661)</u>
-	-	-	-	-	-	-	-
-	-	-	-	15,000	15,000	9,623	5,377
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	15,000	15,000	9,623	5,377
<u>12,900</u>	<u>12,900</u>	<u>13,570</u>	<u>670</u>	<u>(9,700)</u>	<u>(9,700)</u>	<u>(4,984)</u>	<u>4,716</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>12,900</u>	<u>12,900</u>	<u>13,570</u>	<u>670</u>	<u>(9,700)</u>	<u>(9,700)</u>	<u>(4,984)</u>	<u>4,716</u>
<u>323,920</u>	<u>323,920</u>	<u>323,920</u>	<u>-</u>	<u>178,656</u>	<u>178,656</u>	<u>178,656</u>	<u>-</u>
<u>336,820</u>	<u>336,820</u>	<u>337,490</u>	<u>670</u>	<u>168,956</u>	<u>168,956</u>	<u>173,672</u>	<u>4,716</u>

Local Law Enforcement Block Grant				
	Budgeted Amounts		Actual	Variance with Final Budget-
	Original	Final		Positive (Negative)
Revenues				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	100	100	59	(41)
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Other	-	-	-	-
Total revenues	<u>100</u>	<u>100</u>	<u>59</u>	<u>(41)</u>
Expenditures				
General government	-	-	-	-
Public safety	15,400	18,400	-	18,400
Public works	-	-	-	-
Community development	-	-	-	-
Recreation services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>15,400</u>	<u>18,400</u>	<u>-</u>	<u>18,400</u>
Excess (deficiency) of revenues over expenditures	<u>(15,300)</u>	<u>(18,300)</u>	<u>59</u>	<u>18,359</u>
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	<u>(15,300)</u>	<u>(18,300)</u>	<u>59</u>	<u>18,359</u>
Beginning fund balances	14,399	14,399	14,399	-
Ending fund balances	<u>\$ (901)</u>	<u>(3,901)</u>	<u>14,458</u>	<u>18,359</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Economic Development Administration Grant				Traffic Congestion Relief			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
100	100	1	(99)	13,500	13,500	3,599	(9,901)
-	-	-	-	809,400	809,400	-	(809,400)
-	-	-	-	19,200	19,200	1,026	(18,174)
-	-	-	-	-	-	-	-
<u>100</u>	<u>100</u>	<u>1</u>	<u>(99)</u>	<u>842,100</u>	<u>842,100</u>	<u>4,625</u>	<u>(837,475)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	636,203	(636,203)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	2,580,000	2,580,000	935,920	1,644,080
-	-	-	-	-	-	-	-
-	-	-	-	<u>2,580,000</u>	<u>2,580,000</u>	<u>1,572,123</u>	<u>1,007,877</u>
<u>100</u>	<u>100</u>	<u>1</u>	<u>(99)</u>	<u>(1,737,900)</u>	<u>(1,737,900)</u>	<u>(1,567,498)</u>	<u>170,402</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(73,851)	(73,851)
-	-	-	-	-	-	(73,851)	(73,851)
<u>100</u>	<u>100</u>	<u>1</u>	<u>(99)</u>	<u>(1,737,900)</u>	<u>(1,737,900)</u>	<u>(1,641,349)</u>	<u>96,551</u>
<u>511</u>	<u>511</u>	<u>511</u>	<u>-</u>	<u>1,690,751</u>	<u>1,690,751</u>	<u>1,690,751</u>	<u>-</u>
<u>611</u>	<u>611</u>	<u>512</u>	<u>(99)</u>	<u>(47,149)</u>	<u>(47,149)</u>	<u>49,402</u>	<u>96,551</u>

		Energy Conservation			
		Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
		Original	Final		
Revenues					
	Taxes	\$ -	-	-	-
	Licenses and permits	-	-	-	-
	Fines, forfeitures and penalties	-	-	-	-
	Use of money and property	-	-	-	-
	Intergovernmental	-	-	-	-
	Charges for services	-	-	-	-
	Other	-	-	-	-
	Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
	General government	-	-	-	-
	Public safety	-	-	-	-
	Public works	-	-	-	-
	Community development	-	-	-	-
	Recreation services	-	-	-	-
	Capital outlay	-	-	-	-
	Debt service	-	-	-	-
	Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)					
	Capital leases	-	-	-	-
	Transfers in	136,400	136,400	132,750	(3,650)
	Transfers out	(136,400)	(136,400)	(132,750)	3,650
	Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Beginning fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	Ending fund balances	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Grants				Park Land and Public Fees			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
200,000	200,000	233,424	33,424	-	-	-	-
-	-	-	-	-	-	-	-
-	-	480	480	6,000	6,000	3,367	(2,633)
9,624,565	12,540,706	4,090,255	(8,450,451)	-	-	-	-
30,000	30,000	149,396	119,396	95,000	95,000	50,661	(44,339)
2,159,000	148,872	3,029	(145,843)	-	-	-	-
<u>12,013,565</u>	<u>12,919,578</u>	<u>4,476,584</u>	<u>(8,442,994)</u>	<u>101,000</u>	<u>101,000</u>	<u>54,028</u>	<u>(46,972)</u>
-	-	22,590	(22,590)	-	-	-	-
450,095	460,812	328,818	131,994	-	-	-	-
-	26,150	23,011	3,139	5,000	5,000	-	5,000
821,200	1,022,996	609,765	413,231	-	-	-	-
-	-	234,255	(234,255)	-	-	-	-
10,742,270	11,499,148	3,337,266	8,161,882	20,000	20,000	7,340	12,660
-	-	-	-	-	-	-	-
<u>12,013,565</u>	<u>13,009,106</u>	<u>4,555,705</u>	<u>8,453,401</u>	<u>25,000</u>	<u>25,000</u>	<u>7,340</u>	<u>17,660</u>
-	(89,528)	(79,121)	10,407	76,000	76,000	46,688	(29,312)
-	-	-	-	-	-	-	-
-	-	234,299	234,299	-	-	-	-
-	-	(233,142)	(233,142)	-	-	-	-
-	-	1,157	1,157	-	-	-	-
-	(89,528)	(77,964)	11,564	76,000	76,000	46,688	(29,312)
414,926	414,926	414,926	-	802,859	802,859	802,859	-
<u>414,926</u>	<u>325,398</u>	<u>336,962</u>	<u>11,564</u>	<u>878,859</u>	<u>878,859</u>	<u>849,547</u>	<u>(29,312)</u>

Storm Drain NPDS				
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget- Positive (Negative)
Revenues				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	2,000	2,000	432	(1,568)
Intergovernmental	-	-	-	-
Charges for services	45,000	45,000	54,679	9,679
Other	-	-	106	106
Total revenues	<u>47,000</u>	<u>47,000</u>	<u>55,217</u>	<u>8,217</u>
Expenditures				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	47,000	47,000	150,243	(103,243)
Community development	-	-	-	-
Recreation services	-	-	-	-
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>47,000</u>	<u>47,000</u>	<u>150,243</u>	<u>(103,243)</u>
Excess (deficiency) of revenues over expenditures	-	-	(95,026)	(95,026)
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances	-	-	(95,026)	(95,026)
Beginning fund balances	123,199	123,199	123,199	-
Ending fund balances	<u>\$ 123,199</u>	<u>123,199</u>	<u>28,173</u>	<u>(95,026)</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

CalHome Grant				General Plan Fees			
Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
Original	Final			Original	Final		
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
400	400	26	(374)	2,000	2,000	1,465	(535)
-	-	-	-	-	-	-	-
-	-	-	-	80,000	80,000	105,829	25,829
300	300	-	(300)	-	-	-	-
700	700	26	(674)	82,000	82,000	107,294	25,294
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	53,000	53,000	48,071	4,929
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	53,000	53,000	48,071	4,929
700	700	26	(674)	29,000	29,000	59,223	30,223
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
700	700	26	(674)	29,000	29,000	59,223	30,223
6,442	6,442	6,442	-	305,377	305,377	305,377	-
7,142	7,142	6,468	(674)	334,377	334,377	364,600	30,223

Housing Authority				
	Budgeted Amounts		Actual	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues				
Taxes	\$ -	-	-	-
Licenses and permits	-	-	-	-
Fines, forfeitures and penalties	-	-	-	-
Use of money and property	25,000	25,000	8,414	(16,586)
Intergovernmental	4,910,500	4,910,500	5,296,278	385,778
Charges for services	-	-	-	-
Other	60,400	60,400	104,693	44,293
Total revenues	<u>4,995,900</u>	<u>4,995,900</u>	<u>5,409,385</u>	<u>413,485</u>
Expenditures				
General government	227,500	227,500	178,562	48,938
Public safety	-	-	-	-
Public works	-	-	-	-
Community development	5,046,900	5,047,900	4,749,733	298,167
Recreation services	5,952	4,952	6,855	(1,903)
Capital outlay	-	-	-	-
Debt service	-	-	-	-
Total expenditures	<u>5,280,352</u>	<u>5,280,352</u>	<u>4,935,150</u>	<u>345,202</u>
Excess (deficiency) of revenues over expenditures	<u>(284,452)</u>	<u>(284,452)</u>	<u>474,235</u>	<u>758,687</u>
Other financing sources (uses)				
Capital leases	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	(13,148)	-	13,148
Net other financing sources (uses)	<u>-</u>	<u>(13,148)</u>	<u>-</u>	<u>13,148</u>
Change in fund balances	<u>(284,452)</u>	<u>(297,600)</u>	<u>474,235</u>	<u>771,835</u>
Beginning fund balances	<u>2,513,270</u>	<u>2,513,270</u>	<u>2,513,270</u>	<u>-</u>
Ending fund balances	<u>\$ 2,228,818</u>	<u>2,215,670</u>	<u>2,987,505</u>	<u>771,835</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual (Continued)
Nonmajor Special Revenue Funds
Year ended June 30, 2011

