

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2008

CITY OF GARDENA, CALIFORNIA



*PREPARED BY*

THE ADMINISTRATIVE SERVICES DEPARTMENT

**D. CHRISTINE HACH**  
**Administrative Services Director/Assistant City Manager**

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**City of Gardena**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2008**

**Table of Contents**

	<u>Page</u>
 <b><u>INTRODUCTORY SECTION</u></b>	
City Manager and Administrative Services Director’s Letter of Transmittal .....	i
GFOA Certificate of Achievement for Excellence in Financial Reporting.....	xii
Organization Chart .....	xiii
Officials of the City of Gardena, California .....	xiv
Commissions and Committees.....	xv
 <b><u>FINANCIAL SECTION</u></b>	
<b>Independent Auditors’ Report</b> .....	<b>1</b>
<b>Management’s Discussion and Analysis (Required Supplemental Information)</b> .....	<b>3</b>
 <b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Assets.....	19
Statement of Activities and Changes in Net Assets .....	20
 Fund Financial Statements:	
<i>Government Fund Financial Statements:</i>	
Balance Sheet .....	26
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.....	29
Statement of Revenues, Expenditures and Changes in Fund Balances .....	30
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets .....	32
 <i>Proprietary Fund Financial Statements:</i>	
Statement of Net Assets .....	36
Statement of Revenues, Expenses and Changes in Fund Net Assets .....	37
Statement of Cash Flows.....	38
 Notes to Basic Financial Statements .....	 39
 <b>Required Supplementary Information:</b>	
Schedule of Revenues, Expenditures and Change in Fund Balance – Budget and Actual – Major Governmental Funds .....	74
Public Employees Retirement System – Schedule of Funding Progress .....	77
Notes to Required Supplementary Information .....	78

**City of Gardena**  
**Comprehensive Annual Financial Report**  
**For the year ended June 30, 2008**

**Table of Contents, Continued**

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**Page**

**FINANCIAL SECTION, Continued**

**Supplementary Information:**

Non-Major Governmental Funds:

Combining Balance Sheet.....	82
Combined Statement of Revenues, Expenditures and Changes in Fund Balances .....	84
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual:	
Consolidated Lighting District Special Revenue Fund.....	86
Traffic Safety Grant Special Revenue Fund .....	87
Prop C Local Return.....	88
Asset Forfeiture Special Revenue Fund .....	89
South Coast AQMD Special Revenue Fund .....	90
EPA Water Infrastructure Stormwater Run-Off Special Revenue Fund .....	91
Prop 1B Special Revenue Fund.....	92
Low Emission Construction Special Revenue Fund.....	93

City Debt Service Funds:

Combining Statement of Net Assets.....	96
Combining Statement of Activities and Changes in Net Assets.....	97

Internal Service Funds:

Combining Statement of Net Assets.....	100
Combining Statement of Activities and Changes in Net Assets.....	101
Combining Statement of Cash Flows .....	102

**STATISTICAL SECTION**

Financial Trends .....	107
Revenue Capacity .....	114
Debt Capacity .....	134
Demographic and Economic Information .....	140
Operating Information.....	143

PAUL K. TANAKA, *Mayor*  
RONALD K. IKEJIRI, *Mayor Pro Tem*  
STEVEN C. BRADFORD *Councilmember*  
RACHEL C. JOHNSON, *Councilmember*  
DAN MEDINA, *Councilmember*



MARIA ELENA MARQUEZ, *City Clerk*  
J. INGRID TSUKIYAMA, *City Treasurer*  
MITCHELL G. LANSDELL, *City Manager*  
PETER L. WALLIN, *City Attorney*

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City Manager's Office, (310) 217-9505 / Fax (310) 217-9694 / [www.ci.gardena.ca.us](http://www.ci.gardena.ca.us)

February 24, 2009

Honorable Mayor,  
Members of the City Council,  
And Citizens of Gardena

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) of the City of Gardena (the City) for the fiscal year ended June 30, 2008 (FY 2007-08). This report presents fairly, in all material respects, the financial position and changes in financial position of the City. City management is responsible for the accuracy of the data, the fairness and completeness of the presentation, and the inclusion of all disclosures that are necessary to enable the reader to understand the City's operations. This CAFR has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America as promulgated by the Government Accounting Standard Board (GASB).

The City's financial statements have been audited by Caporicci & Larson (C&L), a public accounting firm fully licensed and qualified to perform audits of the State and local governments within the State of California. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2008, are free of material misstatement. The auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2008 were fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of the CAFR.

## **MAJOR CHANGES IN REPORTING**

In June 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which revised the City's financial reporting requirements. Governments comparable in size to the City of Gardena were required to implement GASB Statement No. 34 for the fiscal year ended June 30, 2003, and this is the fifth fiscal year the City of Gardena has complied with the GASB requirements. This fiscal year, the City has made progress on compliance with the GASB 34 requirements for Infrastructure Capital Assets (Phase 2 for period beginning after June 15, 2006) with a more updated appraisal report.

