

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

City of Sierra Madre, California  
For the Fiscal Year Ended  
June 30, 2014



# Comprehensive Annual Financial Report

## City of Sierra Madre, California

For the Fiscal Year Ended June 30, 2014



**Prepared by the Finance Department**

Misty V. Cheng, Interim Finance Director

City of Sierra Madre  
232 West Sierra Madre Boulevard  
Sierra Madre, CA 91024

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January 13, 2015

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

To the Honorable Mayor, Members of the City 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, 2014. The report complies with the 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 is presented 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, 2014, 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, 2014, 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 Finance 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 63 full time employees consisting of nine departments, including a full Police Department and a hybrid paid-volunteer Fire Department. Volunteers are an integral part the City organization and community service 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 Successor 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 \$21 million budget that funds 63 full-time employees assigned to nine 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 they serve. 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 and the Proposition 8 Property Tax adjustments. Added to the difficulty in maintaining a balanced budget is that insurance, pension, and other cost drivers have increased 3-5% annually; outpacing revenues by an average of more than 2% year over year. This impacts the City's purchasing power making it difficult to maintain the same level of services. This is true in all departments/funds.

In the City's Statement of Activities and Changes in Net Position: total revenues increased by \$459,286 or 5.91 percent; and total expenses decreased by \$981,181, or 5.94 percent. The total net position increased by \$2,428,098 or 1.12 percent. As noted, the City had a slight increase in total revenues, with the majority coming from one-time general fund revenue increases. These include \$266,000 from the dissolution of the City's Redevelopment Agency, \$100,000 from the Athens contract extension and approximately \$45,000 in increased Development Fees.

Overall it should be noted that the City's finances are segregated into more than 90 independent funds that must be self-balancing. So while some funds added to reserves, many others are still utilizing reserves to fund operational or capital needs for the City.

The City's General Fund budgeted revenues exceeded budgeted expenditures by over \$1.5 million for FY 2013-2014. Actual revenues exceeded actual expenditures by the same amount of \$1.5 million for FY 2013-2014. Actual expenditures exceeded the budgeted expenditures in the General Fund by \$108,066.

The City's General Fund continues to be financially reliant on the Utility User Tax (UUT). The UUT has grown to over 30% of the General Fund's revenue as a result of a voter approved increase in the UUT rate in 2008. The City Council placed a UUT ballot measure before the voters at the April 2014 election, to extend the current sunset until 2022. Unfortunately, the ballot measure did not pass and the City's General Fund is estimated to have a shortfall of almost \$1 million (on-going) beginning in FY 2017-2018; or more than a 12% loss. This is in addition to inflationary cost increases that continue to outpace incoming revenues.

***Major Accomplishments for the Year:***

- City Council unanimously recommended and adopted a water rate increase
- Persuaded the Raymond Basin Management Board to implement a 500-foot rule
- Planted 69 trees, using an LA County grant of \$40,000, to replace trees lost in the windstorm
- Implemented new volunteer software
- Allocated excess reserves for deferred maintenance projects, e.g., new roof for City Hall and the Public Safety building, painting City Hall, painting the Library
- Revised the Tree Ordinance to create processing efficiencies
- Allocated four Sommer scholarships for furthering library education for staff
- Doubled the number of volunteers on the Citizens' Patrol
- Adopted a Five-Year Water Master Plan
- Authorized a storage room addition to the Hart Park House
- Finished the Smart Classroom Project with a \$42,000 Dept. of Homeland Security grant
- Completed three 'meet and confers' with the State Dept. of Finance regarding the dissolution of Redevelopment
- Implemented a Teen Docent Program at the Library
- Generated about \$25,000 for senior programs
- Painted the Richardson House Museum with volunteer labor
- Joined the San Gabriel Valley Economic Partnership
- Amended the Historical Society MOU (memorandum of understanding) with the Library
- Processed over 300 water conservation target applications and approved 90%
- Began the Mountain Trail water main replacement Project

- Revised second unit development standards to support housing policy objectives
- Began the process to re-landscape City Hall with drought-resistant plants
- Joined the 710 Alliance
- Planning Commission reviewed the General Plan Update
- Adopted the 2014-2021 Housing Element Update
- Completed the Tree Master Plan
- Completed the Grandview water connection
- Completed the Library Strategic Plan
- Granted local Historic Landmark status to the Blumer farmhouse at 390 Olive Tree Lane
- Completed the 2012-2013 Street Program
- Implemented a transparent Prop 218 process for the water rate increase
- Updated the Publicity Policy to allow non-profits to post on city social media in electronic mailings
- Reduced the permit fee for block parties from \$120 to \$49
- Implemented three new utility billing enhancements
- Adopted a Collection Policy and signed a contract with a collection agency
- Adopted a Stale-Dated Check Policy and procedures
- Presented the enhanced Watershed Management Plan
- Presented the 2013-2014 street projects to the City Council
- Began the update of the Senior Master Plan
- Repainted and refurbished the living quarters at the Fire Dept. with volunteer labor and materials
- Completed the Well 6 bypass
- Increased the Neighborhood Watch Program from 3 to 4 per month
- Held an EIR scoping meeting for the General Plan Update
- Inventoried, organized and provided secure storage for the Library's art collection
- Lobbied congressional representatives for water infrastructure funding
- The Tree Master Plan was funded with a \$35,000 grant from Cal Fire
- Authorized a 30% permit fee reduction for gray water systems to promote water conservation
- Received \$13,000 in three grants for the Library from the State Library
- Initiated proceedings with the Raymond Basin Management Board to ensure correct recordation of water well production

## **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, 2014.

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 \$800,073 as of June 30, 2014.

The City's Water Fund has two Water Revenue Bonds and one interest free loan as of June 30, 2014:

1. Water Revenue Bonds (1998 Series) with an outstanding balance of \$2,245,000
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 \$1,019,812

The City's Successor Agency (former Community Redevelopment Agency) has a Tax Increment Revenue Refunding Bond (1998 Series) with an outstanding balance of \$2,030,000 as of June 30, 2014.

The City made all required debt obligations in a timely manner in FY 2013-2014. Please refer to Note 6 of the Financials.

### ***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 \$1,649,700 in budgeted projects for FY 2013-2014; of these projects, about 45% were either started or completed in this budget cycle. The CIP includes improvements to wells, streets, sidewalks, and buildings. 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 an identified 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 10 in the notes to the financial statements.

The City provides post-employment health benefits to its eligible 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

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 2011, the City Council authorized staff to initiate a pre-funding agreement with CalPERS CERBT OPEB Trust Fund for the City's unfunded liability. The City Council chose a 10 year amortization policy and made a payment of \$179,816 in FY 2013-2014. An additional payment of \$120,184 was authorized by the City Council in June 2014. Additional information on the plan can be found in Note 12 in the notes to the financial statements.

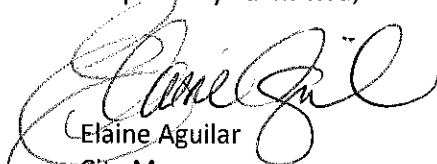
**Independent Audit**

The City requires an annual audit by independent certified public accountants. The accounting firm of *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.

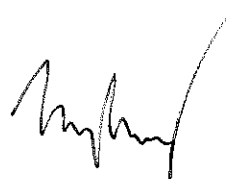
**Acknowledgements**

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff and the many departments that assist in its preparation. 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,

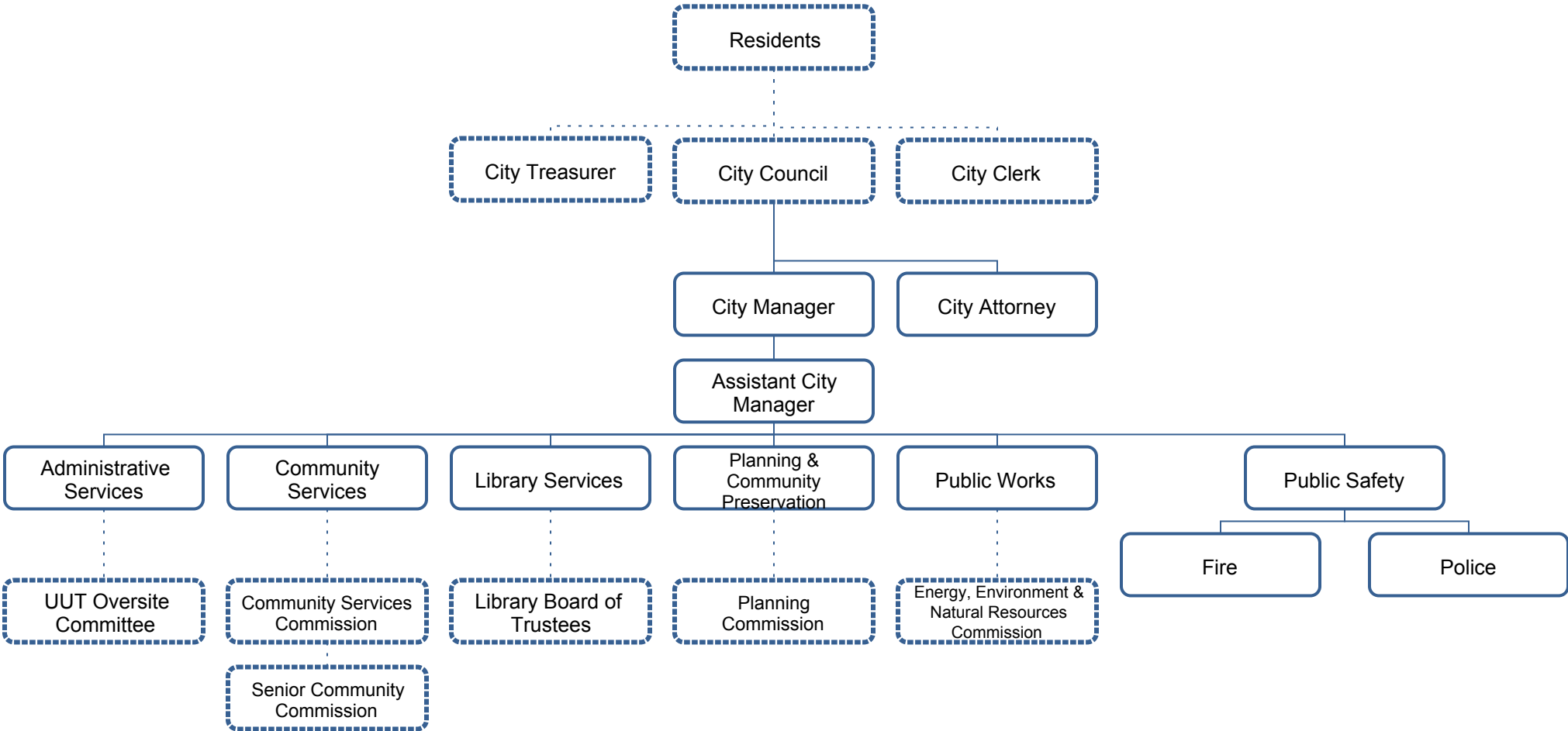


Elaine Aguilar  
City Manager



Misty V. Cheng  
Interim Finance Director

# City of Sierra Madre Organizational Chart



# City of Sierra Madre, California

*Village of the Foothills*

## Comprehensive Annual Financial Report



**For the Year Ending June 30, 2014**

Sierra Madre, California

### City Council and Elected Officials

John Harabedian

John Capoccia

Rachelle Arizmendi

Denise Delmar

Gene Goss

Nancy Shollenberger

Richard Mays

Mayor

Mayor Pro Tempore

Council Member

Council Member

Council Member

City Clerk

City Treasurer

### Executive Management

Elaine Aguilar

Elisa Cox

Terri Highsmith

Misty V. Cheng

Leticia Cardoso

Steve Heydorff

Carolyn Thomas

Larry Giannone

Bruce Inman

City Manager

Assistant City Manager

City Attorney

Interim Finance Director

Acting Development Services Director

Fire Chief

Director of Library Services

Director of Public Safety

Public Works Director



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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
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To the Honorable Mayor and Members of City Council  
City of Sierra Madre, California

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

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 City of Sierra Madre, California (the City), as of and for the year ended June 30, 2014, and the related notes to the financial statements; which collectively comprise the City's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

#### PARTNERS

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
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#### MANAGERS / STAFF

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Brianna Pascoe, CPA

#### MEMBERS

American Institute of  
Certified Public Accountants

PCPS The AICPA Alliance  
for CPA Firms

Governmental Audit  
Quality Center

California Society of  
Certified Public Accountants

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the 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 of Sierra Madre, California, as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

#### *Implementation of new pronouncements*

As discussed in Note 1 to the financial statements, in 2014 the City adopted new accounting guidance, GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and 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 an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

The combining and individual nonmajor fund financial statements and nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial

statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the nonmajor fund budgetary comparison schedules are 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.

#### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2015, on our consideration of the City of Sierra Madre, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sierra Madre, California's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Rogers Anderson Maloof & Scott, LLP". The signature is written in black ink and is positioned above the typed name of the firm.

San Bernardino, CA  
January 13, 2015

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Management's Discussion and Analysis For the Year Ending June 30, 2014**

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**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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**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, 2014. This is the eighth year the report complies with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. This financial reporting model changed the format of the City's financial statements. It 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 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 Position 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 22 and 24). The 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 position increased \$1,942,138, or 1.00 percent; and net position of the business-type activities increased by \$582,396, or 2.83 percent.
- During the year, the City's General Fund reserves increased by \$496,254, or 8.34 percent, and total governmental funds reserves increased \$1,218,211, or 12.29 percent.
- In the City's proprietary funds, the Water Fund increased fund equity by \$567,980; the Sewer Fund decreased \$99,022, Non-Major Enterprise Funds increased \$113,438; and total Internal Service Funds increased \$562,789.



**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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**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 Position 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*.

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 are 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.

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.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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The statement of net position presents information on all of the City's assets and liabilities, with the excess of assets over liabilities reported as net position. This statement includes changes in "capitalized and depreciated" capital assets. The purpose behind the statement of net position is that, over time, increases or decreases in the net position 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 position 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 18 through 20 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. In addition, in order to meet legal responsibilities for using certain taxes, grants, and other resources, prudent fiscal management requires the establishment of other funds to help control and manage money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

**Governmental funds:** Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the governmental fund financial statements and those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement (see pages 18 through 20 and 22 through 24 of this report).

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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The City maintains 52 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 and the Low & Moderate Income Housing Asset Fund, of which are considered to be major funds. Major funds determination is based on guidelines established by GASB 34. Data for the other 52 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 66 of this report.

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. With the dissolution of Redevelopment (AB1x26), the City no longer reports any component units.

**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 25 through 27 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 are 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.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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The City's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets found on pages 28 through 29. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to the Financial Statements**

The notes provide additional information that is essential to 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 30 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 64 through 66 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 Position and the Statement of Activities**

The Statement of Net Position 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 position and changes in them. Net position is 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 position 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 Position 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, 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, 2014**

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**Government-wide Financial Analysis**

Our analysis focuses on the City's net position (Table 1) and the changes in net position (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 Position:** Net Position, 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 position (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 \$218,349,602 at the close of the most recent fiscal year. This year, the City's net position, including both the governmental activities and business-type activities, increased by \$2,524,534.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2014	2013	2014	2013	2014
<u>Assets:</u>						
Current and Other Assets	\$ 13,327	\$ 15,191	\$ 5,325	\$ 5,572	\$ 18,652	\$ 20,763
Non-Current Assets	1,980	2,105	-	-	1,980	2,105
Capital Assets	184,960	183,566	26,652	26,239	211,612	209,805
TOTAL ASSETS	200,267	200,862	31,977	31,811	232,244	232,673
<u>Liabilities:</u>						
Current and Other Liabilities	1,952	1,676	1,038	887	2,990	2,563
Non-Current Liabilities	3,074	2,003	10,355	9,757	13,429	11,760
TOTAL LIABILITIES	5,026	3,679	11,393	10,644	16,419	14,323
<u>Net Position:</u>						
Net investment in capital assets	184,344	183,026	15,804	15,964	200,148	198,990
Restricted	9,997	13,952	1,149	1,150	11,146	15,102
Unrestricted	900	205	3,631	4,053	4,531	4,258
TOTAL NET POSITION	\$ 195,241	\$ 197,183	\$ 20,584	\$ 21,167	\$ 215,825	\$ 218,350

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

**Statement of Activities and Changes in Net Position:** 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 position are presented in the Statement of Activities (Table 2). Total revenues increased by approximately \$1.3 million, or 7.80 percent; and total expenses decreased by \$1.9 million, or 11.51 percent.

TABLE 2  
CHANGES IN NET POSITION  
(In Thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2013	2014	2013	2014	2013	2014
<u>Revenues:</u>						
Program Revenues:						
Charges for Services	\$ 2,512	\$ 3,526	\$ 4,526	\$ 4,979	\$ 7,038	\$ 8,505
Operating Grants and Contributions	992	1,237	-	-	992	1,237
Capital Grants and Contributions	-	-	317	259	317	259
General Revenues:						
Taxes	7,740	8,217	-	-	7,740	8,217
Investment Income	22	11	-	7	22	18
Other Sources	15	(854)	-	-	15	(854)
<b>TOTAL REVENUES</b>	<b>11,281</b>	<b>12,137</b>	<b>4,843</b>	<b>5,245</b>	<b>16,124</b>	<b>17,382</b>
<u>Expenses:</u>						
General Government	2,351	743	-	-	2,351	743
Public Safety	5,241	5,525	-	-	5,241	5,525
Public Works	1,311	1,499	-	-	1,311	1,499
Development	874	993	-	-	874	993
Culture and Recreation	1,450	1,407	-	-	1,450	1,407
Interest Expense	8	24	-	-	8	24
Water	-	-	4,244	3,542	4,244	3,542
Sewer	-	-	1,023	844	1,023	844
Recreation Services	-	-	116	132	116	132
Strike Team	-	-	112	93	112	93
Filming	-	-	59	55	59	55
<b>TOTAL EXPENSES</b>	<b>11,235</b>	<b>10,191</b>	<b>5,554</b>	<b>4,666</b>	<b>16,789</b>	<b>14,857</b>
Excess (deficiency) in net position before transfers and extraordinary item	46	1,946	(711)	579	(665)	2,525
Transfers	(47)	(4)	47	4	-	-
Increase (decrease) in net position	(1)	1,942	(664)	583	(665)	2,525
Net position, beginning of year, as restated	195,242	195,241	21,248	20,584	216,490	215,825
<b>Net position, end of year</b>	<b>\$195,241</b>	<b>\$197,183</b>	<b>\$ 20,584</b>	<b>\$21,167</b>	<b>\$ 215,825</b>	<b>\$ 218,350</b>

**CITY OF SIERRA MADRE**

**Management’s Discussion and Analysis**

**For the year ended June 30, 2014**

**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, 2014

	Total Cost of Services	Total Program Revenues	Net Cost of Services
General Government	\$ 743	\$ 976	\$ 233
Public Safety	5,525	759	(4,766)
Public Works	1,499	710	(789)
Development	993	1,731	738
Culture and Recreation	1,407	587	(820)
Interest Expense	24	-	(24)
	<u>\$ 10,191</u>	<u>\$ 4,763</u>	<u>\$ (5,428)</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.