Measure R			Variance with Final Budget- Positive (Negative)
Budgeted Amounts		Actual	
Original	Final		
-	-	-	-
-	-	-	-
-	-	-	-
100	100	3,314	3,214
642,356	642,356	682,953	40,597
-	-	-	-
-	-	-	-
<u>642,456</u>	<u>642,456</u>	<u>686,267</u>	<u>43,811</u>
-	-	3,333	(3,333)
-	-	-	-
66,900	66,900	76,923	(10,023)
-	-	-	-
-	-	3,284	(3,284)
-	-	16,407	(16,407)
-	-	-	-
<u>66,900</u>	<u>66,900</u>	<u>99,947</u>	<u>(33,047)</u>
<u>575,556</u>	<u>575,556</u>	<u>586,320</u>	<u>10,764</u>
-	-	-	-
-	-	-	-
-	-	-	-
<u>575,556</u>	<u>575,556</u>	<u>586,320</u>	<u>10,764</u>
516,800	516,800	516,800	-
<u>1,092,356</u>	<u>1,092,356</u>	<u>1,103,120</u>	<u>10,764</u>

		Debt Service			
		Pension Obligation			
		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final	Actual	(Negative)
Revenues					
Use of money and property	\$	-	-	113	113
Intergovernmental		-	-	-	-
Charges for services		-	-	-	-
Other		1,499,500	1,499,500	1,483,341	(16,159)
Total revenues		<u>1,499,500</u>	<u>1,499,500</u>	<u>1,483,454</u>	<u>(16,046)</u>
Expenditures					
Current:					
Community development		-	-	-	-
Debt service:					
Principal retirement		925,000	925,000	925,000	-
Interest and fiscal charges		562,170	562,170	564,117	(1,948)
Total expenditures		<u>1,487,170</u>	<u>1,487,170</u>	<u>1,489,117</u>	<u>(1,948)</u>
Excess (deficiency) of revenues over expenditures		<u>12,330</u>	<u>12,330</u>	<u>(5,663)</u>	<u>(17,993)</u>
Other financing sources (uses)					
Transfers in		-	-	-	-
Transfers out		-	-	-	-
Net other financing sources (uses)		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in fund balances		<u>12,330</u>	<u>12,330</u>	<u>(5,663)</u>	<u>(17,993)</u>
Beginning fund balances		<u>6,357</u>	<u>6,357</u>	<u>6,357</u>	<u>-</u>
Ending fund balances	\$	<u>18,687</u>	<u>18,687</u>	<u>694</u>	<u>(17,993)</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Debt Service Funds
Year ended June 30, 2011

Debt Service City				Debt Service Baldwin Park Financing Authority			
Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
Original	Final			Original	Final		
900	900	219	(681)	400	400	39,007	38,607
-	-	-	-	-	-	-	-
27,560	27,560	30,577	3,017	-	-	-	-
-	-	-	-	-	-	-	-
<u>28,460</u>	<u>28,460</u>	<u>30,796</u>	<u>2,336</u>	<u>400</u>	<u>400</u>	<u>39,007</u>	<u>38,607</u>
-	-	-	-	-	-	-	-
287,000	287,000	287,000	-	642,000	642,000	642,000	-
240,627	240,627	257,227	(16,600)	580,730	580,730	572,132	8,598
<u>527,627</u>	<u>527,627</u>	<u>544,227</u>	<u>(16,600)</u>	<u>1,222,730</u>	<u>1,222,730</u>	<u>1,214,132</u>	<u>8,598</u>
(499,167)	(499,167)	(513,431)	(14,264)	(1,222,330)	(1,222,330)	(1,175,125)	47,205
499,167	499,167	499,167	-	1,222,730	1,222,730	1,214,092	(8,638)
-	-	-	-	-	-	(38,842)	(38,842)
<u>499,167</u>	<u>499,167</u>	<u>499,167</u>	<u>-</u>	<u>1,222,730</u>	<u>1,222,730</u>	<u>1,175,250</u>	<u>(47,480)</u>
-	-	(14,264)	(14,264)	400	400	125	(275)
74,665	74,665	74,665	-	1,476,642	1,476,642	1,476,642	-
<u>74,665</u>	<u>74,665</u>	<u>60,401</u>	<u>(14,264)</u>	<u>1,477,042</u>	<u>1,477,042</u>	<u>1,476,767</u>	<u>(275)</u>

City of Baldwin Park
Schedule of Revenues, Expenditures and Changes in Fund Balance –
Budget and Actual
Capital Project Funds
Year ended June 30, 2011

	<u>Capital Project</u>			<u>Variance with</u> <u>Final Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Building Reserve</u>			
	<u>Budgeted Amounts</u>		<u>Actual</u>	
<u>Original</u>	<u>Final</u>			
Revenues				
Taxes	-	-	-	-
Use of money and property	\$ 20,000	20,000	25	(19,975)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>25</u>	<u>(19,975)</u>
Expenditures				
Current:				
Public works	-	-	6,532	(6,532)
Total expenditures	<u>-</u>	<u>-</u>	<u>6,532</u>	<u>(6,532)</u>
Excess (deficiency) of revenues over expenditures	<u>20,000</u>	<u>20,000</u>	<u>(6,507)</u>	<u>(26,507)</u>
Other financing sources (uses)				
Transfers in	679,230	679,230	685,825	6,595
Transfers out	(679,230)	(679,230)	(679,298)	(68)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,527</u>	<u>6,527</u>
Net change in fund balances before special item	20,000	20,000	20	(19,980)
Special item	-	-	(2,575,008)	(2,575,008)
Change in fund balances	<u>20,000</u>	<u>20,000</u>	<u>(2,574,988)</u>	<u>(2,594,988)</u>
Beginning fund balances	2,587,396	2,587,396	2,587,396	-
Ending fund balances	<u>\$ 2,607,396</u>	<u>2,607,396</u>	<u>12,408</u>	<u>(2,594,988)</u>

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Debt Service				
Redevelopment Agency				
Budgeted Amounts				Variance with
				Final Budget
				Positive
				(Negative)
Revenues	Original	Final	Actual	
Taxes	\$ 4,299,500	4,299,500	5,311,844	1,012,344
Use of money and property	16,100	16,100	9,799	(6,301)
Other	50,000	50,000	231,531	181,531
Total revenues	<u>4,365,600</u>	<u>4,365,600</u>	<u>5,553,174</u>	<u>1,187,574</u>
Expenditures				
Current:				
General government	-	-	-	-
Community development	3,384,700	3,384,700	3,248,905	135,795
Debt service:				
Principal retirement	1,070,000	1,070,000	1,070,000	-
Interest and fiscal charges	1,463,835	1,463,835	1,458,367	5,468
Total expenditures	<u>5,918,535</u>	<u>5,918,535</u>	<u>5,777,272</u>	<u>141,263</u>
Excess (deficiency) of revenues over expenditures	<u>(1,552,935)</u>	<u>(1,552,935)</u>	<u>(224,098)</u>	<u>1,328,837</u>
Other financing sources (uses)				
Gain on sale of properties	-	-	-	-
Capital leases	-	-	-	-
Transfers in	537,528	537,528	577,095	39,567
Transfers out	(537,528)	(537,528)	(1,941,668)	(1,404,140)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,364,573)</u>	<u>(1,364,573)</u>
Change in fund balances	<u>(1,552,935)</u>	<u>(1,552,935)</u>	<u>(1,588,671)</u>	<u>(35,736)</u>
Beginning fund balances	<u>2,980,030</u>	<u>2,980,030</u>	<u>2,980,030</u>	<u>-</u>
Ending fund balances	<u>\$ 1,427,095</u>	<u>1,427,095</u>	<u>1,391,359</u>	<u>(35,736)</u>

City of Baldwin Park
Schedule of Revenues, Expenditures, and Changes in Fund Balances –
Budget and Actual
Major Governmental Funds - Debt Service and Capital Projects
Year ended June 30, 2011

Capital Project			
Redevelopment Agency			
Budgeted Amounts			Variance with Final Budget Positive (Negative)
Original	Final	Actual	
-	-	-	-
26,000	26,000	12,438	(13,562)
9,800	9,800	16,290	6,490
<u>35,800</u>	<u>35,800</u>	<u>28,728</u>	<u>(7,072)</u>
231,400	231,400	259,768	(28,368)
356,900	356,900	289,535	67,365
-	-	-	-
198,800	198,800	90,070	108,730
<u>787,100</u>	<u>787,100</u>	<u>639,373</u>	<u>147,727</u>
<u>(751,300)</u>	<u>(751,300)</u>	<u>(610,645)</u>	<u>140,655</u>
-	-	522,745	522,745
-	-	-	-
575,000	575,000	1,403,414	828,414
-	-	-	-
<u>575,000</u>	<u>575,000</u>	<u>1,926,159</u>	<u>1,351,159</u>
<u>(176,300)</u>	<u>(176,300)</u>	<u>1,315,514</u>	<u>1,491,814</u>
<u>(19,606,407)</u>	<u>(19,606,407)</u>	<u>(19,606,407)</u>	<u>-</u>
<u>(19,782,707)</u>	<u>(19,782,707)</u>	<u>(18,290,893)</u>	<u>1,491,814</u>

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City of Baldwin Park
Description of Enterprise Fund
June 30, 2011

The Enterprise Fund is used to account for a 12-unit complex, which is owned by the City's Housing Authority and occupied by elderly low-income tenants. The fund accounts for monthly rents collected and for expenditures related to the maintenance and operation of these housing units.