The major changes that resulted from GASB 34 include:

- New government-wide financial statements that are designed to provide readers with a broad overview of the City in a manner similar to a private-sector business. The statements cover all of the City's activities (except fiduciary activities) and include the statement of net assets and the statement of activities. The statement of net assets reports what the City owns (assets), what it owes (liabilities) and what remains after assets have been used to satisfy liabilities (net assets). The statement of activities reports the City's expenses and revenues, as well as other changes in its net assets during the year.
- Fund financial statements are groupings of related accounts used for specific activities or objectives to ensure reporting requirements are met. The City has many funds that can be divided into two categories, Governmental Fund and Proprietary Fund. Reconciliation is included to describe the adjustments between the governmental fund financial statements and the government-wide financial statements as the two measure the City's finances differently.
- Governmental fund infrastructure assets are roads, curbs, gutters, medians, sidewalks, streetlights, and traffic signals. Financial information on infrastructure assets had not previously been required for governmental funds until fiscal year 2006-07, but was required for Proprietary Sewer Fund (sewer and storm underground pipes).
- GASB Statement No. 34 establishes criteria to identify and report certain governmental and proprietary funds as major funds for presentation in the fund financial statements.
- The general fixed assets and the general long-term debt account groups no longer exist. The assets and liabilities previously reported in those account groups are reported in the government-wide statements.
- Management's discussion and analysis (MD&A) is required supplementary information and provides information and analysis that users need to interpret the basic financial statements. This transmittal letter is designed to complement MD&A and, therefore, should be read with it. The City's MD&A can be found immediately following the Independent Auditors' Report.

## **THE REPORTING ENTITY AND ITS SERVICES**

The City was incorporated on September 11, 1930. Gardena is a full service general law city providing a full range of municipal services, including police and code enforcement, recreation and human services, public works, streets and parks, planning and building services, engineering, transportation services (enterprise fund) and general administration. Fire services are contracted with Los Angeles County.

The financial statements included in this CAFR represent all the City funds.

## **ECONOMIC CONDITIONS AND OUTLOOK**

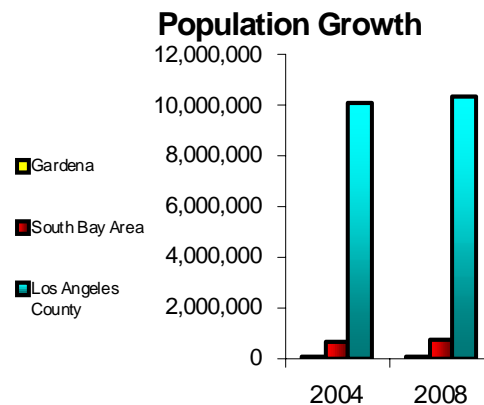
Gardena is located just miles from the beautiful California coast, near the interchange of the Harbor, San Diego, and Gardena freeways, and just 13 miles south of the City of Los Angeles in the South Bay Area. Gardena is a part of the Los Angeles-Long Beach-Glendale Metropolitan Statistical Area.

In early Twentieth Century, the first view that settlers had, as they looked westward, was a vast, flat valley stretching to the coastal hills. Incorporated in 1930 with an ethnically mixed population estimated at 3,000, the City of Gardena is now home to almost 62,000 residents. Through annexations and boundary adjustments, the City has nearly doubled in size, growing from 3 square miles to 5.9 square miles with the most recent annexation of a portion of the El Camino Village area in 1995.

Gardena’s early days of development, like much of the surrounding area, was primarily agricultural. Strawberry and muskmelon farms prevailed. As the population grew, the area became more urban with demands for modern conveniences like streets, sidewalks, public utilities, and public transportation.

<b>POPULATION GROWTH</b>				
<i>California Department of Finance</i>				
	2004	2008	CHANGE	PERCENT
<b>Gardena</b>	<b>60,649</b>	<b>61,781</b>	<b>1,132</b>	<b>1.87%</b>
South Bay Area*	708,034	718,097	10,063	1.42%
Total South Bay Area	768,683	779,878	11,195	1.46%
Los Angeles County	10,107,451	10,363,850	256,399	2.54%

\*Excludes City of Gardena



The City of Gardena, a City that values achievement and innovation, was formed from a portion of Northwest Rancho San Pedro and the Gardena Valley. Gardena’s 2008 population is 61,781 (from California Department of Finance) and continues to grow at a modest pace. Gardena has earned the prestigious designation of “All American City” and its balanced ethnic diversity is widely referenced as an asset to community values.

Gardena has the singular distinction of having within its borders both the first legal card club license in the State of California, granted in 1936, and the newest club in the state, opened in 2000. At one time only five-card draw and lowball poker could be played. During the 1960s, Gardena was the only city in Los Angeles County to have legal gambling. In mid 1980s, a tremendous Asian influence arrived with the introduction of the California games: Blackjack, Pai Gow Poker, and Super 9.

Until 1940, the Pacific Electric Car provided transportation service to Gardena, Torrance, Redondo Beach, and other nearby points. In January 1930, at a meeting of the Gardena Chamber of Commerce, Cyril Bennett of Inglewood proposed a municipal bus service in Gardena offering 40-minute service at a 60-cent fare; service only lasted three weeks. On January 15, 1940, the City bus service began where the Pacific Electric had discontinued. The Gardena Municipal Bus Line (GMBL) continued to grow in service as the population of the South Bay area grew in size. It moved to its present location on Van Ness in November 1953 with a maintenance facility added in 1982.

