

CITY OF SIERRA MADRE
SIERRA MADRE, CALIFORNIA



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
June 30, 2011

*Prepared by the City of Sierra Madre, California
Administrative Services Department*

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February 9, 2012
Honorable Mayor and City Council
City of Sierra Madre
Sierra Madre, California

To the Honorable Mayor, Members of the Governing Council and Citizens of the City of Sierra Madre:

It is with great pleasure that we present to you the City of Sierra Madre's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2011. The report complies with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) statement 34, and for the second year contains the City's Other Post Employment Benefit obligation as required by GASB statement 45. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has the primary responsibility for determining accounting and financial reporting standards for state and local government entities.

This Financial Report is organized into three sections:

1. **Introductory Section** - The introductory section, includes the table of contents, letter of transmittal, a list of the City's elected officials and City administrative personnel and an organization chart.
2. **Financial Section** – The financial section includes the independent auditors' opinion, management's discussion and analysis (MD&A), the basic financial statements, notes to the financial statements, and required supplemental information.
3. **Statistical Section** – The statistical section has been redesigned in compliance with GASB No. 44 and provides schedules designed to reflect financial trends, revenue capacity, debt capacity, demographic and economic information.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management 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 generally accepted accounting principles (GAAP). As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Sierra Madre's financial statements have been audited by *Beranek Chan and Associates*, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sierra Madre for the fiscal year ended June 30, 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering

an unqualified opinion that the City of Sierra Madre's financial statements for the fiscal year ended June 30, 2011, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this 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 complement the MD&A and should be read in conjunction with it. The City of Sierra Madre's MD&A can be found immediately following the report of the independent auditors.

While traditionally addressed to the governing body of the City, this report is also intended to provide relevant financial information to the citizens of the City of Sierra Madre, City staff, creditors, investors and other concerned readers. We encourage all readers to contact the Administrative Services Department with any questions or comments concerning this report.

History

The City of Sierra Madre is located in Southern California and is part of the San Gabriel Valley within Los Angeles County. More specifically, Sierra Madre is located 12 miles northeast of the City of Los Angeles nestled against the foothills with Pasadena to the West and Arcadia to the South and East. The City was incorporated in 1907, under the laws of the State of California. Sierra Madre operates under all the rights and privileges applicable to a general law city under a Council-Manager form of Government.

Under the council-manager form of government, the five-member elected at-large governing body, the City Council, is responsible for establishing policy, passing local ordinances, voting appropriations, and developing an overall vision for the City of Sierra Madre. Under such a government, the Mayor performs primarily ceremonial duties and is the presiding officer of the City Council. Selection of the Mayor and Mayor Pro-Tem is done annually in April through a Council nomination and vote.

The City Council then appoints a City Manager to oversee the daily operations of the government and implement the policies established by the governing body. The City Manager serves the governing body, often with an employment agreement or contract that specifies his or her duties and responsibilities.

The City of Sierra Madre is a full-service city with approximately 68 full time employees consisting of eight departments, including a full Police Department and a hybrid paid-volunteer Fire Department. Volunteers are an important part the City organization and community services clubs. In 2007, the City received the All-America City Award.

The City has a population of approximately 11,000 residents. The City has roughly 4,200 parcels and provides water and/or sewer utility services to about 3,800 customers.

The Redevelopment Agency was created in 1973 pursuant to redevelopment law of the State of California commencing with Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the rehabilitation, improvement and development of blighted areas within the project area of the Agency. The City Council serves as the Agency's Board Members. As such, it is deemed to be financially accountable. Therefore, all Agency financial activities are blended with the City's financial statements.

A subsequent event to the June 30, 2011 financials is the dissolution of Redevelopment in California pursuant to AB 1X 26 and upheld by California Supreme Court. The City will become the Successor Agency as of February 1, 2012 and will administer the Enforceable Obligation Payment Schedule. The City will also assume the Housing Authority responsibilities with the dissolution of the CRA.

The Sierra Madre Financing Authority was established on 1972. The purpose of the Authority is to act as a vehicle for various financing activities of the City and the Agency. The bylaws of the Authority

establish the City Council as the governing body. This entity is blended into the City's combined financial statements.

Economic Condition and Outlook

The City of Sierra Madre is a primarily residential community with a small business district in the downtown area covering less than one-half mile. As a result, Property Tax makes up a little more than 50% of the General Fund revenues while the Utility User Tax brings in another 35% of the City's primary income resources. Sales Tax on the other hand makes up only 5% of the total General Fund resources.

Over the last decade, Los Angeles and California economy has grown and more recently collapsed due to the 2004 housing boom and 2008 housing market crash. Due to the fact that Sierra Madre did not see a significant turnover in real estate ownership during the boom period, the City has largely been spared the decrease in property tax revenue that has so significantly impacted other cities. The median sale price of a single family home in Sierra Madre from January through September 2010 was \$680,000. This represents a \$20,000 (-2.9%) decrease in median sale price from 2009. Los Angeles County (as a whole) has a median sale price of \$339,000. *HdL Coren and Cone*, Sierra Madre's property tax auditors, estimate that the FY 2011-12 Proposition 13 annual inflation adjustment of real property value will be approximately 0.50 percent for the State. This will be the seventh time that the inflation adjustment is less than the maximum 2 percent allowed by Proposition 13. The annual inflation adjustment is based on the California Consumer Price Index (CCPI) measured each October from the previous October.

During the housing boom the City's property tax collection grew from \$2.1 million to \$3.1 million between 2004 and 2008. However, this trend ceased in 2008 and the County of Los Angeles' overall tax collection for 2010-2011 was negative for a third year in a row. Sierra Madre property tax collection was \$3.4 million in Fiscal Year 2010-2011; a flat growth of only 0.5% to 1.0% year-over-year for three years. The City projects this trend in its five year forecasting models.

Sales Tax still remains a small portion of the City's revenues; however, it is closely monitored for its overall economic indicator. Sierra Madre has lost \$20,000 in annual revenue since 2008; this is a 10% loss over a three year period. Sales trends usually pick up before the housing market and usually correlate to unemployment rates. While the State Legislative Analyst's Office and the State Tax Franchise Board are projecting increases in the sales tax, the unemployment rate has not improved in their assumption rates. In addition, the price of gasoline could further weaken the economy as households will be faced with fewer dollars for discretionary spending. Staff therefore has assumed that sales tax will not rebound into the foreseeable future. It may in fact see further decline.

Despite the recent years of flat growth in property and sales taxes, the General Fund financial health was stable primarily due to the April 2008 voter approved increase in the Utility User Tax (UUT). In July 2008, the UUT increased from 6% to 8%, followed by another 2% increase (8% to 10%) effective July 1, 2009. The UUT has been predominantly strong in the area of Communication, assumed to be tied directly to the capturing of the wireless boom and consumer trend to purchase "Smart-phones". From 2008 to 2010 this revenue has increased from approximately \$350,000 to almost \$928,000. On the other hand, the revenue from Southern California Edison and the Gas Company has not produced the tax revenue expected from the voter approved increase. They have increased from \$451,000 to \$688,000 and from \$188,000 to only \$218,000 respectively. For the next four years, staff assumptions have left the UUT collection at 10% (9% for water/sewer) although the Ordinance allows for a collection rate of 12%. The City's Utility User Tax has a current sunset set for a 2% decline beginning July 1, 2014 and 2% thereafter; returning to the maximum collection rate of 6%. It is estimated that the City collects \$250,000 per 1% of the UUT. The voters may have an opportunity to vote on extending the sunset dates in April 2012.

The City has adopted a balanced budget for the 2011-2013 fiscal years. Every year, based on economic changes, mid-year adjustments are made to revenues and expenditures. It is important for the City to monitor and control all expenditure increases because, revenues are not anticipated to keep pace with expenditures. In addition, the City must continue to look at setting aside reserves for building and infrastructure needs.

Although the focus of this Financial Report is the economic condition of the City at June 30, 2011, the future stability of the State of California's budget situation is a critical element of our economic condition. The Management Discussion and Analysis (MD&A) will address this issue.

Major Accomplishments for the Year:

- Established a Canyon Zone Ordinance
- Identified and allocated funding to do the entire Hart Park House renovation
- Created a Facebook page for the city
- Hired three part-time police officers
- The Family Place Library sponsored several Parent-Child Workshops
- Held successful General Plan Town Hall Forums
- Established a Green Committee
- Renovation of the Sierra Madre Community Room
- Installed new street signs
- Approved our Five-Year Community Redevelopment Agency Implementation Plan
- Established a Business Incentive Program
- Prioritized CRA (Community Redevelopment Agency) projects
- Authorized a contract for General Plan technical support
- Approved increased water rate to ensure the solvency of the Water Fund
- Completed Phase II (90%) of the accounting software replacement program
- Completed GASB 45 and adopted a pre-funding policy for other public employee benefit
- Completed Phase II of our street program with 70% of our streets in good or better condition
- Amended the Municipal Code to allow trained volunteers to assist with traffic control on closed streets, saving the city and community groups money
- Tested and hired part-time engineers for the Fire Dept.
- Restructured the business license fees
- Reached the goal of 45 block captains as part of the Neighborhood Watch Program
- Launched the new City website
- Began replacement of water main on Sierra Madre Boulevard
- Provided more services online
- Increased police volunteers by 75%
- Implemented Street Sweeping Awareness Program
- Completed LA County Health Department audit of our paramedic service
- Established a Volunteer Corps for the General Plan Steering Committee that has taken over 3000 pictures of sites in the city
- Adopted a new MOU with our classified employee group
- Completed an ISO (Insurance Service Organization) audit
- Awarded a contract for ADA improvements at the Civic Center
- Established a Business Incentive Program to subsidize development impact fees for qualified businesses
- Maintained a General Fund reserve of above 50%
- Installed new restrooms in Memorial Park
- Installed new playground equipment in Memorial Park
- Approved the Alverno High School Master Plan
- Implemented Community Bicycle Safety Plan
- Implemented GASB 54 for new fund balance reporting for financial statements
- Adopted GASB 45 and began pre-funding of OPEB (other post employment benefits)
- Lowered and streamlined the fees for commercial solar permits

- We were awarded a designation as a Family Place Library as part of a LSTA grant
- Awarded a contract for a Downtown Market Study
- Completed FLSA (Fair Labor Standards Act) audit
- Awarded a contract for resurfacing our streets
- Implemented online utility payment service
- Council funded document management system for agenda meeting packets

Other Financial Information

Budgetary Control

The City Council is required to adopt an annual budget by June 30, prior to the beginning of the biennial budget cycle. The budgets are adopted on a basis that does not differ materially from Generally Accepted Accounting Principles (GAAP). An appropriated annual budget is legally adopted for the General and Special Revenue Governmental Funds. Annual appropriated budgets are not adopted for Debt Service Funds because bond indentures are used as the method for adequate budgetary control.

Capital Projects Funds do not have annual appropriated budgets. Instead, control over projects is maintained by means of a project-length capital improvement budget. This project-length budget authorizes total expenditures over the duration of a construction project, rather than year by year. Additionally, planned expenditures for the capital projects and purchases for the current budget cycle are reflected within the operating budgets of the appropriate fund whose resources are used to fund the project.

The City Manager maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the department level and within a single fund. The City Manager may authorize transfers of appropriations within a department so long as it is within a single fund. A department manager may move funds within a single fund between divisions and categories (personnel and non-personnel) without City Manager approval. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. Supplemental appropriations during the year must be approved by the City Council. These appropriations, representing amendments to the budget during the year, could be significant in relationship to the original budget as adopted (see Budget Amendment Procedures).

The City uses an "encumbrance system". Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as reserved fund balance. In order to be an encumbered appropriation there must be either an approved purchase order or contract in force as of June 30. All unencumbered appropriations lapse at fiscal year-end.

Fund Balance Policy

In June 2011, the City Council adopted GASB 54, fund balance policy. This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the City of Sierra Madre and Sierra Madre Community Redevelopment Agency (CRA) financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- Components of fund balance –
 - Nonspendable (inherently nonspendable)
 - not in spendable form or requirement to maintain intact
 - Restricted fund balance (externally enforceable limitations on use)
 - Outside parties
 - Constitutional provisions or enabling legislation
 - Committed fund balance (self-imposed limitations)
 - Formal action by the end of the fiscal period
 - Highest level of decision making
 - Assigned fund balance (limitation resulting from intended use)
 - Less formal action
 - Highest level of decision making or designated body/official
 - Unassigned fund balance (residual net resources)
 - (+) only in the General Fund

The City Council adopted a financial policy to accumulate undesignated General Fund reserves equal to 50% of operating revenues. The Internal Services should establish cost allocations equal to 120% of operating expenditures so as to plan for vehicle replacement, infrastructure maintenance and enhancements, technology upgrades and replacements, and increases in insurance premiums.

Debt Administration

The City's General Fund does not have any general obligation bonds as of June 30, 2011.

The City's General Fund and Internal Services Funds have a 10 year Master Lease with a combined outstanding balance of \$759,254 as of June 30, 2011

The City's Water Fund has two Water Revenue Bonds and one interest free loan as of June 30, 2011

1. WATER REVENUE BONDS (1998 SERIES) with an outstanding balance of \$3,355,000.
2. WATER REVENUE BONDS (2003 SERIES) with an outstanding balance of \$6,750,000.
3. SAN GABRIEL VALLEY WATER DISTRICT TEN-YEAR INTEREST FREE NOTE with an outstanding balance of \$1,456,875.

The City's Sewer Fund has a 10 year Master Lease with an outstanding balance of \$332,654 as of June 30, 2011.

The City's Community Redevelopment Agency has a TAX INCREMENT REVENUE REFUNDING BOND (1998 SERIES) with an outstanding balance of \$2,840,000 as of June 30, 2011.

The City made all required debt obligations in a timely manner in FY 2010-2011.

Risk Management

The City of Sierra Madre is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The City has coverage for property, automotive, earthquake, flood, pollution and crime insurance. The City has deductibles ranging from \$30,000 to \$100,000 dependent on the policy coverage agreement.

The City of Sierra Madre also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety.

Long-term Financial Planning

The City updates a five-year Capital Improvement Program (CIP) during the biennial budget process. The City listed approximately \$965,000 budgeted for FY 2010-2011; of these projects, about 75% were either started or completed in this budget cycle. The CIP includes improvements to community trails and parkway, street repavement program, refurbishment of the City Maintenance Yard trash dock, the Sierra Madre Room renovation, Hart Park House renovation, water meter replacement, energy efficiency upgrades and replacement of the City's accounting software. Funding for this year's capital projects came primarily from the City's Internal Services Funds and various grants. The five year CIP also lists infrastructure needs particularly in the area of Water and Sewer that exceed \$50 million; these projects do not have a funding source, but remain on the list as the City seeks Federal, State and County assistance.

Cash Management Policies and Practices

Cash not immediately needed to finance City operations during the year was invested in the State of California's Local Agency Investment Fund (LAIF). The investment program is managed in accordance with the Investment Policy approved by the City Council. In addition, the City had an escrow account established from loan proceeds of the Master Lease provided by Municipal Finance Corporation pending the purchases of the City Council approved equipment. Funds not required for purchasing City equipment will be refunded against the loan. It is the objective of staff to attain a greater percentage of invested funds, while maintaining the necessary reserves needed to fund City services. However, it should be noted that all investment decisions are made by considering safety first, liquidity second, and yield third.

Pension Benefits

The City provides pension benefits for all full-time and PERs eligible employees through a statewide plan managed by the California Public Employees Retirement System (CalPERS). The City has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payments to CalPERS. Additional information on the plan can be found in Note 10 in the notes to the financial statements.

The City provides post-employment health benefits to its employees in accordance with agreements reached with the various employee bargaining groups. The City pays for retirees' health care premiums in these plans up to the contribution limits established in the agreements with each respective bargaining unit. These payments are financed on a pay-as-you-go basis. As of June 30, 2011 the City was providing benefits to 9 retirees.

Beginning with the annual financial report for fiscal year ending June 30, 2010, the City has also included information pertinent to the unfunded actuarially accrued liability resulting from this post-employment benefit in conformity with the requirements of Government Accounting Standards Board Statement number 45. In 2011, the City Council authorized staff to initiate a pre-funding agreement with CalPERS CERBT OPEB Trust Fund for the City's unfunded liability. The City Council chose a 10 year amortization policy and made a payment of \$361,594 for 2009-2010 and 2010-2011. Additional information on the plan can be found in Note 12 in the notes to the financial statements.

Independent Audit

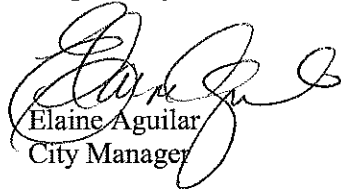
The City requires an annual audit by independent certified public accountants. The accounting firm of *Beranek Chan and Associates*, conducted this year's audit. The auditor's report on the basic financial statements, which include the government-wide and fund financial statements, is located in the financial section of this report.


Acknowledgements

In June 2010, the City converted to a Citywide Enterprise Resource Planning Software (ERP) that integrated Development Services, Project Management, Fixed Assets, Customer Relationship Management, Utility Billing (including the successful launch of on-line utility payments), Document Management, and Financial Reporting into one comprehensive software application. This Annual Report is the one of the many successful outcomes of this integration. The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff and the many departments that have embraced this challenge and helped to make it possible.

This report would also not have been possible without the City Council's leadership in conducting the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner.

Respectfully submitted,


Elaine Aguilar
City Manager


Karin Schneider
Administrative Services Director



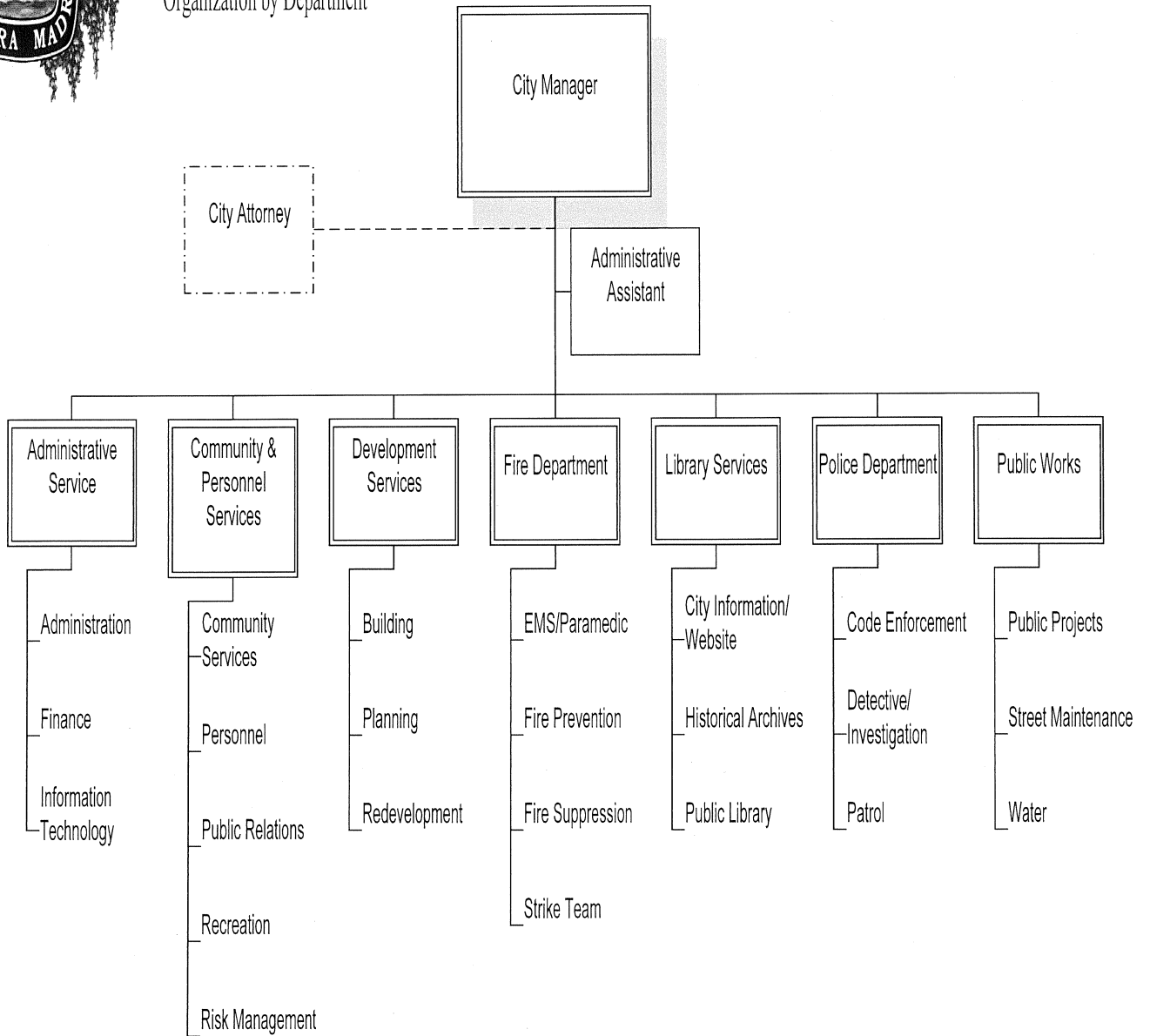
FY 2011-2013

Organizational Chart



City Of Sierra Madre

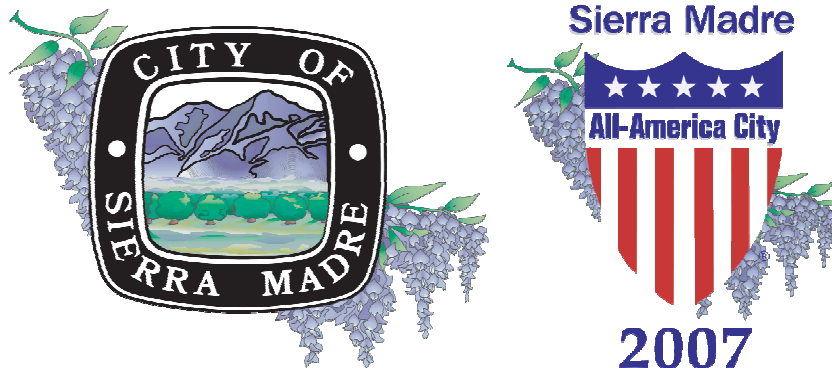
Organization by Department



City of Sierra Madre, California

Village of the Foothills
2007 All-America City Recipient

Financial Statements



July 1, 2010 – June 30, 2011

City of Sierra Madre
Sierra Madre Community Redevelopment Agency
Sierra Madre Public Financing Authority

City Council and Elected Officials

John Buchanan	Mayor
Josh Moran	Mayor Pro Tempore
MaryAnn MacGillivray	Council Member
Nancy Walsh	Council Member
Nancy Shollenberger	City Clerk
George Enyedi	City Treasurer

Executive Management

Elaine Aguilar	City Manager
Terri Highsmith	City Attorney
Karin Schnaider	Administrative Services Director
Elisa Weaver	Community and Personnel Services Director
Danny Castro	Director of Development Services
Steve Heydorff	Fire Chief
Carolyn Thomas	Director of Library Services
Larry Giannoni	Police Chief
Bruce Inman	Public Works Director



BERANEK CHAN AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditors' Report

To the Honorable Mayor and Members of City Council
of the City of Sierra Madre
Sierra Madre, California

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

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America. 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 opinion.

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

In accordance with *Governmental Auditing Standards*, we have also issued a report dated February 9, 2012 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 20 and 63 through 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Berank Chan & Associates

February 9, 2012
Arcadia, California

Certified Public Accountants

**CITY OF SIERRA MADRE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

As management of the City of Sierra Madre ("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. This is the seventh year the report complies with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. The new financial reporting model changed the format of the City's financial statements. It has improved financial reporting by adding significant additional information not previously available in local government financial statements. The implementation of GASB 34 has enabled the City Council and residents of Sierra Madre to become more aware of the benefits and information contained in the new financial reporting model. In addition to the fund-by-fund financial information currently presented in the City's financial statements, government-wide financial statements are also included. These include a Statement of Net Assets that provides the total net equity of the City, including infrastructure, and the Statement of Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. Reconciliation reports are provided as a key to understanding the changes between the two reporting methods (found on pages 24 and 26). The new reporting model also includes an emphasis on the City's major funds as shown in the Governmental Fund Statements.

These statements, combined with other information, are further analyzed in the narrative section called Management's Discussion and Analysis (MDA). The MDA provides financial highlights and interprets the reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MDA is intended to disclose significant events or decisions that affect the financial condition of the City. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage the readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal in the City's biennial budget and the accompanying basic financial statements. Comparative data on the government-wide financial statements are only presented in the MD&A.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

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FINANCIAL HIGHLIGHTS

- The City's governmental activities net assets decreased \$1,322,944, or 0.67 percent, and net assets of the business-type activities decreased by \$394,968 or 1.78 percent.
- During the year, the City's General Fund increased by \$384,826; the CRA decreased \$169,741; and Total Government Funds decreased \$349,789.
- In the City's proprietary funds, the Water Fund decreased fund balance by \$258,109; the Sewer Fund decreased \$181,096, Other Enterprise Funds increased \$44,239; and Total Internal Services Fund decreased \$1.905 million.

OVERVIEW OF FINANCIAL STATEMENTS

The City is required to present its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) which includes complying with the Governmental Accounting Standards Board (GASB) pronouncements. In 2004, the City was required to implement GASB Statement No. 34 (GASB 34) which required the City to add new financial reports with a new format to the existing published Financial Report. The new financial reporting format includes the Government-wide Financial Statements, which are comprised of the Statement of Net Assets and the Statement of Activities (explained below), and the original reporting format, which is the Fund Financial Statements (explained below), combined into a single unified format. These two statements combined with the notes to the financial statements comprise the City's basic financial statements. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. This report also contains certain supplementary information to the basic financial statements.

Government-wide Financial Statements

Government-wide financial statements include the City and its component units. As stated in Note 1.a. of the notes to the financial statements, the inclusion of an organization within the scope of the reporting entity of the City of Sierra Madre, as either blended or separately shown, is based on the provisions of GASB Statement No. 14 *The Financial Reporting Entity*. Although legally separate, component units function for all practical purposes as departments of the City and, therefore, have been blended as part of the primary government. The City's component unit is the Sierra Madre Community Redevelopment Agency (CRA).

These statements are designed to provide information about the activities of the City as a whole and present a longer-term view of the City's finances. This longer-term view is intended to illustrate the City's ability to continue functioning as a viable entity well beyond the next fiscal year's operations. The statements are prepared using the accrual basis of accounting. The accrual basis of accounting considers money available when earned and considers money spent when a liability is incurred. As such, this basis of accounting focuses on measuring economic resources that is available to the City regardless of the timing of the availability of those resources. For example, grant revenue may have been earned as of fiscal year end, but may not be received until several months subsequent to fiscal year end. Under

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the accrual basis of accounting, this revenue would be recognized as a resource available to the City as of fiscal year end, even though the actual cash is not received for several months. An example related to expenditures would be the City's accrued interest liability. This liability is recognized as a usage of the City's resources as of fiscal year end, even though the actual cash payment will occur over an extended period of time. The accrual basis of accounting is similar to that used by most private sector companies. Accordingly, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, these statements reflect the capitalization and depreciation of infrastructure and other capital assets (e.g., buildings, vehicles, furniture and fixtures, etc.) as well as the recognition of various long-term liabilities (e.g., bonds payable, accrued employee benefits, claims and judgments payable, etc.).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes, intergovernmental and use of money and property revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government Public safety - police, public safety - fire protection, public safety – community development, community and library services, and engineering and public works. The City's business-type activities include the Municipal Utility operations, and other self-supporting activities.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the excess of assets over liabilities reported as net assets. This statement includes changes in "capitalized and depreciated" capital assets. The purpose behind the statement of net assets is that, over time, increases or decreases in the net assets are one potential 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 (both positive and negative) in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both the governmental activities and the business-type activities are presented on the accrual basis of accounting, which considers money available when earned and considers money spent when a liability is incurred. The accrual basis of accounting focuses on measuring economic resources that are available to the City regardless of timing of the availability of those resources. Proprietary funds, discussed below, also follow the accrual basis of accounting.

The government-wide financial statements can be found on pages 21 through 22 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. The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. In addition, in order to meet legal responsibilities for using certain taxes, grants, and other resources, prudent fiscal management requires the establishment of other funds to help control and manage money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

By contrast to the government-wide financial statements, the governmental fund financial statements, a part of the Fund Financial Statements, use the modified accrual basis of accounting which considers money available when it is collectible within the current period or soon enough thereafter (60 days after the end of the current fiscal period) to pay liabilities of the current period. Expenses are recorded when a liability is incurred. Debt service, claims and judgments, and accrued employee leave benefits are not recorded as liabilities, they are expensed at the time a payment is due. Note 1 of the notes to the Financial Statements more fully describes each basis of accounting.

Governmental funds: Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the governmental fund financial statements and those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement (see pages 22 and 24 of this report).

The City maintains 77 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 Redevelopment Agency Capital Project Fund, and the Redevelopment Agency Debt Service Fund, all of which are considered to be major funds. Major funds determination is based on guidelines established by GASB 34. For FY 2009-2010, the City added the Federal Grant called Fire Management Assistance Grant (FMAG) as a major fund. This grant is one-time grant provided by FEMA (Federal Emergency Management Agency) to aide in the costs of the April 2008 Santa Anita Fire. For FY 2010-2011, the City's Open Space Special Revenue fund qualified as a major fund as a result on a one-time State and Federal Grant to remodel the Sierra Madre Room at Sierra Vista Park. Data for the other 77 governmental funds are combined into a single, aggregated presentation. The comprehensive listing of all

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governmental fund financial statements can be found beginning on pages 69 of this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget. This comparison can be found on pages 63 of this report.

Proprietary funds: When the City charges customers' fees to cover the cost of the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. In the fund financial statements section, proprietary funds provide similar information to that contained in the *business-type activities* in the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 27 through 29 of this report.

“Enterprise” refers to the fund type while *“business-type”* refers to the activity type. The City uses enterprise funds to account for its Water Utility and Sewer Utility, both of which are major funds; and various smaller self-supporting community operations, which are shown in aggregate titled Other Enterprise Funds. *Enterprise funds* are used to report the same functions presented as *Business-Type* activities in the government-wide financial statements.

Internal Service funds by contrast are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for Vehicle/Equipment Replacement and Maintenance, Facilities Maintenance, City Administration/Personnel, and Information Technology (IT), Workers Compensation and Self-Insurance. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Internal Service funds are presented as proprietary funds because both enterprise and internal service funds follow the accrual basis of accounting. However, because these services predominantly involve governmental rather than business-type activities, this fund type has been included within *Governmental Activities* in the government-wide financial statements.

Fiduciary funds: The City is the trustee, or *fiduciary*, for certain funds held for construction deposits and to account for the payment of various employee benefits and deductions including, but not limited to, health and dental insurance premiums, federal and state withholding taxes and various other items that is withheld from regular compensation. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets found on page 30. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 31 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 budget comparison schedules for the General Fund and each major special revenue fund and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on page 63 through 68 of this report.

THE CITY AS A WHOLE

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 private-sector business.

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and the Statement of Activities report information about the City as a whole and about its activities. These statements include *all* assets and liabilities of the City using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's *net assets* and changes in them. Net assets are the difference between assets and liabilities, which is one way to measure the City's financial health, or *financial position*. Over time, *increases or decreases* in the City's net assets are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure, such as City wells and reservoirs construction/replacements, street maintenance/repairs, and building maintenance/improvements.

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In the Statement of Net Assets and the Statement of Activities, City activities are separated as follows:

Governmental activities – The majority of the City’s basic services are reported in this category, including Administrative Services, Police, Fire, Public Works, Planning and Development Services, Redevelopment, Parks and Recreation, and the Library. Revenues such as property taxes, sales taxes, utility taxes, franchise fees, interest income and other state and federal funds finance these activities.

Business-type activities – The City charges a fee to customers to cover the services it provides within this category. The City’s Water system, Sewer system and Community operations are reported in this category.

Government-wide Financial Analysis

Our analysis focuses on the City’s net assets (Table 1) and the changes in net assets (Table 2) as a result of the City’s activities. Comparative total data for the prior year has been presented. An analysis of the significant increases/decreases from the prior year is provided after each table.

Net Assets: Net Assets, the difference between a government’s assets and its liabilities, may serve over time as one potential useful indicator of a government’s financial position (Table 1). Net assets includes the City’s capital assets, cash balances, amounts receivable from other entities, and other similar resources offset by payments due to vendors, interest payable, long-term debt, and other similar obligations. In the case of the City, total assets (of which 92% represents net capital assets of the City, including infrastructure) exceeded total liabilities by \$219,084,905 at the close of the most recent fiscal year. This year, the City’s net assets, including both the governmental activities and business-type activities, decreased by \$1,840,984.