This fund is reported as a governmental activity in the government-wide financial statements.

City of Baldwin Park
Statement of Net Assets
Enterprise Fund
June 30, 2011

ASSETS

Current assets	
Cash and investments	\$ 72,957
Other receivables	1,512
Total current assets	74,469
Noncurrent assets	
Capital assets	
Building	855,831
Less accumulated depreciation	(352,754)
Net capital assets	503,077
Total noncurrent assets	503,077
Total assets	577,546

LIABILITIES

Current liabilities	
Accounts payable	3,035
Tenant security deposits	1,801
Total liabilities	4,836

NET ASSETS

Invested in capital assets	503,077
Unrestricted	69,633
Total net assets \$	572,710

City of Baldwin Park
Statement of Revenues, Expenses and Changes in Fund Net Assets
Enterprise Fund
Year ended June 30, 2011

Operating revenues		
Charges for services	\$	915
Other		31,902
		<u>32,817</u>
Total operating revenues		<u>32,817</u>
Operating expenses		
Maintenance		30,459
Depreciation		11,983
Other		5,100
		<u>47,542</u>
Total operating expenses		<u>47,542</u>
Change in net assets		(14,725)
Net assets - beginning		<u>587,435</u>
Net assets - ending	\$	<u><u>572,710</u></u>

**City of Baldwin Park
Statement of Cash Flows
Enterprise Fund
Year ended June 30, 2011**

Cash flows from operating activities:	
Receipts from tenants	\$ 32,815
Payments to suppliers	(16,174)
Payments to employees	(17,419)
Net cash used in operating activities	<u>(778)</u>
Cash flows from non-capital financing activities:	
Interfund advances	(61)
Net cash provided by non-capital financing activities	<u>(61)</u>
Net decrease in cash and cash equivalents	(839)
Beginning cash and cash equivalents	73,796
Ending cash and cash equivalents	<u>\$ 72,957</u>
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	\$ (14,725)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Depreciation	11,983
Increase in accounts payable	1,964
Net cash used in operating activities	<u>\$ (778)</u>

City of Baldwin Park
Description of Internal Service Funds
June 30, 2011

Internal Service Funds are used to account for services provided to City departments and agencies on a user charge basis.

Fleet Service Fund To account for the acquisition, operation and maintenance of all City-owned or leased motorized vehicles.

Information Services Fund This fund provides printing, copying, mail, central stores and data processing services to the various departments and programs.

Internal Insurance Fund To account for the City's risk management program and various insurance-related costs. Its activities relate principally to general liability, workers' compensation, long-term disability, property damage and unemployment insurance.

City of Baldwin Park
Combining Statement of Net Assets
Internal Service Funds
June 30, 2011

	Fleet Services	Information Services	Internal Insurance	Total
ASSETS				
Current assets				
Pooled cash and investments	\$ 11,506	159,023	3,787,276	\$ 3,957,805
Accounts receivable	567	83	32,966	33,616
Interest receivable	58	160	3,665	3,883
Prepaid expenses	2,706	15,912	-	18,618
Due from other funds	-	-	1,625,784	1,625,784
Total current assets	<u>14,837</u>	<u>175,178</u>	<u>5,449,691</u>	<u>5,639,707</u>
Noncurrent assets				
Capital assets				
Equipment	4,372,182	2,545,766	-	6,917,948
Less accumulated depreciation	(3,930,439)	(2,326,457)	-	(6,256,896)
Net capital assets	<u>441,743</u>	<u>219,309</u>	<u>-</u>	<u>661,051</u>
Total noncurrent assets	<u>441,743</u>	<u>219,309</u>	<u>-</u>	<u>661,051</u>
Total assets	<u>456,580</u>	<u>394,487</u>	<u>5,449,691</u>	<u>6,300,758</u>
LIABILITIES				
Current liabilities				
Accounts payable	44,030	60,316	36,541	140,887
Current portion of capital lease obligations	105,334	41,555	-	146,889
Current portion of insurance liabilities	-	-	1,350,000	1,350,000
Total current liabilities	<u>149,364</u>	<u>101,871</u>	<u>1,386,541</u>	<u>1,637,776</u>
Noncurrent liabilities				
Capital lease obligations	100,708	-	-	100,708
Workers' compensation liability	-	-	5,022,899	5,022,899
General insurance liability	-	-	937,403	937,403
Unemployment insurance liability	-	-	20,000	20,000
Disability insurance liability	-	-	75,000	75,000
Total noncurrent liabilities	<u>100,708</u>	<u>-</u>	<u>6,055,302</u>	<u>6,156,010</u>
Total liabilities	<u>250,072</u>	<u>101,871</u>	<u>7,441,843</u>	<u>7,793,786</u>
NET ASSETS				
Invested in capital assets, net of related debt	235,701	177,754	-	413,455
Unrestricted	(29,193)	114,862	(1,992,152)	(1,906,483)
Total net assets \$	<u>206,508</u>	<u>292,616</u>	<u>(1,992,152)</u>	<u>(1,493,028)</u>

City of Baldwin Park
Combining Statement of Revenues, Expenses and Changes in Fund Net Assets
Internal Service Funds
Year ended June 30, 2011

	Fleet Services	Information Services	Internal Insurance	Total
Operating revenues				
Charges for services	\$ 997,400	870,204	2,262,123	\$ 4,129,727
Other	11,173	58,920	130,831	200,924
Total operating revenue	<u>1,008,573</u>	<u>929,124</u>	<u>2,392,954</u>	<u>4,330,651</u>
Operating expenses				
Maintenance and operations	488,030	171,188	8,236	667,454
Internal service charges	72,700	41,500	12,700	126,900
Provision for insurance claims	-	-	2,948,486	2,948,486
Depreciation	344,646	32,790	-	377,436
Lease and equipment purchase expense	20,978	105,428	-	126,406
Interest expense	13,964	3,831	-	17,795
Personal services	196,762	318,159	86,468	601,389
Contractual services	172,768	175,632	120,584	468,984
Total operating expenses	<u>1,309,848</u>	<u>848,528</u>	<u>3,176,474</u>	<u>5,334,850</u>
Operating income (loss)	(301,275)	80,596	(783,520)	(1,004,199)
Nonoperating income (loss)				
Loss on sale/disposal of capital assets	(22,307)	-	-	(22,307)
Interest	479	572	15,421	16,472
Net nonoperating income (loss)	<u>(21,828)</u>	<u>572</u>	<u>15,421</u>	<u>(5,835)</u>
Change in net assets	(323,103)	81,168	(768,099)	(1,010,034)
Net assets - beginning	<u>529,611</u>	<u>211,448</u>	<u>(1,224,053)</u>	<u>(482,994)</u>
Net assets - ending	<u>\$ 206,508</u>	<u>292,616</u>	<u>(1,992,152)</u>	<u>\$ (1,493,028)</u>

**City of Baldwin Park
Combining Statement of Cash Flows
Internal Service Funds
Year ended June 30, 2011**

	Fleet Services	Information Services	Internal Insurance	Total
Cash flows from operating activities				
Receipts from customers and users	\$ 1,008,006	929,041	2,380,517	\$ 4,317,564
Payments to suppliers	(892,328)	(723,292)	(147,661)	(1,763,281)
Payments to employees	(139,795)	(139,284)	(62,575)	(341,654)
Payments for insurance	-	-	(1,741,552)	(1,741,552)
Net cash provided by (used in) operating activities	<u>(24,117)</u>	<u>66,465</u>	<u>428,729</u>	<u>471,077</u>
Cash flows from capital and related financing activities				
Proceeds from sale of equipment	11,021	-	-	11,021
Additions (reductions) in capital lease obligations	(174,109)	(80,369)	-	(254,478)
Net cash used in capital and related financing activities	<u>(163,088)</u>	<u>(80,369)</u>	<u>-</u>	<u>(243,457)</u>
Cash flows from non-capital financing activities				
Interfund advances	567	83	773,768	774,418
Net cash provided by (used in) non-capital financing activities	<u>567</u>	<u>83</u>	<u>773,768</u>	<u>774,418</u>
Cash flows from investing activities				
Interest received	748	714	16,081	17,543
Net increase (decrease) in cash and cash equivalents	(185,890)	(13,107)	1,218,578	1,019,581
Beginning cash and cash equivalents	197,396	172,130	2,568,698	2,938,224
Ending cash and cash equivalents	<u>\$ 11,506</u>	<u>159,023</u>	<u>3,787,276</u>	<u>\$ 3,957,805</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	\$ (301,275)	80,596	(783,520)	\$ (1,004,199)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	344,646	32,790	-	377,436
(Increase) decrease in accounts receivable	(567)	(83)	(12,437)	(13,087)
Increase (decrease) in accounts payable	(64,215)	(49,024)	17,752	(95,487)
(Increase) decrease in prepaid expenses	(2,706)	2,186	-	(520)
Increase in insurance liabilities	-	-	1,206,934	1,206,934
Net cash provided by (used in) operating activities	<u>\$ (24,117)</u>	<u>66,465</u>	<u>428,729</u>	<u>\$ 471,077</u>

Fiduciary funds are used to account for assets held by the City, as an agent for individuals, private organizations and other governments.