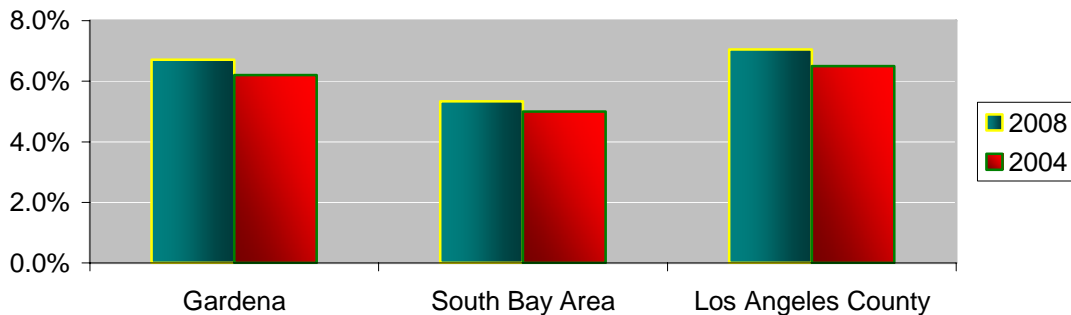
Today, GMBL is an enterprise fund operated entirely with grant funds totaling \$12 million. It has a fleet of 59 full size buses and 10 handicap accessible demand response vehicles. By connecting with the Blue Line rail system, Metropolitan Transit Authority (MTA) and other area municipal bus services, the 92,000 riders each week can commute throughout the South Bay to downtown Los Angeles and surrounding areas. Now with 68 years of public service, the GMBL is building a new state-of-the-art transportation and fleet management center. The new facility projected to be operational in March 2009, will double operational capacity and will be the cornerstone for economic development in North Gardena.

The City offers a number of programs and incentives to attract new businesses, assist existing businesses, and help residents find employment. The Gardena One-Stop Employment Center, which is entirely funded by grants, provides businesses and job seekers with employment training and assistances.

The City of Gardena unemployment rate has been kept lower than Los Angeles County in five consecutive years since 2004.

<b>EMPLOYMENT STATUS</b>						
<i>(Source: State of California, Employment Development Department)</i>						
	2004			2008		
	Labor Force	Employment	Unemployment Rate	Labor Force	Employment	Unemployment Rate
<i>Gardena</i>	29,000	27,200	6.2%	29,800	27,800	6.7%
South Bay Area *	371,100	352,900	4.9%	380,700	360,400	5.3%
	400,100	380,100	5.0%	410,500	388,200	5.4%
Los Angeles County	4,789,000	4,477,900	6.5%	4,920,200	4,573,300	7.1%

#### UNEMPLOYMENT RATE



\*Excludes City of Gardena

According to the latest 2007 forecast from the South Bay Economic Development Partnership (SBEDP), *there is enough evidence that the South Bay, along with all of Southern California, is at the early stage of a human resource recession. Although the study focuses on the aviation industry workforce, the findings may be applied to virtually all knowledge industry clusters in South Bay and beyond.*

The 2007 SBEDP forecast was overly optimistic, with a serious recession that started in December 2007 now generally expected to stay with us at least through next fiscal year.

The South Bay region’s population, which has increased 1.46% or 11,195 total persons from 2004 to 2008 period to compare with 16.57% or 110,788 total persons increased from 2003 to 2007 period, will continue a much slower growth trend.

Total employment in the South Bay was approximately 388,200 in 2008, with the largest employment in professional and business services. This sector held up better than manufacturing overall in Los Angeles County. The extra support is due to the region’s unparalleled aerospace/high-tech sector, concentrated in El Segundo and Redondo Beach. Given the global geopolitical situation, demand for such goods should continue to stay stable for several years. The unemployment rate in South Bay area has increased from 5% in 2004 to 5.4% in 2008. The region’s second largest employment sector, manufacturing, will see more job losses during the 2008-09 forecast period.

The housing boom was a bubble and has now burst, even with lowered energy costs, the SBEDP expects consumers to become much more cautious with their spending in the years ahead.

It was expected that real estate markets would continue to be a drag on California growth for at least few years to come, and the economy will remain in a recession most likely through 2010.

Downside risks to the economy have increased appreciably. The supply of new mortgage capital has shrunk tremendously starting in 2007, further deepening the housing downturn. Credit markets across America have frozen, with little evidence of thawing out except for the minority of prime borrowers. The housing slump has intensified, and this will continue to be a major concern of the Obama Administration as they implement fiscal and monetary policy.

The dollar's new momentum has triggered the change when lower-than-anticipated U.S. retail sales and deflation data motivated the U.S. Federal Reserve cut its benchmark interest rate to 0-0.25%. It is clear at this juncture that monetary policy alone will not turn this economy around. It will take more aggressive fiscal policy through the new Administration, including tax cuts, Public Works spending, and other fiscal policy tools available to the federal government.

