



Comprehensive Annual Financial Report

City of Sierra Madre, California

For the Fiscal Year Ended

June 30, 2012

Comprehensive Annual Financial Report

City of Sierra Madre, California

For the Fiscal Year Ended June 30, 2012



Prepared By the Administrative Services Department

Karin Schnaider, Finance Director

City of Sierra Madre
232 West Sierra Madre Boulevard
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For the year ended June 30, 2012

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February 26, 2013
Honorable Mayor and City Council of the
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, 2012. The report complies with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) statement 34, and 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 auditor's opinion, management's discussion and analysis (MD&A), the basic financial statements, notes to the basic 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 *Rogers, Anderson, Malody & Scott, LLP*, 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, 2012, 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, 2012, 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 66 full time employees consisting of nine 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 4,400 parcels and provides water and/or sewer utility services to about 3,800 customers.

The Sierra Madre Financing Authority was established in 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 is a full service municipality operating within a \$17 million budget that funds 68 full-time employees assigned to eight operating departments. The City's primary goal is to provide services to its residents and businesses. As in all service industries, personnel expense is the primary business cost. Personnel are hired to begin, perform, and complete a task which in some measurable fashion improves the safety and wellbeing of the citizens it serves. Translated to a City's finances, that means that almost all departments other than those supporting infrastructure like Gas Tax, Water, and Sewer funds, have a ratio of personnel costs to non-personnel costs of almost 8 to 1. Simply stated, City staff provides City services.

Government services are primarily funded by property taxes, local taxes, and user fees. Since 2008, the City has either had flat or declining revenues such as the loss of Tax Increment Revenues from the Community Redevelopment Agency. Added to the difficulty in maintaining a balanced budget is that contract expenses have

increased 3-5% annually, such as dispatching services for the Fire Department, Humane Society animal control services, fuel purchases, or utilities. These impact the City's purchasing power. For example, in Public Works, sidewalk materials increases have grown almost 8% since 2007, but the City General Fund revenues have only grown 2.9% during the same period. The department must choose to buy fewer materials or reduce another purchase (or reduce staff) in order to remain in balance with its funding. This is true in all departments/funds. Another way to state this, the inflationary costs of goods and services exceed inflationary receipts of revenue; therefore, to balance the two, expenditures (services and the materials needed to support the service) are scaled back to revenues supporting City services.

The City's original budget for the 2011-2012 fiscal year was balanced after more than \$900,000 in staffing and other reductions. However, two major financial events occurred in the City during FY 2011-2012. First, in November 2011, the cities in the San Gabriel Valley foothills experienced a large scale windstorm. Sierra Madre's recovery costs exceeded \$560,000 funded by the City's General Fund. Following this, in December 2011, the State Supreme Court upheld AB1X26 which dissolved Redevelopment throughout the State, but it shot down the counterpart AB1X27 that would have allowed Sierra Madre's Community Redevelopment Agency to make payments to the State to remain active despite AB1X26 dissolution. The loss of the CRA is almost \$900,000 annually to the City's finances. The City responded by making \$440,000 in additional General Fund cuts which included \$270,000 from personnel. By July 1, 2012, the City downgraded five positions, laid off two full-time positions, and eliminated 21,500 part time hours (10 FTE) from the budget permanently. All of which required a complete reorganization of every department (except Public Works which had under gone this process at the beginning of the FY 2011-2012 budget in the earlier \$900,000 reductions). These reductions have allowed the FY 2012-2013 year to be revised and balanced.

Going forward, the City has experienced five years of flat or nearly declining revenues which leads into the next five year projections not showing much change in these trends. The City continues to monitor its three remaining major funds, General Fund, Water, and Sewer for revenue improvements, but must also continually scale back expenditures, and therefore purchasing power, in these three funds or risk using reserves to fund its operational needs. Since Proposition 13 in 1977, state, and local governments must achieve voter approval for increased taxes. In Water and Sewer, two City utilities, the City is required to complete a comprehensive fee study and a Proposition 218 Majority Protest.

In the City's General Fund, its financial stability is reliant on the Utility User Tax (UUT). The UUT has grown to over 30% of the General Fund as a result of a voter approved increase in rate in 2008. The City Council has set the Utility User Tax rate at 10% since 2010 through June 30, 2015 despite a maximum collection rate of 12%. The UUT is set to begin stepping down July 1, 2014 from 12% to 10%; and continue stepping down 2% each July 1 thereafter until it reaches a base of 6%. The voters were asked to extend the period out further into 2020 for 12% rate, but this was unsuccessful. The next opportunity for extension of the UUT rate is April 2014 at the next regularly scheduled election. The City's General Fund is estimated to lose \$500,000 per 2% drop in UUT rate. Compounded by inflationary expenditures exceeding revenues by almost 3%, without any changes in the City's financial planning, the City's General Fund will be unbalanced by nearly \$1.7 million by June 30, 2017.

As the City of Sierra Madre begins developing the next biennial budget, the City is hopeful that the major economic recession is winding down. However, realistically as home prices are still close to 2002 prices, it will take many more years before the full recovery and its impacts on City's revenue is felt. Add to UUT revenues that could potentially deteriorate, the City is faced with many challenges ahead.

Major Accomplishments for the Year:

- Maintained a balanced budget
- Completed a Market Demand Study
- Implemented a City staff reorganization
- Established a new Residential Canyon Zone
- Achieved a 50% General Fund reserve

- General Plan Steering Committee completed an initial draft document
- Replaced the water main from the Sierra Vista Park to Baldwin along Sierra Madre Boulevard
- Three new Captain positions for the Fire Department
- Responded to the dissolution of the Redevelopment Agency
- Established the Green Committee and an Environmental Commitment and Goals
- Completed salary comparison with neighboring cities
- Installed new restrooms at Memorial Park
- Presented a plan to the City Council for use of \$242,000 in federal water funding
- Created successful RFPs for aquatics and transportation services
- Implemented an active Volunteer Program for the General Plan update
- Contracted with a new auditing firm
- Outsourced teen programming
- Completed handicap accessible entries for public buildings
- Created new Volunteer Traffic Corps
- Street overnight parking permit process put online
- Produce City agendas and documents online
- Remodeled the Senior Center
- Brought in a Farmers Market
- Adopted a new water conservation ordinance
- Increased Fire Department ISO (Insurance Service Office) rating from a 4 to a 3
- Completed recovery from windstorm disaster
- Children's Room at the library- remodel funded almost completely by the community
- Adopted a new sewer ordinance
- Completed Fair Labor Standards Act (FLSA) audit
- Adopted a Classification Plan

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 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. In FY 2011-2012, the City Council adopted its first deferred maintenance policy for City Infrastructure, equal to set-aside of 25% of annual depreciation and for City vehicles, equal to set-aside of 50% of annual depreciation. This policy was successfully implemented in all funds, except the Water and Sewer funds.

Debt Administration

The City's General Fund does not have any general obligation bonds as of June 30, 2012.

The City's General Fund, Sewer Fund, and Internal Services-Fleet Fund have a combined 10 year Master Lease with a combined outstanding balance of \$1,021,994 as of June 30, 2012.

The City's Water Fund has two Water Revenue Bonds and one interest free loan as of June 30, 2012:

1. Water Revenue Bonds (1998 Series) with an outstanding balance of \$3,005,000
2. Water Revenue Bonds (2003 Series) with an outstanding balance of \$6,750,000
3. San Gabriel Valley Water District ten-year interest free loan with an outstanding balance of \$1,311,118

The City's Successor Agency (former Community Redevelopment Agency) has a Tax Increment Revenue Refunding Bond (1998 Series) with an outstanding balance of \$2,840,000 as of June 30, 2012.

The City made all required debt obligations in a timely manner in FY 2011-2012.

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 of Sierra Madre also participates in the workers' compensation pool administered by the Authority. The City has deductibles ranging from \$5,000 to \$100,000 dependent on the policy coverage agreement.

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 prospective 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 2011-2012; 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. 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 11 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, 2012 the City was providing benefits to 16 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 No. 45. In 2012, 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 \$172,391 in FY 2011-2012. Additional information on the plan can be found in Note 13 in the notes to the financial statements.

Independent Audit

The City requires an annual audit by independent certified public accountants. The accounting firm of *Rogers, Anderson, Malody & Scott, LLP*, Certified Public Accountants, 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 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

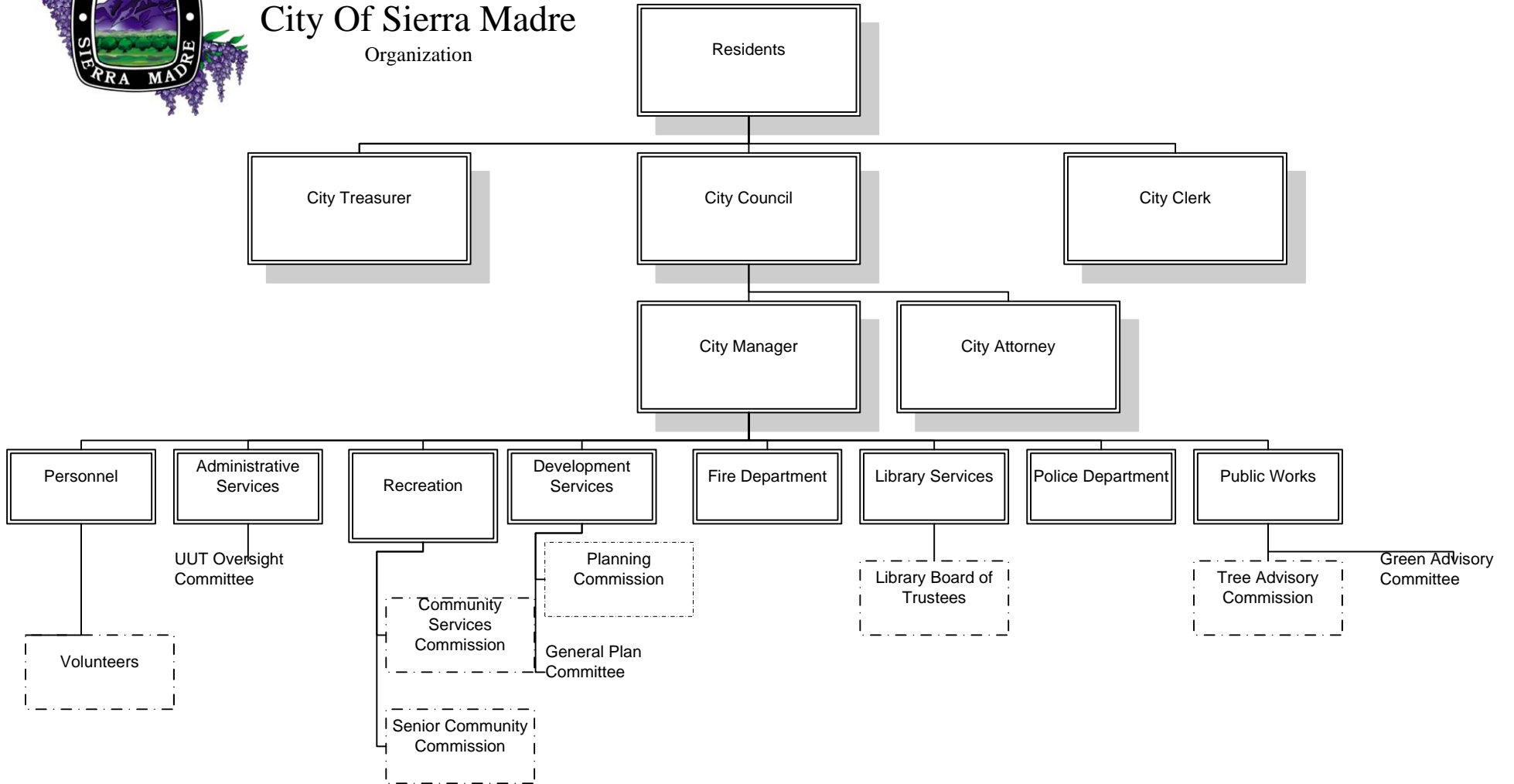


Karin Schnaider
Administrative Services Director



City Of Sierra Madre

Organization



City of Sierra Madre, California
Village of the Foothills

Comprehensive Annual Financial Report



For the Year Ending June 30, 2012

Sierra Madre, California

City Council and Elected Officials

Josh Moran
Nancy Walsh
John Capoccia
John Harabedian
Chris Koerber

Nancy Shollenberger
Richard Mays

Mayor
Mayor Pro Tempore
Council Member
Council Member
Council Member

City Clerk
City Treasurer

Executive Management

Elaine Aguilar
Terri Highsmith
Karin Schnaider
Elisa Weaver
Danny Castro
Steve Heydorff
Carolyn Thomas
Larry Giannone
Bruce Inman

City Manager
City Attorney
Administrative Services Director
Community and Personnel Services Director
Director of Development Services
Fire Chief
Director of Library Services
Police Chief
Public Works Director



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CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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

INDEPENDENT AUDITOR'S REPORT

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 (the City), as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the 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, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Therefore, as of February 1, 2012, the Community Redevelopment Agency of the City of Sierra Madre, a component unit of the City, ceased to exist. All functions of the former redevelopment agency either passed to the City or to the Successor Agency to the Community Redevelopment Agency of the City of Sierra Madre.

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MEMBERS

American Institute of
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PCPS The AICPA Alliance
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Governmental Audit
Quality Center

California Society of
Certified Public Accountants

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 26, 2013 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. 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, budgetary comparison information, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express opinions or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express opinions or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, nonmajor individual budgetary comparison information, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements and the nonmajor individual budgetary comparison information 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 basic financial statements and certain other 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 basic 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.

 Rogers Anderson Maloolly & Scott, LLP

February 26, 2013

City of Sierra Madre, California

Village of the Foothills



Management's Discussion and Analysis For the Year Ending June 30, 2012

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2012. 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 27). 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.

FINANCIAL HIGHLIGHTS

- The City's governmental activities net assets increased \$63,977; or 0.03 percent; and net assets of the business-type activities decreased by \$1,001,574 or 4.50 percent.
- During the year, the City's General Fund decreased by \$411,273; and total government funds decreased \$2,788,479 or 24.19 percent (of which the dissolution of the Community Redevelopment Fund had an extraordinary loss of \$1,085,861).

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

- In the City's proprietary funds, the Water Fund decreased fund equity by \$768,934; the Sewer Fund decreased \$258,921, Non-Major Enterprise Funds increased \$6,210; and Total Internal Service Funds decreased \$306,035.

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). See Note 15 for additional information on the financial position of the 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 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
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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 and fire protection), public works, development services, and culture and recreation (community and library services). 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 19 through 21 of this report.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
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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 through 23 and 25 through 26 of this report).

The City maintains 54 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 former CRA Non-Housing Special Revenue Fund, the former CRA Low and Moderate Housing Set-Aside Capital Projects Fund, the Low and Moderate Income Housing Asset Capital Projects Fund, and the former CRA Debt Service Fund, of which are considered to be major funds. Major funds determination is based on guidelines established by GASB 34. Data for the other 49 governmental funds are combined into a single, aggregated presentation.

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 page 75 of this report.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
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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 28 through 30 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, and Information Technology (IT), Personnel/Risk Management (previously Workers Compensation and Self Insurance funds), and General Plan/Housing Update. 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 as a conduit or clearinghouse, established to account for assets (usually cash) received for and paid to other funds, individuals, or organizations. The assets thus received are usually held very briefly. The City has Agency Funds 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 has a Private Purpose Trust Fund for recording the financial activities of the Successor Agency as it relates to the dissolution of the Community Redevelopment Agency.

The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets found on pages 31 through 32. 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

Notes to the Financial Statements

The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 33 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 pages 73 through 76 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.

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 user 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

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. By far the largest portion of the City's net assets (94%) reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt, used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In the case of the City, total assets exceeded total liabilities by \$218,442,551 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 \$957,668.

TABLE 1
NET ASSETS AT YEAR-END
(In Thousands)

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL	
	ACTIVITIES		ACTIVITIES			
	2011	2012	2011	2012	2011	2012
<u>Assets:</u>						
Current and Other Assets	\$ 13,649	\$ 11,376	\$ 6,580	\$ 5,615	\$ 20,229	\$ 16,991
Non-Current Assets	1,682	1,894	315	290	1,997	2,184
Capital Assets	187,395	186,234	27,771	27,063	215,166	213,297
TOTAL ASSETS	202,726	199,504	34,666	32,968	237,392	232,472
<u>Liabilities:</u>						
Current and Other Liabilities	2,534	1,353	1,100	799	3,634	2,152
Non-Current Liabilities	3,274	957	11,399	10,921	14,673	11,878
TOTAL LIABILITIES	5,808	2,310	12,499	11,720	18,307	14,030
<u>Net Assets:</u>						
Invested in Capital Assets, Net of Related Debt	186,635	185,544	15,843	15,665	202,478	201,209
Restricted	8,649	10,779	-	1,146	8,649	11,925
Unrestricted	1,634	871	6,324	4,437	7,958	5,308
TOTAL NET ASSETS	\$ 196,918	\$ 197,194	\$ 22,167	\$ 21,248	\$ 219,085	\$ 218,442

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

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 \$2.1 million, or 11.84 percent; and total expenses decreased by \$1.3 million, or 6.90 percent.

TABLE 2

CHANGES IN NET ASSETS
(In Thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2011	2012	2011	2012	2011	2012
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,390	\$ 2,013	\$ 4,379	\$ 4,091	\$ 6,769	\$ 6,104
Operating Grants and Contributions	957	1,332	-	-	957	1,332
Capital Grants and Contributions	1,009	51	30	-	1,039	51
General Revenues						
Taxes	8,437	7,774	-	-	8,437	7,774
Investment Income	54	16	11	3	65	19
Other Sources	66	-	-	-	66	-
TOTAL REVENUES	12,913	11,186	4,420	4,094	17,333	15,280
Expenses:						
General Government	3,495	1,756	-	-	3,495	1,756
Public Safety	5,504	5,244	-	-	5,504	5,244
Public Works	1,757	2,669	-	-	1,757	2,669
Development	1,739	998	-	-	1,739	998
Culture and Recreation	1,392	1,695	-	-	1,392	1,695
Interest Expense	182	95	-	-	182	95
Water	-	-	3,443	3,807	3,443	3,807
Sewer	-	-	951	927	951	927
Recreation Services	-	-	504	307	504	307
Strike Team	-	-	37	169	37	169
Filming	-	-	47	70	47	70
TOTAL EXPENSES	14,069	12,457	4,982	5,280	19,051	17,737
Excess (deficiency) in net assets before transfers and extraordinary item	(1,156)	(1,271)	(562)	(1,186)	(1,718)	(2,457)
Transfers	(167)	(164)	167	164	-	-
Extraordinary Gain	-	1,499	-	-	-	1,499
Increase (decrease) in net assets	(1,323)	64	(395)	(1,022)	(1,718)	(958)
Net assets, beginning of year, as restated	198,241	197,130	22,562	22,270	220,803	219,400
Net assets, end of year	\$ 196,918	\$ 197,194	\$ 22,167	\$ 21,248	\$ 219,085	\$ 218,442

CITY OF SIERRA MADRE

Management’s Discussion and Analysis

For the year ended June 30, 2012

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
NET COST OF GOVERNMENTAL ACTIVITIES
(In Thousands)
As of June 30, 2012

	Total Cost of Services	Total Program Revenues	Net Cost of Services
General Government	\$ 1,756	\$ 783	(973)
Public Safety	5,244	662	(4,582)
Public Works	2,669	943	(1,726)
Development	998	496	(502)
Culture and Recreation	1,695	512	(1,183)
Interest Expense	95	-	(95)
	<u>\$ 12,457</u>	<u>\$ 3,396</u>	<u>\$ (9,061)</u>

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 total fund balance of the City’s General Fund decreased by \$411,273 in FY 2011-2012. General Fund revenues decreased by approximately \$191,000, or 2.34 percent; expenditures decreased by approximately \$103,000, or 1.42 percent; and transfers and extraordinary gains (losses) increased by approximately \$708,000, or 130.63 percent. Due to the dissolution of the CRA, the governmental funds experienced a total extraordinary loss of \$1.086 million (see Note 15 for further discussion on CRA dissolution).

TABLE 4
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
(In Thousands)

	REVENUES		EXPENDITURES		TRANSFERS & EXTRAORDINARY GAINS/(LOSSES)		TOTAL CHANGE IN FUND BALANCE	
	2011	2012	2011	2012	2011	2012	2011	2012
General Fund	\$8,170	\$7,979	\$7,243	\$7,140	\$ (542)	\$ (1,250)	\$ 385	\$ (411)
Low/Mod Income Housing Fund	-	-	-	-	-	2,176	-	2,176
CRA Funds	1,362	657	1,456	1,902	(77)	(3,262)	(171)	(4,507)
Other Governmental Funds	3,311	2,546	4,570	3,670	695	1,078	(564)	(46)
TOTAL	<u>\$12,843</u>	<u>\$11,182</u>	<u>\$13,269</u>	<u>\$ 12,712</u>	<u>\$ 76</u>	<u>\$ (1,258)</u>	<u>\$ (350)</u>	<u>\$ (2,788)</u>

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

At June 30, 2012, the fund balance for the General Fund was \$5,110,444; however the City Council has committed and assigned certain amounts adjusting the unassigned fund balance to \$870,761.

TABLE 4-a

FUND BALANCES FOR GENERAL FUND

General Fund Reserves for the Year Ending June 30, 2011	\$	5,521,717
Total Revenue		7,979,366
Total Expenditures		7,140,524
Net Budgeted Transfers, Out/(In)		<u>(1,250,115)</u>
General Fund Reserves for the Year Ending June 30, 2012	\$	5,110,444
<i>Committed Reserves</i>		
Santa Anita Fire	\$	200,000
Document Management		30,000
PW Bridge Maintenance		20,000
<i>Assigned Reserves</i>		
50% of operating revenues-reserve policy		3,989,683
<i>Unassigned Reserves</i>		870,761

Business-Type Funds: As shown in the Statement of Activities and Changes in Net Assets, the Enterprise Funds had a decrease in revenues collected for services of approximately \$327,000, or 7.40 percent; an increase in expenses of approximately \$297,000, or 5.96 percent; and a decrease in contributions and transfers of approximately \$3,000, or 1.80 percent. The Water fund had a decrease in revenues of approximately \$155,000, or 4.85 percent; despite having a rate increase of 7.75 percent. This loss is reflection of conservation of water usage both for economic and environmental intents. At the close of FY 2011-2012, the total net assets of the City's Internal Service Funds decreased by \$306,035.

TABLE 5

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS
(In Thousands)

	REVENUES		EXPENDITURES		CONTRIBUTIONS & TRANSFERS		TOTAL CHANGE IN NET ASSETS	
	2011	2012	2011	2012	2011	2012	2011	2012
Water	\$ 3,193	\$ 3,038	\$ 3,443	\$ 3,807	\$ (8)	\$ -	\$ (258)	\$ (769)
Sewer	762	668	951	927	8	-	(181)	(259)
Other Enterprise Funds	465	387	588	545	167	164	44	6
TOTAL	\$4,420	\$4,093	\$4,982	\$5,279	\$ 167	\$ 164	\$ (395)	\$ (1,022)
Governmental Activities-								
Internal Service Funds	\$ 3,674	\$ 4,359	\$ 5,650	\$ 4,672	\$ (164)	\$ 7	\$ (2,140)	\$ (306)

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

Capital Assets and Debt Administration

Capital Assets

By the close of FY 2011-2012, the City has increased approximately \$445,000 to the capital assets current value. The City replaced a vehicle for a net change to current value of \$6,082. The City purchased a module bathroom for Memorial Park with Redevelopment funds in December 2011. In addition, the City restated the current value and accumulated depreciation of the vehicles in the Internal Service-Fleet, Water and Sewer Funds, by \$342,833. Table 6 outlines these major changes to the Net Capital Assets. See Note 6 for more information (pages 49 through 50).

	Current Replacement Cost	Original Estimated Cost	Accumulated Depreciation	Current Net Value
New Vehicle Purchases for 11-12	\$ 33,531	\$ 33,531	\$ -	\$ 33,531
Salvaged Vehicles for 10-11		(27,450)	(27,450)	
<u>Change in Vehicle and Equipment</u>	<u>\$ 33,531</u>	<u>\$ 6,082</u>	<u>\$ (27,450)</u>	<u>\$ 33,531</u>
Purchase new Bathroom Module for Memorial Park				
New equipment	\$ 95,735	\$ 95,735	\$ -	\$ 95,735
<u>Change in Park Structures</u>	<u>\$ 95,735</u>	<u>\$ 95,735</u>	<u>\$ -</u>	<u>\$ 95,735</u>
Restatement of beginning vehicle values				
Vehicle & Equipment (Water Fund)	\$ 266,486	\$ 157,717	\$ 163,677	\$ (5,960)
Vehicle & Equipment (Sewer Fund)	135,040	102,348	102,348	-
Vehicle & Equipment (Government-ISF Fleet)	155,393	82,768	215,194	(132,426)
<u>Change in Original Estimate</u>	<u>\$ 556,919</u>	<u>\$ 342,833</u>	<u>\$ 481,219</u>	<u>\$ (138,386)</u>
Total Change in Capital Assets	<u>\$ 686,186</u>	<u>\$ 444,649</u>	<u>\$ 453,770</u>	<u>\$ (9,120)</u>

Debt Administration

At the end of FY 2011-12, the City had total long-term debt outstanding of \$9,755,000 (of which \$370,000 is due in FY 2012-2013) for the Water Revenue Bonds. In addition, the Water Fund has an interest free loan from the San Gabriel Valley Municipal Water District, with an outstanding balance of \$1,311,188 (of which \$145,688 is due in FY 2012-2013) at June 30, 2012.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide debt as of June 30, 2012 was \$1,021,994 (of which \$108,450 is due in FY 2012-2013). Additional information on the City's long-term debt can be found in Note 7 of the Financial Statements (pages 51 through 54).

Due to financial projections in the Water fund and lower than expected revenues, Moody's downgraded the Water Fund bonds from AA to A-minus. Additionally, there have been significant discussions in the financial markets about downgrading all California Redevelopment bonds due to AB1X26 dissolution of redevelopment. This downgrade was applied across all California Tax Increment bonds until rating agencies could discuss matters with each individual agency.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

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 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 for 2011 was \$660,000. This represents a \$20,000 (2.9%) decrease in median sale price from 2010. Los Angeles County (as a whole) has a median sale price of \$339,000. HdL Coren and Cone (HdL), 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. Since 2008, Sierra Madre's total Property Tax revenue has grown by \$96,000, or 2.9 percent. While the growth is positive, the news of only 2.9 percent in aggregate over five years really is a loss of 7.1 percent in Property Tax revenue growth. As Proposition 13 allows for 2 percent annual inflation, after five years (2008-2013) with all things being equal, Sierra Madre's Property Tax revenue should have seen a compounding increase of more than 10 percent.

In addition, there is a dark cloud hovering over Sierra Madre's property tax collection. Two of the City's largest properties changed ownership this last spring which is believed to be at a lower value than the current tax roll's assessments. This could potentially reduce any growth in the overall housing market of Sierra Madre; leaving Property Tax collection growth at 1% or less in the next two year budget (FY 2013-2015) and beyond. See Statistical Section: *2011/2012 Top 10 Property Tax Properties* (provided by HdL).

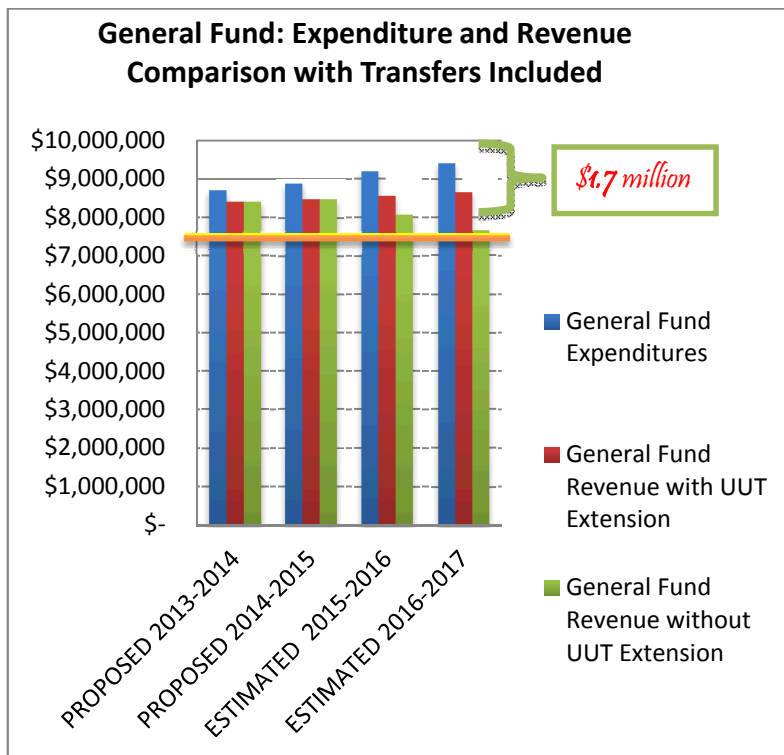
Sales Tax still remains a small portion of the City's revenues; however, it is closely monitored for its overall economic indicator. Sales trends usually pick up before the housing market and usually correlate to unemployment rates. While the State Legislative Analyst's Office and the State Franchise Tax 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. For Sierra Madre, sales tax has had three consecutive years of declines; in FY 2011-2012, sales tax was \$30,000 (15%) less than FY 2007-2008. Staff therefore has assumed that sales tax will not rebound into the foreseeable future.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

Since 2008, the voter increase in the Utility User Tax (UUT) has resulted in making this funding source an important resource to meet the City's needs. The increased UUT revenues were linked to increases in public safety services and public safety salaries. In addition, the UUT provided the necessary funding to allow the City to continue to deliver Paramedic Services to the community.