City of Baldwin Park
Statement of Changes in Assets and Liabilities - Fiduciary Funds
Year ended June 30, 2011

	July 1, 2010	Additions	Deletions	June 30, 2011
Assets				
Pooled cash investments	\$ 499,643	444,934	394,840	\$ 549,737
Interest receivable	559	518	559	518
Total	<u>\$ 500,202</u>	<u>445,452</u>	<u>395,399</u>	<u>\$ 550,255</u>
Liabilities				
Accounts payable	\$ 44,293	359,441	387,499	\$ 16,235
Deposit accounts:				
Bail deposits	-	1,788	1,788	-
Canine donation	1,688	-	-	1,688
Crime prevention	7,675	21,355	20,131	8,899
Explorer	1,430	-	290	1,140
Leagues, etc.	19,664	58,318	55,568	22,414
Other	10,643	1,792	6,326	6,109
Miscellaneous trust	43,461	43,490	45,884	41,067
Court cost fees	32	-	-	32
Contingency deposits	17,910	-	-	17,910
Engineering trust	162,707	21,022	22	183,707
Police donations	50	-	-	50
Bicycle Rodeo	472	-	-	472
Donations	9,836	245,210	206,991	48,055
Inmate welfund	5,738	847	1,204	5,381
Offsite improvement bond	42,385	-	-	42,385
Police foundation	13,068	-	2,049	11,019
Pride program	52,740	500	9,665	43,575
Police training	41,420	27,791	12,078	57,133
Swimteam/Interpreting	13,528	14,756	6,721	21,563
Family impact/Domestic violence	-	1,574	21	1,553
Family impact	-	5,000	400	4,600
Zoning deposits	-	8,250	8,250	-
Revolving nuisance abatement	-	2,911	-	2,911
Street signs	4,876	-	-	4,876
Fingerprints - clients	1,436	332	102	1,666
NPDES Refundable Deposit	5,150	665	-	5,815
Total	<u>\$ 500,202</u>	<u>815,042</u>	<u>764,989</u>	<u>\$ 550,255</u>

**Report of Independent Auditors on Compliance
and on Internal Control over Financial Reporting Based on an
Audit of Basic Financial Statements Performed
in Accordance with Government Auditing Standards**

**The Honorable City Council of the
City of Baldwin Park, California**

We have audited the basic financial statements of the City of Baldwin Park, California (the City), as of and for the year ended June 30, 2011, and have issued our report thereon dated December 20, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control, that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

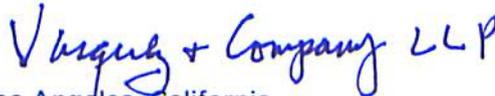
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance

As part of obtaining reasonable assurance about whether the City's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. Such provisions included those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of the members of the City Council, management, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.


Los Angeles, California
December 20, 2011

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This part of the City of Baldwin Park 's Comprehensive Annual Report provides information to better understand the City's overall financial condition. This has not been audited by an independent auditor.

Financial Trends Information contain information to assist the reader understand how the City's financial performance has changed over time.

Revenue Capacity Information contain information to help the reader assess the City's ability to generate its own revenue.

Debt Capacity Information contain information to assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt.

Demographic and Economic Information assist the user in understanding the environment within which the City's financial activities takes place.

Operating Information provides service and infrastructure data to help the reader understand how the City's financial statement information relates to services the City provides and the activities it performs.

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive reports for the relevant year. The City implemented the GASB 34 in 2003 fiscal year. Schedules presenting government-wide financial statements include information beginning in that year.

**City of Baldwin Park
Net Assets by Component
Last Nine Fiscal Years**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Governmental activities:									
Investment in capital assets, net of related debt	\$ 103,008,110	103,175,452	97,381,012	93,489,100	95,491,522	90,066,717	85,560,526	82,368,940	77,873,990
Restricted	7,002,415	6,461,472	6,158,056	5,507,823	6,095,674	6,133,731	6,720,929	9,097,505	13,839,466
Unrestricted	12,313,419	4,607,012	1,668,497	7,118,625	5,845,130	11,691,083	13,442,933	11,989,137	14,270,109
Total governmental activities net assets	\$ 122,323,944	114,243,936	105,207,565	106,115,548	107,432,326	107,891,531	105,724,388	103,455,582	105,983,565
% change from prior year	N/A	-6.6%	-7.9%	0.9%	1.2%	0.4%	-2.0%	-2.1%	2.4%

The City of Baldwin Park implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

City of Baldwin Park
Fund Balances of Governmental Funds
Fiscal Year 2011

General Fund	
Nonspendable	\$ 11,170,510
Restricted	-
Committed	-
Assigned	-
Unassigned	5,906,643
Total General Fund	<u>\$ 17,077,153</u>
 All Other Governmental Funds	
Nonspendable	\$ 13,224,533
Restricted	20,348,744
Committed	-
Assigned	-
Unassigned	(22,666,590)
Total All Other Governmental Funds	<u>\$ 10,906,687</u>

Note: The City of Baldwin Park elected to present fund balance information under GASB#54 prospectively in the Statistical Section; refer to page 130 for reporting of the previous years under the old guidelines.

**City of Baldwin Park
Change in Net Assets
Last Nine Fiscal Years**

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses:									
Governmental activities:									
General government	\$ 3,434,298	4,010,603	4,526,306	4,132,120	3,346,930	3,431,918	2,698,418	3,142,685	4,360,848
Public safety	10,946,225	11,747,014	14,277,853	14,934,099	15,333,496	17,695,323	18,917,403	18,810,685	18,819,467
Public works	13,026,398	15,112,436	18,778,723	15,699,303	14,785,160	14,278,888	13,730,184	13,549,660	13,518,003
Community development	8,890,421	10,178,582	9,789,023	9,145,085	10,367,871	12,586,141	11,931,976	14,060,899	10,968,474
Recreation services	1,796,381	1,979,193	2,229,254	2,249,912	2,429,110	3,258,992	4,666,863	4,383,579	4,462,052
Decline in value of property held for resale	6,308,905	-	-	-	-	-	-	-	-
Pass through Expenditures	-	746,108	-	-	-	-	-	-	-
Interest and fiscal charges	3,592,259	3,058,165	5,161,613	2,601,948	3,319,921	3,910,677	3,658,849	3,424,605	3,440,701
Total governmental activities expenses	<u>47,994,887</u>	<u>46,832,101</u>	<u>54,762,772</u>	<u>48,762,467</u>	<u>49,582,488</u>	<u>55,161,939</u>	<u>55,603,693</u>	<u>57,372,113</u>	<u>55,569,545</u>
Program revenues:									
Governmental activities:									
Charges for services									
General government	2,017,156	2,520,410	3,003,433	3,110,259	4,651,630	5,619,213	4,769,966	229,700	608,221
Public safety	809,255	1,161,286	971,414	755,023	11,732	5,175	27,622	1,987,795	1,757,968
Public works	299,298	-	-	308,306	43,803	36,764	67,512	222,191	157,631
Community development	49,727	1,947	1,119	1,655	34,837	82,892	97,944	1,256,198	1,602,720
Recreation services	-	-	-	-	-	-	-	569,345	496,518
Operating grants and contributions									
General government	-	20,033	3,462,803	202,024	166,715	129,495	309,644	-	31,913
Public safety	2,584,955	2,878,365	2,953,966	5,326,312	4,752,495	1,325,679	1,118,516	2,422,392	798,702
Public works	1,826,369	1,818,597	1,762,392	1,051,285	2,255,316	1,835,967	1,768,134	3,400,330	4,104,695
Community development	7,934,384	7,998,365	8,489,222	9,642,460	9,471,128	8,826,627	9,120,098	8,132,297	7,421,769
Recreation services	248,129	198,744	182,795	195,939	125,226	216,360	551,636	216,980	175,407
Capital grants and contributions									
Public safety	2,833,548	1,067,866	681,260	360,437	76,300	-	2,857,802	-	2,041
Public works	852,075	74,330	84,076	1,103,038	9,175	3,693,606	-	5,007,296	3,836,812
Community development	461,308	17,808	-	-	-	-	-	-	884,820
Total governmental activities revenues	<u>19,916,204</u>	<u>17,757,751</u>	<u>21,592,480</u>	<u>22,056,737</u>	<u>21,598,357</u>	<u>21,771,778</u>	<u>20,688,874</u>	<u>23,444,524</u>	<u>21,879,217</u>
Net revenues (expenses):									
Governmental activities:	(28,078,683)	(29,074,350)	(33,170,292)	(26,705,730)	(27,984,131)	(33,390,161)	(34,914,819)	(33,927,589)	(33,690,328)
General revenues and other changes in net assets:									
Taxes									
Property Taxes	15,023,648	16,291,814	17,464,924	23,929,880	23,929,880	12,510,908	13,372,060	11,944,651	11,645,328
Motor Vehicle in lieu	6,962,114	7,470,769	7,612,349	7,479,696	8,400,034	6,603,499	6,900,045	6,244,987	5,713,857
Sales Tax	4,875,329	3,130,076	5,812,422	5,845,528	6,115,126	6,456,581	5,625,840	5,251,513	5,418,895
Franchise Tax	4,343,135	4,607,700	5,842,303	5,706,901	6,568,814	6,456,581	5,625,840	5,251,513	5,418,895
Utility Users Tax	1,077,977	821,946	1,223,237	1,415,181	1,556,904	1,626,176	1,997,823	2,312,090	2,239,905
Other Taxes	2,260,688	2,410,518	2,269,238	2,273,711	2,545,312	2,591,143	2,459,483	2,407,299	2,266,892
Use of money and property	379,735	980,881	517,797	1,208,863	1,444,509	1,131,261	1,129,061	1,145,692	1,084,450
Interest	31,320	236,594	-	-	-	-	-	-	-
Transfers	869,759	352,223	566,235	768,579	2,355,107	2,177,082	1,190,007	388,977	721,172
Other	-	-	-	-	-	-	-	-	-
Total general revenues and transfers	<u>20,800,057</u>	<u>20,010,707</u>	<u>24,133,921</u>	<u>25,587,018</u>	<u>29,300,909</u>	<u>33,849,365</u>	<u>32,747,677</u>	<u>31,658,782</u>	<u>36,218,311</u>
Changes in net assets	<u>\$ (7,278,626)</u>	<u>(8,080,009)</u>	<u>(9,036,371)</u>	<u>(1,118,711)</u>	<u>1,316,778</u>	<u>459,204</u>	<u>(2,167,142)</u>	<u>(2,288,807)</u>	<u>2,527,983</u>