Again, the "slow growth, but no recession" predicted last year was clearly optimistic. With capital markets and consumer spending at 25-year lows, an economic recession is here and will remain until market recovers.

The City of Gardena's economy and the South Bay Area as a whole, in the current sluggish economic condition nationwide, shares the same financial issues. The City's unemployment rate has climbed from 6.2% in 2004 to 6.7% in 2008 but still considerably lower than 7.1% in Los Angeles County overall. However, relative to other Cities, the City of Gardena's employment growth in the South Bay should continue to outperform the neighboring cities. The City of Gardena is fortunate to have a stable and diverse economic base, which somewhat shields its economy from downturns in any specific category. During the fiscal year 2007-08, the City's top five revenue sources grew 6%, generating almost \$32 million in revenues, representing almost 70% of the City's total General Fund revenues of \$47 million. Card Club tax and Sales tax are among the top five revenue sources, but there is uncertainty as to the growth level in these important revenues during the next year.

## **MAJOR INITIATIVES**

### *Accomplishments in Fiscal Year 2007-2008*

- In July 2007 the police department launched the District Policing Program. This program increased police visibility and staffing based on population and community needs, and improved safety with lieutenants assigned as commanders in each district. District lieutenants created monthly District Newsletters to advise residents of current police activities and crime trends. A "Media Center" for emergency notification was created and an interactive On-Line crime reporting program was also launched.
- The police Department also established a school resource officer whose area of responsibility included implementation of city-wide anti-graffiti strategy in conjunction with Public Works Department and added a new canine position. A community alert notification system was fully implemented, plus an integrated Records Management System and Computer Assisted Dispatch had improved tracking of Part-1 crime data and case resolution more successful.
- A citywide emergency preparedness plan is developing combining staff and community resources working together. A full time Emergency Preparedness Coordinator was hired and various emergency response training classes and exercises were completed. In July 2007 the police department participated in "Operation Golden Phoenix", a large-scale LA County Area G training exercise focused on civil disaster.

- The employees of Gardena Municipal Bus Line were trained with anti-terrorism skill and all new facilities and buses plan to install security cameras.
- The Public Works Department Right-of-Way Crew (ROW) patrol and maintain public property throughout the City to ensure that property values remain high.
- Established a “One-Stop Processing Center” in Community Development Department for “Certificate of Occupancy”. This one-stop processing center facilitates business licensing, zoning, plan check, inspection and other approvals all at one desk counter area thus streamlining business permit and development processing. In September 2007 On-Line building inspection request and reporting model was also implemented.
- The City expanded its effort to increase local business awareness and response to city’s purchasing needs. This included information on “doing business with the City” in both existing business license renewals mail-out and new businesses welcome packet.
- Expanded youth training and work experience opportunities throughout the local business community by applying more grant resources and obtaining private business funding.
- Distributed the first Economic Newsletter to local businesses and residents in August 2008 to expand the marketing efforts to attract desired businesses, job and investing market.
- Continued the effort to improve the quality of citizens’ life through neighborhood recreation facilities in the community. The City held community-wide skateboard park informational meeting and established a Skateboard Park Committee with interested children and adults.
- In 2007-2008 the Gardena Municipal Bus Line purchased eight (8) new gasoline/electric hybrid clean air buses, and implemented a bus fare increase per City Council’s approval. Construction of the new transportation facility of Gardena Municipal Bus Line continues with full relocation and operation scheduled for the first quarter of 2009.
- In November 2007 Economic Development received a 2007 CalHome Grant totaling \$600,000 to continue funding its Owner Occupied Rehabilitation Program. By utilizing this grant 20 mobile homes will either be rehabilitated or replaced. In fiscal year 07-08 three mobile homeowners were assisted using approximately \$67,000. There were 17 households fulfilled rehabilitation plan under the State Home Grant, averaging \$45,000 each.
- Continued city hall departmental reorganization and remodel projects to enhance the overall productivity, efficiency and customer service level. City Clerk & City Treasurer department relocation to the new office area shall be completed in early 2009.
- City Treasurer & Deputy City Treasurer attained certification as Public Funds Investment Managers.
- City Treasurer Department implemented paperless tracking system of revenue receipts. This new system produced better quality of record keeping and enhanced inquiry efficiency among the departments.
- Negotiated long-term agreements through December 2010 with Gardena Municipal Employee Organization and Gardena Municipal Employee Association to establish and maintain positive employee labor and management working groups.

***Objectives in Fiscal Year 2008-2009:***

- Digital scanning of City records, permits and plans began in fiscal year 2005-2006; and by the end of fiscal year 2008-2009, a significant portion of the City’s records will be digitally scanned and made available electronically. This will greatly improve the quality and accessibility of City records, as well as reduce space necessary for storage of paper files.
- The City Clerk budget for fiscal year 2008-2009 includes a Special Election in November 2008 and a General Municipal Election in March 2009.