The City's legal maximum taxable rate is 12% for FY 2011-2012 through FY 2013-2014. The City Council directed that the tax collection rate be set at 10% since 2010 (water and sewer collection rate is 9%). On July 1, 2014, the City's taxable rate is 10% due to a sunset clause in the 2008 UUT ordinance which was not extended in April 2012 by the voters. Without an extension to the 2008 UUT ordinance, the UUT collection rate will diminish to 8% on July 1, 2015 and diminish again by 2% down to 6% on July 1, 2016. This loss is estimated to be \$500,000 per 2 percent loss in tax rate and be an aggregate loss of \$1 million; or 12 percent; of the City's General Fund total revenues by 2016. As expenditure increases are growing faster than revenues by nearly 2 percent annually, the potential budget cuts may possibly exceed 20 percent when compounding 2013-2016 projected budgets and when factoring in the loss of the 4% in UUT tax rate. Add this to the 12 percent cuts taken in the last two years, revenues remaining flat but service costs increasing, a balanced City budget would require an almost 30 percent reduction in services since 2010.

Below is a chart that shows the current expenditures as compared to two possible revenue scenarios beginning in 2015-2016, when the UUT collection rate drops to 8% and then down to 6%. It should be noted however, that the maximum rate for 2013-2014 is actually 12% and the revenues would first see a step down the second year (2014-2015) but don't because the collection rate is set at the lower 10% in 2013-2014. The line represents where revenues would be reduced to, should the UUT return to 6% tax rate.



The revenue loss in FY 2016-2017 from 10% to 6% UUT rate is equal to:
40% reduction in Police
 OR
100% reduction in Fire (\$896,000) and Paramedics (\$550,000); plus another (\$254,000)
 OR
100% reduction in Recreation (\$296,000), Library (\$1,003,000), and Public Works (\$404,000- General Fund)

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

To balance the FY 2011-2012 General Fund budget, the City reduced almost \$900,000 in expenditures. The cause was twofold. First, the City Council chose to reduce the Utility User Tax collection rate to 10% reducing General Fund revenues by an estimated \$500,000. The second factor was to scale back the expenditures to meet revenue forecasts.

Expenditures in the General Fund over the last decade have grown modestly with increase in revenues. However, the City's purchasing power has been severely impacted as contracts and services have continued to increase as much as 3-5% annually. As revenues have only increased 1% or less (exclusive of the Utility User Tax that is tied to public safety budgets), departments have continued to cut back their services, supplies, and maintenance over the last five years. Below is an example of how inflation impacts the City's purchasing value.

Example: In year 1, sidewalk materials cost \$10 a square foot and the City needs to replace 100 square feet at a cost of \$1000. In Year 2, the same 100 square feet costs \$1030, but the City's revenues only allow the department to purchase \$1010 or 2 square feet less than the prior year.

Year	Expenditure Inflation (3% growth)			Revenue Inflation (1% growth)			Purchasing Power
1	\$ 10.00	100	\$ 1,000.00	\$ 10.00	100	\$ 1,000.00	100
2	\$ 10.30	100	\$ 1,030.00	\$ 10.10	100	\$ 1,010.00	98.05825243
3	\$ 10.61	100	\$ 1,060.90	\$ 10.20	100	\$ 1,020.10	96.15420869
4	\$ 10.93	100	\$ 1,092.73	\$ 10.30	100	\$ 1,030.30	94.28713668
5	\$ 11.26	100	\$ 1,125.51	\$ 10.41	100	\$ 1,040.60	92.45631849
6	\$ 11.59	100	\$ 1,159.27	\$ 10.51	100	\$ 1,051.01	90.66105017
7	\$ 11.94	100	\$ 1,194.05	\$ 10.62	100	\$ 1,061.52	88.90064143
8	\$ 12.30	100	\$ 1,229.87	\$ 10.72	100	\$ 1,072.14	87.17441538

As the City has experienced since 2007, inflation in revenue has created a six year draw on purchasing power so that the City can only replace 90 square feet of sidewalk as compared to year 1 (2007 to 2013). By the end of the next budget cycle, the City's purchasing power is 13% lower (2007-2015) less than year 1 as demonstrated in this example.

Two other large financial impacts occurred during FY 2011-2012. In late November 2011, the San Gabriel Valley in which Sierra Madre is located experienced an unprecedented wind storm whose immediate response and clean-up cost the City more than \$560,000. The General Fund used reserves to pay these expenses as the emergency was unable to receive any Federal or State assistance grants. The City has received some insurance for recoverable building damaged and the City has applied for a tree replacement grant with Los Angeles County. The City is also seeking grants to replace generators that were repaired, but weakened during the week long power outage that occurred as a result of the wind damage to utility lines.

The second major financial impact was the dissolution of the Community Redevelopment Agency by the State of California Legislature. Overall, the City made another \$900,000 in service reductions, including lay-offs and extended frozen budgeted positions. The General Fund absorbed more than \$270,000 of these reductions directly after absorbing more than that is increased subsidies from the Development Services fund.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

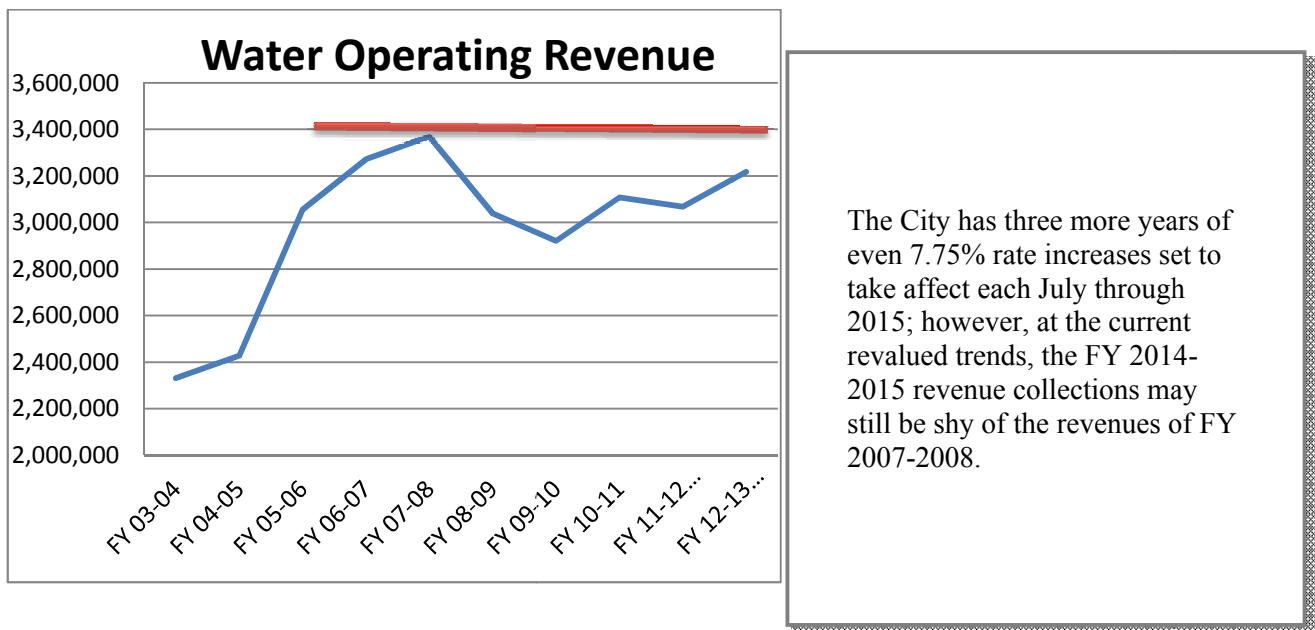
Community Redevelopment and Successor Agency Funds

Within one month of the devastating windstorm, the City's finances were faced with a loss of almost \$900,000 in operational funding from the dissolution of the Community Redevelopment Agency and the tax increment revenues it provided. In December 2011, the State's Supreme Court upheld AB 1X 26 allowing for the dissolution of the City's Redevelopment Agency (CRA), but disallowed AB 1X 27 which would have allowed the CRA to make a revenue transfer to the State to keep the CRA active (see Note 15 on pages 68 through 70 for further discussion on the dissolution of the CRA and the creation of the Successor Agency).

The City was able to mitigate more than half of the loss through programs that ceased with the dissolution of the CRA and with an allowance for administrative costs. However, the City as a whole still had to reduce \$440,000 in operational expenses of which the City reduced personnel cost of \$270,000 in lay-offs, reduced part-time hours, and extended frozen positions. One of the most significant service reductions was the contracting out of the Aquatics program that was 85% subsidized by the General Fund.

Water Fund

In July 2011, the City's Water Fund had the first rate increase since 2005, primarily due to the requirement of Proposition 218 that required a Majority Protest Vote (resulting from the "Big Horn Decision" that relates municipal utilities as a property right). The rate study that supported the rates was based upon the trends of 2006-2008, the same period of high property values and pre-recession. Since 2009, the Water fund has seen a steady drop in consumption, which is attributable to both the recession and overall conservation efforts of the region. Two years ago when the revenue downside began, it was assumed to be temporary and perhaps more related to seasonal water usage rather than being recognized as an ongoing trend. As a result, although the rate increase was 7.75%, the City's Water revenues are lower than revenue collected in 2008.



CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2012

Subsequent Events

1. Public Employees' Pension Reform Act of 2013 (PEPRA) and related Public Employees' Retirement Law (PERL) (AB 340) makes changes to public employee pensions including establishing a cap on the amount of salary that can be used to calculate a retirement benefit, raising the retirement age for both public safety and miscellaneous employees, implementing cost-sharing, using the average of the final three years to calculate final compensation, implementing a 180 day sit-out period for retired persons to return to work in the retirement system in which they receive a pension, defines "pension compensation," a pension forfeiture requirement for public employees convicted of committing a felony in connection with their job, the elimination of airtime, pension holidays and pension spiking.

All aspects of the legislation apply to new employees after January 1, 2013. Four provisions, cost sharing, the six month sit-out requirement, and the elimination of airtime and pension holidays, apply to current members in the system. All aspects of the legislation apply to all members after 2018.

Financial impacts of this pension reform will vary per agency, but it is assumed that over the long term CalPERs and member agencies will see savings in pension costs. However, even the State's Legislative Analyst Office suggests these savings may be lost if agencies begin offering higher salaries to compensate for a lower pension benefit plan.

2. On December 11, 2012, the City Council and Police Association (PA) agreed upon a multi-year contract through June 30, 2015. The City and Police Association were previously working under a Terms of Employment after reaching impasse in December 2011. This contract marks the first comprehensive Memorandum of Understanding between the City and the PA since 2000. The contract does not include any significant financial impacts.

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

Village of the Foothills



Basic Financial Statements For the Year Ending June 30, 2012

CITY OF SIERRA MADRE

Statement of Net Assets

June 30, 2012

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 10,546,141	\$ 4,134,188	\$ 14,680,329
Restricted cash and investments with fiscal agents	3,615	1,145,841	1,149,456
Receivables:			
Accounts	118,268	333,130	451,398
Taxes	624,148	-	624,148
Grants	53,625	-	53,625
Interest	6,413	-	6,413
Due from other governments	22,169	-	22,169
Prepays	1,928	1,501	3,429
Total current assets	11,376,307	5,614,660	16,990,967
Noncurrent assets:			
Deferred charges	-	289,603	289,603
Net other post-employment benefits (OPEB) asset	211,374	-	211,374
Land held for resale	1,682,998	-	1,682,998
Capital assets:			
Non-depreciable assets	163,482,159	1,483,250	164,965,409
Depreciable-net	22,751,602	25,580,670	48,332,272
Total noncurrent assets	188,128,133	27,353,523	215,481,656
Total assets	199,504,440	32,968,183	232,472,623
Liabilities:			
Current liabilities:			
Accounts payable	620,088	62,788	682,876
Accrued payroll and related liabilities	249,445	54,071	303,516
Interest payable	31,916	95,460	127,376
Deposits and retentions	67,973	11,184	79,157
Claims payable	197,000	-	197,000
Compensated absences - current	113,562	24,432	137,994
Capital lease payable - current	73,150	35,300	108,450
Note payable - current	-	145,688	145,688
Bonds payable - current	-	370,000	370,000
Total current liabilities	1,353,134	798,923	2,152,057
Noncurrent liabilities:			
Compensated absences	340,680	73,291	413,971
Capital lease payable	616,191	297,353	913,544
Note payable	-	1,165,500	1,165,500
Bonds payable	-	9,385,000	9,385,000
Total noncurrent liabilities	956,871	10,921,144	11,878,015
Total liabilities	2,310,005	11,720,067	14,030,072
Net Assets:			
Invested in capital assets, net of related debt	185,544,420	15,665,079	201,209,499
Restricted	10,779,254	1,145,841	11,925,095
Unrestricted	870,761	4,437,196	5,307,957
Total net assets	\$ 197,194,435	\$ 21,248,116	\$ 218,442,551

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Activities and Changes in Net Assets
For the year ended June 30, 2012

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 1,756,491	\$ 783,053	\$ -	\$ 100	\$ 783,153
Public safety	5,243,664	526,413	135,537	-	661,950
Public works	2,669,022	151,667	739,952	51,242	942,861
Development services	998,147	495,758	-	-	495,758
Culture and recreation	1,695,105	56,354	456,231	-	512,585
Interest on long-term debt	95,211	-	-	-	-
Total governmental activities	12,457,640	2,013,245	1,331,720	51,342	3,396,307
Business-type activities:					
Water	3,806,990	3,038,056	-	-	3,038,056
Sewer	927,102	665,561	-	-	665,561
Recreation services	306,613	247,898	-	-	247,898
Special services	168,546	73,907	-	-	73,907
Film services	70,275	65,132	-	-	65,132
Total business-type activities	5,279,526	4,090,554	-	-	4,090,554
Total primary government	\$ 17,737,166	\$ 6,103,799	\$ 1,331,720	\$ 51,342	\$ 7,486,861

General revenues:

Taxes:

Property taxes

Sales taxes

Utility user taxes

Other taxes

Investment earnings

Extraordinary item

Transfers

Total general revenues, extraordinary item and transfers

Change in net assets

Net assets, beginning of year, as restated

Net assets, end of year

See accompanying notes to basic financial statements.

Net (expense) revenue and changes in net assets		
Governmental Activities	Business-type Activities	Total
\$ (973,338)	\$ -	\$ (973,338)
(4,581,714)	-	(4,581,714)
(1,726,161)	-	(1,726,161)
(502,389)	-	(502,389)
(1,182,520)	-	(1,182,520)
(95,211)	-	(95,211)
<u>(9,061,333)</u>	<u>-</u>	<u>(9,061,333)</u>
-	(768,934)	(768,934)
-	(261,541)	(261,541)
-	(58,715)	(58,715)
-	(94,639)	(94,639)
-	(5,143)	(5,143)
<u>-</u>	<u>(1,188,972)</u>	<u>(1,188,972)</u>
<u>(9,061,333)</u>	<u>(1,188,972)</u>	<u>(10,250,305)</u>
5,093,619	-	5,093,619
251,643	-	251,643
2,344,715	-	2,344,715
84,289	-	84,289
16,405	2,827	19,232
1,499,139	-	1,499,139
(164,500)	164,500	-
<u>9,125,310</u>	<u>167,327</u>	<u>9,292,637</u>
63,977	(1,021,645)	(957,668)
<u>197,130,458</u>	<u>22,269,761</u>	<u>219,400,219</u>
<u>\$ 197,194,435</u>	<u>\$ 21,248,116</u>	<u>\$ 218,442,551</u>

CITY OF SIERRA MADRE

Balance Sheet

Governmental Funds

June 30, 2012

	General Fund	Special Revenue Fund	Capital Project Funds	
		CRA Non-Housing Fund	CRA Low & Moderate Housing Set-Aside Fund	Low & Moderate Income Housing Asset Fund
Assets:				
Cash and investments	\$ 4,298,879	\$ -	\$ -	\$ 492,625
Receivables:				
Accounts	97,712	-	-	-
Taxes	594,569	-	-	-
Grants	-	-	-	-
Interest	6,413	-	-	-
Due from other agencies	4,283	-	-	-
Due from other funds	402,171	-	-	-
Land held for resale	-	-	-	1,682,998
Total assets	\$ 5,404,027	\$ -	\$ -	\$ 2,175,623
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 123,657	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	168,924	-	-	-
Due to other funds	-	-	-	-
Deposits and retentions	1,002	-	-	-
Total liabilities	293,583	-	-	-
Fund balances:				
Restricted	-	-	-	1,682,998
Committed	250,000	-	-	-
Assigned	3,989,683	-	-	492,625
Unassigned	870,761	-	-	-
Total fund balances	5,110,444	-	-	2,175,623
Total liabilities and fund balances	\$ 5,404,027	\$ -	\$ -	\$ 2,175,623

See accompanying notes to basic financial statements.

<u>Debt Service Fund</u>		
<u>CRA Debt Service Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ 2,028,709	\$ 6,820,213
-	20,556	118,268
-	29,579	624,148
-	53,625	53,625
-	-	6,413
-	17,886	22,169
-	-	402,171
-	-	1,682,998
<u>\$ -</u>	<u>\$ 2,150,355</u>	<u>\$ 9,730,005</u>
\$ -	\$ 183,129	\$ 306,786
-	43,737	212,661
-	402,171	402,171
-	66,971	67,973
<u>-</u>	<u>696,008</u>	<u>989,591</u>
-	-	1,682,998
-	888,909	1,138,909
-	960,473	5,442,781
-	(395,035)	475,726
<u>-</u>	<u>1,454,347</u>	<u>8,740,414</u>
<u>\$ -</u>	<u>\$ 2,150,355</u>	<u>\$ 9,730,005</u>

CITY OF SIERRA MADRE
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2012

Total fund balances - total governmental funds	\$ 8,740,414
Amounts reported for governmental activities in the Statement of Net Assets were different because:	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds:	
Capital assets, net of depreciation	908,420
Long-term assets that are not available for current use. Amounts are not reported in the governmental funds.	211,374
Accrued interest payable of the current portion of interest due on long-term debt has not been reported in governmental funds.	(27,656)
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Assets:	
Capital lease payable	(597,327)
Compensated absences	(363,206)
Internal service funds are used by management to charge the costs of certain activities, such as facilities management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	<u>188,322,416</u>
Net assets of Governmental Activities	<u><u>\$ 197,194,435</u></u>

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the fiscal year ended June 30, 2012

		Special Revenue Fund	Capital Project Funds	
	General Fund	CRA Non-Housing Fund	CRA Low & Moderate Housing Set- Aside Fund	Low & Moderate Income Housing Asset Fund
Revenues:				
Property taxes	\$ 3,416,659	\$ -	\$ -	\$ -
Other taxes	2,596,357	-	-	-
Charges for services	128,437	-	-	-
Intergovernmental	911,439	-	-	-
Licenses and permits	684,268	-	-	-
Fines and forfeitures	217,211	-	-	-
Investment income	6,839	-	776	-
Miscellaneous	18,156	-	-	-
Total revenues	<u>7,979,366</u>	<u>-</u>	<u>776</u>	<u>-</u>
Expenditures:				
Current:				
General government	1,387,713	28,947	16,059	-
Public safety	4,189,693	-	-	-
Public works	316,389	963,620	4,596	-
Development	192,750	354,205	72,456	-
Culture and recreation	1,053,979	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Capital outlay	-	95,735	-	-
Total expenditures	<u>7,140,524</u>	<u>1,442,507</u>	<u>93,111</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>838,842</u>	<u>(1,442,507)</u>	<u>(92,335)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	94,638	1,564,509	-	-
Transfers out	(1,344,753)	-	-	-
Total other financing sources (uses)	<u>(1,250,115)</u>	<u>1,564,509</u>	<u>-</u>	<u>-</u>
Extraordinary item:				
Gain (loss) on dissolution of redevelopment agency	<u>-</u>	<u>(145,567)</u>	<u>(2,175,623)</u>	<u>2,175,623</u>
Net change in fund balances	(411,273)	(23,565)	(2,267,958)	2,175,623
Fund balances, beginning of year, as restated	<u>5,521,717</u>	<u>23,565</u>	<u>2,267,958</u>	<u>-</u>
Fund balances, end of year	<u>\$ 5,110,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,175,623</u>

See accompanying notes to basic financial statements.

Debt Service Fund		
CRA Debt Service Fund	Non-Major Governmental Funds	Total Governmental Funds
\$ 655,924	\$ 89,208	\$ 4,161,791
-	-	2,596,357
-	466,766	595,203
-	1,337,590	2,249,029
-	476,188	1,160,456
-	6,691	223,902
-	2,956	10,571
-	166,679	184,835
<u>655,924</u>	<u>2,546,078</u>	<u>11,182,144</u>
40,426	634,462	2,107,607
-	892,038	5,081,731
-	926,292	2,210,897
-	640,391	1,259,802
-	486,138	1,540,117
255,000	60,581	315,581
71,000	30,461	101,461
-	-	95,735
<u>366,426</u>	<u>3,670,363</u>	<u>12,712,931</u>
<u>289,498</u>	<u>(1,124,285)</u>	<u>(1,530,787)</u>
-	1,186,192	2,845,339
(1,564,509)	(107,908)	(3,017,170)
<u>(1,564,509)</u>	<u>1,078,284</u>	<u>(171,831)</u>
<u>(940,294)</u>	<u>-</u>	<u>(1,085,861)</u>
(2,215,305)	(46,001)	(2,788,479)
<u>2,215,305</u>	<u>1,500,348</u>	<u>11,528,893</u>
<u>\$ -</u>	<u>\$ 1,454,347</u>	<u>\$ 8,740,414</u>

CITY OF SIERRA MADRE

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the year ended June 30, 2012

Net change in fund balances (deficit) - total governmental funds \$ (2,788,479)

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets were different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Assets, the costs of those assets meeting the City's capitalization policy are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period:

Depreciation expense	(55,384)
Capital outlay	95,735

The issuance of long-term debt provides current financial resources to governmental funds while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities and Changes in Net Assets. These differences are as follows:

Principal payments	315,581
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Internal service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The net revenue of internal service funds is reported with governmental activities.

	(306,035)
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Some expenses reported on the Statement of Activities and Changes in Net Assets do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net change in accrued interest	6,250
Net change in compensated absences	104,165
Net change in OPEB	107,144

The transfer of long-term assets and liabilities to the Successor Agency resulted in an extraordinary gain/(loss) due to the dissolution of the redevelopment agency. The capital assets and deferred charges were not current resources and the long-term liabilities were not payable in the current period, and, therefore, were not reported in the governmental funds:

Extraordinary gain from transfer of long-term debt to the Successor Agency	<u>2,585,000</u>
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Change in net assets of Governmental Activities

\$	<u><u>63,977</u></u>
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See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Net Assets
Proprietary Funds
June 30, 2012

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Assets:					
Current assets:					
Cash and investments	\$ 2,310,645	\$ 1,680,571	\$ 142,972	\$ 4,134,188	\$ 3,725,928
Restricted cash and investments with fiscal agents	1,145,841	-	-	1,145,841	3,615
Accounts receivable	271,377	59,252	2,501	333,130	-
Prepays	-	-	1,501	1,501	1,928
Total current assets	<u>3,727,863</u>	<u>1,739,823</u>	<u>146,974</u>	<u>5,614,660</u>	<u>3,731,471</u>
Noncurrent assets:					
Deferred charges	289,603	-	-	289,603	-
Capital assets:					
Non-depreciable assets	1,483,250	-	-	1,483,250	162,275,946
Depreciable-net	21,481,974	4,098,696	-	25,580,670	23,049,395
Total noncurrent assets	<u>23,254,827</u>	<u>4,098,696</u>	<u>-</u>	<u>27,353,523</u>	<u>185,325,341</u>
Total assets	<u>26,982,690</u>	<u>5,838,519</u>	<u>146,974</u>	<u>32,968,183</u>	<u>189,056,812</u>
Liabilities:					
Current liabilities:					
Accounts payable	51,951	7,705	3,132	62,788	313,302
Accrued payroll and related liabilities	28,183	17,746	8,142	54,071	36,784
Interest payable	80,058	15,402	-	95,460	4,260
Deposits and retentions	3,964	-	7,220	11,184	-
Claims payable	-	-	-	-	197,000
Compensated absences - current	13,940	8,553	1,939	24,432	22,761
Capital lease payable - current	-	35,300	-	35,300	9,764
Note payable - current	145,688	-	-	145,688	-
Bonds payable - current	370,000	-	-	370,000	-
Total current liabilities	<u>693,784</u>	<u>84,706</u>	<u>20,433</u>	<u>798,923</u>	<u>583,871</u>
Noncurrent liabilities:					
Compensated absences	41,819	25,657	5,815	73,291	68,275
Capital lease payable	-	297,353	-	297,353	82,250
Note payable	1,165,500	-	-	1,165,500	-
Bonds payable	9,385,000	-	-	9,385,000	-
Total noncurrent liabilities	<u>10,592,319</u>	<u>323,010</u>	<u>5,815</u>	<u>10,921,144</u>	<u>150,525</u>
Total liabilities	<u>11,286,103</u>	<u>407,716</u>	<u>26,248</u>	<u>11,720,067</u>	<u>734,396</u>
Net Assets:					
Invested in capital assets, net of related debt	11,899,036	3,766,043	-	15,665,079	185,233,327
Restricted for debt service	1,145,841	-	-	1,145,841	3,615
Unrestricted	2,651,710	1,664,760	120,726	4,437,196	3,085,474
Total net assets	<u>\$ 15,696,587</u>	<u>\$ 5,430,803</u>	<u>\$ 120,726</u>	<u>\$ 21,248,116</u>	<u>\$ 188,322,416</u>

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE

Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the year ended June 30, 2012

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
Operating revenues:					
Charges for services	\$ 3,027,668	\$ 664,762	\$ 371,888	\$ 4,064,318	\$ 4,279,309
Licenses and permits	10,388	799	13,849	25,036	11,971
Miscellaneous	-	-	1,200	1,200	1,725
Total operating revenues	<u>3,038,056</u>	<u>665,561</u>	<u>386,937</u>	<u>4,090,554</u>	<u>4,293,005</u>
Operating expenses:					
Personnel services	757,192	457,296	334,477	1,548,965	1,127,045
Contractual services	307,680	92,987	87,054	487,721	778,931
Materials and supplies	177,787	8,213	38,816	224,816	287,514
Insurance, claims and charges	116,114	-	-	116,114	671,323
Utilities	403,531	-	22,527	426,058	355,573
Maintenance and operation	998,405	199,940	62,560	1,260,905	212,460
Depreciation	553,616	153,264	-	706,880	1,234,750
Total operating expenses	<u>3,314,325</u>	<u>911,700</u>	<u>545,434</u>	<u>4,771,459</u>	<u>4,667,596</u>
Operating income (losses)	(276,269)	(246,139)	(158,497)	(680,905)	(374,591)
Nonoperating revenues (expenses):					
Grant revenue	-	-	-	-	59,651
Investment income	-	2,620	207	2,827	5,834
Interest expense	(492,665)	(15,402)	-	(508,067)	(4,260)
Total nonoperating revenues (expenses)	<u>(492,665)</u>	<u>(12,782)</u>	<u>207</u>	<u>(505,240)</u>	<u>61,225</u>
Income (loss) before transfers	(768,934)	(258,921)	(158,290)	(1,186,145)	(313,366)
Transfers:					
Transfers in	-	-	164,500	164,500	13,270
Transfers out	-	-	-	-	(5,939)
Total transfers	<u>-</u>	<u>-</u>	<u>164,500</u>	<u>164,500</u>	<u>7,331</u>
Change in net assets	(768,934)	(258,921)	6,210	(1,021,645)	(306,035)
Net assets, beginning of year, as restated	<u>16,465,521</u>	<u>5,689,724</u>	<u>114,516</u>	<u>22,269,761</u>	<u>188,628,451</u>
Net assets, end of year	<u>\$ 15,696,587</u>	<u>\$ 5,430,803</u>	<u>\$ 120,726</u>	<u>\$ 21,248,116</u>	<u>\$ 188,322,416</u>

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2012

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers and users	\$ 3,008,240	\$ 700,691	\$ 365,636	\$ 4,074,567	\$ -
Receipts from interfund services provided	-	-	-	-	4,297,097
Payments to suppliers	(2,013,940)	(303,725)	(205,468)	(2,523,133)	(2,207,455)
Payments to employees	(776,218)	(463,025)	(351,299)	(1,590,542)	(1,142,861)
Net cash provided (used) by operating activities	<u>218,082</u>	<u>(66,059)</u>	<u>(191,131)</u>	<u>(39,108)</u>	<u>946,781</u>
Cash flows from non-capital financing activities:					
Transfers from other funds	-	-	164,500	164,500	7,331
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>-</u>	<u>164,500</u>	<u>164,500</u>	<u>7,331</u>
Cash flows from capital and related financing activities:					
Grant revenue	-	-	-	-	59,651
Acquisition and construction of capital assets	-	-	-	-	(33,531)
Principal paid	(470,067)	(33,738)	-	(503,805)	(9,332)
Interest paid	(571,607)	(16,964)	-	(588,571)	(4,692)
Net cash provided (used) by capital and related financing activities	<u>(1,041,674)</u>	<u>(50,702)</u>	<u>-</u>	<u>(1,092,376)</u>	<u>12,096</u>
Cash flows from investing activities:					
Investment income	-	2,620	207	2,827	5,834
Net cash provided (used) by investing activities	<u>-</u>	<u>2,620</u>	<u>207</u>	<u>2,827</u>	<u>5,834</u>
Net increase (decrease) in cash and cash equivalents	(823,592)	(114,141)	(26,424)	(964,157)	972,042
Cash and investments:					
Beginning of year	<u>4,280,078</u>	<u>1,794,712</u>	<u>169,396</u>	<u>6,244,186</u>	<u>2,757,501</u>
End of year	<u>\$ 3,456,486</u>	<u>\$ 1,680,571</u>	<u>\$ 142,972</u>	<u>\$ 5,280,029</u>	<u>\$ 3,729,543</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (276,269)	\$ (246,139)	\$ (158,497)	\$ (680,905)	\$ (374,591)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	553,616	153,264	-	706,880	1,234,750
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(29,816)	35,130	(2,501)	2,813	4,092
(Increase) decrease in prepaid expenses	-	-	(1,501)	(1,501)	-
Increase (decrease) in accounts payable	(5,173)	(2,585)	(230)	(7,988)	98,346
Increase (decrease) in accrued liabilities	(16,475)	(1,999)	(12,181)	(30,655)	(2,226)
Increase (decrease) in deposits payable	(5,250)	-	7,220	1,970	-
Increase (decrease) in unearned revenue	-	-	(18,800)	(18,800)	-
Increase (decrease) in compensated absences	(2,551)	(3,730)	(4,641)	(10,922)	(13,590)
Total adjustments	<u>494,351</u>	<u>180,080</u>	<u>(32,634)</u>	<u>641,797</u>	<u>1,321,372</u>
Net cash provided (used) by operating activities	<u>\$ 218,082</u>	<u>\$ (66,059)</u>	<u>\$ (191,131)</u>	<u>\$ (39,108)</u>	<u>\$ 946,781</u>

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2012

	Private-purpose Trust Fund Redevelopment Obligation Retirement Fund	Agency Funds
Assets:		
Cash and investments	\$ 989,692	\$ 4,555
Restricted cash and investments with fiscal agents	401,575	-
Total assets	<u>1,391,267</u>	<u>\$ 4,555</u>
Liabilities:		
Accounts payable	5,194	\$ -
Accrued payroll and related liabilities	4,635	4,096
Interest payable	20,417	-
Deposits and retentions	-	459
Compensated absences	9,834	-
Bonds payable - current	270,000	-
Bonds payable - noncurrent	2,315,000	-
Total liabilities	<u>2,625,080</u>	<u>\$ 4,555</u>
Net Assets:		
Net assets held for dissolution of redevelopment agency	(1,233,813)	
Total net assets	<u>\$ (1,233,813)</u>	

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE

Statement of Changes in Fiduciary Net Assets

Fiduciary Funds

For the period of inception February 1, 2012 through June 30, 2012

	Private-purpose Trust Fund
	Redevelopment Obligation Retirement Fund
Additions:	
Charges for services	\$ 593,745
Investment income	1,537
Total additions	<u>595,282</u>
Deductions:	
General and administration	244,914
Interest expense	85,042
Total deductions	<u>329,956</u>
Extraordinary loss on dissolution of redevelopment agency	<u>(1,499,139)</u>
Change in net assets	(1,233,813)
Net assets, beginning of period	<u>-</u>
Net assets, ending of period	<u>\$ (1,233,813)</u>

See accompanying notes to basic financial statements.