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

	REVENUES		EXPENDITURES		TRANSFERS & EXTRAORDINARY GAINS/(LOSSES)		TOTAL CHANGE IN FUND BALANCE	
	2013	2014	2013	2014	2013	2014	2013	2014
General Fund	\$ 8,801	\$ 9,270	\$ 6,927	\$ 7,746	\$ (1,049)	\$ (1,028)	\$ 825	\$ 496
Low/Mod Income Housing Fund	-	-	493	-	-	-	(493)	-
Other Governmental Funds	2,413	3,745	2,620	3,644	1,048	621	841	722
TOTAL	<u>\$11,214</u>	<u>\$13,015</u>	<u>\$10,040</u>	<u>\$11,390</u>	<u>\$ (1)</u>	<u>\$ (407)</u>	<u>\$ 1,173</u>	<u>\$ 1,218</u>

**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 increased by \$496,254 in FY 2013-2014. General Fund revenues increased by approximately \$469,000, or 5.33 percent; expenditures increased by approximately \$819,000, or 11.82 percent; and net transfers out decreased by approximately \$21,000, or 2.00 percent. Other governmental funds increased total fund balance by \$721,957 in FY 2013-2014, primarily from the delay of street improvements that began July 2013.

## CITY OF SIERRA MADRE

### Management's Discussion and Analysis For the year ended June 30, 2014

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At June 30, 2014, the fund balance for the General Fund was \$6,446,334; however the City Council has committed and assigned certain amounts adjusting the unassigned fund balance to \$553,476.

TABLE 4-a

#### FUND BALANCES FOR GENERAL FUND

General Fund Reserves for the Year Ending June 30, 2013	\$	5,950,080
Total Revenue		9,270,041
Total Expenditures		7,745,442
Net Budgeted Transfers, In/(Out)		(1,028,345)
General Fund Reserves for the Year Ending June 30, 2014	\$	<u>6,446,334</u>
<i>Nonspendable</i>	\$	2,547
<i>Committed Reserves</i>		
Document Management		15,000
PW Bridge Maintenance		53,000
NPDES		390,990
Public Safety/City Hall Roofs		160,000
Exterior Library Paint		35,000
Street and Sidewalk repairs		404,000
NPDES Catch Basin		52,300
City Parking Lot Maintenance		45,000
Police Dept Part-time Patrol Officer		100,000
<i>Assigned Reserves</i>		
50% of operating revenues-reserve policy		4,635,021
<i>Unassigned Reserves</i>		553,476

The unassigned General Fund reserves were accumulated over time, at the rate of approximately \$200,000 annually, between 2009 and 2013. The total unassigned General Fund reserves decreased as a result of a shift to increasing the committed reserves. The unassigned General fund reserves are the result of:

- Un-obligating reserves for items such as the Windstorm and the Santa Anita fire;
- Fluctuations in assigned reserves (50% of annual operating revenues per the City's fund balance policy);
- Council authorized changes in committed reserves (setting aside funds for designated purposes); and
- Year End Operating surpluses/deficits

Historical trends of the General Fund reserves can be seen in the Statistical Section located at the end of the financials.

**Business-Type Funds:** As shown in the Statement of Activities and Changes in Net Position, the Enterprise Funds had a total change in net position of \$582,396, or 2.83 percent. The Water fund had an increase in net position of approximately \$567,980, or 3.71 percent; and the Sewer Fund had a decrease in net position of approximately \$99,022, or 1.93 percent. At the close of FY 2013-2014, the total net position of the City's Internal Service Funds increased by \$562,789.



**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

TABLE 5  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
(In Thousands)

	REVENUES		EXPENSES		CONTRIBUTIONS & TRANSFERS		TOTAL CHANGE IN NET POSITION	
	2013	2014	2013	2014	2013	2014	2013	2014
Water	\$ 3,875	\$ 4,110	\$ 3,980	\$ 3,542	\$ -	\$ -	\$ (105)	\$ 568
Sewer	723	745	1,022	844	-	-	(299)	(99)
Other Enterprise Funds	244	389	287	279	47	4	4	114
<b>TOTAL</b>	<b>\$4,842</b>	<b>\$5,244</b>	<b>\$5,289</b>	<b>\$4,665</b>	<b>\$ 47</b>	<b>\$ 4</b>	<b>\$ (400)</b>	<b>\$ 583</b>
Governmental Activities-								
Internal Service Funds	\$ 3,940	\$ 3,986	\$ 5,135	\$ 4,513	\$ (46)	\$ 1,090	\$ (1,241)	\$ 563

**Capital Assets and Debt Administration**

**Capital Assets**

By the close of FY 2013-2014, the City has decreased approximately \$1.39 million to the governmental fund capital assets current net value; of which, the City recorded approximately \$676,000 million in net depreciation, and approximately \$718,000 decrease in infrastructure and vehicle and equipment.

The City has decreased approximately \$413,000 in the business-type activities capital assets current net value at June 30, 2014. The business-type capital assets recorded \$724,854 in depreciation for the fiscal year.

Table 6 outlines these major changes without depreciation to the Net Capital Assets. See Note 5 for more information (pages 45 through 46).

TABLE 6  
CHANGE IN CAPITAL ASSETS  
As of June 30, 2014

	Current Replacement Cost	Original Estimated Cost	Accumulated Depreciation	Current Net Value
New Vehicle Purchases for 13-14	\$ 39,260	\$ 39,260	\$ (1,963)	\$ 37,297
New Equipment for 13-14	90,587	90,587	(2,465)	88,122
<i>Change in Vehicle and Equipment</i>	<u>\$ 129,847</u>	<u>\$ 129,847</u>	<u>\$ (4,428)</u>	<u>\$ 125,419</u>
Work in Progress for the Interconnection to SGVMWD				
Domestic Water Network-Pipelines completed in 13-14	\$ (316,960)	\$ (316,960)	\$ -	\$ (316,960)
<i>Change in Work in Progress</i>	<u>\$ (316,960)</u>	<u>\$ (316,960)</u>	<u>\$ -</u>	<u>\$ (316,960)</u>
Interconnection to SGVMWD Domestic Water Network-Pipelines (Water)	\$ 575,812	\$ 575,812	\$ -	\$ 575,812
FY 12-13 Street Rehabilitation Project	(794,448)	(794,448)	626,931	(167,517)
<i>Change in Infrastructure</i>	<u>\$ (218,636)</u>	<u>\$ (218,636)</u>	<u>\$ 626,931</u>	<u>\$ 408,295</u>
Total Change in Capital Assets	<u>\$ (405,749)</u>	<u>\$ (405,749)</u>	<u>\$ 622,503</u>	<u>\$ 216,754</u>

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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**Debt Administration**

At the end of FY 2013-2014, the City had total long-term debt outstanding of \$8,995,000 (of which \$405,000 is due in FY 2013-2014) 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 \$1,019,812 (of which \$145,688 is due in FY 2013-2014) at June 30, 2014.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide debt as of June 30, 2014 was \$800,073 (of which \$118,725 is due in FY 2013-2014). Additional information on the City's long-term debt can be found in Note 6 of the Financial Statements (pages 47 through 51).

**Economic Condition and Budget Outlook**

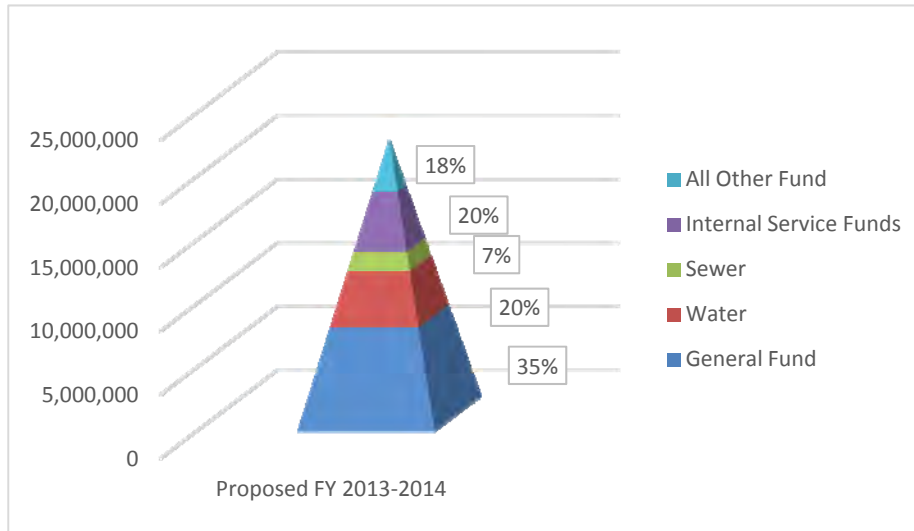
The City is a full service municipality operating with a \$20 million budget that funds 63 full-time employees assigned to eight operating departments and includes its own water and sewer utilities. For more than a decade the City of Sierra Madre had maintained expenditures under the available resources, but this has not always been easy. Like most governments since the recent recession, Sierra Madre has received relatively flat revenues despite increases in insurance, pension, and other cost drivers. In order to provide a balanced budget, the City expenditures have had to be re-benchmarked lower each budget year to remain aligned with incoming revenues. In addition to the impacts of the five year recession, in FY 2011-2012, the State dissolved redevelopment and the General Fund was faced with absorbing most of these costs.

For FY 2013-2014 the City further reduced its staffing through attrition, resulting in a decrease of an additional two full-time employees. In addition, filling vacant positions was delayed to further increase cost savings. This resulted in the delay of some projects and programs.

**General Fund**

The City's largest fund is the General fund and its revenues are approximately \$9 million. It provides the resources necessary to sustain the day-to-day activities and services to the community. All nine departments receive support from the General Fund, either directly or indirectly in the form of subsidies (recorded as Transfers Out in the financials) or cost allocation (overhead). The General Fund supports more than half of the City's total personnel costs and supports 38% of the City's operations (see chart on next page).

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**



The City of Sierra Madre, with a population of approximately 11,000, is primarily a residential community. Its small size and quiet neighborhoods lends itself to the small town atmosphere the residents are proud to maintain. This, however, does not lend itself to a commercial base; thus, the City receives its significant support from property tax and utility user tax (UUT). At fiscal year ending June 30, 2004, Property Tax and VLF/Property Tax backfill constituted over 58% of the City's General Fund resources, UUT was 17%, Franchise Fees were 6%, and all other revenues combined were 19%. Today that same ratio has changed to reflect: 53% Property Tax and VLF/Property Tax Backfill; 31% Utility User Tax and 16% other sources which includes Franchise fee, Sales Tax, and Business Licenses. Nearly 12 years later, the City is still collecting less in Sales Tax than it did pre-recession.

Over the last decade, the Los Angeles and California housing economy experienced the 2004 housing boom and the 2008 housing market crash. During the last six years, unlike most of Los Angeles County, Sierra Madre's housing market, while not experiencing great gains has not had a negative growth. During the housing boom the City's property tax collection grew from \$2.1 million to \$3.1 million between 2004 and 2008. Since the housing recession and subsequent "Proposition 8" reductions and property tax re-assessments, the City's Property Tax income has only increased \$86,000, or less than 2.6%, in total over the last five years (2009-2012).

In fiscal year ending June 30, 2014, the City property tax revenue was \$4,206,132. The increase of \$467,562 over FY 2012-2013 was the highest gain during all five prior years combined. This increase included \$266,000 in one-time revenue from the dissolution of the former Redevelopment Agency.

The median sale price of a single family home in Sierra Madre for 2014 was \$789,000. This represents a \$52,750 (7.2%) increase in median sale price from 2013. Los Angeles County (as a whole) has a median sale price of \$450,000, a \$25,000 increase from last year. FY 2013-2014 marks the first full Proposition 13 increase (2 percent) applied since the 2007 recession began; however, it is going to be short lived. Consumer Price Indexes (CPI) for the last 12 months have averaged between 1.4 percent and 1.8 percent; lower than the two (2) percent of Proposition 13. Therefore, it is likely that Los Angeles Assessor's office will be applying a countywide adjustment of less than 1.5 percent to next year's tax rolls.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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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, the Paramedic Program and public safety salaries, through a 2008 voter advisory measure. As a result, the UUT has provided the necessary funding to allow for salary increases to the Police Association and 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 or in April 2014 by the voters. Without an extension to the 2008 UUT ordinance, the UUT collection rate will be diminishing to 8% on July 1, 2015 and diminish again by 2% down to 6% on July 1, 2016. This loss is estimated to be \$265,000 per one (1) percent loss in tax rate and be an aggregate loss of over \$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.

**Water Fund**

The City Water fund utility is the City's second largest fund. As a proprietary fund, the fund must collect fees for the services (water) that it provides and should be self-funding. In other words, the water fund must perform as if it were a separate business that should stand alone from the other city funds.

The City Water fund increased its rates during FY 2013-2014. Prior to 2010, the City last raised its rates in 2003 when it issued new bonds. The rate increases for 2006, 2007, 2008, and 2009 - were not implemented because of changes in State laws. As a result, by 2010, the rates assumed to fund operational, capital and debt were more than 20% below anticipated revenues. (Between 2006 and 2009 – costs continued to increase while revenues remained flat.)

In FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. The new rates have been in effect since March 2014. The rate study estimates that the fund balance will be trending upward and the City should be able to comply with its bond covenants of 120 percent by FYE 2015 and thereafter.

The second factor is capital maintenance and improvements. During FY 2008-2009 when the prior rate study began, the City had just completed almost \$20 million in infrastructure improvements. The rate study therefore was absent any new capital projects with the hope that the fund reserves would rebound and new projects could take place at the end of the rate study period. However, three of the City's four wells have needed major repairs. Other maintenance items that were planned to be delayed, instead, needed to be prioritized and repaired at a faster pace than was predicted.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2014**

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**Sewer Fund**

The City Sewer fund utility is the City's third largest fund. As a proprietary fund, the fund must collect fees for the services (sewer discharge) that it provides and should be self-funding. The City Sewer fund last increased its rates in 2002. Similar to the Water fund, following the rate increase in 2003, the Sewer fund was unable to implement rate increase because of changes to State law. In 2008, the City considered a rate proposal for the Sewer fund, but instead focused on rate increases in the Water Fund because there was greater fiscal need there. Because the Sewer Fund was unable to meet its operational, capital and debt needs, in FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. The new rates have been in effect since March 2014.

**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, 2014**

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**CITY OF SIERRA MADRE**

**Statement of Net Position**

**June 30, 2014**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 13,442,092	\$ 3,838,954	\$ 17,281,046
Restricted cash and investments with fiscal agents	-	1,149,456	1,149,456
Receivables:			
Accounts	155,395	581,561	736,956
Taxes	437,588	-	437,588
Grants	36,411	-	36,411
Interest	4,005	-	4,005
Due from other governments	11,992	-	11,992
Prepays	1,103,197	1,650	1,104,847
Total current assets	15,190,680	5,571,621	20,762,301
Noncurrent assets:			
Net other post-employment benefits (OPEB) asset	422,580	-	422,580
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	20,083,667	24,755,922	44,839,589
Total noncurrent assets	185,671,404	26,239,172	211,910,576
Total assets	200,862,084	31,810,793	232,672,877
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	819,024	111,230	930,254
Accrued payroll and related liabilities	348,560	65,227	413,787
Interest payable	8,329	77,597	85,926
Deposits and retentions	95,764	19,709	115,473
Claims payable - current	197,000	-	197,000
Compensated absences - current	127,412	23,812	151,224
Capital lease payable - current	80,081	38,644	118,725
Note payable - current	-	145,688	145,688
Bonds payable - current	-	405,000	405,000
Total current liabilities	1,676,170	886,907	2,563,077
Noncurrent liabilities:			
Claims payable	1,161,057	-	1,161,057
Compensated absences	382,234	71,435	453,669
Capital lease payable	459,573	221,775	681,348
Note payable	-	874,124	874,124
Bonds payable	-	8,590,000	8,590,000
Total noncurrent liabilities	2,002,864	9,757,334	11,760,198
Total liabilities	3,679,034	10,644,241	14,323,275
<b>Net Position:</b>			
Net investment in capital assets	183,026,172	15,963,941	198,990,113
Restricted	13,952,436	1,149,456	15,101,892
Unrestricted	204,442	4,053,155	4,257,597
Total net position	\$ 197,183,050	\$ 21,166,552	\$ 218,349,602

See accompanying notes to basic financial statements.



**CITY OF SIERRA MADRE**

**Statement of Activities and Changes in Net Position**

**For the year ended June 30, 2014**

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 742,540	\$ 975,749	\$ -	\$ -	\$ 975,749
Public safety	5,525,072	610,697	148,395	-	759,092
Public works	1,499,333	139,050	570,760	-	709,810
Development services	993,035	1,731,491	-	-	1,731,491
Culture and recreation	1,407,243	68,576	518,334	-	586,910
Interest on long-term debt	23,697	-	-	-	-
<b>Total governmental activities</b>	<b>10,190,920</b>	<b>3,525,563</b>	<b>1,237,489</b>	<b>-</b>	<b>4,763,052</b>
Business-type activities:					
Water	3,542,092	3,846,702	-	258,882	4,105,584
Sewer and Storm Drain	844,486	743,465	-	-	743,465
Recreation services	131,897	219,996	-	-	219,996
Special services	92,752	97,867	-	-	97,867
Film services	54,817	70,313	-	-	70,313
<b>Total business-type activities</b>	<b>4,666,044</b>	<b>4,978,343</b>	<b>-</b>	<b>258,882</b>	<b>5,237,225</b>
<b>Total primary government</b>	<b>\$ 14,856,964</b>	<b>\$ 8,503,906</b>	<b>\$ 1,237,489</b>	<b>\$ 258,882</b>	<b>\$ 10,000,277</b>

General revenues:

Taxes:

Property taxes

Sales taxes

Utility user taxes

Other taxes

Investment earnings

Loss on disposal of property

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to basic financial statements.