- The City Treasurer Department will implement a new cash management service of electronic fund transfers for warrant checks between U.S. Bank and Eden Financial System.
- Strive to create an organizational climate and open lines of communication that will encourages employees, elected officials, residents, departments, all other organizations and businesses to participate in the City strategic planning process through visioning workshops, employee committees and open dialogues.
- In 2009, the City will again apply for designation as an Enterprise Zone as another economic incentive tool to draw and retain quality business development.
- To award sixteen (16) rebates under the CDBG Commercial Rebate Pilot Program, to rehabilitate seven (7) mobile homes, and three (3) single-family homes under CalHome Program.
- Continue to revise job classifications, personnel policies and procedures to update with benchmark standards. Provide training for new supervisors and managers to improve benchmark performance throughout the City.
- Implement "Intranet" web pages for City employees' information and self -help with forms and documents to better communicate and improve the job efficiency.
- Observe economic indicators, control expenditures, and supervise closely with the revenue collections. Provide training and technical support to assist departments in monitoring and managing expenses. Conduct audit of major revenue sources to ensure that City collects all revenue due. Analyze fees and recommend updated Fee Resolution for City Council consideration and adoption.
- Collaborate with strategic partners - the State Employment Development Department (EDD), State Department of Rehabilitation and Greater Avenues for Independence (GAIN), Gardena One-Stop Employment and Business Center will further expand community service in career training and job search assistance under a depressing job market.
- Complete the Storm Drain Run-Off program. Increase contractual tree trimming by 33% and apply for two new California Resources Agency grants.
- Reduce processing time of permits and licensing by 20%. Implement electronic building inspection and permit status system to reduce telephone traffic by 50%. Expedite plan check process and initiate zoning consistency program to bring zoning into compliance with newly adopted General Plan. Continue GIS capability to support analysis and decision-making in the City and expand to include other cities' data.
- City will institute training and develop an organization wide customer service policy to ensure the highest quality of service by all departments.
- Based on community input, the City plans to design and develop two skateboard parks, one in the northern part of the City and one in the southern section.
- Police Department will market and enhance the District Policing Model throughout all City departments and within the community to better facilitate the City's over-all goal of improving total service delivery. A City-wide camera monitoring system will be designed and implemented to enhance safety by deterring crime and identifying, arresting and prosecuting criminal offenders. Continue to increase Web-based interaction and information sharing with the community through expanded use of the "E-Policing" program.
- In 2008-2009 the Gardena Municipal Bus Line will purchase fourteen (14) gasoline/electric hybrids to continue its "clean air" effort. The GMBL will complete the occupancy of the new administration, operation and maintenance facility meanwhile to take advantage of any opportunities to expand service routes. The GMBL will also take the Elderly/Handicap service in-house and operate it on a non-contract basis.

## **OTHER INFORMATION**

The City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

## **SINGLE AUDIT AND COMPLIANCE**

As a recipient of federal and state financial assistance, the City also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management and the finance staff of the City. In management's opinion, the City's internal controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions. Also, the results of the City's single audit for the fiscal year ended June 30, 2007, provided no instances of material weaknesses in the internal control structure or significant violations of applicable laws and regulations. The Single Audit for June 30, 2008 will be completed and submitted during March 2009.

## **BUDGETARY CONTROLS**

In addition, the City maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City's governing body. The City's Finance Committee is comprised of two Council members (appointed by the Mayor) and the City Treasurer. The Committee meets quarterly with the City Manager, the Administrative Services Director, and staff to review and make recommendation on the City's budget and other financial actions. Activities of the general fund, special revenue funds and capital projects funds are included in the annual appropriated budget. The level of budgetary control (that is, the level at which expenditures can not legally exceed the appropriated amount) is established at the fund level. The City also applies and maintains a modified accrual accounting system as a technique of accomplishing budgetary control. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **ENCUMBRANCE ACCOUNTING AND CONTROLS**

The City will pursue spending controls through implementation of encumbrances and purchasing procedures next year. This will become very important for the City given the economic uncertainty.

## **APPROPRIATIONS LIMIT**

Proposition 4, the "Gann" initiative, was passed by California voters in 1978 and is intended to limit governmental appropriations. The appropriations limit is calculated each year based upon fiscal year 1978-1979 appropriations, which are modified by the composite consumer price index, and population changes that have occurred in subsequent years. The City's appropriation limit for fiscal year 2007-2008 and 2008-2009 amounted to \$77,487,003 and \$81,043,656 respectively.

## **CASH MANAGEMENT**

The elected City Treasurer personally manages investments for the City. Cash temporarily idle during the year was invested in Certificates of Deposits (CDs) with different banking institutes, U.S. Treasury and Federal Agency Obligations, and in the Local Agency Investment Fund (LAIF). LAIF is administered by the Treasurer of the State of California, obligations of the United States Treasury, Federal Agency Coupons and Discount Notes, Medium Term Notes, and Certificates of Deposit. These investments are allowed under an investment policy adopted by the City Council, which defines eligible investments and maturities of the City's investment portfolio, and requires securities to be held by the City or by a qualified custodial institution and registered in the name of the City.

The City's total Cash and Investment balance was \$36,436,781 at June 30, 2008, a 10.37% increase compared to the last year. The City's total Cash balance at June 30, 2008 was \$3,434,300, a 75.95% increase over the cash balance of \$1,951,961 on June 30, 2007. The City's Investment balance on June 30, 2008 was \$33,002,481, which is up 6.25% from last fiscal year's balance of \$31,062,385.