The City of Baldwin Park implemented GASB 34 for the fiscal year ended June 30, 2003. Information prior to the implementation of GASB 34 is not available.

**City of Baldwin Park
Fund Balances of Governmental Funds
Last Eight Fiscal Years**

	Fiscal Year								
	2003	(2)	2004	2005	2006	2007	2008	2009	2010
General fund:									
Reserved	\$ 8,870,587		9,408,848	10,263,447	10,922,656	11,933,339	12,755,776	13,268,093	13,705,002
Unreserved	3,267,129		2,353,328	3,812,188	1,953,646	3,060,821	4,829,573	5,187,803	5,213,836
Total general fund	<u>\$ 12,137,716</u>		<u>11,762,176</u>	<u>14,075,635</u>	<u>12,876,302</u>	<u>14,994,160</u>	<u>17,585,349</u>	<u>18,455,896</u>	<u>18,918,838</u>
All other governmental fund:									
Reserved	29,391,653		7,771,116 (3)	9,579,762 (4)	8,632,944	6,807,808	6,845,864	13,250,641	9,944,381
Unreserved, reported in:									
Special revenue funds	367,879		5,460,034	3,380,229	8,594,017	13,206,630	17,596,872	14,572,267	17,187,651
Capital projects funds	(17,085,858)		(7,602,948)	(7,580,988)	(10,518,294)	(13,936,874)	(15,295,561)	(16,450,152)	(17,125,366)
Debt service funds	(387,653)		221,614	37,078	597,281	492,599	58,700	(588,740)	2,465,756
Total all other governmental funds	<u>\$ (17,105,632)</u>		<u>(1,921,300)</u>	<u>(4,163,681)</u>	<u>(1,326,996)</u>	<u>(237,645)</u>	<u>2,360,011</u>	<u>(2,466,625)</u>	<u>2,528,041</u>
Total Governmental Funds	<u>\$ 24,423,737</u>		<u>17,611,992</u>	<u>19,491,716</u>	<u>20,182,250</u>	<u>21,564,323</u>	<u>26,791,224</u>	<u>29,239,912</u>	<u>31,391,260</u>

The City of Baldwin Park has elected to show only eight years of data for this schedule.

- (1) This schedule reports using the modified accrual basis of accounting.
- (2) The City implemented GASB 34, the new reporting standard in fiscal year 2003.
- (3) Reserved fund balance at June 30, 2004 includes unexpended bond proceeds from 2003 Sales Tax & Tax allocation Refunding Bonds.
- (4) Reserved fund balance at June 30, 2005 includes unexpended bond proceeds from 2004 Lease Revenue Refunding Bonds.
- (5) In 2011 the City Adopted GASB 54 which revises the reporting of Fund Balance

City of Baldwin Park
Changes in Fund Balances of Governmental Funds
Last Nine Fiscal Years

	Fiscal Year								
	2003	2004	2005	2006	2007	2008	2009	2010	2011
Revenues:									
Taxes	\$ 15,399,647	16,097,504	17,634,869	18,840,064	21,023,819	24,574,607	31,794,891	29,176,659	28,781,829
Licenses and permits	598,691	875,871	737,696	774,671	696,300	519,888	564,596	625,889	583,935
Fines and forfeitures	808,469	821,347	704,472	754,084	1,818,409	1,623,154	2,039,461	3,379,541	1,741,941
Use of money and property	1,046,916	978,227	830,195	1,199,295	1,445,053	1,387,184	723,158	449,266	563,120
Intergovernmental	21,095,301	18,675,088	21,722,936	22,490,048	22,832,101	21,568,213	14,885,994	17,611,402	17,148,467
Charges for services	1,071,774	1,247,760	1,606,275	1,963,498	1,751,362	2,732,913	1,546,595	1,830,657	1,900,607
Others	1,930,064	1,795,053	3,356,469	4,779,026	2,928,555	4,252,099	2,053,604	2,193,287	2,114,796
Total revenues	41,950,862	40,490,850	46,592,912	50,800,686	52,495,599	56,658,058	53,608,299	55,266,701	52,834,695
Expenditures									
Current:									
General government	2,309,986	2,628,791	2,989,559	4,731,895	4,275,924	4,001,214	3,031,641	2,882,320	3,071,399
Public safety	10,506,730	11,474,211	13,636,584	15,332,536	27,712,375	16,434,302	17,164,777	17,006,136	17,132,322
Public works	7,826,022	11,366,634	13,121,793	8,479,676	8,393,001	7,395,782	6,204,823	5,462,651	5,360,016
Community development	6,982,338	8,586,039	9,609,754	10,064,124	7,949,696	12,846,577	12,366,593	14,252,879	10,870,890
Recreation services	1,766,866	2,030,328	2,020,268	2,198,121	2,375,511	3,057,408	4,336,564	4,078,500	4,203,053
Nondepartmental	898,465	1,090,085	1,126,223						
Capital outlay:									
Public works	8,167,663	1,676,923		3,845,993	4,467,646	289,718	663,045	3,673,895	5,271,250
Community development	2,552,786	746,108	1,353,705	1,123,087	3,142,638	932,383	584,672		16,709
Debt service:									
Principal retirement	1,321,461	1,308,745	1,807,496	2,079,496	1,691,194	2,192,000	5,638,000	2,870,000	2,924,000
Interest and fiscal charges	3,227,829	2,833,798	2,617,225	3,149,014	3,786,350	3,899,259	3,615,036	3,148,521	2,948,628
Costs of issuance and other costs	360,730	529,670	620,329						
Total expenditures	45,920,876	44,271,332	48,902,936	51,003,942	63,794,335	51,048,643	53,605,150	53,374,902	51,798,267
Excess (deficiency) of revenues over (under) expenditures	(3,970,014)	(3,780,482)	(2,310,024)	(203,256)	(11,298,736)	5,609,415	3,149	1,891,799	1,036,428
Other financing sources (uses):									
Gain on sale of properties									522,745
Loan Proceeds								158,922	109,869
Transfers in	10,559,801	10,265,751	16,093,530	8,902,425	7,740,903	4,884,001	3,178,433	4,605,577	5,089,645
Transfers out	(10,593,166)	(10,266,751)	(16,130,727)	(9,643,422)	(7,870,091)	(5,266,514)	(3,775,309)	(4,484,544)	(5,089,645)
Issuance of bonds	4,500,884	6,329,200	10,840,000		12,810,000		3,022,000		
Capital leases		40,650	6,944	341,290					
Payment to refunded bond escrow agent		(9,400,125)	(6,620,000)						-
Interest on advance from other funds	(945,887)								-
Decline in value of property held for resale	(6,308,905)								-
Total other financing sources (uses)	(2,787,273)	(3,031,275)	4,189,747	(399,707)	12,680,812	(382,513)	2,425,124	279,955	632,614
Special items									
Gain on sale of properties									4,988,913
Items related to payment of loans									383,889
Items related to future developments									
Net special items									5,372,802
Net change in fund balance	\$ (6,757,287)	(6,811,757)	1,879,723	(602,963)	1,382,076	5,226,902	2,428,273	2,171,754	7,041,844
Debt service as a percentage of noncapital expendit	13.45%	11.43%	11.13%	11.09%	9.31%	12.05%	17.56%	11.31%	11.57%

The City of Baldwin Park has elected to show only five years of data for this schedule.