**TABLE 1
STATEMENT OF NET ASSETS
(In Thousands)**

As of June 30

	Governmental Activities		Business-type Activities		Total	
	2010	2011	2010	2011	2010	2011
<u>Assets</u>						
Current and other Assets	\$ 15,210	\$ 13,649	\$ 7,254	\$ 6,580	\$ 22,464	\$ 20,229
Non-current assets	1,683	1,682	341	315	2,024	1,997
Capital assets	187,805	187,395	28,071	27,771	215,876	215,166
Total assets	204,698	202,726	35,666	34,666	240,364	237,392
<u>Liabilities</u>						
Current and other liabilities	2,370	2,534	1,142	1,100	3,512	3,634
Non-current liabilities	3,965	3,274	11,960	11,399	15,925	14,673
Total liabilities	6,335	5,808	13,102	12,499	19,437	18,307

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**TABLE 1
(continued)**

<u>Net assets</u>						
Investment in capital assets, net of related debts	187,805	186,635	15,741	15,843	203,546	202,478
Restricted:						
Capital project	-	2,005	-	-	-	2,005
Debt services	2,529	2,215	-	-	2,529	2,215
Low and Moderate Housing	2,153	2,133	-	-	2,153	2,133
Other projects	-	2,296	-	-	-	2,296
Total restricted	4,682	8,649	-	-	4,682	8,649
Unrestricted	5,876	1,634	6,823	6,324	12,699	7,958
Total net assets	\$ 198,363	\$ 196,918	\$ 22,564	\$ 22,167	\$ 220,927	\$ 219,085

Statement of Activities and Changes in Net Assets: Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, changes in and total net assets are presented in the Statement of Activities (Table 2). Total revenues decreased by \$2.5 million, or 12.64 percent; and total expenses decreased by \$857,000, or 4.30 percent. This chart is on the following page.

**TABLE 2
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
(In Thousands)
For the Year Ended June 30,**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2010	2011	2010	2011	2010	2011
<u>Revenues</u>						
Program Revenues:						
Charges for Services	\$ 5,065	\$ 2,390	\$ 4,173	\$ 4,380	\$ 9,238	\$ 6,770
Operating Grants and Contributions	758	957	-	-	758	957
Capital Grants and Contributions	48	1,008	249	30	297	1,038
General Revenues:						
Taxes	8,906	8,437	-	-	8,906	8,437
Investment Income	232	54	39	11	271	65
Capital Contributions	370	-	-	-	370	-
Other Sources	-	66	-	-	-	66
TOTAL REVENUES	15,379	12,912	4,461	4,421	19,840	17,333

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MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

Table 2
(Continued)

<u>Expenses:</u>						
General Government	7,780	3,495	-	-	7,780	3,483
Public Safety	4,380	5,504	-	-	4,380	5,504
Public Works	884	1,757	-	-	884	1,757
Development	376	1,739	-	-	376	1,739
Culture and Recreation	1,445	1,392	-	-	1,445	1,392
Interest Expense	156	182	-	-	156	182
Water	-	-	3,399	3,443	3,399	3,443
Sewer	-	-	856	951	856	951
Recreation Services	-	-	494	504	494	504
Strike Team	-	-	90	37	90	37
Filming	-	-	48	47	48	47
TOTAL EXPENSES	15,021	14,069	4,887	4,982	19,908	19,051
Increase/(Decrease) in Net Assets before Transfers	358	(1,157)	(426)	(561)	(68)	(1,718)
Transfers	(115)	(167)	115	167	-	-
Changes in Net Assets	243	(1,323)	(311)	(394)	(68)	(1,718)
Net Assets-beginning of year, as restated	198,119	198,241	22,875	22,562	220,994	220,803
Net Assets-end of year	\$ 198,362	\$ 196,918	\$ 22,564	\$ 22,168	\$ 220,926	\$ 219,085

Governmental Activities: The following (Table 3) presents the cost of each of the City's six largest programs – general government, public safety, public works, community development, culture and recreation, and interest on long-term debt – as well as, each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES

(In Thousands)

For the Year Ended June 30, 2011

	Total Cost of Services	Total Program Revenues	Net Cost of Services
General Government	\$ 3,495	\$ 1,297	\$ (2,198)
Public Safety	5,504	402	(5,102)
Public Works	1,757	717	(1,040)
Development	1,739	667	(1,072)
Culture and Recreation	1,392	1,273	(119)
Interest Expense	182	-	(182)
Total Government Activities	\$ 14,069	\$ 4,356	\$ (9,713)

**CITY OF SIERRA MADRE, CALIFORNIA
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THE CITY'S FUNDS

Financial Analysis of the Government's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The following financial analysis is performed only for the governmental (Table 4) and proprietary funds (Table 5). The fiduciary funds are excluded from this analysis as they do not represent resources available to the City.

Governmental Funds: Based upon the audited *Statement of Revenues, Expenditures and Changes in Fund Balance*, the General Fund increased by \$384,826 in FY 2010-2011. The General Fund revenues increased by \$121,610, or 1.5%. The Community Redevelopment Agency had a \$169,741 decrease in reserves. The City's Agency SERAF payment was \$111,694 for FY 2010-2011.

TABLE 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(In Thousands)
For the Year Ended June 30,

	REVENUES		EXPENDITURES and TRANSFERS		TOTAL	
	2010	2011	2010	2011	2010	2011
General Fund	\$ 8,048	\$ 8,170	\$ 6,856	\$ 7,784	\$ 1,192	\$ 385
CRA Funds	1,426	1,362	1,631	1,532	(205)	(170)
Other Government Funds	2,217	3,311	1,386	3,877	831	(565)
TOTAL	\$ 11,691	\$ 12,843	\$ 9,873	\$ 13,193	\$ 1,818	\$ (350)

At June 30, 2011 General Fund-End of Year Fund Balance is \$5,521,717; however the City Council has committed certain amounts adjusting the Unreserved General Fund to \$4,176,717.

TABLE 4-a
COMMITTED FUND BALANCES FOR GENERAL FUND

Adjustments to General Fund Reserves for the Year Ending June 30, 2010

General Fund Reserves as of 6/30/2010	\$ 5,136,891
Designated Reserves: Carry Over (HE & GP)	(200,000)
Designated Reserves: Mud Costs (Potential Liability)	(200,000)
Designated Reserves: Public Safety Increases	<u>(400,000)</u>
Adjusted General Fund Undesignated Reserves	<u>\$ 4,336,891</u>

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TABLE 4-a (continued)

<u>Adjustments to General Fund Reserves for the Year Ending June 30, 2011</u>		
Total Revenue, FY 2010-2011	\$ 8,169,722	
Less: Total Expenditures, FY 2010-2011	7,242,599	
Less: Net Budgeted Transfers, Out/(In), FY 2010-2011	<u>542,297</u>	
Increase/(Decrease) to Net Assets	384,826	
Prior Year Undesignated Reserves	4,336,891	
Use of Designated Reserves: Public Safety Increases	<u>400,000</u>	
General Fund Reserves as of 6/30/2011	5,121,717	63% of General Fund Operating Revenues
<u>Subsequent Events</u>		
Designated Reserves: Wind Storm December 2011	(695,000)	
Designated Reserves: Elimination of CRA as of Feb 2012	<u>(250,000)</u>	
Unreserved Fund Balance, as of June 30, 2011	<u>\$ 4,176,717</u>	51% of General Fund Operating Revenues

Business-Type Funds: As shown in the *Statement of Activities and Changes in Net Assets*, the amounts paid by users of the systems were \$4.380 million. The cost of all business-type activities excluding net transfers out this year were \$4.254 million, and non-operating revenues and transfers was \$520,000; thus net assets were decreased by \$394,966.

At the close of FY 2010-2011, the City's Internal Services funds decreased net assets by \$1,904,695. The primary cause of this loss was a change in the calculation by the JPIA from a prospective to perspective actuarial evaluation of Self Insurance and Workers Compensation. These projects were identified in the FY 2007-2009 biennial budget as use of reserves.

TABLE 5
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET ASSETS
(In Thousands)
For the Year Ended June 30,

	REVENUES		EXPENDITURES and TRANSFERS		TOTAL CHANGE in NET ASSETS	
	2010	2011	2010	2011	2010	2011
Water	\$ 2,920	\$ 3,185	\$ 3,128	\$ 3,443	\$ (208)	\$ (258)
Sewer	720	759	846	940	(126)	(181)
Other Enterprises	533	465	510	421	23	44
TOTAL	<u>\$ 4,173</u>	<u>\$ 4,409</u>	<u>\$ 4,484</u>	<u>\$ 4,804</u>	<u>\$ (311)</u>	<u>\$ (395)</u>
Governmental Activities - Internal Service Funds	<u>\$ 3,219</u>	<u>\$ 3,669</u>	<u>\$ 4,604</u>	<u>\$5,574</u>	<u>\$(1,385)</u>	<u>\$(1,905)</u>

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Capital Assets and Debt Administration

Capital Assets

By the close of FY 2010-2011, the City has decreased approximately \$710,000 to the Capital Assets Current Value. The City has vehicle purchases of \$972,160 and salvaged \$622,571 (depreciated value of \$62,257) for a net change to Current Value of \$318,597. The City completed the purchase of the Fire Engine and Vector Truck during the summer of 2011. The City replaced the park equipment with Redevelopment funds in June 2011 and City continued its implementation of a comprehensive financial software replacement throughout the year. Table 6 outlines these major changes to the Net Capital Assets. See Note 6 for more information (page 43 through 44).

TABLE 6
CHANGE IN CAPITAL ASSETS
As of June 30, 2011

	Current Replacement Cost	Original Estimated Cost	Annual Depreciation	Accumulated Depreciation	Current Net Value
New Vehicle Purchases for 10-11	\$ 972,160	\$ 972,160	\$ -	\$ -	\$ 972,160
Salvaged Vehicles for 10-11	(938,185)	(622,571)	(62,257)	(622,571)	-
<u>Change in Vehicle and Equipment</u>	\$ 33,975	\$ 349,588	\$ (62,257)	\$ (622,571)	\$ 972,160
replacement of playground equipment at memorial park					
New equipment	\$ 73,317	\$ 73,317	\$ -	\$ -	\$ 73,317
Old Equipment	(46,535)	(18,793)	(752)	(18,793)	-
<u>Change in Park Structures</u>	\$ 26,783	\$ 54,524	\$ (752)	\$ (18,793)	\$ 73,317
work in progress for accounting software					
Work in Progress 6-30-11	\$ 500,000	\$ 114,181	\$ -	\$ -	\$ 114,181
Work in Progress 6-30-10	-	369,848	-	-	369,848
<u>Change in Work in Progress</u>	\$ 500,000	\$ 484,029	\$ -	\$ -	\$ 484,029

Debt Administration

At the end of the current fiscal year, the City had total long-term debt outstanding of \$2,840,00 (of which \$255,000 is due in FY 2011-2012) for the CRA Tax Increment Bonds and \$10,105,000 (of which \$350,000 is due in FY 2011-2012) for the Water Fund for Revenue Bonds. In addition the Water Fund has an interest free loan from the San Gabriel Valley Municipal Water District for \$1,465,875. The first of ten annual payments is due July 1, 2012.

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The City entered into a new 10-year Master Lease with Municipal Finance Corporation for \$1.6 million for City vehicle replacement in March 2010. The loan was refinanced after the first year payment when not all equipment was purchased. The Citywide debt as of June 30, 2011 is \$1,401,874 (of which \$103,648 is due in FY 2011-2012). Additional information on the City's long-term debt can be found in Note 7 of the Notes to the Financial Statements (page 45 through 49).

Economic Condition and Budget Outlook

The City of Sierra Madre with a population of approximately 11,000 is a unique village located in Los Angeles County at the base of the San Gabriel Valley Mountains. Sierra Madre is a residential community, proud of being the Village of the Foothills. Its small size and quiet neighborhoods lends itself to the small town atmosphere the residents are proud to maintain.

The City is a full service municipality operating with a \$20 million budget that funds 68 full-time employees assigned to eight operating departments. Government services are primarily funded by property taxes, local taxes, and user fees. The local economy consists primarily of professional service providers and specialty retail shops and restaurants.

General Fund

Over the last five years, the state and local economies have faced a tough recession with revenues struggling to meet growing costs of insurance, utilities, gasoline, and construction costs. Historically, since 2002, Consumer Price Index (CPI) had risen 3.5% to 4.5% each year, but California local governments' revenue trend was only 1% to 1.5% growth. (Statistics provided by *US Department of Labor*.) Sierra Madre was experiencing these same dichotomies of scale; meaning our operational costs continued to rise, yet City revenue growth was almost flat. The City's General Fund revenues ratios are: 60% Property Tax and VLF/Property Tax Backfill; 30% Utility User Tax and 10% other sources which includes Sales Tax. With the housing recession entering its fourth year, the City's largest revenue source remains relatively flat year over year making it harder to meet the expenditures of a full service city.

Since 2008, the voter increase in the Utility User Tax has moved this funding source into a more relied upon resource to meet the City's needs. Because of the increased UUT, Police Officers were provided salary increases of 9% sworn and 4% non-sworn in 2008; 8% sworn and 3.5% non-sworn in 2009; and 7% sworn and 3% non-sworn in 2010; no other city employees were provided these salary increases. Even with the increase in Police Officer salaries, Police Officers are still at the bottom of salary surveys for the San Gabriel Valley. Without the continuation of the UUT increase, the Officers would still collect their current salaries, but there would not be adequate funding to continue to pay their salaries, necessitating a cut-back in services in the Police Department or elsewhere within the City.

**CITY OF SIERRA MADRE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

Additionally, because of the increased UUT, the City will be able to continue to fund the \$500,000 in Paramedic enhancements. Prior to 2007, the City did not have advanced life support, Paramedic Program. In 2007, a Paramedic Program was implemented, but there wasn't adequate funding identified to maintain the program after 2009. (The program was initially subsidized from the sale of an unused Fire Station in the Canyon area of Sierra Madre, but these were one-time proceeds of the sale, and the funds were exhausted in 2009.)

The Police Department's expenditures increased \$1.303 million; the Fire Department's expenditures increased \$175,000; and the Paramedic subsidy was \$448,000 (comparing pre-Measure U FY 2007-2008 to current year). In contrast, the General Fund's UUT increase, since 2008, was \$1,243,000. In 2010, the City Council carried over \$400,000 in General Fund reserves to allow the collection rate of the UUT to remain at 10% (Resolution 10-43). Combined the increases in Public Safety \$315,000.

In April 2012, the voters will be presented with Measure 12-1 that will make the following modifications to the current Utility User Tax Ordinance.

- The taxes imposed by **Measure 12-1** will lower the maximum collection rate to 10% for FY 2011-2012 and FY 2012-2013;
- Commencing on July 1, 2013, the maximum taxes imposed by **Measure 12-1** will increase to 12%;
- Will allow for the maximum collection rate of 12% through June 30, 2018 when the collection rate maximum will begin to "sunset" by decreasing to 10%;
- This rate decreases further to 8% on June 30, 2019, and eventually decreases to 6% on June 30, 2020;
- The City Council in any given year may set a lesser rate on or before August 1st of any year;

If Measure 12-1 does not pass by the voters, the Ordinance maximum collection rate will remain at 12% through June 2014. July 1, 2014 the maximum will be 10%; 8% July 2015 and 6% on July 2016. The Council may set a lower collection rate than the maximum. As mentioned, the UUT is currently 30% of the General Fund funding sources with the City Council action to set the collection rate at 10% for 2011.

**CITY OF SIERRA MADRE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

UTT REVENUES

FYE 6/30/2008		
<u>Budget</u>	<u>Actuals</u>	
\$ 997,776	\$ 1,167,061	

FYE 6/30/2009		
<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
\$ 1,167,061	\$ 1,820,422	\$ 653,361

FYE 6/30/2010		
<u>2008 Actual</u>	<u>Actuals</u>	<u>Change ^</u>
\$ 1,167,061	\$ 2,575,807	\$ 1,408,746

FYE 6/30/2011		
<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
\$ 1,167,061	\$ 2,410,561	\$ 1,243,500
	400,000	400,000
	<u>\$ 2,810,561</u>	<u>\$ 1,643,500</u>

FYE 6/30/2012		
<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
\$ 1,167,061	\$ 2,625,000	\$ 1,457,939

PUBLIC SAFETY EXPENDITURES

FYE 6/30/2008			
	<u>Budget</u>	<u>Actuals</u>	
Police	\$ 2,509,521	\$ 2,558,091	
Fire	492,153	476,912	
Paramedic subsidy*	-	-	
Total	<u>\$ 3,001,674</u>	<u>\$ 3,035,003</u>	

FYE 6/30/2009			
	<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
Police	\$ 2,558,091	\$ 3,032,691	\$ 474,600
Fire	476,912	496,594	19,682
Paramedic subsidy*	-	224,000	224,000
Total	<u>\$ 3,035,003</u>	<u>\$ 3,753,285</u>	<u>\$ 718,282</u>

FYE 6/30/2010			
	<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
Police	\$ 2,558,091	\$ 3,057,317	\$ 499,226
Fire	476,912	486,485	9,573
Paramedic subsidy*	-	513,446	513,446
Total	<u>\$ 3,035,003</u>	<u>\$ 4,057,248</u>	<u>\$ 1,022,245</u>

FYE 6/30/2011			
	<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
Police	\$ 2,558,091	\$ 3,860,737	\$ 1,302,646
Fire	476,912	651,796	174,884
Paramedic subsidy*	-	480,572	480,572
Total	<u>\$ 3,035,003</u>	<u>\$ 4,993,105</u>	<u>\$ 1,958,102</u>

FYE 6/30/2012			
	<u>2008 Actual</u>	<u>Actuals</u>	<u>Change</u>
Police	\$ 2,558,091	\$ 3,864,193	\$ 1,306,102
Fire	476,912	761,055	284,143
Paramedic subsidy*	-	550,000	550,000
Total	<u>\$ 3,035,003</u>	<u>\$ 5,175,248</u>	<u>\$ 2,140,245</u>

^ Note: City Council recognized that the UUT increase brought in an additional \$400,000 than expenses in 2010 and carried over this amount to be used to keep the UUT for increasing to 12%.

* Note: The paramedic program in total is covered under the assumption of the UUT increase. Therefore, a zero appears in the base year to reflect the total General Fund contribution each year for the program.

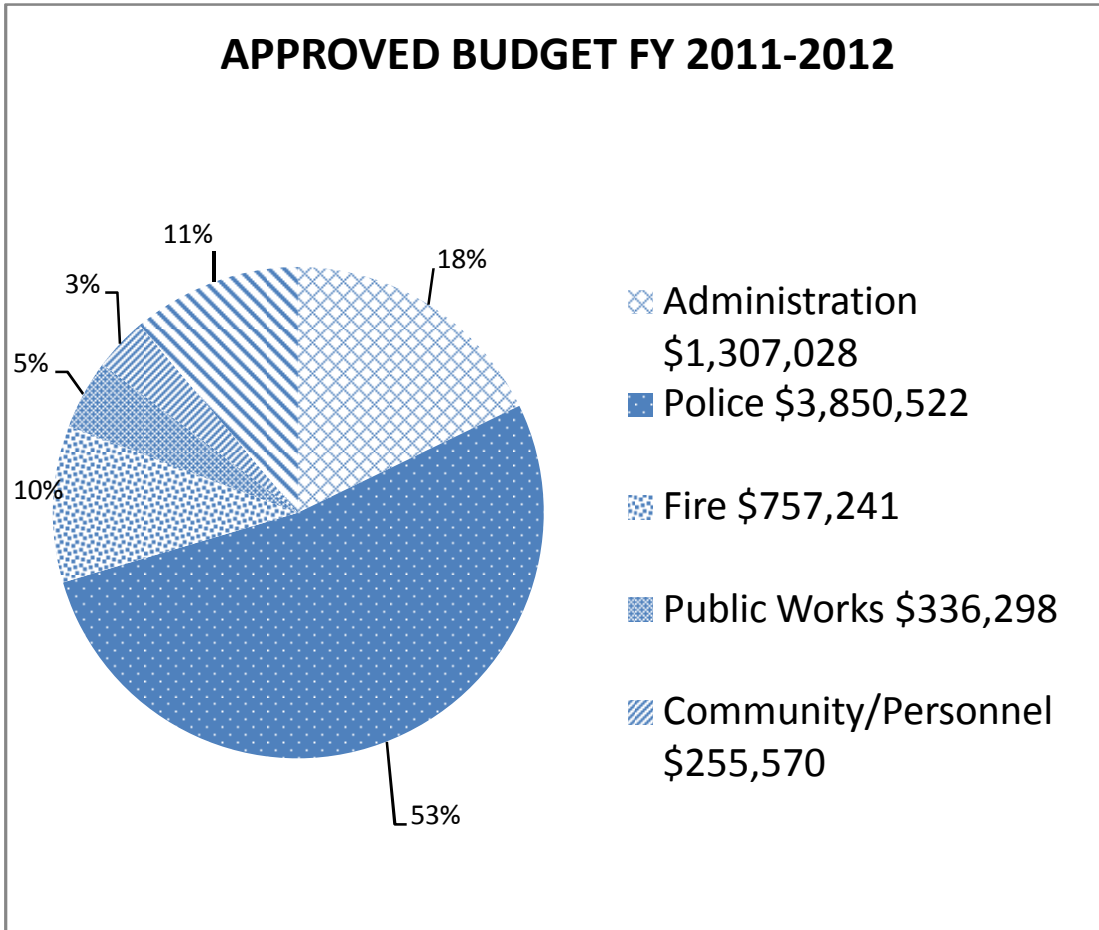
Subsequent Events

In the City's 2011-2013 General Fund budget, City Council set the UUT tax collection rate at 10% (the maximum rate permissible is 12%). The City originally had a shortfall of over \$1,000,000. Staff recommended cuts in expenditures in excess of \$900,000 which included more than \$300,000 in Police department reductions. Further reductions in expenditures are expected to have service reductions in General Fund departments, such as the Library and Recreation services.

On November 30, 2011, the City of Sierra Madre and surrounding San Gabriel Valley cities were hit with hurricane force winds for almost 24 hours. The initial clean-up and response to the emergency was \$511,000. On January 24, 2012, the staff presented an additional \$700,000 in recovery costs that the City Council prioritized and committed an additional \$184,000; totaling Committed funds of \$695,000 for Windstorm 2011.

In December 2011, the California Supreme Court upheld AB 1X 26 which will put an end to the City of Sierra Madre's Community Redevelopment Agency (CRA) and \$1.3 million in property tax income to the City. The financial impact is estimated to be \$800,000 annually. On January 24, 2012, the City Council Committed \$250,000 in fund reserves to assist in the winding down of the agency. However, the City Council has asked staff to identify further expenditure reductions to make up the shortfall for FY 2011-2012 and the full amount for future budgets. The City Council will be determining which services will be reduced or eliminated in order to balance the City's budget. The difficulty facing staff is that expenditure reductions needed are approximately 10% of the General Fund annual budget, but 75% of the City General Fund expenditures belong in to public safety.

The chart on the next page shows the current allocation of General Fund expenditures. *Note: Chart does not include Paramedic Subsidy of \$500,000.*



The budget reduction analysis is expected to come before the City Council in March 2012.

Other Funds

The Water and Sewer Funds primary revenues are generated by utility services provided to the 4400 residential, multi-residential and commercial customers in Sierra Madre. The rates in water and sewer have a flat fee based upon these three categories. Additionally, the water rates' base fee takes into consideration the meter size of each customer. Water consumption is also charged at a current rate of \$1.79 per unit (748 gallons/100 cubic feet). Customers are billed bi-monthly. The City conducted a Proposition 218 increase water rates. The new rates went into effect July 1, 2012. The rate increase is approximately 7.75% for four years and introduced tiered water consumption rates.

The Sierra Madre Community Redevelopment Agency (CRA) was adopted by Ordinance No. 918, approving and adopting the Redevelopment Plan for the Sierra Madre Boulevard Redevelopment Project on August 13, 1974; and adopted Ordinance No 1106, approving and adopting the First Amendment to the Redevelopment Plan for the Sierra Madre Boulevard Redevelopment Project on October 1, 2001, pursuant to redevelopment law of the State of

**CITY OF SIERRA MADRE, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended June 30, 2011**

California commencing with Health and Safety Code Section 33000. Its purpose is to prepare and carry out plans for the rehabilitation, improvement and development of blighted areas within the project area of the Agency. The City Council serves as the Agency's Board Members. As such, it is deemed to be financially accountable. Therefore, all Agency financial activities are blended with the City's financial statements. Also, pursuant to redevelopment law of the State of California, the CRA is subject to a separate Compliance Audit and Report that may be reviewed as supplement to this report.

Upon the elimination of the Sierra Madre Community Redevelopment Agency on January 31, 2012, the City of Sierra Madre became the Successor Agency for the Retirement of Debt and the Housing Authority. The City has submitted Enforceable Obligation Payment Schedule to the County of Los Angeles and State Department of Finance.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Sierra Madre's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at the City of Sierra Madre, 232 West Sierra Madre Boulevard, Sierra Madre, California, 91024.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF NET ASSETS
June 30, 2011

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets:			
Cash and investments	\$ 11,359,542	\$ 5,047,107	\$ 16,406,649
Restricted cash and investments with fiscal agents	405,190	1,197,079	1,602,269
Receivables:			
Taxes	617,441	-	617,441
Accounts	115,800	335,943	451,743
Grants and other	1,149,000	-	1,149,000
Prepaid expenses	1,928	-	1,928
Total current assets	<u>13,648,901</u>	<u>6,580,129</u>	<u>20,229,030</u>
Noncurrent assets:			
Deferred charges	-	315,223	315,223
Land held for resale	1,682,998	-	1,682,998
Capital assets:			
Non-depreciable	163,482,159	1,483,250	164,965,409
Depreciable, net	23,912,470	26,287,550	50,200,020
Total capital assets, net	<u>187,394,629</u>	<u>27,770,800</u>	<u>215,165,429</u>
Total assets	<u>\$ 202,726,528</u>	<u>\$ 34,666,152</u>	<u>\$ 237,392,680</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 670,396	\$ 70,775	\$ 741,171
Accrued payroll and related liabilities	582,345	84,726	667,071
Interest payable	38,598	175,964	214,562
Deposits and retentions	136,732	112,154	248,886
Deferred revenue	12,125	18,800	30,925
Compensated absences	571,994	108,646	680,640
Claims payable	197,000	-	197,000
Note payable, current	-	145,688	145,688
Current maturities of capital lease obligations	69,913	33,737	103,650
Bonds payable - due within one year	255,000	350,000	605,000
Total current liabilities	<u>2,534,103</u>	<u>1,100,490</u>	<u>3,634,593</u>
Noncurrent liabilities:			
Loan payable	-	1,311,187	1,311,187
Capital lease payable	689,341	332,654	1,021,995
Bonds payable - due in more than one year	2,585,000	9,755,000	12,340,000
Total noncurrent liabilities	<u>3,274,341</u>	<u>11,398,841</u>	<u>14,673,182</u>
Total liabilities	<u>5,808,444</u>	<u>12,499,331</u>	<u>18,307,775</u>
Net assets			
Invested in capital assets, net of related debt	<u>186,635,375</u>	<u>15,842,534</u>	<u>202,477,909</u>
Restricted for:			
Capital projects	2,005,000	-	2,005,000
Debt services	2,215,305	-	2,215,305
Low and moderate housing	2,132,998	-	2,132,998
Other projects	2,295,282	-	2,295,282
Total restricted	<u>8,648,585</u>	<u>-</u>	<u>8,648,585</u>
Unrestricted	<u>1,634,124</u>	<u>6,324,287</u>	<u>7,958,411</u>
Total net assets	<u>\$ 196,918,084</u>	<u>\$ 22,166,821</u>	<u>\$ 219,084,905</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended June 30, 2011

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Current Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	Governmental Activities	Business-Type Activities	Total
Functions/programs								
Governmental activities:								
General government	\$ 3,495,144	\$ 794,962	\$ 502,509	\$ -	\$ 1,297,471	\$ (2,197,673)	\$ -	\$ (2,197,673)
Public safety	5,504,146	273,601	128,163	-	401,764	(5,102,382)	-	(5,102,382)
Public works	1,756,538	567,072	150,146	-	717,218	(1,039,320)	-	(1,039,320)
Development	1,738,918	667,091	-	-	667,091	(1,071,827)	-	(1,071,827)
Culture and recreation	1,392,657	87,478	176,318	1,008,836	1,272,632	(120,025)	-	(120,025)
Interest expense	181,711	-	-	-	-	(181,711)	-	(181,711)
Total governmental activities	14,069,114	2,390,204	957,136	1,008,836	4,356,176	(9,712,938)	-	(9,712,938)
Business-type activities:								
Water	3,442,699	3,155,645	-	29,619	3,185,264	-	(257,435)	(257,435)
Sewer	951,566	758,855	-	-	758,855	-	(192,711)	(192,711)
Recreation services	503,796	336,804	-	-	336,804	-	(166,992)	(166,992)
Strike team	37,462	93,070	-	-	93,070	-	55,608	55,608
Filming	46,681	35,128	-	-	35,128	-	(11,553)	(11,553)
Total business-type activities	4,982,204	4,379,502	-	29,619	4,409,121	-	(573,083)	(573,083)
Total primary government	\$ 19,051,318	\$ 6,769,706	\$ 957,136	\$ 1,038,455	\$ 8,765,297	(9,712,938)	(573,083)	(10,286,021)
General revenues and transfers:								
Property taxes						4,887,589	-	4,887,589
Other taxes						3,549,812	-	3,549,812
Investment income						54,370	11,044	65,414
Other source						65,294	-	65,294
Transfers						(167,071)	167,071	-
Total general revenues and transfers						8,389,994	178,115	8,568,109
Change in net assets						(1,322,944)	(394,968)	(1,717,912)
Net assets - beginning of year, restated						198,241,028	22,561,789	220,802,817
Net assets - end of year						\$ 196,918,084	\$ 22,166,821	\$ 219,084,905

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011

	<u>Major Funds</u>							Total
	General	CRA Debt Service	Capital Projects Funds		Special Revenue Fund	Other Governmental Funds		
			CRA Non- Housing	CRA Low & Moderate Housing	Open Space Fund			
ASSETS								
Cash and investments	\$ 3,965,151	\$ 1,813,730	\$ 127,548	\$ 593,366	\$ -	\$ 2,105,861	\$ 8,605,656	
Restricted cash and investments with fiscal agents	-	401,575	-	-	-	-	401,575	
Receivables:								
Taxes	581,422	-	-	-	-	36,019	617,441	
Accounts	92,108	-	-	-	-	19,600	111,708	
Grants	135	-	-	-	1,079,772	69,093	1,149,000	
Due from other funds	1,458,069	-	-	-	-	-	1,458,069	
Land held for resale	-	-	-	1,682,998	-	-	1,682,998	
Total assets	<u>\$ 6,096,885</u>	<u>\$ 2,215,305</u>	<u>\$ 127,548</u>	<u>\$ 2,276,364</u>	<u>\$ 1,079,772</u>	<u>\$ 2,230,573</u>	<u>\$ 14,026,447</u>	
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts payable	\$ 71,278	\$ -	\$ 98,039	\$ 2,463	\$ -	\$ 282,985	\$ 454,765	
Accrued payroll and related liabilities	503,890	-	5,944	5,943	-	27,558	543,335	
Due to other funds	-	-	-	-	1,458,068	-	1,458,068	
Deposits and retentions	-	-	-	-	77,100	60,305	137,405	
Deferred revenue	-	-	-	-	-	12,125	12,125	
Total liabilities	<u>575,168</u>	<u>-</u>	<u>103,983</u>	<u>8,406</u>	<u>1,535,168</u>	<u>382,973</u>	<u>2,605,698</u>	
Fund balances:								
Non-spendable	-	401,575	-	-	-	-	401,575	
Restricted	-	-	-	1,682,998	-	-	1,682,998	
Committed	800,000	1,813,730	2,005,000	450,000	99,000	1,495,282	6,663,012	
Assigned	-	-	-	-	-	854,020	854,020	
Unassigned	4,721,717	-	(1,981,435)	134,960	(554,396)	(501,702)	1,819,144	
Total fund balances	<u>5,521,717</u>	<u>2,215,305</u>	<u>23,565</u>	<u>2,267,958</u>	<u>(455,396)</u>	<u>1,847,600</u>	<u>11,420,749</u>	
Total liabilities and fund balances	<u>\$ 6,096,885</u>	<u>\$ 2,215,305</u>	<u>\$ 127,548</u>	<u>\$ 2,276,364</u>	<u>\$ 1,079,772</u>	<u>\$ 2,230,573</u>	<u>\$ 14,026,447</u>	

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET OF THE GOVERNMENTAL FUNDS
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 governmental funds	\$	11,420,749
Internal service funds are used by management to charge the cost of vehicles, facilities management and water. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Assets		
Capital assets		187,394,629
Other activities		2,203,238
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet		
		(33,906)
Bond payable were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet		
Balance due within one year		(255,000)
Balance due in more than one year		(2,585,000)
Capital leases payable were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds Balance Sheet.		
Balance due within one year		(69,913)
Balance due in more than one year		(689,341)
Accrual of other items:		
The liability for compensated absences is not accrued in the Governmental Funds, but is recorded in the Statement of Net Assets		
		(467,372)
Net assets (deficit) of governmental activities	\$	196,918,084