Net (expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
\$ 233,209	\$ -	\$ 233,209
(4,765,980)	-	(4,765,980)
(789,523)	-	(789,523)
738,456	-	738,456
(820,333)	-	(820,333)
(23,697)	-	(23,697)
<u>(5,427,868)</u>	<u>-</u>	<u>(5,427,868)</u>
-	563,492	563,492
-	(101,021)	(101,021)
-	88,099	88,099
-	5,115	5,115
-	15,496	15,496
<u>-</u>	<u>571,181</u>	<u>571,181</u>
<u>(5,427,868)</u>	<u>571,181</u>	<u>(4,856,687)</u>
4,509,430	-	4,509,430
274,998	-	274,998
2,444,856	-	2,444,856
987,781	-	987,781
11,671	6,826	18,497
(854,341)	-	(854,341)
(4,389)	4,389	-
<u>7,370,006</u>	<u>11,215</u>	<u>7,381,221</u>
1,942,138	582,396	2,524,534
<u>195,240,912</u>	<u>20,584,156</u>	<u>215,825,068</u>
<u>\$ 197,183,050</u>	<u>\$ 21,166,552</u>	<u>\$ 218,349,602</u>

**CITY OF SIERRA MADRE**

**Balance Sheet**

**Governmental Funds**

**June 30, 2014**

	General Fund	Low & Moderate Income Housing Asset Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 6,148,844	\$ 2,503	\$ 3,785,415	\$ 9,936,762
Restricted cash and investments with fiscal agents				
Receivables:				
Accounts	135,384	-	20,011	155,395
Taxes	412,066	-	25,522	437,588
Grants	-	-	36,411	36,411
Interest	4,005	-	-	4,005
Due from other agencies	-	-	11,992	11,992
Due from other funds	417,404	-	-	417,404
Prepaid	2,547	-	300	2,847
Land held for resale	-	1,682,998	-	1,682,998
<b>Total assets</b>	<b>\$ 7,120,250</b>	<b>\$ 1,685,501</b>	<b>\$ 3,879,651</b>	<b>\$ 12,685,402</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 423,423	\$ -	\$ 321,695	\$ 745,118
Accrued payroll and related liabilities	241,685	-	51,677	293,362
Due to other funds	-	-	417,404	417,404
Deposits and retentions	8,808	2,500	84,456	95,764
Unearned revenue	-	-	1,916	1,916
<b>Total liabilities</b>	<b>673,916</b>	<b>2,500</b>	<b>877,148</b>	<b>1,553,564</b>
<b>Fund balances:</b>				
Nonspendable	2,547	-	300	2,847
Restricted	-	1,682,998	-	1,682,998
Committed	1,255,290	-	2,199,679	3,454,969
Assigned	4,635,021	-	1,151,561	5,786,582
Unassigned	553,476	3	(349,037)	204,442
<b>Total fund balances</b>	<b>6,446,334</b>	<b>1,683,001</b>	<b>3,002,503</b>	<b>11,131,838</b>
<b>Total liabilities and fund balances</b>	<b>\$ 7,120,250</b>	<b>\$ 1,685,501</b>	<b>\$ 3,879,651</b>	<b>\$ 12,685,402</b>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2014**

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**Total fund balances - total governmental funds** \$ 11,131,838

Amounts reported for governmental activities in the Statement of Net Position 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 806,357

Long-term assets that are not available for current use. Amounts are not reported in the governmental funds. 422,580

Accrued interest payable of the current portion of interest due on long-term debt has not been reported in governmental funds. (7,217)

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 Position:

Capital lease payable (467,621)

Compensated absences (396,524)

Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting. 1,916

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 Position. 185,691,721

**Net position of governmental activities** \$ 197,183,050

See accompanying notes to basic financial statements.

# CITY OF SIERRA MADRE

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

### Governmental Funds

For the year ended June 30, 2014

	General Fund	Low & Moderate Income Housing Asset Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 4,206,132	\$ -	\$ 185,130	\$ 4,391,262
Other taxes	3,707,633	-	-	3,707,633
Charges for services	239,171	-	581,065	820,236
Intergovernmental	4,501	-	1,243,837	1,248,338
Licenses and permits	857,545	-	1,573,572	2,431,117
Fines and forfeitures	240,188	-	-	240,188
Investment income	48	3	6,585	6,636
Miscellaneous	14,823	-	155,030	169,853
Total revenues	<u>9,270,041</u>	<u>3</u>	<u>3,745,219</u>	<u>13,015,263</u>
Expenditures:				
Current:				
General government	1,748,902	-	122,539	1,871,441
Public safety	4,530,967	-	851,967	5,382,934
Public works	494,742	-	1,347,514	1,842,256
Development	-	-	940,335	940,335
Culture and recreation	955,998	-	290,876	1,246,874
Debt Service:				
Principal	-	-	66,321	66,321
Interest	-	-	24,721	24,721
Capital outlay	14,833	-	-	14,833
Total expenditures	<u>7,745,442</u>	<u>-</u>	<u>3,644,273</u>	<u>11,389,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,524,599</u>	<u>3</u>	<u>100,946</u>	<u>1,625,548</u>
Other financing sources (uses):				
Transfers in	118,297	-	762,874	881,171
Transfers out	(1,146,642)	-	(141,866)	(1,288,508)
Total other financing sources (uses)	<u>(1,028,345)</u>	<u>-</u>	<u>621,008</u>	<u>(407,337)</u>
Net change in fund balances	496,254	3	721,954	1,218,211
Fund balances, beginning of year, as restated	<u>5,950,080</u>	<u>1,682,998</u>	<u>2,280,549</u>	<u>9,913,627</u>
Fund balances, end of year	<u>\$ 6,446,334</u>	<u>\$ 1,683,001</u>	<u>\$ 3,002,503</u>	<u>\$ 11,131,838</u>

See accompanying notes to basic financial statements.

## 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 Position For the year ended June 30, 2014

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**Net change in fund balances - total governmental funds** \$ 1,218,211

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Position, 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	(80,493)
Capital outlay	37,345

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 position. 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 Position. These differences are as follows:

Principal payments	66,321
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Revenues in the Statement of Activities and Changes in Net Position that do not provide current financial resources are not reported as revenues in the funds. (28,510)

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. 562,789

Some expenses reported on the Statement of Activities and Changes in Net Position 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	1,024
Net change in compensated absences	39,667
Net change in OPEB	125,784

**Change in net position of governmental activities** \$ 1,942,138

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2014**

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer and Storm Drain	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 2,080,067	\$ 1,501,811	\$ 257,076	\$ 3,838,954	\$ 3,505,330
Restricted cash and investments with fiscal agents	1,149,456	-	-	1,149,456	-
Accounts receivable	500,652	80,909	-	581,561	-
Prepays	-	-	1,650	1,650	1,100,350
Total current assets	<u>3,730,175</u>	<u>1,582,720</u>	<u>258,726</u>	<u>5,571,621</u>	<u>4,605,680</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,483,250	-	-	1,483,250	162,275,946
Depreciable-net	20,972,209	3,783,713	-	24,755,922	20,483,523
Total noncurrent assets	<u>22,455,459</u>	<u>3,783,713</u>	<u>-</u>	<u>26,239,172</u>	<u>182,759,469</u>
Total assets	<u>26,185,634</u>	<u>5,366,433</u>	<u>258,726</u>	<u>31,810,793</u>	<u>187,365,149</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	95,129	12,486	3,615	111,230	73,906
Accrued payroll and related liabilities	36,663	23,100	5,464	65,227	55,198
Interest payable	73,578	4,019	-	77,597	1,112
Deposits and retentions	13,607	-	6,102	19,709	-
Claims payable - current	-	-	-	-	197,000
Compensated absences - current	14,063	8,551	1,198	23,812	28,281
Capital lease payable - current	-	38,644	-	38,644	10,689
Note payable - current	145,688	-	-	145,688	-
Bonds payable - current	405,000	-	-	405,000	-
Total current liabilities	<u>783,728</u>	<u>86,800</u>	<u>16,379</u>	<u>886,907</u>	<u>366,186</u>
Noncurrent liabilities:					
Claims payable	-	-	-	-	1,161,057
Compensated absences	42,190	25,655	3,590	71,435	84,841
Capital lease payable	-	221,775	-	221,775	61,344
Note payable	874,124	-	-	874,124	-
Bonds payable	8,590,000	-	-	8,590,000	-
Total noncurrent liabilities	<u>9,506,314</u>	<u>247,430</u>	<u>3,590</u>	<u>9,757,334</u>	<u>1,307,242</u>
Total liabilities	<u>10,290,042</u>	<u>334,230</u>	<u>19,969</u>	<u>10,644,241</u>	<u>1,673,428</u>
<b>Net Position:</b>					
Net investment in capital assets	12,440,647	3,523,294	-	15,963,941	182,687,436
Restricted for debt service	1,149,456	-	-	1,149,456	-
Unrestricted	2,305,489	1,508,909	238,757	4,053,155	3,004,285
Total net position	<u>\$ 15,895,592</u>	<u>\$ 5,032,203</u>	<u>\$ 238,757</u>	<u>\$ 21,166,552</u>	<u>\$ 185,691,721</u>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**

**Statement of Revenues, Expenses, and Changes in Net Position**

**Proprietary Funds**

**For the year ended June 30, 2014**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer and Storm Drain	Non-Major Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services	\$ 3,828,242	\$ 741,752	\$ 353,839	\$ 4,923,833	\$ 3,965,494
Licenses and permits	5,775	1,713	34,337	41,825	15,291
Miscellaneous	-	-	-	-	220
Total operating revenues	<u>3,834,017</u>	<u>743,465</u>	<u>388,176</u>	<u>4,965,658</u>	<u>3,981,005</u>
Operating expenses:					
Personnel services	800,223	465,389	149,941	1,415,553	1,292,851
Contractual services	303,026	32,464	74,269	409,759	639,664
Materials and supplies	152,645	14,930	5,267	172,842	261,954
Insurance, claims and charges	121,300	-	-	121,300	(153,775)
Utilities	409,499	-	33,710	443,209	383,844
Maintenance and operation	745,846	145,172	16,279	907,297	6,054
Depreciation	551,520	173,334	-	724,854	1,223,026
Total operating expenses	<u>3,084,059</u>	<u>831,289</u>	<u>279,466</u>	<u>4,194,814</u>	<u>3,653,618</u>
Operating income (loss)	749,958	(87,824)	108,710	770,844	327,387
Nonoperating revenues (expenses):					
Grant	258,882	-	-	258,882	-
Investment Income	4,488	1,999	339	6,826	5,035
Other Income	12,685	-	-	12,685	-
Loss on disposal of property	-	-	-	-	(854,341)
Interest expense	(458,033)	(13,197)	-	(471,230)	(5,064)
Total nonoperating revenues (expenses)	<u>(181,978)</u>	<u>(11,198)</u>	<u>339</u>	<u>(192,837)</u>	<u>(854,370)</u>
Income (loss) before transfers and capital contributions	567,980	(99,022)	109,049	578,007	(526,983)
Transfers:					
Transfers in	-	-	4,389	4,389	423,558
Transfers out	-	-	-	-	(20,610)
Total transfers	<u>-</u>	<u>-</u>	<u>4,389</u>	<u>4,389</u>	<u>402,948</u>
Capital contributions	-	-	-	-	686,824
Change in net position	567,980	(99,022)	113,438	582,396	562,789
Net position, beginning of year, as restated	<u>15,327,612</u>	<u>5,131,225</u>	<u>125,319</u>	<u>20,584,156</u>	<u>185,128,932</u>
Net position, end of year	<u>\$ 15,895,592</u>	<u>\$ 5,032,203</u>	<u>\$ 238,757</u>	<u>\$ 21,166,552</u>	<u>\$ 185,691,721</u>

See accompanying notes to basic financial statements.



**CITY OF SIERRA MADRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2014**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer and Storm Drain	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 3,981,463	\$ 727,225	\$ 408,213	\$ 5,116,901	\$ -
Receipts from interfund services provided	-	-	-	-	3,981,005
Payments to suppliers	(1,889,119)	(198,186)	(136,394)	(2,223,699)	(2,293,738)
Payments to employees	(803,804)	(465,725)	(150,179)	(1,419,708)	(2,588,912)
Net cash provided (used) by operating activities	1,288,540	63,314	121,640	1,473,494	(901,645)
<b>Cash flows from non-capital financing activities:</b>					
Transfers from other funds	-	-	4,389	4,389	423,558
Transfers to other funds	-	-	-	-	(20,610)
Net cash provided (used) by non-capital financing activities	-	-	4,389	4,389	402,948
<b>Cash flows from capital and related financing activities:</b>					
Grant revenue	271,567	-	-	271,567	-
Acquisition and construction of capital assets	(276,910)	(35,184)	-	(312,094)	(39,260)
Principal paid	(535,688)	(36,934)	-	(572,622)	(10,216)
Interest paid	(461,346)	(13,767)	-	(475,113)	(5,221)
Net cash provided (used) by capital and related financing activities	(1,002,377)	(85,885)	-	(1,088,262)	(54,697)
<b>Cash flows from investing activities:</b>					
Investment income	4,488	1,999	339	6,826	5,035
Net increase (decrease) in cash and cash equivalents	290,651	(20,572)	126,368	396,447	(548,359)
<b>Cash and investments:</b>					
Beginning of year	2,938,872	1,522,383	130,708	4,591,963	4,053,689
End of year	\$ 3,229,523	\$ 1,501,811	\$ 257,076	\$ 4,988,410	\$ 3,505,330
Cash and investments, end of year include:					
Cash and investments	\$ 2,080,067	\$ 1,501,811	\$ 257,076	\$ 3,838,954	\$ 3,505,330
Restricted cash and investments with fiscal agents	1,149,456	-	-	1,149,456	-
Total	\$ 3,229,523	\$ 1,501,811	\$ 257,076	\$ 4,988,410	\$ 3,505,330
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 749,958	\$ (87,824)	\$ 108,710	\$ 770,844	\$ 327,387
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	551,520	173,334	-	724,854	1,223,026
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	147,446	(16,240)	22,282	153,488	-
(Increase) decrease in prepaid expenses	-	-	(1,650)	(1,650)	(1,100,350)
Increase (decrease) in accounts payable	(163,450)	(5,620)	(5,153)	(174,223)	(55,647)
Increase (decrease) in accrued liabilities	2,963	5,254	(1,464)	6,753	11,186
Increase (decrease) in intergovernmental payable	-	-	(2,245)	(2,245)	-
Increase (decrease) in deposits payable	6,647	-	(66)	6,581	(1,313,089)
Increase (decrease) in compensated absences	(6,544)	(5,590)	1,226	(10,908)	5,842
Total adjustments	538,582	151,138	12,930	702,650	(1,229,032)
Net cash provided (used) by operating activities	\$ 1,288,540	\$ 63,314	\$ 121,640	\$ 1,473,494	\$ (901,645)

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2014**

	Private-purpose Trust Fund		
	Redevelopment Obligation Retirement Fund		Agency Funds
<b>Assets:</b>			
Cash and investments	\$ 302,306	\$	6,818
Restricted cash and investments with fiscal agents	401,575		-
Total assets	<u>703,881</u>	<u>\$</u>	<u>6,818</u>
<b>Liabilities:</b>			
Accounts payable	164	\$	6,703
Accrued payroll and related liabilities	5,571		-
Interest payable	15,667		-
Deposits and retentions	-		115
Compensated absences	7,037		-
Bonds payable - current	300,000		-
Bonds payable - noncurrent	1,730,000		-
Total liabilities	<u>2,058,439</u>	<u>\$</u>	<u>6,818</u>
<b>Net Position (Deficit):</b>			
Unrestricted	(1,354,558)		
Total net position (deficit)	<u>\$ (1,354,558)</u>		

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2014**

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	Private-purpose Trust Fund
	Redevelopment Obligation Retirement Fund
	<hr/>
Additions:	
Property taxes	\$ 505,387
Investment income	402
Total additions	<hr/> 505,789 <hr/>
Deductions:	
General and administration	196,974
Interest expense	106,188
Total deductions	<hr/> 303,162 <hr/>
Change in net position	202,627
Net position (deficit), beginning of year	<hr/> (1,557,185) <hr/>
Net position (deficit), ending of year	<hr/> \$ (1,354,558) <hr/>

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, 2014**

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**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 unit for which the City is considered to be financially accountable. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. The entity is legally separate; however, the City of Sierra Madre elected officials have a continuing oversight responsibility over the 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 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, 2014.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**A. Financial Reporting Entity, (continued)**

Organizations Other Than Component Units

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

**B. Basis of Accounting and Measurement Focus**

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 Position and a Statement of Activities and Changes in Net Position. 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 Position. The Statement of Activities presents changes in net position. 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 Position 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, 2014**

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**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.

*Low and Moderate Income Housing Asset Capital Projects Fund* – Accounts for the housing assets transferred from the former Community Redevelopment Agency (CRA) and the revenues and expenditures for the project area related to low and moderate income housing.



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Proprietary Fund Financial Statements

Proprietary fund financial statement include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows for the major proprietary fund and the non-major funds aggregated. City maintains two proprietary fund types: enterprise funds and internal service funds. Enterprise funds are used to account for services provided to businesses and individuals within the community. Internal service funds account for services provided by one City department to other departments.

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 Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. 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.

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.

Additionally, the City also reports *Internal Service Funds*. These funds account for the administrative services, insurance coverage and facilities, fleet and electronic equipment maintenance services, all which are provided to other departments on a cost-reimbursement basis. 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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Net Position. 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.

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**D. Land Held for Resale**

Land Held for Resale in the Capital Projects Fund is an inventory of land owned by the City's Housing Fund 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, 2014**

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**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, 2014 in its statement of net position.

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 position 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, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**J. Net Position and Fund Balances**

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

*Net Investment in Capital Assets* - 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 Position* - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.

*Unrestricted Net Position* - This amount is all net position that do not meet the definition of “net investment in capital assets” or “restricted net position.”

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

**Fund Financial Statements** – In March 2009, GASB issued Statement No. 54, *Fund Balance 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 has no nonspendable fund balance at June 30, 2014.

*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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

**J. Net Position and Fund Balances, (continued)**

*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.

**K. 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.

**L. Implementation of New Pronouncements**

Effective July 1, 2013, the City adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 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 City's financial statements do not contain any elements that meet the definition of deferred outflows of resources or deferred inflow of resources. GASB 65 amended prior guidance with respect to the treatment of debt issuance costs. Under GASB 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred rather than reported as an asset on the statement of net position and recognized as an expense in a systematic and rational manner over the duration of the related debt. Accordingly, as noted in Note 7.B of the financial statements, the City has restated beginning net position for any unamortized debt issuance costs previously reported on the statement of net position in conformity with GASB 65.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2014 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 17,281,046
Cash and investments with fiscal agent -restricted	1,149,456
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	309,124
Cash and investments with fiscal agent -restricted	<u>401,575</u>
 Total cash and investments	 <u><u>\$ 19,141,201</u></u>

Cash and investments as of June 30, 2014 consist of the following:

Petty cash	\$ 2,020
Deposits with financial institutions	10,326,862
Investments	<u>8,812,319</u>
 Total cash and investments	 <u><u>\$ 19,141,201</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, 2014**

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**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
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.



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**2. CASH AND INVESTMENTS, (continued)**

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 Collatera	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

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:

Investment Type	Total	Investment Maturities (in months)		
		12 or less	13 -24	25 - 60
State investment pool	\$ 7,261,288	\$ 7,261,288	\$ -	\$ -
Held by fiscal agent:				
Federated treasury obligation	1,551,031	1,551,031	-	-
Total	\$ 8,812,319	\$ 8,812,319	\$ -	\$ -

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**2. CASH AND INVESTMENTS, (continued)**

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.