City of Sierra Madre, California

Village of the Foothills



Notes to Basic Financial Statements For the Year Ending June 30, 2012

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Sierra Madre, California (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 City was incorporated on February 2, 1907, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: police protection, fire suppression and prevention, emergency medical response, recreation programs, senior services, local transportation, planning and permit processing, water utility, public library, streets, parks, sewer and storm drain utility, and general government and administrative services.

As required by GAAP, these basic financial statements present the City (the primary government) and its component units for which the City is considered to be financially accountable. 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.

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. City Council members, in concurrent sessions, serve as the governing board of the Agency, and all accounting and administrative functions are performed by the City. The financial activity of the Agency has been blended into the City's CAFR in the government-wide governmental activities and in the fund financial statements as the Community Redevelopment Agency Non-housing Special Revenue Fund, the Community Redevelopment Agency Low-Moderate Housing Capital Projects Fund, and the Community Redevelopment Agency Debt Service Fund. On December 29, 2011, a California Supreme Court ruling directed that all redevelopment agencies be dissolved on February 1, 2012; therefore, these funds account for activities of the Agency through January 31, 2012.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Financial Reporting Entity, (continued)

Blended Component Units, (continued)

February 1, 2012, the Agency was dissolved by the State Legislature (AB1X26). The City assumed the role of Housing Authority and assumed all responsibility of the Low-Moderate Housing Fund and the land was transferred to the City. The City assumed the role of the Successor Agency to wind down and pay the bond tax increment payments of the Agency. All physical assets were transferred to the City and all debt and cash assets were transferred to the Private Purpose Trust Fund. See footnote 16 for additional information on the redevelopment dissolution.

The City has completed the Due Diligence Report (DDR) as required by AB 1389 and a copy may be obtained by contacting the City's Finance Department.

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. It was established as a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments and mechanisms. City Council members, in concurrent sessions, serve as the governing board of the Authority. Financial activity of the Authority has been blended into the City's CAFR into various governmental and business-type activities and funds of the City as applicable.

Separate financial statements are not prepared for the Sierra Madre Public Financing Authority. Prior year financial statements of the Sierra Madre Community Redevelopment Agency are available at the City Hall, 232 West Sierra Madre Boulevard, Sierra Madre, CA 91024; however, due to the Agency's dissolution, separate financial statements will not be issued for the fiscal year ended June 30, 2012.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Financial reporting is based upon all Governmental Accounting Standards Board pronouncements.

Government-Wide Financial 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 and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

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 (as well as infrastructure 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. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses reported for specific functions.

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. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities. All internal balances in the Statement of Net Assets have been eliminated except those representing internal balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Accounting and Measurement Focus, (continued)

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. 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 taxes, sales taxes, franchise taxes, inter-governmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

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 reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund – Accounts for all financial resources of the general government except those required to be accounted for in another fund.

Community Redevelopment Agency Non-Housing Project Special Revenue Fund – Accounts for the non-housing capital projects of the former Agency designed to remove blight within the project area. Pursuant to the Redevelopment Restructuring Act (ABx1 26) the Agency was dissolved on January 31, 2012. The activity shown is for the period July 1, 2011 through January 31, 2012.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Accounting and Measurement Focus, (continued)

Community Redevelopment Agency Low and Moderate Housing Set-Aside Capital Projects Fund – Accounts for 20% of all tax increment received that is dedicated to the improvement and availability of housing for families in the low and moderate income levels. Pursuant to the Redevelopment Restructuring Act (ABx1 26) the Agency was dissolved on January 31, 2012. The activity shown is for the period July 1, 2011 through January 31, 2012.

Low and Moderate Income Housing Asset Capital Projects Fund – Accounts for the housing assets transferred from the former Community Redevelopment Agency and the revenues and expenditures for the project area related to low and moderate income housing. The activity shown is for the period February 1, 2012 through June 30, 2012.

Community Redevelopment Agency Debt Service Fund – Accounts for the payment of principal and interest on debt of the former Agency. Pursuant to the Redevelopment Restructuring Act (ABx1 26) the Agency was dissolved on January 31, 2012. The activity shown is for the period July 1, 2011 through January 31, 2012.

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 increases (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.

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.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

B. Basis of Accounting and Measurement Focus, (continued)

The City reports the following major enterprise funds:

Water Fund – Accounts for the operations of the City’s water utility operations.

Sewer and Storm Drain Fund – Accounts for the operations of the City’s sewer system and storm drain operations.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets and a Statement of Changes in Net Assets. The City maintains two fiduciary fund types: a private-purpose trust fund and agency funds. Fiduciary fund types are accounted for according to the nature of the fund. The private-purpose trust fund uses the “*economic resources*” measurement focus and the accrual basis of accounting. It is used to report trust arrangements under which principal and income benefit individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds do not have a measurement focus.

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 Number 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 the 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Cash, Cash Equivalents and Investments, (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 for Low-Moderate Housing needs, which will be sold or leased 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 such as insurance premiums, prepaid rents, and deposits for real property acquisitions reflect costs applicable to future periods and are recorded as prepaid and other assets in both government-wide and fund financial statements. These costs will be recognized in the period when services are received or when the City receives title to the real property.

F. Property Taxes

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 Basic Financial Statements
For the year ended June 30, 2012

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, 2012 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:

Roadways Pavement AC	25 years
Street Appurtenances Bridges	40 years
Park Structures	25 years
Wastewater Manholes	60 years
Pipelines	60 years
Spreading Basins	50 years
Pump Stations	60 years
Meters	30 years
Pipelines	50 years
Pressure Reducing Stations	40 years
Fire Hydrants	50 years
Wells	50 years
Reservoirs	75 years
General Fixed Assets Buildings	50 years
Vehicles & Equipment	10 years

H. Claims Payable

The City records a liability to reflect an estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims.

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 fund types. For governmental funds, compensated absences are primarily liquidated by the City's General Fund.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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. Net Assets and Fund Balances

Government-Wide Financial Statements – In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements.

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 “invested in capital, net of related debt” or “restricted 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.

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 fiscal year ending June 30, 2011, and requires the City to report the governmental fund balances in the following categories:

Nonspendable - reflects amounts that are not in a spendable form, examples of which include inventory, prepaid items, and other items 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, 2012.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Net Assets and Fund Balances, (continued)

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.

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

L. 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2012 are classified in the accompanying financial statements as follows:

Statement of Net Assets:	
Cash and investments	\$ 14,680,329
Cash and investments with fiscal agent -restricted	1,149,456
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	994,247
Cash and investments with fiscal agent -restricted	<u>401,575</u>
 Total cash and investments	 <u><u>\$ 17,225,607</u></u>

Cash and investments as of June 30, 2012 consist of the following:

Petty cash	\$ 2,271
Deposits with financial institutions	8,451,655
Investments	<u>8,771,681</u>
 Total cash and investments	 <u><u>\$ 17,225,607</u></u>

Investments Authorized by the California Government Code and the City'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.

The table below identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy. The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk and concentration of credit risk. This table does not address investments of debt proceeds held by the fiscal agent that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

2. CASH AND INVESTMENTS, (continued)

Investments Authorized by the California Government Code and the City's Investment Policy, (continued)

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	None
US Treasury Obligations	Yes	5 years	None	None
US Agency Securities	Yes	5 years	None	None
Bankers' Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Mutual Funds	No	N/A	20%	10%
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
Bank/Time Deposits	Yes	360 days	None	None
County Pooled Investment Funds	Yes	N/A	None	\$ 5,000,000
Local Agency Investment Funds (LAIF)	Yes	N/A	None	\$ 50,000,000
JPA Pools (other investment pools)	No	N/A	None	None
Passbook Accounts	Yes	N/A	None	None

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Money Market Funds	None	None	None
Certificates of Deposit Secured by Collateral	None	None	None
Interest-bearing Deposit Accounts	None	None	None
Investment Agreements	None	None	None
Commercial Paper	None	None	None
Municipal Bonds or Notes	None	None	None
State Bonds or Notes	None	None	None
Bankers' Acceptances	1 year	None	None
Repurchase Agreements	30 days	None	None

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

2. CASH AND INVESTMENTS, (continued)

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. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity evenly over time, as necessary to provide cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

<u>Investment Type</u>	<u>Total</u>	<u>Investment Maturities (in months)</u>		
		<u>12 or less</u>	<u>13 -24</u>	<u>25 - 60</u>
State investment pool	\$ 7,220,650	\$ 7,220,650	\$ -	\$ -
Held by fiscal agent:				
US treasury securities	<u>1,551,031</u>	<u>1,551,031</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 8,771,681</u>	<u>\$ 8,771,681</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Investment Type</u>	<u>Total</u>	<u>Minimum Legal Rating</u>	<u>Ratings as of Year End</u>	
			<u>AAA</u>	<u>Not Rated</u>
State investment pool	\$ 7,220,650	N/A	\$ -	\$ 7,220,650
Held by fiscal agent:				
US treasury securities	<u>1,551,031</u>	<u>N/A</u>	<u>1,551,031</u>	<u>-</u>
Total	<u>\$ 8,771,681</u>		<u>\$ 1,551,031</u>	<u>\$ 7,220,650</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

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. As of June 30, 2012, there were no investments in any one issuer (other than US Treasury securities and external investment pools) that represents 5% or more of 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-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2012, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized 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 BALANCES AND TRANSFERS

A. Due To/Due From

At June 30, 2012, the City had the following short-term interfund receivables and payables:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	<u>\$ 402,171</u>

The interfund amounts are for short-term loans to cover temporary cash deficits.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

3. INTERFUND BALANCES AND TRANSFERS, (continued)

B. Transfers

At June 30, 2012, the City had the following transfers:

<u>Transfers out</u>	<u>Transfers in</u>	
General Fund	Non-Major Governmental Funds	\$ 1,180,253
	Non-Major Enterprise Funds	164,500
		<u>1,344,753</u>
CRA Debt Service Fund	CRA Non-Housing Project Fund	<u>1,564,509</u>
Non-Major Governmental Funds	General Fund	94,638
	Internal Service Fund	13,270
		<u>107,908</u>
Internal Service Fund	Non-Major Governmental Funds	<u>5,939</u>
	Total	<u>\$ 3,023,109</u>

Transfers of unrestricted revenues collected in the General Fund to finance various programs accounted for in other accounts in accordance with budgetary authorization.

4. FUND DEFICITS AND EXPENDITURES IN EXCESS OF APPROPRIATIONS

A. Fund Deficits

The following funds reported deficits in fund balance/net assets at June 30, 2012:

	<u>Deficit Balances</u>
Non-Major Governmental Funds:	
Homeland Security Grant -Fire	\$ 4,109
Central Business Assessment District	10,295
Santa Anita/Arno Maintenance District	1,272
Emergency Medical Services	2,533
Open Space	376,826
Non-Major Enterprise Funds:	
Recreation Classes	2,015
Special Events	2,958

The deficits in the funds are due to expenditures being incurred before the revenue has been received.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

4. FUND DEFICITS AND EXPENDITURES IN EXCESS OF APPROPRIATIONS, (continued)

B. Excess of Expenditures over Appropriations

The following funds reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Non-Major Governmental Funds:			
2011 Windstorm	\$ -	\$ 547,552	\$ (547,552)
Bonita Sewer Assessment District	4,651	4,656	(5)
Development Fees	579,328	712,303	(132,975)
DUI Enforcement	1,500	12,753	(11,253)
Police Department Donations	2,000	2,512	(512)
State COPS Grant Fund	9,500	55,966	(46,466)
Fire Department Donations	2,000	2,890	(890)
Local Transportation Prop A	156,767	184,918	(28,151)
Open Space	10,000	79,155	(69,155)
Senior Center	20,000	192,557	(172,557)
Youth Activity Center	5,050	12,585	(7,535)
Community Development Block Grant	35,350	80,084	(44,734)
Environmental	66,000	70,854	(4,854)

5. DEFERRED CHARGES

The Authority incurred bond issuance costs 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, 2012:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water Revenue Parity Bonds, Series 2003	<u>\$ 315,223</u>	<u>\$ -</u>	<u>\$ (25,620)</u>	<u>\$ 289,603</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

6. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the governmental activities capital assets at June 30, 2012 is as follows:

	Beginning balance	Additions	Deletions	Ending balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 162,275,945	\$ -	\$ -	\$ 162,275,945
Trees	1,206,214	-	-	1,206,214
	<u>163,482,159</u>	<u>-</u>	<u>-</u>	<u>163,482,159</u>
Total capital assets, not being depreciated				
	163,482,159	-	-	163,482,159
Capital assets, being depreciated:				
Structures and improvements	11,297,990	813,673	-	12,111,663
Machinery and equipment	3,304,306	33,530	(27,450)	3,310,386
Infrastructure	23,111,525	-	(717,936)	22,393,589
	<u>37,713,821</u>	<u>847,203</u>	<u>(745,386)</u>	<u>37,815,638</u>
Total capital assets, being depreciated				
	37,713,821	847,203	(745,386)	37,815,638
Less accumulated depreciation				
	<u>(13,801,351)</u>	<u>(1,290,135)</u>	<u>27,450</u>	<u>(15,064,036)</u>
Total capital assets being depreciated, net				
	23,912,470	(442,932)	(717,936)	22,751,602
Governmental activities, capital assets, net				
	<u>\$ 187,394,629</u>	<u>\$ (442,932)</u>	<u>\$ (717,936)</u>	<u>\$ 186,233,761</u>

Depreciation expense was charged to functions/programs of the City's governmental activities as follows:

Governmental activities:	
General government	\$ 70,608
Public safety	161,933
Public works	902,605
Culture and recreation	154,989
	<u>1,290,135</u>
Total	<u>\$ 1,290,135</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

6. CAPITAL ASSETS, (continued)

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2012 is as follows:

	Beginning balance	Additions	Deletions	Ending balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Total capital assets, not being depreciated	<u>1,483,250</u>	<u>-</u>	<u>-</u>	<u>1,483,250</u>
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	8,626,444	-	(7,498,759)	1,127,685
Infrastructure	33,620,379	7,498,759	-	41,119,138
Total capital assets, being depreciated	<u>43,068,113</u>	<u>7,498,759</u>	<u>(7,498,759)</u>	<u>43,068,113</u>
Less accumulated depreciation	<u>(16,780,563)</u>	<u>(706,880)</u>	<u>-</u>	<u>(17,487,443)</u>
Total capital assets being depreciated, net	<u>26,287,550</u>	<u>6,791,879</u>	<u>(7,498,759)</u>	<u>25,580,670</u>
Business-type activities, capital assets, net	<u>\$ 27,770,800</u>	<u>\$ 6,791,879</u>	<u>\$ (7,498,759)</u>	<u>\$ 27,063,920</u>

Depreciation expense was charged to functions/programs of the City's business-type activities as follows:

Business-type activities:	
Sewer	\$ 153,264
Water	<u>553,616</u>
Total	<u>\$ 706,880</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM DEBT

A. Governmental Activities

A summary of changes in the governmental activities long-term liabilities at June 30, 2012 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
Governmental activities:						
Refunding Bond						
Series 1998A	\$ 2,840,000	\$ -	\$ (2,840,000)	\$ -	\$ -	\$ -
Capital Lease	759,254	-	(69,913)	689,341	73,150	616,191
Compensated Absences	571,994	348,077	(465,829)	454,242	113,562	340,680
Total governmental activities	<u>\$ 4,171,248</u>	<u>\$ 348,077</u>	<u>\$ (3,375,742)</u>	<u>\$ 1,143,583</u>	<u>\$ 186,712</u>	<u>\$ 956,871</u>

Of the \$2,840,000 deletion noted above, \$2,585,000 was transferred to the Successor Agency to the Sierra Madre Community Redevelopment Agency when the former Community Redevelopment Agency (CRA) dissolved on February 1, 2012. See footnote 15 for additional information on the CRA dissolution.

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 \$689,341 at June 30, 2012.

The calculation of the present value of the future lease payments are as follows:

Amount of future lease payments for the year ending June 30,	Governmental Activities
2013	\$ 105,066
2014	105,067
2015	105,067
2016	105,066
2017	105,067
2018-2020	<u>315,199</u>
Subtotal	840,532
Less: amount representing interest	(151,191)
Present value of future lease payments	<u>\$ 689,341</u>

Accumulated depreciation on assets purchased through lease agreements are as follows:

Assets:	
Machinery and equipment	\$ 856,714
Less: accumulated depreciation	(83,859)
Total	<u>\$ 772,854</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM DEBT, (continued)

B. Business-type Activities

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2012 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
Business-type activities:						
Water Revenue Refunding						
Bonds, Series 1998A	\$ 3,355,000	\$ -	\$ (350,000)	\$ 3,005,000	\$ 370,000	\$ 2,635,000
Water Revenue Parity						
Bonds, Series 2003	6,750,000	-	-	6,750,000	-	6,750,000
Loan Payable to SGVMWD	1,456,875	-	(145,687)	1,311,188	145,688	1,165,500
Capital Lease	366,391	-	(33,738)	332,653	35,300	297,353
Compensated Absences	108,646	80,299	(91,222)	97,723	24,432	73,291
Total business-type activities	<u>\$ 12,036,912</u>	<u>\$ 80,299</u>	<u>\$ (620,647)</u>	<u>\$ 11,496,564</u>	<u>\$ 575,420</u>	<u>\$ 10,921,144</u>

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 \$3,005,000 at June 30, 2012.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	450,000	59,500	509,500
2018-2019	965,000	48,875	1,013,875
	<u>\$ 3,005,000</u>	<u>\$ 554,875</u>	<u>\$ 3,559,875</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM DEBT, (continued)

B. Business-type Activities, (continued)

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, 2012.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2013	\$ -	\$ 339,345	\$ 339,345
2014	-	339,345	339,345
2015	-	339,345	339,345
2016	-	339,345	339,345
2017	-	339,345	339,345
2018-2022	975,000	1,625,100	2,600,100
2023-2027	1,995,000	1,213,600	3,208,600
2028-2032	2,560,000	645,940	3,205,940
2033-2034	1,220,000	62,558	1,282,558
	<u>\$ 6,750,000</u>	<u>\$ 5,243,923</u>	<u>\$ 11,993,923</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 Mira Monte 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 were 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 SGVMWD has extended the first payment terms until July 1, 2012. The outstanding balance of the loan payable to San Gabriel Valley Municipal Water District was \$1,311,188 at June 30, 2012.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

7. LONG-TERM DEBT, (continued)

B. Business-type Activities, (continued)

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

Annual debt service requirements on this loan are as follows:

Year Ending June 30,	Principal	Interest	Totals
2013	\$ 145,688	\$ -	\$ 145,688
2014	145,688	-	145,688
2015	145,688	-	145,688
2016	145,688	-	145,688
2017	145,688	-	145,688
2018-2021	582,748	-	582,748
	<u>\$ 1,311,188</u>	<u>\$ -</u>	<u>\$ 1,311,188</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 \$332,653 at June 30, 2012.

The calculation of the present value of the future lease payments are as follows:

Amount of future lease payments for the year ending June 30,	Business-type Activities
2013	\$ 50,702
2014	50,701
2015	50,701
2016	50,701
2017	50,701
2018-2020	152,106
Subtotal	405,612
Less: amount representing interest	(72,959)
Present value of future lease payments	<u>\$ 332,653</u>

Accumulated depreciation on assets purchased through lease agreements are as follows:

Assets:	
Machinery and equipment	\$ 401,418
Less: accumulated depreciation	(20,071)
Total	<u>\$ 381,347</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

8. NET ASSETS AND FUND BALANCES

A. Fund Balance Classifications

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

	General Fund	Housing Fund	Non-Major Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Restricted for:			
Land held for resale	\$ -	\$ 1,682,998	\$ -
Committed to:			
Santa Anita Fire	200,000	-	-
Document Management Project	30,000	-	-
PW Bridge Maintenance	20,000	-	-
Document Management Project	-	-	5,000
Online Parking Project	-	-	12,000
Street Resurfacing Phase III	-	-	4,529
YMCA Youth Activities	-	-	15,000
Back-up Generator	-	-	57,415
Street Resurfacing Phase III	-	-	150,000
Street Resurfacing Phase III	-	-	600,000
Technology & Local History Improvements	-	-	14,965
Children's Room Remodel	-	-	10,000
Server Relocation Project	-	-	20,000
Assigned to:			
Fund Balance Policy	3,989,683	-	-
Low-Moderate Income Housing	-	492,625	-
Grantor/Donor Restrictions	-	-	960,473
Unassigned	<u>870,761</u>	<u>-</u>	<u>(395,035)</u>
Total fund balance	<u>\$ 5,110,444</u>	<u>\$ 2,175,623</u>	<u>\$ 1,454,347</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

8. NET ASSETS AND FUND BALANCES, (continued)

B. Prior Period Adjustments

Fund Financial Statements

The fund balance of the Open Space Fund (non-major special revenue fund) has been restated to correct an error related to the recognition of a voided check in prior year.

	Open Space Fund
<i>Non-major Governmental Fund:</i>	
Fund balance, beginning of year	\$ (455,396)
Prior period adjustment	108,147
Fund balance, beginning of year, as restated	<u>\$ (347,249)</u>

The net assets of the Water Fund (major enterprise fund) and the Facilities Management Fund (internal service fund) have been restated to correct errors relating to reversing retention liability and assets transferred from the internal service fund to the government-wide statement of net assets, respectively.

	Water Fund	Facilities Management
<i>Proprietary Funds:</i>		
Net assets, beginning of year	\$ 16,362,581	\$ 186,625,559
Prior period adjustment	102,940	(868,069)
Net assets, beginning of year, as restated	<u>\$ 16,465,521</u>	<u>\$ 185,757,490</u>

Government-wide Financial Statements

The prior period adjustments noted above, except for the Facilities Management Fund adjustment which has no effect on the government-wide net assets, and a \$104,230 adjustment to record OPEB asset which was not previously reported, have the following effect on the government-wide net assets:

	Governmental Activities	Business-type Activities	Total
Net assets, beginning of year	\$ 196,918,084	\$ 22,166,821	\$ 219,084,905
Prior period adjustment	212,377	102,940	315,317
Net assets, beginning of year, as restated	<u>\$ 197,130,461</u>	<u>\$ 22,269,761</u>	<u>\$ 219,400,222</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

9. SELF-INSURANCE JOINT POWERS AUTHORITY

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

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

B. Self-Insurance Programs of the Authority

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

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

Liability

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

B. Self-Insurance Programs of the Authority, (continued)

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

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

Workers' Compensation

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

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

C. Purchased Insurance, (continued)

Property Insurance

The City of Sierra Madre participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Sierra Madre property is currently insured according to a schedule of covered property submitted by the City of Sierra Madre to the Authority. City of Sierra Madre property currently has all-risk property insurance protection in the amount of \$57,365,882. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Sierra Madre purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Sierra Madre property currently has earthquake protection in the amount of \$29,256,882. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

E. Retrospective Payments

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year.

Beginning in 2010, the Authority began a transition from the retrospective funding model to a prospective one. With significant consideration being given to the current economic challenges facing local governments, the Executive Committee took action at its meeting on March 24, 2010, to temporarily defer payment on retrospective deposits owed to the Authority by members. Liability program retrospective balances owed to the pool have been deferred from payment until July 1, 2013. Workers' Compensation program retrospective balances owed to the pool have been deferred from payment until July 1, 2015. Members with credit retrospective balances in either pooled program will automatically receive 25% of the balance as a credit against other charges on the annual invoice due July 1, 2012. Until December 31, 2012, members that owe retrospective balances to the liability pool can take advantage of the early repayment incentive program for the liability pool. Members that owe retrospective balances to the workers' compensation pool have until December 31, 2014 to take advantage of the early repayment incentive program for the workers' compensation pool. The 2012 retrospective computations will be completed this fall and, during the spring of 2013, every member with a liability program retrospective balance owed to the pool will have the opportunity to select from a variety of optional payment plans.

Program	Retrospective Liability
Liability	\$ 2,003,246
Workers' Compensation	\$ 68,670

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, 2012 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 Basic Financial Statements
For the year ended June 30, 2012

11. RETIREMENT PLAN

A. Defined Benefit Pension Plan

Plan Description

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, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy

Plan participants are required to contribute 8% for miscellaneous and 9% for safety employees of their annual covered salary. The City, as the employer, makes 6% of the above required employee contributions (miscellaneous and safety) on their behalf and for their accounts, except for Police Officers Association employees, for whom the City contributes 4% for safety and 5% for miscellaneous (non-safety) association members. Employees pay the remainder of the required participant contributions. Non-police association members pay 2% for miscellaneous and 3% for safety, and police association members pay 3% for miscellaneous (non-safety) and 5% for safety.

The City is required to contribute at an actuarially determined rate of 18.588% and 31.427% of annual covered payroll for miscellaneous and safety employees, respectively. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2012, the City's annual pension cost of \$1,295,736 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 3.55% 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)

Fiscal Year Ended	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 1,240,733	100%	\$ -
2011	1,419,853	100%	-
2012	1,295,736	100%	-

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

11. RETIREMENT PLAN, (continued)

B. Defined Contribution Pension Plan

The City provides pension benefits for all of its part-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the Accumulation Program for Part-time and Limited-service Employees (The APPLE Plan) all part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan; the employee pays the entire 7.5% of the contribution. The contributions for each employee (and interest earned by the accounts) are fully vested immediately. The 457(b) pension plan for part-time employees was implemented in response to the Omnibus Reconciliation Act of 1990 (OBRA 90) that required all part-time employees working for governmental agencies to include these employees in Social Security (Old Age Security and Disability Insurance - OASDI) or a qualified alternative to Social Security covered under section IRC 3121.

For the year ended June 30, 2012, the City's payroll covered by the plan was \$1,434,442. The employees contributed 100% of the contributions.

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.

B. Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. 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 beyond that already accrued for in the basic financial statements. Additionally, City management believes that sufficient resources are available to the City to cover any potential losses, should an unfavorable outcome arise.

C. Compliance with Laws and Regulations

The City has complied with the California State Controller's requirements by filing its audited financial statements in a timely manner. Management is working to prepare and file the audited financial statements to fulfill such regulatory requirements.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS

Plan Description

The City administers a single-employer defined benefit plan which provides medical benefits to eligible retirees and their spouses. Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS. CalPERS retirement requires attainment of age 50 with 5 years of State or public City service or approved disability retirement.

Benefits provided: The City has participated in the CalPERS medical program since 1995 for all employees other than Police Officer's Association (POA) employees, and since 1999 for POA employees. As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's and spouse's lifetime so long as they remain eligible for and covered by this medical program. The City provides additional benefits based on employee agreements beyond those required under PEMHCA. The following is a summary of these benefits:

- All employees who retire from the City (including disability retirement) and continue coverage in the CalPERS medical program are eligible for the benefit provided in the PEMHCA resolutions.
- Those resolutions provide for the City to contribute toward retiree premiums by multiplying together the following three items:
 - 5% times
 - The number of prior years the City has been contracted with PEMHCA times
 - The contribution the employer makes towards active employee health benefits

The (direct) contribution provided by the City on behalf of active employees is \$112 per month for 2012.

- \$86.40 for CEA (and other non-POA) retirees, calculated as 5% times 16 (years in CalPERS medical) times \$108.
- \$64.80 for the POA retirees, calculated as 5% times 12 years times \$108.

As noted, this amount will increase until the contributions for retirees are equal to that for active employees.

In addition to the benefits described above, the City also provides the following monthly subsidy toward retiree (single coverage) medical premiums until the retiree reaches age 65.

- For CEA (and other non-POA) employees hired before October 15th 1995 and POA employees hired on or before December 22, 2011 who meet the requirements for CalPERS retirement (including industrial disability retirement), 5% times the number of years worked for the City times the lesser of the actual premium and the lowest cost HMO premium in the Los Angeles area region.
- For CEA (and other non-POA) employees hired on or after October 15th, 1995 and POA employees hired after December 22, 2011 who retire (including disability retirement) at age 60 or older with at least 30 years of service with the City, 100% of the actual premium or the lowest cost HMO premium in the LA area region, whichever is less.

The lowest cost HMO plan premium in the LA area region was \$429.22 per month in 2012.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City voluntarily prefunds its annual contribution requirement (i.e. to set aside funds in advance of when medical premiums become due). Amounts that are prefunded are deposited into a prefunding account with CalPERS' California Employer's Retiree Benefit Trust Program ("CERBT"), the prefunding plan under Government Code Section 22940 for prefunding health care coverage for annuitants. CERBT is a trust fund that is intended to perform an essential governmental function within the "meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans with pooled administrative and investment functions. Assets held in this trust are considered to be assets held in a fiduciary capacity on behalf of City employees and these assets accordingly have been excluded from the City's reported assets. The CalPERS CERBT publishes GASB 43 compliant Financial Statements, Notes, and Required Supplementary Information which may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

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 No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset) for these benefits:

Annual required contribution	\$ 165,759
Interest on net OPEB obligation	(8,078)
Adjustment to annual required contribution	14,710
Annual OPEB cost (expense)	<u>172,391</u>
Contributions made	<u>(279,535)</u>
Increase in OPEB obligation (asset)	(107,144)
Net OPEB obligation (asset), beginning of year	<u>(104,230)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ (211,374)</u></u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Annual OPEB Cost and Net OPEB Obligation, (continued)

The City's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for 2012 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	\$ 168,070	\$ 54,500	32.4%	\$ 113,570
6/30/2011	181,897	399,697	219.7%	(104,230)
6/30/2012	172,391	279,535	162.2%	(211,374)

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 1,162,355
Actuarial value of plan assets	<u>361,594</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 800,761</u></u>
Funded ratio (actuarial value of plan assets / AAL)	31.1%
Covered payroll (active plan members)	\$ 3,879,418
UAAL as a percentage of covered payroll	20.6%

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

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between 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 assets, consistent with the long-term perspective of the calculations.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Actuarial Methods and Assumptions, (continued)

The ARC for the plan for the current fiscal year ended June 30, 2012, was determined as part of the January 1, 2010 actuarial valuation. The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost, Level Percent of Pay Method. The actuarial assumptions included 1) a 7.75% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, 2) an annual healthcare cost trend rate of 10% initially, reduced by decrements of 0.5% per year to an ultimate rate of 4.5% in the tenth year and 3) a 3.25% annual increase in salaries. 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 payroll over a closed 10-year period, commencing with the fiscal year ending June 30, 2010. The remaining amortization period at June 30, 2012 is 8 years.

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.

GASB 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 for 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 - 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

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

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. As members of CERBT, multiple employer OBEP plans, the City completed a June 30, 2011 actuarial report to be in compliance with the reporting dates of the OBEP trust plan.

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

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

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

GASB No. 61 - 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 - 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. This GASB Statement codifies but does not change the accounting and financial reporting followed by the City.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

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

GASB No. 63 – Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, effective for periods beginning after December 15, 2011. GASB Statement No. 63 provides financial reporting guidance for deferred outflows and deferred inflows which are financial elements distinct from assets and liabilities. This Statement also amends net asset reporting.

GASB No. 64 – Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53, effective for periods beginning after June 15, 2011. GASB Statement No. 64 addresses hedge accounting.

GASB No. 65 – This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of this Statement will improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

GASB No. 66 – The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

15. SUCCESSOR AGENCY TRUST FOR THE FORMER COMMUNITY REDEVELOPMENT AGENCY (CRA)

On December 29, 2011, the California Supreme Court upheld Assembly Bill X1 26 (Bill) that provides for the dissolution of all redevelopment agencies in the State of California. Most cities in California had established a redevelopment agency that was included in the reporting entity of the City as a blended component unit (since the City council, in many cases, also served as the governing board for those agencies).

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated tax revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

**15. SUCCESSOR AGENCY TRUST FOR THE FORMER COMMUNITY REDEVELOPMENT AGENCY (CRA),
(continued)**

The Bill directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditure or encumbrance of those assets, the State Controller is required to order the available assets to be transferred to the public body designated as the successor agency by the Bill.

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is legal uncertainty regarding this issue. It is possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Prior to that date, the final seven months of the activity of the redevelopment agency continued to be reported in the governmental funds of the City. After the date of dissolution, activities of the dissolved redevelopment agency are reported in a fiduciary trust fund (private purpose trust fund) in the financial statements of the City.

The transfer of the assets and liabilities of the former redevelopment agency as of February 1, 2012 (effectively the same date as January 31, 2012) from governmental funds of the City to fiduciary funds was reported in the governmental funds as an extraordinary gain (loss) in the governmental fund financial statements. The receipt of the assets and liabilities as of January 31, 2012 was reported in the private-purpose trust fund as an extraordinary gain (loss). Because of the different measurement focus of the governmental funds (*current financial resources measurement focus*) and the measurement focus of the trust funds (*economic resources measurement focus*), the extraordinary gain (loss) recognized in the governmental funds will not be the same amount as the extraordinary gain (loss) that will be recognized in the fiduciary fund financial statement.

The difference between the extraordinary loss recognized in the fund financial statements and the extraordinary gain recognized in the fiduciary fund financial statements is reconciled as follows:

Total extraordinary loss reported in the governmental funds - increase to net assets of the Successor Agency Trust Fund	\$ 1,085,861
Long-term debt reported in the government-wide financial statements - decrease to net assets of the Successor Agency Trust Fund	<u>(2,585,000)</u>
Net decrease to net assets of the Successor Agency Trust Fund as a result of initial transfers (equal to amount of extraordinary gain reported in the government-wide financial statements of the City)	<u>\$ (1,499,139)</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

**15. SUCCESSOR AGENCY TRUST FOR THE FORMER COMMUNITY REDEVELOPMENT AGENCY (CRA),
(continued)**

The debt of the Successor Agency as of June 30, 2012 is as follows:

	Transfers resulting from CRA Dissolution	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
Successor agency:						
Refunding Bond						
Series 1998A	\$ 2,585,000	\$ -	\$ -	\$ 2,585,000	\$ 270,000	\$ 2,315,000
Compensated Absences	-	9,834	-	9,834	2,459	7,375
Total successor agency	<u>\$ 2,585,000</u>	<u>\$ 9,834</u>	<u>\$ -</u>	<u>\$ 2,594,834</u>	<u>\$ 272,459</u>	<u>\$ 2,322,375</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. The outstanding balance of the Tax Increment Revenue Refunding Bonds, Series 1998A was \$2,585,000 at June 30, 2012.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
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	330,000	62,500	392,500
2018-2020	1,085,000	83,125	1,168,125
	<u>\$ 2,585,000</u>	<u>\$ 549,375</u>	<u>\$ 3,134,375</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

16. SUBSEQUENT EVENTS

A. California Public Employees' Pension Reform Act of 2013 (PEPRA)

On September 12, 2012 AB 340 and AB 197 were signed into law changing pension benefits for public employees and will become effective on January 1, 2013. Collectively known as the California Public Employees' Pension Reform Act of 2013 (PEPRA), PEPRA makes the following changes:

1. For New Members (new members), as defined by employees hired after January 1, 2013, Establishes a cap on the amount of compensation that can be used to calculate a retirement benefit for all new members of a public retirement system equal to the Social Security wage index limit for employees who participate in Social Security or 120% of that limit if they do not participate in Social Security.
2. Creates new retirement formulas for new members, 2% at 62 for Miscellaneous members and 2% at 57; 2.5% at 57 and 2.7% at 57 for Safety members.
3. Requires that new members contribute a minimum of 50% of the normal costs and prohibits employers from paying this contribution on the employee's behalf.
4. Requires that new members benefit be calculated on compensation on a period of at least 36 months.
5. Those newly retired persons are required to sit out for at least 180 days and that the appointment is necessary to fill a critically needed position and the 180 days has not yet passed.
6. That "pension compensation" is defined as the normal monthly rate of pay or base pay of the member paid in cash to similarly situated members of the same group or class of employment for services rendered on a full-time basis.
7. Forfeiture of retirement benefits upon a felony conviction.
8. Eliminates purchase of unqualified service credit.
9. Eliminates retroactive pay increases.
10. Prohibits employers from suspending employer and/or employee contributions necessary to fund the annual pension normal costs.
11. Prohibits a public employer from providing better health benefit best schedule for excluded and exempt employees than for represented employees in the same retirement class.
12. Modifies the benefits received under an industrial disability retirement.

Financial impacts of this pension reform will vary per agency, but it is assumed that over the long term CalPERS and member agencies will see savings in pension costs. However, even the State's Legislative Analyst Office suggests these savings may be lost if agencies begin offering higher salaries to compensate for a lower pension benefit plan.

B. Multi-year Contract between City and Police Association

On December 11, 2012, the City Council and Police Association (PA) agreed upon a multi-year contract through June 30, 2015. The City and Police Association were previously working under a Terms of Employment after reaching impasse in December 2011. This contract marks the first comprehensive Memorandum of Understanding between the City and the PA since 2000. The contract does not include any new significant financial impacts.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2012

16. SUBSEQUENT EVENTS, (continued)

C. Property Tax Administration Fees (PTAF)

On November 20, 2012, the California Supreme Court issued a unanimous decision in *City of Alhambra v. County of Los Angeles* in which the court agreed with 47 plaintiff cities in Los Angeles County, rejecting a calculation method used by many county auditors across the state that has resulted in tens of millions of dollars in excessive Property Tax Administration Fees (PTAF) charged annually to cities.

In 2004, the Legislature instituted both the Sales Tax “Triple Flip” and the “Vehicle License Fee (VLF) Swap” under the tax laws. The Triple Flip reimburses cities with property tax proceeds to compensate for reduced city sales tax revenue, instead sending the quarter of a cent sales tax to pay off Proposition 57 state fiscal recovery bonds. The VLF Swap provides cities with additional property tax share to compensate for the related cut in the VLF tax rate and revenue. The Legislature stipulated that counties could not charge additional fees to cities for the first two years of the Triple Flip and VLF Swap implementation, and that thereafter; charges to cities could not exceed the actual cost of providing the services.

However, commencing in FY 2006-07 and following guidelines developed by the County Auditors Association, some counties altered PTAF charges by counting the Triple Flip and VLF Swap amounts as increased base property tax revenue to cities. This resulted in PTAF increases far in excess of the actual additional cost of administering the Triple Flip and VLF Swap. Los Angeles County alone withheld an additional \$4.8 million in FY 2006-07 and \$5.3 million in FY 2007-08 in PTAF from the plaintiff cities. The county’s actual annual cost in administering the Triple Flip and VLF Swap was \$35,000.

The Supreme Court affirmed in *City of Alhambra* that the calculation approach used by Los Angeles County is unlawful and that county fees are limited to the actual annual cost of administering the Triple Flip and VLF Swap.

City of Sierra Madre, California

Village of the Foothills



Required Supplementary Information For the Year Ending June 30, 2012

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2012

1. DEFINED BENEFIT PENSION PLAN – PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)

SCHEDULES OF FUNDING PROGRESS

Miscellaneous Employees

(Most recent information available)

Actuarial 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]
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%
2010	1,603,482	1,972,911	369,429	81.3%	352,637	104.8%

Safety Employees

(Most recent information available)

Actuarial 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]
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%
2010	1,628,915	1,915,096	286,181	85.1%	224,562	127.4%

2. OTHER POST EMPLOYEMENT BENEFITS

SCHEDULE OF FUNDING PROGRESS FOR THE CITY'S PLAN

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/2010	\$ -	\$ 1,456,106	\$ 1,456,106	0.0%	\$ 4,641,533	31.4%
7/1/2011	361,594	1,162,355	800,761	31.1%	3,879,418	20.6%

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2012

3. BUDGETS AND BUDGETARY ACCOUNTING

The City adopts an annual budget prepared on the modified accrual basis of accounting for 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 the 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.

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

General Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 3,394,479	\$ 3,394,479	\$ 3,416,659	\$ 22,180
Other taxes	3,788,530	3,788,530	2,596,357	(1,192,173)
Charges for services	148,893	165,707	128,437	(37,270)
Intergovernmental	8,080	8,080	911,439	903,359
Licenses and permits	598,367	598,367	684,268	85,901
Fines and forfeitures	216,746	217,808	217,211	(597)
Investment income	51,763	51,763	6,839	(44,924)
Miscellaneous	25,862	25,862	18,156	(7,706)
Total revenues	<u>8,232,720</u>	<u>8,250,596</u>	<u>7,979,366</u>	<u>(271,230)</u>
Expenditures:				
Current:				
General government	1,307,027	1,380,476	1,387,713	(7,237)
Public safety	4,508,761	4,297,830	4,189,693	108,137
Public works	336,298	406,983	316,389	90,594
Development	63,835	63,835	192,750	(128,915)
Culture and recreation	1,074,149	1,138,494	1,053,979	84,515
Debt Service:				
Principal	99,000	99,000	-	99,000
Total expenditures	<u>7,389,070</u>	<u>7,386,618</u>	<u>7,140,524</u>	<u>246,094</u>
Excess (deficiency) of revenues over (under) expenditures	<u>843,650</u>	<u>863,978</u>	<u>838,842</u>	<u>(25,136)</u>
Other financing sources (uses):				
Transfers in	101,000	101,000	94,638	(6,362)
Transfers out	(940,157)	(1,460,157)	(1,344,753)	115,404
Total other financing sources (uses)	<u>(839,157)</u>	<u>(1,359,157)</u>	<u>(1,250,115)</u>	<u>109,042</u>
Net change to fund balance	4,493	(495,179)	(411,273)	83,906
Fund balance, beginning of year	<u>5,521,717</u>	<u>5,521,717</u>	<u>5,521,717</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,526,210</u>	<u>\$ 5,026,538</u>	<u>\$ 5,110,444</u>	<u>\$ 83,906</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

CRA Non-Housing Special Revenue Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 3,091	\$ 3,091	\$ -	\$ (3,091)
Investment income	12,973	12,973	-	(12,973)
Total revenues	<u>16,064</u>	<u>16,064</u>	<u>-</u>	<u>(16,064)</u>
Expenditures:				
Current:				
General government	65,689	65,689	28,947	36,742
Public works	69,548	69,548	963,620	(894,072)
Development	2,619,669	2,619,669	354,205	2,265,464
Capital outlay	95,735	95,735	95,735	-
Total expenditures	<u>2,850,641</u>	<u>2,850,641</u>	<u>1,442,507</u>	<u>1,408,134</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,834,577)</u>	<u>(2,834,577)</u>	<u>(1,442,507)</u>	<u>1,392,070</u>
Other financing sources (uses):				
Transfers in	-	-	1,564,509	1,564,509
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>1,564,509</u>	<u>1,564,509</u>
Extraordinary item:				
Gain (loss) on dissolution of redevelopment agency	-	-	(145,567)	(145,567)
Net change to fund balances	(2,834,577)	(2,834,577)	(23,565)	2,811,012
Fund balances, beginning of year	<u>23,565</u>	<u>23,565</u>	<u>23,565</u>	<u>-</u>
Fund balances, end of year	<u>\$ (2,811,012)</u>	<u>\$ (2,811,012)</u>	<u>\$ -</u>	<u>\$ 2,811,012</u>

City of Sierra Madre, California

Village of the Foothills



Supplementary Information For the Year Ending June 30, 2012

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Governmental Funds by Fund Type
June 30, 2012

	Special Revenue Funds	Capital Project Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
Assets:				
Cash and investments	\$ 2,017,345	\$ 4,605	\$ 6,759	\$ 2,028,709
Receivables:				
Accounts	20,556	-	-	20,556
Taxes	29,579	-	-	29,579
Grants	53,625	-	-	53,625
Due from other agencies	17,886	-	-	17,886
Total assets	<u>\$ 2,138,991</u>	<u>\$ 4,605</u>	<u>\$ 6,759</u>	<u>\$ 2,150,355</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 183,129	\$ -	\$ -	\$ 183,129
Accrued payroll and related liabilities	43,737	-	-	43,737
Due to other funds	402,171	-	-	402,171
Deposits and retentions	66,971	-	-	66,971
Total liabilities	<u>696,008</u>	<u>-</u>	<u>-</u>	<u>696,008</u>
Fund balances:				
Committed	888,909	-	-	888,909
Assigned	949,109	4,605	6,759	960,473
Unassigned	(395,035)	-	-	(395,035)
Total fund balances	<u>1,442,983</u>	<u>4,605</u>	<u>6,759</u>	<u>1,454,347</u>
Total liabilities and fund balances	<u>\$ 2,138,991</u>	<u>\$ 4,605</u>	<u>\$ 6,759</u>	<u>\$ 2,150,355</u>

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds by Fund Type

For the year ended June 30, 2012

	Special Revenue Funds	Capital Project Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ 89,208	\$ -	\$ -	\$ 89,208
Charges for services	398,586	-	68,180	466,766
Intergovernmental	1,337,590	-	-	1,337,590
Licenses and permits	476,188	-	-	476,188
Fines and forfeitures	6,691	-	-	6,691
Investment income	2,945	-	11	2,956
Miscellaneous	166,329	350	-	166,679
Total revenues	<u>2,477,537</u>	<u>350</u>	<u>68,191</u>	<u>2,546,078</u>
Expenditures:				
Current:				
General government	625,241	-	9,221	634,462
Public safety	892,038	-	-	892,038
Public works	924,076	2,216	-	926,292
Development	640,391	-	-	640,391
Culture and recreation	486,138	-	-	486,138
Debt Service:				
Principal	-	-	60,581	60,581
Interest	-	-	30,461	30,461
Total expenditures	<u>3,567,884</u>	<u>2,216</u>	<u>100,263</u>	<u>3,670,363</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,090,347)</u>	<u>(1,866)</u>	<u>(32,072)</u>	<u>(1,124,285)</u>
Other financing sources (uses):				
Transfers in	1,186,192	-	-	1,186,192
Transfers out	(107,908)	-	-	(107,908)
Total other financing sources (uses)	<u>1,078,284</u>	<u>-</u>	<u>-</u>	<u>1,078,284</u>
Net change to fund balances	(12,063)	(1,866)	(32,072)	(46,001)
Fund balances, beginning of year, as restated	<u>1,455,046</u>	<u>6,471</u>	<u>38,831</u>	<u>1,500,348</u>
Fund balances, end of year	<u>\$ 1,442,983</u>	<u>\$ 4,605</u>	<u>\$ 6,759</u>	<u>\$ 1,454,347</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2012

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Assets:				
Cash and investments	\$ 101,400	\$ 92,065	\$ 1,823,880	\$ 2,017,345
Receivables:				
Accounts	-	-	20,556	20,556
Taxes	-	10,676	18,903	29,579
Grants	53,625	-	-	53,625
Due from other agencies	-	-	17,886	17,886
Total assets	<u>\$ 155,025</u>	<u>\$ 102,741</u>	<u>\$ 1,881,225</u>	<u>\$ 2,138,991</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 51,242	\$ 4,814	\$ 127,073	\$ 183,129
Accrued payroll and related liabilities	-	-	43,737	43,737
Due to other funds	6,492	10,582	385,097	402,171
Deposits and retentions	-	-	66,971	66,971
Total liabilities	<u>57,734</u>	<u>15,396</u>	<u>622,878</u>	<u>696,008</u>
Fund balances:				
Committed	-	-	888,909	888,909
Assigned	101,400	98,912	748,797	949,109
Unassigned	(4,109)	(11,567)	(379,359)	(395,035)
Total fund balances	<u>97,291</u>	<u>87,345</u>	<u>1,258,347</u>	<u>1,442,983</u>
Total liabilities and fund balances	<u>\$ 155,025</u>	<u>\$ 102,741</u>	<u>\$ 1,881,225</u>	<u>\$ 2,138,991</u>

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds

For the year ended June 30, 2012

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Revenues:				
Property taxes	\$ -	\$ 89,208	\$ -	\$ 89,208
Charges for services	-	-	398,586	398,586
Intergovernmental	81,554	-	1,256,036	1,337,590
Licenses and permits	-	-	476,188	476,188
Fines and forfeitures	-	-	6,691	6,691
Investment income	160	145	2,640	2,945
Miscellaneous	100	-	166,229	166,329
Total revenues	<u>81,814</u>	<u>89,353</u>	<u>2,306,370</u>	<u>2,477,537</u>
Expenditures:				
Current:				
General government	547,552	-	77,689	625,241
Public safety	37,547	-	854,491	892,038
Public works	52,242	49,522	822,312	924,076
Development	-	-	640,391	640,391
Culture and recreation	-	-	486,138	486,138
Total expenditures	<u>637,341</u>	<u>49,522</u>	<u>2,881,021</u>	<u>3,567,884</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(555,527)</u>	<u>39,831</u>	<u>(574,651)</u>	<u>(1,090,347)</u>
Other financing sources (uses):				
Transfers in	553,391	-	632,801	1,186,192
Transfers out	<u>(13,270)</u>	<u>-</u>	<u>(94,638)</u>	<u>(107,908)</u>
Total other financing sources (uses)	<u>540,121</u>	<u>-</u>	<u>538,163</u>	<u>1,078,284</u>
Net change to fund balances	(15,406)	39,831	(36,488)	(12,063)
Fund balances, beginning of year, as restated	<u>112,697</u>	<u>47,514</u>	<u>1,294,835</u>	<u>1,455,046</u>
Fund balances, end of year	<u>\$ 97,291</u>	<u>\$ 87,345</u>	<u>\$ 1,258,347</u>	<u>\$ 1,442,983</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds-Grants
June 30, 2012

	Homeland Security	FMAG-Santa Anita Fire	Homeland Security-Fire	CNG Fueling Station
Assets:				
Cash and investments	\$ -	\$ 89,503	\$ -	\$ -
Grants receivable	2,383	-	-	-
Total assets	<u>\$ 2,383</u>	<u>\$ 89,503</u>	<u>\$ -</u>	<u>\$ -</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	2,383	-	4,109	-
Total liabilities	<u>2,383</u>	<u>-</u>	<u>4,109</u>	<u>-</u>
Fund balances:				
Assigned	-	89,503	-	-
Unassigned	-	-	(4,109)	-
Total fund balances	<u>-</u>	<u>89,503</u>	<u>(4,109)</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 2,383</u>	<u>\$ 89,503</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Federal Transit Authority</u>	<u>2011 Windstorm</u>	<u>Energy Efficiency Project</u>	<u>Total Special Revenue-Grant Funds</u>
\$ 11,897	\$ -	\$ -	\$ 101,400
-	-	51,242	53,625
<u>\$ 11,897</u>	<u>\$ -</u>	<u>\$ 51,242</u>	<u>\$ 155,025</u>
\$ -	\$ -	\$ 51,242	\$ 51,242
-	-	-	6,492
<u>-</u>	<u>-</u>	<u>51,242</u>	<u>57,734</u>
11,897	-	-	101,400
-	-	-	(4,109)
<u>11,897</u>	<u>-</u>	<u>-</u>	<u>97,291</u>
<u>\$ 11,897</u>	<u>\$ -</u>	<u>\$ 51,242</u>	<u>\$ 155,025</u>

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds-Grants

For the year ended June 30, 2012

	Homeland Security	FMAG-Santa Anita Fire	Homeland Security-Fire	CNG Fueling Station
Revenues:				
Intergovernmental	\$ 30,312	\$ -	\$ -	\$ -
Investment income	-	141	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>30,312</u>	<u>141</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	30,312	-	7,235	-
Public works	-	-	-	1,000
Total expenditures	<u>30,312</u>	<u>-</u>	<u>7,235</u>	<u>1,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>141</u>	<u>(7,235)</u>	<u>(1,000)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(13,270)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,270)</u>
Net change to fund balances	-	141	(7,235)	(14,270)
Fund balances, beginning of year	<u>-</u>	<u>89,362</u>	<u>3,126</u>	<u>14,270</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 89,503</u>	<u>\$ (4,109)</u>	<u>\$ -</u>

<u>Federal Transit Authority</u>	<u>2011 Windstorm</u>	<u>Energy Efficiency Project</u>	<u>Total Special Revenue-Grant Funds</u>
\$ -	\$ -	\$ 51,242	\$ 81,554
19	-	-	160
-	100	-	100
<u>19</u>	<u>100</u>	<u>51,242</u>	<u>81,814</u>
-	547,552	-	547,552
-	-	-	37,547
-	-	51,242	52,242
<u>-</u>	<u>547,552</u>	<u>51,242</u>	<u>637,341</u>
19	(547,452)	-	(555,527)
5,939	547,452	-	553,391
-	-	-	(13,270)
<u>5,939</u>	<u>547,452</u>	<u>-</u>	<u>540,121</u>
5,958	-	-	(15,406)
<u>5,939</u>	<u>-</u>	<u>-</u>	<u>112,697</u>
<u>\$ 11,897</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,291</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds-Assessments
June 30, 2012

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Assets				
Cash and investments	\$ 5,643	\$ -	\$ 19,827	\$ 42,351
Taxes receivable	-	505	-	964
Total assets	<u>\$ 5,643</u>	<u>\$ 505</u>	<u>\$ 19,827</u>	<u>\$ 43,315</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,089	\$ 829	\$ -
Due to other funds	-	8,711	-	-
Total liabilities	<u>-</u>	<u>10,800</u>	<u>829</u>	<u>-</u>
Fund balances:				
Assigned	5,643	-	18,998	43,315
Unassigned	-	(10,295)	-	-
Total fund balances	<u>5,643</u>	<u>(10,295)</u>	<u>18,998</u>	<u>43,315</u>
Total liabilities and fund balances	<u>\$ 5,643</u>	<u>\$ 505</u>	<u>\$ 19,827</u>	<u>\$ 43,315</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Santa Anita/Arno Maintenance District	Sewer Assessment District	Total Special Revenue- Assessment Funds
\$ -	\$ 15,662	\$ 500	\$ -	\$ 8,082	\$ 92,065
5,085	2,718	808	-	596	10,676
<u>\$ 5,085</u>	<u>\$ 18,380</u>	<u>\$ 1,308</u>	<u>\$ -</u>	<u>\$ 8,678</u>	<u>\$ 102,741</u>
\$ 232	\$ 673	\$ 991	\$ -	\$ -	\$ 4,814
599	-	-	1,272	-	10,582
<u>831</u>	<u>673</u>	<u>991</u>	<u>1,272</u>	<u>-</u>	<u>15,396</u>
4,254	17,707	317	-	8,678	98,912
-	-	-	(1,272)	-	(11,567)
<u>4,254</u>	<u>17,707</u>	<u>317</u>	<u>(1,272)</u>	<u>8,678</u>	<u>87,345</u>
<u>\$ 5,085</u>	<u>\$ 18,380</u>	<u>\$ 1,308</u>	<u>\$ -</u>	<u>\$ 8,678</u>	<u>\$ 102,741</u>