(1) This schedule reports using the modified accrual basis of accounting.

City of Baldwin Park
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal year ended	City				Redevelopment Agency				Direct Tax Rate
	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	Secured	Unsecured	Less Exemptions	Taxable Assessed Value	
2002	1,623,535,100	43,164,541	7,616,839	1,659,082,802	714,350,835	97,583,041	247,051,869	564,882,007	0.297%
2003	1,729,661,169	39,303,359	13,651,027	1,755,313,501	741,532,679	82,524,795	239,367,154	584,690,320	0.296%
2004	1,861,083,255	44,116,130	12,913,006	1,892,286,379	749,813,199	84,962,820	222,098,703	612,677,316	0.293%
2005	2,025,549,395	43,009,563	22,493,461	2,046,065,497	774,080,293	103,565,661	229,395,358	648,250,596	0.293%
2006	2,263,864,180	44,390,284	21,355,005	2,286,899,459	857,619,427	100,497,552	237,073,474	721,043,505	0.297%
2007	2,546,998,136	52,327,909	26,597,044	2,572,729,001	925,514,386	110,432,488	241,756,847	794,190,027	0.297%
2008	2,749,952,334	55,546,639	33,844,082	2,771,654,891	1,062,689,327	116,148,602	266,636,424	912,201,505	0.297%
2009	2,981,835,548	61,073,837	34,382,263	3,008,527,122	1,042,609,407	127,963,961	267,364,266	903,209,102	0.297%
2010	3,800,274,206	196,070,446	302,325,645	3,694,019,007	1,052,169,814	133,526,046	267,781,524	917,914,336	0.297%
2011	3,753,103,235	189,227,317	305,138,330	3,637,192,222	1,039,967,531	125,050,444	270,337,604	894,680,371	0.279%

Note (1): Beginning in fiscal year 1982, the valuation provided are equal to the full cash value of the property assessed. In the preceding years, the assessed valuations reflected only 25% on the full cash value. This change reflects ratification of Article XIII A of the California Constitution (Proposition 13).

Source: Los Angeles County Assessor's Office.
HdL, Coren & Cone

	2002	2003	2004	2005	2006
City Balance	1,659,082,802	1,755,313,501	1,892,286,379	2,046,065,497	2,286,899,459
Puente-Merced	31,477,577	32,548,202	33,523,384	30,360,600	33,966,864
San Gabriel River	178,625,849	159,312,368	168,277,026	184,956,789	185,090,403
West Ramona Blvd	22,613,836	23,027,839	25,415,939	27,631,781	30,206,884
Central Business District	78,918,699	85,100,350	98,287,728	103,558,425	111,778,180
Delta	24,909,698	26,539,683	26,981,132	28,173,917	29,464,923
Sierra Vista	229,986,875	247,075,556	260,192,107	273,569,084	330,536,251
Net assessed valuation	\$ 2,225,615,336	\$ 2,328,917,499	\$ 2,504,963,695	\$ 2,694,316,093	\$ 3,007,942,964

**City of Baldwin Park
Assessed Valuation by Tax District
Last Ten Fiscal Years**

2007	2008	2009	2010	2011
2,572,729,001	2,839,353,155	3,008,527,122	3,694,019,007	3,637,192,222
37,944,823	38,114,314	38,372,334	39,875,145	39,330,649
210,499,042	223,584,610	240,263,192	253,628,573	248,204,462
33,947,794	37,749,969	39,485,273	35,584,527	33,844,951
122,697,128	136,574,743	144,458,926	138,475,546	136,611,945
32,503,459	33,745,358	34,109,467	34,696,594	34,058,316
356,597,781	374,734,247	406,519,910	415,653,951	402,630,048
\$ 3,366,919,028	\$ 3,683,856,396	\$ 3,911,736,224	\$ 4,611,933,343	4,531,872,593

City of Baldwin Park
Direct and Overlapping Property Tax Rates
(Rate per \$100 of assessed value)
Last Ten Fiscal Years

<u>Agency</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
BASIC LEVY	1.00000									
Baldwin Park Unified	0.03996	0.00389	0.08126	0.11005	0.09961	0.08877	0.1326	0.15384	0.16101	0.16673
Bassett United School District	0.00000	0.00000	0.00000	0.00000	0.09051	0.08210	0.10806	0.08990	0.10877	0.12316
County Detention Facilities 1987 Debt	0.00113	0.00103	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000
El Monte City School District	0.05196	0.06592	0.05072	0.07247	0.08057	0.06402	0.08068	0.09045	0.11907	0.12388
EL Monte Union High School	0.00000	0.00000	0.03573	0.03928	0.05425	0.05847	0.02820	0.05160	0.09654	0.08475
LA County Flood Control	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.00770	0.00670	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370
Mt. San Antonio College	0.00000	0.01946	0.01525	0.01473	0.02122	0.02530	0.01750	0.02333	0.02571	0.02636
Rio Hondo Community College Dist	0.00000	0.00000	0.00000	0.02170	0.01802	0.01469	0.01369	0.02320	0.02714	0.03439
West Covina Unified	0.05240	0.07985	0.05084	0.08223	0.06148	0.06511	0.05143	0.06041	0.05258	0.05920
Total Direct & Overlapping Tax Rates	1.15422	1.17773	1.24135	1.34743	1.43171	1.40387	1.43666	1.49703	1.59512	1.62217
City Share of 1% Levy Per Prop 13	0.12058	0.12058	0.12058	0.12058	0.12058	0.12058	0.12058	0.12058	0.12058	0.12058
Redevelopment Rate	1.00990	1.00861	1.00755	1.00697	1.00604	1.00541	1.00450	1.00430	1.00430	1.00370
Total Direct Rate	0.27484	0.27381	0.27104	0.27050	0.27481	0.27694	0.27360	0.26810	0.28157	0.27918

**City of Baldwin Park
Ten Principal Property Taxpayers
Current Year and Nine Years Ago**

	2011		2002	
	Assessed value	Percentage total	Assessed value	Percentage total
In N out Burger Inc.	\$ 31,823,231	0.87 %	\$ 20,009,896	0.90 %
Wal Mart Real Estate Business Trust	30,425,239	0.84 %		
Sierra center Investments LLC	17,990,000	0.49 %		
Kaiser Foundation Hospitals	19,758,409	0.54 %	26,783,047	1.20 %
Home Depot USA	19,085,924	0.52 %	20,928,347	0.94 %
J & J Warehouse Company LLC	16,890,474	0.46 %		
Baldwin Park Commerce Center	16,371,217	0.45 %		
Target Corporation		0.00 %		%
Otting Properties	12,935,319	0.36 %		%
OFT Family inc		0.00		%
Calwest Industrial Property			31,346,500	1.41 %
Dayton Hudson	12,932,105	0.36 %	11,078,101	0.50 %
MOM enterprises	11,672,941	0.32		
Ortel Corpration AFA Agere Systems			21,144,917	0.95 %
SNS Cloverleaf Company			15,096,417	0.68 %
Waste Management			13,901,430	0.62 %
J. Lawrence- Han			11,581,301	0.52 %
SDC Partners Limited			11,438,119	0.51 %
Total taxable assessed value of ten largest taxpayers	189,884,859	5.21 %	183,308,075	8.24 %
Total taxable assessed value of other taxpayers	3,447,297,363	94.79	2,042,307,261	91.76
Total taxable assessed value of all taxpayers	\$ 3,637,182,222	100.00 %	\$ 2,225,615,336	100.00 %

The amounts shown above include assessed value data for both the City and the Community Development Commission of Baldwin Park.