The City's Cash and Checking accounts combined had a balance of \$4,280,048 at June 30, 2008, 64.1% less than the balance of last fiscal year of \$11,909,571; however, the interests earned on these accounts was \$819,021 at June 30, 2008, compared to \$574,070 at June 30, 2007. Even though the cash balance decreased, the interest earned increased by 42.67%.

The quarterly return on LAIF pooled investments at June 30, 2008 was 3.11%, down 2.12% compared to the same period of last fiscal year (June 30, 2007) of 5.23%. The LAIF investment balance at June 30, 2008 was \$29,382,743, or 186.59% higher than the last fiscal year balance of \$10,252,518. The nationwide decreasing trend in the interest rate was not yet reflected at a full scale by LAIF investment.

The total balance of all other investments was \$2,773,990 at June 30, 2008, 66.87% lower than June 30, 2007 balance of \$8,377,257. Total interest earned on all other investments at June 30, 2008 was \$322,613, a 51.25% lower than interest earned at June 30, 2007 of \$661,859, which was due to the combination of principal reduction and lower interest rate.

## **RISK MANAGEMENT**

For general liability, the City is self-insured for the first \$400,000 of each loss for the City and \$250,000 for the Bus Line, with \$10 million per occurrence excess liability coverage through Everest National Insurance Company. The City also maintains statutory excess workers' compensation insurance through National Union Fire Insurance Company of Pittsburg, Pennsylvania. Property insurance is maintained by the Travelers Insurance with the liability limit of \$30,735,417.

## **INDEPENDENT AUDIT**

Caporicci & Larson (C&L), an independent public accounting firm, has examined the financial statements of the City. Their opinion on the City's financial statements and supplemental information is included within this report.

## AWARDS

- ✓ In January 1992, the City of Gardena received "*Honorable Mention*" in the Excellence in City Financial Management Award, co-sponsored by the United States Conference of Mayors and AMBAC Indemnity Corporation, a leading municipal bond insurance company. This award honors outstanding leadership in municipal financial management as exemplified by the City's conservative financial strategy and unique programs such as the innovative First-Time Home Buyers Program, which assisted families who did not have the resources for a down payment for the purchase of their first home.
- ✓ In 1992, the Southern California Municipal Athletic Federation, a sports organization comprised of recreation agencies from Fresno to San Diego, presented the City of Gardena with their *Golden Shield Award*. This award honors agencies, which have been highly involved in promoting and providing youth and adult sports programs for many years. Gardena also received the award in 1976, the first year of the program's existence.
- ✓ In 1985 and again in 1995, Gardena was named *WeTip Model City of the Year* by the national crime-fighting organization. The award recognized the City's long-standing support of WeTip's efforts.
- ✓ In September 1995, the City of Gardena was granted the *Workplace Diversity Professional Development Award* from the International City/County Management Association (ICMA). The award recognized the City's achievements in training and career development for women and minorities, particularly in management.
- ✓ In 1997, Gardena received the California Society of Municipal Finance Officers (CSMFO) certificate for "*Excellence in Public Communications 1996-1997.*" This award recognizes the achievement of excellence in producing a public communications document, which enhances general public understanding of city government and encourages citizen participation.
- ✓ The City's "*Outstanding Financial Reporting 2003-2004*" award from CSMFO represents the twentieth year of recognized achievement. This certificate is issued in recognition of meeting professional standards and criteria in reporting, which reflect a high level of quality in the annual financial statements and in the underlying accounting systems from which the reports were prepared.
- ✓ The "*Excellence in Operational Budgeting '2006-07'*" award from CSMFO was the eleventh year award of achievement for Gardena. This is an annual certificate awarded to qualified applicants based on outstanding budget documents and the underlying budgeting process through which the budget is implemented.
- ✓ The "*Distinguished Budget Presentation Award*" from GFOA was presented to the City of Gardena for the fiscal year beginning July 1, 2006. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device. The City has received this award for eleven consecutive years.
- ✓ 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 Gardena for its Comprehensive Annual Financial Reports (CAFR) for over twenty consecutive years including fiscal year 2006-07. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communication device.
- ✓ The most distinguished *Budget Cover* for fiscal year 2004-05 was awarded to the City of Gardena from CSMFO.

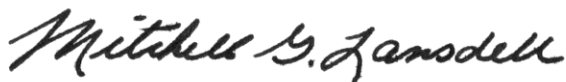
- ✓ The City of Gardena received a 2004 Project of the Year award from the Southern California Chapter of the American Public Works Association (APWA) for its work on the Gardena Willows Wetland Project, a 13-acre preserve with 9 acres of riparian forest.
- ✓ Gardena was presented with the 2006 Environmental Award from EPA for *Outstanding Achievement* in recognition of its successful use of a \$350,000 EPA Brownfields grant as “seed money” to leverage more than \$20 million in acquisition and cleanup costs. Additionally, the City acquired a 9.2 acre Brownfields property for its new state-of-the-art “green” Municipal Transportation facility.
- ✓ In 2007, the City’s Artesia Corridor Specific Plan received the Southern California Association of Governments Compass Blue Print Award for Visionary Planning for Prosperity. The Plan is designed to guide the redevelopment of an industrial/commercial corridor at the terminus of the State 91 (Gardena) Freeway to a vibrant urban village of residential, live-work and retail/commercial development.
- ✓ In November 2007, the City of Gardena’s City Manager was selected as American City and County Municipal Leader of the Year.