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011

	Major Funds						Total
	General	CRA Debt Service	Capital Projects Funds		Special Revenue Funds	Other Governmental Funds	
			CRA Non-Housing	CRA Low & Moderate Housing	Open Space Fund		
Revenues:							
Taxes	\$ 6,956,934	\$ 1,336,588	\$ -	\$ -	\$ -	\$ 143,922	\$ 8,437,444
Charges for services	149,353	-	-	-	-	467,594	616,947
Intergovernmental	5,484	-	-	-	1,008,836	951,652	1,965,972
Licenses and permits	639,718	-	-	-	-	582,023	1,221,741
Fines and forfeitures	232,919	-	-	-	-	2,341	235,260
Use of money and property	20,289	4,097	20,762	1,057	-	3,234	49,439
Miscellaneous	165,025	-	32	-	-	151,157	316,214
Total revenues	8,169,722	1,340,685	20,794	1,057	1,008,836	2,301,923	12,843,017
Expenditures:							
Current:							
General government	1,137,449	161,861	69,023	50,024	-	26,140	1,444,497
Public safety	4,649,940	-	-	-	-	854,206	5,504,146
Public works	367,479	-	148,915	8,018	-	1,232,125	1,756,537
Development	-	-	497,094	127,865	-	507,645	1,132,604
Culture and recreation	1,087,731	-	-	-	19,950	284,976	1,392,657
Debt service:							
Principal	-	245,000	-	-	-	57,998	302,998
Interest	-	148,125	-	-	-	33,586	181,711
Capital outlay	-	-	-	-	-	1,553,968	1,553,968
Total expenditures	7,242,599	554,986	715,032	185,907	19,950	4,550,644	13,269,118
Excess (deficiency) of revenues over (under) expenditures	927,123	785,699	(694,238)	(184,850)	988,886	(2,248,721)	(426,101)
Other financing sources (uses):							
Sales of properties	5,846	-	-	-	45,448	14,000	65,294
Transfers in	99,422	-	722,831	299,883	-	2,468,354	3,590,490
Transfer out	(647,565)	(1,099,066)	-	-	(1,008,836)	(824,005)	(3,579,472)
Total other financing sources (uses)	(542,297)	(1,099,066)	722,831	299,883	(963,388)	1,658,349	76,312
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	384,826	(313,367)	28,593	115,033	25,498	(590,372)	(349,789)
Fund balances:							
Beginning of year, as restated	5,136,891	2,528,672	(5,028)	2,152,925	(480,894)	2,437,972	11,770,538
End of year	\$ 5,521,717	\$ 2,215,305	\$ 23,565	\$ 2,267,958	\$ (455,396)	\$ 1,847,600	\$ 11,420,749

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2011

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

Net change in fund balance - governmental funds	\$	(349,789)
Internal service funds are used by management to charge the cost of vehicles, depreciation facilities management and water. The net expenses are included in statement of activities but not in the governmental funds		
Depreciation		(1,357,717)
Other internal service fund activities		(795,503)
Capital outlay is recorded as an expenditure in the governmental funds. In statement of activities the cost of these assets is allocated over their estimated useful lives.		
		947,656
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the Governmental Funds Balance Sheet.		
		15,469
Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets		
		245,000
Governmental funds do not report the long-term portion of compensated absences, while the Statement of Activities records such change in the liability for the year		
		(28,060)
Change in net assets of governmental activities	\$	(1,322,944)

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
June 30, 2011

	<u>Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>
	<u>Water</u>	<u>Sewer</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
ASSETS					
Current assets:					
Cash and investments	\$ 3,082,999	\$ 1,794,712	\$ 169,396	\$ 5,047,107	\$ 2,753,886
Restricted cash and investments with fiscal agents	1,197,079	-	-	1,197,079	3,615
Receivables:					
Accounts	241,561	94,382	-	335,943	4,092
Prepaid expenses	-	-	-	-	1,928
Total current assets	<u>4,521,639</u>	<u>1,889,094</u>	<u>169,396</u>	<u>6,580,129</u>	<u>2,763,521</u>
Noncurrent assets:					
Deferred charges	315,223	-	-	315,223	-
Capital assets					
Non-depreciable	1,483,250	-	-	1,483,250	163,482,159
Depreciable, net	<u>22,035,590</u>	<u>4,251,960</u>	<u>-</u>	<u>26,287,550</u>	<u>23,912,470</u>
Total capital assets	<u>23,518,840</u>	<u>4,251,960</u>	<u>-</u>	<u>27,770,800</u>	<u>187,394,629</u>
Total assets	<u>\$ 28,355,702</u>	<u>\$ 6,141,054</u>	<u>\$ 169,396</u>	<u>\$ 34,666,152</u>	<u>\$ 190,158,150</u>
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 57,124	\$ 10,290	\$ 3,361	\$ 70,775	\$ 214,956
Accrued payroll and related liabilities	44,658	19,745	20,323	84,726	39,010
Interest payable	159,000	16,964	-	175,964	4,692
Deposits and retentions	112,154	-	-	112,154	-
Deferred revenues	-	-	18,800	18,800	-
Compensated absences	58,310	37,940	12,396	108,646	104,626
Claims payable	-	-	-	-	197,000
Current maturities of capital lease obligations	-	33,737	-	33,737	9,332
Bonds payable - due within one year	<u>350,000</u>	<u>-</u>	<u>-</u>	<u>350,000</u>	<u>-</u>
Total current liabilities	<u>781,246</u>	<u>118,676</u>	<u>54,880</u>	<u>954,802</u>	<u>569,616</u>
Noncurrent liabilities:					
Loan payable	1,456,875	-	-	1,456,875	-
Capital lease payable	-	332,654	-	332,654	92,014
Bonds payable - due in more than one year	<u>9,755,000</u>	<u>-</u>	<u>-</u>	<u>9,755,000</u>	<u>-</u>
Total noncurrent liabilities	<u>11,211,875</u>	<u>332,654</u>	<u>-</u>	<u>11,544,529</u>	<u>92,014</u>
Total liabilities	<u>11,993,121</u>	<u>451,330</u>	<u>54,880</u>	<u>12,499,331</u>	<u>661,630</u>
NET ASSETS					
Invested in capital assets, net of related debt	11,956,965	3,885,569	-	15,842,534	187,293,283
Unrestricted	<u>4,405,616</u>	<u>1,804,155</u>	<u>114,516</u>	<u>6,324,287</u>	<u>2,203,237</u>
Total net assets	<u>\$ 16,362,581</u>	<u>\$ 5,689,724</u>	<u>\$ 114,516</u>	<u>\$ 22,166,821</u>	<u>\$ 189,496,520</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
PROPRIETARY FUNDS
For the Year Ended June 30, 2011

	Enterprise Funds				Governmental Activities - Internal Service Funds
	Water	Sewer	Other Enterprise Funds	Total	
Operating revenues:					
Charges for services	\$ 2,887,530	\$ 757,575	\$ 328,296	\$ 3,973,401	\$ 3,646,615
Licenses and permits	618	1,280	10,340	12,238	-
Miscellaneous	267,497	-	126,367	393,864	22,138
Total operating revenues	3,155,645	758,855	465,003	4,379,503	3,668,753
Operating expenses:					
Cost of sales and services	1,627,333	-	578,831	2,206,164	-
General and administrative	555,954	-	9,108	565,062	3,273,566
Public works	-	781,020	-	781,020	983,575
Depreciation	568,253	133,532	-	701,785	1,357,717
Total operating expenses	2,751,540	914,552	587,939	4,254,031	5,614,858
Operating income (loss)	404,105	(155,697)	(122,936)	125,472	(1,946,105)
Non-operating revenues (expenses):					
Federal grants	29,619	-	-	29,619	-
Investment income	7,653	3,209	183	11,045	4,931
Capital improvements	(162,892)	-	-	(162,892)	-
Interest expense	(528,267)	(37,014)	-	(565,281)	(34,613)
Total non-operating revenues (expenses)	(653,887)	(33,805)	183	(687,509)	(29,682)
Income (loss) before transfers	(249,782)	(189,502)	(122,753)	(562,037)	(1,975,787)
Capital contributions	-	-	-	-	13,668
Transfers in	-	8,406	166,992	175,398	142,206
Transfers out	(8,327)	-	-	(8,327)	(320,296)
Change in net assets	(258,109)	(181,096)	44,239	(394,966)	(2,140,209)
Net assets:					
Beginning of year, as restated	16,620,690	5,870,820	70,277	22,561,787	191,636,729
End of year	<u>\$ 16,362,581</u>	<u>\$ 5,689,724</u>	<u>\$ 114,516</u>	<u>\$ 22,166,821</u>	<u>\$ 189,496,520</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended June 30, 2011

	<u>Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Cash flows from operating activities:		
Receipts from customers	\$ 4,315,906	\$ 3,669,482
Payments to suppliers	(996,577)	(2,626,881)
Payments to employees	(2,750,835)	(1,078,131)
Prior period adjustments	(1,717)	(175)
Net cash provided by (used by) operating activities	<u>566,777</u>	<u>(35,705)</u>
Cash flows from non-capital financing activities:		
Operating subsidies and transfers to other funds	<u>167,071</u>	<u>(159,730)</u>
Net cash provided by (used by) financing activities	<u>167,071</u>	<u>(159,730)</u>
Cash flows from capital and related financing activities:		
Receipts from federal grants	29,619	-
Capital improvements	(162,892)	-
Purchases of capital assets	(401,419)	(114,180)
Capital equipment lease agreement	(66,649)	(31,053)
Principal paid on capital debt	(335,000)	(366,873)
Interest paid on capital debt	(561,140)	(34,613)
Net cash (used by) capital and related financing activities	<u>(1,497,481)</u>	<u>(546,719)</u>
Cash flows from investing activities:		
Interest and dividends	<u>11,044</u>	<u>4,932</u>
Net cash provided by investing activities	<u>11,044</u>	<u>4,932</u>
Net increase (decrease) in cash flows	(752,589)	(737,222)
Cash and cash equivalents - beginning of the year	<u>6,996,774</u>	<u>3,494,722</u>
Cash and cash equivalents - end of the year	<u>\$ 6,244,185</u>	<u>\$ 2,757,500</u>
Reconciliation of operating (loss) to net cash provided by (used by)		
operating activities:		
Operating (loss) provided by operating activities:	\$ 125,471	\$ (1,710,591)
Depreciation and amortization	701,785	1,122,203
Prior period adjustments for interest allocation	(1,717)	(175)
Change in assets and liabilities:		
Receivables, net	(84,821)	729
Prepaid expenses	5,895	558,593
Deferred charges	25,621	-
Accounts payable	(69,010)	(42,572)
Accrued payroll and related liabilities	30,307	13,598
Interest payable	-	4,692
Deposits and retentions	(158,617)	-
Deferred revenues	(4,396)	-
Compensated absences	(3,741)	17,818
Net cash provided by operating activities	<u>\$ 566,777</u>	<u>\$ (35,705)</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE
STATEMENT OF NET ASSETS
FIDUCIARY FUNDS
June 30, 2011

ASSETS	<u>Agency Funds</u>
Cash and investments	\$ 58,031
Total assets	<u>\$ 58,031</u>
LIABILITIES	
Accounts payable	\$ 8,604
Accrued payroll and related liabilities	49,338
Deposits and retentions	10
Interest From Investments	79
Total liabilities	<u>\$ 58,031</u>

See Accompanying Notes to Basic Financial Statements.

**CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Sierra Madre, California (the “City”), was incorporated on February 2, 1907. The City operates under a Council-Manager form of government. The City’s major operations include police protection, fire suppression and prevention, emergency medical response, recreation programs, senior services, local transportation, teen activities, planning and permit processing, water utility, public library, redevelopment, streets, parks, and pool maintenance, sewer and storm drain maintenance, and general government and administrative services.

The basic financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) 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 more significant of the City’s accounting policies are described below.

A. Financial Reporting Entity

The reporting entity, “City of Sierra Madre”, is comprised of the various funds of the City of Sierra Madre (City), the Sierra Madre Community Redevelopment (Agency), and the Sierra Madre Public Finance Authority (Authority). As required by generally accepted accounting principles in the United States of America, these financial statements present the City of Sierra Madre (the primary government) and its component units. The component units discussed below are included in the City’s reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Sierra Madre elected officials have a continuing oversight responsibility over the Agency and Authority.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit’s balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit’s governing body is substantially the same as the City’s or the component unit provides services almost entirely to the City.

**CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Blended Component Units:

The Sierra Madre Community Redevelopment Agency (Agency):

The Agency is a blended component unit of the City. It was established in November 1973, pursuant to the State of California Health and Safety Code, Section 33000, entitled "Community Redevelopment Law." Its purpose is to prepare and carryout plans for improvement, rehabilitation, and redevelopment of blighted areas within the territorial limits of the City. The City provides management assistance to the Agency and the members of the City Council also act as the governing body of the Agency.

The Sierra Madre Public Financing Authority (Authority):

The Authority is a joint powers authority organized pursuant to Government Code Section 6500 of the State of California. The Authority exists pursuant to a Joint Exercise of Powers Agreement dated November 1972, between the City and the Agency. Its purpose is facilitating the issuance of debt instruments, loans, and other financing to the City or Agency for the construction of public improvements. It has no separate existence and has acted as a conduit between the issuer (the Agency and/or the City) and the underwriters.

Organizations Other Than Component Units:

Other governmental agencies, such as the County of Los Angeles, the Pasadena Unified School District, etc., provide services within the City. However, each of these agencies is governed by an independently elected governing board. Accordingly, their financial information is not included within the scope of this financial report, because the City Council does not have a continuing oversight responsibility over them, nor are their financial operations closely related thereto.

B. Basis of Accounting and Measurement Focus

Government-Wide Statements

The City's government-wide financial statements include a Statement of Net Assets and a Statement of Activities and Changes in Net Assets. These statements present summaries of governmental activities and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

These basic financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Assets. The Statement of Activities presents changes in net assets. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Certain types of transactions are reported as program revenues for the City in three categories: (1) charges for services, (2) operating grants and contributions and (3) capital grants and contributions. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to inter-fund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated except those representing internal balances of the City, which are presented as internal balances and eliminated in the total primary government column. Proprietary fund operating statements present increases (revenues) and decreases (expenses) in total net assets.

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the difference in net assets as presented in these statements to the net assets presented in the government-wide financial statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except for those revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property tax, sales tax, franchise taxes, intergovernmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to resources, the deferred revenue is removed and revenue is recognized.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement 34.

Proprietary Fund Financial Statements

Proprietary fund financial statement include a Statement of Net Assets, a Statement of Revenues Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for the major proprietary fund and the non-major funds aggregated

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements

Proprietary funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increase (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized in the period when they are earned; expenses are recognized when they are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned.

For proprietary type activities, the City has elected to apply all applicable Government Accounting Standards Board (GASB) pronouncements, as well as any applicable pronouncements of the Financial Accounting Standards Board (FASB), the Accounting Principles Board (APB), or any Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they contradict or conflict with GASB pronouncements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets. The City's fiduciary funds represent agency funds, which are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Cash, Cash Equivalents and Investments:

The City pools its available cash for investment purposes. The City has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, as well as short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotation are readily available or exceed cost. However, if the liquidity needs of the City were to require that investments be sold at a loss subsequent to year-end, the decline in value would be recorded as a loss at year-end.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (an amendment of GASB No. 3), certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

- Inherent Rate Risk
- Credit Risk
- Overall
- Custodial Credit Risk
- Concentration of Credit Risk
- Foreign Currency Risk

D. Land Held for Resale:

Land Held for Resale in the Capital Projects Fund is an inventory of land purchased by the Agency, which will be sold to developers. The land is recorded at the lower of acquisition cost or market. Fund balances are reserved in amounts equal to the carrying value of land held for resale because such assets are not available to finance the City's current operations.

E. Prepaid Expenses:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

F. Property Tax:

Property tax in California is levied in accordance with Article 13B of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to State law to the appropriate units of local government. Property tax revenue is recognized in the fiscal year for which taxes have been levied provided that the revenues collected in the current period or will be collected within 60 days thereafter.

The following dates relate to property tax levies and collections:

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Delinquent Dates	December 10 and April 10

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets

In June 1999, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB No. 34, the City has included all capital assets as of June 30, 2010 in its statement of net assets.

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. The City's capitalization policy is \$5,000 and above for fixed assets; \$10,000 and above for building improvements; \$20,000 and above for buildings; and \$50,000 and above for infrastructure assets. Capital assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Fire hydrants	50 years
Park Structures	25 years
Wells	50 years
Manholes	60 years
Reservoirs	75 years
Meters	30 years
Sewer Pipelines	60 years
Water Pipelines	50 years
Spreading Basins	50 years
Pump Stations	60 years
Pressure Reducing Systems	40 years
Buildings	50 years
Infrastructure:	
Streets	30-50 years
Bridges	40 years

H. Claims Payable:

The City records liability to reflect an actuarial estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims. The estimated liability for workers' compensation claims and general liability claims includes "incurred but not reported" (IBNR) claims. There is no fixed payment schedule to pay these liabilities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences:

All vested vacation and compensatory leave time is recognized as an expense and as a liability in the proprietary type funds at the time the liability vests. Governmental fund types recognize the vested vacation and compensatory time as expenditure in the current year to the extent that it is paid during the year. Accrued vacation and compensatory time relating to governmental funds is only included as a liability in the Statement of Net Assets as those amounts are payable from future resources and within the respective balance sheets for amounts relating to proprietary funds types.

J. Deferred Charges:

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

For proprietary fund types, bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using an effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

K. Reservations and Designations of Fund Balances:

Reservations of fund balances of governmental funds are created to either satisfy legal covenants, including State laws, that require a portion of the fund balances be segregated or identify the portion of the fund balances not available for future expenditures. Designations of fund balances represent tentative management plans that are subject to change.

L. Use of Restricted/Unrestricted Net Assets:

When both restricted and unrestricted net assets are available to meet an expense, the City's policy is to apply restricted net assets first.

Government-Wide

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of restricted net assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fund Financial Statements

In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Reporting and Governmental Fund Type Definitions*. The Statement is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. GASB 54 became effective in the year ending June 30, 2011, and requires the City report the fund balance as follows:

Nonspendable – reflects amounts that are not in spendable form, examples of which include inventory, prepaid items, and spendable form but that are legally or contractually required to remain intact, such as the principal of a permanent endowment. The City did not have any nonspendable fund balance at June 30, 2011.

Restricted – includes amounts that can be spent only for the specific purposes stipulated by external resource providers or through enabling legislation.

Committed – includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Committed fund balance may be redirected by the City to other purposes as long as the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the highest level of decision-making authority.

Assigned - comprises amounts intended to be used by the government for specific purposes. Assignments may be established either by the City or by a designee of the City, and are subject to neither the restricted nor committed levels of constraints.

Unassigned –is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

It is the City’s policy to first use restricted fund balance prior to the use of unrestricted fund balance when an expense is incurred for purposes for which both restricted and unrestricted fund balance are available. The City’s policy for the use of unrestricted fund balance amounts require that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used. In the initial GASB 54 implementation year, beginning fund balance for all special revenue funds will be classified as restricted, unless they are negative, in which they must be shown as negative unassigned. Beginning fund balance in the general fund will all be classified as unassigned.

The City’s highest level of legal authority, as described in GASB 54, is an ordinance.

**CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. 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, liabilities, revenues and expenses. Actual results could differ from those estimates.

2. 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 investment	\$16,406,649	\$ 58,031	\$ 16,464,680
Restricted assets:			
Cash and investment with fiscal agent	1,602,269	-	1,602,269
Total cash and investments	<u>\$18,008,918</u>	<u>\$ 58,031</u>	<u>\$ 18,066,949</u>

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

Agency pooled amount	\$ 3,842,332
Deposits with fiscal agents	1,602,269
Investments with LAIF	<u>12,622,348</u>
Total	<u>\$ 18,066,949</u>

Pooled Cash

Investments in the City of Sierra Madre cash pool cannot be assigned a credit risk category because the City does not own specific securities. However, the City's investment policies and practices with regard to the credit and market risks have been determined acceptable to the City's investment policies. City Pooled amounts to the City of Sierra Madre amounted to \$3,842,332.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

2. CASH AND INVESTMENTS (Continued)

California Local Agency Investment Fund (LAIF)

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The City may invest up to \$40,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within 24 hours without loss of interest. As of June 30, 2011, the City's balance was \$12,622,348.

Investments Authorized by the Entity's Investment Policy

The City's investment policy only authorizes investment in the local government investment pool administered by the State of California (LAIF). The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk, credit risk, and concentration of credit risk.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>
U.S. Treasury Obligations	None
U.S. Treasury Bills	None
Money Market Mutual Funds	N/A
Investment Contracts	30 years

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. As of the yearend, the weighted average maturity of the investments contained in the LAIF investment pool is not available.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. LAIF does not have a rating provided by a nationally recognized statistical rating organization.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

2. CASH AND INVESTMENTS (continued)

Concentration of Credit

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments in any one issuer that represent 5% or more of the total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-seller) to a transaction, a government will not be able to recover the value of its investment. This does not apply to the City since custodial credit risk is not applicable to LAIF or bond trustee accounts.

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

3. INTERFUND TRANSACTIONS

At June 30, 2011, the City had the following transfers in/out which arise in the normal course of operations:

Transfer Out	Transfer In
	Business-Type Activities
Governmental Activities	\$ 167,071

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

4. FUND BALANCE DEFICITS

At June 30, 2011, Open Space Fund has a negative fund balance of \$(455,396) due to the outstanding mortgage loan to Sierra Madre Nursery.

5. DEFERRED CHARGES

The Authority incurred bond issuance costs of in connection with the issuance of the Sierra Madre Financing Authority (Authority) Water Revenue Refunding Bonds, Series 1998A and the Water Revenue Parity Bonds, Series 2003. The issuance costs are being amortized over the life of the Bonds, using the effective interest method. The following is a summary of bond issuance costs at June 30, 2011:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
<i>Water Revenue Parity</i>				
<i>Bonds, Series 2003</i>	\$ 340,843	\$ -	(25,620)	\$ 315,223
Total	\$ 340,843	\$ -	\$ (25,620)	\$ 315,223

6. INFRASTRUCTURE AND FIXED ASSETS

At June 30, 2011 the City's capital assets consisted of the following:

	Governmental	Enterprise	Total
Non-Depreciable assets:			
Land	\$ 162,275,945	\$ 1,483,250	\$ 163,759,195
Trees	1,206,214	-	1,206,214
Total non-depreciable	163,482,159	1,483,250	164,965,409
Depreciable assets:			
Structures and improvements	11,297,990	821,291	12,119,281
Machinery and equipment	3,221,538	8,366,379	11,587,917
Infrastructure	23,111,525	33,620,379	56,731,904
Total depreciable	37,631,053	42,808,049	80,439,102
Total capital assets	201,113,212	44,291,299	245,404,511
Less accumulated depreciation	13,718,583	16,520,499	30,239,082
Total capital assets, net	\$ 187,394,629	\$ 27,770,800	\$ 215,165,429

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

6. INFRASTRUCTURE AND FIXED ASSETS (continued)

The following is a summary of changes in the capital assets for governmental activities during the fiscal year:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Non-Depreciable assets:				
Land	\$ 162,275,945	\$ -	\$ -	\$ 162,275,945
Trees	1,206,214	-	-	1,206,214
Total non-depreciable assets	<u>163,482,159</u>	<u>-</u>	<u>-</u>	<u>163,482,159</u>
Depreciable assets:				
Structures and improvements	11,297,990	-	-	11,297,990
Machinery and equipment	3,108,551	812,218	(699,231)	3,221,538
Infrastructure	23,057,000	135,438	(80,913)	23,111,525
Total depreciable assets	<u>37,463,541</u>	<u>947,656</u>	<u>(780,144)</u>	<u>37,631,054</u>
Total capital assets	200,945,700	947,656	(780,144)	201,113,212
Less accumulated depreciation	13,141,011	1,357,716	(780,144)	13,718,583
Total net capital assets	<u>\$ 187,804,689</u>	<u>\$ (410,060)</u>	<u>\$ -</u>	<u>\$ 187,394,629</u>

The following is a summary of changes in the capital assets for business-type activities during the fiscal year:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011
Non-Depreciable assets:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Total non-depreciable assets	<u>1,483,250</u>	<u>-</u>	<u>-</u>	<u>1,483,250</u>
Depreciable assets:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	7,964,961	441,397	(39,979)	8,366,379
Infrastructure	33,620,379	14,295	(14,295)	33,620,379
Total depreciable assets	<u>42,406,630</u>	<u>455,692</u>	<u>(54,274)</u>	<u>42,808,048</u>
Total capital assets	43,889,880	455,692	(54,274)	44,291,298
Less accumulated depreciation	15,818,713	756,059	(54,274)	16,520,498
Total net capital assets	<u>\$ 28,071,167</u>	<u>\$ (300,367)</u>	<u>\$ -</u>	<u>\$ 27,770,800</u>

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

7. LONG-TERM DEBT

A. Governmental Activities:

The following is a summary of the long-term debt transaction for the City of Sierra Madre for the year ended June 30, 2011:

	Balance June 30, 2010	Additions	Deletions	Balance June 30, 2011	Current	Noncurrent
<i>Refunding Bond</i>						
Series 1998A	\$ 3,085,000	\$ -	\$(245,000)	\$ 2,840,000	\$ 255,000	\$ 2,585,000
Capital Lease	1,224,674		(465,420)	759,254	69,913	689,341
Total	<u>\$ 4,309,674</u>	<u>\$ -</u>	<u>\$(710,420)</u>	<u>\$ 3,599,254</u>	<u>\$ 324,913</u>	<u>\$ 3,274,341</u>

Sierra Madre Tax Increment Revenue Refunding Bonds, Series 1998A – Original Issue \$5,175,000

In May 1998, the Sierra Madre Financing Authority issued the Tax Increment Revenue Refunding Bonds, Series 1998A on behalf of the Sierra Madre Community Redevelopment Agency in prepayment of its Agency Loan Agreement dated November 1, 1988, by and between the Agency and the Authority. These bonds mature annually through November 1, 2019 in the amounts ranging from \$155,000 to \$380,000 as of November 1, 1998. The interest on the bonds is payable semi-annually on May 1 and November 1, as of November 1, 1999. The bonds are special obligations of the Authority secured by and payable solely as of the tax rate of the Tax Increment Revenue Refunding Bonds, Series 1998A ranging from 3.8% to 5.0%. The bonds are subject to mandatory sinking redemption and redemption from optional loan prepayments prior to maturity. Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 255,000	\$ 135,625	\$ 390,625
2013	270,000	122,500	392,500
2014	285,000	108,625	393,625
2015	300,000	94,000	394,000
2016	315,000	78,625	393,625
2017-2020	1,415,000	145,625	1,560,625
Total	<u>\$ 2,840,000</u>	<u>\$ 685,000</u>	<u>\$ 3,525,000</u>

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

7. LONG-TERM DEBT (continued)

Capital Lease

In January 2010, the City entered into a capital lease agreement to fund certain current and future major equipment purchases in the general and fleet funds. The outstanding balance of the capital lease payable was \$1,125,613 at June 30, 2011.

Future minimum payments due are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 69,913	\$ 35,153	\$ 105,066
2013	73,150	31,916	105,066
2014	76,537	28,530	105,067
2015	80,081	24,986	105,067
2016	83,788	21,278	105,066
2017-2020	375,785	44,481	420,266
Total	<u>\$ 759,254</u>	<u>\$ 186,344</u>	<u>\$ 945,598</u>

B. Business-type activities:

The following is a summary of long-term debt transactions of Enterprise Funds for the City of Sierra Madre for the year ended June 30, 2011.

	Balance			Balance		
	June 30, 2010	Additions	Deletions	June 30, 2011	Current	Noncurrent
<i>Water Revenue Refunding Bonds, Series 1998A</i>	\$ 3,690,000	\$ -	\$(335,000)	\$ 3,355,000	\$ 350,000	\$ 3,005,000
<i>Water Revenue Parity Bonds, Series 2003</i>	6,750,000	-	-	6,750,000	-	6,750,000
<i>Loan Payable to San Gabriel Valley Municipal Water District</i>	1,456,875	-	-	1,456,875	145,688	1,311,187
<i>Capital Lease</i>	433,040	-	(66,649)	366,391	33,737	332,654
Total	<u>\$ 12,329,915</u>	<u>\$ -</u>	<u>\$(401,649)</u>	<u>\$ 11,928,266</u>	<u>\$ 529,425</u>	<u>\$ 11,398,841</u>

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

7. LONG-TERM DEBT (continued)

Sierra Madre Water Revenue Refunding Bonds, Series 1998A—Original issue \$6,740,000:

In May 1998, the City entered into an installment agreement with a component unit of the City, the Sierra Madre Financing Authority, to issue bonds totaling \$6,740,000. The purpose of the Water Revenue Refunding Bonds was to assist the City in prepayment of its City Loan Agreement, dated November 1, 1988, by and between the City and the Authority. These bonds mature annually through November 1, 2018 in amounts ranging from \$200,000 to \$495,000 as of November 1, 1999. The interest on the bonds is payable semi-annually on each May 1 and November 1, as of November 1, 1998. The interest rates of the bonds range from 3.65% to 5.00%. The bonds are secured by and payable solely from revenues of the City's Water Enterprise Fund. The outstanding balance of the Water Revenue Refunding Bonds, Series 1998A was \$3,355,000 at June 30, 2011. Annual payments on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 350,000	\$ 159,000	\$ 509,000
2013	370,000	141,000	511,000
2014	390,000	122,000	512,000
2015	405,000	102,125	507,125
2016	425,000	81,375	506,375
2017-2019	<u>1,415,000</u>	<u>108,375</u>	<u>1,523,375</u>
Total	<u>\$ 3,355,000</u>	<u>\$ 713,875</u>	<u>\$ 4,068,875</u>

Sierra Madre Water Revenue Parity Bonds, Series 2003 —Original issue \$6,750,000:

In August 2003, the City entered into an installment agreement with a component unit of the City, the Sierra Madre Financing Authority, to issue bonds totaling \$6,750,000. The purpose of the Water Revenue Refunding Bonds was to finance certain improvements to the water production, treatment and distribution system of the City. These bonds mature annually through November 1, 2018 in amounts ranging from \$310,000 to \$625,000. The interest on the bonds is payable semi-annually on each May 1 and November 1, as of November 1, 2003. The interest rates of the bonds range from 5.14% to 5.25%. The bonds are secured by and payable solely from revenues of the City's Water Enterprise Fund. The bonds are subject to special mandatory redemption, mandatory sinking fund redemption and redemption from optional prepayment of installment payments prior to maturity. The outstanding balance of the Water Revenue Parity Bonds, Series 2003 was \$6,750,000 at June 30, 2011.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

7. LONG-TERM DEBT (continued)

Sierra Madre Water Revenue Parity Bonds, Series 2003 – Original issue \$6,750,000 (continued):

Annual payments on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ -	\$ 339,345	\$ 339,345
2013	-	339,345	339,345
2014	-	339,345	339,345
2015	-	339,345	339,345
2016	-	339,345	339,345
2017-2021	635,000	1,665,350	2,300,350
2022-2026	1,895,000	1,310,850	3,205,850
2027-2031	2,435,000	771,680	3,206,680
2032-2034	1,785,000	138,663	1,923,663
Total	<u>\$ 6,750,000</u>	<u>\$ 5,583,268</u>	<u>\$ 12,333,268</u>

Loan Payable to San Gabriel Valley Municipal Water District - \$1,456,875:

The City has identified equipment needed to help assure a reliable water supply, by replacing its Miramonte Reservoir and Booster Station (“Reservoir Project”). Therefore, the City entered into a loan agreement with the San Gabriel Valley Municipal Water District to fund a portion of the reservoir cost in the amount of \$1,456,875. Proceeds of the loan are disbursed to the City during the duration of the Reservoir Project on a reimbursement basis. Payments are due in annual installments of \$145,688 for ten years. Notice of Completion was March 15, 2009 and was approved by City Council on April 28, 2009. The SGVMW has extended the first payment terms until July 1, 2012, pending the approval of new water rates.