Source: HdL Coren & Cone
Hinderliter, deLlamas & Associates

**City of Baldwin Park
Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal year	Secured tax	Unsecured tax	Taxes Levied for the tax year	Collections within the Fiscal Year of Levy		Collections in Subsequent Years Amount	Delinquent Tax Collections Amount	Total Collections to Date	
				Amount	Percent of Levy			Amount	Percent of Levy
2002	\$ 3,570,774	\$ 99,179	\$ 3,669,953	\$ 3,813,661	104%	\$ 125,171	\$ 37,380	\$ 3,976,212	108%
2003	3,667,739	29,280	3,697,019	3,901,365	106%	102,856	28,365	4,032,586	109%
2004	3,870,991	49,271	3,920,262	4,127,233	105%	123,601	37,455	4,288,289	109%
2005	4,079,647	44,155	4,123,802	4,451,357	108%	237,685	23,697	4,712,739	114%
2006	4,430,387	24,964	4,455,351	4,930,376	111%	208,527	31,781	5,170,684	116%
2007	4,839,635	35,639	4,875,274	5,409,350	111%	333,929	31,142	5,774,421	118%
2008	5,223,366	66,559	5,289,925	5,343,719	101%	(3)	(3)	5,343,719	101%
2009	3,948,959	79,045	4,028,004	5,906,716	147%	(3)	(3)	5,906,716	147%
2010	4,321,922	57,803	4,379,725	5,193,394	119%	(3)	(3)	5,193,394	119%
2011	5,157,261	68,860	5,226,121	5,220,369	100%	(3)	(3)	5,220,369	100%

Note (1): The figures provided for property tax levies and collections are for the City of Baldwin Park only, and do not include tax increments levied and collected on behalf of the Baldwin Park Redevelopment Agency.

Note (2): Article XIII A of the California Constitution limits the amount of any ad valorem tax on real property to 1% of the full cash value, except that additional taxes may be levied to pay debt service on general obligation bonds and certain other indebtedness approved by the voters. This tax is collected by the County Tax Collector and is distributed according to a formula established by the State Legislature.

Note (3) The City of Baldwin Park combined the Property Taxes accounts into one.

Source: County of Los Angeles, Office of the Auditor/Controller.

**City of Baldwin Park
Ratio of Outstanding Debt by Type
Last Ten Fiscal Years**

Fiscal year ended	(1) Population	Total assessed value	(2) Gross bonded debt	Less debt service funds	Net bonded debt	Capital leases	Notes payable	Total debt	Debt per capita
2002	78,367	2,478,633,517	31,383,000	7,229,737	24,153,263	529,266	9,088,800	33,771,329	431
2003	79,600	2,593,022,002	43,145,000	6,917,645	36,227,355	1,204,000	8,207,000	45,638,355	573
2004	80,300	2,739,975,404	42,131,000	6,892,662	35,238,338	1,221,000	5,118,490	41,577,828	518
2005	81,226	2,946,204,912	44,856,000	6,496,543	38,359,457	1,148,000	5,118,490	44,625,947	549
2006	80,986	3,266,371,443	43,089,089	6,058,197	37,030,892	982,000	5,118,490	43,131,382	533
2007	81,146	3,635,272,919	54,131,045	6,588,273	47,542,772	1,019,000	5,118,490	53,680,262	662
2008	81,281	3,984,336,902	51,937,000	6,192,432	45,744,568	773,000	5,118,490	51,636,058	635
2009	81,445	4,213,482,753	46,529,000	4,977,495	41,551,505	725,000	7,910,490	50,186,995	616
2010	81,604	4,611,933,343	46,927,000	3,354,699	43,572,301	514,612	4,369,000	48,455,912	594
2011	75,664	4,531,872,593	44,264,000	1,751,761	42,512,239	247,596	4,108,000	46,867,835	619

Note (1): Population figures were obtained from the State of California Department of Finance.

Note (2): The figures presented include both bonds and notes supported by property tax allocations and by special benefit assessments for the combined entity as described in note 1 to the Basic Financial Statements.

**City of Baldwin Park
Computation of Legal Debt Margin
Last Ten Fiscal Years**

Fiscal year ended	Assessed Valuation		Adjusted	Debt Limit		General Obligation Bonds	% of Debt Limit	Legal Debt Margin
	Amount	%		%	Amount			
2002	2,478,633,517	25%	619,658,379	15%	92,948,757	24,153,263	26.0%	68,795,494
2003	2,593,022,002	25%	648,255,501	15%	97,238,325	36,227,355	37.3%	61,010,970
2004	2,739,975,404	25%	684,993,851	15%	102,749,078	35,238,338	34.3%	67,510,740
2005	2,946,204,912	25%	736,551,228	15%	110,482,684	38,359,457	34.7%	72,123,227
2006	3,266,371,443	25%	816,592,861	15%	122,488,929	43,089,089	35.2%	79,399,840
2007	3,635,272,919	25%	908,818,230	15%	136,322,735	54,131,045	39.7%	82,191,690
2008	3,984,336,902	25%	996,084,226	15%	149,412,634	51,937,000	34.8%	97,475,634
2009	4,213,482,753	25%	1,053,370,688	15%	158,005,603	49,551,000	31.4%	108,454,603
2010	4,611,933,343	25%	1,152,983,336	15%	172,947,500	46,927,000	27.1%	126,020,500
2011	4,531,872,593	25%	1,132,968,148	15%	169,945,222	44,264,000	26.0%	125,681,222

Note (1): The Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. When this provision was enacted the assessed valuation was based on 25% of the market value. After the 1981-82 fiscal year, each parcel is assessed at 100% of the market value. The above computation converts the assessed valuation to the 25% level effective when the legal debt margin was enacted.

Source: Los Angeles County Assessor's Office.

City of Baldwin Park
Direct and Overlapping Bonded Debt
June 30, 2011

	Gross bonded debt June 30, 2011	Percent applicable to City of Baldwin Park	Baldwin Park's share of debt
Direct debt: (3)			
Baldwin Park 1915 Act AD99-1 Bogart	11,000	100.000	11,000
Baldwin Park 1915 Act AD2000-1 Baldwin	17,000	100.000	17,000
Baldwin Park 2004 Lease Revenue Bond	9,520,000	100.000	9,520,000
Pension Obligation Bonds	9,720,000	100.000	9,720,000
Certificate of Participation			
2002 Variable Rate Demand	2,446,000	100.000	2,446,000
Baldwin Park Redevelopment Agency			
1990 Tax Allocation Bonds Series A	4,065,000	100.000	4,065,000
1998 San Gabriel Tax Allocation Bonds	5,365,000	100.000	5,365,000
2000 Merged Project Tax Allocation Bonds	8,720,000	100.000	8,720,000
2003 Tax Allocation Bonds Series	4,400,000	100.000	4,400,000
Total direct debt			44,264,000
Overlapping debt: (4)			
Baldwin Park Unified School District 1996 Ser A Debt Service	2,713,733	92.878	2,520,457
Baldwin Park Unified School District 2001 Refunding Debt Svc.	5,890,000	92.878	5,470,506
Baldwin Park Unified School District 2002 Series S-2003 Debt Svc.	375,000	92.878	348,292
Baldwin Park Unified School District 2002 Series S-2004 Debt Svc.	6,356,248	92.878	5,903,548
Baldwin Park Unified School District 2005 Refunding Bond	9,936,887	92.878	9,229,168
Baldwin Park Unified School District DS 2002 Series 2005	4,813,699	92.878	4,470,861
Baldwin Park Unified School District DS 2002 Series 2006	17,473,384	92.878	16,228,905
Baldwin Park Unified School District DS 2006 Series 2007	23,600,000	92.878	21,919,175
Baldwin Park Unified School District DS 2006 Series 2008	14,001,457	92.878	13,004,254
Bassett Unified Debt Service 2004 Series 2005A	11,203,352	1.467	164,314
Bassett Unified Debt Service 2004 Series 2005B	10,616,192	1.467	155,703
Bassett Unified Debt Service 2006 Series 2007	14,139,566	1.467	207,378
Bassett Unified Debt Service 2006 Series B	4,999,970	1.467	73,332
West Covina Unified School District DS 2000 Series C	8,030,000	0.275	22,106
West Covina Unified School District DS 2002 Refund Bond Series A	15,340,000	0.275	42,229
West Covina Unified School District DS 2000 Series D	8,465,000	0.275	23,303
Rio Hondo Comm. College Dist DS 2005 Refunding Bonds	44,601,005	0.098	43,576
Rio Hondo Comm. College Dist Series A 2004A	6,945,000	0.098	6,785
Rio Hondo Comm. College Dist Ser 2009-2010 Series	125,037,824	0.098	122,164
Mt. San Antonio Comm. College Dist. DS 2001 Series A	1,130,000	5.423	61,278
Mt. San Antonio Comm. College Dist. DS 2004 B	8,080,000	5.423	438,161
Mt. San Antonio Comm. College Dist. DS 2005 Bond	55,835,843	5.423	3,027,860
Mt. San Antonio Comm. College Dist. DS 2001, 2006 Series C	79,461,712	5.423	4,309,041
Mt. San Antonio Comm. College Dist. DS 2001, 2008 SERIES D	24,602,430	5.423	1,334,138
El Monte Union High School SD DS 2002 Series A	2,870,000	0.256	7,339
El Monte Union High School Dist Series B	4,555,000	0.256	11,648
El Monte Union High School SD DS 2006 Refunding Bond	36,572,828	0.256	93,524
El Monte Union High School DS 2008 Series A	53,625,511	0.256	137,132
EL MONTE UN HI GS 2002 SER C	29,140,000	0.256	74,517
Metropolitan Water District (1)	107,259,876	0.340	364,150
Total overlapping debt			89,814,843
Total direct and overlapping debt			\$ 134,078,843

2010/2011 Assessed Valuation: \$ 2,883,215,084 (After deducting
Redevelopment increment)

Debt to Assessed Valuation Ratios:
Direct debt 1.54 %
Overlapping debt 3.12
Total debt 4.66

- Notes: (1) This fund is a portion of a larger agency, and is responsible for debt in areas outside the City.
(2) Debt figures include general obligation debt which is being repaid through property taxes. It excludes revenue, mortgage revenue, interim financing obligations, non-bonded capital lease obligations, and certificates of participation.