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds-Assessments

For the year ended June 30, 2012

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Revenues:				
Property taxes	\$ 10,290	\$ 5,483	\$ 945	\$ 18,343
Investment income	9	-	31	67
Total revenues	<u>10,299</u>	<u>5,483</u>	<u>976</u>	<u>18,410</u>
Expenditures:				
Current:				
Public works	4,656	15,778	1,454	3,133
Total expenditures	<u>4,656</u>	<u>15,778</u>	<u>1,454</u>	<u>3,133</u>
Net change to fund balances	5,643	(10,295)	(478)	15,277
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>19,476</u>	<u>28,038</u>
Fund balances, end of year	<u>\$ 5,643</u>	<u>\$ (10,295)</u>	<u>\$ 18,998</u>	<u>\$ 43,315</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Santa Anita/Arno Maintenance District	Sewer Assessment District	Total Special Revenue- Assessment Funds
\$ 7,311	\$ 29,288	\$ 8,807	\$ -	\$ 8,741	\$ 89,208
-	25	-	-	13	145
<u>7,311</u>	<u>29,313</u>	<u>8,807</u>	<u>-</u>	<u>8,754</u>	<u>89,353</u>
3,057	11,606	8,490	1,272	76	49,522
<u>3,057</u>	<u>11,606</u>	<u>8,490</u>	<u>1,272</u>	<u>76</u>	<u>49,522</u>
4,254	17,707	317	(1,272)	8,678	39,831
-	-	-	-	-	47,514
<u>\$ 4,254</u>	<u>\$ 17,707</u>	<u>\$ 317</u>	<u>\$ (1,272)</u>	<u>\$ 8,678</u>	<u>\$ 87,345</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds-Other
June 30, 2012

	<u>Development Fees</u>	<u>Development Impact Fees</u>	<u>DUI Enforcement</u>	<u>Narcotics Enforcement</u>
Assets:				
Cash and investments	\$ 118,139	\$ 165,607	\$ -	\$ 448
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Due from other agencies	-	-	699	-
Total assets	<u>\$ 118,139</u>	<u>\$ 165,607</u>	<u>\$ 699</u>	<u>\$ 448</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 84,633	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	14,565	-	-	-
Due to other funds	-	-	-	-
Deposits and retentions	16,191	50,780	-	-
Total liabilities	<u>115,389</u>	<u>50,780</u>	<u>-</u>	<u>-</u>
Fund balances:				
Committed	-	-	-	-
Assigned	2,750	114,827	699	448
Unassigned	-	-	-	-
Total fund balances	<u>2,750</u>	<u>114,827</u>	<u>699</u>	<u>448</u>
 Total liabilities and fund balances	 <u>\$ 118,139</u>	 <u>\$ 165,607</u>	 <u>\$ 699</u>	 <u>\$ 448</u>

<u>Police Department Donations</u>	<u>Public Safety Augmentation Fund</u>	<u>State COPS Grant</u>	<u>Emergency Medical Services</u>	<u>Fire Department Donations</u>	<u>Community Arts Commission</u>	<u>Dog Park</u>
\$ 13,407	\$ -	\$ 114,608	\$ 23,144	\$ 7,761	\$ 6,043	\$ 9,005
-	-	-	-	-	-	-
-	18,903	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 13,407</u>	<u>\$ 18,903</u>	<u>\$ 114,608</u>	<u>\$ 23,144</u>	<u>\$ 7,761</u>	<u>\$ 6,043</u>	<u>\$ 9,005</u>
\$ -	\$ -	\$ 3,754	\$ 2,533	\$ -	\$ -	\$ -
-	-	-	23,144	-	-	-
-	8,271	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>8,271</u>	<u>3,754</u>	<u>25,677</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	17,000	-	-	-	-
13,407	10,632	93,854	-	7,761	6,043	9,005
-	-	-	(2,533)	-	-	-
<u>13,407</u>	<u>10,632</u>	<u>110,854</u>	<u>(2,533)</u>	<u>7,761</u>	<u>6,043</u>	<u>9,005</u>
<u>\$ 13,407</u>	<u>\$ 18,903</u>	<u>\$ 114,608</u>	<u>\$ 23,144</u>	<u>\$ 7,761</u>	<u>\$ 6,043</u>	<u>\$ 9,005</u>

(continued)

CITY OF SIERRA MADRE

Combining Balance Sheet

Non-Major Special Revenue Funds-Other, Continued

June 30, 2012

	Recreation Department Donations	Local Transportation Prop A	Open Space	Senior Center
Assets:				
Cash and investments	\$ 44,014	\$ 10,338	\$ -	\$ 150,464
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Due from other agencies	-	-	-	-
Total assets	<u>\$ 44,014</u>	<u>\$ 10,338</u>	<u>\$ -</u>	<u>\$ 150,464</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 10,256	\$ -	\$ 89
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	-	-	376,826	-
Deposits and retentions	-	-	-	-
Total liabilities	<u>-</u>	<u>10,256</u>	<u>376,826</u>	<u>89</u>
Fund balances:				
Committed	-	-	-	-
Assigned	44,014	82	-	150,375
Unassigned	-	-	(376,826)	-
Total fund balances	<u>44,014</u>	<u>82</u>	<u>(376,826)</u>	<u>150,375</u>
 Total liabilities and fund balances	 <u>\$ 44,014</u>	 <u>\$ 10,338</u>	 <u>\$ -</u>	 <u>\$ 150,464</u>

SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	Bike/Sidewalk Fund	CA Beverage Container Grant	CDBG-Community Development Block Grant	Clean Air Fund (AQMD)
\$ 40,299	\$ 93,857	\$ 13,139	\$ 659	\$ 18,051	\$ -	\$ 54,025
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	3,390
<u>\$ 40,299</u>	<u>\$ 93,857</u>	<u>\$ 13,139</u>	<u>\$ 659</u>	<u>\$ 18,051</u>	<u>\$ -</u>	<u>\$ 57,415</u>
\$ 347	\$ -	\$ 8,610	\$ 659	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>347</u>	<u>-</u>	<u>8,610</u>	<u>659</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	15,000	4,529	-	-	-	57,415
39,952	78,857	-	-	18,051	-	-
-	-	-	-	-	-	-
<u>39,952</u>	<u>93,857</u>	<u>4,529</u>	<u>-</u>	<u>18,051</u>	<u>-</u>	<u>57,415</u>
<u>\$ 40,299</u>	<u>\$ 93,857</u>	<u>\$ 13,139</u>	<u>\$ 659</u>	<u>\$ 18,051</u>	<u>\$ -</u>	<u>\$ 57,415</u>

(continued)

CITY OF SIERRA MADRE

Combining Balance Sheet

Non-Major Special Revenue Funds-Other, Continued

June 30, 2012

	Environmental Fund	Gas Tax Fund	Family Place Grant	Measure R
Assets:				
Cash and investments	\$ 63,102	\$ 161,790	\$ -	\$ 587,584
Receivables:				
Accounts	18,556	-	-	-
Taxes	-	-	-	-
Due from other agencies	-	-	-	13,797
Total assets	\$ 81,658	\$ 161,790	\$ -	\$ 601,381
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 5,049	\$ 5,384	\$ -	\$ -
Accrued payroll and related liabilities	1,704	4,324	-	-
Due to other funds	-	-	-	-
Deposits and retentions	-	-	-	-
Total liabilities	6,753	9,708	-	-
Fund balances:				
Committed	-	150,000	-	600,000
Assigned	74,905	2,082	-	1,381
Unassigned	-	-	-	-
Total fund balances	74,905	152,082	-	601,381
Total liabilities and fund balances	\$ 81,658	\$ 161,790	\$ -	\$ 601,381

Senior Excursions	California Library Foundation	Library Gift and Memorial	Public Library Foundation	Total Other Special Revenue Funds
\$ 7,294	\$ 15,523	\$ 105,579	\$ -	\$ 1,823,880
-	-	2,000	-	20,556
-	-	-	-	18,903
-	-	-	-	17,886
<u>\$ 7,294</u>	<u>\$ 15,523</u>	<u>\$ 107,579</u>	<u>\$ -</u>	<u>\$ 1,881,225</u>
\$ -	\$ 558	\$ 5,201	\$ -	\$ 127,073
-	-	-	-	43,737
-	-	-	-	385,097
-	-	-	-	66,971
<u>-</u>	<u>558</u>	<u>5,201</u>	<u>-</u>	<u>622,878</u>
-	14,965	30,000	-	888,909
7,294	-	72,378	-	748,797
-	-	-	-	(379,359)
<u>7,294</u>	<u>14,965</u>	<u>102,378</u>	<u>-</u>	<u>1,258,347</u>
<u>\$ 7,294</u>	<u>\$ 15,523</u>	<u>\$ 107,579</u>	<u>\$ -</u>	<u>\$ 1,881,225</u>

(concluded)

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds-Other

For the year ended June 30, 2012

	Development Fees	Development Impact Fees	DUI Enforcement	Narcotics Enforcement
Revenues:				
Charges for services	\$ 129,242	\$ -	\$ -	\$ -
Intergovernmental	-	-	4,526	-
Licenses and permits	355,463	-	-	-
Fines and forfeitures	-	-	699	-
Investment income	-	261	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>484,705</u>	<u>261</u>	<u>5,225</u>	<u>-</u>
Expenditures:				
Current:				
General government	71,912	-	-	-
Public safety	-	-	12,753	-
Public works	-	-	-	-
Development	640,391	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>712,303</u>	<u>-</u>	<u>12,753</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(227,598)</u>	<u>261</u>	<u>(7,528)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	111,582	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>111,582</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	<u>(116,016)</u>	<u>261</u>	<u>(7,528)</u>	<u>-</u>
Fund balances, beginning of year	<u>118,766</u>	<u>114,566</u>	<u>8,227</u>	<u>448</u>
Fund balances, end of year	<u>\$ 2,750</u>	<u>\$ 114,827</u>	<u>\$ 699</u>	<u>\$ 448</u>

Police Department Donations	Public Safety Augmentation Fund	State COPS Grant	Emergency Medical Services	Fire Department Dontations	Community Arts Commission	Dog Park
\$ -	\$ -	\$ -	\$ 260,260	\$ -	\$ -	\$ -
-	105,270	100,000	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
21	-	181	-	12	10	14
2,959	-	-	-	2,830	-	-
<u>2,980</u>	<u>105,270</u>	<u>100,181</u>	<u>260,260</u>	<u>2,842</u>	<u>10</u>	<u>14</u>
-	-	-	3,678	-	-	-
2,512	-	55,966	780,370	2,890	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>2,512</u>	<u>-</u>	<u>55,966</u>	<u>784,048</u>	<u>2,890</u>	<u>-</u>	<u>-</u>
468	105,270	44,215	(523,788)	(48)	10	14
-	-	-	521,219	-	-	-
-	(94,638)	-	-	-	-	-
-	(94,638)	-	521,219	-	-	-
468	10,632	44,215	(2,569)	(48)	10	14
12,939	-	66,639	36	7,809	6,033	8,991
<u>\$ 13,407</u>	<u>\$ 10,632</u>	<u>\$ 110,854</u>	<u>\$ (2,533)</u>	<u>\$ 7,761</u>	<u>\$ 6,043</u>	<u>\$ 9,005</u>

(continued)

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds-Other, Continued

For the year ended June 30, 2012

	Recreation Department Donations	Local Transportation Prop A	Open Space	Senior Center
Revenues:				
Charges for services	\$ -	\$ 9,084	\$ -	\$ -
Intergovernmental	-	163,415	-	-
Licenses and permits	-	-	-	-
Fines and forfeitures	-	5,992	-	-
Investment income	69	16	-	237
Miscellaneous	120	-	49,578	4,642
Total revenues	<u>189</u>	<u>178,507</u>	<u>49,578</u>	<u>4,879</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	170,455
Development	-	-	-	-
Culture and recreation	385	184,918	79,155	22,102
Total expenditures	<u>385</u>	<u>184,918</u>	<u>79,155</u>	<u>192,557</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(196)</u>	<u>(6,411)</u>	<u>(29,577)</u>	<u>(187,678)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	(196)	(6,411)	(29,577)	(187,678)
Fund balances, beginning of year	<u>44,210</u>	<u>6,493</u>	<u>(347,249)</u>	<u>338,053</u>
Fund balances, end of year	<u>\$ 44,014</u>	<u>\$ 82</u>	<u>\$ (376,826)</u>	<u>\$ 150,375</u>

SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	Bike/Sidewalk Fund	CA Beverage Container Grant	CDBG-Community Development Block Grant	Clean Air Fund (AQMD)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	134,835	-	10,000	80,084	29,266
-	-	-	-	-	-	-
-	-	-	-	-	-	-
64	148	21	-	29	-	85
7,320	7,258	-	-	-	-	-
<u>7,384</u>	<u>7,406</u>	<u>134,856</u>	<u>-</u>	<u>10,029</u>	<u>80,084</u>	<u>29,351</u>
2,099	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	243,980	-	-	80,084	1,200
-	-	-	-	-	-	-
2,628	12,585	77,552	-	-	-	-
<u>4,727</u>	<u>12,585</u>	<u>321,532</u>	<u>-</u>	<u>-</u>	<u>80,084</u>	<u>1,200</u>
<u>2,657</u>	<u>(5,179)</u>	<u>(186,676)</u>	<u>-</u>	<u>10,029</u>	<u>-</u>	<u>28,151</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
2,657	(5,179)	(186,676)	-	10,029	-	28,151
37,295	99,036	191,205	-	8,022	-	29,264
<u>\$ 39,952</u>	<u>\$ 93,857</u>	<u>\$ 4,529</u>	<u>\$ -</u>	<u>\$ 18,051</u>	<u>\$ -</u>	<u>\$ 57,415</u>

(continued)

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Special Revenue Funds-Other, Continued

For the year ended June 30, 2012

	Environmental Fund	Gas Tax Fund	Family Place Grant	Measure R
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	315,824	6,922	304,830
Licenses and permits	120,725	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	97	248	-	926
Miscellaneous	2,475	-	-	-
Total revenues	<u>123,297</u>	<u>316,072</u>	<u>6,922</u>	<u>305,756</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	70,854	255,739	-	-
Development	-	-	-	-
Culture and recreation	-	-	6,922	-
Total expenditures	<u>70,854</u>	<u>255,739</u>	<u>6,922</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>52,443</u>	<u>60,333</u>	<u>-</u>	<u>305,756</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	52,443	60,333	-	305,756
Fund balances, beginning of year	<u>22,462</u>	<u>91,749</u>	<u>-</u>	<u>295,625</u>
Fund balances, end of year	<u>\$ 74,905</u>	<u>\$ 152,082</u>	<u>\$ -</u>	<u>\$ 601,381</u>

Senior Excursions	California Library Foundation	Library Gift and Memorial	Public Library Foundation	Total Other Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ 398,586
-	1,064	-	-	1,256,036
-	-	-	-	476,188
-	-	-	-	6,691
11	24	166	-	2,640
-	-	89,047	-	166,229
<u>11</u>	<u>1,088</u>	<u>89,213</u>	<u>-</u>	<u>2,306,370</u>
-	-	-	-	77,689
-	-	-	-	854,491
-	-	-	-	822,312
-	-	-	-	640,391
-	10,519	89,162	210	486,138
<u>-</u>	<u>10,519</u>	<u>89,162</u>	<u>210</u>	<u>2,881,021</u>
<u>11</u>	<u>(9,431)</u>	<u>51</u>	<u>(210)</u>	<u>(574,651)</u>
-	-	-	-	632,801
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,638)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,163</u>
11	(9,431)	51	(210)	(36,488)
<u>7,283</u>	<u>24,396</u>	<u>102,327</u>	<u>210</u>	<u>1,294,835</u>
<u>\$ 7,294</u>	<u>\$ 14,965</u>	<u>\$ 102,378</u>	<u>\$ -</u>	<u>\$ 1,258,347</u>

(concluded)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2012

	<u>AM Radio Tower</u>	<u>Hart Park House Refurbishment</u>	<u>Total Capital Project Funds</u>
Assets:			
Cash and investments	\$ 4,605	\$ -	\$ 4,605
Total assets	<u>\$ 4,605</u>	<u>\$ -</u>	<u>\$ 4,605</u>
Liabilities and Fund Balances:			
Liabilities:	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:			
Assigned	<u>4,605</u>	<u>-</u>	<u>4,605</u>
Total fund balances	<u>4,605</u>	<u>-</u>	<u>4,605</u>
Total liabilities and fund balances	<u>\$ 4,605</u>	<u>\$ -</u>	<u>\$ 4,605</u>

CITY OF SIERRA MADRE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Capital Project Funds

For the year ended June 30, 2012

	<u>AM Radio Tower</u>	<u>Hart Park House Refurbishment</u>	<u>Total Capital Project Funds</u>
Revenues:			
Miscellaneous	\$ -	\$ 350	\$ 350
Total revenues	<u>-</u>	<u>350</u>	<u>350</u>
Expenditures:			
Current:			
Public works	<u>1,866</u>	<u>350</u>	<u>2,216</u>
Total expenditures	<u>1,866</u>	<u>350</u>	<u>2,216</u>
Net change to fund balance	(1,866)	-	(1,866)
Fund balances, beginning of year	<u>6,471</u>	<u>-</u>	<u>6,471</u>
Fund Balances, end of year	<u>\$ 4,605</u>	<u>\$ -</u>	<u>\$ 4,605</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****2011 Windstorm Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ -	\$ -	\$ 100	\$ 100
Total revenues	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Expenditures:				
Current:				
General government	-	-	547,552	(547,552)
Total expenditures	<u>-</u>	<u>-</u>	<u>547,552</u>	<u>(547,552)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(547,452)</u>	<u>(547,452)</u>
Other financing sources (uses):				
Transfers in	-	520,000	547,452	27,452
Total other financing sources (uses)	<u>-</u>	<u>520,000</u>	<u>547,452</u>	<u>27,452</u>
Net change to fund balance	-	520,000	-	(520,000)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 520,000</u>	<u>\$ -</u>	<u>\$ (520,000)</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Bonita Sewer Assessment District Special Revenue Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ -	\$ -	\$ 10,290	\$ 10,290
Investment income	-	-	9	9
Total revenues	<u>-</u>	<u>-</u>	<u>10,299</u>	<u>10,299</u>
Expenditures:				
Current:				
Public works	4,651	4,651	4,656	(5)
Total expenditures	<u>4,651</u>	<u>4,651</u>	<u>4,656</u>	<u>(5)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,651)</u>	<u>(4,651)</u>	<u>5,643</u>	<u>10,294</u>
Other financing sources (uses):				
Transfers in	4,651	4,651	-	(4,651)
Total other financing sources (uses)	<u>4,651</u>	<u>4,651</u>	<u>-</u>	<u>(4,651)</u>
Net change to fund balance	-	-	5,643	5,643
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,643</u>	<u>\$ 5,643</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Central Business Assessment District Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,700	\$ 5,700	\$ 5,483	\$ (217)
Total revenues	<u>5,700</u>	<u>5,700</u>	<u>5,483</u>	<u>(217)</u>
Expenditures:				
Current:				
Public works	28,784	21,773	15,778	5,995
Total expenditures	<u>28,784</u>	<u>21,773</u>	<u>15,778</u>	<u>5,995</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,084)</u>	<u>(16,073)</u>	<u>(10,295)</u>	<u>5,778</u>
Other financing sources (uses):				
Transfers in	23,084	23,084	-	(23,084)
Total other financing sources (uses)	<u>23,084</u>	<u>23,084</u>	<u>-</u>	<u>(23,084)</u>
Net change to fund balance	-	7,011	(10,295)	(17,306)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 7,011</u>	<u>\$ (10,295)</u>	<u>\$ (17,306)</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Fane/Winwood Lane Assessment District Special Revenue Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 1,500	\$ 1,500	\$ 945	\$ (555)
Investment income	-	-	31	31
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>976</u>	<u>(524)</u>
Expenditures:				
Current:				
Public works	2,410	1,639	1,454	185
Total expenditures	<u>2,410</u>	<u>1,639</u>	<u>1,454</u>	<u>185</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(910)</u>	<u>(139)</u>	<u>(478)</u>	<u>(339)</u>
Other financing sources (uses):				
Transfers in	910	910	-	(910)
Total other financing sources (uses)	<u>910</u>	<u>910</u>	<u>-</u>	<u>(910)</u>
Net change to fund balance	-	771	(478)	(1,249)
Fund balance, beginning of year	<u>19,476</u>	<u>19,476</u>	<u>19,476</u>	<u>-</u>
Fund balance, end of year	<u>\$ 19,476</u>	<u>\$ 20,247</u>	<u>\$ 18,998</u>	<u>\$ (1,249)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Lighting District #1 Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 16,106	\$ 16,106	\$ 18,343	\$ 2,237
Investment income	-	-	67	67
Total revenues	<u>16,106</u>	<u>16,106</u>	<u>18,410</u>	<u>2,304</u>
Expenditures:				
Current:				
Public works	<u>16,106</u>	<u>3,602</u>	<u>3,133</u>	<u>469</u>
Total expenditures	<u>16,106</u>	<u>3,602</u>	<u>3,133</u>	<u>469</u>
Net change to fund balance	-	12,504	15,277	2,773
Fund balance, beginning of year	<u>28,038</u>	<u>28,038</u>	<u>28,038</u>	-
Fund balance, end of year	<u>\$ 28,038</u>	<u>\$ 40,542</u>	<u>\$ 43,315</u>	<u>\$ 2,773</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Lighting District Zone A Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 847	\$ 847	\$ 7,311	\$ 6,464
Total revenues	<u>847</u>	<u>847</u>	<u>7,311</u>	<u>6,464</u>
Expenditures:				
Current:				
Public works	8,262	8,262	3,057	5,205
Total expenditures	<u>8,262</u>	<u>8,262</u>	<u>3,057</u>	<u>5,205</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,415)</u>	<u>(7,415)</u>	<u>4,254</u>	<u>11,669</u>
Other financing sources (uses):				
Transfers in	7,415	7,415	-	(7,415)
Total other financing sources (uses)	<u>7,415</u>	<u>7,415</u>	<u>-</u>	<u>(7,415)</u>
Net change to fund balance	-	-	4,254	4,254
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,254</u>	<u>\$ 4,254</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Lighting District Zone B Special Revenue Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,062	\$ 6,062	\$ 29,288	\$ 23,226
Investment income	-	-	25	25
Total revenues	<u>6,062</u>	<u>6,062</u>	<u>29,313</u>	<u>23,251</u>
Expenditures:				
Current:				
Public works	20,738	20,738	11,606	9,132
Total expenditures	<u>20,738</u>	<u>20,738</u>	<u>11,606</u>	<u>9,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,676)</u>	<u>(14,676)</u>	<u>17,707</u>	<u>32,383</u>
Other financing sources (uses):				
Transfers in	14,676	14,676	-	(14,676)
Total other financing sources (uses)	<u>14,676</u>	<u>14,676</u>	<u>-</u>	<u>(14,676)</u>
Net change to fund balance	-	-	17,707	17,707
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,707</u>	<u>\$ 17,707</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Parking Maintenance District Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 9,000	\$ 9,000	\$ 8,807	\$ (193)
Total revenues	<u>9,000</u>	<u>9,000</u>	<u>8,807</u>	<u>(193)</u>
Expenditures:				
Current:				
Public works	<u>16,960</u>	<u>16,960</u>	<u>8,490</u>	<u>8,470</u>
Total expenditures	<u>16,960</u>	<u>16,960</u>	<u>8,490</u>	<u>8,470</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,960)</u>	<u>(7,960)</u>	<u>317</u>	<u>8,277</u>
Other financing sources (uses):				
Transfers in	<u>7,960</u>	<u>7,960</u>	<u>-</u>	<u>(7,960)</u>
Total other financing sources (uses)	<u>7,960</u>	<u>7,960</u>	<u>-</u>	<u>(7,960)</u>
Net change to fund balance	-	-	317	317
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 317</u>	<u>\$ 317</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Santa Anita/Arno Maintenance District Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 3,800	\$ 3,800	\$ -	\$ (3,800)
Total revenues	<u>3,800</u>	<u>3,800</u>	<u>-</u>	<u>(3,800)</u>
Expenditures:				
Current:				
Public works	3,800	3,800	1,272	2,528
Total expenditures	<u>3,800</u>	<u>3,800</u>	<u>1,272</u>	<u>2,528</u>
Net change to fund balance	-	-	(1,272)	(1,272)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,272)</u>	<u>\$ (1,272)</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Sewer Assessment District Special Revenue Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 2,476	\$ 2,476	\$ 8,741	\$ 6,265
Investment income	-	-	13	13
Total revenues	<u>2,476</u>	<u>2,476</u>	<u>8,754</u>	<u>6,278</u>
Expenditures:				
Current:				
Public works	94	94	76	18
Total expenditures	<u>94</u>	<u>94</u>	<u>76</u>	<u>18</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,382</u>	<u>2,382</u>	<u>8,678</u>	<u>6,296</u>
Other financing sources (uses):				
Transfers in	4,424	4,424	-	(4,424)
Transfers out	(6,900)	(6,900)	-	6,900
Total other financing sources (uses)	<u>(2,476)</u>	<u>(2,476)</u>	<u>-</u>	<u>2,476</u>
Net change to fund balance	(94)	(94)	8,678	8,772
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (94)</u>	<u>\$ (94)</u>	<u>\$ 8,678</u>	<u>\$ 8,772</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Development Fees Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 80,187	\$ 80,187	\$ 129,242	\$ 49,055
Licenses and permits	355,045	355,045	355,463	418
Total revenues	<u>435,232</u>	<u>435,232</u>	<u>484,705</u>	<u>49,473</u>
Expenditures:				
Current:				
General government	3,551	3,551	71,912	(68,361)
Development	575,777	575,777	640,391	(64,614)
Total expenditures	<u>579,328</u>	<u>579,328</u>	<u>712,303</u>	<u>(132,975)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(144,096)</u>	<u>(144,096)</u>	<u>(227,598)</u>	<u>(83,502)</u>
Other financing sources (uses):				
Transfers in	144,098	144,098	111,582	(32,516)
Total other financing sources (uses)	<u>144,098</u>	<u>144,098</u>	<u>111,582</u>	<u>(32,516)</u>
Net change to fund balance	2	2	(116,016)	(116,018)
Fund balance, beginning of year	<u>118,766</u>	<u>118,766</u>	<u>118,766</u>	<u>-</u>
Fund balance, end of year	<u>\$ 118,768</u>	<u>\$ 118,768</u>	<u>\$ 2,750</u>	<u>\$ (116,018)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****DUI Enforcement Special Revenue Fund****For the year ending June 30, 2012**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 4,526	\$ 3,026
Fines and forfeitures	-	-	699	699
Total revenues	<u>1,500</u>	<u>1,500</u>	<u>5,225</u>	<u>3,725</u>
Expenditures:				
Current:				
Public safety	<u>1,500</u>	<u>1,500</u>	<u>12,753</u>	<u>(11,253)</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	<u>12,753</u>	<u>(11,253)</u>
Net change to fund balance	-	-	(7,528)	(7,528)
Fund balance, beginning of year	<u>8,227</u>	<u>8,227</u>	<u>8,227</u>	-
Fund balance, end of year	<u>\$ 8,227</u>	<u>\$ 8,227</u>	<u>\$ 699</u>	<u>\$ (7,528)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Police Department Donations Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 21	\$ 21
Miscellaneous	2,000	2,000	2,959	959
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,980</u>	<u>980</u>
Expenditures:				
Current:				
Public safety	2,000	2,000	2,512	(512)
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,512</u>	<u>(512)</u>
Net change to fund balance	-	-	468	468
Fund balance, beginning of year	<u>12,939</u>	<u>12,939</u>	<u>12,939</u>	-
Fund balance, end of year	<u>\$ 12,939</u>	<u>\$ 12,939</u>	<u>\$ 13,407</u>	<u>\$ 468</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Public Safety Augmentation Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 101,000	\$ 101,000	\$ 105,270	\$ 4,270
Total revenues	<u>101,000</u>	<u>101,000</u>	<u>105,270</u>	<u>4,270</u>
Expenditures:	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>101,000</u>	<u>101,000</u>	<u>105,270</u>	<u>4,270</u>
Other financing sources (uses):				
Transfers out	<u>(101,000)</u>	<u>(101,000)</u>	<u>(94,638)</u>	<u>6,362</u>
Total other financing sources (uses)	<u>(101,000)</u>	<u>(101,000)</u>	<u>(94,638)</u>	<u>6,362</u>
Net change to fund balance	-	-	10,632	10,632
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,632</u>	<u>\$ 10,632</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****State COPS Grant Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 9,500	\$ 9,500	\$ 100,000	\$ 90,500
Investment income	-	-	181	181
Total revenues	<u>9,500</u>	<u>9,500</u>	<u>100,181</u>	<u>90,681</u>
Expenditures:				
Current:				
Public safety	9,500	9,500	55,966	(46,466)
Total expenditures	<u>9,500</u>	<u>9,500</u>	<u>55,966</u>	<u>(46,466)</u>
Net change to fund balance	-	-	44,215	44,215
Fund balance, beginning of year	<u>66,639</u>	<u>66,639</u>	<u>66,639</u>	<u>-</u>
Fund balance, end of year	<u>\$ 66,639</u>	<u>\$ 66,639</u>	<u>\$ 110,854</u>	<u>\$ 44,215</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Emergency Medical Services Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 241,715	\$ 241,715	\$ 260,260	\$ 18,545
Total revenues	<u>241,715</u>	<u>241,715</u>	<u>260,260</u>	<u>18,545</u>
Expenditures:				
Current:				
General government	3,545	3,545	3,678	(133)
Public safety	<u>806,755</u>	<u>788,219</u>	<u>780,370</u>	<u>7,849</u>
Total expenditures	<u>810,300</u>	<u>791,764</u>	<u>784,048</u>	<u>7,716</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(568,585)</u>	<u>(550,049)</u>	<u>(523,788)</u>	<u>26,261</u>
Other financing sources (uses):				
Transfers in	<u>568,714</u>	<u>568,714</u>	<u>521,219</u>	<u>(47,495)</u>
Total other financing sources (uses)	<u>568,714</u>	<u>568,714</u>	<u>521,219</u>	<u>(47,495)</u>
Net change to fund balance	129	18,665	(2,569)	(21,234)
Fund balance, beginning of year	<u>36</u>	<u>36</u>	<u>36</u>	<u>-</u>
Fund balance, end of year	<u>\$ 165</u>	<u>\$ 18,701</u>	<u>\$ (2,533)</u>	<u>\$ (21,234)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Fire Department Donations Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 12	\$ 12
Miscellaneous	2,000	2,000	2,830	830
Total revenues	<u>2,000</u>	<u>2,000</u>	<u>2,842</u>	<u>842</u>
Expenditures:				
Current:				
Public safety	2,000	2,000	2,890	(890)
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>2,890</u>	<u>(890)</u>
Net change to fund balance	-	-	(48)	(48)
Fund balance, beginning of year	<u>7,809</u>	<u>7,809</u>	<u>7,809</u>	-
Fund balance, end of year	<u>\$ 7,809</u>	<u>\$ 7,809</u>	<u>\$ 7,761</u>	<u>\$ (48)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Dog Park Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 1,383	\$ 1,383	\$ -	\$ (1,383)
Investment income	-	-	14	14
Total revenues	<u>1,383</u>	<u>1,383</u>	<u>14</u>	<u>(1,369)</u>
Expenditures:				
Current:				
Public works	<u>1,383</u>	<u>1,383</u>	-	<u>1,383</u>
Total expenditures	<u>1,383</u>	<u>1,383</u>	-	<u>1,383</u>
Net change to fund balance	-	-	14	14
Fund balance, beginning of year	<u>8,991</u>	<u>8,991</u>	<u>8,991</u>	-
Fund balance, end of year	<u>\$ 8,991</u>	<u>\$ 8,991</u>	<u>\$ 9,005</u>	<u>\$ 14</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Local Transportation Prop A Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 4,000	\$ 4,000	\$ 9,084	\$ 5,084
Intergovernmental	152,767	152,767	163,415	10,648
Fines and forfeitures	-	-	5,992	5,992
Investment income	-	-	16	16
Total revenues	<u>156,767</u>	<u>156,767</u>	<u>178,507</u>	<u>21,740</u>
Expenditures:				
Current:				
Culture and recreation	<u>156,767</u>	<u>156,767</u>	<u>184,918</u>	<u>(28,151)</u>
Total expenditures	<u>156,767</u>	<u>156,767</u>	<u>184,918</u>	<u>(28,151)</u>
Net change to fund balance	-	-	(6,411)	(6,411)
Fund balance, beginning of year	<u>6,493</u>	<u>6,493</u>	<u>6,493</u>	-
Fund balance, end of year	<u>\$ 6,493</u>	<u>\$ 6,493</u>	<u>\$ 82</u>	<u>\$ (6,411)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Open Space Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 65,000	\$ 65,000	\$ 49,578	\$ (15,422)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>49,578</u>	<u>(15,422)</u>
Expenditures:				
Current:				
Culture and recreation	10,000	10,000	79,155	(69,155)
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>79,155</u>	<u>(69,155)</u>
Net change to fund balance	55,000	55,000	(29,577)	(84,577)
Fund balance, beginning of year	<u>(347,249)</u>	<u>(347,249)</u>	<u>(347,249)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (292,249)</u>	<u>\$ (292,249)</u>	<u>\$ (376,826)</u>	<u>\$ (84,577)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Senior Center Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 237	\$ 237
Miscellaneous	20,000	20,000	4,642	(15,358)
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>4,879</u>	<u>(15,121)</u>
Expenditures:				
Current:				
Public works	-	-	170,455	(170,455)
Culture and recreation	20,000	20,000	22,102	(2,102)
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>192,557</u>	<u>(172,557)</u>
Net change to fund balance	-	-	(187,678)	(187,678)
Fund balance, beginning of year	<u>338,053</u>	<u>338,053</u>	<u>338,053</u>	<u>-</u>
Fund balance, end of year	<u>\$ 338,053</u>	<u>\$ 338,053</u>	<u>\$ 150,375</u>	<u>\$ (187,678)</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****YAC-Youth Activity Center Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 148	\$ 148
Miscellaneous	-	7,250	7,258	8
Total revenues	-	7,250	7,406	156
Expenditures:				
Current:				
Culture and recreation	-	5,050	12,585	(7,535)
Total expenditures	-	5,050	12,585	(7,535)
Net change to fund balance	-	2,200	(5,179)	(7,379)
Fund balance, beginning of year	99,036	99,036	99,036	-
Fund balance, end of year	\$ 99,036	\$ 101,236	\$ 93,857	\$ (7,379)