Future minimum payments due are as follows:

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

7. LONG-TERM DEBT (continued)

Loan Payable to San Gabriel Valley Municipal Water District - \$1,456,875 (continued):

Year Ending June 30,	Principal	Interest	Total
2012	\$ 145,688	\$ -	\$ 145,688
2013	145,688	-	145,688
2014	145,688	-	145,688
2015	145,688	-	145,688
2016	145,688	-	145,688
2017-2020	728,435	-	728,435
Total	<u>\$ 1,456,875</u>	<u>\$ -</u>	<u>\$ 1,456,875</u>

Capital Lease

In January 2010, the City entered into a capital lease agreement to fund certain current and future major equipment purchases in the sewer fund. The balance of the capital lease payable was \$366,391 at June 30, 2011. Future minimum payments due are as follows:

Year Ending June 30,	Principal	Interest	Total
2012	\$ 33,738	\$ 16,964	\$ 50,702
2013	35,300	15,402	50,702
2014	36,934	13,767	50,701
2015	38,644	12,057	50,701
2016	40,433	10,268	50,701
2017-2020	181,342	21,465	202,807
Total	<u>\$ 366,391</u>	<u>\$ 89,923</u>	<u>\$ 456,314</u>

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

8. NET ASSETS AND FUND BALANCES

Fund Balance Classifications

As the result of GASB 54 adoption, the City had set aside the following funds:

	Action or Project to Use Funds	Amount
Nonspentable		
CRA Debt Service Fund	- Restricted cash held by fiscal agent for debt service	<u>\$ 401,575</u>
Restricted		
CRA Low & Moderate Housing Fund	- Land held for resale	<u>\$ 1,682,998</u>
Committed		
General Fund	- Santa Anita Fire	\$ 200,000
	- Public Safety	400,000
	- Housing Element	200,000
CRA Debt Service Fund	- CRA debt service	1,813,730
CRA Non-Housing Fund	- Senior center/ park house	245,000
	- City hall/public safety roof project	250,000
	- SMB water main replacement	750,000
	- Re-pavement city-owned parking lots	500,000
	- Façade improvement program	30,000
	- Memorial Park restroom	100,000
	- General plan	100,000
	- Market demand study	30,000
CRA Low & Moderate Housing Fund	Low and moderate housing - Highland	450,000
Open Space Fund	- Sierra Madre Room	99,000
Other Governmental Funds	- Various special revenue funds where grants or donations received for specific purposes need to be spent in accordance with grantor/donor requirements.	1,495,282
	Total	<u>\$ 6,663,012</u>

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

8. NET ASSETS AND FUND BALANCES (Continued)

Fund Balance Classifications (Continued)

	<u>Action or Project to Use Funds</u>	<u>Amount</u>
Assigned		
Other Governmental Funds	In various special revenue and capital project funds, remaining positive fund balance is aside for their respective fund purposes.	<u>\$ 854,020</u>

Beginning Balance Adjustments

The City made several adjustments to fund balances subsequent to closing the June 30, 2010 books, therefore resulting in fund balance restatements. The following table provides a reconciliation of the fund balances as of June 30, 2010, as previously reported, to fund balances as of June 30, 2010, as restated.

The following table provides a reconciliation of the net assets/fund balances as of June 30, 2010, as restated.

<u>Government-wide Financial Statements</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total Government-wide</u>
Net assets as of June 30, 2010, as previously reported	\$ 198,362,384	\$ 22,563,505	\$ 220,925,889
Adjustments	<u>(121,356)</u>	<u>(1,716)</u>	<u>(123,072)</u>
Net assets as of June 30, 2010, as restated	<u>\$ 198,241,028</u>	<u>\$ 22,561,789</u>	<u>\$ 220,802,817</u>

<u>Governmental Fund Financial Statements:</u>	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Net assets as of June 30, 2010, as previously reported	\$ 5,136,065	\$ 2,526,301	\$ 11,858,039
Adjustments	<u>826</u>	<u>(88,329)</u>	<u>(87,501)</u>
Net assets as of June 30, 2010, as restated	<u>\$ 5,136,891</u>	<u>\$ 2,437,972</u>	<u>\$ 11,770,538</u>

9. SELF-INSURANCE JOINT POWERS AUTHORITY

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

The City is a member of the CALIFORNIA JOINT POWERS INSURANCE AUTHORITY (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code Section 6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a 9-member Executive Committee.

B. Self-Insurance Programs of the Authority

General Liability: Each member government pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year.

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

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

9. SELF-INSURANCE JOINT POWERS AUTHORITY (continued)

Workers' Compensation: The City also participates in the workers' compensation pool administered by the Authority. Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A retrospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety. Costs are allocated to members by the following methods within each of the four layers of coverage: (1) the first \$50,000 of each loss is charged directly to the member's primary deposit; (2) losses from \$50,000 to \$100,000 and the loss development reserve associated with losses up to \$100,000 are pooled based on the member's share of losses under \$50,000; (3) losses from \$100,000 to \$2,000,000 and the loss development reserves associated with those losses are pooled based on payroll; (4) losses from \$2,000,000 up to statutory limits are paid under an excess insurance policy. Protection is provided per statutory liability under California Workers' Compensation law.

Employer's Liability losses are pooled among members to \$2,000,000, coverage from \$2,000,000 to \$4,000,000 is purchased as part of an excess insurance policy, and losses from \$4,000,000 to \$10,000,000 are pooled among members.

C. Purchased Insurance

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

Property Insurance: The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Authority. The City currently has all-risk property insurance protection in the amount of \$54,527,666. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

9. SELF-INSURANCE JOINT POWERS AUTHORITY (continued)

Earthquake and Flood Insurance: The City purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. The City property currently has earthquake protection in the amount of \$35,974,111. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance: The City purchases crime insurance coverage in the amount of \$1,000,000 with \$2,500 deductible. The fidelity coverage is arranged by the Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Special Event Tenant User Liability Insurance: The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is arranged by the Authority.

D. Adequacy of Protection

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

Year Ended June 30	Claims Payable July 1	Claims and Changes in Estimates	Payments and Decreases in Estimates	Claims Payable June 30
2009	\$ 197,000	\$ -	\$ -	\$ 197,000
2010	\$ 197,000	\$ -	\$ -	\$ 197,000
2011	\$ 197,000	\$ -	\$ -	\$ 197,000

10. DEFERRED COMPENSATION PLAN

The City has made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The amount held by trustees for the employees at June 30, 2011 was \$1,394,197 and in accordance with GASB 32 is not recorded in the books of the City.

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

11. RETIREMENT PLAN

Plan Description: PERS Defined Benefit Pension Plan

The City of Sierra Madre contributes to the California Public Employees Retirement System (PERS), an agency multiple-employer public employee defined benefit pension 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, CA95814.

Funding Policy

The City contributes 8% of employees' covered salary except for safety employees for whom the City contributes 9% of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 16.306% of annual covered payroll for regular employees and 29.071% for safety employees. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2011, the City's annual pension cost of \$1,419,853 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, ranging from 3.25% to 14.45% depending on age, service, and type of employment; and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value).

Three-Year Trend Information for PERS (City)

Year Ending June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	1,137,756	100%	-
2010	1,240,733	100%	-
2011	1,419,853	100%	-

**CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

11. RETIREMENT PLAN (continued)

Miscellaneous

Pool's Employer Contribution Funding History (\$Amounts in Thousands)

(Most recent Information Available)

Valuation Date	Actuarial Value of Assets (AVA) (A)	Accrued Liabilities (AL) (B)	Unfunded Liabilities (UL) (B-A)	Funded Ratio (AVA/AL) (A/B)	Annual Covered Payroll (C)	UL as a % of Payroll [(B-A)/C]
2007	1,149,247	1,315,454	166,207	87.4%	289,090	57.5%
2008	1,337,708	1,537,910	200,202	87.0%	333,308	60.1%
2009	1,493,431	1,834,425	340,994	81.4%	355,150	96.0%

Safety

Pool's Employer Contribution Funding History (\$Amounts in Thousands)

(Most recent Information Available)

Valuation Date	Actuarial Value of Assets (AVA) (A)	Accrued Liabilities (AL) (B)	Unfunded Liabilities (UL) (B-A)	Funded Ratio (AVA/AL) (A/B)	Annual Covered Payroll (C)	UL as a % of Payroll [(B-A)/C]
2007	1,422,143	1,648,160	226,017	86.3%	200,537	112.7%
2008	1,517,610	1,755,559	237,949	86.4%	210,591	113.0%
2009	1,520,081	1,802,882	282,801	84.3%	221,600	127.6%

12. COMMITMENTS AND CONTINGENCIES

A. Grant Audits:

The City participates in Federal and State grant programs. No cost disallowance is expected, as a result of these audits; however, these programs are subject to further examination by the grantors. Expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

12. COMMITMENTS AND CONTINGENCIES (continued)

B. Litigation:

The City is involved in certain matters of litigation that have arisen in the normal course of operations. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City. City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome occur.

C. Compliance with Laws and Regulations:

The City has not complied with California State Controller's requirements by not filing its Community Redevelopment Agency audited financial statements in a timely manner. Management is working to prepare and file the audited financial statements to fulfill such regulatory requirements.

13. OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS

Plan Description

The City provides other postemployment benefits (OPEB) through a single-employer defined benefit healthcare plan administered by the Public Agency Retirement Services (PARS). These benefits are provided per contract between the City and the employee associations. Separate financial statements are not available for the plan.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City has not established an irrevocable OPEB trust as of June 30, 2011 and prefunding for that year is unlikely. Thus, results for the fiscal year ending June 30, 2011 are presented based on a pay-as-you-go funding policy.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the annual normal cost and amortization of unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation to the Retiree Health Plan:

CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

13. OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS (continued)

Annual required contribution (ARC)	\$ 187,811
Adjustment to ARC	<u>(5,914)</u>
Annual OPEB cost	181,897
Contributions made	<u>(399,697)</u>
Decrease in net OPEB obligation	<u>(217,800)</u>
Net OPEB obligation - beginning of year	<u>113,570</u>
Net OPEB obligation (asset) - end of year	<u>\$ (104,230)</u>

The Annual OPEB cost contributed for the current fiscal year is presented below:

Fiscal Year End	Annual OPEB Cost	Actuarial Contribution (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation (Asset)
6/30/2009	\$ -	\$ -	n/a	n/a
6/30/2010	\$ 168,070	\$ 54,500	32.43%	\$ 113,570
6/30/2011	\$ 181,897	\$ 399,697	219.74%	\$ (104,230)

Funded Status and Funding Progress

The projection of future benefit payments for an ongoing plan involves 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 City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Amounts determined regarding the funded status of the plan and the annual required contributions of the City are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress below presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**CITY OF SIERRA MADRE
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011**

13. OTHER POST-EMPLOYMENT EMPLOYEE BENEFITS (continued)

Type of Valuation	Actuarial Valuation Date	Actuarial Value of Assets	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll	Interest Rate
Actual	1/1/2010	\$ -	\$1,456,106	0%	\$ 4,641,533	31.37%	4.5%

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2010 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.5% investment rate of return for pay-as-you-go and 7.5% for prefunding, which is a blended rate of the expected long-term investment return on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and annual healthcare cost trend rate of 10.9% beginning January 1, 2010, and reduced by decrements to an ultimate rate of 4.5% after eight years. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payrolls on an open basis. The remaining amortization period at June 30, 2010 was ten years. The number of active participants is 78.

14. 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.

**14. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB)
PRONOUNCEMENTS (continued)**

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.

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. 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.

14. NEW GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB) PRONOUNCEMENTS (continued)

- 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.

15. SUBSEQUENT EVENTS

In December 2011, the Los Angeles County foothill cities experienced a damaging windstorm. The City of Sierra Madre experienced downed trees, damaged properties, and loss of electricity resulting from the hurricane force winds. An emergency proclamation was declared by the City, County and State. The City early estimates for response and recovery costs are between \$1.3 million and \$1.7 million (approximately 25% of the City of Sierra Madre's General Fund). The City believes most expenses will be mitigated either through the City's property insurance policy or through Grants available for emergency relief.

15. SUBSEQUENT EVENTS (continued)

Beginning July 2011, all sworn employees began paying 3% of the CalPERs Employee Contributions and all non-sworn employees began paying 2% of the CalPERs Employee Contribution. On December 22, 2011, the City Council imposed a new contract on the Police Officer Association (POA) that raised the employee share to 5% for sworn and 4% for non-sworn.

On December 29, 2011, the California Supreme Court ruled in the redevelopment litigation -CRAv. Matosantos – upholding ABX1 26 which abolished redevelopment agencies, but striking down companion legislation ABX1 27 that would have allowed agencies to survive if they contribute money to the State. As part of the Supreme Court’s ruling, agencies are to be dissolved on February 1, 2012. The City of Sierra Madre will be named the Successor Agency and will make payments for contractual obligations under ROPS (Required Obligation Payment Schedule) that was filed with the State Department of Finance in August 2011.

The subsequent event has been updated through the date of this report which is when the report became available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

City Of Sierra Madre, California

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual

Major Governmental Funds - General

Year Ended June 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
Revenues:				
Taxes	\$ 6,081,352	\$ 7,001,870	\$ 6,956,934	\$ (44,936)
Charges for services	156,303	161,043	149,353	(11,690)
Intergovernmental	13,500	14,000	5,484	(8,516)
Licenses and permits	631,022	581,595	639,718	58,123
Fines and forfeitures	212,758	215,652	232,919	17,267
Investment income	50,000	51,250	20,289	(30,961)
Miscellaneous	22,699	(25,540)	165,025	190,565
Total revenues	<u>7,167,634</u>	<u>7,999,870</u>	<u>8,169,722</u>	<u>169,852</u>
Expenditures:				
Current:				
General government	1,263,864	1,263,864	1,137,449	126,415
Public safety	4,327,440	4,580,502	4,649,940	(69,438)
Public works	349,488	346,488	367,479	(20,991)
Culture & Recreation	1,053,600	1,053,600	1,087,731	(34,131)
Capital outlay	-	-	-	-
Total expenditures	<u>6,994,392</u>	<u>7,244,454</u>	<u>7,242,599</u>	<u>1,855</u>
Excess (deficiency) of revenues over (under) expenditures	173,242	755,416	927,123	171,707
Other financing sources (uses):				
Sale of City Property			5,846	5,846
Transfers in	247,100	210,900	99,422	(111,478)
Transfers out	(708,018)	(708,018)	(647,565)	60,453
Total other financing sources (uses)	<u>(460,918)</u>	<u>(497,118)</u>	<u>(542,297)</u>	<u>(45,179)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(287,676)	258,298	384,826	126,528
Fund balances:				
Beginning of year	5,136,891	5,136,891	5,136,891	-
End of year	<u>\$ 4,849,215</u>	<u>\$ 5,395,189</u>	<u>\$ 5,521,717</u>	<u>\$ 126,528</u>

See Accompanying Notes to Required Supplementary Information.

City Of Sierra Madre, California
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Budget versus Actual
Major Governmental Funds - Debt Service
Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 1,466,842	\$ 1,481,511	\$ 1,336,588	\$ (144,923)
Use of money and property	-	-	4,097	4,097
Total revenues	1,466,842	1,481,511	1,340,685	(140,826)
Expenditures:				
Current:				
General government	294,339	294,339	161,861	132,478
Debt service:				
Principal	235,000	235,000	245,000	(10,000)
Interest	160,125	160,125	148,125	12,000
Total expenditures	689,464	689,464	554,986	134,478
Excess (deficiency) of revenues over (under) expenditures	777,378	792,047	785,699	(6,348)
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(1,099,066)	(1,099,066)
Total other financing sources (uses)	-	-	(1,099,066)	(1,099,066)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	777,378	792,047	(313,367)	(1,105,414)
Fund balances:				
Beginning of year	2,528,672	2,528,672	2,528,672	-
End of year	\$ 3,306,050	\$ 3,320,719	\$ 2,215,305	\$ (1,105,414)

See accompanying Notes to Required Supplementary Information.

City Of Sierra Madre, California

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual

Major Governmental Funds - Non Housing

Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 15,748	\$ 15,905	\$ 20,762	\$ 4,857
Other	-	-	32	32
Total revenues	<u>15,748</u>	<u>15,905</u>	<u>20,794</u>	<u>4,889</u>
Expenditures:				
Current:				
General government	38,235	38,235	69,023	(30,788)
Public safety	-	-	-	-
Public works	158,990	158,990	148,915	10,075
Development	498,065	498,065	497,094	971
Total expenditures	<u>695,290</u>	<u>695,290</u>	<u>715,032</u>	<u>(19,742)</u>
Excess (deficiency) of revenues over (under) expenditures	(679,542)	(679,385)	(694,238)	(14,853)
Other financing sources (uses):				
Transfers in	-	-	722,831	722,831
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>722,831</u>	<u>722,831</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(679,542)	(679,385)	28,593	707,978
Fund balances:				
Beginning of year	(5,028)	(5,028)	(5,028)	-
End of year	<u>\$ (684,570)</u>	<u>\$ (684,413)</u>	<u>\$ 23,565</u>	<u>\$ 707,978</u>

See accompanying Notes to Required Supplementary Information.

City Of Sierra Madre, California

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual

Major Governmental Funds - Low & Moderate Housing

Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Use of money and property	\$ 75,750	\$ 76,508	\$ 1,057	\$ (75,451)
Other	-	-	-	-
Total revenues	<u>75,750</u>	<u>76,508</u>	<u>1,057</u>	<u>(75,451)</u>
Expenditures:				
Current:				
General government	26,437	26,437	50,024	(23,587)
Public safety	-	-	-	-
Public works	7,509	7,509	8,018	(509)
Development	146,902	146,902	127,865	19,037
Capital outlay	-	-	-	-
Total expenditures	<u>180,848</u>	<u>180,848</u>	<u>185,907</u>	<u>(5,059)</u>
Excess (deficiency) of revenues over (under) expenditures	(105,098)	(104,340)	(184,850)	(80,510)
Other financing sources (uses):				
Transfers in	-	-	299,883	299,883
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>299,883</u>	<u>299,883</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(105,098)	(104,340)	115,033	219,373
Fund balances:				
Beginning of year	2,152,925	2,152,925	2,152,925	-
End of year	<u>\$ 2,047,827</u>	<u>\$ 2,048,585</u>	<u>\$ 2,267,958</u>	<u>\$ 219,373</u>

See accompanying Notes to Required Supplementary Information.

City Of Sierra Madre, California

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual

Major Governmental Funds - Open Space Fund

Year Ended June 30, 2011

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 906,424	\$ 100,757	\$ 1,008,836	\$ 908,079
Miscellaneous	-	-	-	-
Total revenues	906,424	100,757	1,008,836	908,079
Expenditures:				
Current:				
General government	-	-	-	-
Culture & Recreation	17,195	17,195	19,950	(2,755)
Total expenditures	17,195	17,195	19,950	(2,755)
Excess (deficiency) of revenues over (under) expenditures	889,229	83,562	988,886	905,324
Other financing sources (uses):				
Sale of city property	115,000	115,000	45,448	(69,552)
Transfers in	-	-	-	-
Transfers out	-	-	(1,008,836)	(1,008,836)
Total other financing sources (uses)	115,000	115,000	(963,388)	(1,078,388)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,004,229	198,562	25,498	(173,064)
Fund balances:				
Beginning of year	(480,894)	(480,894)	(480,894)	-
End of year	\$ 523,335	\$ (282,332)	\$ (455,396)	\$ (173,064)

See accompanying Notes to Required Supplementary Information.

(1) BUDGETS AND BUDGETARY ACCOUNTING

The City adopts an annual budget prepared on the modified accrual basis of accounting for its governmental funds. The City Manager or a designee is authorized to transfer budgeted amounts between the accounts of any department. Revisions that alter the total appropriations of any department or fund may be approved by City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the program level. Reserves for encumbrances are not recorded by the City of Sierra Madre.

(2) EXPENDITURES IN EXCESS OF APPROPRIATIONS

Expenditures for the year ended June 30, 2011 exceeded the appropriations of the following funds/programs:

	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u> <u>Variance</u>
General Fund:			
Public works	346,488	367,479	(20,991)
Recreation, Environment, and Culture	1,053,600	1,087,732	(34,132)
Debt Service:			
Principal	235,000	245,000	(10,000)
Non-Housing:			
General Government	38,235	69,023	(30,788)
Low & Moderate Housing:			
General Government	26,437	50,024	(23,587)
Public Works	7,509	8,018	(509)
Open Space Fund:			
Recreation, Environment, and Culture	17,195	19,950	(2,755)
FMAG- Sanita Anita Fire Grant:			
General Government	-	2,796	(2,796)
CNG Station:			
Public Works	-	2,437	(2,437)

SUPPLEMENTARY INFORMATION

CITY OF SIERRA MADRE, CALIFORNIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

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:

Total Assessment District

Grant Funds	Various grant funds are used to account for expenditures of different federal, state, and county grants that are restricted for specific uses.
Development Service Fund	The City assesses fees for development related services provided to the community. Any fees assessed must be used solely to fund the related services.
Emergency/Paramedic Medical Services Fund	The City provides advanced and basic emergency medical response, including ambulance transportation when needed to the businesses and residents of Sierra Madre.
Local Transit Fund - State Proposition A	Through the MTA, the City receives a portion of the 1/2% sales tax approved for transportation related programs. The funds are restricted for local transportation projects that reduce congestion or improve public transportation systems. The City funds its "Round-About" fixed route shuttle bus and "Dial-a-Ride" programs from these revenues.
Local Transit Fund - State Proposition C	Through the MTA, the City receives a portion of the 1/2% sales tax approved for transportation related programs and capital projects. The funds are restricted for local transportation programs and projects that reduce congestion or benefit mass transit systems.
Measure R	The County of Los Angeles passed a 0.5% increase in sales tax in which the local agencies are provided 15% of the tax collected to fund congestion management and street replacement and maintenance.
State Gas Tax/ Proposition 42 Funds	The State of California assesses a tax on each gallon of gasoline purchased. A portion of the tax is passed through to local municipalities to maintain streets. The City's revenue from this source is accounted for in this fund. In 2010, the State of California began distributing taxes collected through Proposition 42 to local agencies along with Gas Tax revenues.
Special Benefit Assessment District Funds	The City established various special benefit assessment districts to provide special maintenance, lighting and sewer construction programs for the property or business owners within the special districts. Individuals and businesses benefiting from the special maintenance programs fund the programs through special assessments. Assessment collected and maintenance costs are accounted for in these Special Revenue Funds.
Other Special Revenue Funds	Other Special Revenue Funds are set up for expenditures designated by the City for special purpose, such as for park and recreational, fire and police donations, etc.

CITY OF SIERRA MADRE, CALIFORNIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS

Capital project funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The following are the projects during the year ended June 30, 2011:

- Sierra Madre Room
- Accounting Software Project
- Street Improvement Project
- AM Radio Tower Fund
- Well 7 Construction Project

DEBT SERVICE FUND

Citywide The City's debt service fund account fro resources available to fund long-term lease purchase agreements. The City's governmental fund has not issued any bonds. If such bonds were to be issued in the future, the resources would be accounted for in this fund.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 June 30, 2011

	<u>Special Revenue Funds</u>					
	<u>Total Grant Funds</u>	<u>Total Assessment District</u>	<u>Total Other Special Revenue</u>	<u>Total Capital Project Funds</u>	<u>Debt Service Fund</u>	
ASSETS						
Cash and investments	\$ 65,107	\$ 47,312	\$ 1,740,910	\$ 213,704	\$ 38,831	\$ 2,105,864
Receivables, net:						
Taxes	-	6,132	29,886	-	-	36,018
Accounts	-	-	19,601	-	-	19,601
Grants and other	47,590	-	21,503	-	-	69,093
Total assets	<u>\$ 112,697</u>	<u>53,444</u>	<u>1,811,900</u>	<u>\$ 213,704</u>	<u>38,831</u>	<u>2,230,576</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	-	5,930	69,824	207,233	-	282,987
Accrued payroll and related liabilities	-	-	27,560	-	-	27,560
Deposits and retentions	-	-	60,305	-	-	60,305
Deferred revenue	-	-	12,124	-	-	12,124
Total liabilities	<u>-</u>	<u>5,930</u>	<u>169,813</u>	<u>207,233</u>	<u>-</u>	<u>382,976</u>
Fund balances:						
Non-spendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	1,495,282	-	-	1,495,282
Assigned	112,697	47,514	648,506	6,471	38,831	854,019
Unassigned	-	-	(501,701)	-	-	(501,701)
Total fund balances	<u>112,697</u>	<u>47,514</u>	<u>1,642,087</u>	<u>6,471</u>	<u>38,831</u>	<u>1,847,600</u>
Total liabilities and fund balances	<u>\$ 112,697</u>	<u>\$ 53,444</u>	<u>\$ 1,811,900</u>	<u>\$ 213,704</u>	<u>\$ 38,831</u>	<u>\$ 2,230,576</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2011

	Special Revenue Funds					Total
	Total Grant	Total Assessment District	Total Other Special Revenue	Total Capital Project Funds	Debt Service Fund	
Revenues:						
Taxes	\$ -	\$ 60,745	\$ 83,177	\$ -	\$ -	\$ 143,922
Charges for services	-	-	467,594	-	102,800	570,394
Intergovernmental	27,349	-	924,303	-	-	951,652
Licenses and permits	-	-	582,023	-	-	582,023
Fines and forfeitures	-	-	2,341	-	-	2,341
Investment income	160	80	2,925	-	69	3,234
Miscellaneous	-	-	47,312	1,045	-	48,357
Total revenues	27,509	60,825	2,109,675	1,045	102,869	2,301,923
Expenditures:						
Current						
General government	2,796	-	7,372	-	-	10,168
Public safety	-	-	854,206	-	-	854,206
Public works	2,437	110,583	319,888	-	-	432,908
Development	-	-	507,645	-	-	507,645
Culture and recreation	-	-	285,422	-	-	285,422
Debt service:						
Principal	-	-	-	-	57,998	57,998
Interest	-	-	-	-	33,586	33,586
Capital outlay	-	-	94,466	1,808,052	466,191	2,368,709
Total expenditures	5,233	110,583	2,068,999	1,808,052	557,775	4,550,642
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	22,276	(49,758)	40,676	(1,807,007)	(454,906)	(2,248,719)
Other financing sources:						
Other	-	-	-	14,000	-	14,000
Transfers in	-	63,908	556,925	1,847,520	-	2,468,353
Transfers out	-	(8,406)	(815,599)	-	-	(824,005)
Total other financing sources (uses)	-	55,502	(258,674)	1,861,520	-	1,658,348
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	22,276	5,744	(217,998)	54,513	(454,906)	(590,371)
Fund balances:						
Beginning of year	90,421	41,770	1,860,085	(48,042)	493,737	2,437,971
End of year	\$ 112,697	\$ 47,514	\$ 1,642,087	\$ 6,471	\$ 38,831	\$ 1,847,600

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - GRANT FUNDS
 June 30, 2011

	Homeland Security Fund	Total Assessment District	Homeland Security Fund- Fire	CNG Station	Federal Transit Authority	Total Grant Funds
ASSETS						
Cash and investments	\$ (47,590)	\$ 89,361	\$ 3,126	\$ 14,270	\$ 5,939	\$ 65,106
Receivables, net:						
Grants and other	47,590	-	-	-	-	47,590
Total assets	\$ -	\$ 89,361	\$ 3,126	\$ 14,270	\$ 5,939	\$ 112,696
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	-	-	-	-	\$ -	-
Accrued payroll and related liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits and retentions	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	-	-	-	-	-	-
Fund balances:						
Non-spendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	89,361	3,126	14,270	5,939	112,696
Unassigned	-	-	-	-	-	-
Total fund balances	-	89,361	3,126	14,270	5,939	112,696
Total liabilities and fund balances	\$ -	\$ 89,361	\$ 3,126	\$ 14,270	\$ 5,939	\$ 112,696

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - ASSESSMENT DISTRICT
 June 30, 2011

	Allegría /Bonita Assessment	Central Business Assessment Dist	Fane/ Winwood Lane Assessment Dist	Lighting District - Citywide	Lighting District - Zone A
	Total Assessment District				
ASSETS					
Cash and investments	\$ -	\$ 2,190	\$ 20,233	\$ 24,820	\$ (2,008)
Receivables, net:					
Taxes	-	92	(757)	3,662	2,520
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	-	-
Total assets	-	2,282	19,476	28,482	512
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	2,282	-	444	512
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	2,282	-	444	512
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	19,476	28,038	-
Unassigned	-	-	-	-	-
Total fund balances	-	-	19,476	28,038	-
Total liabilities and fund balances	\$ -	\$ 2,282	\$ 19,476	\$ 28,482	\$ 512

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - ASSESSMENT DISTRICT
 June 30, 2011

	Lighting District - Zone B	Parking District 1	Sewer Assessment District	Total Assessment District
ASSETS				
Cash and investments	\$ 1,471	\$ 711	\$ (105)	\$ 47,312
Receivables, net:				-
Taxes	-	510	105	6,132
Accounts	-	-	-	-
Interest	-	-	-	-
Grants and other	-	-	-	-
Total assets	1,471	1,221	-	53,444
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	1,471	1,221	-	5,930
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits and retentions	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	1,471	1,221	-	5,930
Fund balances:				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	47,514
Unassigned	-	-	-	-
Total fund balances	-	-	-	47,514
Total liabilities and fund balances	\$ 1,471	\$ 1,221	\$ -	\$ 53,444

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - OTHER
 June 30, 2011

	Development Fees	Development Impact Fees Fund	DUI Enforcement	Narcotics Enforcement Asset Seizure	Police Donations
ASSETS					
Cash and investments	\$ 162,559	\$ 168,566	\$ 8,227	\$ 448	\$ 12,939
Cash and investments with fiscal agent	-	-	-	-	-
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	-	-
Total assets	162,559	168,566	\$ 8,227	448	12,939
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	27,647	-	-	-	-
Accrued payroll and related liabilities	9,841	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	6,305	54,000	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	43,793	54,000	-	-	-
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	95,000	-	-	-
Assigned	118,766	19,566	8,227	448	12,939
Unassigned, reserved for:	-	-	-	-	-
Total fund balances	118,766	114,566	8,227	448	12,939
Total liabilities and fund balances	\$ 162,559	\$ 168,566	\$ 8,227	\$ 448	\$ 12,939

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
COMBINING BALANCE SHEET

June 30, 2011

	<u>Public Safety Augmentation Fund</u>	<u>State - COPS Grant</u>	<u>Emergency Medical Services Fund</u>	<u>Fire Dept Donations</u>	<u>Community Arts Commission</u>
ASSETS					
Cash and investments	\$ (17,181)	\$ 57,777	\$ 20,077	\$ 7,853	\$ 6,033
Cash and investments with fiscal agent	-	-	-	-	-
Receivables, net:					
Taxes	17,181	12,706	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	-	-
Total assets	<u>-</u>	<u>\$ 70,483</u>	<u>20,077</u>	<u>7,853</u>	<u>6,033</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	3,844	7,322	44	-
Accrued payroll and related liabilities	-	-	12,719	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>3,844</u>	<u>20,041</u>	<u>44</u>	<u>-</u>
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	66,639	36	7,809	6,033
Unassigned, reserved for:	-	-	-	-	-
Total fund balances	<u>-</u>	<u>66,639</u>	<u>36</u>	<u>7,809</u>	<u>6,033</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 70,483</u>	<u>\$ 20,077</u>	<u>\$ 7,853</u>	<u>\$ 6,033</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - OTHER
 June 30, 2011

	<u>Dog Park</u>	<u>Donations - Recreation</u>	<u>Local Transportation Bicycle Fund</u>	<u>Senior Delivered Meals</u>	<u>SM Community Foundation</u>
ASSETS					
Cash and investments	\$ 8,991	\$ 44,785	\$ 20,157	\$ 338,053	\$ 37,483
Cash and investments with fiscal agent	-	-	-	-	-
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	-	-
Total assets	<u>8,991</u>	<u>44,785</u>	<u>20,157</u>	<u>338,053</u>	<u>37,483</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	575	13,664	-	188
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>575</u>	<u>13,664</u>	<u>-</u>	<u>188</u>
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	320,000	-
Assigned	8,991	44,210	6,493	18,053	37,295
Unassigned, reserved for:	-	-	-	-	-
Total fund balances	<u>8,991</u>	<u>44,210</u>	<u>6,493</u>	<u>338,053</u>	<u>37,295</u>
Total liabilities and fund balances	<u>\$ 8,991</u>	<u>\$ 44,785</u>	<u>\$ 20,157</u>	<u>\$ 338,053</u>	<u>\$ 37,483</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - OTHER
 June 30, 2011

	YAC - Youth Activity Center	Prop. C	County Prop A Park Dev	CA Beverage Container Grant	C.D.B.G Block Grant
ASSETS					
Cash and investments	\$ 99,036	\$ 196,193	\$ -	\$ 8,022	\$ (3,444)
Cash and investments with fiscal agent	-	-	-	-	-
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	-	3,444
Total assets	99,036	196,193	-	\$ 8,022	\$ -
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	4,988	-	-	-
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	4,988	-	-	-
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	278,282	-	-	50,000
Assigned	99,036	-	-	8,022	-
Unassigned, reserved for:	-	(87,077)	-	-	(50,000)
Total fund balances	99,036	191,205	-	8,022	-
Total liabilities and fund balances	\$ 99,036	\$ 196,193	\$ -	\$ 8,022	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - OTHER
 June 30, 2011

	Air Quality Improvement	Environmental Fund	State Gas Tax	Bikeway / Sidewalk Fund	Local Transit Program Measure R Fund 217
ASSETS					
Cash and investments	\$ 26,740	\$ 8,415	\$ 103,113	\$ (18,059)	\$ 295,625
Cash and investments with fiscal agent	-	-	-	-	-
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	2,524	17,076	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	18,059	-
Total assets	29,264	25,491	103,113	-	295,625
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	1,426	7,969	-	-
Accrued payroll and related liabilities	-	1,603	3,395	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	3,029	11,364	-	-
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	158,000	-	594,000
Assigned	29,264	22,462	-	-	-
Unassigned, reserved for:	-	-	(66,251)	-	(298,375)
Total fund balances	29,264	22,462	91,749	-	295,625
Total liabilities and fund balances	\$ 29,264	\$ 25,491	\$ 103,113	\$ -	\$ 295,625

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - OTHER
 June 30, 2011

	Prop. 1B	PROP 42 Cong. Mgmt. Fund - S	Senior Excursions	California Library Foundation Grant	Library - Gift and Memorial
ASSETS					
Cash and investments	\$ -	\$ -	\$ 7,283	\$ 24,396	\$ 104,377
Cash and investments with fiscal agent	-	-	-	-	-
Receivables, net:					
Taxes	-	-	-	-	-
Accounts	-	-	-	-	-
Interest	-	-	-	-	-
Grants and other	-	-	-	-	-
Total assets	-	-	7,283	\$ 24,396	104,377
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	-	-	-	-	2,050
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	-	-	-	-	2,050
Fund balances:					
Non-spendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	7,283	24,396	102,327
Unassigned, reserved for:	-	-	-	-	-
Total fund balances	-	-	7,283	24,396	102,327
Total liabilities and fund balances	\$ -	\$ -	\$ 7,283	\$ 24,396	\$ 104,377

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE - OTHER
 June 30, 2011

	<u>Public Library Foundation Grant</u>	<u>Family - Place Grant</u>	<u>Eureka Grant</u>	<u>Total other special revenue funds</u>
ASSETS				
Cash and investments	\$ 319	\$ 8,125	\$ 4,000	\$ 1,740,908
Cash and investments with fiscal agent	-	-	-	-
Receivables, net:				
Taxes	-	-	-	29,887
Accounts	-	-	-	19,600
Interest	-	-	-	-
Grants and other	-	-	-	21,503
	<u>319</u>	<u>8,125</u>	<u>4,000</u>	<u>1,811,898</u>
Total assets	\$ 319	\$ 8,125	\$ 4,000	\$ 1,811,898
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	109	-	-	69,826
Accrued payroll and related liabilities	-	-	-	27,558
Due to other funds	-	-	-	-
Deposits and retentions	-	-	-	60,305
Deferred revenue	-	8,125	4,000	12,125
	<u>109</u>	<u>8,125</u>	<u>4,000</u>	<u>169,814</u>
Total liabilities	109	8,125	4,000	169,814
Fund balances:				
Non-spendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	1,495,282
Assigned	210	-	-	648,505
Unassigned, reserved for:	-	-	-	(501,703)
	<u>210</u>	<u>-</u>	<u>-</u>	<u>1,642,084</u>
Total fund balances	210	-	-	1,642,084
Total liabilities and fund balances	\$ 319	\$ 8,125	\$ 4,000	\$ 1,811,898

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE - GRANT FUNDS
For the Year Ended June 30, 2011

	Homeland Security Fund	FMAG - Santa Anita Fire	Homeland Security Fund- Fire	CNG Station	Federal Transit Authority	Total Grant Funds
Revenues:						
Taxes	\$ -	\$ -		\$ -	\$ -	\$ -
Charges for services	-	-		-	-	-
Intergovernmental	-	10,652		16,697	-	27,349
Licenses and permits	-	-		-	-	-
Fines and forfeitures	-	-		-	-	-
Investment income	-	160		-	-	160
Miscellaneous	-	-		-	-	-
Total revenues	-	10,812		16,697	-	27,509
Expenditures:						
Current						
General government	-	2,796		-	-	2,796
Public safety	-	-		-	-	-
Public works	-	-		2,437	-	2,437
Development	-	-		-	-	-
Culture and recreation	-	-		-	-	-
Debt service:						
Principal	-	-		-	-	-
Interest	-	-		-	-	-
Capital outlay	-	-		-	-	-
Total expenditures	-	2,796		2,437	-	5,233
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	8,016		14,260	-	22,276
Other financing sources:						
Other	-	-		-	-	-
Transfers in	-	-		-	-	-
Transfers out	-	-		-	-	-
Total other financing sources (uses)	-	-		-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	8,016		14,260	-	22,276
Fund balances:						
Beginning of year		81,345	3,126	10	5,939	90,420
End of year	\$ -	\$ 89,361	\$ 3,126	\$ 14,270	\$ 5,939	\$ 112,696

See Accompanying Notes to Basic Financial Statements.

**CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - ASSESSMENT DISTRICT
 For the Year Ended June 30, 2011**

	Allegría/ Bonita Assessment	Central Business Assessment Dist.	Fane /Winwood Lane Assessment Dist	Lighting District - Citywide	Lighting District - Zone A
Revenues:					
Taxes	\$ 10,325	\$ 5,447	\$ 328	\$ 18,988	\$ 3,361
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	-	36	44	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>10,325</u>	<u>5,447</u>	<u>364</u>	<u>19,032</u>	<u>3,361</u>
Expenditures:					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	8,394	30,995	1,076	12,570	8,381
Development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>8,394</u>	<u>30,995</u>	<u>1,076</u>	<u>12,570</u>	<u>8,381</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	1,931	(25,548)	(712)	6,462	(5,020)
Other financing sources:					
Other					
Transfers in	-	25,548	-	-	5,020
Transfers out	<u>(1,931)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,931)</u>	<u>25,548</u>	<u>-</u>	<u>-</u>	<u>5,020</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(712)	6,462	-
Fund balances:					
Beginning of year	<u>-</u>	<u>-</u>	<u>20,188</u>	<u>21,576</u>	<u>-</u>
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,476</u>	<u>\$ 28,038</u>	<u>\$ -</u>

See Accompanying Notes to Basic Financial Statements.

**CITY OF SIERRA MADRE, CALIFORNIA
COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE - ASSESSMENT DISTRICT
For the Year Ended June 30, 2011**

	<u>Lighting District - Zone B</u>	<u>Parking District 1</u>	<u>Sewer Assessment District</u>	<u>Total Assessment District</u>
Revenues:				
Taxes	\$ 6,836	\$ 8,915	\$ 6,546	\$ 60,746
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	80
Miscellaneous	-	-	-	-
Total revenues	<u>6,836</u>	<u>8,915</u>	<u>6,546</u>	<u>60,826</u>
Expenditures:				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	25,669	23,423	76	110,584
Development	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>25,669</u>	<u>23,423</u>	<u>76</u>	<u>110,584</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(18,833)	(14,508)	6,470	(49,758)
Other financing sources:				
Other				
Transfers in	18,833	14,508	-	63,909
Transfers out	-	-	(6,475)	(8,406)
Total other financing sources (uses)	<u>18,833</u>	<u>14,508</u>	<u>(6,475)</u>	<u>55,503</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	(5)	5,745
Fund balances:				
Beginning of year	-	-	5	41,769
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,514</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011

	Development Fees	Development Impact Fees Fund	DUI Enforcement	Narcotics Enforcement Asset Seizure	Police Donations
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	178,251	-	-	-	-
Intergovernmental	-	-	1,413	-	-
Licenses and permits	450,985	37,854	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	291	165	-	-	23
Miscellaneous	-	-	-	-	4,952
Total revenues	629,527	38,019	1,413	-	4,975
Expenditures:					
Current					
General government	3,641	-	-	-	-
Public safety	-	-	(2,027)	-	-
Public works	-	-	-	-	-
Development	507,645	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	511,286	-	(2,027)	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	118,241	38,019	3,440	-	4,975
Other financing sources:					
Other					
Transfers in	-	76,352	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	76,352	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	118,241	114,371	3,440	-	4,975
Fund balances:					
Beginning of year	525	195	4,787	448	7,964
End of year	<u>\$ 118,766</u>	<u>\$ 114,566</u>	<u>\$ 8,227</u>	<u>\$ 448</u>	<u>\$ 12,939</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011

	Public Safety Augmentation Fund	State - COPS Grant	Emergency Medical Services	Fire Dept. Donations	Community Arts Commission
Revenues:					
Taxes	\$ 83,176	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	280,214	-	-
Intergovernmental	-	99,401	-	-	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	103	36	-	-
Miscellaneous	-	-	-	5,132	-
Total revenues	83,176	99,504	280,250	5,132	-
Expenditures:					
Current					
General government	-	-	3,642	-	-
Public safety	-	97,044	757,145	2,044	-
Public works	-	-	-	-	-
Development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	97,044	760,787	2,044	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	83,176	2,460	(480,537)	3,088	-
Other financing sources:					
Other	-	-	-	-	-
Transfers in	-	-	480,573	-	-
Transfers out	(99,422)	-	-	-	-
Total other financing sources (uses)	(99,422)	-	480,573	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(16,246)	2,460	36	3,088	-
Fund balances:					
Beginning of year	16,246	64,179	-	4,721	6,033
End of year	\$ -	\$ 66,639	\$ 36	\$ 7,809	\$ 6,033

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011

	Dog Park	Donations - Recreation	Local Transportation Bicycle Fund	Senior Center	SM Community Foundation
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	4,798	4,331	-
Intergovernmental	-	-	150,146	-	3,802
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	2,341	-	-
Investment income	-	80	36	604	67
Miscellaneous	-	750	-	18,600	(40)
Total revenues	-	830	157,321	23,535	3,829
Expenditures:					
Current					
General government	-	-	-	-	89
Public safety	-	-	-	-	-
Public works	244	-	-	-	-
Development	-	-	-	-	-
Culture and recreation	-	511	147,175	300	5,190
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	575	-	-	-
Total expenditures	244	1,086	147,175	300	5,279
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(244)	(256)	10,146	23,235	(1,450)
Other financing sources:					
Other					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(176)	-
Total other financing sources (uses)	-	-	-	(176)	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(244)	(256)	10,146	23,059	(1,450)
Fund balances:					
Beginning of year	9,235	44,466	(3,653)	314,994	38,745
End of year	<u>\$ 8,991</u>	<u>\$ 44,210</u>	<u>\$ 6,493</u>	<u>\$ 338,053</u>	<u>\$ 37,295</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011

	YAC - Youth Activity Center	Prop. C	County Prop A Park Dev	CA Beverage Container Grant	C.D.B.G Block Grant
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental	-	116,222	(58,080)	2,320	3,444
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	177	351	-	-	-
Miscellaneous	11,808	-	-	-	50
Total revenues	11,985	116,573	(58,080)	2,320	3,494
Expenditures:					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	2,500	-	-	3,494
Development	-	-	-	-	-
Culture and recreation	3,410	122,880	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	46,511	-	-	-
Total expenditures	3,410	171,891	-	-	3,494
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,575	(55,318)	(58,080)	2,320	-
Other financing sources:					
Other	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	8,575	(55,318)	(58,080)	2,320	-
Fund balances:					
Beginning of year	90,461	246,523	58,080	5,702	-
End of year	\$ 99,036	\$ 191,205	\$ -	\$ 8,022	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011

	Clean Air	Environmental Fund	State Gas Tax	Bikeway Sidewalk	Local Transit Program Measure R
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental	20,180	-	264,247	18,059	298,838
Licenses and permits	-	93,184	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	48	-	184	-	529
Miscellaneous	-	200	-	-	-
Total revenues	20,228	93,384	264,431	18,059	299,367
Expenditures:					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	10,270	74,953	207,682	17,747	-
Development	-	-	-	-	-
Culture and recreation	-	-	(3,679)	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	43,702	-	3,679	-	-
Total expenditures	53,972	74,953	207,682	17,747	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(33,744)	18,431	56,749	312	299,367
Other financing sources:					
Other					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(164,724)
Total other financing sources (uses)	-	-	-	-	(164,724)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(33,744)	18,431	56,749	312	134,643
Fund balances:					
Beginning of year	63,008	4,031	35,000	(312)	160,982
End of year	<u>\$ 29,264</u>	<u>\$ 22,462</u>	<u>\$ 91,749</u>	<u>\$ -</u>	<u>\$ 295,625</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011

	Prop 1B - Street & Road Improvement	PROP 42 Cong. Mgmt. Fund - S	Senior Excursions	California Library Foundation Grant	Library - Gift and Memorial
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Intergovernmental	-	-	-	4,311	-
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Investment income	-	-	-	44	187
Miscellaneous	-	-	-	-	5,860
	-	-	-	-	-
Total revenues	-	-	-	4,355	6,047
Expenditures:					
Current					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	2,998	-	-	-
Development	-	-	-	-	-
Culture and recreation	-	-	-	224	9,046
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
	-	-	-	-	-
Total expenditures	-	2,998	-	224	9,046
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	(2,998)	-	4,131	(2,999)
Other financing sources:					
Other					
Transfers in	-	-	-	-	-
Transfers out	(406,864)	(144,413)	-	-	-
	-	-	-	-	-
Total other financing sources (uses)	(406,864)	(144,413)	-	-	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(406,864)	(147,411)	-	4,131	(2,999)
Fund balances:					
Beginning of year	406,864	147,411	7,283	20,265	105,326
End of year	\$ -	\$ -	\$ 7,283	\$ 24,396	\$ 102,327

See Accompanying Notes to Basic Financial Statements.

**CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE - OTHER
 For the Year Ended June 30, 2011**

	<u>Public Library Foundation Grant</u>	<u>Family - Place Grant</u>	<u>Eureka Grant</u>	<u>Total other special revenue funds</u>
Revenues:				
Taxes	\$ -			\$ 83,176
Charges for services	-			467,594
Intergovernmental	-			924,303
Licenses and permits	-			582,023
Fines and forfeitures	-			2,341
Investment income	-			2,925
Miscellaneous	-			47,312
	-	-	-	2,109,674
Total revenues	-	-	-	2,109,674
Expenditures:				
Current				
General government	-			7,372
Public safety	-			854,206
Public works	-			319,888
Development	-			507,645
Culture and recreation	365			285,422
Debt service:				
Principal	-			-
Interest	-			-
Capital outlay	-			94,467
	365	-	-	2,069,000
Total expenditures	365	-	-	2,069,000
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses				
	(365)	-	-	40,674
Other financing sources:				
Other	-			-
Transfers in	-			556,925
Transfers out	-			(815,599)
	-	-	-	(258,674)
Total other financing sources (uses)	-	-	-	(258,674)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses				
	(365)			(218,000)
Fund balances:				
Beginning of year	575			1,860,084
End of year	\$ 210	\$ -	\$ -	\$ 1,642,084

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 June 30, 2011

	Sierra Madre Room	Accounting Software Project Fund 406	Street Improvement Project	Well 7 Construction Project Fund 410
ASSETS				
Cash and investments	\$ 207,233	\$ -	\$ -	\$ -
Receivables, net:				
Taxes	-	-	-	-
Accounts	-	-	-	-
Interest	-	-	-	-
Grants and other	-	-	-	-
Total assets	\$ 207,233	\$ -	\$ -	\$ -
LIABILITIES AND FUND BALANCE				
Liabilities:				
Accounts payable	207,233	\$ -	-	-
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	-	-	-	-
Deposits and retentions	-	-	-	-
Deferred revenue	-	-	-	-
Total liabilities	207,233	-	-	-
Fund balances:				
Non-spendable				
Restricted				
Committed	-			
Construction in progress				
Future operations				
Assigned	-	-	-	-
Unassigned, reserved for:				
Total fund balances	-	-	-	-
Total liabilities and fund balances	\$ 207,233	\$ -	\$ -	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 June 30, 2011

	AM Radio Tower Fund 412	Hart P	Total
ASSETS			
Cash and investments	\$ 6,471	\$ -	\$ 213,704
Receivables, net:			-
Taxes	-	-	-
Accounts	-	-	-
Interest	-	-	-
Grants and other	-	-	-
	\$ 6,471	\$ -	\$ 213,704
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts payable	-	-	207,233
Accrued payroll and related liabilities	-	-	-
Due to other funds	-	-	-
Deposits and retentions	-	-	-
Deferred revenue	-	-	-
	-	-	207,233
Fund balances:			
Non-spendable			-
Restricted			-
Committed			-
Construction in progress			-
Future operations			-
Assigned	6,471	-	6,471
Unassigned, reserved for:			-
	6,471	-	6,471
Total liabilities and fund balances	\$ 6,471	\$ -	\$ 213,704

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2011

	<u>Sierra Madre Room</u>	<u>Accounting Software Project Fund 406</u>	<u>Street Improvement Project Fund 409</u>	<u>Well 7 Construction Project Fund 410</u>
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	-	-	-	-
Expenditures:				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture and recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	1,008,836	114,181	667,022	8,327
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	1,008,836	114,181	667,022	8,327
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(1,008,836)	(114,181)	(667,022)	(8,327)
Other financing sources:				
Other	-	-	-	-
Transfers in	1,008,836	114,181	716,000	8,327
Transfers out	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	1,008,836	114,181	716,000	8,327
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	-	-	48,978	-
Fund balances:				
Beginning of year	-	-	(48,978)	-
	<hr/>	<hr/>	<hr/>	<hr/>
End of year	\$ -	\$ -	\$ -	\$ -

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 For the Year Ended June 30, 2011

	AM Radio Tower Fund 412	Hart P	Total
Revenues:			
Taxes	\$ -	\$ -	\$ -
Charges for services	-	-	-
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	-	-
Miscellaneous	-	1,045	1,045
	<hr/>	<hr/>	<hr/>
Total revenues	-	1,045	1,045
Expenditures:			
Current			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Development	-	-	-
Culture and recreation	-	-	-
Debt service:			
Principal	-	-	-
Interest	-	-	-
Capital outlay	8,465	1,221	1,808,052
	<hr/>	<hr/>	<hr/>
Total expenditures	8,465	1,221	1,808,052
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses			
	(8,465)	(176)	(1,807,007)
Other financing sources:			
Other	14,000	-	14,000
Transfers in	-	176	1,847,520
Transfers out	-	-	-
	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	14,000	176	1,861,520
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses			
	5,535	-	54,513
Fund balances:			
Beginning of year	936	-	(48,042)
	<hr/>	<hr/>	<hr/>
End of year	\$ 6,471	\$ -	\$ 6,471
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	FMAG - Santa Anita Fire			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	10,652	10,652
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	160	160
Miscellaneous	-	-	-	-
Total revenues	-	-	10,812	10,812
Expenditures:				
General government	-	-	2,796	(2,796)
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	2,796	(2,796)
Excess (deficiency) of revenues over (under) expenditures	-	-	8,016	8,016
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	8,016	8,016
Fund balances:				
Beginning of year	81,346	81,346	81,346	-
End of year	\$ 81,346	\$ 81,346	\$ 89,362	\$ 8,016

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Homeland Security Fund-Fire			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	3,126	3,126	3,126	-
End of year	\$ 3,126	\$ 3,126	\$ 3,126	\$ -

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	CNG Station			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	16,697	16,697
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	16,697	16,697
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	2,437	(2,437)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	2,437	(2,437)
Excess (deficiency) of revenues over (under) expenditures	-	-	14,260	14,260
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	14,260	14,260
Fund balances:				
Beginning of year	10	10	10	-
End of year	\$ 10	\$ 10	\$ 14,270	\$ 14,260

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Federal Transit Authority			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	5,939	5,939	5,939	-
End of year	\$ 5,939	\$ 5,939	\$ 5,939	\$ -

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Total Grant Funds			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	27,349	27,349
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	160	160
Miscellaneous	-	-	-	-
Total revenues	-	-	27,509	27,509
Expenditures:				
General government	-	-	2,796	(2,796)
Public safety	-	-	-	-
Public works	-	-	2,437	(2,437)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	5,233	(5,233)
Excess (deficiency) of revenues over (under) expenditures	-	-	22,276	22,276
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	22,276	22,276
Fund balances:				
Beginning of year	90,421	90,421	90,421	-
End of year	\$ 90,421	\$ 90,421	\$ 112,697	\$ 22,276

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Allegría/Bonita Assessment			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 46,442	\$ 46,442	\$ 10,325	\$ (36,117)
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>46,442</u>	<u>46,442</u>	<u>10,325</u>	<u>(36,117)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	7,972	7,972	8,394	(422)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>7,972</u>	<u>7,972</u>	<u>8,394</u>	<u>(422)</u>
Excess (deficiency) of revenues over (under) expenditures	38,470	38,470	1,931	(36,539)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	(1,931)	(1,931)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,931)</u>	<u>(1,931)</u>
Net change in fund balances	38,470	38,470	-	(38,470)
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ 38,470</u>	<u>\$ 38,470</u>	<u>\$ -</u>	<u>\$ (38,470)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Central Business Assessment District			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 5,700	\$ 5,700	\$ 5,447	\$ (253)
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>5,700</u>	<u>5,700</u>	<u>5,447</u>	<u>(253)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	28,754	28,754	30,994	(2,240)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>28,754</u>	<u>28,754</u>	<u>30,994</u>	<u>(2,240)</u>
Excess (deficiency) of revenues over (under) expenditures	(23,054)	(23,054)	(25,547)	(2,493)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	25,547	25,547
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>25,547</u>	<u>25,547</u>
Net change in fund balances	(23,054)	(23,054)	-	23,054
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ (23,054)</u>	<u>\$ (23,054)</u>	<u>\$ -</u>	<u>\$ 23,054</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Fane/Winwood Lane Assessment District			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 5,455	\$ 5,455	\$ 327	\$ (5,128)
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	36	36
Miscellaneous	-	-	-	-
Total revenues	<u>5,455</u>	<u>5,455</u>	<u>363</u>	<u>(5,092)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,741	1,741	1,076	665
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,741</u>	<u>1,741</u>	<u>1,076</u>	<u>665</u>
Excess (deficiency) of revenues over (under) expenditures	3,714	3,714	(713)	(4,427)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,714	3,714	(713)	(4,427)
Fund balances:				
Beginning of year	20,189	20,189	20,189	-
End of year	<u>\$ 23,903</u>	<u>\$ 23,903</u>	<u>\$ 19,476</u>	<u>\$ (4,427)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Lighting District - Citywide			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 10,679	\$ 10,679	\$ 18,988	\$ 8,309
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	44	44
Miscellaneous	-	-	-	-
Total revenues	<u>10,679</u>	<u>10,679</u>	<u>19,032</u>	<u>8,353</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	15,037	15,037	12,570	2,467
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>15,037</u>	<u>15,037</u>	<u>12,570</u>	<u>2,467</u>
Excess (deficiency) of revenues over (under) expenditures	(4,358)	(4,358)	6,462	10,820
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,358)	(4,358)	6,462	10,820
Fund balances:				
Beginning of year	21,576	21,576	21,576	-
End of year	<u>\$ 17,218</u>	<u>\$ 17,218</u>	<u>\$ 28,038</u>	<u>\$ 10,820</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Lighting District - Zone A			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 1,603	\$ 1,570	\$ 3,361	\$ 1,791
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,603</u>	<u>1,570</u>	<u>3,361</u>	<u>1,791</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	8,196	8,196	8,381	(185)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>8,196</u>	<u>8,196</u>	<u>8,381</u>	<u>(185)</u>
Excess (deficiency) of revenues over (under) expenditures	(6,593)	(6,626)	(5,020)	1,606
Other financing sources (uses):				
Sale of properties				
Transfers in	13,745	13,703	5,020	(8,683)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>13,745</u>	<u>13,703</u>	<u>5,020</u>	<u>(8,683)</u>
Net change in fund balances	7,152	7,077	-	(7,077)
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ 7,152</u>	<u>\$ 7,077</u>	<u>\$ -</u>	<u>\$ (7,077)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Lighting District - Zone B			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 6,030	\$ 6,030	\$ 6,836	\$ 806
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>6,030</u>	<u>6,030</u>	<u>6,836</u>	<u>806</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	22,784	22,784	25,669	(2,885)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>22,784</u>	<u>22,784</u>	<u>25,669</u>	<u>(2,885)</u>
Excess (deficiency) of revenues over (under) expenditures	(16,754)	(16,754)	(18,833)	(2,079)
Other financing sources (uses):				
Sale of properties				
Transfers in	53,919	53,919	18,833	(35,086)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>53,919</u>	<u>53,919</u>	<u>18,833</u>	<u>(35,086)</u>
Net change in fund balances	37,165	37,165	-	(37,165)
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ 37,165</u>	<u>\$ 37,165</u>	<u>\$ -</u>	<u>\$ (37,165)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Parking District 1			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 9,000	\$ 9,000	\$ 8,915	\$ (85)
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>8,915</u>	<u>(85)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	16,963	16,963	23,423	(6,460)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>16,963</u>	<u>16,963</u>	<u>23,423</u>	<u>(6,460)</u>
Excess (deficiency) of revenues over (under) expenditures	(7,963)	(7,963)	(14,508)	(6,545)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	14,508	14,508
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>14,508</u>	<u>14,508</u>
Net change in fund balances	(7,963)	(7,963)	-	7,963
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ (7,963)</u>	<u>\$ (7,963)</u>	<u>\$ -</u>	<u>\$ 7,963</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Santa Anita/Arno Assessment			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,667	1,667	-	1,667
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,667</u>	<u>1,667</u>	<u>-</u>	<u>1,667</u>
Excess (deficiency) of revenues over (under) expenditures	(1,667)	(1,667)	-	1,667
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,667)	(1,667)	-	1,667
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ (1,667)</u>	<u>\$ (1,667)</u>	<u>\$ -</u>	<u>\$ 1,667</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Sewer Assessment District			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 6,169	\$ 6,169	\$ 6,546	\$ 377
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	6,169	6,169	6,546	377
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	461	461	76	385
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	461	461	76	385
Excess (deficiency) of revenues over (under) expenditures	5,708	5,708	6,470	762
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	(6,900)	(6,900)	(6,475)	425
Total other financing sources (uses)	(6,900)	(6,900)	(6,475)	425
Net change in fund balances	(1,192)	(1,192)	(5)	1,187
Fund balances:				
Beginning of year	5	5	5	-
End of year	\$ (1,187)	\$ (1,187)	\$ -	\$ 1,187

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Total Assessment District			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 91,078	\$ 91,045	\$ 60,745	\$ (30,300)
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	80	80
Miscellaneous	-	-	-	-
Total revenues	<u>91,078</u>	<u>91,045</u>	<u>60,825</u>	<u>(30,220)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	103,575	103,575	110,583	(7,008)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>103,575</u>	<u>103,575</u>	<u>110,583</u>	<u>(7,008)</u>
Excess (deficiency) of revenues over (under) expenditures	(12,497)	(12,530)	(49,758)	(37,228)
Other financing sources (uses):				
Sale of properties	-	-	-	-
Transfers in	67,664	67,622	63,908	(3,714)
Transfers out	(6,900)	(6,900)	(8,406)	(1,506)
Total other financing sources (uses)	<u>60,764</u>	<u>60,722</u>	<u>55,502</u>	<u>(5,220)</u>
Net change in fund balances	48,267	48,192	5,744	(42,448)
Fund balances:				
Beginning of year	41,770	41,770	41,770	-
End of year	<u>\$ 90,037</u>	<u>\$ 89,962</u>	<u>\$ 47,514</u>	<u>\$ (42,448)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Development Fees			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	79,393	79,393	178,251	98,858
Intergovernmental	-	-	-	-
Licenses and permits	129,500	147,500	450,985	303,485
Fines and forfeitures	-	-	-	-
Investment income	-	-	291	291
Miscellaneous	-	-	-	-
Total revenues	<u>208,893</u>	<u>226,893</u>	<u>629,527</u>	<u>402,634</u>
Expenditures:				
General government	3,307	3,307	3,641	(334)
Public safety	-	-	-	-
Public works	-	-	-	-
Development	584,091	584,091	507,645	76,446
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>587,398</u>	<u>587,398</u>	<u>511,286</u>	<u>76,112</u>
Excess (deficiency) of revenues over (under) expenditures	(378,505)	(360,505)	118,241	478,746
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(378,505)	(360,505)	118,241	478,746
Fund balances:				
Beginning of year	525	525	525	-
End of year	<u>\$ (377,980)</u>	<u>\$ (359,980)</u>	<u>\$ 118,766</u>	<u>\$ 478,746</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Development Impact Fees Fund 261			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	37,854	37,854
Fines and forfeitures	-	-	-	-
Investment income	-	-	165	165
Miscellaneous	-	-	-	-
Total revenues	-	-	38,019	38,019
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	38,019	38,019
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	76,352	76,352
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	76,352	76,352
Net change in fund balances	-	-	114,371	114,371
Fund balances:				
Beginning of year	194	194	194	-
End of year	\$ 194	\$ 194	\$ 114,565	\$ 114,371

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	DUI Enforcement			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	3,035	3,035	1,413	(1,622)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,035</u>	<u>3,035</u>	<u>1,413</u>	<u>(1,622)</u>
Expenditures:				
General government	-	-	-	-
Public safety	3,101	3,101	(2,027)	5,128
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,101</u>	<u>3,101</u>	<u>(2,027)</u>	<u>5,128</u>
Excess (deficiency) of revenues over (under) expenditures	(66)	(66)	3,440	3,506
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(66)	(66)	3,440	3,506
Fund balances:				
Beginning of year	4,786	4,786	4,786	-
End of year	<u>\$ 4,720</u>	<u>\$ 4,720</u>	<u>\$ 8,226</u>	<u>\$ 3,506</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Narcotics Enforcement Asset Seizure			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
General government	-	-	-	-
Public safety	2,401	2,401	-	2,401
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,401</u>	<u>2,401</u>	<u>-</u>	<u>2,401</u>
Excess (deficiency) of revenues over (under) expenditures	(2,401)	(2,401)	-	2,401
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(2,401)	(2,401)	-	2,401
Fund balances:				
Beginning of year	448	448	448	-
End of year	<u>\$ (1,953)</u>	<u>\$ (1,953)</u>	<u>\$ 448</u>	<u>\$ 2,401</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Police Donations			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	23	23
Miscellaneous	2,000	2,000	4,952	2,952
Total revenues	2,000	2,000	4,975	2,975
Expenditures:				
General government	-	-	-	-
Public safety	2,101	2,101	-	2,101
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	2,101	2,101	-	2,101
Excess (deficiency) of revenues over (under) expenditures	(101)	(101)	4,975	5,076
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(101)	(101)	4,975	5,076
Fund balances:				
Beginning of year	7,964	7,964	7,964	-
End of year	\$ 7,863	\$ 7,863	\$ 12,939	\$ 5,076