All the financing reporting awards are valid for a period of one year only. We believe that our current CAFR continues to meet the Award Programs’ requirements.

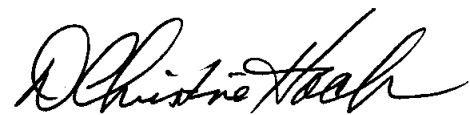
## ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the concerted effort and dedication of all the employees of the Gardena Administrative Services Department. With their excellent performance and support, this presentation is possible. Appreciation is also expressed to the audit staff of Caporicci & Larson (C&L), for their advice and assistance in preparation of this report. Finally, we would like to thank the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,



Mitchell G. Lansdell  
City Manager



D. Christine Hach  
Director of Administrative Services/ Assistant City Manager

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Gardena  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

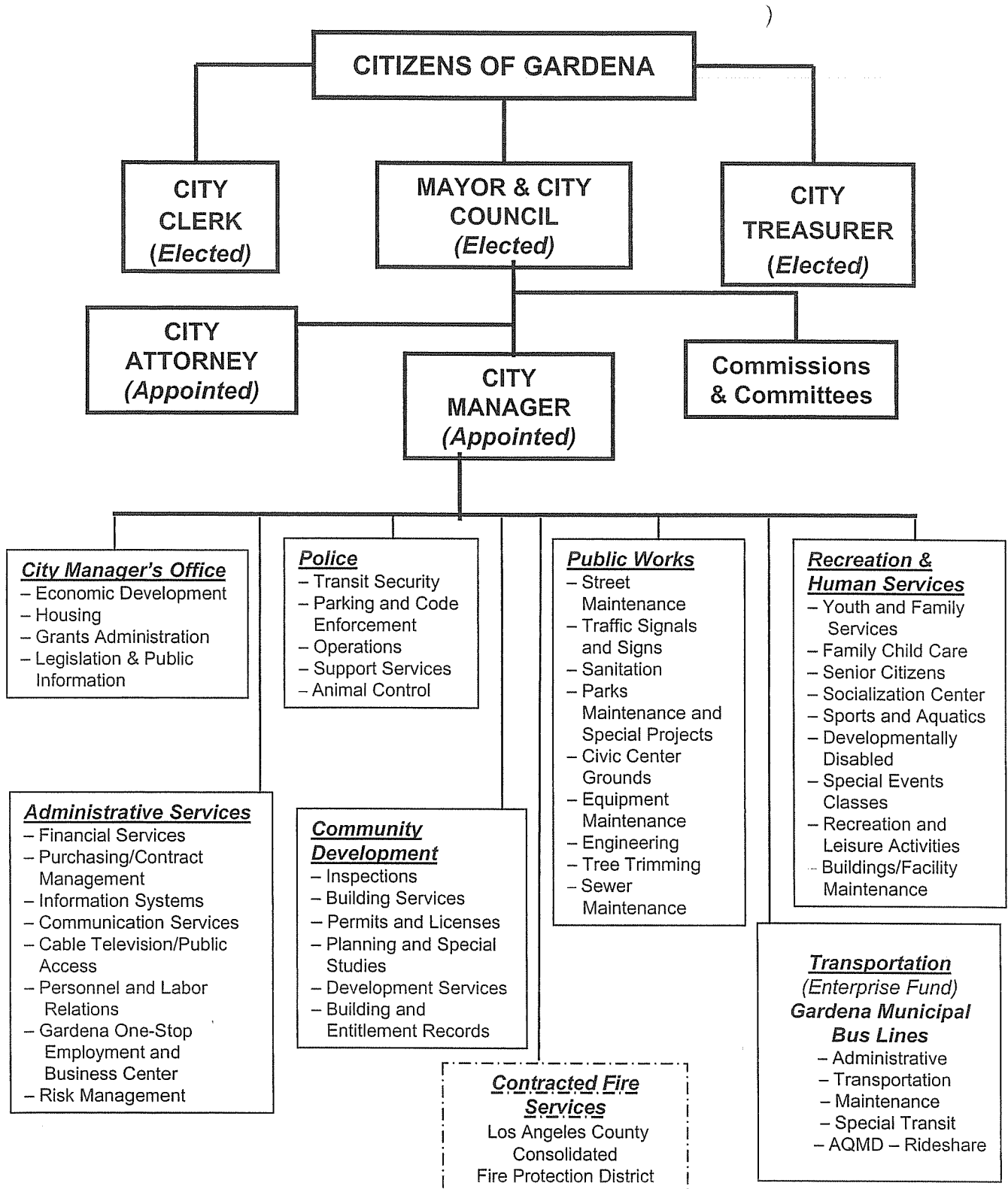
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards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