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

Local Transit Prop C Special Revenue Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 126,716	\$ 126,716	\$ 134,835	\$ 8,119
Investment income	-	-	21	21
Total revenues	<u>126,716</u>	<u>126,716</u>	<u>134,856</u>	<u>8,140</u>
Expenditures:				
Current:				
Public works	328,163	328,163	243,980	84,183
Culture and recreation	76,835	76,835	77,552	(717)
Total expenditures	<u>404,998</u>	<u>404,998</u>	<u>321,532</u>	<u>83,466</u>
Net change to fund balance	(278,282)	(278,282)	(186,676)	91,606
Fund balance, beginning of year	<u>191,205</u>	<u>191,205</u>	<u>191,205</u>	<u>-</u>
Fund balance, end of year	<u>\$ (87,077)</u>	<u>\$ (87,077)</u>	<u>\$ 4,529</u>	<u>\$ 91,606</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Bike/Sidewalk Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,369	\$ 5,369	\$ -	\$ (5,369)
Total revenues	<u>5,369</u>	<u>5,369</u>	<u>-</u>	<u>(5,369)</u>
Expenditures:				
Current:				
Public works	5,369	5,369	-	5,369
Total expenditures	<u>5,369</u>	<u>5,369</u>	<u>-</u>	<u>5,369</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****CA Beverage Container Grant Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,423	\$ 5,423	\$ 10,000	\$ 4,577
Investment income	-	-	29	29
Total revenues	<u>5,423</u>	<u>5,423</u>	<u>10,029</u>	<u>4,606</u>
Expenditures:				
Current:				
Public works	<u>5,423</u>	<u>5,423</u>	-	<u>5,423</u>
Total expenditures	<u>5,423</u>	<u>5,423</u>	-	<u>5,423</u>
Net change to fund balance	-	-	10,029	10,029
Fund balance, beginning of year	<u>8,022</u>	<u>8,022</u>	<u>8,022</u>	-
Fund balance, end of year	<u><u>\$ 8,022</u></u>	<u><u>\$ 8,022</u></u>	<u><u>\$ 18,051</u></u>	<u><u>\$ 10,029</u></u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****CDBG-Community Development Block Grant Special Revenue Fund****For the year ending June 30, 2012**

	<u>Original Total Budget</u>	<u>Final Total Budget</u>	<u>Fiscal Activity</u>	<u>Variance with Budget</u>
Revenues:				
Intergovernmental	\$ 35,350	\$ 35,350	\$ 80,084	\$ 44,734
Total revenues	<u>35,350</u>	<u>35,350</u>	<u>80,084</u>	<u>44,734</u>
Expenditures:				
Current:				
Public works	35,350	35,350	80,084	(44,734)
Total expenditures	<u>35,350</u>	<u>35,350</u>	<u>80,084</u>	<u>(44,734)</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Clear Air (AQMD) Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 12,674	\$ 12,674	\$ 29,266	\$ 16,592
Investment income	-	-	85	85
Total revenues	<u>12,674</u>	<u>12,674</u>	<u>29,351</u>	<u>16,677</u>
Expenditures:				
Current:				
Public works	<u>12,674</u>	<u>12,674</u>	<u>1,200</u>	<u>11,474</u>
Total expenditures	<u>12,674</u>	<u>12,674</u>	<u>1,200</u>	<u>11,474</u>
Net change to fund balance	-	-	28,151	28,151
Fund balance, beginning of year	<u>29,264</u>	<u>29,264</u>	<u>29,264</u>	-
Fund balance, end of year	<u>\$ 29,264</u>	<u>\$ 29,264</u>	<u>\$ 57,415</u>	<u>\$ 28,151</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Environmental Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 66,000	\$ 66,000	\$ 120,725	\$ 54,725
Investment income	-	-	97	97
Miscellaneous	-	-	2,475	2,475
Total revenues	<u>66,000</u>	<u>66,000</u>	<u>123,297</u>	<u>57,297</u>
Expenditures:				
Current:				
Public works	66,000	66,000	70,854	(4,854)
Total expenditures	<u>66,000</u>	<u>66,000</u>	<u>70,854</u>	<u>(4,854)</u>
Net change to fund balance	-	-	52,443	52,443
Fund balance, beginning of year	<u>22,462</u>	<u>22,462</u>	<u>22,462</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,462</u>	<u>\$ 22,462</u>	<u>\$ 74,905</u>	<u>\$ 52,443</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Gas Tax Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 294,173	\$ 294,173	\$ 315,824	\$ 21,651
Investment income	-	-	248	248
Total revenues	<u>294,173</u>	<u>294,173</u>	<u>316,072</u>	<u>21,899</u>
Expenditures:				
Current:				
Public works	452,173	397,284	255,739	141,545
Total expenditures	<u>452,173</u>	<u>397,284</u>	<u>255,739</u>	<u>141,545</u>
Net change to fund balance	(158,000)	(103,111)	60,333	163,444
Fund balance, beginning of year	<u>91,749</u>	<u>91,749</u>	<u>91,749</u>	-
Fund balance, end of year	<u>\$ (66,251)</u>	<u>\$ (11,362)</u>	<u>\$ 152,082</u>	<u>\$ 163,444</u>

CITY OF SIERRA MADRE**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Measure R Special Revenue Fund****For the year ending June 30, 2012**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 304,830	\$ 144,830
Investment income	-	-	926	926
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>305,756</u>	<u>145,756</u>
Expenditures:				
Current:				
Public works	594,000	594,000	-	594,000
Total expenditures	<u>594,000</u>	<u>594,000</u>	<u>-</u>	<u>594,000</u>
Net change to fund balance	(434,000)	(434,000)	305,756	739,756
Fund balance, beginning of year	<u>295,625</u>	<u>295,625</u>	<u>295,625</u>	<u>-</u>
Fund balance, end of year	<u>\$ (138,375)</u>	<u>\$ (138,375)</u>	<u>\$ 601,381</u>	<u>\$ 739,756</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

CRA Low and Moderate Housing Set-Aside Capital Projects Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ 77,273	\$ 77,273	\$ 776	\$ (76,497)
Total revenues	<u>77,273</u>	<u>77,273</u>	<u>776</u>	<u>(76,497)</u>
Expenditures:				
Current:				
General government	33,293	33,293	16,059	17,234
Public works	8,156	8,156	4,596	3,560
Development	442,108	442,108	72,456	369,652
Total expenditures	<u>483,557</u>	<u>483,557</u>	<u>93,111</u>	<u>390,446</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(406,284)</u>	<u>(406,284)</u>	<u>(92,335)</u>	<u>313,949</u>
Extraordinary item:				
Gain (loss) on dissolution of redevelopment agency	<u>-</u>	<u>-</u>	<u>(2,175,623)</u>	<u>(2,175,623)</u>
Net change to fund balance	(406,284)	(406,284)	(2,267,958)	(1,861,674)
Fund balance, beginning of year	<u>2,267,958</u>	<u>2,267,958</u>	<u>2,267,958</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,861,674</u>	<u>\$ 1,861,674</u>	<u>\$ -</u>	<u>\$ (1,861,674)</u>

CITY OF SIERRA MADRE

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual

CRA Debt Service Fund

For the year ending June 30, 2012

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 1,496,326	\$ 1,496,326	\$ 655,924	\$ (840,402)
Total revenues	<u>1,496,326</u>	<u>1,496,326</u>	<u>655,924</u>	<u>(840,402)</u>
Expenditures:				
Current:				
General government	295,000	295,000	40,426	254,574
Debt Service:				
Principal	255,000	255,000	255,000	-
Interest	135,625	135,625	71,000	64,625
Total expenditures	<u>685,625</u>	<u>685,625</u>	<u>366,426</u>	<u>319,199</u>
Excess (deficiency) of revenues over (under) expenditures	<u>810,701</u>	<u>810,701</u>	<u>289,498</u>	<u>(521,203)</u>
Other financing sources (uses):				
Transfer out	-	-	(1,564,509)	(1,564,509)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,564,509)</u>	<u>(1,564,509)</u>
Extraordinary item:				
Gain (loss) on dissolution of redevelopment agency	-	-	(940,294)	(940,294)
Net change to fund balance	810,701	810,701	(2,215,305)	(3,026,006)
Fund balance, beginning of year	<u>2,215,305</u>	<u>2,215,305</u>	<u>2,215,305</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,026,006</u>	<u>\$ 3,026,006</u>	<u>\$ -</u>	<u>\$ (3,026,006)</u>

CITY OF SIERRA MADRE
Combining Statement of Net Assets
Non-Major Enterprise Funds
June 30, 2012

	Special Strike Team Services	Aquatics	Recreation Classes
Assets:			
Current assets:			
Cash and investments	\$ 54,478	\$ 19,102	\$ 2,727
Accounts receivable	-	2,501	-
Prepays	-	-	-
Total current assets	<u>54,478</u>	<u>21,603</u>	<u>2,727</u>
Total assets	<u>54,478</u>	<u>21,603</u>	<u>2,727</u>
Liabilities:			
Current liabilities:			
Accounts payable	-	1,642	554
Accrued payroll and related liabilities	875	1,133	1,501
Deposits and retentions	-	-	-
Compensated absences - current	-	-	672
Total current liabilities	<u>875</u>	<u>2,775</u>	<u>2,727</u>
Noncurrent liabilities:			
Compensated absences	-	-	2,015
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>2,015</u>
Total liabilities	<u>875</u>	<u>2,775</u>	<u>4,742</u>
Net Assets:			
Unrestricted	53,603	18,828	(2,015)
Total net assets	<u>\$ 53,603</u>	<u>\$ 18,828</u>	<u>\$ (2,015)</u>

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 3,947	\$ 62,718	\$ 142,972
-	-	2,501
1,501	-	1,501
<u>5,448</u>	<u>62,718</u>	<u>146,974</u>
<u>5,448</u>	<u>62,718</u>	<u>146,974</u>
936	-	3,132
2,961	1,672	8,142
-	7,220	7,220
1,127	140	1,939
<u>5,024</u>	<u>9,032</u>	<u>20,433</u>
3,382	418	5,815
<u>3,382</u>	<u>418</u>	<u>5,815</u>
<u>8,406</u>	<u>9,450</u>	<u>26,248</u>
(2,958)	53,268	120,726
<u>\$ (2,958)</u>	<u>\$ 53,268</u>	<u>\$ 120,726</u>

CITY OF SIERRA MADRE**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets****Non-Major Enterprise Funds****For the year ended June 30, 2012**

	Special Strike Team Services	Aquatics	Recreation Classes
Operating revenues:			
Charges for services	\$ -	\$ 179,821	\$ 66,877
Licenses and permits	-	-	-
Miscellaneous	-	1,200	-
Total operating revenues	<u>-</u>	<u>181,021</u>	<u>66,877</u>
Operating expenses:			
Personnel services	2,089	130,603	40,877
Contractual services	-	10,837	50,264
Materials and supplies	-	10,708	-
Utilities	-	22,527	-
Maintenance and operation	-	22,060	16,648
Total operating expenses	<u>2,089</u>	<u>196,735</u>	<u>107,789</u>
Operating income (losses)	(2,089)	(15,714)	(40,912)
Nonoperating revenues (expenses):			
Investment Income	84	27	-
Total nonoperating revenues (expenses)	<u>84</u>	<u>27</u>	<u>-</u>
Income (loss) before transfers	(2,005)	(15,687)	(40,912)
Transfers:			
Transfers in	-	34,439	38,897
Total transfers	<u>-</u>	<u>34,439</u>	<u>38,897</u>
Change in net assets	(2,005)	18,752	(2,015)
Net assets, beginning of year	<u>55,608</u>	<u>76</u>	<u>-</u>
Net assets, end of year	<u>\$ 53,603</u>	<u>\$ 18,828</u>	<u>\$ (2,015)</u>

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 73,907	\$ 51,283	\$ 371,888
-	13,849	13,849
-	-	1,200
<u>73,907</u>	<u>65,132</u>	<u>386,937</u>
100,041	60,867	334,477
25,953	-	87,054
28,108	-	38,816
-	-	22,527
14,444	9,408	62,560
<u>168,546</u>	<u>70,275</u>	<u>545,434</u>
(94,639)	(5,143)	(158,497)
-	96	207
<u>-</u>	<u>96</u>	<u>207</u>
(94,639)	(5,047)	(158,290)
91,164	-	164,500
<u>91,164</u>	<u>-</u>	<u>164,500</u>
(3,475)	(5,047)	6,210
517	58,315	114,516
<u>517</u>	<u>58,315</u>	<u>114,516</u>
<u>\$ (2,958)</u>	<u>\$ 53,268</u>	<u>\$ 120,726</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2012

	Special Strike Team Services	Aquatics	Recreation Classes
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ 159,720	\$ 66,877
Payments to suppliers	-	(70,763)	(67,696)
Payments to employees	(1,707)	(146,627)	(41,190)
Net cash provided (used) by operating activities	<u>(1,707)</u>	<u>(57,670)</u>	<u>(42,009)</u>
Cash flows from non-capital financing activities:			
Transfers from other funds	-	34,439	38,897
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>34,439</u>	<u>38,897</u>
Cash flows from investing activities:			
Investment income	84	27	-
Net cash provided (used) by investing activities	<u>84</u>	<u>27</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(1,623)	(23,204)	(3,112)
Cash and investments:			
Beginning of year	56,101	42,306	5,839
End of year	<u>\$ 54,478</u>	<u>\$ 19,102</u>	<u>\$ 2,727</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (2,089)	\$ (15,714)	\$ (40,912)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	(2,501)	-
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	-	(4,631)	(784)
Increase (decrease) in accrued liabilities	382	(13,346)	178
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in unearned revenue	-	(18,800)	-
Increase (decrease) in compensated absences	-	(2,678)	(491)
Total adjustments	<u>382</u>	<u>(41,956)</u>	<u>(1,097)</u>
Net cash provided (used) by operating activities	<u>\$ (1,707)</u>	<u>\$ (57,670)</u>	<u>\$ (42,009)</u>

<u>Special Events</u>	<u>Filming</u>	<u>Total Non-Major Enterprise Funds</u>
\$ 73,907	\$ 65,132	\$ 365,636
(64,867)	(2,142)	(205,468)
<u>(101,471)</u>	<u>(60,304)</u>	<u>(351,299)</u>
<u>(92,431)</u>	<u>2,686</u>	<u>(191,131)</u>
<u>91,164</u>	<u>-</u>	<u>164,500</u>
<u>91,164</u>	<u>-</u>	<u>164,500</u>
<u>-</u>	<u>96</u>	<u>207</u>
<u>-</u>	<u>96</u>	<u>207</u>
(1,267)	2,782	(26,424)
<u>5,214</u>	<u>59,936</u>	<u>169,396</u>
<u>\$ 3,947</u>	<u>\$ 62,718</u>	<u>\$ 142,972</u>
\$ (94,639)	\$ (5,143)	\$ (158,497)
-	-	(2,501)
(1,501)	-	(1,501)
5,139	46	(230)
(7)	612	(12,181)
-	7,220	7,220
-	-	(18,800)
<u>(1,423)</u>	<u>(49)</u>	<u>(4,641)</u>
<u>2,208</u>	<u>7,829</u>	<u>(32,634)</u>
<u>\$ (92,431)</u>	<u>\$ 2,686</u>	<u>\$ (191,131)</u>

CITY OF SIERRA MADRE
Combining Statement of Net Assets
Internal Service Funds
June 30, 2012

	Fleet	Facilities Management	Administration
Assets:			
Current assets:			
Cash and investments	\$ 334,341	\$ 1,008,765	\$ 242,273
Restricted cash and investments with fiscal agents	3,615	-	-
Prepays	-	-	439
Total current assets	<u>337,956</u>	<u>1,008,765</u>	<u>242,712</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable assets	-	162,275,946	-
Depreciable-net	881,965	21,707,602	459,828
Total noncurrent assets	<u>881,965</u>	<u>183,983,548</u>	<u>459,828</u>
Total assets	<u>1,219,921</u>	<u>184,992,313</u>	<u>702,540</u>
Liabilities:			
Current liabilities:			
Accounts payable	4,491	93,746	48,521
Accrued payroll and related liabilities	3,278	5,294	21,015
Interest payable	4,260	-	-
Claims payable	-	-	-
Compensated absences - current	3,923	3,439	10,562
Capital lease payable - current	9,764	-	-
Total current liabilities	<u>25,716</u>	<u>102,479</u>	<u>80,098</u>
Noncurrent liabilities:			
Compensated absences	11,767	10,315	31,684
Capital lease payable	82,250	-	-
Total noncurrent liabilities	<u>94,017</u>	<u>10,315</u>	<u>31,684</u>
Total liabilities	<u>119,733</u>	<u>112,794</u>	<u>111,782</u>
Net Assets:			
Invested in capital assets, net of related debt	789,951	183,983,548	459,828
Restricted for debt service	3,615	-	-
Unrestricted	306,622	895,971	130,930
Total net assets	<u>\$ 1,100,188</u>	<u>\$ 184,879,519</u>	<u>\$ 590,758</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 294,754	\$ 1,577,901	\$ 267,894	\$ 3,725,928
-	-	-	3,615
-	1,489	-	1,928
<u>294,754</u>	<u>1,579,390</u>	<u>267,894</u>	<u>3,731,471</u>
-	-	-	162,275,946
-	-	-	23,049,395
-	-	-	185,325,341
<u>294,754</u>	<u>1,579,390</u>	<u>267,894</u>	<u>189,056,812</u>
41,770	118,957	5,817	313,302
3,771	3,426	-	36,784
-	-	-	4,260
-	197,000	-	197,000
1,520	3,317	-	22,761
-	-	-	9,764
<u>47,061</u>	<u>322,700</u>	<u>5,817</u>	<u>583,871</u>
4,559	9,950	-	68,275
-	-	-	82,250
<u>4,559</u>	<u>9,950</u>	<u>-</u>	<u>150,525</u>
<u>51,620</u>	<u>332,650</u>	<u>5,817</u>	<u>734,396</u>
-	-	-	185,233,327
-	-	-	3,615
243,134	1,246,740	262,077	3,085,474
<u>\$ 243,134</u>	<u>\$ 1,246,740</u>	<u>\$ 262,077</u>	<u>\$ 188,322,416</u>

CITY OF SIERRA MADRE**Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets****Internal Service Funds****For the year ended June 30, 2012**

	Fleet	Facilities Management	Administration
Operating revenues:			
Charges for services	\$ 508,808	\$ 806,742	\$ 870,580
Licenses and permits	-	-	-
Miscellaneous	-	25	1,700
Total operating revenues	<u>508,808</u>	<u>806,767</u>	<u>872,280</u>
Operating expenses:			
Personnel services	82,797	135,063	505,801
Contractual services	42,555	90,891	156,411
Materials and supplies	43,773	45,114	50,441
Insurance, claims and charges	-	-	-
Utilities	90,963	264,610	-
Maintenance and operation	51,867	79,853	-
Depreciation	132,426	1,078,123	24,201
Total operating expenses	<u>444,381</u>	<u>1,693,654</u>	<u>736,854</u>
Operating income (losses)	64,427	(886,887)	135,426
Nonoperating revenues (expenses):			
Grant revenue	59,651	-	-
Investment income	522	1,585	298
Interest expense	(4,260)	-	-
Total nonoperating revenues (expenses)	<u>55,913</u>	<u>1,585</u>	<u>298</u>
Income (loss) before transfers	120,340	(885,302)	135,724
Transfers:			
Transfers in	-	13,270	-
Transfer out	-	(5,939)	-
Total transfers	<u>-</u>	<u>7,331</u>	<u>-</u>
Change in net assets	120,340	(877,971)	135,724
Net assets, beginning of year, as restated	<u>979,848</u>	<u>185,757,490</u>	<u>455,034</u>
Net assets, end of year	<u>\$ 1,100,188</u>	<u>\$ 184,879,519</u>	<u>\$ 590,758</u>

Technology	Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 602,786	\$ 1,140,393	\$ 350,000	\$ 4,279,309
11,971	-	-	11,971
-	-	-	1,725
<u>614,757</u>	<u>1,140,393</u>	<u>350,000</u>	<u>4,293,005</u>
158,629	244,755	-	1,127,045
229,668	171,322	88,084	778,931
115,170	32,755	261	287,514
-	671,323	-	671,323
-	-	-	355,573
20,740	60,000	-	212,460
-	-	-	1,234,750
<u>524,207</u>	<u>1,180,155</u>	<u>88,345</u>	<u>4,667,596</u>
90,550	(39,762)	261,655	(374,591)
-	-	-	59,651
459	2,548	422	5,834
-	-	-	(4,260)
<u>459</u>	<u>2,548</u>	<u>422</u>	<u>61,225</u>
91,009	(37,214)	262,077	(313,366)
-	-	-	13,270
-	-	-	(5,939)
-	-	-	7,331
91,009	(37,214)	262,077	(306,035)
152,125	1,283,954	-	188,628,451
<u>\$ 243,134</u>	<u>\$ 1,246,740</u>	<u>\$ 262,077</u>	<u>\$ 188,322,416</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2012

	Fleet	Facilities Management	Administration
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 508,808	\$ 806,767	\$ 872,280
Payments to suppliers	(228,160)	(433,654)	(183,951)
Payments to employees	(82,047)	(127,911)	(536,180)
Net cash provided (used) by operating activities	<u>198,601</u>	<u>245,202</u>	<u>152,149</u>
Cash flows from non-capital financing activities:			
Transfers from other funds	-	7,331	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>7,331</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Grant revenue	59,651	-	-
Acquisition and construction of capital assets	(33,531)	-	-
Principal paid	(9,332)	-	-
Interest paid	(4,692)	-	-
Net cash provided (used) by capital and related financing activities	<u>12,096</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:			
Investment income	522	1,585	298
Net cash provided (used) by investing activities	<u>522</u>	<u>1,585</u>	<u>298</u>
Net increase (decrease) in cash and cash equivalents	211,219	254,118	152,447
Cash and investments:			
Beginning of year	126,737	754,647	89,826
End of year	<u>\$ 337,956</u>	<u>\$ 1,008,765</u>	<u>\$ 242,273</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 64,427	\$ (886,887)	\$ 135,426
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	132,426	1,078,123	24,201
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable	998	46,814	22,901
Increase (decrease) in accrued liabilities	530	2,946	(7,816)
Increase (decrease) in compensated absences	220	4,206	(22,563)
Total adjustments	<u>134,174</u>	<u>1,132,089</u>	<u>16,723</u>
Net cash provided (used) by operating activities	<u>\$ 198,601</u>	<u>\$ 245,202</u>	<u>\$ 152,149</u>

Technology	Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 618,849	\$ 1,140,393	\$ 350,000	\$ 4,297,097
(345,911)	(933,251)	(82,528)	(2,207,455)
(168,661)	(228,062)	-	(1,142,861)
<u>104,277</u>	<u>(20,920)</u>	<u>267,472</u>	<u>946,781</u>
-	-	-	7,331
-	-	-	7,331
-	-	-	59,651
-	-	-	(33,531)
-	-	-	(9,332)
-	-	-	(4,692)
-	-	-	12,096
459	2,548	422	5,834
459	2,548	422	5,834
104,736	(18,372)	267,894	972,042
190,018	1,596,273	-	2,757,501
<u>\$ 294,754</u>	<u>\$ 1,577,901</u>	<u>\$ 267,894</u>	<u>\$ 3,729,543</u>

\$ 90,550	\$ (39,762)	\$ 261,655	\$ (374,591)
-	-	-	1,234,750
4,092	-	-	4,092
19,667	2,149	5,817	98,346
(1,312)	3,426	-	(2,226)
(8,720)	13,267	-	(13,590)
<u>13,727</u>	<u>18,842</u>	<u>5,817</u>	<u>1,321,372</u>
<u>\$ 104,277</u>	<u>\$ (20,920)</u>	<u>\$ 267,472</u>	<u>\$ 946,781</u>

CITY OF SIERRA MADRE
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2012

	<u>Deposit Trust</u>	<u>Flexible Spending Account</u>	<u>Medical Insurance</u>	<u>Total Agency Funds</u>
Assets:				
Cash and investments	\$ 459	\$ 4,096	\$ -	\$ 4,555
Total assets	<u>\$ 459</u>	<u>\$ 4,096</u>	<u>\$ -</u>	<u>\$ 4,555</u>
Liabilities:				
Accrued payroll and related liabilities	\$ -	\$ 4,096	\$ -	\$ 4,096
Deposits and retentions	459	-	-	459
Total liabilities	<u>\$ 459</u>	<u>\$ 4,096</u>	<u>\$ -</u>	<u>\$ 4,555</u>

CITY OF SIERRA MADRE
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the year ended June 30, 2012

	Balance at June 30, 2011	Additions	Deletions	Balance at June 30, 2012
Deposit Trust				
Assets:				
Cash and investments	\$ 10	\$ 3,549	\$ (3,100)	\$ 459
Total assets	<u>\$ 10</u>	<u>\$ 3,549</u>	<u>\$ (3,100)</u>	<u>\$ 459</u>
Liabilities:				
Deposits and retentions	\$ 10	\$ 6,649	\$ (6,200)	\$ 459
Total liabilities	<u>\$ 10</u>	<u>\$ 6,649</u>	<u>\$ (6,200)</u>	<u>\$ 459</u>
Flexible Spending Account				
Assets:				
Cash and investments	\$ 1,629	\$ 37,234	\$ (34,767)	\$ 4,096
Total assets	<u>\$ 1,629</u>	<u>\$ 37,234</u>	<u>\$ (34,767)</u>	<u>\$ 4,096</u>
Liabilities:				
Accrued payroll and related liabilities	\$ 1,629	\$ 38,604	\$ (36,137)	\$ 4,096
Total liabilities	<u>\$ 1,629</u>	<u>\$ 38,604</u>	<u>\$ (36,137)</u>	<u>\$ 4,096</u>
Medical Insurance				
Assets:				
Cash and investments	\$ 44,000	\$ 4,117,277	\$ (4,161,277)	\$ -
Total assets	<u>\$ 44,000</u>	<u>\$ 4,117,277</u>	<u>\$ (4,161,277)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 8,604	\$ 3,918,233	\$ (3,927,510)	\$ (673)
Accrued payroll and related liabilities	35,396	5,031,145	(5,065,868)	673
Total liabilities	<u>\$ 44,000</u>	<u>\$ 8,949,378</u>	<u>\$ (8,993,378)</u>	<u>\$ -</u>

City of Sierra Madre, California

Village of the Foothills



**Statistical Section
For the Year Ending
June 30, 2012**

CITY OF SIERRA MADRE
Net Assets by Component
(accrual basis of accounting)

	Fiscal Year Ended June 30,		
	2006	2007	2008
Governmental activities:			
Invested in capital assets, net of related debt	\$ 185,944,619	\$ 189,766,201	\$ 188,972,208
Restricted	7,025,972	5,134,708	4,861,347
Unrestricted	2,671,257	2,189,681	3,873,992
Total governmental activities net assets	\$ 195,641,848	\$ 197,090,590	\$ 197,707,547
Business-Type activities:			
Invested in capital assets, net of related debt	\$ 16,586,449	\$ 14,818,105	\$ 15,133,429
Restricted	-	-	-
Unrestricted	(897,008)	8,030,762	6,734,062
Total business-type activities net assets	\$ 15,689,441	\$ 22,848,867	\$ 21,867,491
Primary government:			
Invested in capital assets, net of related debt	\$ 202,531,068	\$ 204,584,306	\$ 204,105,637
Restricted	7,025,972	5,134,708	4,861,347
Unrestricted	1,774,249	10,220,443	10,608,054
Total primary government net assets	\$ 211,331,289	\$ 219,939,457	\$ 219,575,038

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.