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Public Safety Augmentation Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 95,100	\$ 95,100	\$ 83,177	\$ (11,923)
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>95,100</u>	<u>95,100</u>	<u>83,177</u>	<u>(11,923)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	95,100	95,100	83,177	(11,923)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	(99,915)	(99,915)	(99,422)	493
Total other financing sources (uses)	<u>(99,915)</u>	<u>(99,915)</u>	<u>(99,422)</u>	<u>493</u>
Net change in fund balances	(4,815)	(4,815)	(16,245)	(11,430)
Fund balances:				
Beginning of year	16,246	16,246	16,246	-
End of year	<u>\$ 11,431</u>	<u>\$ 11,431</u>	<u>\$ 1</u>	<u>\$ (11,430)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	State - COPS Grant			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	100,000	100,000	99,401	(599)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	103	103
Miscellaneous	-	-	-	-
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>99,504</u>	<u>(496)</u>
Expenditures:				
General government	-	-	-	-
Public safety	100,000	100,000	97,044	2,956
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>97,044</u>	<u>2,956</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	2,460	2,460
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	2,460	2,460
Fund balances:				
Beginning of year	64,179	64,179	64,179	-
End of year	<u>\$ 64,179</u>	<u>\$ 64,179</u>	<u>\$ 66,639</u>	<u>\$ 2,460</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Emergency Medical Services Fund 281			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	266,500	296,500	280,214	(16,286)
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	36	36
Miscellaneous	-	-	-	-
Total revenues	<u>266,500</u>	<u>296,500</u>	<u>280,250</u>	<u>(16,250)</u>
Expenditures:				
General government	3,307	3,307	3,642	(335)
Public safety	743,301	743,301	757,145	(13,844)
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>746,608</u>	<u>746,608</u>	<u>760,787</u>	<u>(14,179)</u>
Excess (deficiency) of revenues over (under) expenditures	(480,108)	(450,108)	(480,537)	(30,429)
Other financing sources (uses):				
Sale of properties				
Transfers in	224,000	224,000	480,573	256,573
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>224,000</u>	<u>224,000</u>	<u>480,573</u>	<u>256,573</u>
Net change in fund balances	(256,108)	(226,108)	36	226,144
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ (256,108)</u>	<u>\$ (226,108)</u>	<u>\$ 36</u>	<u>\$ 226,144</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Fire Dept. Donations			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	2,000	2,000	5,132	3,132
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>5,132</u>	<u>3,132</u>
Expenditures:				
General government	-	-	-	-
Public safety	2,101	2,101	2,044	57
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>2,101</u>	<u>2,101</u>	<u>2,044</u>	<u>57</u>
Excess (deficiency) of revenues over (under) expenditures	(101)	(101)	3,088	3,189
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(101)	(101)	3,088	3,189
Fund balances:				
Beginning of year	4,721	4,721	4,721	-
End of year	<u>\$ 4,620</u>	<u>\$ 4,620</u>	<u>\$ 7,809</u>	<u>\$ 3,189</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Community Arts Commission			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	10,500	10,500	-	(10,500)
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>-</u>	<u>(10,500)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	10,500	10,500	-	(10,500)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,500	10,500	-	(10,500)
Fund balances:				
Beginning of year	6,033	6,033	6,033	-
End of year	<u>\$ 16,533</u>	<u>\$ 16,533</u>	<u>\$ 6,033</u>	<u>\$ (10,500)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Dog Park			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	1,355	1,355	-	(1,355)
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>1,355</u>	<u>1,355</u>	<u>-</u>	<u>(1,355)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	1,429	1,429	244	1,185
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>1,429</u>	<u>1,429</u>	<u>244</u>	<u>1,185</u>
Excess (deficiency) of revenues over (under) expenditures	(74)	(74)	(244)	(170)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(74)	(74)	(244)	(170)
Fund balances:				
Beginning of year	9,235	9,235	9,235	-
End of year	<u>\$ 9,161</u>	<u>\$ 9,161</u>	<u>\$ 8,991</u>	<u>\$ (170)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Donations - Recreation			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	80	80
Miscellaneous	2,150	2,150	750	(1,400)
Total revenues	<u>2,150</u>	<u>2,150</u>	<u>830</u>	<u>(1,320)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	511	(511)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	574	(574)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,085</u>	<u>(1,085)</u>
Excess (deficiency) of revenues over (under) expenditures	2,150	2,150	(255)	(2,405)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2,150	2,150	(255)	(2,405)
Fund balances:				
Beginning of year	44,466	44,466	44,466	-
End of year	<u>\$ 46,616</u>	<u>\$ 46,616</u>	<u>\$ 44,211</u>	<u>\$ (2,405)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Local Transportation Bicycle Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	4,015	4,015	4,798	783
Intergovernmental	159,102	162,000	150,146	(11,854)
Licenses and permits	-	-	-	-
Fines and forfeitures	7,150	7,150	2,341	(4,809)
Investment income	-	-	36	36
Miscellaneous	-	-	-	-
Total revenues	<u>170,267</u>	<u>173,165</u>	<u>157,321</u>	<u>(15,844)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	183,089	183,089	147,175	35,914
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>183,089</u>	<u>183,089</u>	<u>147,175</u>	<u>35,914</u>
Excess (deficiency) of revenues over (under) expenditures	(12,822)	(9,924)	10,146	20,070
Other financing sources (uses):				
Sale of properties				
Transfers in	74,860	74,860	-	(74,860)
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>74,860</u>	<u>74,860</u>	<u>-</u>	<u>(74,860)</u>
Net change in fund balances	62,038	64,936	10,146	(54,790)
Fund balances:				
Beginning of year	(3,653)	(3,653)	(3,653)	-
End of year	<u>\$ 58,385</u>	<u>\$ 61,283</u>	<u>\$ 6,493</u>	<u>\$ (54,790)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Senior Center			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	4,331	4,331
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	604	604
Miscellaneous	10,000	10,000	18,600	8,600
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>23,535</u>	<u>13,535</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	50,000	50,000	300	49,700
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>50,000</u>	<u>50,000</u>	<u>300</u>	<u>49,700</u>
Excess (deficiency) of revenues over (under) expenditures	(40,000)	(40,000)	23,235	63,235
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	(176)	(176)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(176)</u>	<u>(176)</u>
Net change in fund balances	(40,000)	(40,000)	23,059	63,059
Fund balances:				
Beginning of year	314,994	314,994	314,994	-
End of year	<u>\$ 274,994</u>	<u>\$ 274,994</u>	<u>\$ 338,053</u>	<u>\$ 63,059</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	SM Community Foundation			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	5,000	5,000	3,802	(1,198)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	67	67
Miscellaneous	-	-	(40)	(40)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>3,829</u>	<u>(1,171)</u>
Expenditures:				
General government	-	-	89	(89)
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	5,000	5,000	5,190	(190)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,279</u>	<u>(279)</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,450)	(1,450)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(1,450)	(1,450)
Fund balances:				
Beginning of year	38,745	38,745	38,745	-
End of year	<u>\$ 38,745</u>	<u>\$ 38,745</u>	<u>\$ 37,295</u>	<u>\$ (1,450)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	YAC - Youth Activity Center			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	177	177
Miscellaneous	20,000	11,000	11,808	808
Total revenues	<u>20,000</u>	<u>11,000</u>	<u>11,985</u>	<u>985</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	5,000	5,000	3,410	1,590
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>3,410</u>	<u>1,590</u>
Excess (deficiency) of revenues over (under) expenditures	15,000	6,000	8,575	2,575
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	15,000	6,000	8,575	2,575
Fund balances:				
Beginning of year	90,461	90,461	90,461	-
End of year	<u>\$ 105,461</u>	<u>\$ 96,461</u>	<u>\$ 99,036</u>	<u>\$ 2,575</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Prop. C			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	130,346	130,346	116,222	(14,124)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	351	351
Miscellaneous	-	-	-	-
Total revenues	<u>130,346</u>	<u>130,346</u>	<u>116,573</u>	<u>(13,773)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	175,000	175,000	2,500	172,500
Development	-	-	-	-
Culture & Recreation	80,500	80,500	122,880	(42,380)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	46,511	(46,511)
Total expenditures	<u>255,500</u>	<u>255,500</u>	<u>171,891</u>	<u>83,609</u>
Excess (deficiency) of revenues over (under) expenditures	(125,154)	(125,154)	(55,318)	69,836
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(125,154)	(125,154)	(55,318)	69,836
Fund balances:				
Beginning of year	246,523	246,523	246,523	-
End of year	<u>\$ 121,369</u>	<u>\$ 121,369</u>	<u>\$ 191,205</u>	<u>\$ 69,836</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	County Prop A Park Development			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	(58,080)	(58,080)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>(58,080)</u>	<u>(58,080)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	(58,080)	(58,080)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	(58,080)	(58,080)
Fund balances:				
Beginning of year	58,080	58,080	58,080	-
End of year	<u>\$ 58,080</u>	<u>\$ 58,080</u>	<u>\$ -</u>	<u>\$ (58,080)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	CA Beverage Container Grant			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	2,320	2,320
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	2,320	2,320
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	2,320	2,320
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	2,320	2,320
Fund balances:				
Beginning of year	5,702	5,702	5,702	-
End of year	\$ 5,702	\$ 5,702	\$ 8,022	\$ 2,320

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	C.D.B.G Block Grant			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	32,000	32,000	3,444	(28,556)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	50	50
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>3,494</u>	<u>(28,506)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	3,494	(3,494)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>3,494</u>	<u>(3,494)</u>
Excess (deficiency) of revenues over (under) expenditures	32,000	32,000	-	(32,000)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	32,000	32,000	-	(32,000)
Fund balances:				
Beginning of year	-	-	-	-
End of year	<u>\$ 32,000</u>	<u>\$ 32,000</u>	<u>\$ -</u>	<u>\$ (32,000)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Clean Air			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	12,800	12,800	20,180	7,380
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	48	48
Miscellaneous	-	-	-	-
Total revenues	12,800	12,800	20,228	7,428
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	3,758	3,758	10,270	(6,512)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	43,702	(43,702)
Total expenditures	3,758	3,758	53,972	(50,214)
Excess (deficiency) of revenues over (under) expenditures	9,042	9,042	(33,744)	(42,786)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	9,042	9,042	(33,744)	(42,786)
Fund balances:				
Beginning of year	63,009	63,009	63,009	-
End of year	\$ 72,051	\$ 72,051	\$ 29,265	\$ (42,786)

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Environmental Fund			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	152,000	152,000	93,184	(58,816)
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	1,000	1,000	200	(800)
Total revenues	<u>153,000</u>	<u>153,000</u>	<u>93,384</u>	<u>(59,616)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	105,978	105,978	74,953	31,025
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>105,978</u>	<u>105,978</u>	<u>74,953</u>	<u>31,025</u>
Excess (deficiency) of revenues over (under) expenditures	47,022	47,022	18,431	(28,591)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	47,022	47,022	18,431	(28,591)
Fund balances:				
Beginning of year	4,031	4,031	4,031	-
End of year	<u>\$ 51,053</u>	<u>\$ 51,053</u>	<u>\$ 22,462</u>	<u>\$ (28,591)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	State Gas Tax			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	228,993	228,993	264,247	35,254
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	184	184
Miscellaneous	-	-	-	-
Total revenues	<u>228,993</u>	<u>228,993</u>	<u>264,431</u>	<u>35,438</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	180,255	180,255	207,682	(27,427)
Development	-	-	-	-
Culture & Recreation	-	-	(3,679)	3,679
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	3,679	(3,679)
Total expenditures	<u>180,255</u>	<u>180,255</u>	<u>207,682</u>	<u>(27,427)</u>
Excess (deficiency) of revenues over (under) expenditures	48,738	48,738	56,749	8,011
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	48,738	48,738	56,749	8,011
Fund balances:				
Beginning of year	35,000	35,000	35,000	-
End of year	<u>\$ 83,738</u>	<u>\$ 83,738</u>	<u>\$ 91,749</u>	<u>\$ 8,011</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Bikeway Sidewalk			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	5,274	5,500	18,059	12,559
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>5,274</u>	<u>5,500</u>	<u>18,059</u>	<u>12,559</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	15,000	15,000	17,747	(2,747)
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>17,747</u>	<u>(2,747)</u>
Excess (deficiency) of revenues over (under) expenditures	(9,726)	(9,500)	312	9,812
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(9,726)	(9,500)	312	9,812
Fund balances:				
Beginning of year	(312)	(312)	(312)	-
End of year	<u>\$ (10,038)</u>	<u>\$ (9,812)</u>	<u>\$ -</u>	<u>\$ 9,812</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Local Transit Program Measure R Fund 217			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	160,000	160,000	298,838	138,838
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	528	528
Miscellaneous	-	-	-	-
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>299,366</u>	<u>139,366</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	160,000	160,000	299,366	139,366
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	(164,724)	(164,724)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(164,724)</u>	<u>(164,724)</u>
Net change in fund balances	160,000	160,000	134,642	(25,358)
Fund balances:				
Beginning of year	160,984	160,984	160,984	-
End of year	<u>\$ 320,984</u>	<u>\$ 320,984</u>	<u>\$ 295,626</u>	<u>\$ (25,358)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Prop 1B - Street & Road Improvement			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	(406,864)	(406,864)
Total other financing sources (uses)	-	-	(406,864)	(406,864)
Net change in fund balances	-	-	(406,864)	(406,864)
Fund balances:				
Beginning of year	406,864	406,864	406,864	-
End of year	\$ 406,864	\$ 406,864	\$ -	\$ (406,864)

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	PROP 42 Cong. Mgmt. Fund - S			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	95,542	95,542	-	(95,542)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>95,542</u>	<u>95,542</u>	<u>-</u>	<u>(95,542)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	104,684	104,684	2,998	101,686
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>104,684</u>	<u>104,684</u>	<u>2,998</u>	<u>101,686</u>
Excess (deficiency) of revenues over (under) expenditures	(9,142)	(9,142)	(2,998)	6,144
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	(144,413)	(144,413)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(144,413)</u>	<u>(144,413)</u>
Net change in fund balances	(9,142)	(9,142)	(147,411)	(138,269)
Fund balances:				
Beginning of year	147,411	147,411	147,411	-
End of year	<u>\$ 138,269</u>	<u>\$ 138,269</u>	<u>\$ -</u>	<u>\$ (138,269)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Senior Excursions			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	9,000	9,000	-	(9,000)
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>-</u>	<u>(9,000)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	9,000	9,000	-	(9,000)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	9,000	9,000	-	(9,000)
Fund balances:				
Beginning of year	7,283	7,283	7,283	-
End of year	<u>\$ 16,283</u>	<u>\$ 16,283</u>	<u>\$ 7,283</u>	<u>\$ (9,000)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	California Library Foundation Grant			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	7,000	7,000	4,311	(2,689)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	45	45
Miscellaneous	-	-	-	-
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>4,356</u>	<u>(2,644)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	3,440	3,440	224	3,216
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,440</u>	<u>3,440</u>	<u>224</u>	<u>3,216</u>
Excess (deficiency) of revenues over (under) expenditures	3,560	3,560	4,132	572
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	3,560	3,560	4,132	572
Fund balances:				
Beginning of year	20,265	20,265	20,265	-
End of year	<u>\$ 23,825</u>	<u>\$ 23,825</u>	<u>\$ 24,397</u>	<u>\$ 572</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Library - Gift and Memorial			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	187	187
Miscellaneous	4,600	4,600	5,860	1,260
Total revenues	<u>4,600</u>	<u>4,600</u>	<u>6,047</u>	<u>1,447</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	8,700	8,700	9,046	(346)
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>8,700</u>	<u>8,700</u>	<u>9,046</u>	<u>(346)</u>
Excess (deficiency) of revenues over (under) expenditures	(4,100)	(4,100)	(2,999)	1,101
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(4,100)	(4,100)	(2,999)	1,101
Fund balances:				
Beginning of year	105,326	105,326	105,326	-
End of year	<u>\$ 101,226</u>	<u>\$ 101,226</u>	<u>\$ 102,327</u>	<u>\$ 1,101</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Public Library Foundation Grant			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	4,000	4,000	-	(4,000)
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>4,000</u>	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	3,785	3,785	365	3,420
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>3,785</u>	<u>3,785</u>	<u>365</u>	<u>3,420</u>
Excess (deficiency) of revenues over (under) expenditures	215	215	(365)	(580)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	215	215	(365)	(580)
Fund balances:				
Beginning of year	575	575	575	-
End of year	<u>\$ 790</u>	<u>\$ 790</u>	<u>\$ 210</u>	<u>\$ (580)</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Total Other Special Revenue Funds			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 95,100	\$ 95,100	\$ 83,177	\$ (11,923)
Charges for services	358,908	388,908	467,594	78,686
Intergovernmental	943,092	946,216	924,303	(21,913)
Licenses and permits	293,355	311,355	582,023	270,668
Fines and forfeitures	7,150	7,150	2,341	(4,809)
Investment income	-	-	2,925	2,925
Miscellaneous	41,750	32,750	47,312	14,562
Total revenues	<u>1,739,355</u>	<u>1,781,479</u>	<u>2,109,675</u>	<u>328,196</u>
Expenditures:				
General government	6,614	6,614	7,372	(758)
Public safety	853,005	853,005	854,206	(1,201)
Public works	586,104	586,104	319,888	266,216
Development	584,091	584,091	507,645	76,446
Culture & Recreation	339,514	339,514	285,422	54,092
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	94,466	(94,466)
Total expenditures	<u>2,369,328</u>	<u>2,369,328</u>	<u>2,068,999</u>	<u>300,329</u>
Excess (deficiency) of revenues over (under) expenditures	(629,973)	(587,849)	40,676	628,525
Other financing sources (uses):				
Sale of properties				
Transfers in	298,860	298,860	556,925	258,065
Transfers out	(99,915)	(99,915)	(815,599)	(715,684)
Total other financing sources (uses)	<u>198,945</u>	<u>198,945</u>	<u>(258,674)</u>	<u>(457,619)</u>
Net change in fund balances	(431,028)	(388,904)	(217,998)	170,906
Fund balances:				
Beginning of year	1,860,085	1,860,085	1,860,085	-
End of year	<u>\$ 1,429,057</u>	<u>\$ 1,471,181</u>	<u>\$ 1,642,087</u>	<u>\$ 170,906</u>

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Sierra Madre Room			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,008,836	(1,008,836)
Total expenditures	-	-	1,008,836	(1,008,836)
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,008,836)	(1,008,836)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	1,008,836	1,008,836
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	1,008,836	1,008,836
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

Accounting Software Project Fund 406				
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<u>Revenues:</u>				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
<u>Expenditures:</u>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	114,181	(114,181)
Total expenditures	-	-	114,181	(114,181)
Excess (deficiency) of revenues over (under) expenditures	-	-	(114,181)	(114,181)
<u>Other financing sources (uses):</u>				
Sale of properties				
Transfers in	-	-	114,181	114,181
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	114,181	114,181
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	Street Improvement Project Fund 409			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	667,022	(667,022)
Total expenditures	-	-	667,022	(667,022)
Excess (deficiency) of revenues over (under) expenditures	-	-	(667,022)	(667,022)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	716,000	716,000
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	716,000	716,000
Net change in fund balances	-	-	48,978	48,978
Fund balances:				
Beginning of year	(48,978)	(48,978)	(48,978)	-
End of year	\$ (48,978)	\$ (48,978)	\$ -	\$ 48,978

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Well 7 Construction Project Fund 410			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	8,327	(8,327)
Total expenditures	-	-	8,327	(8,327)
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,327)	(8,327)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	8,327	8,327
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	8,327	8,327
Net change in fund balances	-	-	-	-
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ -	\$ -

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 Budget versus Actual
 Non Major Governmental Funds
 Year Ended June 30, 2011

	AM Radio Tower Fund 412			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	-	-	-	-
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	8,465	(8,465)
Total expenditures	-	-	8,465	(8,465)
Excess (deficiency) of revenues over (under) expenditures	-	-	(8,465)	(8,465)
Other financing sources (uses):				
Sale of properties			14,000	
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	14,000	-
Net change in fund balances	-	-	5,535	5,535
Fund balances:				
Beginning of year	937	937	937	-
End of year	\$ 937	\$ 937	\$ 6,472	\$ 5,535

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Hart P			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,045	1,045
Total revenues	-	-	1,045	1,045
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	1,222	(1,222)
Development	-	-	-	-
Culture & Recreation	-	-	(446)	446
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	447	(447)
Total expenditures	-	-	1,223	(1,223)
Excess (deficiency) of revenues over (under) expenditures	-	-	(178)	(178)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	177	177
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	177	177
Net change in fund balances	-	-	(1)	(1)
Fund balances:				
Beginning of year	-	-	-	-
End of year	\$ -	\$ -	\$ (1)	\$ (1)

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Total Other Debt Service funds			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	-	-
Miscellaneous	-	-	1,045	1,045
Total revenues	-	-	1,045	1,045
Expenditures:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	-	-	-	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	-	1,808,054	(1,808,054)
Total expenditures	-	-	1,808,054	(1,808,054)
Excess (deficiency) of revenues over (under) expenditures	-	-	(1,807,009)	(1,807,009)
Other financing sources (uses):				
Sale of properties	-	-	14,000	14,000
Transfers in	-	-	1,847,521	1,847,521
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	1,861,521	1,861,521
Net change in fund balances	-	-	54,512	54,512
Fund balances:				
Beginning of year	(48,041)	(48,041)	(48,041)	-
End of year	\$ (48,041)	\$ (48,041)	\$ 6,471	\$ 54,512

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Citywide Debt Service			Variance with Final Budget Positive (Negative)
	Budget		Actual	
	Original	Final		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Charges for services	95,400	95,400	102,800	7,400
Intergovernmental	-	-	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	-	-	69	69
Miscellaneous	-	-	-	-
Total revenues	95,400	95,400	102,869	7,469
Expenditures:				
General government	248,780	248,780	-	248,780
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture & Recreation	7,191	7,191	-	7,191
Debt service:				
Principal	-	-	57,998	(57,998)
Interest	-	-	33,586	(33,586)
Capital outlay	-	-	466,191	(466,191)
Total expenditures	255,971	255,971	557,775	(301,804)
Excess (deficiency) of revenues over (under) expenditures	(160,571)	(160,571)	(454,906)	(294,335)
Other financing sources (uses):				
Sale of properties				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	(160,571)	(160,571)	(454,906)	(294,335)
Fund balances:				
Beginning of year	493,737	493,737	493,737	-
End of year	\$ 333,166	\$ 333,166	\$ 38,831	\$ (294,335)

See accompanying notes to required supplementary information

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

Budget versus Actual
Non Major Governmental Funds
Year Ended June 30, 2011

	Total Non Major Governmental Funds			
	Budget			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Taxes	\$ 186,178	\$ 186,145	\$ 143,922	\$ (42,223)
Charges for services	454,308	484,308	570,394	86,086
Intergovernmental	943,092	946,216	951,652	5,436
Licenses and permits	293,355	311,355	582,023	270,668
Fines and forfeitures	7,150	7,150	2,341	(4,809)
Investment income	-	-	3,234	3,234
Miscellaneous	41,750	32,750	48,357	15,607
Total revenues	<u>1,925,833</u>	<u>1,967,924</u>	<u>2,301,923</u>	<u>333,999</u>
Expenditures:				
General government	255,394	255,394	10,168	245,226
Public safety	853,005	853,005	854,206	(1,201)
Public works	689,679	689,679	432,908	256,771
Development	584,091	584,091	507,645	76,446
Culture & Recreation	346,705	346,705	285,422	61,283
Debt service:				
Principal	-	-	57,998	(57,998)
Interest	-	-	33,586	(33,586)
Capital outlay	-	-	2,368,711	(2,368,711)
Total expenditures	<u>2,728,874</u>	<u>2,728,874</u>	<u>4,550,644</u>	<u>(1,821,770)</u>
Excess (deficiency) of revenues over (under) expenditures	(803,041)	(760,950)	(2,248,721)	(1,487,771)
Other financing sources (uses):				
Sale of properties	-	-	14,000	14,000
Transfers in	366,524	366,482	2,468,354	2,101,872
Transfers out	(106,815)	(106,815)	(824,005)	(717,190)
Total other financing sources (uses)	<u>259,709</u>	<u>259,667</u>	<u>1,658,349</u>	<u>1,398,682</u>
Net change in fund balances	(543,332)	(501,283)	(590,372)	(89,089)
Fund balances:				
Beginning of year	2,437,972	2,437,972	2,437,972	-
End of year	<u>\$ 1,894,640</u>	<u>\$ 1,936,689</u>	<u>\$ 1,847,600</u>	<u>\$ (89,089)</u>

See accompanying notes to required supplementary information

**CITY OF SIERRA MADRE, CALIFORNIA
DESCRIPTION OF NONMAJOR ENTERPRISE FUNDS**

NONMAJOR ENTERPRISE FUNDS

Enterprise funds are used to account for services provided by the City as if it were a business. Unlike business, the City does not intend to create a profit from providing these services. Nonetheless, the City intends to fully recover the cost of providing such services.

The major enterprise funds Water Fund and Sewer Fund are also considered to be major proprietary funds. The non-major enterprise funds include the following:

- Recreational services
- Film services
- Special services

INTERNAL SERVICE FUNDS

The City provides administrative services, insurance coverage and facilities, fleet and electronic equipment maintenance services through its internal service funds. Cost of providing the services are charged to the various user departments based on usage of the underlying services.

Fleet Administration	The fleet maintenance fund provides for maintenance, fuel and replacement of the City's mobile equipment fleet.
Facilities Management	The facilities maintenance fund provides for cleaning and maintenance of the City's buildings.
Administration	The administrative services fund provides for accounting, common supplies and postage and executive management.
Information Technology	The information technology fund provides for support for office machines including computers, printers, telephones, fax machines, postage machines and typewriters. The fund also supports the City's web page and networks.
Personnel and Risk Management	The internal service fund provides City personnel and human resources services to both paid staff and City volunteers. In addition, the funds appropriations include the general workers' compensation self-insurance fund provides workers' compensation insurance coverage.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2011

	<u>Recreation Services</u>			<u>Special Services</u>	<u>Filming</u>	<u>Total</u>
	<u>Special Events</u>	<u>Aquatics</u>	<u>Recreation Classes</u>	<u>Strike Team</u>	<u>Services Movie/OES Details</u>	
ASSETS						
Current assets:						
Cash and investments	\$ 5,214	\$ 42,306	\$ 5,839	\$ 56,101	\$ 59,936	\$ 169,396
Receivables:						
Taxes	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Other	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Prepaid expenses	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
	<u>5,214</u>	<u>42,306</u>	<u>5,839</u>	<u>56,101</u>	<u>59,936</u>	<u>169,396</u>
Noncurrent assets:						
Capital assets:						
Non-depreciable assets	-	-	-	-	-	-
Capital assets	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred charges	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>5,214</u>	<u>42,306</u>	<u>5,839</u>	<u>56,101</u>	<u>59,936</u>	<u>169,396</u>
LIABILITIES						
Current liabilities:						
Accounts payable	(4,203)	6,273	1,338	-	(47)	3,361
Accrued payroll and related liabilities	2,968	14,479	1,323	493	1,060	20,323
Interest payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposits and retentions	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Deferred revenues	-	18,800	-	-	-	18,800
Compensated absences	5,932	2,678	3,178	-	608	12,396
Claims payable	-	-	-	-	-	-
	<u>4,697</u>	<u>42,230</u>	<u>5,839</u>	<u>493</u>	<u>1,621</u>	<u>54,880</u>
Total current liabilities	<u>4,697</u>	<u>42,230</u>	<u>5,839</u>	<u>493</u>	<u>1,621</u>	<u>54,880</u>
Total liabilities	<u>4,697</u>	<u>42,230</u>	<u>5,839</u>	<u>493</u>	<u>1,621</u>	<u>54,880</u>
NET ASSETS						
Invested in capital assets, net of related debt	-	-	-	-	-	-
Unrestricted	517	76	-	55,608	58,315	114,516
	<u>517</u>	<u>76</u>	<u>-</u>	<u>55,608</u>	<u>58,315</u>	<u>114,516</u>
Total net assets	<u>\$ 517</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 55,608</u>	<u>\$ 58,315</u>	<u>\$ 114,516</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN NET ASSETS
 NONMAJOR ENTERPRISE FUNDS
 June 30, 2011

	<u>Recreation Services</u>			<u>Special Services</u>	<u>Filming</u>	<u>Total</u>
	<u>Special Events</u>	<u>Aquatics</u>	<u>Recreation Classes</u>	<u>Strike Team</u>	<u>Services Movie/OES Details</u>	
Operating Revenues:						
Charges for services	\$ -	\$ 210,438	\$ -	\$ 93,070	\$ 24,788	\$ 328,296
Licenses and permits					10,340	10,340
Miscellaneous	62,123	2,191	62,052	-	-	126,366
Total operating revenues	62,123	212,629	62,052	93,070	35,128	465,002
Operating Expenses:						
Cost of sales and services	150,275	246,807	97,606	37,462	46,681	578,831
General and administrative	-	9,108	-	-	-	9,108
Public works	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
Recreation, environmental and culture	-	-	-	-	-	-
Total operating expenses	150,275	255,915	97,606	37,462	46,681	587,939
Operating income (loss)	(88,152)	(43,286)	(35,554)	55,608	(11,553)	(122,937)
Nonoperating Revenues (expenses):						
Federal grants	-	-	-	-	-	-
Investment income	-	76	-	-	107	183
Capital improvements	-	-	-	-	-	-
Interest expense	-	-	-	-	-	-
Total nonoperating revenues (expenses)	-	76	-	-	107	183
Income (loss) before transfers	(88,152)	(43,210)	(35,554)	55,608	(11,446)	(122,754)
Capital Contributions						
Transfers in	88,152	43,286	35,554	-	-	166,992
Transfers out	-	-	-	-	-	-
Change in net assets	-	76	-	55,608	(11,446)	44,238
Fund balances:						
Beginning of year	517	-	-	-	69,761	70,278
End of year	\$ 517	\$ 76	\$ -	\$ 55,608	\$ 58,315	\$ 114,516

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
Year Ended June 30, 2011

Cash flows from operating activities:	
Receipts from customers	\$ 472,769
Payments to suppliers	(26,196)
Payments to employees	(574,358)
Prior period adjustments	(1,716)
Net cash provided by (used by) operating activities	<u>(129,501)</u>
 Cash flows from non-capital financing activities:	
Operating subsidies and transfers to other funds	<u>166,992</u>
Net cash provided by (used by) financing activities	<u>166,992</u>
 Cash flows from investing activities:	
Interest and dividends	<u>107</u>
Net cash provided by investing activities	<u>107</u>
Net increase (decrease) in cash flows	37,598
Cash and cash equivalents - beginning of the year	<u>131,798</u>
Cash and cash equivalents - end of the year	<u>\$ 169,396</u>
 Reconciliation of operating (loss) to net cash provided by (used by)	
operating activities:	
Operating (loss) provided by operating activities:	\$ (122,937)
Depreciation and ammortization	-
Prior period adjustments for interest allocation	(1,716)
Change in assets and liabilities:	
Receivables, net	12,164
Prepaid expenses	607
Deferred charges	-
Accounts payable	(17,771)
Accrued payroll and related liabilities	119
Interest payable	-
Deposits and retentions	-
Deferred revenues	(4,396)
Compensated absences	4,429
Net cash provided by operating activities	<u>\$ (129,501)</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
COMBINING STATEMENT OF NET ASSETS
INTERNAL SERVICE FUNDS
June 30, 2011

	<u>Asset Maintenance</u>				
	<u>Fleet</u>	<u>Facilities Management</u>	<u>Technology</u>	<u>Total Asset Maintenance</u>	<u>Administration</u>
ASSETS					
Current assets:					
Cash and investments	\$ 123,122	\$ 754,647	\$ 190,018	\$ 1,067,787	\$ 89,826
Restricted cash and investments with fiscal agent	3,615	-	-	3,615	-
Accounts	-	-	4,092	4,092	-
Prepaid expenses	-	-	-	-	439
Total current assets	126,737	754,647	194,110	1,075,494	90,265
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	980,860	22,447,581	-	23,428,441	484,029
Capital assets	-	163,482,159	-	163,482,159	-
Total capital assets	980,860	185,929,740	-	186,910,600	484,029
Deferred charges	-	-	-	-	-
Total assets	1,107,597	186,684,387	194,110	187,986,094	574,294
LIABILITIES					
Current liabilities:					
Accounts payable	3,493	46,932	22,103	72,528	25,620
Accrued payroll and related liabilities	2,748	2,348	5,083	10,179	28,831
Interest payable	4,692	-	-	4,692	-
Compensated absences	15,470	9,548	14,799	39,817	64,809
Claims payable	-	-	-	-	-
Total current liabilities	26,403	58,828	41,985	127,216	119,260
Noncurrent liabilities:					
Bonds due in one year	-	-	-	-	-
Capital lease payable due in one year	9,332	-	-	9,332	-
Loan payable	-	-	-	-	-
Capital lease payable	92,014	-	-	92,014	-
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	101,346	-	-	101,346	-
Total liabilities	127,749	58,828	41,985	228,562	119,260
NET ASSETS					
Invested in capital assets, net of related debt	879,514	185,929,740	-	186,809,254	484,029
Unrestricted	100,334	695,819	152,125	948,278	(28,995)
Total net assets	\$ 979,848	\$ 186,625,559	\$ 152,125	\$ 187,757,532	\$ 455,034

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2011

	Other Internal Service Funds				Total Internal Service
	Self Insurance	Worker's Comp.	Int Svc Fnd - Personnel /Risk Mgmt	Total Other Internal Service Funds	
ASSETS					
Current assets:					
Cash and investments	\$ 312,828	\$ 1,283,445	\$ -	\$ 1,596,273	\$ 2,753,886
Restricted cash and investments with fiscal agent	-	-	-	-	3,615
Accounts	-	-	-	-	4,092
Prepaid expenses	1,489	-	-	1,489	1,928
Total current assets	314,317	1,283,445	-	1,597,762	2,763,521
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	-	-	-	-	23,912,470
Capital assets	-	-	-	-	163,482,159
Total capital assets	-	-	-	-	187,394,629
Deferred charges	-	-	-	-	-
Total assets	314,317	1,283,445	-	1,597,762	190,158,150
LIABILITIES					
Current liabilities:					
Accounts payable	116,758	-	50	116,808	214,956
Accrued payroll and related liabilities	-	-	-	-	39,010
Interest payable	-	-	-	-	4,692
Compensated absences	-	-	-	-	104,626
Claims payable	197,000	-	-	197,000	197,000
Total current liabilities	313,758	-	50	313,808	560,284
Noncurrent liabilities:					
Bonds due in one year	-	-	-	-	-
Capital lease payable due in one year	-	-	-	-	9,332
Loan payable	-	-	-	-	-
Capital lease payable	-	-	-	-	92,014
Bonds payable	-	-	-	-	-
Total noncurrent liabilities	-	-	-	-	101,346
Total liabilities	313,758	-	50	313,808	661,630
NET ASSETS					
Invested in capital assets, net of related debt	-	-	-	-	187,293,283
Unrestricted	559	1,283,445	(50)	1,283,954	2,203,237
Total net assets	\$ 559	\$ 1,283,445	\$ (50)	\$ 1,283,954	\$ 189,496,520

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGE IN NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2011

	<u>Asset Maintenance</u>				
	<u>Fleet</u>	<u>Facilities Management</u>	<u>Technology</u>	<u>Total Asset Maintenance</u>	<u>Administration</u>
Operating Revenues:					
Charges for services	\$ 261,560	\$ 667,160	\$ 446,112	\$ 1,374,832	\$ 878,110
Licenses and permits	-	-	-	-	-
Miscellaneous	-	2,764	9,092	11,856	-
Total operating revenues	261,560	669,924	455,204	1,386,688	878,110
Operating Expenses:					
Cost of sales and services	1,711	1,245	-	2,956	1,419
General and administrative	289,801	617,799	580,395	1,487,995	1,235,142
Public works	-	-	-	-	-
Depreciation	40,986	1,316,731	-	1,357,717	-
Recreation, environmental and culture	-	-	-	-	-
Total operating expenses	332,498	1,935,775	580,395	2,848,668	1,236,561
Operating income (loss)	<u>(70,938)</u>	<u>(1,265,851)</u>	<u>(125,191)</u>	<u>(1,461,980)</u>	<u>(358,451)</u>
Nonoperating Revenues (expenses):					
Federal grants	-	-	-	-	-
Investment income	227	1,349	340	1,916	161
Capital improvements	(42,308)	(30,712)	-	(73,020)	114,181
Interest expense	(34,613)	-	-	(34,613)	-
Total nonoperating revenues (expenses)	(76,694)	(29,363)	340	(105,717)	114,342
Income (loss) before transfers	(147,632)	(1,295,214)	(124,851)	(1,567,697)	(244,109)
Capital Contributions	13,668	-	-	13,668	-
Transfers in	-	-	-	-	100,000
Transfers out	-	(63,909)	(100,000)	(163,909)	(114,181)
Change in net assets	(133,964)	(1,359,123)	(224,851)	(1,717,938)	(258,290)
Fund balances:					
Beginning of year	1,113,812	187,984,682	376,976	189,475,470	713,324
End of year	<u>\$ 979,848</u>	<u>\$ 186,625,559</u>	<u>\$ 152,125</u>	<u>\$ 187,757,532</u>	<u>\$ 455,034</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
 COMBINING STATEMENT OF REVENUES,
 EXPENDITURES, AND CHANGE IN NET ASSETS
 INTERNAL SERVICE FUNDS
 June 30, 2011