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End	
			AAA	Not Rated
State investment pool	\$ 7,261,288	N/A	\$ -	\$ 7,261,288
Held by fiscal agent:				
Federated treasury obligation	1,551,031	N/A	1,551,031	-
<b>Total</b>	<b>\$ 8,812,319</b>		<b>\$ 1,551,031</b>	<b>\$ 7,261,288</b>

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, 2014, 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, 2014, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**2. CASH AND INVESTMENTS, (continued)**

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, 2014, 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>\$ 417,404</u>

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

**B. Transfers**

At June 30, 2014, the City had the following transfers:

<u>Transfers out</u>	<u>Transfers in</u>	
General Fund	Non-Major Governmental Funds	\$ 718,695
	Non-Major Enterprise Funds	4,389
	Internal Service Fund	<u>423,558</u>
		<u>1,146,642 (A)</u>
Non-Major Governmental Funds	General Fund	<u>118,297</u>
Non-Major Governmental Funds	Non-Major Governmental Funds	<u>23,569</u>
Internal Service Fund	Non-Major Governmental Funds	<u>20,610</u>
	Total	<u>\$ 1,309,118</u>

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**4. FUND DEFICITS AND EXPENDITURES IN EXCESS OF APPROPRIATIONS**

**A. Fund Deficits**

The following funds reported deficits in fund balance/net position at June 30, 2014:

	<u>Deficit Balances</u>
Non-Major Governmental Funds:	
Local History Grant	\$ 822
Open Space	300,585
Santa Anita/Arno Maintenance District	2,011
LSTA Teen Docent Grant	568
Friends of the Library	84
Prop 42 Congestion Mgmt Fund	44,667

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

**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:			
LSTA Teen Docent Grant	\$ 8,770	\$ 9,152	\$ (382)
Bonita Sewer Assessment	10,325	10,328	(3)
Lighting District - #1 (Oakwood/Vista)	8,692	8,814	(122)
Lighting District - Zone A	1,512	4,119	(2,607)
Santa Anita/Arno Assessment	2,002	2,011	(9)
Sewer Assessment District	814	816	(2)
Development Fees	1,014,021	1,062,874	(48,853)
DUI Enforcement Grant	-	5,729	(5,729)
Police Donations	1,334	12,109	(10,775)
State Cops Grant	103,682	106,517	(2,835)
Open Space Fund	4,750	4,752	(2)
Senior Center	14,381	21,243	(6,862)
YAC - Youth Activity Center	15,494	17,829	(2,335)
Clean Air Fund (AQMD)	1,204	1,208	(4)
Environmental Fund	101,834	107,520	(5,686)
Gas Tax Fund	315,462	686,459	(370,997)
Measure R	172,740	174,512	(1,772)
Friends of the Library	44,204	45,904	(1,700)

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**5. CAPITAL ASSETS**

**A. Governmental Activities**

A summary of changes in the governmental activities capital assets at June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental activities:</b>				
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				
	<u>163,482,159</u>	<u>-</u>	<u>-</u>	<u>163,482,159</u>
Capital assets, being depreciated:				
Structures and improvements	12,111,663	-	-	12,111,663
Machinery and equipment	3,323,915	76,605	-	3,400,520
Infrastructure	22,393,589	686,824	(1,481,272)	21,599,141
	<u>37,829,167</u>	<u>763,429</u>	<u>(1,481,272)</u>	<u>37,111,324</u>
Total capital assets, being depreciated				
	<u>37,829,167</u>	<u>763,429</u>	<u>(1,481,272)</u>	<u>37,111,324</u>
Less accumulated depreciation				
	<u>(16,351,069)</u>	<u>(1,303,519)</u>	<u>626,931</u>	<u>(17,027,657)</u>
Total capital assets being depreciated, net				
	<u>21,478,098</u>	<u>(540,090)</u>	<u>(854,341)</u>	<u>20,083,667</u>
Governmental activities, capital assets, net				
	<u>\$ 184,960,257</u>	<u>\$ (540,090)</u>	<u>\$ (854,341)</u>	<u>\$ 183,565,826</u>

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

<b>Governmental activities:</b>	
General government	\$ 95,319
Public safety	158,997
Public works	883,987
Culture and recreation	165,216
	<u>1,303,519</u>
Total	<u>\$ 1,303,519</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**5. CAPITAL ASSETS, (continued)**

**B. Business-type Activities**

A summary of changes in the business-type activities capital assets at June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Construction in progress	316,960	-	(316,960)	-
<b>Total capital assets, not being depreciated</b>	<b>1,800,210</b>	<b>-</b>	<b>(316,960)</b>	<b>1,483,250</b>
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,105,273	53,242	-	1,158,515
Infrastructure	41,119,138	575,812	-	41,694,950
<b>Total capital assets, being depreciated</b>	<b>43,045,701</b>	<b>629,054</b>	<b>-</b>	<b>43,674,755</b>
Less accumulated depreciation	(18,193,979)	(724,854)	-	(18,918,833)
<b>Total capital assets being depreciated, net</b>	<b>24,851,722</b>	<b>(95,800)</b>	<b>-</b>	<b>24,755,922</b>
<b>Business-type activities, capital assets, net</b>	<b>\$ 26,651,932</b>	<b>\$ (95,800)</b>	<b>\$ (316,960)</b>	<b>\$ 26,239,172</b>

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

<b>Business-type activities:</b>	
Sewer	\$ 173,334
Water	551,520
<b>Total</b>	<b>\$ 724,854</b>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**6. LONG-TERM DEBT**

**A. Governmental Activities**

A summary of changes in the governmental activities long-term liabilities at June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
<b>Governmental activities:</b>						
Capital Lease	\$ 616,191	\$ -	\$ (76,537)	\$ 539,654	\$ 80,081	\$ 459,573
Compensated Absences	543,471	263,595	(297,420)	509,646	127,412	382,234
Total governmental activities	<u>\$ 1,159,662</u>	<u>\$ 263,595</u>	<u>\$ (373,957)</u>	<u>\$ 1,049,300</u>	<u>\$ 207,493</u>	<u>\$ 841,807</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 general and fleet funds. The outstanding balance of the capital lease payable was \$539,654 at June 30, 2014.

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
2015	\$ 105,067
2016	105,066
2017	105,067
2018	105,067
2019	105,067
2020	105,065
Subtotal	630,399
Less: amount representing interest	(90,745)
Present value of future lease payments	<u>\$ 539,654</u>

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

Assets:	
Machinery and equipment	\$ 856,714
Less: accumulated depreciation	(255,202)
Total	<u>\$ 601,512</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

**6. LONG-TERM DEBT, (continued)**

**B. Business-type Activities**

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
<b>Business-type activities:</b>						
Water Revenue Refunding						
Bonds, Series 1998A	\$ 2,635,000	\$ -	\$ (390,000)	\$ 2,245,000	\$ 405,000	\$ 1,840,000
Water Revenue Parity						
Bonds, Series 2003	6,750,000	-	-	6,750,000	-	6,750,000
Loan Payable to SGVMWD	1,165,500	-	(145,688)	1,019,812	145,688	874,124
Capital Lease	297,353	-	(36,934)	260,419	38,644	221,775
Compensated Absences	106,155	53,289	(64,197)	95,247	23,812	71,435
Total business-type activities	<u>\$ 10,954,008</u>	<u>\$ 53,289</u>	<u>\$ (636,819)</u>	<u>\$ 10,370,478</u>	<u>\$ 613,144</u>	<u>\$ 9,757,334</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 \$2,245,000 at June 30, 2014.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2015	\$ 405,000	\$ 102,125	\$ 507,125
2016	425,000	81,375	506,375
2017	450,000	59,500	509,500
2018	470,000	36,500	506,500
2019	495,000	12,375	507,375
	<u>\$ 2,245,000</u>	<u>\$ 291,875</u>	<u>\$ 2,536,875</u>



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**6. 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, 2014.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2015	\$ -	\$ 339,345	\$ 339,345
2016	-	339,345	339,345
2017	-	339,345	339,345
2018	-	339,345	339,345
2019	-	339,345	339,345
2020-2024	1,715,000	1,491,100	3,206,100
2025-2029	2,200,000	1,003,975	3,203,975
2030-2034	2,835,000	373,433	3,208,433
	<u>\$ 6,750,000</u>	<u>\$ 4,565,233</u>	<u>\$ 11,315,233</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**6. LONG-TERM DEBT, (continued)**

**B. Business-type Activities, (continued)**

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 \$1,019,812 at June 30, 2014.

Annual debt service requirements on this loan are as follows:

Year Ending June 30,	Principal	Interest	Totals
2015	\$ 145,688	\$ -	\$ 145,688
2016	145,688	-	145,688
2017	145,688	-	145,688
2018	145,688	-	145,688
2019	145,688	-	145,688
2020-2021	291,372	-	291,372
	<u>\$ 1,019,812</u>	<u>\$ -</u>	<u>\$ 1,019,812</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 \$260,419 at June 30, 2014.

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
2015	\$ 50,701
2016	50,701
2017	50,701
2018	50,702
2019	50,702
2020	50,702
Subtotal	<u>304,209</u>
Less: amount representing interest	(43,790)
Present value of future lease payments	<u>\$ 260,419</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**6. LONG-TERM DEBT, (continued)**

**B. Business-type Activities, (continued)**

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

Assets:	
Machinery and equipment	\$401,418
Less: accumulated depreciation	(100,355)
Total	<u>\$ 301,063</u>

**7. NET POSITION AND FUND BALANCES**

**A. Fund Balance Classifications**

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

	General Fund	Low & Moderate Income Housing Fund	Non-Major Governmental Funds
Nonspendable	\$ 2,547	\$ -	\$ 300
Restricted for:			
Land held for resale	-	1,682,998	-
Committed to:			
Document Management	15,000	-	-
PW Bridge Maintenance	53,000	-	-
NPDES	390,990	-	-
Public Safety/City Hall Roofs	160,000	-	-
Exterior Library Paint	35,000	-	-
Street and Sidewalk repairs	404,000	-	-
NPDES Catch Basin	52,300	-	-
City Parking Lot Maintenance	45,000	-	-
Police Dept Part-time Patrol Officer	100,000	-	-
Emergency Management & Response	-	-	104,377
City Infrastructure per Ordinance	-	-	1,302,273
Parking Study	-	-	37
Community Service Officer Program	-	-	155,992
Memorial Park Restroom	-	-	65,000
FY 2014/2015 Street Project	-	-	500,000
Tree Maintenance	-	-	72,000
Assigned to:			
Fund Balance Policy	4,635,021	-	-
Grantor/Donor Restrictions	-	-	1,151,561
Unassigned	553,476	3	(349,037)
Total fund balance	<u>\$ 6,446,334</u>	<u>\$ 1,683,001</u>	<u>\$ 3,002,503</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**7. NET POSITION AND FUND BALANCES, (continued)**

**B. Change in Accounting Principle/Prior Period Adjustment**

Fund Financial Statements

The fund balances of the General Fund, the Gas Tax Fund and the Traffic Congestion Relief Fund have been restated to comply with the findings per the audit report issued by the State Controller's Office on the Special Gas Tax Street Improvement Fund for fiscal years July 1, 2010 through June 30, 2012 and Traffic Congestion Relief Fund for fiscal years July 1, 2004 through June 30, 2011.

	General Fund	Non-major Governmental Funds
<i>Governmental Funds:</i>		
Fund balances, beginning of year	\$ 5,935,537	\$ 248,276
Prior period adjustment	14,543	(14,543)
Fund balances, beginning of year, as restated	<u>\$ 5,950,080</u>	<u>\$ 233,733</u>

As discussed in Note 1.L, the City implemented GASB Statement No. 65 effective July 1, 2013. GASB 65, among other provisions, amended prior guidance with respect to the treatment of debt issuance costs. Under GASB 65, debt issuance costs, except any portion related to prepaid insurance costs, are recognized as an expense in the period incurred rather than reported as an asset on the statement of net position and recognized as an expense in a systematic and rational manner over the duration of the related debt. The City's unamortized balance of debt issuance costs at the beginning of the year was \$263,982. GASB 65 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. Accordingly, beginning net position of the Water Fund has been restated for any unamortized debt issuance costs previously reported on the statement of net position as follows:

<i>Proprietary Fund:</i>	Water
Net position, beginning of year	\$ 15,591,594
Change in accounting principle	(263,982)
Net position, beginning of year, as restated	<u>\$ 15,327,612</u>

Government-wide Financial Statements

The prior period adjustments noted above have no effect on the government-wide net position. However, the change in accounting principle has the following effect on the government-wide net position:

	Governmental Activities	Business-type Activities	Total
Net position, beginning of year	\$ 195,240,912	\$ 20,848,138	\$ 216,089,050
Change in accounting principle	-	(263,982)	(263,982)
Net position, beginning of year, as restated	<u>\$ 195,240,912</u>	<u>\$ 20,584,156</u>	<u>\$ 215,825,068</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**8. 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 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 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 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. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. 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. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (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, 2014**

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**8. 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 \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 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, 2014**

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**8. 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 \$29,256,981. 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 of Sierra Madre purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

Special Event Tenant User Liability Insurance

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

**D. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2013-14.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**8. 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.

During the current fiscal year, the retrospective computations were completed and the City enrolled in the six year payment plan with a percentage fee of 2.115% for the Liability Program and made its first payment on July 1, 2013. Although the retrospective deposit balance will be paid off by July 1, 2019, the City will still be responsible to pay any cost allocation adjustments for the past claims until all the claims are closed, so we may see retrospective adjustments past 2019.

As of June 30, 2014, the City has a retrospective deposit balance for the Liability Program of \$1,161,057. The retrospective deposit payables are reported as claims payable on the Statement of Net Position.

**9. 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, 2014 was \$2,491,537 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, 2014**

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**10. RETIREMENT PLAN**

**A. Defined Benefit Pension Plan**

Plan Description

The City of Sierra Madre contributes to the California Public Employees Retirement System (PERS), a cost-sharing 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 19.725% and 32.798% 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 2014, the City's annual pension cost of \$1,135,847 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, ranging from 3.30% to 14.20% depending on age, service, and type of employment; and (c) 3.00% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 2.75%. 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
6/30/2012	\$ 1,295,736	100%	\$ -
6/30/2013	1,201,467	100%	-
6/30/2014	1,135,847	100%	-

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**10. 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, 2014, the City's payroll covered by the plan was \$580,499. The employees contributed 100% of the contributions.

**11. 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 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, 2014**

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**12. 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, 2014**

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**12. 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	\$ 179,816
Interest on net OPEB obligation	(22,260)
Adjustment to annual required contribution	58,679
Annual OPEB cost (expense)	<u>216,235</u>
Contributions made	<u>(342,019)</u>
Increase in OPEB obligation (asset)	(125,784)
Net OPEB obligation (asset), beginning of year	<u>(296,796)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ (422,580)</u></u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**12. 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 2014 and the preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 172,391	\$ 279,535	162.2%	\$ (211,374)
6/30/2013	194,820	280,242	143.8%	(296,796)
6/30/2014	216,235	342,019	158.2%	(422,580)

Funded Status and Funding Progress

As of July 1, 2013, the most recent actuarial date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 1,181,306
Actuarial value of plan assets	<u>896,496</u>
Unfunded actuarial accrued liability (UAAL)	<u><u>\$ 284,810</u></u>
Funded ratio (actuarial value of plan assets / AAL)	75.9%
Covered payroll (active plan members)	\$ 3,688,531
UAAL as a percentage of covered payroll	7.7%

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, 2014**

**12. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)**

Actuarial Methods and Assumptions, (continued)

The ARC for the plan for the current fiscal year ended June 30, 2014, was determined as part of the July 1, 2011 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 7.5% 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, 2014 is 6 years.

**13. SUCCESSOR AGENCY**

**Successor Agency Long-Term Debt**

The debt of the Successor Agency as of June 30, 2014 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
<b>Successor agency:</b>						
Refunding Bond						
Series 1998A	\$ 2,315,000	\$ -	\$ (285,000)	\$ 2,030,000	\$ 300,000	\$ 1,730,000
Compensated Absences	7,870	3,868	(4,701)	7,037	1,759	5,278
<b>Total successor agency</b>	<b>\$ 2,322,870</b>	<b>\$ 3,868</b>	<b>\$ (289,701)</b>	<b>\$ 2,037,037</b>	<b>\$ 301,759</b>	<b>\$ 1,735,278</b>

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 \$2,030,000 at June 30, 2014.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2014**

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**13. SUCCESSOR AGENCY, (continued)**

**Successor Agency Long-Term Debt, (continued)**

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2015	\$ 300,000	\$ 94,000	\$ 394,000
2016	315,000	78,625	393,625
2017	330,000	62,500	392,500
2018	345,000	45,625	390,625
2019	360,000	28,000	388,000
2020	380,000	9,500	389,500
	<u>\$ 2,030,000</u>	<u>\$ 318,250</u>	<u>\$ 2,348,250</u>

# **City of Sierra Madre, California**

*Village of the Foothills*



## **Required Supplementary Information For the Year Ending June 30, 2014**



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**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

**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]
6/30/2009	\$ 1,493,431	\$ 1,834,425	\$ 340,994	81.4%	\$ 355,150	96.0%
6/30/2010	1,603,482	1,972,911	369,429	81.3%	352,637	104.8%
6/30/2011	1,724,200	2,135,350	411,150	80.7%	350,122	117.4%

***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]
6/30/2009	\$ 1,520,081	\$ 1,802,882	\$ 282,801	84.3%	\$ 221,600	127.6%
6/30/2010	1,628,915	1,915,096	286,181	85.1%	224,562	127.4%
6/30/2011	1,759,287	2,061,924	302,637	85.3%	225,026	134.5%

**2. OTHER POST EMPLOYMENT BENEFITS**

**SCHEDULE OF FUNDING PROGRESS FOR THE CITY'S PLAN**

(Most recent information available)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b) (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%
7/1/2013	896,496	1,181,306	284,810	75.9%	3,688,531	7.7%

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2014**

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**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**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the year ending June 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 3,514,135	\$ 4,202,675	\$ 4,206,132	\$ 3,457
Other taxes	3,820,694	3,700,552	3,707,633	7,081
Charges for services	114,948	212,136	239,171	27,035
Intergovernmental	4,000	4,181	4,501	320
Licenses and permits	644,141	845,647	857,545	11,898
Fines and forfeitures	234,045	217,283	240,188	22,905
Investment income	5,000	5,000	48	(4,952)
Miscellaneous	14,500	11,078	14,823	3,745
<b>Total revenues</b>	<b>8,351,463</b>	<b>9,198,552</b>	<b>9,270,041</b>	<b>71,489</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,703,373	1,692,104	1,748,902	(56,798)
Public safety	4,510,701	4,380,439	4,530,967	(150,528)
Public works	357,265	534,134	494,742	39,392
Culture and recreation	1,067,865	963,323	955,998	7,325
Capital outlay	15,000	67,376	14,833	52,543
<b>Total expenditures</b>	<b>7,654,204</b>	<b>7,637,376</b>	<b>7,745,442</b>	<b>(108,066)</b>
Excess (deficiency) of revenues over (under) expenditures	697,259	1,561,176	1,524,599	(36,577)
<b>Other financing sources (uses):</b>				
Transfers in	97,952	97,952	118,297	20,345
Transfers out	(1,033,423)	(1,033,423)	(1,146,642)	(113,219)
<b>Total other financing sources (uses)</b>	<b>(935,471)</b>	<b>(935,471)</b>	<b>(1,028,345)</b>	<b>(92,874)</b>
Net change to fund balance	(238,212)	625,705	496,254	(129,451)
Fund balance, beginning of year	5,950,080	5,950,080	5,950,080	-
Fund balance, end of year	\$ 5,711,868	\$ 6,575,785	\$ 6,446,334	\$ (129,451)

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Supplementary Information For the Year Ending June 30, 2014**

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**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