President

Executive Director

# CITY OF GARDENA ORGANIZATION CHART



# OFFICIALS OF THE CITY OF GARDENA, CALIFORNIA

FISCAL YEAR 2007 - 2008

CITY OF GARDENA

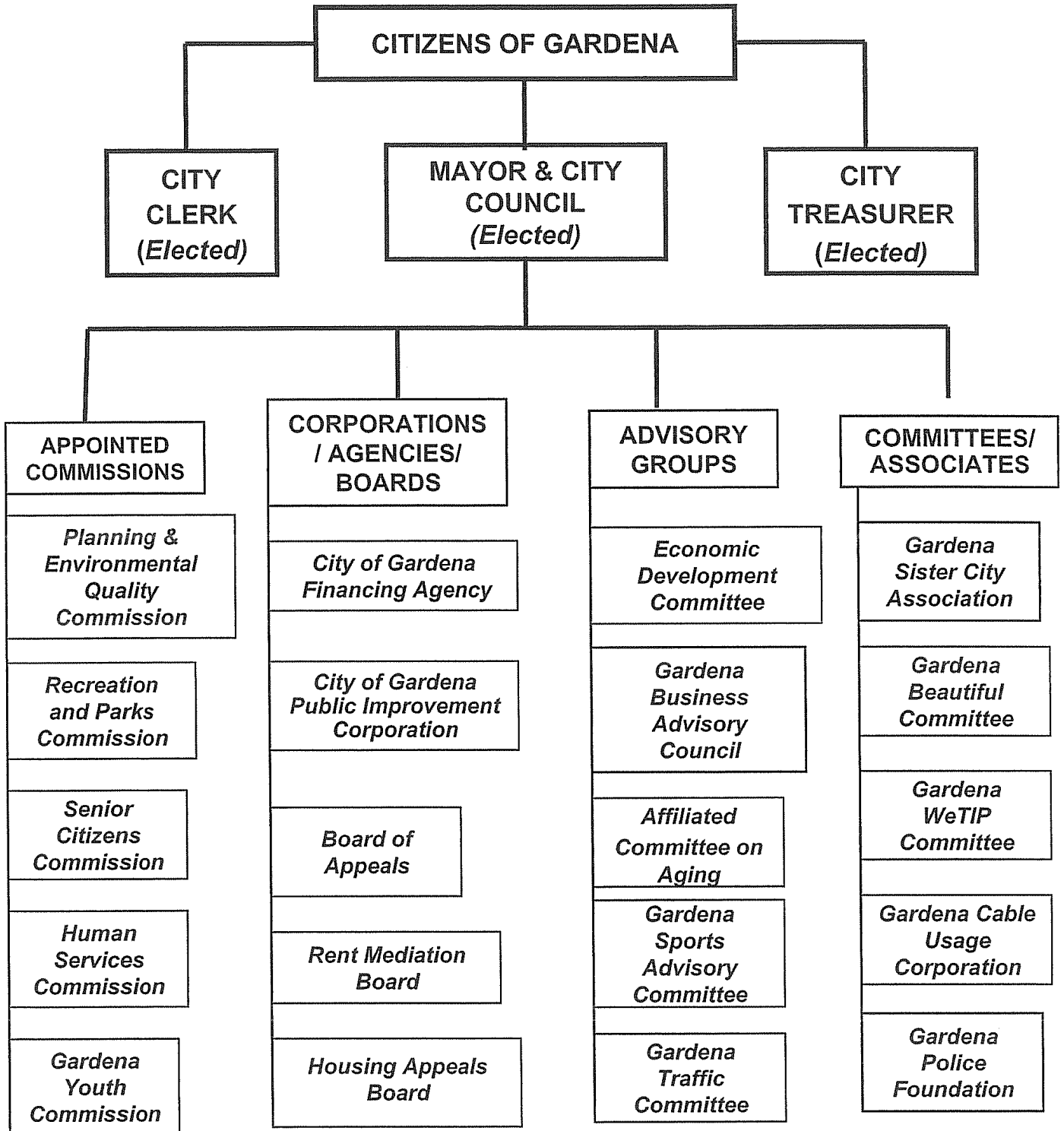
## CITY COUNCIL

Paul K. Tanaka, *Mayor*  
Ronald K. Ikejiri, *Mayor Pro Tem*  
Steven C. Bradford, *Councilmember*  
Rachel C. Johnson, *Councilmember*  
Vacant, *Councilmember*

## Administration Officials and Department Heads

City Manager .....	Mitchell G. Lansdell
Assistant City Manager/ Administrative Services Director .....	D. Christine Hach
City Treasurer .....	J. Ingrid Tsukiyama
City Clerk .....	Maria E. Marquez
City Attorney .....	Edward W. Lee
Chief of Police .....	Edward Medrano
Community Development Director .....	Lisa Heep
Public Works Director .....	Bruce J. Pollack
Recreation and Human Services Director .....	Kelly J. Fujio
Transportation Director .....	Whitman M. Ballenger
Assistant Fire Chief - LA County Fire District .....	Robert Valdillez

**CITY OF GARDENA  
COMMISSIONS AND COMMITTEES**



# CITY OF GARDENA

## *Comprehensive Annual Financial Report* *June 30, 2008*



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