	<u>Other Internal Service Funds</u>				
	<u>Self Insurance</u>	<u>Worker's Comp.</u>	<u>Int Svc Fnd - Personnel /Risk Mgmt</u>	<u>Total Other Internal Service Funds</u>	<u>Total Internal Service Funds</u>
Operating Revenues:					
Charges for services	\$ 443,134	\$ 952,142	\$ -	\$ 1,395,276	\$ 3,648,218
Licenses and permits	-	-	-	-	-
Miscellaneous	8,679	-	-	8,679	20,535
Total operating revenues	<u>451,813</u>	<u>952,142</u>	<u>-</u>	<u>1,403,955</u>	<u>3,668,753</u>
Operating Expenses:					
Cost of sales and services	794	-	-	794	5,169
General and administrative	1,047,790	522,156	50	1,569,996	4,293,133
Public works	-	-	-	-	-
Depreciation	-	-	-	-	1,357,717
Recreation, environmental and culture	-	-	-	-	-
Total operating expenses	<u>1,048,584</u>	<u>522,156</u>	<u>50</u>	<u>1,570,790</u>	<u>5,656,019</u>
Operating income (loss)	<u>(596,771)</u>	<u>429,986</u>	<u>(50)</u>	<u>(166,835)</u>	<u>(1,987,266)</u>
Nonoperating Revenues (expenses):					
Federal grants	-	-	-	-	-
Investment income	559	2,295	-	2,854	4,931
Capital improvements	-	-	-	-	41,161
Interest expense	-	-	-	-	(34,613)
Total nonoperating revenues (expenses)	<u>559</u>	<u>2,295</u>	<u>-</u>	<u>2,854</u>	<u>11,479</u>
Income (loss) before transfers	(596,212)	432,281	(50)	(163,981)	(1,975,787)
Capital Contributions	-	-	-	-	13,668
Transfers in	42,206	-	-	42,206	142,206
Transfers out	-	(42,206)	-	(42,206)	(320,296)
Change in net assets	(554,006)	390,075	(50)	(163,981)	(2,140,209)
Fund balances:					
Beginning of year	554,565	893,370	-	1,447,935	191,636,729
End of year	<u>\$ 559</u>	<u>\$ 1,283,445</u>	<u>\$ (50)</u>	<u>\$ 1,283,954</u>	<u>\$ 189,496,520</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2011

	Asset Maintenance			Administration	
	Fleet	Facilities Management	Technology	Total Asset Maintenance	
Cash flows from operating activities:					
Receipts from customers	\$ 261,560	\$ 669,924	\$ 451,112	\$ 1,382,596	\$ 878,540
Payments to suppliers	(206,334)	(478,632)	(452,290)	(1,137,256)	(567,048)
Payments to employees	(85,681)	(135,031)	(143,812)	(364,524)	(657,655)
Net cash provided by (used by) operating activities	<u>(30,455)</u>	<u>56,261</u>	<u>(144,990)</u>	<u>(119,184)</u>	<u>(346,163)</u>
Cash flows from non-capital financing activities:					
Operating subsidies and transfers to other funds	13,668	(63,909)	(100,000)	(150,241)	(14,355)
Net cash provided by (used by) financing activities	<u>13,668</u>	<u>(63,909)</u>	<u>(100,000)</u>	<u>(150,241)</u>	<u>(14,355)</u>
Cash flows from capital and related financing activities:					
Receipts from federal grants	-	-	-	-	-
Capital improvements	(42,308)	(30,712)	-	(73,020)	-
Capital contributions	-	-	-	-	-
Purchases of capital assets	(397,926)	-	-	(397,926)	-
Interest paid on capital debt	(29,921)	-	-	(29,921)	-
Net cash (used by) capital and related financing activities	<u>(470,155)</u>	<u>(30,712)</u>	<u>-</u>	<u>(500,867)</u>	<u>-</u>
Cash flows from investing activities:					
Interest and dividends	227	1,349	340	1,916	161
Net cash provided by investing activities	<u>227</u>	<u>1,349</u>	<u>340</u>	<u>1,916</u>	<u>161</u>
Net increase (decrease) in cash flows	(486,715)	(37,011)	(244,650)	(768,376)	(360,357)
Cash and cash equivalents - beginning of the year	613,452	791,658	434,668	1,839,778	450,183
Cash and cash equivalents - end of the year	<u>\$ 126,737</u>	<u>\$ 754,647</u>	<u>\$ 190,018</u>	<u>\$ 1,071,402</u>	<u>\$ 89,826</u>
Reconciliation of operating (loss) to net cash provided by (used by) operating activities:					
Operating (loss) provided by operating activities:	\$ (70,938)	\$ (1,030,337)	\$ (125,191)	\$ (1,226,466)	\$ (358,451)
Depreciation and amortization	40,986	1,081,217	-	1,122,203	-
Prior period adjustments for interest allocation	-	-	-	-	-
Change in assets and liabilities:					
Receivables, net	-	-	(4,092)	(4,092)	430
Prepaid expenses	-	-	-	-	(439)
Deferred charges	-	-	-	-	-
Accounts payable	(1,992)	6,187	(19,947)	(15,752)	(14,197)
Accrued payroll and related liabilities	466	(2,430)	901	(1,063)	14,663
Interest payable	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Compensated absences	1,023	1,624	3,339	5,986	11,831
Net cash provided by operating activities	<u>\$ (30,455)</u>	<u>\$ 56,261</u>	<u>\$ (144,990)</u>	<u>\$ (119,184)</u>	<u>\$ (346,163)</u>

See Accompanying Notes to Basic Financial Statements.

CITY OF SIERRA MADRE, CALIFORNIA
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
Year Ended June 30, 2011

	Other Internal Service Funds				
	Self Insurance	Worker's Comp.	Int Svc Fnd - Personnel /Risk Mgmt	Total Other Internal Service Funds	Total Internal Service Funds
Cash flows from operating activities:					
Receipts from customers	\$ 456,203	\$ 952,142	\$ -	\$ 1,408,345	\$ 3,669,481
Payments to suppliers	(677,198)	(304,386)	-	(981,584)	(2,685,888)
Payments to employees	(38,103)	-	-	(38,103)	(1,060,282)
Net cash provided by (used by) operating activities	(259,098)	647,756	-	388,658	(76,689)
Cash flows from non-capital financing activities:					
Operating subsidies and transfers to other funds	42,206	(42,206)	-	-	(164,596)
Net cash provided by (used by) financing activities	42,206	(42,206)	-	-	(164,596)
Cash flows from capital and related financing activities:					
Receipts from federal grants	-	-	-	-	-
Capital improvements	-	-	-	-	(73,020)
Capital contributions	-	-	-	-	-
Purchases of capital assets	-	-	-	-	(397,926)
Interest paid on capital debt	-	-	-	-	(29,921)
Net cash (used by) capital and related financing activities	-	-	-	-	(500,867)
Cash flows from investing activities:					
Interest and dividends	559	2,295	-	2,854	4,931
Net cash provided by investing activities	559	2,295	-	2,854	4,931
Net increase (decrease) in cash flows	(216,333)	607,845	-	391,512	(737,221)
Cash and cash equivalents - beginning of the year	529,161	675,600	-	1,204,761	3,494,722
Cash and cash equivalents - end of the year	\$ 312,828	\$ 1,283,445	\$ -	\$ 1,596,273	\$ 2,757,501
Reconciliation of operating (loss) to net cash provided by (used by) operating activities:					
Operating (loss) provided by operating activities:	\$ (596,771)	\$ 429,986	\$ (50)	\$ (166,835)	\$ (1,751,752)
Depreciation and amortization	-	-	-	-	1,122,203
Prior period adjustments for interest allocation	-	-	-	-	-
Change in assets and liabilities:					
Receivables, net	4,390	-	-	4,390	728
Prepaid expenses	341,262	217,770	-	559,032	558,593
Deferred charges	-	-	-	-	-
Accounts payable	(7,979)	-	50	(7,929)	(37,878)
Accrued payroll and related liabilities	-	-	-	-	13,600
Interest payable	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Deferred revenues	-	-	-	-	-
Compensated absences	-	-	-	-	17,817
Net cash provided by operating activities	\$ (259,098)	\$ 647,756	\$ -	\$ 388,658	\$ (76,689)

See Accompanying Notes to Basic Financial Statements.



BERANEK CHAN AND ASSOCIATES
CERTIFIED PUBLIC ACCOUNTANTS

**Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters Based on an Audit of Financial
Statements Performed in Accordance with Government Auditing Standards**

To the Honorable Mayor and Members of City Council
of the City of Sierra Madre
Sierra Madre, California

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sierra Madre, California (City), as of and for the year ended June 30, 2011, and have issued our report thereon dated February 9, 2012. 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

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our audit 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, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity'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 limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. 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 or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the City Council, management, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

February 9, 2012
Arcadia, California

Berank Chan & Associates

Certified Public Accountants

STATISTICAL SECTION

CITY OF SIERRA MADRE

Net Assets by Component
(accrual basis of accounting)

Fiscal Year Ended June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Government activities:						
Invested in capital assets, net of related debt	\$ 185,944,619	\$ 189,766,201	\$ 188,972,208	\$ 187,749,494	\$ 187,804,691	\$ 186,635,375
Restricted	7,025,972	5,134,708	4,861,347	4,473,882	4,681,595	8,648,585
Unrestricted	<u>2,671,257</u>	<u>2,189,681</u>	<u>3,873,992</u>	<u>5,880,289</u>	<u>5,876,098</u>	<u>1,634,124</u>
Total governmental activities net assets	<u>\$ 195,641,848</u>	<u>\$ 197,090,590</u>	<u>\$ 197,707,547</u>	<u>\$ 198,103,665</u>	<u>\$ 198,362,384</u>	<u>\$ 196,918,084</u>
 Business-Type activities:						
Invested in capital assets, net of related debt	\$ 16,586,449	\$ 14,818,105	\$ 15,133,429	\$ 16,526,965	\$ 15,741,252	\$ 15,842,534
Restricted						
Unrestricted	<u>(897,008)</u>	<u>8,030,762</u>	<u>6,734,062</u>	<u>6,338,095</u>	<u>6,822,253</u>	<u>6,324,287</u>
Total business-type activities net assets	<u>\$ 15,689,441</u>	<u>\$ 22,848,867</u>	<u>\$ 21,867,491</u>	<u>\$ 22,865,060</u>	<u>\$ 22,563,505</u>	<u>\$ 22,166,821</u>
 Primary government:						
Invested in capital assets, net of related debt	\$ 202,531,068	\$ 204,584,306	\$ 204,105,637	\$ 204,276,459	\$ 203,545,943	\$ 202,477,909
Restricted	7,025,972	5,134,708	4,861,347	4,473,882	4,681,595	8,648,585
Unrestricted	<u>1,774,249</u>	<u>10,220,443</u>	<u>10,608,054</u>	<u>12,218,384</u>	<u>12,698,351</u>	<u>7,958,411</u>
Total primary government net assets	<u>\$ 211,331,289</u>	<u>\$ 219,939,457</u>	<u>\$ 219,575,038</u>	<u>\$ 220,968,725</u>	<u>\$ 220,925,889</u>	<u>\$ 219,084,905</u>

CITY OF SIERRA MADRE

Statement of Activities (Condensed)

(accrual basis of accounting)

Fiscal Year Ended June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Expenses						
Government activities						
General Government	\$ 6,702,190	\$ 6,618,475	\$ 6,611,903	\$ 7,851,142	\$ 7,779,996	\$ 3,495,144
Public safety	2,966,427	3,838,128	3,938,272	6,698,070	4,380,352	5,504,146
Public works	1,450,448	833,215	917,320	805,897	884,015	1,756,538
Development	-	-	-	431,174	375,842	1,738,918
Culture and recreation	1,660,368	1,776,581	2,006,435	1,231,928	1,444,584	1,392,657
Interest Expense	433,659	251,635	178,109	167,567	156,125	181,711
Total governmental activities expenses	\$ 13,213,092	\$ 13,318,034	\$ 13,652,039	\$ 17,185,778	\$ 15,020,914	\$ 14,069,114
Business-type activities						
Water	\$ 3,164,465	\$ 3,309,580	\$ 9,519,066	\$ 3,137,904	\$ 3,399,076	\$ 3,442,699
Sewer	705,900	767,100	627,238	651,945	856,702	951,566
Recreation Services	433,847	391,107	414,058	445,244	493,509	503,796
Strike Team	3,796	52,954	136,705	195,286	89,909	37,462
Filming	86,376	61,481	65,954	26,561	47,529	46,681
Total business-type activities expenses	\$ 4,394,384	\$ 4,582,222	\$ 10,763,021	\$ 4,456,940	\$ 4,886,725	\$ 4,982,204
Total primary government expenses	\$ 17,607,476	\$ 17,900,256	\$ 24,415,060	\$ 21,642,718	\$ 19,907,639	\$ 19,051,318

The City of Sierra Madre implemented GASB 34 for the fiscal year ended June 30, 2005. Information prior to implementation of GASB 34 is not available.

CITY OF SIERRA MADRE

Statement of Activities (Condensed)

(accrual basis of accounting)

Fiscal Year Ended June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Program Revenues						
Government activities						
Charges for Services	\$ 5,685,124	\$ 4,240,302	\$ 5,486,438	\$ 5,521,416	\$ 5,065,422	\$ 2,390,204
Operating Grants and Contributions	376,161	624,932	1,444,440	2,920,814	757,868	957,136
Capital Grants and Contributions	-	-	428,708	121,739	48,228	1,008,836
Total government activities	\$ 6,061,285	\$ 4,865,234	\$ 7,359,586	\$ 8,563,969	\$ 5,871,518	\$ 4,356,176
Business-type activities						
Charges for Services	\$ 4,197,696	\$ 5,952,735	\$ 6,322,222	\$ 4,412,306	\$ 4,173,073	\$ 4,379,502
Capital Grants and Contributions	271,576	-	-	1,043,645	248,500	29,619
Total business-type activities	\$ 4,469,272	\$ 5,952,735	\$ 6,322,222	\$ 5,455,951	\$ 4,421,573	\$ 4,409,121
Total program revenues	\$ 10,530,557	\$ 10,817,969	\$ 13,681,808	\$ 14,019,920	\$ 10,293,091	\$ 8,765,297
General Revenues and Transfers						
Government activities						
Taxes	\$ 5,715,743	\$ 6,944,803	\$ 6,493,372	\$ 8,198,847	\$ 8,905,659	\$ 8,437,401
Investment income	511,590	1,118,952	521,398	334,793	231,953	54,370
Grants and Contributions, not restricted	1,028,383	1,185,396	-	-	-	-
Capital Contributions	-	568,579	-	168,991	369,848	65,294
Transfers	(182,727)	176,108	(96,533)	94,135	(114,988)	(167,071)
Total general revenue and transfers	\$ 7,072,989	\$ 9,993,838	\$ 6,918,237	\$ 8,796,766	\$ 9,392,472	\$ 8,389,994
General Revenues and Transfers						
Government activities						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	194,901	222,005	210,854	38,667	11,044
Capital Contributions	-	-	3,140,885	-	-	-
Transfers	182,727	(176,108)	96,533	(94,135)	114,988	167,071
Total general revenue and transfers	\$ 182,727	\$ 18,793	\$ 3,459,423	\$ 116,719	\$ 153,655	\$ 178,115
Change in Net Assets	\$ 178,797	\$ 2,930,344	\$ (355,592)	\$ 1,290,687	\$ (68,421)	\$ (1,717,912)
Net Assets - beginning of year, as restated	\$ 211,153,055	\$ 217,009,113	\$ 219,930,630	\$ 219,678,038	\$ 220,994,311	\$ 220,802,817
Net Assets - end of year	\$ 211,331,852	\$ 219,939,457	\$ 219,575,038	\$ 220,968,725	\$ 220,925,890	\$ 219,084,905

CITY OF SIERRA MADRE
Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)

Fiscal Year Ended June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Revenues						
Taxes	\$ 5,715,743	\$ 6,944,803	\$ 6,493,372	\$ 8,198,847	\$ 8,905,659	\$ 8,437,444
Charges for Services	1,321,951	624,678	578,794	545,968	658,809	616,947
Intergovernmental	1,404,544	1,810,328	1,873,146	3,042,552	757,869	1,965,972
Licenses and Permits	427,661	558,884	987,713	847,977	854,492	1,221,741
Fines and Forfeitures	229,338	127,206	179,912	189,677	189,899	235,260
Investment income	511,590	700,133	521,398	278,739	170,391	49,439
Miscellaneous	483,261	412,979	224,668	188,538	153,766	316,214
Total Revenue	\$ 10,094,088	\$ 11,179,011	\$ 10,859,003	\$ 13,292,298	\$ 11,690,885	\$ 12,843,017
Expenditures						
Current:						
General government	\$ 3,139,621	\$ 2,742,176	\$ 2,407,126	\$ 2,664,527	\$ 3,091,208	\$ 1,444,497
Public safety	2,966,427	3,838,128	3,938,272	6,698,070	4,380,352	5,504,146
Public works	1,450,449	833,215	917,320	805,897	884,016	1,756,537
Development	-	-	-	431,174	375,842	1,132,604
Culture and recreation	1,660,368	1,776,581	2,006,435	1,231,928	1,444,583	1,392,657
Debt Service:						
Principal	195,000	205,000	215,000	225,000	235,000	302,998
Interest	204,580	191,129	181,520	171,288	160,125	181,711
Capital outlay	1,168,030	619,475	421,953	615,364	574,064	1,553,968
Total all other governmental funds	\$ 10,784,475	\$ 10,205,704	\$ 10,087,626	\$ 12,843,248	\$ 11,145,190	\$ 13,269,118
Other financing sources (uses)						
Sale of City property	\$ -	\$ 400,000	\$ -	\$ -	\$ -	\$ 65,294
Equipment Financing	-	-	-	-	725,402	-
Transfer in	2,095,408	1,394,269	2,767,157	3,869,613	1,950,479	3,590,490
Transfer out	(1,904,058)	(1,200,272)	(2,765,329)	(3,789,486)	(1,403,676)	(3,579,472)
Total all other governmental funds	\$ 191,350	\$ 593,997	\$ 1,828	\$ 80,127	\$ 1,272,205	\$ 76,312
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	\$ (499,037)	\$ 1,567,304	\$ 773,205	\$ 529,177	\$ 1,817,900	\$ (349,789)
Fund Balances, begin of year as restated	\$ 7,978,261	\$ 7,352,851	\$ 8,911,328	\$ 9,532,050	\$ 10,040,139	\$ 11,770,538
Fund Balances, end of year	\$ 7,479,224	\$ 8,920,155	\$ 9,684,533	\$ 10,061,227	\$ 11,858,039	\$ 11,420,749

CITY OF SIERRA MADRE
Fund Balances of Governmental Funds
(modified accrual basis of accounting)

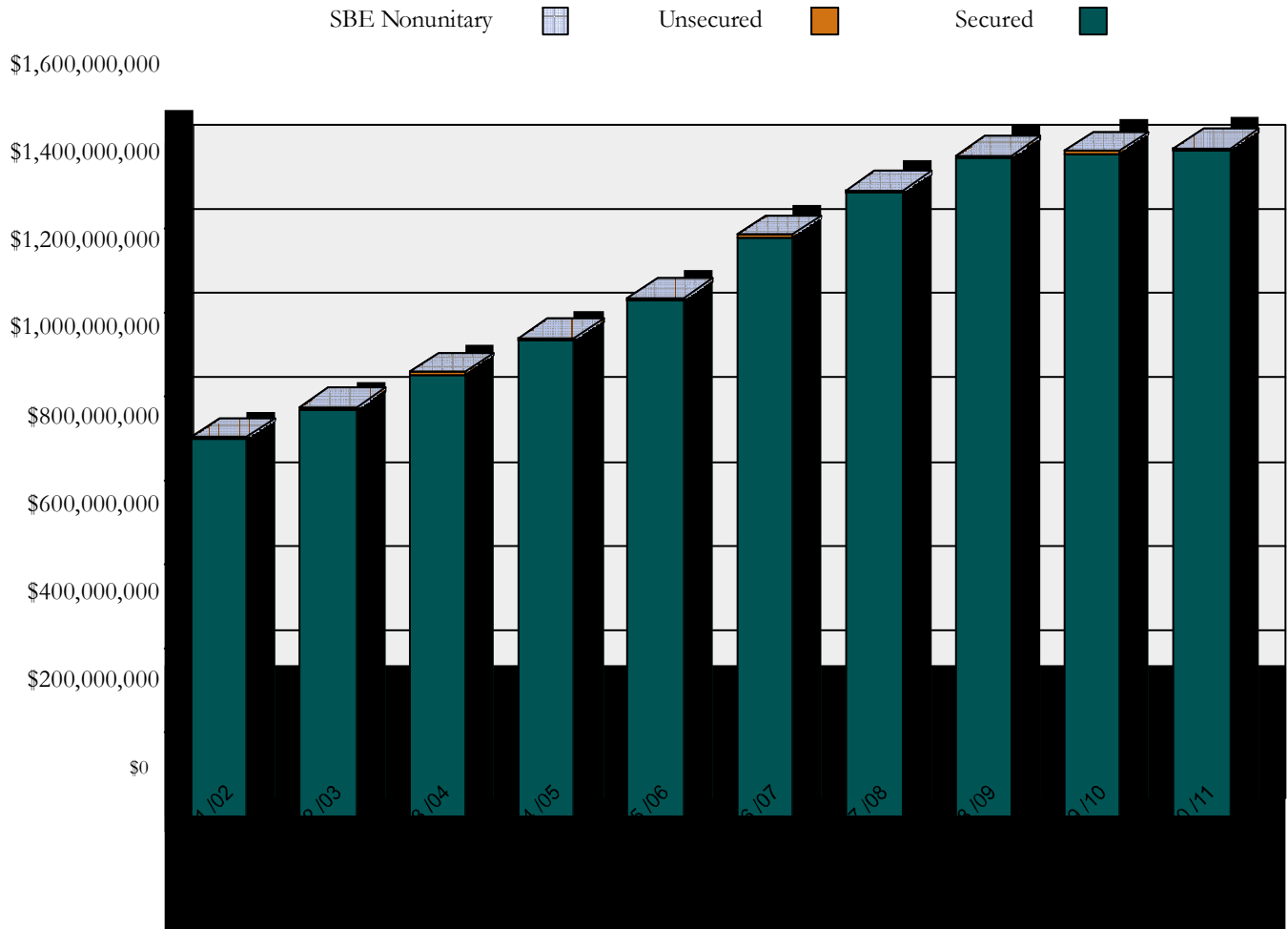
Fiscal Year Ended June 30,

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General Fund						
Unreserved*	\$ 2,371,490	\$ 3,408,285	\$ 3,841,994	\$ 3,454,249	\$ 4,246,065	
Reserved*	-	-	300,000	490,000	890,000	
Non-Spendable						-
Restricted						-
Committed						800,000
Assigned						-
Unassigned	-	-	300,000	490,000	890,000	4,721,717
Total General Fund	<u>\$ 2,371,490</u>	<u>\$ 3,408,285</u>	<u>\$ 4,441,994</u>	<u>\$ 4,434,249</u>	<u>\$ 6,026,065</u>	<u>\$ 5,521,717</u>
All other governmental funds:						
Reserved*						
Debt service funds	\$ 2,848,789	\$ 3,451,710	\$ 3,178,349	\$ 2,445,701	\$ 2,528,671	
Land held for resale	1,682,998	1,682,998	1,682,998	1,682,998	\$ 1,682,998	
Capital projects funds	275,369	(494,512)	112,656	407,967	\$ 469,927	
Unreserved, reported in						
Special revenue funds	300,579	871,674	568,536	1,580,312	2,040,378	
Non-Spendable						401,575
Restricted						1,682,998
Committed						5,863,012
Assigned						854,020
Unassigned	-	-				(2,902,573)
Total all other governmental funds	<u>\$ 5,107,735</u>	<u>\$ 5,511,870</u>	<u>\$ 5,542,539</u>	<u>\$ 6,116,978</u>	<u>\$ 6,721,974</u>	<u>\$ 5,899,032</u>

*Note: FY 2010-2011 the City of Sierra Madre adopted GASB 54: Fund Balances.
The City follows the designations of *Non-Spendable*, *Restricted*, *Committed*, *Assigned* and *Unassigned* for Government Funds.

THE CITY OF SIERRA MADRE
NET TAXABLE ASSESSED VALUE HISTORY
Ten Year Summary of Taxable Property Values

Lien Year	Secured	Unsecured	SBENonunitary	Net Total AV	% Change
2001-02	\$898,219,432	\$4,751,769	\$0	902,971,201	
2002-03	\$968,630,256	\$5,223,418	\$0	973,853,674	7.85%
2003-04	\$1,053,121,132	\$5,500,537	\$0	1,058,621,669	8.70%
2004-05	\$1,131,410,893	\$7,258,551	\$0	1,138,669,444	7.56%
2005-06	\$1,227,432,645	\$7,336,999	\$0	1,234,769,644	8.44%
2006-07	\$1,378,030,002	\$7,311,177	\$0	1,385,341,179	12.19%
2007-08	\$1,483,664,282	\$6,993,385	\$0	1,490,657,667	7.60%
2008-09	\$1,566,226,436	\$7,021,368	\$0	1,573,247,804	5.54%
2009-10	\$1,577,313,340	\$6,881,054	\$0	1,584,194,394	0.70%
2010-11	\$1,583,612,942	\$6,823,278	\$0	1,590,436,220	0.39%



Data Source: L.A. County Assessor's Office - 2010/11 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of Fild L. Coren & Cone

THE CITY OF SIERRA MADRE
ASSESSED VALUE OF TAXABLE PROPERTY
Ten Year Summary of Taxable Property Values

Fiscal Year Ending June 30

Category	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Residential	859,570,642	932,456,359	1,012,442,949	1,084,159,060	1,179,729,848	1,327,659,998	1,433,001,299	1,507,958,399	1,515,901,676	1,522,369,575
Commercial	23,218,957	25,354,948	25,502,034	27,757,457	28,988,463	34,892,478	38,120,509	44,106,361	47,818,195	47,606,368
Industrial	4,436,228	5,018,350	5,316,160	5,415,393	5,523,681	5,663,629	5,776,878	7,240,625	7,385,414	7,447,664
Govt. Owned	94,355	96,242		337,926	144,405	498,870	508,845	519,020	156,306	155,935
Institutional	8,055,066	2,560,076	5,902,831	3,147,875	2,251,162	2,296,184	2,342,105	2,388,942	2,436,717	2,430,940
Irrigated	61,059			3,603,931	3,676,009					
Recreational	790,572	555,331	947,074	964,751	984,042	579,793	591,386	603,211	615,272	613,810
Vacant	782,174	810,353	1,155,238	1,149,219	1,172,194	1,376,955	1,404,486	1,432,568	1,461,210	1,457,738
SBE Nonunitary	0	0	0	0	0	0	0	0		
Cross Reference	1,210,379	,778,597	1,854,846	4,875,281	4,962,841	5,062,095	1,918,774	1,977,310	1,538,550	1,530,912
Unsecured	4,751,769	5,223,418	5,500,537	7,258,551	7,336,999	7,311,177	6,993,385	7,021,368	6,881,054	6,823,278
Exempt	-4,186,636	-4,434,389	-4,425,339	-4,425,339	-4,425,339	-4,268,753	-4,224,002	-3,601,786	-3,605,034	-3,605,034
TOTALS	902,971,201	973,853,674	1,058,621,669	1,138,669,444	1,234,769,644	1,385,341,179	1,490,657,667	1,573,247,804	1,584,194,394	1,590,436,220
Total Direct Rate	0.27260	0.27539	0.27529	0.27615	0.28023	0.28118	0.28220	0.28474	0.28501	0.28519

Notes:

Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: L.A. County Assessor 2001/02-2010/11 Combined Tax Rolls

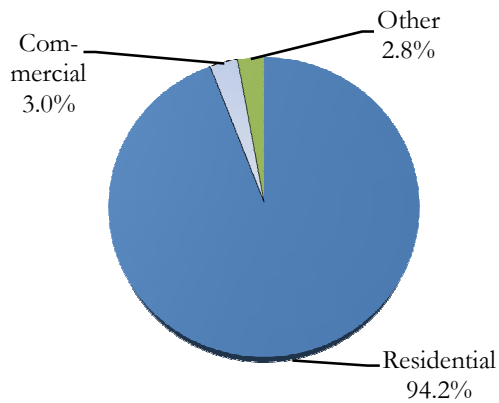
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Prepared On 8/24/2011 By MV

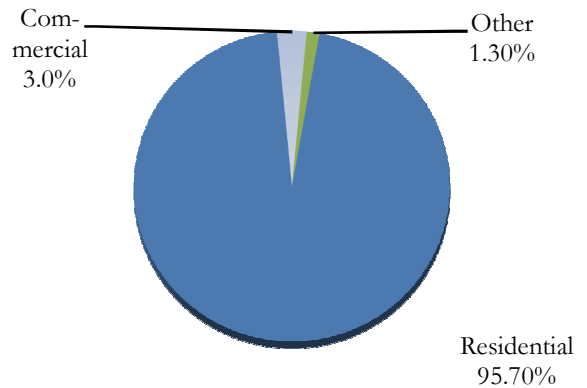
THE CITY OF SIERRA MADRE
2010-11 USE CATEGORY SUMMARY
Basic Property Value Table

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,924	\$1,524,799,040 (94.2%)	\$1,522,369,575 (95.7%)
Commercial	121	\$48,389,869 (3.0%)	\$47,606,368 (3.0%)
Industrial	22	\$7,447,664 (0.5%)	\$7,447,664 (0.5%)
Institutional	21	\$23,543,195 (1.5%)	\$2,430,940 (0.2%)
Recreational	3	\$613,810 (0.0%)	\$613,810 (0.0%)
Vacant	21	\$1,479,683 (0.1%)	\$1,457,738 (0.1%)
Govt. Owned	2	\$528,142 (0.0%)	\$155,935 (0.0%)
Exempt	96	\$3,605,034 (0.2%)	\$0 (0.0%)
Cross Reference	[2]	\$1,530,912 (0.1%)	\$1,530,912 (0.1%)
Unsecured	[272]	\$6,823,278 (0.4%)	\$6,823,278 (0.4%)
TOTALS	4,210	\$1,618,760,627	\$1,590,436,220