**Non-Major Governmental Funds by Fund Type**

**June 30, 2014**

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 3,768,348	\$ 10,299	\$ 6,768	\$ 3,785,415
Receivables:				
Accounts	20,011	-	-	20,011
Taxes	25,522	-	-	25,522
Grants	36,411	-	-	36,411
Due from other agencies	11,992	-	-	11,992
Prepaid	300	-	-	300
Total assets	<u>\$ 3,862,584</u>	<u>\$ 10,299</u>	<u>\$ 6,768</u>	<u>\$ 3,879,651</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 321,695	\$ -	\$ -	\$ 321,695
Accrued payroll and related liabilities	51,677	-	-	51,677
Due to other funds	417,404	-	-	417,404
Deposits and retentions	84,456	-	-	84,456
Unearned revenue	1,916	-	-	1,916
Total liabilities	<u>877,148</u>	<u>-</u>	<u>-</u>	<u>877,148</u>
Fund balances:				
Nonspendable	300	-	-	300
Committed	2,199,679	-	-	2,199,679
Assigned	1,134,494	10,299	6,768	1,151,561
Unassigned	(349,037)	-	-	(349,037)
Total fund balances	<u>2,985,436</u>	<u>10,299</u>	<u>6,768</u>	<u>3,002,503</u>
 Total liabilities and fund balances	 <u>\$ 3,862,584</u>	 <u>\$ 10,299</u>	 <u>\$ 6,768</u>	 <u>\$ 3,879,651</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, 2014

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 185,130	\$ -	\$ -	\$ 185,130
Charges for services	490,023	-	91,042	581,065
Intergovernmental	1,243,837	-	-	1,243,837
Licenses and permits	1,573,572	-	-	1,573,572
Investment income	6,562	14	9	6,585
Miscellaneous	155,030	-	-	155,030
Total revenues	<u>3,654,154</u>	<u>14</u>	<u>91,051</u>	<u>3,745,219</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	122,539	-	-	122,539
Public safety	851,967	-	-	851,967
Public works	1,329,625	17,889	-	1,347,514
Development	940,335	-	-	940,335
Culture and recreation	290,876	-	-	290,876
<b>Debt Service:</b>				
Principal	-	-	66,321	66,321
Interest	-	-	24,721	24,721
Total expenditures	<u>3,535,342</u>	<u>17,889</u>	<u>91,042</u>	<u>3,644,273</u>
Excess (deficiency) of revenues over (under) expenditures	<u>118,812</u>	<u>(17,875)</u>	<u>9</u>	<u>100,946</u>
<b>Other financing sources (uses):</b>				
Transfers in	739,305	23,569	-	762,874
Transfers out	(141,866)	-	-	(141,866)
Total other financing sources (uses)	<u>597,439</u>	<u>23,569</u>	<u>-</u>	<u>621,008</u>
Net change to fund balances	716,251	5,694	9	721,954
Fund balances, beginning of year, as restated	<u>2,269,185</u>	<u>4,605</u>	<u>6,759</u>	<u>2,280,549</u>
Fund balances, end of year	<u>\$ 2,985,436</u>	<u>\$ 10,299</u>	<u>\$ 6,768</u>	<u>\$ 3,002,503</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2014**

	Grant Funds	Assessment Funds	Other Special Revenue Funds	Total Special Revenue Funds
<b>Assets:</b>				
Cash and investments	\$ 118,390	\$ 338,196	\$ 3,311,762	\$ 3,768,348
<b>Receivables:</b>				
Accounts	-	-	# 20,011	# 20,011
Taxes	-	4,682	20,840	25,522
Grants	36,411	-	-	36,411
Due from other agencies	11,992	-	-	11,992
Prepaid	-	-	300	300
Total assets	<u>\$ 166,793</u>	<u>\$ 342,878</u>	<u>\$ 3,352,913</u>	<u>\$ 3,862,584</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 4,830	\$ 316,865	\$ 321,695
Accrued payroll and related liabilities	615	-	51,062	51,677
Due to other funds	49,225	1,839	366,340	417,404
Deposits and retentions	-	-	84,456	84,456
Unearned revenue	1,916	-	-	1,916
Total liabilities	<u>51,756</u>	<u>6,669</u>	<u>818,723</u>	<u>877,148</u>
<b>Fund balances:</b>				
Nonspendable	-	-	300	300
Committed	104,377	-	2,095,302	2,199,679
Assigned	12,050	338,220	784,224	1,134,494
Unassigned	(1,390)	(2,011)	(345,636)	(349,037)
Total fund balances	<u>115,037</u>	<u>336,209</u>	<u>2,534,190</u>	<u>2,985,436</u>
<b>Total liabilities and fund balances</b>	<u>\$ 166,793</u>	<u>\$ 342,878</u>	<u>\$ 3,352,913</u>	<u>\$ 3,862,584</u>

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**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, 2014**

	Grant Funds	Assessment Funds	Other Special Revenue Funds	Total Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ 185,130	\$ -	\$ 185,130
Charges for services	-	-	490,023	490,023
Intergovernmental	124,659	-	1,119,178	1,243,837
Licenses and permits	-	-	1,573,572	1,573,572
Investment income	-	448	6,114	6,562
Miscellaneous	-	-	155,030	155,030
Total revenues	<u>124,659</u>	<u>185,578</u>	<u>3,343,917</u>	<u>3,654,154</u>
Expenditures:				
Current:				
General government	-	-	122,539	122,539
Public safety	36,411	-	815,556	851,967
Public works	45,617	84,964	1,199,044	1,329,625
Development	-	-	940,335	940,335
Culture and recreation	43,762	-	247,114	290,876
Total expenditures	<u>125,790</u>	<u>84,964</u>	<u>3,324,588</u>	<u>3,535,342</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,131)</u>	<u>100,614</u>	<u>19,329</u>	<u>118,812</u>
Other financing sources (uses):				
Transfers in	-	20,610	718,695	739,305
Transfers out	-	-	(141,866)	(141,866)
Total other financing sources (uses)	<u>-</u>	<u>20,610</u>	<u>576,829</u>	<u>597,439</u>
Net change to fund balances	(1,131)	121,224	596,158	716,251
Fund balances, beginning of year, as restated	<u>116,168</u>	<u>214,985</u>	<u>1,938,032</u>	<u>2,269,185</u>
Fund balances, end of year	<u>\$ 115,037</u>	<u>\$ 336,209</u>	<u>\$ 2,534,190</u>	<u>\$ 2,985,436</u>

**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

**Non-Major Special Revenue Funds-Grants**

**June 30, 2014**

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	<u>FMAG-Santa Anita Fire</u>	<u>Homeland Security-Fire</u>	<u>Federal Transit Authority</u>
Assets:			
Cash and investments	\$ 100,153	\$ -	\$ 11,897
Grants receivable	-	36,411	-
Due from other agencies	-	-	-
Total assets	<u>\$ 100,153</u>	<u>\$ 36,411</u>	<u>\$ 11,897</u>
Liabilities and Fund Balances:			
Liabilities:			
Accrued payroll and related liabilities	\$ -	\$ -	\$ -
Due to other funds	-	36,411	-
Unearned revenue	-	-	-
Total liabilities	<u>-</u>	<u>36,411</u>	<u>-</u>
Fund balances:			
Committed	100,000	-	-
Assigned	153	-	11,897
Unassigned	-	-	-
Total fund balances	<u>100,153</u>	<u>-</u>	<u>11,897</u>
Total liabilities and fund balances	<u>\$ 100,153</u>	<u>\$ 36,411</u>	<u>\$ 11,897</u>

<u>2011 Windstorm</u>	<u>Community Forest Management Plan</u>	<u>LA County Tree Mitigation Grant</u>	<u>Local History State Grant</u>	<u>LSTA Teen Docent Grant</u>	<u>Total Special Revenue-Grant Funds</u>
\$ 4,377	\$ -	\$ -	\$ -	\$ 1,963	\$ 118,390
-	-	-	-	-	36,411
-	-	11,992	-	-	11,992
<u>\$ 4,377</u>	<u>\$ -</u>	<u>\$ 11,992</u>	<u>\$ -</u>	<u>\$ 1,963</u>	<u>\$ 166,793</u>
\$ -	\$ -	\$ -	\$ -	\$ 615	\$ 615
-	-	11,992	822	-	49,225
-	-	-	-	1,916	1,916
<u>-</u>	<u>-</u>	<u>11,992</u>	<u>822</u>	<u>2,531</u>	<u>51,756</u>
4,377	-	-	-	-	104,377
-	-	-	-	-	12,050
-	-	-	(822)	(568)	(1,390)
<u>4,377</u>	<u>-</u>	<u>-</u>	<u>(822)</u>	<u>(568)</u>	<u>115,037</u>
<u>\$ 4,377</u>	<u>\$ -</u>	<u>\$ 11,992</u>	<u>\$ -</u>	<u>\$ 1,963</u>	<u>\$ 166,793</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, 2014**

	FMAG-Santa Anita Fire	Homeland Security-Fire	Federal Transit Authority
Revenues:			
Intergovernmental	\$ -	\$ 36,411	\$ -
Total revenues	<u>-</u>	<u>36,411</u>	<u>-</u>
Expenditures:			
Current:			
Public safety	-	36,411	-
Public works	-	-	-
Culture and recreation	-	-	-
Total expenditures	<u>-</u>	<u>36,411</u>	<u>-</u>
Net change to fund balances	-	-	-
Fund balances, beginning of year	<u>100,153</u>	<u>-</u>	<u>11,897</u>
Fund balances, end of year	<u>\$ 100,153</u>	<u>\$ -</u>	<u>\$ 11,897</u>

<u>2011 Windstorm</u>	<u>Community Forest Management Plan</u>	<u>LA County Tree Mitigation Grant</u>	<u>Local History Grant</u>	<u>LSTA Teen Docent Grant</u>	<u>Total Special Revenue-Grant Funds</u>
\$ -	\$ 33,625	\$ 11,992	\$ 34,047	\$ 8,584	\$ 124,659
-	33,625	11,992	34,047	8,584	124,659
-	-	-	-	-	36,411
-	33,625	11,992	-	-	45,617
-	-	-	34,610	9,152	43,762
-	33,625	11,992	34,610	9,152	125,790
-	-	-	(563)	(568)	(1,131)
4,377	-	-	(259)	-	116,168
<u>\$ 4,377</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (822)</u>	<u>\$ (568)</u>	<u>\$ 115,037</u>



**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

**Non-Major Special Revenue Funds-Assessments**

**June 30, 2014**

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
<b>Assets:</b>				
Cash and investments	\$ 11,260	\$ 439	\$ 15,534	\$ 100,090
Taxes receivable	-	23	29	234
<b>Total assets</b>	<b>\$ 11,260</b>	<b>\$ 462</b>	<b>\$ 15,563</b>	<b>\$ 100,324</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 462	\$ 142	\$ 577
Due to other funds	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>462</b>	<b>142</b>	<b>577</b>
<b>Fund balances:</b>				
Assigned	11,260	-	15,421	99,747
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>11,260</b>	<b>-</b>	<b>15,421</b>	<b>99,747</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,260</b>	<b>\$ 462</b>	<b>\$ 15,563</b>	<b>\$ 100,324</b>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Santa Anita/Arno Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 77,968	\$ 95,334	\$ 1,508	\$ -	\$ 22,607	\$ 13,456	\$ 338,196
555	3,807	34	-	-	-	4,682
<u>\$ 78,523</u>	<u>\$ 99,141</u>	<u>\$ 1,542</u>	<u>\$ -</u>	<u>\$ 22,607</u>	<u>\$ 13,456</u>	<u>\$ 342,878</u>
\$ 333	\$ 1,602	\$ 1,542	\$ 172	\$ -	\$ -	\$ 4,830
-	-	-	1,839	-	-	1,839
<u>333</u>	<u>1,602</u>	<u>1,542</u>	<u>2,011</u>	<u>-</u>	<u>-</u>	<u>6,669</u>
78,190	97,539	-	-	22,607	13,456	338,220
-	-	-	(2,011)	-	-	(2,011)
<u>78,190</u>	<u>97,539</u>	<u>-</u>	<u>(2,011)</u>	<u>22,607</u>	<u>13,456</u>	<u>336,209</u>
<u>\$ 78,523</u>	<u>\$ 99,141</u>	<u>\$ 1,542</u>	<u>\$ -</u>	<u>\$ 22,607</u>	<u>\$ 13,456</u>	<u>\$ 342,878</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, 2014**

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
<b>Revenues:</b>				
Property taxes	\$ 10,290	\$ 5,304	\$ 29	\$ 39,309
Investment income	15	-	21	133
Total revenues	<u>10,305</u>	<u>5,304</u>	<u>50</u>	<u>39,442</u>
<b>Expenditures:</b>				
Current:				
Public works	10,328	7,045	2,768	8,814
Total expenditures	<u>10,328</u>	<u>7,045</u>	<u>2,768</u>	<u>8,814</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23)</u>	<u>(1,741)</u>	<u>(2,718)</u>	<u>30,628</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	1,697	-	-
Total other financing sources (uses)	<u>-</u>	<u>1,697</u>	<u>-</u>	<u>-</u>
Net change to fund balances	(23)	(44)	(2,718)	30,628
Fund balances, beginning of year	<u>11,283</u>	<u>44</u>	<u>18,139</u>	<u>69,119</u>
Fund balances, end of year	<u>\$ 11,260</u>	<u>\$ -</u>	<u>\$ 15,421</u>	<u>\$ 99,747</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Santa Anita/Arno Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 48,704	\$ 58,724	\$ 8,889	\$ -	\$ 7,037	\$ 6,844	\$ 185,130
104	127	-	-	30	18	448
<u>48,808</u>	<u>58,851</u>	<u>8,889</u>	<u>-</u>	<u>7,067</u>	<u>6,862</u>	<u>185,578</u>
4,119	21,581	27,482	2,011	816	-	84,964
<u>4,119</u>	<u>21,581</u>	<u>27,482</u>	<u>2,011</u>	<u>816</u>	<u>-</u>	<u>84,964</u>
44,689	37,270	(18,593)	(2,011)	6,251	6,862	100,614
-	-	18,913	-	-	-	20,610
-	-	18,913	-	-	-	20,610
44,689	37,270	320	(2,011)	6,251	6,862	121,224
33,501	60,269	(320)	-	16,356	6,594	214,985
<u>\$ 78,190</u>	<u>\$ 97,539</u>	<u>\$ -</u>	<u>\$ (2,011)</u>	<u>\$ 22,607</u>	<u>\$ 13,456</u>	<u>\$ 336,209</u>

**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

**Non-Major Special Revenue Funds-Other**

**June 30, 2014**

	Development Fees	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Assets:</b>				
Cash and investments	\$ 243,300	\$ 1,353,053	\$ 27,215	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Prepaid	-	-	-	-
Total assets	<u>\$ 243,300</u>	<u>\$ 1,353,053</u>	<u>\$ 27,215</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 214,079	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	22,723	-	-	-
Due to other funds	-	-	-	-
Deposits and retentions	6,498	50,780	27,178	-
Total liabilities	<u>243,300</u>	<u>50,780</u>	<u>27,178</u>	<u>-</u>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Committed	-	1,302,273	37	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>-</u>	<u>1,302,273</u>	<u>37</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u>\$ 243,300</u>	<u>\$ 1,353,053</u>	<u>\$ 27,215</u>	<u>\$ -</u>

<u>Narcotics Enforcement</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>
\$ 449	\$ 16,883	\$ -	\$ 160,683	\$ 23,247	\$ 27,596	\$ 6,151
-	-	-	-	-	-	-
-	-	20,840	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 449</u>	<u>\$ 16,883</u>	<u>\$ 20,840</u>	<u>\$ 160,683</u>	<u>\$ 23,247</u>	<u>\$ 27,596</u>	<u>\$ 6,151</u>
\$ -	\$ 549	\$ -	\$ 973	\$ 4,715	\$ -	\$ -
-	-	-	3,718	18,532	-	-
-	-	20,840	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>549</u>	<u>20,840</u>	<u>4,691</u>	<u>23,247</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	155,992	-	-	-
449	16,334	-	-	-	27,596	6,151
-	-	-	-	-	-	-
<u>449</u>	<u>16,334</u>	<u>-</u>	<u>155,992</u>	<u>-</u>	<u>27,596</u>	<u>6,151</u>
<u>\$ 449</u>	<u>\$ 16,883</u>	<u>\$ 20,840</u>	<u>\$ 160,683</u>	<u>\$ 23,247</u>	<u>\$ 27,596</u>	<u>\$ 6,151</u>

(continued)

**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

**Non-Major Special Revenue Funds-Other, Continued**

**June 30, 2014**

	Dog Park	Recreation Department Donations	Local Transportation Prop A	Open Space
<b>Assets:</b>				
Cash and investments	\$ 9,017	\$ 45,032	\$ 88,377	\$ -
<b>Receivables:</b>				
Accounts	-	-	-	-
Taxes	-	-	-	-
Prepaid	-	-	-	-
<b>Total assets</b>	<b>\$ 9,017</b>	<b>\$ 45,032</b>	<b>\$ 88,377</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 12,460	\$ -
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	-	-	-	300,585
Deposits and retentions	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>12,460</b>	<b>300,585</b>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	9,017	45,032	75,917	-
Unassigned	-	-	-	(300,585)
<b>Total fund balances</b>	<b>9,017</b>	<b>45,032</b>	<b>75,917</b>	<b>(300,585)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 9,017</b>	<b>\$ 45,032</b>	<b>\$ 88,377</b>	<b>\$ -</b>

Senior Center	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	CA Beverage Container Grant	Clean Air Fund (AQMD)
\$ 174,205	\$ 39,467	\$ 73,606	\$ 9,733	\$ 23,894	\$ 83,315
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 174,205</u>	<u>\$ 39,467</u>	<u>\$ 73,606</u>	<u>\$ 9,733</u>	<u>\$ 23,894</u>	<u>\$ 83,315</u>
\$ 1,141	\$ 109	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,141</u>	<u>109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
65,000	-	-	-	-	-
108,064	39,358	73,606	9,733	23,894	83,315
-	-	-	-	-	-
<u>173,064</u>	<u>39,358</u>	<u>73,606</u>	<u>9,733</u>	<u>23,894</u>	<u>83,315</u>
<u>\$ 174,205</u>	<u>\$ 39,467</u>	<u>\$ 73,606</u>	<u>\$ 9,733</u>	<u>\$ 23,894</u>	<u>\$ 83,315</u>

(continued)



**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

**Non-Major Special Revenue Funds-Other, Continued**

**June 30, 2014**

	Environmental Fund	Gas Tax Fund	Measure R	Prop 42 Congestion Mgmt Fund
<b>Assets:</b>				
Cash and investments	\$ 77,798	\$ 42,656	\$ 696,143	\$ -
Receivables:				
Accounts	19,763	-	-	-
Taxes	-	-	-	-
Prepaid	-	-	-	-
Total assets	<u>\$ 97,561</u>	<u>\$ 42,656</u>	<u>\$ 696,143</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 16,319	\$ 22,156	\$ 43,980	\$ -
Accrued payroll and related liabilities	1,819	4,270	-	-
Due to other funds	-	-	-	44,667
Deposits and retentions	-	-	-	-
Total liabilities	<u>18,138</u>	<u>26,426</u>	<u>43,980</u>	<u>44,667</u>
<b>Fund balances:</b>				
Nonspendable	-	-	-	-
Committed	72,000	-	500,000	-
Assigned	7,423	16,230	152,163	-
Unassigned	-	-	-	(44,667)
Total fund balances	<u>79,423</u>	<u>16,230</u>	<u>652,163</u>	<u>(44,667)</u>
<b>Total liabilities and fund balances</b>	<u><u>\$ 97,561</u></u>	<u><u>\$ 42,656</u></u>	<u><u>\$ 696,143</u></u>	<u><u>\$ -</u></u>

Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
\$ 89,771	\$ -	\$ 171	\$ 3,311,762
-	248	-	20,011
-	-	-	20,840
-	300	-	300
<u>\$ 89,771</u>	<u>\$ 548</u>	<u>\$ 171</u>	<u>\$ 3,352,913</u>

\$ -	\$ 384	\$ -	\$ 316,865
-	-	-	51,062
-	248	-	366,340
-	-	-	84,456
<u>-</u>	<u>632</u>	<u>-</u>	<u>818,723</u>

-	300	-	300
-	-	-	2,095,302
89,771	-	171	784,224
-	(384)	-	(345,636)
<u>89,771</u>	<u>(84)</u>	<u>171</u>	<u>2,534,190</u>

<u>\$ 89,771</u>	<u>\$ 548</u>	<u>\$ 171</u>	<u>\$ 3,352,913</u>
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(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, 2014**

	Development Fees	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement
Revenues:				
Charges for services	\$ 203,726	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	1,943
Licenses and permits	550,352	925,698	-	-
Investment income	-	1,801	37	-
Miscellaneous	-	-	-	-
Total revenues	<u>754,078</u>	<u>927,499</u>	<u>37</u>	<u>1,943</u>
Expenditures:				
Current:				
General government	122,539	-	-	-
Public safety	-	-	-	5,729
Public works	-	-	-	-
Development	940,335	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>1,062,874</u>	<u>-</u>	<u>-</u>	<u>5,729</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(308,796)</u>	<u>927,499</u>	<u>37</u>	<u>(3,786)</u>
Other financing sources (uses):				
Transfers in	308,796	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>308,796</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	-	927,499	37	(3,786)
Fund balances, beginning of year, as restated	<u>-</u>	<u>374,774</u>	<u>-</u>	<u>3,786</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,302,273</u>	<u>\$ 37</u>	<u>\$ -</u>

<u>Narcotics Enforcement</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>
\$ -	\$ -	\$ -	\$ -	\$ 280,361	\$ -	\$ -
-	-	118,168	100,000	-	-	-
-	-	-	-	-	-	-
1	22	129	214	-	37	8
-	6,625	-	-	-	16,165	100
<u>1</u>	<u>6,647</u>	<u>118,297</u>	<u>100,214</u>	<u>280,361</u>	<u>16,202</u>	<u>108</u>
-	-	-	-	-	-	-
-	12,109	-	106,517	683,760	7,441	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>12,109</u>	<u>-</u>	<u>106,517</u>	<u>683,760</u>	<u>7,441</u>	<u>-</u>
<u>1</u>	<u>(5,462)</u>	<u>118,297</u>	<u>(6,303)</u>	<u>(403,399)</u>	<u>8,761</u>	<u>108</u>
-	-	-	-	409,899	-	-
-	-	(118,297)	-	-	-	-
<u>-</u>	<u>-</u>	<u>(118,297)</u>	<u>-</u>	<u>409,899</u>	<u>-</u>	<u>-</u>
1	(5,462)	-	(6,303)	6,500	8,761	108
<u>448</u>	<u>21,796</u>	<u>-</u>	<u>162,295</u>	<u>(6,500)</u>	<u>18,835</u>	<u>6,043</u>
<u>\$ 449</u>	<u>\$ 16,334</u>	<u>\$ -</u>	<u>\$ 155,992</u>	<u>\$ -</u>	<u>\$ 27,596</u>	<u>\$ 6,151</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, 2014**

	Dog Park	Recreation Department Donations	Local Transportation Prop A	Open Space
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ 5,936	\$ -
Intergovernmental	-	-	187,080	-
Licenses and permits	-	-	-	-
Investment income	12	60	108	-
Miscellaneous	-	-	-	41,415
Total revenues	<u>12</u>	<u>60</u>	<u>193,124</u>	<u>41,415</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture and recreation	-	-	145,639	4,752
Total expenditures	<u>-</u>	<u>-</u>	<u>145,639</u>	<u>4,752</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12</u>	<u>60</u>	<u>47,485</u>	<u>36,663</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	12	60	47,485	36,663
Fund balances, beginning of year, as restated	<u>9,005</u>	<u>44,972</u>	<u>28,432</u>	<u>(337,248)</u>
Fund balances, end of year	<u>\$ 9,017</u>	<u>\$ 45,032</u>	<u>\$ 75,917</u>	<u>\$ (300,585)</u>

<u>Senior Center</u>	<u>SM Community Foundation</u>	<u>YAC-Youth Activity Center</u>	<u>Local Transit Prop C</u>	<u>CA Beverage Container Grant</u>	<u>Clean Air Fund (AQMD)</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	155,106	6,857	9,944
-	-	-	-	-	-
232	53	98	-	32	111
29,948	1,847	8,143	-	-	-
<u>30,180</u>	<u>1,900</u>	<u>8,241</u>	<u>155,106</u>	<u>6,889</u>	<u>10,055</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	228,419	926	1,208
-	-	-	-	-	-
21,243	1,671	17,829	2,156	-	-
<u>21,243</u>	<u>1,671</u>	<u>17,829</u>	<u>230,575</u>	<u>926</u>	<u>1,208</u>
8,937	229	(9,588)	(75,469)	5,963	8,847
-	-	-	-	-	-
-	-	-	(23,569)	-	-
-	-	-	<u>(23,569)</u>	-	-
8,937	229	(9,588)	(99,038)	5,963	8,847
164,127	39,129	83,194	108,771	17,931	74,468
<u>\$ 173,064</u>	<u>\$ 39,358</u>	<u>\$ 73,606</u>	<u>\$ 9,733</u>	<u>\$ 23,894</u>	<u>\$ 83,315</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, 2014**

	Environmental Fund	Gas Tax Fund	Measure R	Prop 42 Congestion Mgmt Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	424,272	115,808	-
Licenses and permits	97,522	-	-	-
Investment income	104	17	2,919	-
Miscellaneous	-	-	-	-
Total revenues	<u>97,626</u>	<u>424,289</u>	<u>118,727</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	107,520	686,459	174,512	-
Development	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>107,520</u>	<u>686,459</u>	<u>174,512</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,894)</u>	<u>(262,170)</u>	<u>(55,785)</u>	<u>-</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	(9,894)	(262,170)	(55,785)	-
Fund balances, beginning of year, as restated	<u>89,317</u>	<u>278,400</u>	<u>707,948</u>	<u>(44,667)</u>
Fund balances, end of year	<u>\$ 79,423</u>	<u>\$ 16,230</u>	<u>\$ 652,163</u>	<u>\$ (44,667)</u>

Library Gift and Memorial	Friends of the Library	Library Historical Society	Total Other Special Revenue Funds
\$ -	\$ -	\$ -	\$ 490,023
-	-	-	1,119,178
-	-	-	1,573,572
119	-	-	6,114
4,796	45,820	171	155,030
<u>4,915</u>	<u>45,820</u>	<u>171</u>	<u>3,343,917</u>
-	-	-	122,539
-	-	-	815,556
-	-	-	1,199,044
-	-	-	940,335
7,920	45,904	-	247,114
<u>7,920</u>	<u>45,904</u>	<u>-</u>	<u>3,324,588</u>
<u>(3,005)</u>	<u>(84)</u>	<u>171</u>	<u>19,329</u>
-	-	-	718,695
-	-	-	(141,866)
<u>-</u>	<u>-</u>	<u>-</u>	<u>576,829</u>
(3,005)	(84)	171	596,158
<u>92,776</u>	<u>-</u>	<u>-</u>	<u>1,938,032</u>
<u>\$ 89,771</u>	<u>\$ (84)</u>	<u>\$ 171</u>	<u>\$ 2,534,190</u>
			(concluded)



**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2014**

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	<u>AM Radio Tower</u>	<u>Street Improvement Projects</u>	<u>Total Capital Project Funds</u>
<b>Assets:</b>			
Cash and investments	\$ 4,611	\$ 5,688	\$ 10,299
Total assets	<u>\$ 4,611</u>	<u>\$ 5,688</u>	<u>\$ 10,299</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>			
Assigned	<u>4,611</u>	<u>5,688</u>	<u>10,299</u>
Total fund balances	<u>4,611</u>	<u>5,688</u>	<u>10,299</u>
Total liabilities and fund balances	<u>\$ 4,611</u>	<u>\$ 5,688</u>	<u>\$ 10,299</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, 2014**

	AM Radio Tower	Street Improvement Projects	Total Capital Project Funds
Revenues:			
Investment income	\$ 6	\$ 8	\$ 14
Total revenues	<u>6</u>	<u>8</u>	<u>14</u>
Expenditures:			
Current:			
Public works	-	17,889	17,889
Total expenditures	<u>-</u>	<u>17,889</u>	<u>17,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6</u>	<u>(17,881)</u>	<u>(17,875)</u>
Other financing sources (uses):			
Transfers in	-	23,569	23,569
Total other financing sources (uses)	<u>-</u>	<u>23,569</u>	<u>23,569</u>
Net change to fund balance	6	5,688	5,694
Fund balances, beginning of year	<u>4,605</u>	<u>-</u>	<u>4,605</u>
Fund Balances, end of year	<u>\$ 4,611</u>	<u>\$ 5,688</u>	<u>\$ 10,299</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Homeland Security Special Revenue Fund****For the year ending June 30, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 36,411	\$ 36,411
Total revenues	<u>-</u>	<u>-</u>	<u>36,411</u>	<u>36,411</u>
Expenditures:				
Current:				
Public safety	-	38,014	36,411	1,603
Total expenditures	<u>-</u>	<u>38,014</u>	<u>36,411</u>	<u>1,603</u>
Net change to fund balance	-	(38,014)	-	38,014
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ (38,014)</u>	<u>\$ -</u>	<u>\$ 38,014</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Local History Grant Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ 51,070	\$ 34,047	\$ (17,023)
Total revenues	<u>-</u>	<u>51,070</u>	<u>34,047</u>	<u>(17,023)</u>
Expenditures:				
Current:				
Culture and recreation	-	51,406	34,610	16,796
Total expenditures	<u>-</u>	<u>51,406</u>	<u>34,610</u>	<u>16,796</u>
Net change to fund balance	-	(336)	(563)	(227)
Fund balance, beginning of year	<u>(259)</u>	<u>(259)</u>	<u>(259)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (259)</u>	<u>\$ (595)</u>	<u>\$ (822)</u>	<u>\$ (227)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****LSTA Teen Docent Grant Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:				
Intergovernmental	\$ -	\$ 11,250	\$ 8,584	\$ (2,666)
Total revenues	<u>-</u>	<u>11,250</u>	<u>8,584</u>	<u>(2,666)</u>
Expenditures:				
Current:				
Culture and recreation	-	8,770	9,152	(382)
Total expenditures	<u>-</u>	<u>8,770</u>	<u>9,152</u>	<u>(382)</u>
Net change to fund balance	-	2,480	(568)	(3,048)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 2,480</u>	<u>\$ (568)</u>	<u>\$ (3,048)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 10,325	\$ 9,610	\$ 10,290	\$ 680
Investment income	-	-	15	15
Total revenues	<u>10,325</u>	<u>9,610</u>	<u>10,305</u>	<u>695</u>
Expenditures:				
Current:				
Public works	<u>10,325</u>	<u>10,325</u>	<u>10,328</u>	<u>(3)</u>
Total expenditures	<u>10,325</u>	<u>10,325</u>	<u>10,328</u>	<u>(3)</u>
Net change to fund balance	-	(715)	(23)	692
Fund balance, beginning of year	<u>11,283</u>	<u>11,283</u>	<u>11,283</u>	-
Fund balance, end of year	<u>\$ 11,283</u>	<u>\$ 10,568</u>	<u>\$ 11,260</u>	<u>\$ 692</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,000	\$ 5,188	\$ 5,304	\$ 116
Total revenues	<u>5,000</u>	<u>5,188</u>	<u>5,304</u>	<u>116</u>
Expenditures:				
Current:				
Public works	11,450	7,512	7,045	467
Total expenditures	<u>11,450</u>	<u>7,512</u>	<u>7,045</u>	<u>467</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,450)</u>	<u>(2,324)</u>	<u>(1,741)</u>	<u>583</u>
Other financing sources (uses):				
Transfers in	6,450	6,450	1,697	(4,753)
Total other financing sources (uses)	<u>6,450</u>	<u>6,450</u>	<u>1,697</u>	<u>(4,753)</u>
Net change to fund balance	-	4,126	(44)	(4,170)
Fund balance, beginning of year	<u>44</u>	<u>44</u>	<u>44</u>	<u>-</u>
Fund balance, end of year	<u>\$ 44</u>	<u>\$ 4,170</u>	<u>\$ -</u>	<u>\$ (4,170)</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 950	\$ -	\$ 29	\$ 29
Investment income	-	-	21	21
Total revenues	<u>950</u>	<u>-</u>	<u>50</u>	<u>50</u>
Expenditures:				
Current:				
Public works	2,940	2,774	2,768	6
Total expenditures	<u>2,940</u>	<u>2,774</u>	<u>2,768</u>	<u>6</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,990)</u>	<u>(2,774)</u>	<u>(2,718)</u>	<u>56</u>
Other financing sources (uses):				
Transfers in	990	990	-	(990)
Total other financing sources (uses)	<u>990</u>	<u>990</u>	<u>-</u>	<u>(990)</u>
Net change to fund balance	(1,000)	(1,784)	(2,718)	(934)
Fund balance, beginning of year	<u>18,139</u>	<u>18,139</u>	<u>18,139</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,139</u>	<u>\$ 16,355</u>	<u>\$ 15,421</u>	<u>\$ (934)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 18,200	\$ 40,248	\$ 39,309	\$ (939)
Investment income	-	-	133	133
Total revenues	<u>18,200</u>	<u>40,248</u>	<u>39,442</u>	<u>(806)</u>
Expenditures:				
Current:				
Public works	14,428	8,692	8,814	(122)
Total expenditures	<u>14,428</u>	<u>8,692</u>	<u>8,814</u>	<u>(122)</u>
Net change to fund balance	3,772	31,556	30,628	(928)
Fund balance, beginning of year	<u>69,119</u>	<u>69,119</u>	<u>69,119</u>	-
Fund balance, end of year	<u>\$ 72,891</u>	<u>\$ 100,675</u>	<u>\$ 99,747</u>	<u>\$ (928)</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 4,700	\$ 45,803	\$ 48,704	\$ 2,901
Investment income	-	-	104	104
Total revenues	<u>4,700</u>	<u>45,803</u>	<u>48,808</u>	<u>3,005</u>
Expenditures:				
Current:				
Public works	<u>5,874</u>	<u>1,512</u>	<u>4,119</u>	<u>(2,607)</u>
Total expenditures	<u>5,874</u>	<u>1,512</u>	<u>4,119</u>	<u>(2,607)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,174)</u>	<u>44,291</u>	<u>44,689</u>	<u>398</u>
Other financing sources (uses):				
Transfers in	<u>1,174</u>	<u>1,174</u>	<u>-</u>	<u>(1,174)</u>
Total other financing sources (uses)	<u>1,174</u>	<u>1,174</u>	<u>-</u>	<u>(1,174)</u>
Net change to fund balance	-	45,465	44,689	(776)
Fund balance, beginning of year	<u>33,501</u>	<u>33,501</u>	<u>33,501</u>	<u>-</u>
Fund balance, end of year	<u>\$ 33,501</u>	<u>\$ 78,966</u>	<u>\$ 78,190</u>	<u>\$ (776)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 26,500	\$ 55,179	\$ 58,724	\$ 3,545
Investment income	-	-	127	127
Total revenues	<u>26,500</u>	<u>55,179</u>	<u>58,851</u>	<u>3,672</u>
Expenditures:				
Current:				
Public works	<u>25,018</u>	<u>24,072</u>	<u>21,581</u>	<u>2,491</u>
Total expenditures	<u>25,018</u>	<u>24,072</u>	<u>21,581</u>	<u>2,491</u>
Net change to fund balance	1,482	31,107	37,270	6,163
Fund balance, beginning of year	<u>60,269</u>	<u>60,269</u>	<u>60,269</u>	-
Fund balance, end of year	<u>\$ 61,751</u>	<u>\$ 91,376</u>	<u>\$ 97,539</u>	<u>\$ 6,163</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,337	\$ 9,022	\$ 8,889	\$ (133)
Total revenues	<u>8,337</u>	<u>9,022</u>	<u>8,889</u>	<u>(133)</u>
Expenditures:				
Current:				
Public works	23,712	27,661	27,482	179
Total expenditures	<u>23,712</u>	<u>27,661</u>	<u>27,482</u>	<u>179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,375)</u>	<u>(18,639)</u>	<u>(18,593)</u>	<u>46</u>
Other financing sources (uses):				
Transfers in	15,375	15,375	18,913	3,538
Total other financing sources (uses)	<u>15,375</u>	<u>15,375</u>	<u>18,913</u>	<u>3,538</u>
Net change to fund balance	-	(3,264)	320	3,584
Fund balance, beginning of year	<u>(320)</u>	<u>(320)</u>	<u>(320)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (320)</u>	<u>\$ (3,584)</u>	<u>\$ -</u>	<u>\$ 3,584</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public works	-	2,002	2,011	(9)
Total expenditures	-	2,002	2,011	(9)
Net change to fund balance	-	(2,002)	(2,011)	(9)
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ (2,002)	\$ (2,011)	\$ (9)

**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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,150	\$ 7,789	\$ 7,037	\$ (752)
Investment income	-	-	30	30
Total revenues	<u>8,150</u>	<u>7,789</u>	<u>7,067</u>	<u>(722)</u>
Expenditures:				
Current:				
Public works	814	814	816	(2)
Total expenditures	<u>814</u>	<u>814</u>	<u>816</u>	<u>(2)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,336</u>	<u>6,975</u>	<u>6,251</u>	<u>(724)</u>
Other financing sources (uses):				
Transfers out	<u>(7,336)</u>	<u>(7,336)</u>	-	7,336
Total other financing sources (uses)	<u>(7,336)</u>	<u>(7,336)</u>	-	7,336
Net change to fund balance	-	(361)	6,251	6,612
Fund balance, beginning of year	<u>16,356</u>	<u>16,356</u>	<u>16,356</u>	-
Fund balance, end of year	<u>\$ 16,356</u>	<u>\$ 15,995</u>	<u>\$ 22,607</u>	<u>\$ 6,612</u>

**CITY OF SIERRA MADRE**

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

**Sierra Madre CFD Special Revenue Fund**

**For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ -	\$ 6,053	\$ 6,844	\$ 791
Investment income	-	-	18	18
Total revenues	<u>-</u>	<u>6,053</u>	<u>6,862</u>	<u>809</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	6,053	6,862	809
Fund balance, beginning of year	<u>6,594</u>	<u>6,594</u>	<u>6,594</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,594</u>	<u>\$ 12,647</u>	<u>\$ 13,456</u>	<u>\$ 809</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, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Charges for services	\$ 172,709	\$ 184,746	\$ 203,726	\$ 18,980
Licenses and permits	339,668	516,000	550,352	34,352
Investment income	58	-	-	-
Total revenues	<u>512,435</u>	<u>700,746</u>	<u>754,078</u>	<u>53,332</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	68,000	153,811	122,539	31,272
Development	850,973	860,210	940,335	(80,125)
Total expenditures	<u>918,973</u>	<u>1,014,021</u>	<u>1,062,874</u>	<u>(48,853)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(406,538)</u>	<u>(313,275)</u>	<u>(308,796)</u>	<u>4,479</u>
<b>Other financing sources (uses):</b>				
Transfers in	338,538	338,538	308,796	(29,742)
Total other financing sources (uses)	<u>338,538</u>	<u>338,538</u>	<u>308,796</u>	<u>(29,742)</u>
Net change to fund balance	(68,000)	25,263	-	(25,263)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (68,000)</u>	<u>\$ 25,263</u>	<u>\$ -</u>	<u>\$ (25,263)</u>