The City has elected to show only seven years of data for this schedule.

*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

2009	2010	2011	2012
\$ 187,749,494	\$ 187,804,691	\$ 186,635,375	\$ 185,544,420
4,473,882	4,681,595	8,648,585	10,779,254
5,880,289	5,876,098	1,634,124	870,761
<u>\$ 198,103,665</u>	<u>\$ 198,362,384</u>	<u>\$ 196,918,084</u>	<u>\$ 197,194,435</u>
\$ 16,526,965	\$ 15,741,252	\$ 15,842,534	\$ 15,665,079
-	-	-	1,145,841
6,338,095	6,822,253	6,324,287	4,437,196
<u>\$ 22,865,060</u>	<u>\$ 22,563,505</u>	<u>\$ 22,166,821</u>	<u>\$ 21,248,116</u>
\$ 204,276,459	\$ 203,545,943	\$ 202,477,909	\$ 201,209,499
4,473,882	4,681,595	8,648,585	11,925,095
12,218,384	12,698,351	7,958,411	5,307,957
<u>\$ 220,968,725</u>	<u>\$ 220,925,889</u>	<u>\$ 219,084,905</u>	<u>\$ 218,442,551</u>

CITY OF SIERRA MADRE

Changes in Net Assets

(accrual basis of accounting)

	Fiscal Year Ended June 30,		
	2006	2007	2008
Expenses:			
Governmental activities:			
General government	\$ 6,702,190	\$ 6,618,475	\$ 6,611,903
Public safety	2,966,427	3,838,128	3,938,272
Public works	1,450,448	833,215	917,320
Development	-	-	-
Culture and recreation	1,660,368	1,776,581	2,006,435
Interest on long-term debt	433,659	251,635	178,109
Total governmental activities expenses	<u>13,213,092</u>	<u>13,318,034</u>	<u>13,652,039</u>
Business-type activities:			
Water	3,164,465	3,309,580	9,519,066
Sewer	705,900	767,100	627,238
Recreation services	433,847	391,107	414,058
Special services	3,796	52,954	136,705
Film services	86,376	61,481	65,954
Total business-type activities expenses	<u>4,394,384</u>	<u>4,582,222</u>	<u>10,763,021</u>
Total primary government expenses	<u>\$ 17,607,476</u>	<u>\$ 17,900,256</u>	<u>\$ 24,415,060</u>
Program revenues:			
Governmental activities:			
Charges for services	\$ 5,685,124	\$ 4,240,302	\$ 5,486,438
Operating grants and contributions	376,161	624,932	1,444,440
Capital grants and contributions	-	-	428,708
Total governmental activities program revenues	<u>6,061,285</u>	<u>4,865,234</u>	<u>7,359,586</u>
Business-type activities:			
Charges for services	4,197,696	5,952,735	6,322,222
Capital grants and contributions	271,576	-	-
Total business-type activities program revenues	<u>4,469,272</u>	<u>5,952,735</u>	<u>6,322,222</u>
Total primary government program revenues	<u>\$ 10,530,557</u>	<u>\$ 10,817,969</u>	<u>\$ 13,681,808</u>
Net revenue/(expense):			
Governmental activities	\$ (7,151,807)	\$ (8,452,800)	\$ (6,292,453)
Business-type activities	74,888	1,370,513	(4,440,799)
Total primary government net revenue/(expense)	<u>\$ (7,076,919)</u>	<u>\$ (7,082,287)</u>	<u>\$ (10,733,252)</u>

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.

The City has elected to show only seven years of data for this schedule.

*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

2009	2010	2011	2012
\$ 7,851,142	\$ 7,779,996	\$ 3,495,144	\$ 1,756,491
6,698,070	4,380,352	5,504,146	5,243,664
805,897	884,015	1,756,538	2,669,022
431,174	375,842	1,738,918	998,147
1,231,928	1,444,584	1,392,657	1,695,105
167,567	156,125	181,711	95,211
<u>17,185,778</u>	<u>15,020,914</u>	<u>14,069,114</u>	<u>12,457,640</u>
3,137,904	3,399,076	3,442,699	3,806,990
651,945	856,702	951,566	927,102
445,244	493,509	503,796	306,613
195,286	89,909	37,462	168,546
26,561	47,529	46,681	70,275
<u>4,456,940</u>	<u>4,886,725</u>	<u>4,982,204</u>	<u>5,279,526</u>
<u>\$ 21,642,718</u>	<u>\$ 19,907,639</u>	<u>\$ 19,051,318</u>	<u>\$ 17,737,166</u>
\$ 5,521,416	\$ 5,065,422	\$ 2,390,204	\$ 2,013,245
2,920,814	757,868	957,136	1,331,720
121,739	48,228	1,008,836	51,342
<u>8,563,969</u>	<u>5,871,518</u>	<u>4,356,176</u>	<u>3,396,307</u>
4,412,306	4,173,073	4,379,502	4,090,554
1,043,645	248,500	29,619	-
<u>5,455,951</u>	<u>4,421,573</u>	<u>4,409,121</u>	<u>4,090,554</u>
<u>\$ 14,019,920</u>	<u>\$ 10,293,091</u>	<u>\$ 8,765,297</u>	<u>\$ 7,486,861</u>
\$ (8,621,809)	\$ (9,149,396)	\$ (9,712,938)	\$ (9,061,333)
999,011	(465,152)	(573,083)	(1,188,972)
<u>\$ (7,622,798)</u>	<u>\$ (9,614,548)</u>	<u>\$ (10,286,021)</u>	<u>\$ (10,250,305)</u>

CITY OF SIERRA MADRE
Changes in Net Assets, (continued)
(accrual basis of accounting)

	Fiscal Year Ended June 30,		
	2006	2007	2008
General revenues and other changes in net assets:			
Governmental activities:			
Taxes	\$ 5,715,743	\$ 6,944,803	\$ 6,493,372
Investment income	511,590	1,118,952	521,398
Grants and contributions, not restricted	1,028,383	1,185,396	-
Capital contributions	-	568,579	-
Extraordinary gain/(loss)	-	-	-
Transfers	(182,727)	176,108	(96,533)
Total governmental activities	<u>7,072,989</u>	<u>9,993,838</u>	<u>6,918,237</u>
Business-type activities:			
Investment income	-	194,901	222,005
Capital contributions	-	-	3,140,885
Transfers	182,727	(176,108)	96,533
Total business-type activities	<u>182,727</u>	<u>18,793</u>	<u>3,459,423</u>
Total primary government	<u>\$ 7,255,716</u>	<u>\$ 10,012,631</u>	<u>\$ 10,377,660</u>
Change in net assets:			
Governmental activities	\$ (78,818)	\$ 1,541,038	\$ 625,784
Business-type activities	<u>257,615</u>	<u>1,389,306</u>	<u>(981,376)</u>
Total primary government	<u>\$ 178,797</u>	<u>\$ 2,930,344</u>	<u>\$ (355,592)</u>

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.

The City has elected to show only seven years of data for this schedule.

*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

2009	2010	2011	2012
\$ 8,198,847	\$ 8,905,659	\$ 8,437,401	\$ 7,774,266
334,793	231,953	54,370	16,405
-	-	-	-
168,991	369,848	65,294	-
-	-	-	1,499,139
94,135	(114,988)	(167,071)	(164,500)
<u>8,796,766</u>	<u>9,392,472</u>	<u>8,389,994</u>	<u>9,125,310</u>
210,854	38,667	11,044	2,827
(94,135)	-	-	-
116,719	114,988	167,071	164,500
<u>116,719</u>	<u>153,655</u>	<u>178,115</u>	<u>167,327</u>
<u>\$ 8,913,485</u>	<u>\$ 9,546,127</u>	<u>\$ 8,568,109</u>	<u>\$ 9,292,637</u>
\$ 174,957	\$ 243,076	\$ (1,322,944)	\$ 63,977
1,115,730	(311,497)	(394,968)	(1,021,645)
<u>\$ 1,290,687</u>	<u>\$ (68,421)</u>	<u>\$ (1,717,912)</u>	<u>\$ (957,668)</u>

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

	Fiscal Year Ended June 30,		
	2006	2007	2008
General fund:			
Unreserved ⁽¹⁾	\$ 2,371,490	\$ 3,408,285	\$ 3,841,994
Reserved ⁽¹⁾	-	-	300,000
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total General Fund	\$ 2,371,490	\$ 3,408,285	\$ 4,141,994
All other governmental funds:			
Reserved: ⁽¹⁾			
Debt service funds	\$ 2,848,789	\$ 3,451,710	\$ 3,178,349
Land held for resale	1,682,998	1,682,998	1,682,998
Capital projects funds	275,369	(494,512)	112,656
Unreserved, reported in: ⁽¹⁾			
Special revenue funds	300,579	871,674	568,536
Non-spendable	-	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total all other governmental funds	\$ 5,107,735	\$ 5,511,870	\$ 5,542,539
Total all governmental funds	\$ 7,479,225	\$ 8,920,155	\$ 9,684,533

The City has elected to show only seven years of data for this schedule.

(1) In 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.

*Note: Sewer was moved from Government activities to Business-Type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

2009	2010	2011	2012
\$ 3,454,249	\$ 4,246,065	\$ -	\$ -
490,000	890,000	-	-
-	-	800,000	250,000
-	-	-	3,989,683
-	-	4,721,717	870,761
\$ 3,944,249	\$ 5,136,065	\$ 5,521,717	\$ 5,110,444
\$ 2,445,701	\$ 2,528,671	\$ -	\$ -
1,682,998	1,682,998	-	-
407,967	469,927	-	-
1,580,312	2,040,378	-	-
-	-	401,575	-
-	-	1,682,998	1,682,998
-	-	5,863,012	888,909
-	-	854,020	1,453,098
-	-	(2,902,573)	(395,035)
\$ 6,116,978	\$ 6,721,974	\$ 5,899,032	\$ 3,629,970
\$ 10,061,227	\$ 11,858,039	\$ 11,420,749	\$ 8,740,414

**Changes in Fund Balances of Governmental Funds
(modified accrual basis of accounting)**

	Fiscal Year Ended June 30,		
	2006	2007	2008
Revenues:			
Taxes	\$ 5,715,743	\$ 6,944,803	\$ 6,493,372
Charges for services	1,321,951	624,678	578,794
Intergovernmental	1,404,544	1,810,328	1,873,146
Licenses and permits	427,661	558,884	987,713
Fines and forfeitures	229,338	127,206	179,912
Investment income	511,590	700,133	521,398
Miscellaneous	483,261	412,979	224,668
Total revenues	<u>10,094,088</u>	<u>11,179,011</u>	<u>10,859,003</u>
Expenditures:			
Current:			
General government	3,139,621	2,742,176	2,407,126
Public safety	2,966,427	3,838,128	3,938,272
Public works	1,450,449	833,215	917,320
Development	-	-	-
Culture and recreation	1,660,368	1,776,581	2,006,435
Debt service:			
Principal	195,000	205,000	215,000
Interest	204,580	191,129	181,520
Capital outlay	1,168,030	619,475	421,953
Total expenditures	<u>10,784,475</u>	<u>10,205,704</u>	<u>10,087,626</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(690,387)</u>	<u>973,307</u>	<u>771,377</u>
Other financing sources (uses):			
Sale of City property	-	400,000	-
Equipment Financing	-	-	-
Transfers in	2,095,408	1,394,269	2,767,157
Transfers out	(1,904,058)	(1,200,272)	(2,765,329)
Total other financing sources (uses)	<u>191,350</u>	<u>593,997</u>	<u>1,828</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(499,037)	1,567,304	773,205
Fund balances, beginning of year, as restated	<u>7,978,261</u>	<u>7,352,851</u>	<u>8,911,328</u>
Fund balances, end of year	<u>\$ 7,479,224</u>	<u>\$ 8,920,155</u>	<u>\$ 9,684,533</u>

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.

The City has elected to show only seven years of data for this schedule.

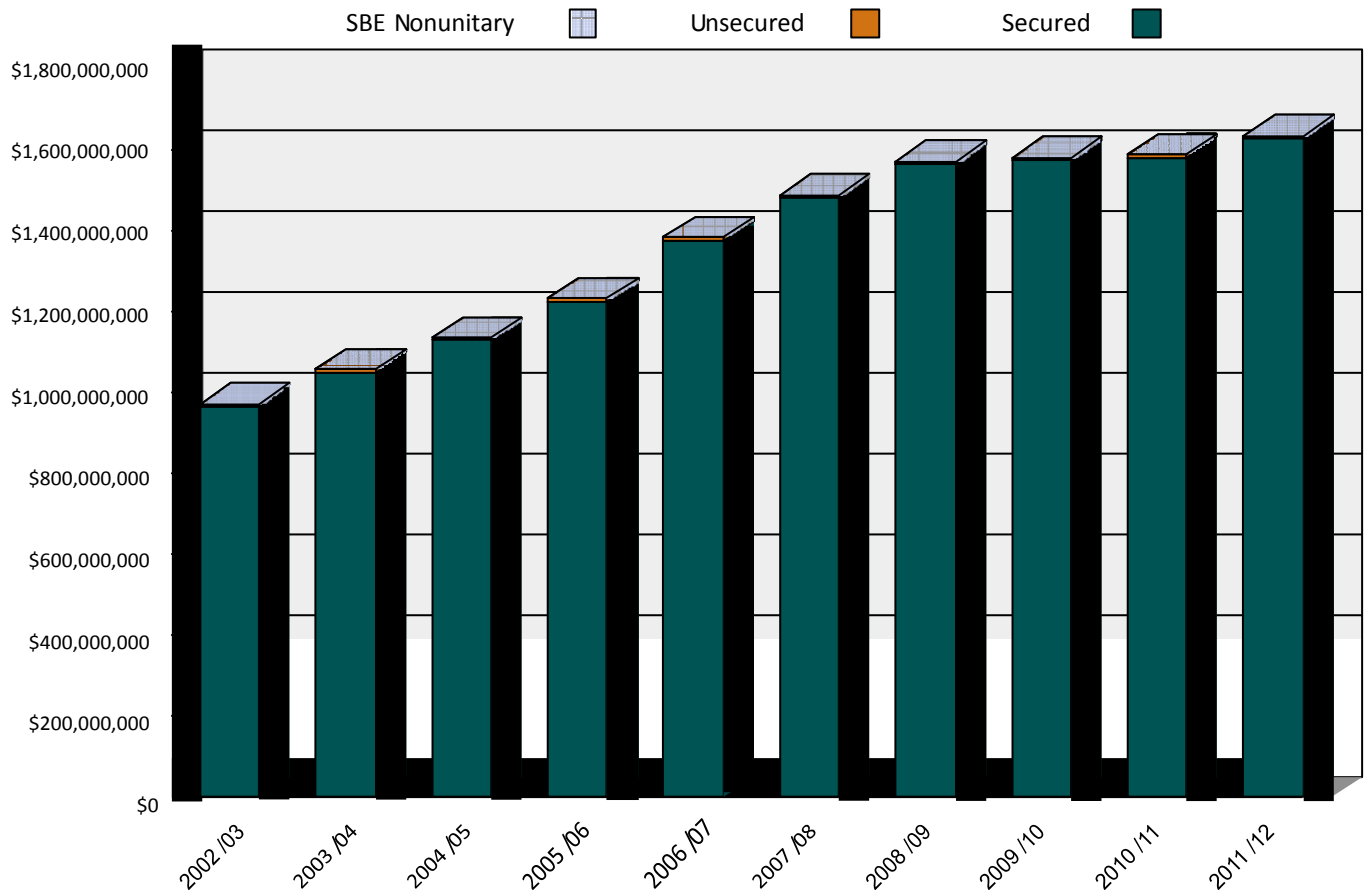
*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

2009	2010	2011	2012
\$ 8,198,847	\$ 8,905,659	\$ 8,437,444	\$ 6,758,148
545,968	658,809	616,947	595,203
3,042,552	757,869	1,965,972	2,249,029
847,977	854,492	1,221,741	1,160,456
189,677	189,899	235,260	223,902
278,739	170,391	49,439	10,571
188,538	153,766	316,214	184,835
<u>13,292,298</u>	<u>11,690,885</u>	<u>12,843,017</u>	<u>11,182,144</u>
2,664,527	3,091,208	1,444,497	2,107,607
6,698,070	4,380,352	5,504,146	5,081,731
805,897	884,016	1,756,537	2,210,897
431,174	375,842	1,132,604	1,259,802
1,231,928	1,444,583	1,392,657	1,540,117
225,000	235,000	302,998	315,581
171,288	160,125	181,711	101,461
615,364	574,064	1,553,968	95,735
<u>12,843,248</u>	<u>11,145,190</u>	<u>13,269,118</u>	<u>12,712,931</u>
<u>449,050</u>	<u>545,695</u>	<u>(426,101)</u>	<u>(1,530,787)</u>
-	-	65,294	-
-	725,402	-	-
3,869,613	1,950,479	3,590,490	2,845,339
<u>(3,789,486)</u>	<u>(1,403,676)</u>	<u>(3,579,472)</u>	<u>(3,017,170)</u>
<u>80,127</u>	<u>1,272,205</u>	<u>76,312</u>	<u>(171,831)</u>
-	-	-	<u>(1,085,861)</u>
529,177	1,817,900	(349,789)	(2,788,479)
<u>9,532,050</u>	<u>10,040,139</u>	<u>11,770,538</u>	<u>11,528,893</u>
<u>\$ 10,061,227</u>	<u>\$ 11,858,039</u>	<u>\$ 11,420,749</u>	<u>\$ 8,740,414</u>

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

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change
2002/03	\$968,630,256	\$5,223,418	\$0	973,853,674	
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%
2011/12	\$1,630,651,019	\$6,990,234	\$0	1,637,641,253	2.97%



Data Source: L. A. County Assessor 0/ - 2011/12 Combined Tax Rolls

Prepared On 8/8/2012 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

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

Category	2002/03	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
Residential	919,998,596	999,145,746	1,073,523,989	1,166,416,663	1,295,572,193	1,391,361,479	1,469,859,412	1,469,610,878	1,482,410,204	1,522,225,014
Commercial	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	47,274,344
Industrial	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	7,503,723
Govt. Owned	96,242		337,926	144,405	498,870	508,845	519,020	156,306	155,935	157,109
Institutional	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	6,669,589
Irrigated			3,603,931	3,676,009						
Recreational	555,331	947,074	964,751	984,042	579,793	591,386	603,211	615,272	613,810	618,428
Vacant	13,268,116	14,452,441	11,784,290	14,485,379	33,464,760	43,044,306	39,531,555	47,752,008	41,417,109	44,660,373
SBE	0	0	0	0	0	0	0			
Cross	1,778,597	1,854,846	4,875,281	4,962,841	5,062,095	1,918,774	1,977,310	1,538,550	1,530,912	1,542,439
Unsecured	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	6,990,234
Exempt	[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]	[3,605,034]
TOTALS	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	1,637,641,253
Total Direct	0.27539	0.27529	0.27615	0.28023	0.28118	0.28220	0.28474	0.8501	0.28519	0.28433

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 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 2002/03 - 2011/12 Combined Tax Rolls

Prepared On 8/8/2012 By MV

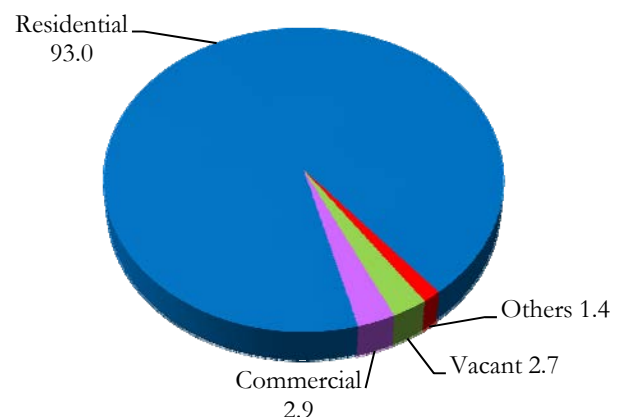
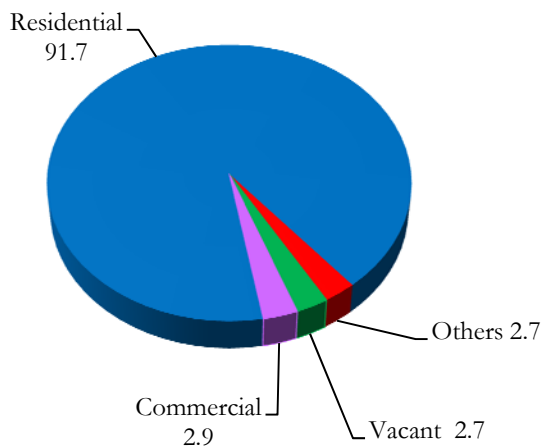
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**CITY OF SIERRA MADRE
2011/12 USE CATEGORY SUMMARY
Basic Property Value Table**

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,719	\$1,523,963,637 (91.7%)	\$1,522,225,014 (93.0%)
Commercial	122	\$48,005,302 (2.9%)	\$47,274,344 (2.9%)
Industrial	22	\$7,503,723 (0.5%)	\$7,503,723 (0.5%)
Vacant	224	\$45,466,915 (2.7%)	\$44,660,373 (2.7%)
Govt. Owned	2	\$532,118 (0.0%)	\$157,109 (0.0%)
Institutional	21	\$23,759,687 (1.4%)	\$6,669,589 (0.4%)
Recreational	3	\$618,428 (0.0%)	\$618,428 (0.0%)
Exempt	96	\$3,605,034 (0.2%)	\$0 (0.0%)
Cross Reference	[2]	\$1,542,439 (0.1%)	\$1,542,439 (0.1%)
Unsecured	[260]	\$6,990,234 (0.4%)	\$6,990,234 (0.4%)
TOTALS	4,209	\$1,661,987,517	\$1,637,641,253

ASSESSED VALUE

NET TAXABLE VALUE

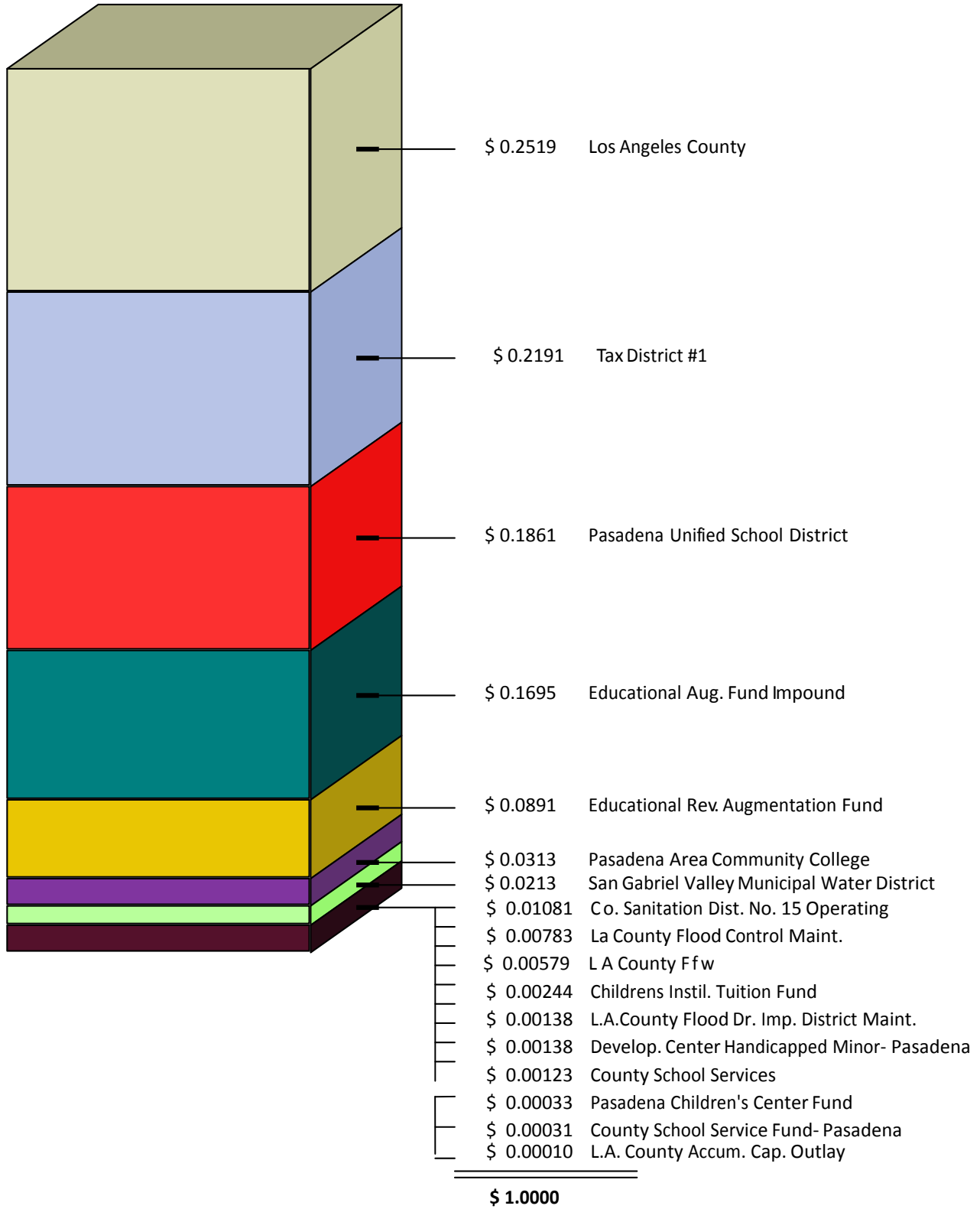


Data Source: L. A. County Assessor 2011/12 Combined Tax Rolls

Prepared On 8/8/2012 By

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**CITY OF SIERRA MADRE
PROPERTY TAX BREAKDOWN**



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

Data Source: L. A. County Assessor 2011/12 Annual Tax Increment Tables

Prepared On 8/8/2012 By MV

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**CITY OF SIERRA MADRE
2011/12 CITY ROLL SUMMARY
Taxable Property Values**

	Secured	Nonunitary Utilities	Unsecured
Parcels	4,113	0	260
TRAs	9	0	4
Values			
Land	1,017,558,731	0	0
Improvements	633,152,353	0	0
Personal Property	510,924	0	4,404,249
Fixtures	170,241	0	2,585,985
Aircraft	0	0	0
Total Value	\$1,651,392,249	\$0	\$6,990,234
Exemptions	0	0	0
Real Estate	20,273,230	0	0
Personal Property	436,000	0	0
Fixtures	32,000	0	0
Aircraft	0	0	0
Homeowners*	17,404,800	0	0
Total Exemptions	\$20,741,230	\$0	\$0
Total Net Value	\$1,630,651,019	\$0	\$6,990,234