- Source: (3) City of Baldwin Park Department of Finance
(4) HdL Coren & Cone, Los Angeles County Assessor Combined 2008/09 Lien Date Tax Rolls

**City of Baldwin Park
Full-time and Part-time City Employees
By Function
Last Ten Fiscal Years**

Full-time and Part-time Employees as of June 30, 2011										
Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General government	32	33	34	38	33	28	30	31	30	32.4
Public safety	125	125	125	130	115	108	114	111	112	109
Community Development	36	35	34	32	31	26	35	33	45	44.6
Public works	56	56	56	54	52	46	51	35	33	34
Park & Recreation	205	208	208	208	208	191	207	232	234	186
Total	<u>454</u>	<u>457</u>	<u>457</u>	<u>462</u>	<u>439</u>	<u>399</u>	<u>437</u>	<u>442</u>	<u>454</u>	<u>406</u>

**City of Baldwin Park
Pledged-Revenue Coverage
Tax Allocation Bonds
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Gross Revenue (1)	Pass Thru's	20% set aside	Net Available Revenue	Principal & Interest	Total	Coverage
2002	2,776,200		985,389	1,790,811	3,030,652	3,030,652	0.59
2003	4,501,112	1,738,084	900,223	1,862,805	2,464,108	2,464,108	0.76
2004	5,688,224	2,086,384	947,101	2,654,739	2,413,569 (3)	2,413,569	1.10
2005	6,147,416	2,909,799	1,080,187	2,157,430	2,336,926	2,336,926	0.92
2006	6,614,399	3,094,273	1,198,627	2,321,499	2,436,218	2,436,218	0.95
2007	6,819,473	2,715,842	1,167,479	2,936,152	2,432,372	2,432,372	1.21
2008	6,865,848	3,022,900	1,253,629	2,589,319	2,479,255	2,479,255	1.04
2009	7,154,345	3,300,737	1,326,873	2,526,735	2,520,525	2,520,525	1.00
2010	7,050,343	2,793,546	1,312,141	2,944,656	2,524,443	2,524,443	1.17
2011	6,507,747	2,666,472	1,195,903	2,645,372	2,388,413	2,388,413	1.11

Note: With the exception of the 2000 Merged Refunding Bonds, bonds were issued by the Authority to make loans to the agency to finance certain activities of the agency in or benefiting the project areas, and secured by tax revenues.

(1) San Gabriel River Tax Allocation Bonds Series 1998 refunded the 1990 Series A

(2) The 2000 Tax Allocation Refunding Bonds merged redevelopment project refunded four project area debt service:

- (a) 1998 Housing Portion of San Gabriel River Tax Allocation Bonds.
- (b) West Ramona 1989 Tax Allocation Bonds.
- (c) 1994 Series A Sierra Vista Tax Allocation Bonds.
- (d) 1986 Delta Assessment District.

(3) Sales Tax & Tax Allocation Refunding Bonds Series 2003 Puente Merced refunded 1990 Series B Bonds.

Source: City of Baldwin Park Department of Finance

**City of Baldwin Park
Demographic Statistics
Last Ten Fiscal Years**

Fiscal Year	Population	Housing units (1)	Per Capita Personal Income (2)	School enrollment (3)	Rate of unemployment (4)
2002	78,417 (1)	17,568		17,758	7.8
2003	79,596 (1)	17,677		17,270	8.1
2004	80,325 (1)	17,673		17,471	7.9
2005	80,953 (1)	17,747		17,220	5.4
2006	81,092 (1)	17,781		17,546	5.1
2007	81,146 (1)	17,781		19,187	6.3
2008	81,281 (1)	17,867		16,328	7.2
2009	81,445 (1)	17,908		17,514	15.7
2010	81,604 (1)	17,914		15,497	15.2
2011	75,664 (1)	17,736		15,202	14.8

Source: (1) California Department of Finance
 (2) Unable to get Data on Personal Income
 (3) Baldwin Park Unified School District
 (4) State Employment Development Department.

**City of Baldwin Park
Operating Indicators by Function
Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Public Safety</i>										
Arrests	2,424	2,369	2,658	2,317	2,134	1,852	1,871	2,561	2,533	2,738
Parking Citations	9,990	11,615	13,755	12,305	17,393	12,766	12,415	11,464	11,604	10,256
<i>Public Works:</i>										
Street Resurfacing(miles)	13	30	15	6	1	2	0	0	9	1.7
Sewers new connections	40	43	44	47	35	39	16	6	34	19
Average Daily Sewer treatment in 1000's GAL.		6149	6155	6191	6202	6200	6293	6300	6900	7320
<i>Parks & Recreation:</i>										
Number of recreation classes	325	358	361	374	382	423	417	452	242	257
Number of facility rentals	301	307	310	314	321	246	315	470	795	706

**City of Baldwin Park
Capital Assets Statistics by Function
Last Ten Fiscal Years**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Police:</i>										
Stations	2	2	2	2	1	1	1	1	1	1
Patrol Units	33	34	32	34	31	31	35	39	42	43
<i>Public Works:</i>										
Streets (Miles)	114	115	116	117	117	118	118	118	118	118
Streetlights	474	474	474	463	463	475	480	480	480	490
Traffic Signals	50	56	58	64	64	64	64	64	64	65
<i>Parks & Recreation:</i>										
Parks	5	5	5	5	5	5	5	5	5	5
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	2	2	3	3	3	3	3	3

City of Baldwin Park
Per Capita Cost – General Governmental Expenditures by Function
Last Ten Fiscal Years

Fiscal Year Ended	(1) Population	General Government	Public Safety	Public Works	Community Services and Capital Outlay	Debt Service	Other	Total
2002	78,417	19.00	123.00	124.00	134.00	40.00	8.00	448.00
2003	79,596	27.00	124.00	126.00	133.00	64.00	10.00	484.00
2004	80,325	33.00	143.00	142.00	162.00	58.00	14.00	552.00
2005	80,953	37.00	168.00	162.00	160.00	60.00	14.00	601.00
2006	81,092	58.00	189.00	152.00	138.00	64.00	27.00	628.00
2007	81,146	53.00	342.00	158.00	137.00	67.00	29.00	786.00
2008	81,281	49.00	202.00	95.00	170.00	75.00	38.00	629.00
2009	81,445	37.00	211.00	84.00	159.00	114.00	53.00	597.00
2010	81,604	35.00	209.00	72.00	112.00	95.00	132.00	655.00
2011	75,664	36.00	226.00	71.00	165.00	43.00	56.00	597.00

Notes: Includes all Governmental Fund Types (General, Special Revenue, Capital Projects and Debt Service Funds), including the Baldwin Park Redevelopment Agency and the Baldwin Park Housing Authority.

(1) Population figures were obtained from the State of California Department of Finance.

Source: City of Baldwin Park Department of Finance, except where noted above.

**City of Baldwin Park
Construction Activity
Last Ten Fiscal Years**

Calendar year ended	New construction and alterations				Total	Demolitions	New value of Construction
	Residential	Commercial	Industrial				
2002	11,618,017	5,973,149	0	(1)	17,591,165	102,075	17,489,090
2003	21,891,556	3,157,493	0	(1)	25,049,049	375,650	24,673,399
2004	18,712,708	12,529,452	0	(1)	31,242,160	120,500	31,121,660
2005	32,312,393	8,312,013	0	(1)	40,624,406	230,224	40,394,182
2006	20,402,870	9,048,761	0	(1)	29,451,631	192,650	29,258,981
2007	22,301,125	6,791,846	0	(1)	29,092,971	172,045	28,920,926
2008	10,902,293	5,911,824	555,555		17,369,672	334,403	17,035,269
2009	6,442,950	7,425,132	172,000		14,040,082	129,256	13,910,826
2010	8,046,015	5,871,449	203,800		14,121,264	133,280	13,987,984
2011	9,559,585	5,748,912	0		15,557,445	251,948	15,305,497

Note (1): The Building Division streamlined the monthly report format and began combining commercial & industrial occupancies as of September 2001.

Source: City of Baldwin Park Department of Community Development.

**City of Baldwin Park
Ten Principal Employers**

Employer	Business Type	Number of Employees
Baldwin Park Unified School District	School District	1,975
Baldwin Park City Hall	Government	454
Walmart Supercenter	Retail	350
Durham School Services	Transportation	301
Esther Syyder Community Center	Government	300
LA Department of Public Health	Government	300
Los Angeles County Department of Parks	Government	300
Morgan Park	Government	300
Waste Management Inc	Waste Disposal	300
Target	Retail	200
	Total Top Ten Employers	4,780

Disclaimer: The City of Baldwin Park makes no claims concerning the accuracy of data provided nor assumes any liability resulting from the use of information herein.

Sources: Base on HDL Report of 2009 Principal Employers