**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Development Impact Fees Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 7,571	\$ -	\$ 925,698	\$ 925,698
Investment income	124	-	1,801	1,801
Total revenues	<u>7,695</u>	<u>-</u>	<u>927,499</u>	<u>927,499</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	7,695	-	927,499	927,499
Fund balance, beginning of year	<u>374,774</u>	<u>374,774</u>	<u>374,774</u>	<u>-</u>
Fund balance, end of year	<u>\$ 382,469</u>	<u>\$ 374,774</u>	<u>\$ 1,302,273</u>	<u>\$ 927,499</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Development Fees Art in Public Places Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ -	\$ 29,283	\$ -	\$ (29,283)
Investment income	-	-	37	37
Total revenues	<u>-</u>	<u>29,283</u>	<u>37</u>	<u>(29,246)</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	29,283	37	(29,246)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 29,283</u>	<u>\$ 37</u>	<u>\$ (29,246)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,068	\$ 2,915	\$ 1,943	\$ (972)
Investment income	6	-	-	-
Total revenues	<u>3,074</u>	<u>2,915</u>	<u>1,943</u>	<u>(972)</u>
Expenditures:				
Current:				
Public safety	1,500	-	5,729	(5,729)
Total expenditures	<u>1,500</u>	<u>-</u>	<u>5,729</u>	<u>(5,729)</u>
Net change to fund balance	1,574	2,915	(3,786)	(6,701)
Fund balance, beginning of year	<u>3,786</u>	<u>3,786</u>	<u>3,786</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,360</u>	<u>\$ 6,701</u>	<u>\$ -</u>	<u>\$ (6,701)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ 19	\$ -	\$ 22	\$ 22
Miscellaneous	3,455	9,938	6,625	(3,313)
Total revenues	<u>3,474</u>	<u>9,938</u>	<u>6,647</u>	<u>(3,291)</u>
Expenditures:				
Current:				
Public safety	2,046	1,334	12,109	(10,775)
Total expenditures	<u>2,046</u>	<u>1,334</u>	<u>12,109</u>	<u>(10,775)</u>
Net change to fund balance	1,428	8,604	(5,462)	(14,066)
Fund balance, beginning of year	<u>21,796</u>	<u>21,796</u>	<u>21,796</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,224</u>	<u>\$ 30,400</u>	<u>\$ 16,334</u>	<u>\$ (14,066)</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 97,952	\$ 118,714	\$ 118,168	\$ (546)
Investment income	-	-	129	129
Total revenues	<u>97,952</u>	<u>118,714</u>	<u>118,297</u>	<u>(417)</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>97,952</u>	<u>118,714</u>	<u>118,297</u>	<u>(417)</u>
Other financing sources (uses):				
Transfers out	<u>(97,952)</u>	<u>(97,952)</u>	<u>(118,297)</u>	<u>(20,345)</u>
Total other financing sources (uses)	<u>(97,952)</u>	<u>(97,952)</u>	<u>(118,297)</u>	<u>(20,345)</u>
Net change to fund balance	-	20,762	-	(20,762)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ 20,762</u>	<u>\$ -</u>	<u>\$ (20,762)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 100,000	\$ 150,000	\$ 100,000	\$ (50,000)
Investment income	-	-	214	214
Total revenues	<u>100,000</u>	<u>150,000</u>	<u>100,214</u>	<u>(49,786)</u>
Expenditures:				
Current:				
Public safety	<u>109,306</u>	<u>103,682</u>	<u>106,517</u>	<u>(2,835)</u>
Total expenditures	<u>109,306</u>	<u>103,682</u>	<u>106,517</u>	<u>(2,835)</u>
Net change to fund balance	(9,306)	46,318	(6,303)	(52,621)
Fund balance, beginning of year	<u>162,295</u>	<u>162,295</u>	<u>162,295</u>	-
Fund balance, end of year	<u>\$ 152,989</u>	<u>\$ 208,613</u>	<u>\$ 155,992</u>	<u>\$ (52,621)</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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Charges for services	<u>\$ 279,609</u>	<u>\$ 272,726</u>	<u>\$ 280,361</u>	<u>\$ 7,635</u>
Total revenues	<u>279,609</u>	<u>272,726</u>	<u>280,361</u>	<u>7,635</u>
Expenditures:				
Current:				
Public safety	<u>726,099</u>	<u>715,362</u>	<u>683,760</u>	<u>31,602</u>
Total expenditures	<u>726,099</u>	<u>715,362</u>	<u>683,760</u>	<u>31,602</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(446,490)</u>	<u>(442,636)</u>	<u>(403,399)</u>	<u>39,237</u>
Other financing sources (uses):				
Transfers in	<u>446,490</u>	<u>446,490</u>	<u>409,899</u>	<u>(36,591)</u>
Total other financing sources (uses)	<u>446,490</u>	<u>446,490</u>	<u>409,899</u>	<u>(36,591)</u>
Net change to fund balance	-	3,854	6,500	2,646
Fund balance, beginning of year	<u>(6,500)</u>	<u>(6,500)</u>	<u>(6,500)</u>	-
Fund balance, end of year	<u>\$ (6,500)</u>	<u>\$ (2,646)</u>	<u>\$ -</u>	<u>\$ 2,646</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 37	\$ 37
Miscellaneous	6,000	23,507	16,165	(7,342)
Total revenues	<u>6,000</u>	<u>23,507</u>	<u>16,202</u>	<u>(7,305)</u>
Expenditures:				
Current:				
Public safety	6,000	11,162	7,441	3,721
Total expenditures	<u>6,000</u>	<u>11,162</u>	<u>7,441</u>	<u>3,721</u>
Net change to fund balance	-	12,345	8,761	(3,584)
Fund balance, beginning of year	<u>18,835</u>	<u>18,835</u>	<u>18,835</u>	-
Fund balance, end of year	<u>\$ 18,835</u>	<u>\$ 31,180</u>	<u>\$ 27,596</u>	<u>\$ (3,584)</u>



**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Community Arts Commission Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 8	\$ 8
Miscellaneous	-	150	100	(50)
Total revenues	<u>-</u>	<u>150</u>	<u>108</u>	<u>(42)</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	150	108	(42)
Fund balance, beginning of year	<u>6,043</u>	<u>6,043</u>	<u>6,043</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,043</u>	<u>\$ 6,193</u>	<u>\$ 6,151</u>	<u>\$ (42)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 10,000	\$ 7,362	\$ 5,936	\$ (1,426)
Intergovernmental	154,295	185,823	187,080	1,257
Investment income	-	-	108	108
Total revenues	<u>164,295</u>	<u>193,185</u>	<u>193,124</u>	<u>(61)</u>
Expenditures:				
Current:				
Culture and recreation	<u>170,926</u>	<u>151,304</u>	<u>145,639</u>	<u>5,665</u>
Total expenditures	<u>170,926</u>	<u>151,304</u>	<u>145,639</u>	<u>5,665</u>
Net change to fund balance	(6,631)	41,881	47,485	5,604
Fund balance, beginning of year	<u>28,432</u>	<u>28,432</u>	<u>28,432</u>	<u>-</u>
Fund balance, end of year	<u>\$ 21,801</u>	<u>\$ 70,313</u>	<u>\$ 75,917</u>	<u>\$ 5,604</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ 485	\$ -	\$ -	\$ -
Miscellaneous	50,000	43,531	41,415	(2,116)
Total revenues	<u>50,485</u>	<u>43,531</u>	<u>41,415</u>	<u>(2,116)</u>
Expenditures:				
Current:				
Culture and recreation	4,750	4,750	4,752	(2)
Total expenditures	<u>4,750</u>	<u>4,750</u>	<u>4,752</u>	<u>(2)</u>
Net change to fund balance	45,735	38,781	36,663	(2,118)
Fund balance, beginning of year	<u>(337,248)</u>	<u>(337,248)</u>	<u>(337,248)</u>	-
Fund balance, end of year	<u>\$ (291,513)</u>	<u>\$ (298,467)</u>	<u>\$ (300,585)</u>	<u>\$ (2,118)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 232	\$ 232
Miscellaneous	20,000	42,893	29,948	(12,945)
Total revenues	<u>20,000</u>	<u>42,893</u>	<u>30,180</u>	<u>(12,713)</u>
Expenditures:				
Current:				
Culture and recreation	80,000	14,381	21,243	(6,862)
Total expenditures	<u>80,000</u>	<u>14,381</u>	<u>21,243</u>	<u>(6,862)</u>
Net change to fund balance	(60,000)	28,512	8,937	(19,575)
Fund balance, beginning of year	<u>164,127</u>	<u>164,127</u>	<u>164,127</u>	-
Fund balance, end of year	<u>\$ 104,127</u>	<u>\$ 192,639</u>	<u>\$ 173,064</u>	<u>\$ (19,575)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****SM Community Foundation Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 53	\$ 53
Miscellaneous	-	2,770	1,847	(923)
Total revenues	<u>-</u>	<u>2,770</u>	<u>1,900</u>	<u>(870)</u>
Expenditures:				
Current:				
Culture and recreation	-	1,875	1,671	204
Total expenditures	<u>-</u>	<u>1,875</u>	<u>1,671</u>	<u>204</u>
Net change to fund balance	-	895	229	(666)
Fund balance, beginning of year	<u>39,129</u>	<u>39,129</u>	<u>39,129</u>	<u>-</u>
Fund balance, end of year	<u>\$ 39,129</u>	<u>\$ 40,024</u>	<u>\$ 39,358</u>	<u>\$ (666)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 98	\$ 98
Miscellaneous	7,250	12,215	8,143	(4,072)
Total revenues	<u>7,250</u>	<u>12,215</u>	<u>8,241</u>	<u>(3,974)</u>
Expenditures:				
Current:				
Culture and recreation	18,750	15,494	17,829	(2,335)
Total expenditures	<u>18,750</u>	<u>15,494</u>	<u>17,829</u>	<u>(2,335)</u>
Net change to fund balance	(11,500)	(3,279)	(9,588)	(6,309)
Fund balance, beginning of year	<u>83,194</u>	<u>83,194</u>	<u>83,194</u>	-
Fund balance, end of year	<u>\$ 71,694</u>	<u>\$ 79,915</u>	<u>\$ 73,606</u>	<u>\$ (6,309)</u>

**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, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	<u>\$ 126,716</u>	<u>\$ 154,016</u>	<u>\$ 155,106</u>	<u>\$ 1,090</u>
Total revenues	<u>126,716</u>	<u>154,016</u>	<u>155,106</u>	<u>1,090</u>
Expenditures:				
Current:				
Public works	127,441	345,887	228,419	117,468
Culture and recreation	-	3,234	2,156	1,078
Total expenditures	<u>127,441</u>	<u>349,121</u>	<u>230,575</u>	<u>118,546</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(725)</u>	<u>(195,105)</u>	<u>(75,469)</u>	<u>119,636</u>
Other financing sources (uses):				
Transfers out	-	-	(23,569)	(23,569)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(23,569)</u>	<u>(23,569)</u>
Net change to fund balance	(725)	(195,105)	(99,038)	96,067
Fund balance, beginning of year	<u>108,771</u>	<u>108,771</u>	<u>108,771</u>	<u>-</u>
Fund balance, end of year	<u>\$ 108,046</u>	<u>\$ (86,334)</u>	<u>\$ 9,733</u>	<u>\$ 96,067</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,000	\$ 10,286	\$ 6,857	\$ (3,429)
Investment income	-	-	32	32
Total revenues	<u>5,000</u>	<u>10,286</u>	<u>6,889</u>	<u>(3,397)</u>
Expenditures:				
Current:				
Public works	4,975	1,144	926	218
Total expenditures	<u>4,975</u>	<u>1,144</u>	<u>926</u>	<u>218</u>
Net change to fund balance	25	9,142	5,963	(3,179)
Fund balance, beginning of year	<u>17,931</u>	<u>17,931</u>	<u>17,931</u>	-
Fund balance, end of year	<u>\$ 17,956</u>	<u>\$ 27,073</u>	<u>\$ 23,894</u>	<u>\$ (3,179)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 12,674	\$ 14,846	\$ 9,944	\$ (4,902)
Investment income	-	-	111	111
Total revenues	<u>12,674</u>	<u>14,846</u>	<u>10,055</u>	<u>(4,791)</u>
Expenditures:				
Current:				
Public works	<u>81,410</u>	<u>1,204</u>	<u>1,208</u>	<u>(4)</u>
Total expenditures	<u>81,410</u>	<u>1,204</u>	<u>1,208</u>	<u>(4)</u>
Net change to fund balance	(68,736)	13,642	8,847	(4,795)
Fund balance, beginning of year	<u>74,468</u>	<u>74,468</u>	<u>74,468</u>	-
Fund balance, end of year	<u>\$ 5,732</u>	<u>\$ 88,110</u>	<u>\$ 83,315</u>	<u>\$ (4,795)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 100,000	\$ 59,902	\$ 97,522	\$ 37,620
Investment income	-	-	104	104
Total revenues	<u>100,000</u>	<u>59,902</u>	<u>97,626</u>	<u>37,724</u>
Expenditures:				
Current:				
Public works	<u>172,379</u>	<u>101,834</u>	<u>107,520</u>	<u>(5,686)</u>
Total expenditures	<u>172,379</u>	<u>101,834</u>	<u>107,520</u>	<u>(5,686)</u>
Net change to fund balance	(72,379)	(41,932)	(9,894)	32,038
Fund balance, beginning of year	<u>89,317</u>	<u>89,317</u>	<u>89,317</u>	-
Fund balance, end of year	<u>\$ 16,938</u>	<u>\$ 47,385</u>	<u>\$ 79,423</u>	<u>\$ 32,038</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 297,116	\$ 445,438	\$ 424,272	\$ (21,166)
Investment income	-	-	17	17
Total revenues	<u>297,116</u>	<u>445,438</u>	<u>424,289</u>	<u>(21,149)</u>
Expenditures:				
Current:				
Public works	<u>297,546</u>	<u>315,462</u>	<u>686,459</u>	<u>(370,997)</u>
Total expenditures	<u>297,546</u>	<u>315,462</u>	<u>686,459</u>	<u>(370,997)</u>
Net change to fund balance	(430)	129,976	(262,170)	(392,146)
Fund balance, beginning of year	<u>278,400</u>	<u>278,400</u>	<u>278,400</u>	-
Fund balance, end of year	<u>\$ 277,970</u>	<u>\$ 408,376</u>	<u>\$ 16,230</u>	<u>\$ (392,146)</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, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 116,000	\$ 114,904	\$ 115,808	\$ 904
Investment income	-	-	2,919	2,919
Total revenues	<u>116,000</u>	<u>114,904</u>	<u>118,727</u>	<u>3,823</u>
Expenditures:				
Current:				
Public works	115,420	172,740	174,512	(1,772)
Total expenditures	<u>115,420</u>	<u>172,740</u>	<u>174,512</u>	<u>(1,772)</u>
Net change to fund balance	580	(57,836)	(55,785)	2,051
Fund balance, beginning of year	<u>707,948</u>	<u>707,948</u>	<u>707,948</u>	-
Fund balance, end of year	<u>\$ 708,528</u>	<u>\$ 650,112</u>	<u>\$ 652,163</u>	<u>\$ 2,051</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Library Gift and Memorial Special Revenue Fund****For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 119	\$ 119
Miscellaneous	65,000	2,327	4,796	2,469
Total revenues	<u>65,000</u>	<u>2,327</u>	<u>4,915</u>	<u>2,588</u>
Expenditures:				
Current:				
Culture and recreation	65,000	10,912	7,920	2,992
Total expenditures	<u>65,000</u>	<u>10,912</u>	<u>7,920</u>	<u>2,992</u>
Net change to fund balance	-	(8,585)	(3,005)	5,580
Fund balance, beginning of year	<u>92,776</u>	<u>92,776</u>	<u>92,776</u>	-
Fund balance, end of year	<u>\$ 92,776</u>	<u>\$ 84,191</u>	<u>\$ 89,771</u>	<u>\$ 5,580</u>

**CITY OF SIERRA MADRE**

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

**Friends of the Library Special Revenue Fund**

**For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 60,000	\$ 28,044	\$ 45,820	\$ 17,776
Total revenues	<u>60,000</u>	<u>28,044</u>	<u>45,820</u>	<u>17,776</u>
Expenditures:				
Current:				
Culture and recreation	55,000	44,204	45,904	(1,700)
Total expenditures	<u>55,000</u>	<u>44,204</u>	<u>45,904</u>	<u>(1,700)</u>
Net change to fund balance	5,000	(16,160)	(84)	16,076
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,000</u>	<u>\$ (16,160)</u>	<u>\$ (84)</u>	<u>\$ 16,076</u>

**CITY OF SIERRA MADRE**

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

**Library Historical Society Special Revenue Fund**

**For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 5,000	\$ 256	\$ 171	\$ (85)
Total revenues	<u>5,000</u>	<u>256</u>	<u>171</u>	<u>(85)</u>
Expenditures:				
Current:				
Culture and recreation	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	256	171	(85)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ 256</u></u>	<u><u>\$ 171</u></u>	<u><u>\$ (85)</u></u>

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**CITY OF SIERRA MADRE**

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

**Low and Moderate Income Housing Asset Capital Projects Fund**

**For the year ending June 30, 2014**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 3	\$ 3
Total revenues	-	-	3	3
Expenditures:				
Total expenditures	-	-	-	-
Net change to fund balance	-	-	3	3
Fund balance, beginning of year	1,682,998	1,682,998	1,682,998	-
Fund balance, end of year	<u>\$ 1,682,998</u>	<u>\$ 1,682,998</u>	<u>\$ 1,683,001</u>	<u>\$ 3</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2014**

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	<u>Special Strike Team Services</u>	<u>Aquatics</u>	<u>Recreation Classes</u>
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 86,435	\$ 76,680	\$ 3,815
Accounts receivable	-	-	-
Prepays	-	-	-
Total current assets	<u>86,435</u>	<u>76,680</u>	<u>3,815</u>
Total assets	<u>86,435</u>	<u>76,680</u>	<u>3,815</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	-	1,393	-
Accrued payroll and related liabilities	1,879	-	1,421
Deposits and retentions	-	-	-
Compensated absences - current	-	-	599
Total current liabilities	<u>1,879</u>	<u>1,393</u>	<u>2,020</u>
Noncurrent liabilities:			
Compensated absences	-	-	1,795
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,795</u>
Total liabilities	<u>1,879</u>	<u>1,393</u>	<u>3,815</u>
<b>Net Position:</b>			
Unrestricted	84,556	75,287	-
Total net position	<u>\$ 84,556</u>	<u>\$ 75,287</u>	<u>\$ -</u>