Combined Values	Total
Total Values	\$1,658,382,483
Total Exemptions	\$20,741,230
Net Total Values	\$1,637,641,253

* Note: Homeowner Exemptions are not included in Total Exemptions

Data Source: L. A. County Assessor 2011/12 Combined Tax Rolls
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 8/8/2012 By MV

CITY OF SIERRA MADRE
2011/12 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	27	\$20,090,796	1.23%				\$20,090,796	1.23%	Residential TD #1
2) CS STONEHOUSE LLC	4	\$8,513,548	0.52%				\$8,513,548	0.52%	Residential TD #1
3) S M E ASSOCIATES LIMITED	3	\$6,296,432	0.39%				\$6,296,432	0.38%	Residential TD #1
4) BARBERA FAMILY LP	3	\$4,817,021	0.30%				\$4,817,021	0.29%	Residential TD #1
5) CONGREGATION OF THE PASSION MATER DOLO	2	\$4,362,143	0.27%				\$4,362,143	0.27%	Institutional TD #1
6) WILLIAM L. SULLIVAN TRUST	9	\$4,184,100	0.26%				\$4,184,100	0.26%	Residential TD #1
7) MB EQUITY LLC (Pending Appeals On Parcels)	2	\$3,918,381	0.24%				\$3,918,381	0.24%	Residential TD #1
8) TIME WARNER NY CABLE LLC (Pending Appeals On Parcels)	1	\$1,340,649	0.08%	3	\$2,181,585	31.21%	\$3,522,234	0.22%	Unsecured TD #1
9) WILLIAM AND MARIE SULLIVAN TRUST	5	\$3,414,866	0.21%				\$3,414,866	0.21%	Industrial Successor Agency
10) ZHANG HONGMEI	1	\$2,937,591	0.18%				\$2,937,591	0.18%	Residential TD #1
Top Ten Total	57	\$59,875,527	3.67%	3	\$2,181,585	31.21%	\$62,057,112	3.79%	
City Total		\$1,630,651,019			\$6,990,234		\$1,637,641,253		

Top Owners last edited on 8/7/12 by maheav using sales through 06/30/12

Data Source: L. A. County Assessor 2011/12 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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

Prepared On 8/8/2012 By MV

**CITY OF SIERRA MADRE
2002/03 TOP TEN PROPERTY TAX PAYERS
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) MARANATHA HIGH SCHOOL (Pending Appeals On Parcels)	6	\$5,916,000	0.61%	1	\$0	0.00%	\$5,916,000	0.61%	Residential TD #1
2) BARBERA FAMILY LP	4	\$4,169,484	0.43%				\$4,169,484	0.43%	Residential TD #1
3) WILLIAM L. AND PATRICIA G. SULLIVAN	6	\$2,361,099	0.24%				\$2,361,099	0.24%	Residential TD #1
4) RENAISSANCE PLAZA LLC	2	\$2,247,960	0.23%				\$2,247,960	0.23%	Commercial Successor Agency
5) IVAN V. AND BARBARA R. OVIEDO TRUST (Pending Appeals On Parcels)	3	\$2,197,860	0.23%				\$2,197,860	0.23%	Residential TD #1
6) DAVID O. HOWARD	4	\$2,017,615	0.21%				\$2,017,615	0.21%	Residential TD #1
7) DAN A. AND CAROLE J. DOHLEN TRUST	2	\$1,749,885	0.18%				\$1,749,885	0.18%	Residential TD #1
8) SIERRA MADRE SKILLED NURSING FACILITY	2	\$1,726,319	0.18%				\$1,726,319	0.18%	Institutional Successor Agency
9) FRANK AND SUSAN LIN	1	\$1,706,256	0.18%				\$1,706,256	0.18%	Residential TD #1
10) WILLIAM B. BRIDGES COMPANY TRUST	1	\$1,560,600	0.16%				\$1,560,600	0.16%	Residential TD #1
Top Ten Total	31	\$25,653,078	2.65%	1	\$0	0.00%	\$25,653,078	2.63%	
City Total		\$968,630,256			\$5,223,418		\$973,853,674		

Top Owners last edited on 6/12/12 by nicholec using sales through 06/30/03

Data Source: L. A. County Assessor 2002/03 Combined Tax Rolls and the SBE Non Unitary Tax Roll

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

Prepared On 8/8/2012 By MV

CITY OF SIERRA MADRE
Ratios of Outstanding Debt by Type

Fiscal Year Ended June 30,	Governmental Activities				Total
	Master Lease Equipment Financing	General Obligation Bonds	Tax Increment Bonds ⁽¹⁾		
2007	\$ 103,685	\$ -	\$ 3,965,000	\$ 4,068,685	
2008	69,123	-	3,760,000	3,829,123	
2009	34,562	-	3,545,000	3,579,562	
2010	1,224,674	-	3,320,000	4,544,674	
2011	759,254	-	2,840,000	3,599,254	
2012	689,341	-	-	689,341	

(1) Due to the dissolution of the Community Redevelopment Agency, the Tax Allocation Bonds were transferred to the Successor Agency in 2012.

The City has elected to show only six years of data for this schedule.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Business-type Activities

Master Lease Equipment Financing	Revenue Parity Bonds	Loans	Total	Total Primary Government
\$ -	\$ 11,630,000	\$ 1,456,875	\$ 13,086,875	\$ 17,155,560
-	11,350,000	1,456,875	12,806,875	16,635,998
-	11,060,000	1,456,875	12,516,875	16,096,437
433,040	10,760,000	1,456,875	12,649,915	17,194,589
366,391	10,105,000	1,456,875	11,928,266	15,527,520
332,653	9,755,000	1,311,188	11,398,841	12,088,182

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Fiscal Year Ended June 30,	Governmental Activities			
	Tax Increment ⁽¹⁾	Debt Service		Coverage
		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 ⁽²⁾	1,128,402	225,000	171,288	2.85
2010 ⁽³⁾	697,666	235,000	160,125	1.77
2011 ⁽⁴⁾	1,174,727	245,000	148,125	2.99
2012 ⁽⁵⁾	1,249,669	255,000	156,042	3.04

(1) Tax increment figures are net of related pass-through payments.

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

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

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

(5) Due to the dissolution of the Community Redevelopment Agency, the Tax Allocation Bonds were transferred to the Successor Agency. This funding represents both the Private Purpose Trust Fund and former Special Revenue Fund.

The City has elected to show only seven years of data for this schedule.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Business-type Activities - Water Fund

Fiscal Year Ended June 30,	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
2012	3,038,056	2,760,709	633,197	350,000	492,665	0.75

The City has elected to show only seven years of data for this schedule.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

Fiscal Year Ending June 30,

Agency	2003	2004	2005	2006	2007	2008	2009	2010	2011
Basic Levy¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.03129	0.03004	0.02908	0.02746	0.02831	0.08086	0.07911	0.07561	0.07456
County Detention Facilities 1987 Debt	0.00103	0.00099	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000
La County Flood Control	0.00088	0.00046	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000
Pasadena Community College Dist	0.00000	0.00681	0.00879	0.00410	0.02080	0.01972	0.01742	0.02300	0.01986
Pasadena Unified School Dist	0.07030	0.08890	0.08631	0.10991	0.11717	0.05491	0.06375	0.10836	0.10195
San Gabriel Vly Mwd State Water Bond	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
Total Direct & Overlapping² Tax Rates	1.43653	1.45824	1.45437	1.47134	1.49602	1.48451	1.48730	1.53400	1.52340
City's Share of 1% Levy Per Prop 13³	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
General Obligation Debt Rate									
Redevelopment Rate⁴	1.02591	1.02345	1.02117	1.02084	1.02072	1.02000	1.01800	1.01800	1.01800
Total Direct Rate⁵	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. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴RDA rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA 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.

Data Source: L. A. County Assessor 2002/03 - 2011/12 Tax Rate Table

Prepared On 8/8/2012 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

**CITY OF SIERRA MADRE
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2012**

Overlapping Debt	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
12.50 PASADENA AREA CCD DS 2002 S-A	980,000	2.681	26,273
812.51 PASADENA CCD DS 2006 SERIES B	47,560,000	2.681	1,275,041
812.52 PASADENA CCD DS 2006 REFUNDING BOND SERIES C	8,660,106	2.681	232,170
812.53 PASADENA CCD DS 2002, 2006 SER D	26,615,000	2.723	724,748
812.54 PASADENA CCD 2002, 2009 SERIES E (BABS)	25,295,000	2.681	678,136
817.51 ARCADIA UNIFIED DS 1993 SERIES A	5,331,704	0.363	19,350
817.53 ARCADIA UNIFIED DS 1993 SERIES C	1,357,666	0.363	4,927
817.54 ARCADIA UNIFIED DS REF. BONDS 1993 2005 SERIES A	3,370,000	0.363	12,230
817.55 ARCADIA UNIFIED DS 2006 SERIES A	159,425,423	0.363	578,580
909.54 PASADENA USD DS 2004 REF. BONDS	47,540,000	5.454	2,592,852
909.55 PASADENA USD DS 2005 REF. BONDS	108,685,000	5.454	5,927,727
909.56 PASADENA USD DS 2008 SERIES 2009	30,680,000	5.454	1,673,300
909.57 PASADENA USD 2008 SERIES 2009A-2 BABS	84,680,000	5.454	4,618,484

Total Overlapping Debt

19,388,470

2011/12 Assessed Valuation: \$1,507,574,663 After Deducting \$130,066,590 Incremental Value

Debt To Assess Valuation Ratios:	Direct Debt	0.00%
	Overlapping Debt	1.22%
	Total Debt	1.22%

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 2011/12 Lien Date Tax Rolls
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Prepared On 8/8/2012 by MV

**CITY OF SIERRA MADRE
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2003**

Overlapping Debt		Rate Only Applies to	Gross Bonded Debt Balance	Percent Applicable To City	Net Bonded Debt
001.53	LA CO DETENTION FACILITIES 1987 DEBT SVC		30,225,000	0.153	46,338
030.60	LA.CO.FL.CON.STORM DR.D.S.#4	Land, Impr.	10,110,000	0.162	16,415
030.61	FLOOD CON. REF. BONDS 1993 DS	Land, Impr.	845,000	0.162	1,372
812.50	PASADENA AREA CCD DS 2002 S-A		33,000,000	2.737	903,265
817.51	ARCADIA UNIF SD 1993 SER A DS		11,484,368	0.368	42,236
817.52	ARCADIA UNIF SD 1993 SER B DS		5,190,000	0.368	19,087
817.53	ARCADIA UNIF DS 1993 SER C DS		3,855,225	0.368	14,178
909.50	PASADENA UNIFIED SD 1997 SER A DS		42,460,000	5.672	2,408,442
909.51	PASADENA UNIFIED SD 1997 SER B DS		43,950,000	5.672	2,492,959
909.52	PASADENA UNIFIED SD 1997 SER C DS		67,645,000	5.672	3,837,001
909.53	PASADENA USD DS 1997 SER D		70,000,000	5.672	3,970,583
Total Overlapping Debt					13,751,877
2002/03 Assessed Valuation: \$899,212,442 After Deducting \$74,641,232 Incremental Value.					
Debt To Assessed Valuation Ratios:					
	Direct Debt		0.00%		
	Overlapping Debt		1.53%		
	Total Debt		1.53%		

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 2002/03 Lien Date Tax Rolls
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Prepared On 8/8/2012 By MV

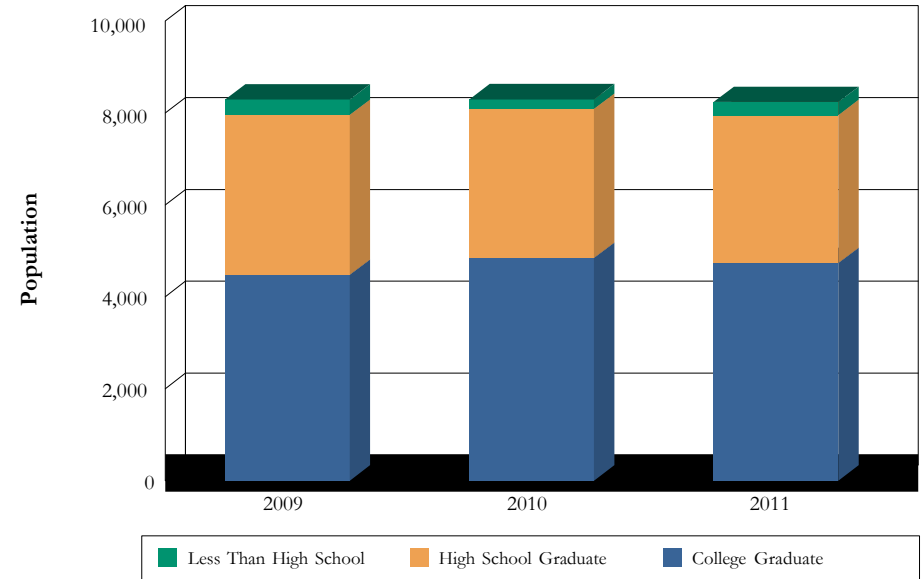
**CITY OF SIERRA MADRE
DEMOGRAPHIC AND ECONOMIC STATISTICS**

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
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%
2011	10,963	\$558,203	\$50,917	3.8%	46.4	96.6%	57.5%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

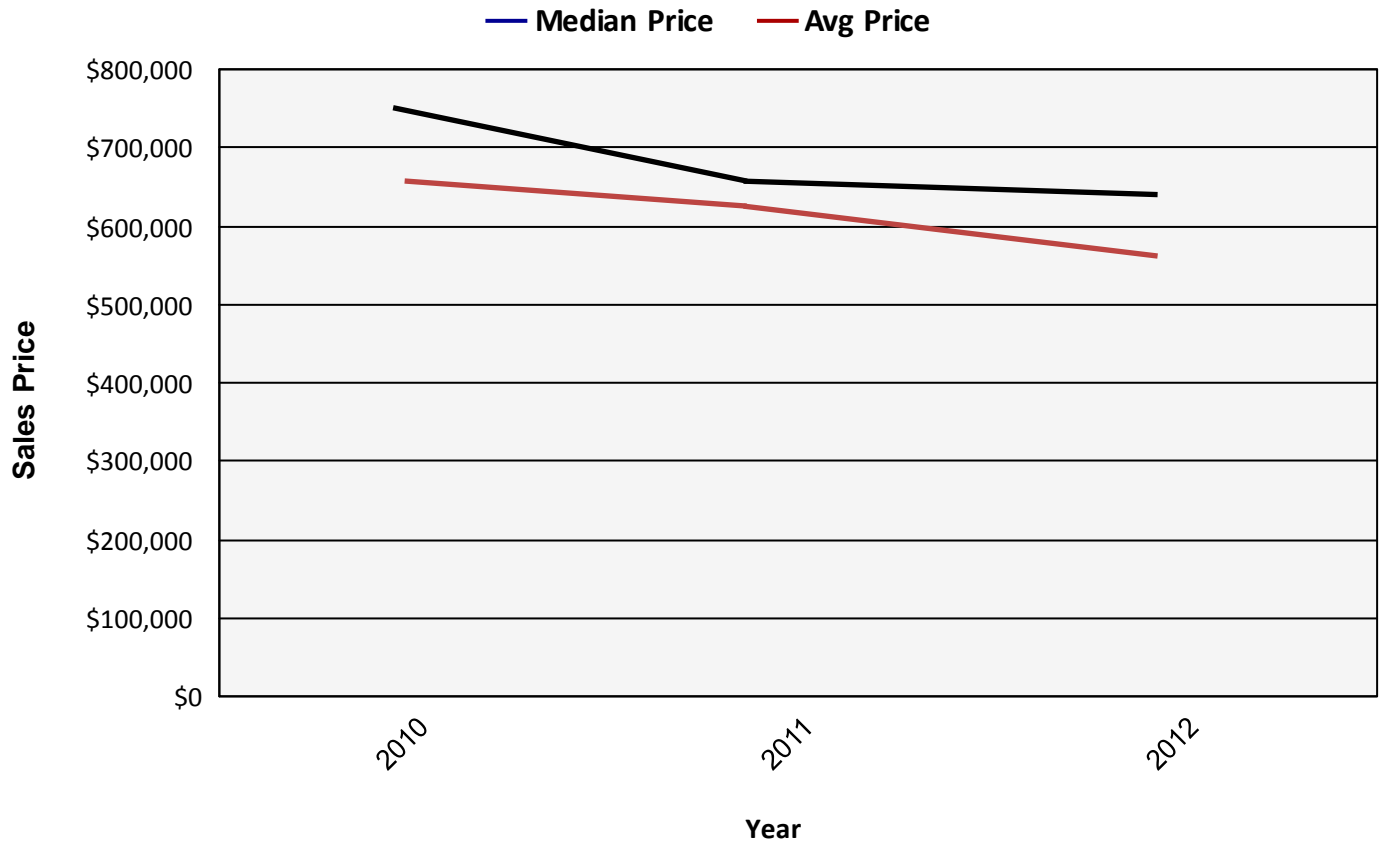
Population: California State Department of Finance. Unemployment Data: California Employment Development Department
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data released to date.
 Demographic Data is totaled from Census Block Groups that overlap the City's boundaries
 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

CITY OF SIERRA MADRE

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2010 – 06/30/2012)

Year	Full Value Sales	Average Price	Median Price	Median % Change
2010	85	\$754,259	\$680,000	
2011	111	\$660,653	\$630,000	-7.35%
2012	70	\$647,529	\$591,750	-6.07%



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

Data Source: L. A. County Recorder

Prepared On 8/8/2012 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

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

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Apparel Stores	\$ 171	\$ 305	\$ 750	\$ 942	\$ 1,013	\$ 900	\$ 842	\$ 635	\$ 621	\$ 661
General	64	11	7	19	86	118	157	136	124	74
Merchandise Food	1,434	872	932	452	206	252	100	85	36	146
Stores	3,585	4,212	4,193	5,611	6,677	7,434	7,794	7,559	7,378	8,156
Eating and Drinking	641	680	846	949	1,089	1,113	1,240	986	934	951
Places	401	83	6	11	21	0	0	7	51	92
Building Materials										
Auto Dealers and										
Supplies										
Other Retail Stores	5,619	5,851	6,482	6,626	9,181	10,600	10,604	9,175	8,740	9,012
All Other Outlets	<u>11,019</u>	<u>10,504</u>	<u>11,297</u>	<u>12,312</u>	<u>11,670</u>	<u>9,286</u>	<u>10,384</u>	<u>7,638</u>	<u>6,960</u>	<u>7,300</u>
Total	<u>\$ 22,933</u>	<u>\$ 22,518</u>	<u>\$ 24,514</u>	<u>\$ 26,922</u>	<u>\$ 29,943</u>	<u>\$ 29,702</u>	<u>\$ 31,123</u>	<u>\$ 26,219</u>	<u>\$ 24,843</u>	<u>\$ 26,391</u>

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 2011/12

Business Name	Business Category
Angels Everywear	Women's Apparel
Arnolds Frontier Hardware	Hardware Store
Berdahl Dental Laboratory Inc.	Light Industrial/Printers
Booq Llc	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
Lenora Moss	Florist
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
Sierra Madre Gas Square Inc	Service Station
Sierra Madre Pizza Co.	Restaurants No Alcohol
Sierra Madre Valero Inc..	Service Stations
Starbucks.	Restaurants No Alcohol
Taco Fiesta Inc	Restaurants No Alcohol
Ugos Fine Foods Inc.	Restaurants No Alcohol
Village Pizzeria	Restaurants No Alcohol
Wistaria Restaurant & Bar Inc	Restaurants Liquor

Percent of Fiscal Year Total Paid By Top 25 Accounts = 77.46%

* Firms Listed Alphabetically

Period: April 2011 Thru March 2012

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

Printed 07/17/2012

CITY OF SIERRA MADRE
TOP 25 SALES TAX PRODUCERS
Fiscal Year 2002/03

Business Name	Business Category
Arnolds Hardware And Gift	Hardware Stores
Bean Town	Restaurants No Alcohol
Berdahl Dental Laboratory Inc	Light Industrial/Printers
Bottle Shop	Package Liquor Stores
Buccaneer Lounge	Restaurants Liquor
Caldwells Tire Service	Automotive Supply Stores
Charlottes Fine Jewelry	Jewelry Stores
Corfu	Restaurants No Alcohol
Dier Auto Sales	Trailers/Auto Parts
Dominos Pizza	Food Stores Non-Grocery
Flowers By Nobee	Florist Shops
Happys Liquor	Package Liquor Stores
High Quality Auto Service	Service Stations
Highlander Jr Market & Liquor	Package Liquor Stores
Hollinhurst Printing & Advertisin	Repair Shop/Hand Tool Rentals
Howies Ranch Market	Grocery Stores Liquor
Leonora Moss	Florist Shops
Lingo Industrial Electronics	Heavy Industrial
Los Angeles Filing Sys Co Etal	Office Supplies/Furniture
Moes Unocal	Auto Repair Shops
Only Place In Town Inc	Restaurants Beer And Wine
Sierra Custom Kitchens Baths & De	Home Furnishings
Sierra Glass & Mirrors Inc	Paint/Glass/Wallpaper
Starbucks	Restaurants No Alcohol
Village Pizzeria & Deli	Restaurants No Alcohol

Percent of Fiscal Year Total Paid By Top 25 Accounts = 72.68%

* Firms Listed Alphabetically

Period: April 2002 Thru March 2003

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

Printed 07/17/2012

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

	Employees as of June 30,						
	2006	2007	2008	2009	2010	2011	2012
General Government	9	8	8	8	8	8	8
Public Safety							
Police							
Officers	17	17	17	17	18	18	18
Civilians	5	5	5	5	5	5	5
Fire							
Full-Time	3	3	3	3	3	3	3
Public Works	20	20	21	21	20	20	20
Development	4	4	4	4	4	4	4
Culture and Recreation	9	10	10	10	10	10	10
Total	67	67	68	68	68	68	68

The City has elected to show only seven years of data for this schedule.

CITY OF SIERRA MADRE
Operating Indicators by Function

	Fiscal Year Ended June 30,						
	2006	2007	2008	2009	2010	2011	2012
Police							
Number of:							
Physical Arrests	252	580	417	370	467	129	328
Parking Violations	1,625	2,931	3,283	3,516	2,812	2,495	2,031
Traffic Violations	1,255	1,039	1,339	1,574	1,740	1,989	1,798
Fire							
Number of:							
Calls Answered	688	816	851	818	885	940	-
Inspections	1,406	1,662	53	2,040	1,964	1,970	-
Public Works							
Number of:							
Water Mains Repaired	n/a	20	18	18	25	24	45
Water service leaks repaired	n/a	19	15	25	28	13	19
Street resurfacing/repair (SF)	n/a	-	-	-	331,235	-	-
Sidewalk Repairs (SF)	n/a	1,250	1,625	1,050	1,950	4,755	3,207
Trees planted	29	-	47	6	34	28	14
Trees pruned	706	274	470	444	171	24	20
Trees removed	10	23	12	18	18	37	50
Sewer cleaned/inspected (LF)	90,000	90,000	186,055	186,055	186,055	155,761	151,659
Sewer Manhole inspected (each)	n/a	n/a	n/a	n/a	n/a	n/a	346
Sewer lines inspected (LF)	n/a	n/a	n/a	n/a	n/a	n/a	500
Meters replaced	152	105	111	463	624	479	398
Valves exercised	450	137	350	234	257	829	583
Pot holes repaired	n/a	78	66	106	106	87	14
Recreation and Community Services							
Number of participants:							
Recreation classes	n/a	1,476	1,518	1,419	1,008	1,658	1,382
Aquatic	n/a	2,348	3,665	3,398	3,720	3,584	3146
Summer pool memberships	n/a	13	7	22	22	10	16
Annual Events	n/a	729	671	738	708	758	789
Huck Finn (campsites)	n/a	34	34	28	37	41	43
Oktoberfest	n/a	64	57	59	55	73	70
Mt. Wilson Trail Race	n/a	355	335	335	328	319	323
Window Painting	n/a	74	72	130	119	163	163
Halloween Happenings	n/a	154	131	133	149	153	153
Whale Watching	n/a	48	42	53	20	47	37

The City has elected to show only seven years of data for this schedule.

CITY OF SIERRA MADRE
Operating Indicators by Function, (continued)

	Fiscal Year Ended June 30,						
	2006	2007	2008	2009	2010	2011	2012
Library							
Number of:							
Registered borrowers	13,308	13,968	10,942	10,970	11,162	11,292	11,994
Circulation	101,461	81,879	90,985	101,513	107,535	111,384	105,121
Reference	6,947	7,208	5,823	5,707	6,682	7,781	6,705
Book volumes held	61,150	61,515	59,037	59,540	58,956	56,415	55,845
User's of E-Resources	14,155	15,226	14,104	12,762	14,288	13,962	13,312
Media	4,486	4,688	4,982	4,940	5,381	5,301	5,323
Periodicals	106	115	115	108	119	115	115
Municipal Utilities							
Number of:							
Number of Customers							
Commercial	n/a	105	106	110	111	110	111
Multi-Unit	n/a	353	353	351	356	354	356
Residential	n/a	3,136	3,184	3,198	3,312	3,284	3,255
City	n/a	75	75	75	75	75	75
Water Served (cubic feet)	947	1,051	1,146	956	1,010	1,086	1,212
Administrative Services							
Number of:							
Number of Customers							
Online Bill Pay (average)	n/a	n/a	n/a	n/a	n/a	n/a	155
Business Licenses Issued	n/a	1,180	1,200	1,266	1,275	1,288	1,232
Development Services							
Number of:							
Conditional Use Permit		18	5	2	7	5	13
Minor Conditional Use Permit		6	8	5	5	3	2
Variance		4	7	4	4	2	4
Minor Variance		8	3	5	5	-	-
Municipal Code Text Amendment		5	4	1	1	3	2
Building Permit		302	242	245	125	242	304
Electrical Permit		187	123	132	86	57	81
Mechanical Permit		111	188	75	22	36	38
Plumbing Permit		184	133	104	45	49	59
Sewer		18	8	9	2	6	13

The City has elected to show only seven years of data for this schedule.

CITY OF SIERRA MADRE
Fixed Assets - Current Value

		Fiscal Year Ended June 30,	
		2007	2008
Roadways	Pavement AC (Governmental Funds-ISF Facilities)	\$ 22,116,904	\$ 17,056,270
Street Appurtenances	Bridges (Governmental Funds-ISF Facilities)	276,685	86,464
Parks	Park Structures (Governmental Funds-ISF Facilities)	534,527	184,980
	Trees (Governmental Funds-ISF Facilities)	1,070,400	1,206,214
Wastewater	Manholes (Sewer)	1,649,811	893,647
	Sewer Pipelines (Sewer)	5,848,948	3,168,180
Domestic Water Network	Spreading Basins (Water)	1,959,726	1,356,188
	Pump Stations (Water)	1,308,070	1,756,896
	Meters (Water)	857,703	71,475
	Pipelines (Water)	9,127,009	4,107,154
	Pressure Reducing Stations (Water)	649,490	381,575
	Fire Hydrants (Water)	500,453	225,204
	Wells (Water)	2,010,791	904,856
	Reservoirs (Water)	7,032,861	12,824,440
Buildings	All		
	Buildings (Water Fund)	410,645	201,216
	Buildings (Sewer Fund)	410,645	201,216
	Buildings (Government-ISF Facilities)	11,782,716	7,822,061
Land	All		
	Land (Water Fund)	1,483,250	1,483,250
	Land (Government-ISF Facilities)	162,275,945	162,275,945
General Equipment	All		
	Vehicle & Equipment (Water Fund)	418,332	55,804
	Vehicle & Equipment (Sewer Fund)	237,656	19,203
	Vehicle & Equipment (Government-GASB34 only)		
	Vehicle & Equipment (Government-ISF Fleet)	1,926,882	340,274
	Accounting Software (Governmental-ISF Administration)		
Total		\$ 233,889,449	\$ 216,622,513

The City has elected to show only six years of data for this schedule.

Fiscal Year Ended June 30,			
2009	2010	2011	2012
\$ 16,209,394	\$ 15,364,491	\$ 14,523,998	\$ 13,686,599
79,547	72,630	65,713	58,796
183,792	172,614	164,767	156,919
		73,317	167,586
1,206,214	1,206,214	1,206,214	1,206,214
866,151	838,654	811,157	783,660
3,070,698	2,973,215	2,875,733	2,778,250
1,257,907	1,225,146	1,192,386	1,159,626
1,702,838	1,648,780	1,594,721	1,540,663
42,885	14,295	-	-
3,924,614	3,742,074	3,559,533	3,376,993
365,338	349,101	332,864	316,626
215,195	205,186	195,177	185,168
864,640	824,424	784,209	743,993
14,539,434	14,399,392	14,195,770	13,992,147
176,577	168,365	160,152	151,939
176,577	168,365	160,152	151,939
7,273,863	7,050,994	6,825,034	6,599,074
1,483,250	1,483,250	1,483,250	1,483,250
162,275,945	162,275,945	162,275,945	162,275,946
39,215	27,081	20,780	14,820
18,522	3,841	404,918	404,918
	270,108	794,752	740,834
520,740	1,021,846	980,860	881,965
	369,848	484,029	459,827
\$ 216,493,335	\$ 215,875,857	\$ 215,165,429	\$ 213,317,751