Assessed Value



Net Taxable Value

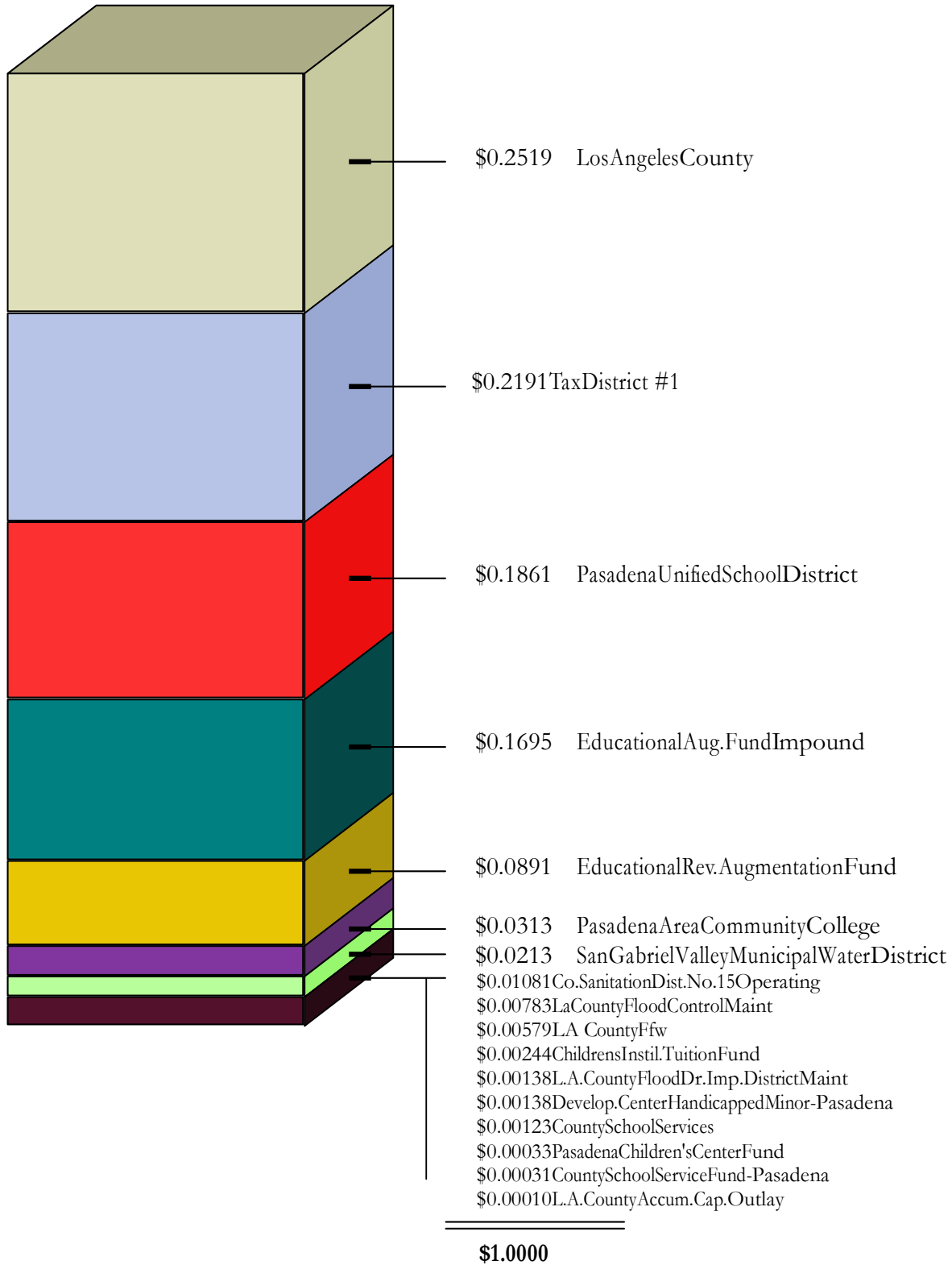


Data Source: L.A. County Assessor 2010/11 Combined Tax Rolls

Prepared On 8/24/2011 By MV

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THE CITY OF SIERRA MADRE PROPERTY TAX DOLLAR BREAKDOWN



ATI (Annual Tax Increment) Ratios for Tax Rate Area 07516, Excluding Redevelopment Factors & Additional Debt Service

Data Source: L.A. County Assessor 2010/11 Annual Tax Increment Tables

Prepared On 8/24/2011 By MV

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THE CITY OF SIERRA MADRE
2010-11 CITY ROLL SUMMARY
Taxable Property Values

	Secured	Nonunitary Utilities	Unsecured
Parcels	4,114	0	272
TRAs	9	0	4
Values			
Land	987,362,430	0	0
Improvements	620,273,470	0	0
Personal property	465,551	0	4,439,739
Fixtures	230,864	0	2,383,539
Aircraft	0	0	0
Total Value	\$1,608,332,315	\$0	\$6,823,278
Exemptions			
Real Estate	24,235,735	0	0
Personal Property	390,627	0	0
Fixtures	93,011	0	0
Aircraft	0	0	0
Homeowners*	17,593,800	0	0
Total Exemptions	\$24,719,373	\$0	\$0
Total Net Value	\$1,583,612,942	\$0	\$6,823,278

Combined Values	Total
Total Values	\$1,615,155,593
Total Exemptions	\$24,719,373
Net Total Values	\$1,590,436,220

*Note: Homeowner Exemptions are not included in Total Exemptions

Data Source: L.A. County Assessor 2010/11 Combined Tax Rolls prepared on 8/24/2011 by MV
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HDL, Coren & Cone

THE CITY OF SIERRA MADRE
2010/11 TOP TEN PROPERTY TAXPAYERS
Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) ONE CARTER LLC	28	\$21,293,847	1.34%				\$21,293,847	1.34%	Residential TD#1
2) CS STONE HOUSE LLC	6	\$10,834,257	0.68%				\$10,834,257	0.68%	Residential TD#1
3) WILLIAM L. SULLIVAN TRUST	14	\$7,542,206	0.48%				\$7,542,206	0.48%	Residential TD#1
4) SME ASSOCIATES LIMITED	3	\$6,249,465	0.39%				\$6,249,465	0.39%	Residential TD#1
5) BARBERA FAMILY LP	3	\$4,781,109	0.30%				\$4,781,109	0.30%	Residential TD#1
6) MBE QUITY LLC (Pending Appeals On Parcels)	2	\$3,889,134	0.25%				\$3,889,134	0.25%	Residential TD#1
7) TIME WARNER NY CABLE LLC (Pending Appeals On Parcels)	1	\$1,330,630	0.08%	3	\$1,976,561	28.97%	\$3,307,191	4.05%	Unsecured TD#1
8) ZHANG HONG MEI	1	\$2,915,638	0.18%				\$2,915,638	0.18%	Residential TD#1
9) MONTECITO DEVELOPMENT GROUP LLC	3	\$2,748,000	0.17%				\$2,748,000	0.17%	Commercial Sierra Madre Boulevard RP
10) JEFFREY M. AND KIMBERLY STOKES (Pending Appeals On Parcels)	1	\$2,726,661	0.17%				\$2,726,661	0.17%	Residential TD#1
Top Ten Total	62	\$64,310,947	4.06%	3	\$1,976,561	28.97%	\$66,287,508	4.17%	
City Total		\$1,583,612,942			\$6,823,278		\$1,590,436,220		

Top Owners last edited on 8/3/11 by maheavusingsales through 06/30/11

Data Source: L.A. County Assessor 2010/11 Combined Tax Rolls and the SBENonUnitary Tax Roll

Prepared On 8/24/2011 By MV

THE CITY OF SIERRA MADRE
2001/02 TOP TEN PROPERTY TAXPAYERS
Top Property Owners Based On Net Values

Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) BARBERA FAMILY LP	4	\$3,766,394	0.42%				\$3,766,394	0.42%	Residential TD#1
2) CONGREGATION OF THE PASSION MATER DOLO	2	\$3,735,018	0.42%				\$3,735,018	0.41%	Institutional TD#1
3) WILLIAM L. SULLIVAN COMPANY TRUST	6	\$2,167,598	0.24%				\$2,167,598	0.24%	Residential TD#1
4) MT ALVERNO HIGH SCHOOL	1	\$2,055,469	0.23%				\$2,055,469	0.23%	Institutional TD#1
5) DAVID O. HOWARD	5	\$1,904,182	0.21%				\$1,904,182	0.21%	Residential TD#1
6) FRANK AND SUSAN LIN	1	\$1,672,800	0.19%				\$1,672,800	0.19%	Residential TD#1
7) DANA AND CAROLE J. DOHLEN TRUST	2	\$1,603,048	0.18%				\$1,603,048	0.18%	Residential TD#1
8) WILLIAM B. BRIDGES COMPANY TRUST	1	\$1,530,000	0.17%				\$1,530,000	0.17%	Residential TD#1
9) KRISHNA MALHOTRA	2	\$1,438,635	0.16%				\$1,438,635	0.16%	Residential TD#1
10) EUGENE MASUDA	1	\$1,397,321	0.16%				\$1,397,321	0.15%	Residential Sierra Madre Boulevard RP
Top Ten Total	25	\$21,270,465	2.37%				\$21,270,465	2.36%	
City Total		\$898,219,432		\$4,751,769			\$902,971,201		

Top Owners last edited on 5/24/11 by maheavusingsalesthrough06/30/02

Data Source: L.A. County Assessor 2001/02 Combined Tax Rolls and the SBENon Unitary Tax Roll

Prepared On 8/24/2011 by MV

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CITY OF SIERRA MADRE
Ratios of Outstanding Debt by Type

Fiscal Year	Governmental Activities			Business Activities			Total Primary Government
	Master Lease Equipment Financing	General Obligation Bonds	Tax Increment Bonds	Master Lease Equipment Financing	Revenue Parity Bonds	Loans	
2007	103,685	-	3,965,000	-	11,630,000	1,456,875	17,155,560
2008	69,123	-	3,760,000	-	11,350,000	1,456,875	16,635,998
2009	34,562	-	3,545,000	-	11,060,000	1,456,875	16,096,437
2010	1,224,674	-	3,320,000	433,040	10,760,000	1,456,875	17,194,589
2011	759,254	-	2,840,000	366,391	10,105,000	1,456,875	15,527,520

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Governmental Activities				
Fiscal Year	<u>Tax Increment</u>	Debt Service		<u>Coverage</u>
		Principal	Interest	
2006	\$ 916,217	\$ 195,000	\$ 200,131	2.32
2007	945,446	205,000	191,129	2.39
2008	1,109,761	215,000	181,520	2.80
2009-k	1,128,402	225,000	171,288	2.85
2010-l	697,666	235,000	160,125	1.77
2011-1	1,174,727	245,000	148,125	2.99

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

j Tax increment figures are net of related pass-through payments.

k Tax increment figures are net of related pass-through payments, beginning in 2008-2009 the City began paying AB1389 pass through payments.

l Tax increment figures are net of related pass-through payments, including AB1389 and State SERAF of \$542,513.

m Tax increment figures are net of related pass-through payments, including AB1389 and State SERAF of \$161,861

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Fiscal Year	Business Activities					
	Operating Revenues	Operating Expenses	Operating Income	Debt Service		Coverage
				Principal	Interest	
2006	\$ 3,054,798	\$ 1,782,573	\$ 916,217	\$ 270,000	\$ 580,757	1.08
2007	4,727,750	2,508,870	945,446	280,000	693,759	0.97
2008	5,031,771	5,828,036	1,109,761	290,000	556,042	1.31
2009	3,037,500	2,596,025	1,128,402	300,000	541,878	1.34
2010	2,920,048	2,719,354	751,115	320,000	526,387	0.89
2011	3,155,645	2,751,540	972,358	335,000	528,267	1.13

Note: Details regarding the City's outstanding debt can be found in the Notes to the Financial Statements.

THE CITY OF SIERRA MADRE
DIRECT & OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)

Ten Year Summary

Fiscal Year Ending June 30,

Agency	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Basic Levy¹	1.000000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.03106	0.03129	0.03004	0.02908	0.02746	0.02831	0.08086	0.07911	0.07561	0.07456
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
La County Flood Control	0.00107	0.00088	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000
Pasadena Community College District	0.00000	0.00000	0.00681	0.00879	0.00410	0.02080	0.01972	0.01742	0.02300	0.01986
Pasadena Unified School District	0.09040	0.07030	0.08890	0.08631	0.10991	0.11717	0.05491	0.06375	0.10836	0.10195
San Gabriel Valley MWD State Water Bond	0.02400	0.02400	0.02200	0.02000	0.02000	0.02000	0.02000	0.01800	0.01800	0.01800
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
Total Direct & Overlapping² Tax Rates	1.45668	1.43653	1.45824	1.45437	1.47134	1.49602	1.48451	1.48730	1.53400	
City's Share of 1% Levy Per Prop 13³										
General Obligation Debt Rate										
Redevelopment Rate⁴	1.02620	1.02591	1.02345	1.02117	1.02084	1.02072	1.02000	1.01800	1.01800	1.01800
Total Direct Rate⁵	0.27260	0.27539	0.27529	0.27615	0.28023	0.28118	0.28220	0.28474	0.28501	0.28519

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERA's general fund tax shifts may not be included in tax ratio figures.

⁴RD A rate is based on the largest RD A tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RD A direct and overlapping rates are applied only to the incremental property values.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

THE CITY OF SIERRA MADRE
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2011

	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
Overlapping Debt			
812.50 PASADENA AREAC DDS 2002S-A	1,925,000	2.675	51,485
812.51 PASADENA C C D D S 2006 S E R I E S B	48,955,000	2.675	1,309,313
812.52 PASADENA C C D D S 2006 R E F U N D I N G B O N D S E R I E S C	12,302,327	2.675	329,029
812.53 PASADENA C C D D S 2002, 2006 S E R D	26,705,000	2.675	714,231
812.54 PASADENA C C D 2002, 2009 S E R I E S E (B A B S)	25,295,000	2.675	676,521
817.51 ARCADIA UNIFIED D D S 1993 S E R I E S A	6,049,353	0.369	22,345
817.53 ARCADIA UNIFIED D D S 1993 S E R I E S C	1,569,596	0.369	5,798
817.54 ARCADIA UNIFIED D D S R E F. B O N D S 1993 2005 S E R I E S A	3,670,000	0.369	13,556
817.55 ARCADIA UNIFIED D D S 2006 S E R A	159,665,423	0.369	589,774
909.54 PASADENA US D D S 2004 R E F. B O N D S	56,015,000	5.414	3,032,425
909.55 PASADENA US D D S 2005 R E F. B O N D S	112,560,000	5.414	6,093,543
909.56 PASADENA US D D S 2008 S E R I E S 2009	36,320,000	5.414	1,966,218
909.57 PASADENA US D 2008 S E R I E S 2009 A-2 B A B S	84,680,000	5.414	4,584,233
Total Overlapping Debt			19,388,470

2010/11 Assessed Valuation: \$1,462,557,080 After Deducting \$127,879,140 Redevelopment Increment

Debt To Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping Debt	1.33%
	Total Debt	1.33%

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Cone, L.A. County Assessor and Auditor Combined 2010/11 Lien Date Tax Rolls

THE CITY OF SIERRA MADRE

DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2002

	Rate Only Applied to	Gross Bonded Debt Balance	Percent Applica ble To City	Net Bonded Debt
Overlapping Debt				
001.53	LACODETENTION FACILITIES 1987 DEBT SVC	36,505,000	0.150	54,909
030.60	LACOF LD CTRL STORM DRAIN BONDS NO. 4 DS	Land, Impr. 13,720,000	0.160	21,931
030.61	LACOF LD CTRL REFUNDING BONDS 1993 DS	Land, Impr. 16,975,000	0.160	27,133
817.51	ARCADIA UNIFIED SCH DIS 1993 SER ADS	12,113,472	0.377	45,700
817.52	ARCADIA UNIFIED SCH DIS 1993 SER BDS	5,355,000	0.377	20,203
817.53	ARCADIA UNIFIED SCH DIS 1993 SER CDS	4,225,567	0.377	15,942
909.03	PASADENA UNIFIED SCH DIS 1997 SER CDS	70,000,000	5.617	3,931,759
909.50	PASADENA UNIFIED SCH DIS 1997 SER ADS	44,335,000	5.617	2,490,208
909.51	PASADENA UNIFIED SCH DIS 1997 SER BDS	45,805,000	5.617	2,572,775
Total Overlapping Debt		9,180,559		
2001/02 Assessed Valuation: \$835,379,558 After Deducting \$67,591,643 Redevelopment Increment.				
Debt To Assessed Valuation Ratios:				
	Direct Debt	0.00%		
	Overlapping Debt	1.10%		
	Total Debt	1.10%		

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were reestimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

Data Source: HdL Coren & Conc, L.A. County Assessor and Auditor Combined 2001/02 Lien Date Tax Roll Prepared On 8/24/2011 By MV

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Prepared On 8/24/2011 By MV

THE CITY OF SIERRA MADRE

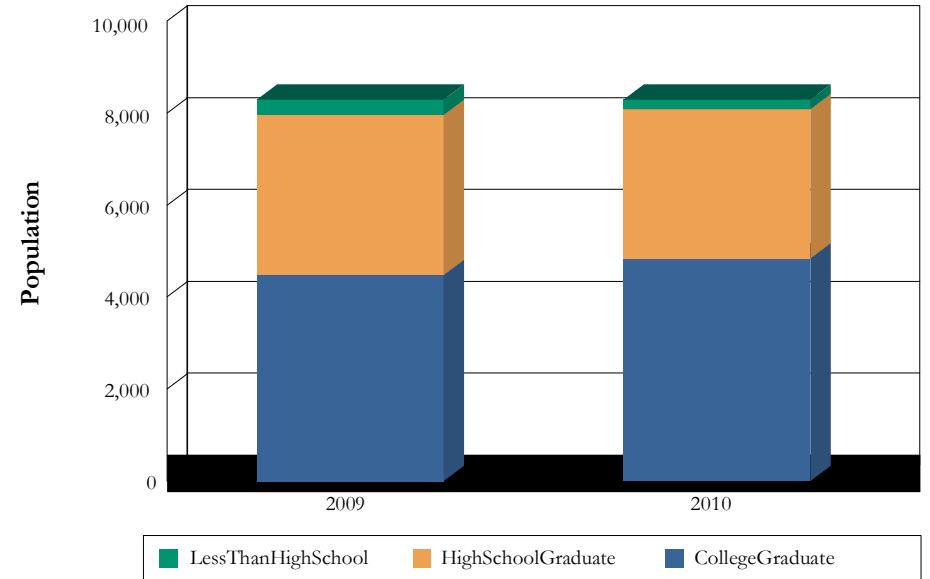
DEMOGRAPHIC AND ECONOMIC STATISTICS

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2001	10,697	\$445,457	\$41,643	1.5%			
2002	10,846	\$453,349	\$41,799	1.9%			
2003	10,952	\$469,167	\$42,839	1.9%			
2004	11,032	\$496,488	\$45,004	1.8%			
2005	11,068	\$521,226	\$47,093	1.6%			
2006	10,969	\$550,606	\$50,197	1.4%			
2007	10,934	\$571,401	\$52,259	1.5%			
2008	11,034	\$581,887	\$52,736	2.2%			
2009	11,042	\$565,812	\$51,242	3.5%	45.7	96.0%	54.0%
2010	11,099	\$580,056	\$52,262	3.9%	45.7	97.5%	58.4%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

Population: California State Department of Finance. Unemployment Data: California Employment Development Department

2000-2009 Income, Age, and Education Data: ESRI-

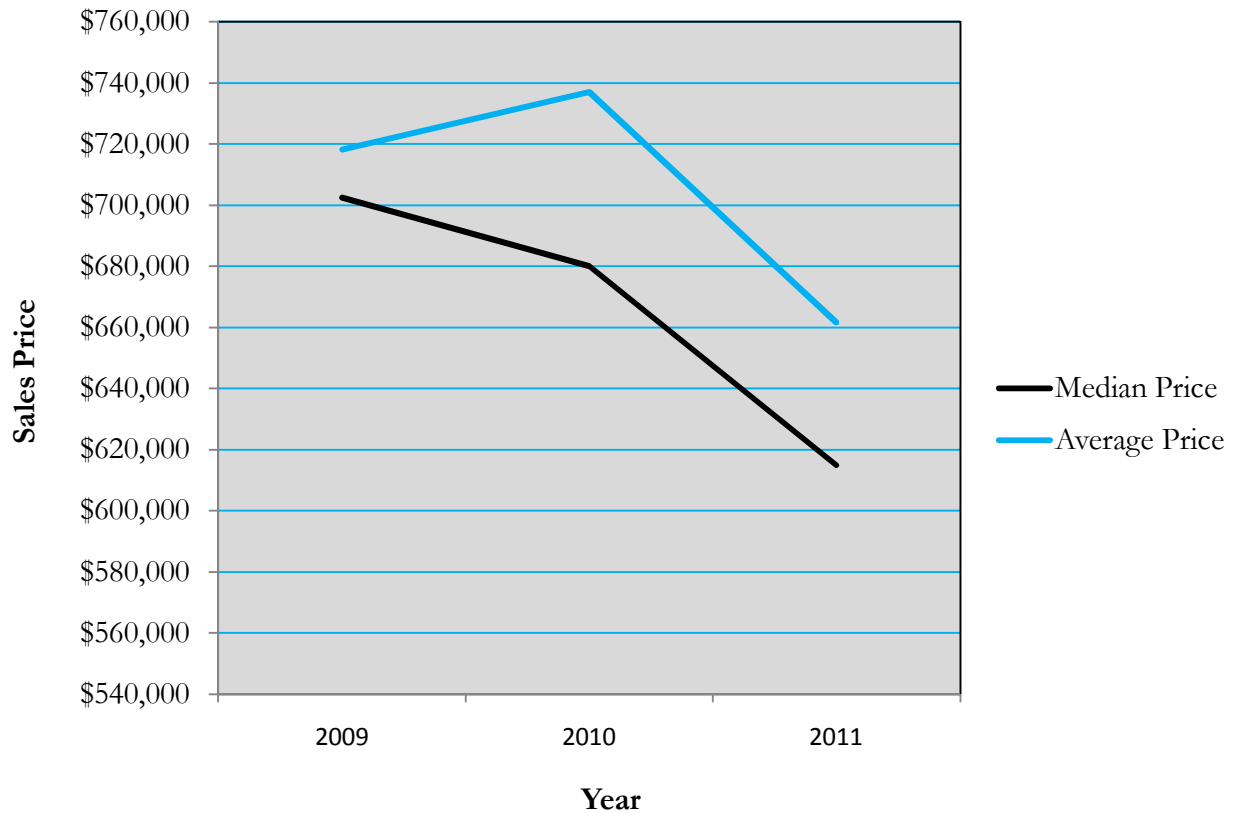
Demographic Estimates are based on the latest available Census. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries

2010 Income, Age and Education Data - US Census Bureau, most recent American Community Survey

THE CITY OF SIERRA MADRE

SALES VALUE HISTORY

Year	Full Value Sales	Average Price	Median Price	Median % Change
2009	94	\$718,261	\$702,500	
2010	84	\$737,048	\$680,000	-3.20%
2011	49	\$661,653	\$615,000	-9.56%



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data source: L. A. County Data Quick Property Data

Prepared On 8/24/2011 by MV

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CITY OF SIERRA MADRE
TAXABLE SALES BY CATEGORY
Ten Year Summary
(in thousands of dollars)

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Apparel Stores General	\$ 224	\$ 171	\$ 302	\$ 750	\$ 942	\$ 1,012	\$ 893	\$ 842	\$ 635	\$ 621
Merchandise Food Stores	13	64	11	7	19	86	118	157	136	113
Eating and Drinking Places	1,517	1,434	872	932	452	206	252	100	85	36
Building Materials	3,611	3,585	4,212	4,193	5,611	6,677	7,434	7,794	7,559	7,379
Auto Dealers and Supplies	725	641	680	846	949	1089	1113	1240	986	934
Service Stations	249	401	83	6	11	21	0	0	7	51
Other Retail Stores	2,056	1,580	1,874	2,057	2,273	4,525	5,052	5,488	4,531	4,030
Other Retail Stores	4,067	4,040	3,977	4,425	4,353	4,656	5,547	5,155	4,643	4,835
All Other Outlets	9,071	11,019	10,505	11,297	12,312	11,670	9,286	103,84	7,636	6,948
Total	\$ 21,532	\$ 22,933	\$ 22,518	\$ 24,514	\$ 26,922	\$ 29,942	\$ 29,696	\$ 31,121	\$ 26,217	\$ 24,947

Source: State of California Board of Equalization and The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

CITY OF SIERRA MADRE
TOP 25 SALES TAX PRODUCERS
Fiscal Year 2010/2011

Business Name	Business Category
Angels Everywear	Women's Apparel
Arnolds Frontier Hardware	Hardware Store
Berdahl Dental Laboratory Inc.	Light Industrial/Printers
BooqLlc	Sporting Goods/Bike Stores
Bottle Shop	Package Liquor Stores
Buccaneer Lounge	Restaurants Liquor
Cafe 322	Restaurants Liquor
Casa Del Rey	Restaurants Beer And Wine
Charcuterie	Restaurants Liquor
Corfu Restaurant	Restaurants Liquor
Happys Liquor	Package Liquor Stores
High Quality Auto Service	Service Stations
Ixora Ltd	Florist
Shops Lingo Industrial Electronics	Heavy Industrial
Lucky Baldwins Delirium Cafe	Restaurants Beer and Wine
Moes Unocal	Auto Repair Shops
Only Place In Town Inc.	Restaurants Beer and Wine
Platt Design Group Inc.	Specialty Stores
Savor The Flavor	Non-Store Retailers
Sierra Madre Ind Honda Service	Repair Shop/Hand Tool Rentals
Sierra Madre Pizza Co.	Restaurants No Alcohol
Sierra Madre Valero Inc.	Service Stations
Ugos Fine Foods Inc.	Restaurants No Alcohol
Valero	Service Stations
Village Pizzeria	Restaurants No Alcohol

Percent of Fiscal Year Total Paid By Top25Accounts= 73.36%

*Firms Listed Alphabetically
 Period: April 2001 Thru March 2002

CITY OF SIERRAMADRE
TOP 25 SALES TAX PRODUCERS
Fiscal Year 2001/2002

Business Name	Business Category
American Bank Equipment	Repair Shop/Hand Tool Rentals
Arnolds Hardware And Gift	Hardware Store
Baldwin Jewelers	Jewelry Stores
Bean Town	Restaurants No Alcohol
Berdahl Dental Laboratory Inc	Light Industrial/Printers
Bottle Shop	Package Liquor Stores
Buccaneer Lounge	Restaurants Liquor
Central Originating Lease Trust	Auto Lease
Charlottes Fine Jewelry	Jewelry Stores
Corfu	Restaurants No Alcohol
Dier Auto Sales	Trailers/Auto Parts
Dominos Pizza	Food Stores Non-Grocery
Flowers By Nobe	Florist Shops
High Quality Auto Service	Service Stations
Highlander Jr Market & Liquor	Package Liquor Stores
Hollinhurst Printing & Advertising	Repair Shop/Hand Tool Rentals
Howies Ranch Market	Grocery Stores Liquor
Leonora Moss	Florist Shop
Lingo Industrial Electronics	Heavy Industrial
Moes Unocal	Auto Repair Shops
Only Place In Town Inc.	Restaurants Beer and Wine
Sierra Custom Kitchens Baths & Design	Home Furnishings
Sierra Glass & Mirrors Inc.	Paint/Glass/Wallpaper
Sierra Madre Brewing Company Inc.	Restaurants No Alcohol
Village Pizzeria & Deli	Restaurants No Alcohol

Percent of Fiscal Year Total Paid By Top25Accounts= 71.64%

*Firms Listed Alphabetically
 Period: April 2001 Thru March 2002

CITY OF SIERRA MADRE
Full Time Equivalent City Government Employees by Function

Function Program	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011
General Government	9	8	8	8	8	8
Public Safety						
Police						
Officers	17	17	17	17	18	18
Civilians	5	5	5	5	5	5
Fire						
Full-Time	3	3	3	3	3	3
Public Works	20	20	21	21	20	20
Development	4	4	4	4	4	4
Culture and Recreation	9	10	10	10	10	10
Total	67	67	68	68	68	68

CITY OF SIERRA MADRE
Five Year Summary of Operating Indicators

Function Program	2006	2007	2008	2009	2010	2011
Police						
Number of:						
Physical Arrests	252	580	417	370	467	129
Parking Violations	1,625	2,931	3,283	3,516	2,812	2,495
Traffic Violations	1,255	1,039	1,339	1,574	1,740	1,989
Fire						
Number of:						
Calls Answered	688	816	851	818	885	940
Inspections	1,406	1,662	53	2,040	1,964	1970
Public Works						
Number of:						
Water Mains Repaired	n/a	20	18	18	25	24
Water service leaks repaired	n/a	19	15	25	28	13
Street resurfacing/repair (SF)	n/a	-	-	-	331,235	0
Sidewalk Repairs (SF)	n/a	1,250	1,625	1,050	1,950	4,755
Trees planted	29	-	47	6	34	28
Trees pruned	706	274	470	444	171	24
Trees removed	10	23	12	18	18	37
Sewer cleaned/inspected (LF)	90,000	90,000	186,055	186,055	186,055	155,761
Meters replaced	152	105	111	463	624	479
Valves exercised	450	137	350	234	257	829
Pot holes repaired	n/a	78	66	106	106	87

CITY OF SIERRA MADRE
Five Year Summary of Operating Indicators

Function Program	2006	2007	2008	2009	2010	2011
Recreation and community services						
Number of:						
Recreational class enrollees	n/a	1,476	1,518	1,419	1,008	1,658
Aquatic enrollees	n/a	2,348	3,665	3,398	3,720	3,584
Summer pool memberships	n/a	13	7	22	22	10
Annual Events	n/a	729	671	738	708	
Huck Finn (campsites)	n/a	34	34	28	37	41
Oktoberfest	n/a	64	57	59	55	73
Mt. Wilson Trail Race	n/a	355	335	335	328	319
Window Painting	n/a	74	72	130	119	163
Halloween Happenings	n/a	154	131	133	149	153
Whale Watching	n/a	48	42	53	20	47
Library						
Number of:						
Registered borrowers	11,970	13,968	10,942	10,970	11,162	11,292
Circulation	94,436	81,879	90,985	101,513	107,535	111,384
Reference	7,019	7,208	5,823	5,707	6,682	7,781
Book volumes held	59,500	61,515	59,037	59,540	58,956	56,415
User's of E-Resources	34,456	15,226	14,104	12,762	14,288	13,962
Media	4,584	4,688	4,982	4,940	5,381	5,301
Periodicals	99	115	115	108	119	115
Municipal Utilities						
Number of:						
Number of Customers						
Commercial	n/a	105	106	110	111	110
Multi-Unit	n/a	353	353	351	356	354
Residential	n/a	3,136	3,184	3,198	3,312	3,284
City	n/a	75	75	75	75	75
Water Served (cubic feet)	947	1,051	1,146	956	1,010	1,086

CITY OF SIERRA MADRE
Fixed Assets

		Fiscal Year Ended June 30,				
		2007	2008	2009	2010	2011
Roadways	Pavement AC (Governmental Funds-ISF Facilities)	\$ 22,116,904	\$ 17,056,270	\$ 16,209,394	\$ 15,364,491	\$ 14,523,998
Street Appurtenances	Bridges (Governmental Funds-ISF Facilities)	\$ 276,685	\$ 86,464	\$ 79,547	\$ 72,630	\$ 65,713
Parks	Park Structures (Governmental Funds-ISF Facilities)	\$ 534,527	\$ 184,980	\$ 183,792	\$ 172,614	\$ 164,767
	Trees (Governmental Funds-ISF Facilities)	\$ 1,070,400	\$ 1,206,214	\$ 1,206,214	\$ 1,206,214	\$ 73,317
Wastewater	Manholes (Sewer)	\$ 1,649,811	\$ 893,647	\$ 866,151	\$ 838,654	\$ 811,157
	Sewer Pipelines (Sewer)	\$ 5,848,948	\$ 3,168,180	\$ 3,070,698	\$ 2,973,215	\$ 2,875,733
Domestic Water Network	Spreading Basins (Water)	\$ 1,959,726	\$ 1,356,188	\$ 1,257,907	\$ 1,225,146	\$ 1,192,386
	Pump Stations (Water)	\$ 1,308,070	\$ 1,756,896	\$ 1,702,838	\$ 1,648,780	\$ 1,594,721
	Meters (Water)	\$ 857,703	\$ 71,475	\$ 42,885	\$ 14,295	\$ -
	Pipelines (Water)	\$ 9,127,009	\$ 4,107,154	\$ 3,924,614	\$ 3,742,074	\$ 3,559,533
	Pressure Reducing Stations (Water)	\$ 649,490	\$ 381,575	\$ 365,338	\$ 349,101	\$ 332,864
	Fire Hydrants (Water)	\$ 500,453	\$ 225,204	\$ 215,195	\$ 205,186	\$ 195,177
	Wells (Water)	\$ 2,010,791	\$ 904,856	\$ 864,640	\$ 824,424	\$ 784,209
	Reservoirs (Water)	\$ 7,032,861	\$ 12,824,440	\$ 14,539,434	\$ 14,399,392	\$ 14,195,770
Buildings	All					
	Buildings (Water Fund)	\$ 410,645	\$ 201,216	\$ 176,577	\$ 168,365	\$ 160,152
	Buildings (Sewer Fund)	\$ 410,645	\$ 201,216	\$ 176,577	\$ 168,365	\$ 160,152
	Buildings (Government-ISF Facilities)	\$ 11,782,716	\$ 7,822,061	\$ 7,273,863	\$ 7,050,994	\$ 6,825,034
Land	All					
	Land (Water Fund)	\$ 1,483,250	\$ 1,483,250	\$ 1,483,250	\$ 1,483,250	\$ 1,483,250
	Land (Government-ISF Facilities)	\$ 162,275,945	\$ 162,275,945	\$ 162,275,945	\$ 162,275,945	\$ 162,275,945
General Equipment	All					
	Vehicle & Equipment (Water Fund)	\$ 418,332	\$ 55,804	\$ 39,215	\$ 27,081	\$ 20,780
	Vehicle & Equipment (Sewer Fund)	\$ 237,656	\$ 19,203	\$ 18,522	\$ 3,841	\$ 404,918
	Vehicle & Equipment (Government-GASB34 only)				\$ 270,108	\$ 794,752
	Vehicle & Equipment (Government-ISF Fleet)	\$ 1,926,882	\$ 340,274	\$ 520,740	\$ 1,021,846	\$ 980,860
	Accounting Software (Governmental-ISF Administration)				\$ 369,848	\$ 484,029
Total		\$ 233,889,449	\$ 216,622,513	\$ 216,493,335	\$ 215,875,857	\$ 215,165,429