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 10,762	\$ 79,384	\$ 257,076
-	-	-
1,650	-	1,650
<u>12,412</u>	<u>79,384</u>	<u>258,726</u>
<u>12,412</u>	<u>79,384</u>	<u>258,726</u>
2,222	-	3,615
2,088	76	5,464
-	6,102	6,102
599	-	1,198
<u>4,909</u>	<u>6,178</u>	<u>16,379</u>
1,795	-	3,590
<u>1,795</u>	<u>-</u>	<u>3,590</u>
<u>6,704</u>	<u>6,178</u>	<u>19,969</u>
5,708	73,206	238,757
<u>\$ 5,708</u>	<u>\$ 73,206</u>	<u>\$ 238,757</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2014**

	Special Strike Team Services	Aquatics	Recreation Classes
Operating revenues:			
Charges for services	\$ 63,227	\$ 90,334	\$ 66,435
Licenses and permits	-	-	-
Total operating revenues	<u>63,227</u>	<u>90,334</u>	<u>66,435</u>
Operating expenses:			
Personnel services	26,013	268	23,085
Contractual services	-	-	48,821
Materials and supplies	-	-	-
Utilities	-	33,710	-
Maintenance and operation	-	-	-
Total operating expenses	<u>26,013</u>	<u>33,978</u>	<u>71,906</u>
Operating income (losses)	37,214	56,356	(5,471)
Nonoperating revenues (expenses):			
Investment Income	115	103	-
Total nonoperating revenues (expenses)	<u>115</u>	<u>103</u>	<u>-</u>
Income (loss) before transfers	<u>37,329</u>	<u>56,459</u>	<u>(5,471)</u>
Transfers:			
Transfers in	-	-	4,389
Total transfers	<u>-</u>	<u>-</u>	<u>4,389</u>
Change in net position	37,329	56,459	(1,082)
Net position, beginning of year	<u>47,227</u>	<u>18,828</u>	<u>1,082</u>
Net position, end of year	<u>\$ 84,556</u>	<u>\$ 75,287</u>	<u>\$ -</u>

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 97,867	\$ 35,976	\$ 353,839
-	34,337	34,337
<u>97,867</u>	<u>70,313</u>	<u>388,176</u>
46,037	54,538	149,941
25,448	-	74,269
5,267	-	5,267
-	-	33,710
16,000	279	16,279
<u>92,752</u>	<u>54,817</u>	<u>279,466</u>
5,115	15,496	108,710
15	106	339
<u>15</u>	<u>106</u>	<u>339</u>
<u>5,130</u>	<u>15,602</u>	<u>109,049</u>
-	-	4,389
-	-	4,389
5,130	15,602	113,438
<u>578</u>	<u>57,604</u>	<u>125,319</u>
<u>\$ 5,708</u>	<u>\$ 73,206</u>	<u>\$ 238,757</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2014**

	Special Strike Team Services	Aquatics	Recreation Classes
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 63,227	\$ 110,371	\$ 66,435
Payments to suppliers	-	(33,546)	(49,784)
Payments to employees	(24,333)	(268)	(21,679)
Net cash provided (used) by operating activities	38,894	76,557	(5,028)
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	-	-	4,389
Net cash provided (used) by non-capital financing activities	-	-	4,389
<b>Cash flows from investing activities:</b>			
Investment income	115	103	-
Net cash provided (used) by investing activities	115	103	-
Net increase (decrease) in cash and cash equivalents	39,009	76,660	(639)
<b>Cash and investments:</b>			
Beginning of year	47,426	20	4,454
End of year	\$ 86,435	\$ 76,680	\$ 3,815
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 37,214	\$ 56,356	\$ (5,471)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	22,282	-
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	-	164	(963)
Increase (decrease) in accrued liabilities	1,680	-	793
Increase (decrease) in intergovernmental payable	-	(2,245)	-
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in compensated absences	-	-	613
Total adjustments	1,680	20,201	443
Net cash provided (used) by operating activities	\$ 38,894	\$ 76,557	\$ (5,028)

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 97,867	\$ 70,313	\$ 408,213
(52,719)	(345)	(136,394)
(45,372)	(58,527)	(150,179)
(224)	11,441	121,640
-	-	4,389
-	-	4,389
15	106	339
15	106	339
(209)	11,547	126,368
10,971	67,837	130,708
\$ 10,762	\$ 79,384	\$ 257,076
\$ 5,115	\$ 15,496	\$ 108,710
-	-	22,282
(1,650)	-	(1,650)
(4,354)	-	(5,153)
52	(3,989)	(1,464)
-	-	(2,245)
-	(66)	(66)
613	-	1,226
(5,339)	(4,055)	12,930
\$ (224)	\$ 11,441	\$ 121,640

**CITY OF SIERRA MADRE**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2014**

	Fleet	Facilities Management	Administration
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 686,478	\$ 1,405,030	\$ 417,872
Prepays	-	-	350
Total current assets	<u>686,478</u>	<u>1,405,030</u>	<u>418,222</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable assets	-	162,275,946	-
Depreciable-net	706,925	19,413,576	363,022
Total noncurrent assets	<u>706,925</u>	<u>181,689,522</u>	<u>363,022</u>
Total assets	<u>1,393,403</u>	<u>183,094,552</u>	<u>781,244</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	13,543	27,861	11,216
Accrued payroll and related liabilities	3,678	7,358	23,178
Interest payable	1,112	-	-
Claims payable - current	-	-	-
Compensated absences - current	4,695	5,050	11,179
Capital lease payable - current	10,689	-	-
Total current liabilities	<u>33,717</u>	<u>40,269</u>	<u>45,573</u>
Noncurrent liabilities:			
Claims payable	-	-	-
Compensated absences	14,086	15,150	33,535
Capital lease payable	61,344	-	-
Total noncurrent liabilities	<u>75,430</u>	<u>15,150</u>	<u>33,535</u>
Total liabilities	<u>109,147</u>	<u>55,419</u>	<u>79,108</u>
<b>Net Position:</b>			
Net investment in capital assets	634,892	181,689,522	363,022
Unrestricted	649,364	1,349,611	339,114
Total net position	<u>\$ 1,284,256</u>	<u>\$ 183,039,133</u>	<u>\$ 702,136</u>



<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 519,040	\$ 299,493	\$ 177,417	\$ 3,505,330
-	1,100,000	-	1,100,350
<u>519,040</u>	<u>1,399,493</u>	<u>177,417</u>	<u>4,605,680</u>
-	-	-	162,275,946
-	-	-	20,483,523
-	-	-	182,759,469
<u>519,040</u>	<u>1,399,493</u>	<u>177,417</u>	<u>187,365,149</u>
20,784	502	-	73,906
6,157	14,827	-	55,198
-	-	-	1,112
-	197,000	-	197,000
830	6,527	-	28,281
-	-	-	10,689
<u>27,771</u>	<u>218,856</u>	<u>-</u>	<u>366,186</u>
-	1,161,057	-	1,161,057
2,490	19,580	-	84,841
-	-	-	61,344
<u>2,490</u>	<u>1,180,637</u>	<u>-</u>	<u>1,307,242</u>
<u>30,261</u>	<u>1,399,493</u>	<u>-</u>	<u>1,673,428</u>
-	-	-	182,687,436
488,779	-	177,417	3,004,285
<u>\$ 488,779</u>	<u>\$ -</u>	<u>\$ 177,417</u>	<u>\$ 185,691,721</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2014**

	Fleet	Facilities Management	Administration
Operating revenues:			
Charges for services	\$ 513,668	\$ 892,624	\$ 678,622
Licenses and permits	-	-	-
Miscellaneous	13	-	-
Total operating revenues	<u>513,681</u>	<u>892,624</u>	<u>678,622</u>
Operating expenses:			
Personnel services	88,471	148,874	510,290
Contractual services	31,127	93,854	139,559
Materials and supplies	69,554	41,596	44,176
Insurance, claims and charges	-	-	32,969
Utilities	112,596	271,248	-
Maintenance and operation	3,367	2,687	-
Depreciation	117,086	1,057,537	48,403
Total operating expenses	<u>422,201</u>	<u>1,615,796</u>	<u>775,397</u>
Operating income (loss)	91,480	(723,172)	(96,775)
Nonoperating revenues (expenses):			
Investment income	915	1,895	-
Loss on disposal of property	-	(854,341)	-
Interest expense	(3,651)	-	(1,413)
Total nonoperating revenues (expenses)	<u>(2,736)</u>	<u>(852,446)</u>	<u>(1,413)</u>
Income (loss) before transfers and capital contributions	88,744	(1,575,618)	(98,188)
Transfers:			
Transfers in	-	-	-
Transfer out	-	(20,610)	-
Total transfers	<u>-</u>	<u>(20,610)</u>	<u>-</u>
Capital contributions	<u>-</u>	<u>686,824</u>	<u>-</u>
Change in net position	88,744	(909,404)	(98,188)
Net position, beginning of year	<u>1,195,512</u>	<u>183,948,537</u>	<u>800,324</u>
Net position, end of year	<u>\$ 1,284,256</u>	<u>\$ 183,039,133</u>	<u>\$ 702,136</u>

Technology	Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 512,476	\$ 1,368,104	\$ -	\$ 3,965,494
15,291	-	-	15,291
-	207	-	220
<u>527,767</u>	<u>1,368,311</u>	<u>-</u>	<u>3,981,005</u>
140,575	404,641	-	1,292,851
226,037	96,461	52,626	639,664
76,820	29,734	74	261,954
-	(186,744)	-	(153,775)
-	-	-	383,844
-	-	-	6,054
-	-	-	1,223,026
<u>443,432</u>	<u>344,092</u>	<u>52,700</u>	<u>3,653,618</u>
84,335	1,024,219	(52,700)	327,387
691	1,298	236	5,035
-	-	-	(854,341)
-	-	-	(5,064)
<u>691</u>	<u>1,298</u>	<u>236</u>	<u>(854,370)</u>
85,026	1,025,517	(52,464)	(526,983)
-	423,558	-	423,558
-	-	-	(20,610)
<u>-</u>	<u>423,558</u>	<u>-</u>	<u>402,948</u>
-	-	-	686,824
85,026	1,449,075	(52,464)	562,789
<u>403,753</u>	<u>(1,449,075)</u>	<u>229,881</u>	<u>185,128,932</u>
<u>\$ 488,779</u>	<u>\$ -</u>	<u>\$ 177,417</u>	<u>\$ 185,691,721</u>

**CITY OF SIERRA MADRE**

**Combining Statement of Cash Flows**

**Internal Service Funds**

**For the year ended June 30, 2014**

	Fleet	Facilities Management	Administration
<b>Cash flows from operating activities:</b>			
Receipts from interfund services provided	\$ 513,681	\$ 892,624	\$ 678,622
Payments to suppliers	(207,346)	(412,992)	(210,412)
Payments to employees	(86,555)	(145,143)	(501,543)
Net cash provided (used) by operating activities	<u>219,780</u>	<u>334,489</u>	<u>(33,333)</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	-	-	-
Transfers to other funds	-	(20,610)	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(20,610)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(39,260)	-	-
Principal paid	(10,216)	-	-
Interest paid	(3,808)	-	(1,413)
Net cash provided (used) by capital and related financing activities	<u>(53,284)</u>	<u>-</u>	<u>(1,413)</u>
<b>Cash flows from investing activities:</b>			
Investment income	915	1,895	-
Net cash provided (used) by investing activities	<u>915</u>	<u>1,895</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	167,411	315,774	(34,746)
<b>Cash and investments:</b>			
Beginning of year	<u>519,067</u>	<u>1,089,256</u>	<u>452,618</u>
End of year	<u>\$ 686,478</u>	<u>\$ 1,405,030</u>	<u>\$ 417,872</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	<u>\$ 91,480</u>	<u>\$ (723,172)</u>	<u>\$ (96,775)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	117,086	1,057,537	48,403
Changes in assets and liabilities:			
(Increase) decrease in prepaid expenses	-	-	(350)
Increase (decrease) in accounts payable	9,298	(3,607)	6,642
Increase (decrease) in accrued liabilities	387	1,498	6,548
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in compensated absences	1,529	2,233	2,199
Total adjustments	<u>128,300</u>	<u>1,057,661</u>	<u>63,442</u>
Net cash provided (used) by operating activities	<u>\$ 219,780</u>	<u>\$ 334,489</u>	<u>\$ (33,333)</u>

Technology	Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 527,767	\$ 1,368,311	\$ -	\$ 3,981,005
(292,792)	(1,117,496)	(52,700)	(2,293,738)
(140,388)	(1,715,283)	-	(2,588,912)
<u>94,587</u>	<u>(1,464,468)</u>	<u>(52,700)</u>	<u>(901,645)</u>
-	423,558	-	423,558
-	-	-	(20,610)
-	423,558	-	402,948
-	-	-	(39,260)
-	-	-	(10,216)
-	-	-	(5,221)
-	-	-	(54,697)
691	1,298	236	5,035
691	1,298	236	5,035
95,278	(1,039,612)	(52,464)	(548,359)
423,762	1,339,105	229,881	4,053,689
<u>\$ 519,040</u>	<u>\$ 299,493</u>	<u>\$ 177,417</u>	<u>\$ 3,505,330</u>
<u>\$ 84,335</u>	<u>\$ 1,024,219</u>	<u>\$ (52,700)</u>	<u>\$ 327,387</u>
-	-	-	1,223,026
-	(1,100,000)	-	(1,100,350)
10,065	(78,045)	-	(55,647)
933	1,820	-	11,186
-	(1,313,089)	-	(1,313,089)
(746)	627	-	5,842
<u>10,252</u>	<u>(2,488,687)</u>	<u>-</u>	<u>(1,229,032)</u>
<u>\$ 94,587</u>	<u>\$ (1,464,468)</u>	<u>\$ (52,700)</u>	<u>\$ (901,645)</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2014**

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	<u>Deposit Trust</u>	<u>Flexible Spending Account</u>	<u>Medical Insurance</u>	<u>Total Agency Funds</u>
<b>Assets:</b>				
Cash and investments	\$ 115	\$ -	\$ 6,703	\$ 6,818
Total assets	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 6,703</u>	<u>\$ 6,818</u>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 6,703	\$ 6,703
Deposits and retentions	115	-	-	115
Total liabilities	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ 6,703</u>	<u>\$ 6,818</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2014**

	Balance at June 30, 2013	Additions	Deletions	Balance at June 30, 2014
<b>Deposit Trust</b>				
Assets:				
Cash and investments	\$ 3,196	\$ 592	\$ (3,673)	\$ 115
Total assets	<u>\$ 3,196</u>	<u>\$ 592</u>	<u>\$ (3,673)</u>	<u>\$ 115</u>
Liabilities:				
Deposits and retentions	\$ 3,196	\$ 592	\$ (3,673)	\$ 115
Total liabilities	<u>\$ 3,196</u>	<u>\$ 592</u>	<u>\$ (3,673)</u>	<u>\$ 115</u>
<b>Flexible Spending Account</b>				
Assets:				
Cash and investments	\$ 4,096	\$ 42,082	\$ (46,178)	\$ -
Total assets	<u>\$ 4,096</u>	<u>\$ 42,082</u>	<u>\$ (46,178)</u>	<u>\$ -</u>
Liabilities:				
Accrued payroll and related liabilities	\$ 4,096	\$ 42,082	\$ (46,178)	\$ -
Total liabilities	<u>\$ 4,096</u>	<u>\$ 42,082</u>	<u>\$ (46,178)</u>	<u>\$ -</u>
<b>Medical Insurance</b>				
Assets:				
Cash and investments	\$ 23,941	\$ 4,028,965	\$ (4,046,203)	\$ 6,703
Total assets	<u>\$ 23,941</u>	<u>\$ 4,028,965</u>	<u>\$ (4,046,203)</u>	<u>\$ 6,703</u>
Liabilities:				
Accounts payable	\$ 23,941	\$ 9,023,786	\$ (9,041,024)	\$ 6,703
Total liabilities	<u>\$ 23,941</u>	<u>\$ 9,023,786</u>	<u>\$ (9,041,024)</u>	<u>\$ 6,703</u>

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# **City of Sierra Madre, California**

*Village of the Foothills*



**Statistical Section  
For the Year Ending  
June 30, 2014**

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

	<b>Fiscal Year Ended June 30,</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 185,944,619	\$ 189,766,201	\$ 188,972,208	\$ 187,749,494
Restricted	7,025,972	5,134,708	4,861,347	4,473,882
Unrestricted	2,671,257	2,189,681	3,873,992	5,880,289
<b>Total governmental activities net position</b>	<b>\$ 195,641,848</b>	<b>\$ 197,090,590</b>	<b>\$ 197,707,547</b>	<b>\$ 198,103,665</b>
<b>Business-Type activities:</b>				
Net investment in capital assets	\$ 16,586,449	\$ 14,818,105	\$ 15,133,429	\$ 16,526,965
Restricted	-	-	-	-
Unrestricted	(897,008)	8,030,762	6,734,062	6,338,095
<b>Total business-type activities net position</b>	<b>\$ 15,689,441</b>	<b>\$ 22,848,867</b>	<b>\$ 21,867,491</b>	<b>\$ 22,865,060</b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 202,531,068	\$ 204,584,306	\$ 204,105,637	\$ 204,276,459
Restricted	7,025,972	5,134,708	4,861,347	4,473,882
Unrestricted	1,774,249	10,220,443	10,608,054	12,218,384
<b>Total primary government net position</b>	<b>\$ 211,331,289</b>	<b>\$ 219,939,457</b>	<b>\$ 219,575,038</b>	<b>\$ 220,968,725</b>

*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 nine 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,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 187,804,691	\$ 186,635,375	\$ 185,544,420	\$ 184,344,066	183,026,172
4,681,595	8,648,585	10,779,254	10,341,052	13,952,436
5,876,098	1,634,124	870,761	555,794	204,442
<u>\$ 198,362,384</u>	<u>\$ 196,918,084</u>	<u>\$ 197,194,435</u>	<u>\$ 195,240,912</u>	<u>\$ 197,183,050</u>
\$ 15,741,252	\$ 15,842,534	\$ 15,665,079	\$ 15,804,079	15,963,941
-	-	1,145,841	1,149,456	1,149,456
6,822,253	6,324,287	4,437,196	3,894,603	4,053,155
<u>\$ 22,563,505</u>	<u>\$ 22,166,821</u>	<u>\$ 21,248,116</u>	<u>\$ 20,848,138</u>	<u>\$ 21,166,552</u>
\$ 203,545,943	\$ 202,477,909	\$ 201,209,499	\$ 200,148,145	\$ 198,990,113
4,681,595	8,648,585	11,925,095	11,490,508	15,101,892
12,698,351	7,958,411	5,307,957	4,450,397	4,257,597
<u>\$ 220,925,889</u>	<u>\$ 219,084,905</u>	<u>\$ 218,442,551</u>	<u>\$ 216,089,050</u>	<u>\$ 218,349,602</u>

**CITY OF SIERRA MADRE**

**Changes in Net Position  
(accrual basis of accounting)**

	<b>Fiscal Year Ended June 30,</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Expenses:</b>				
<b>Governmental activities:</b>				
General government	\$ 6,702,190	\$ 6,618,475	\$ 6,611,903	\$ 7,851,142
Public safety	2,966,427	3,838,128	3,938,272	6,698,070
Public works	1,450,448	833,215	917,320	805,897
Development	-	-	-	431,174
Culture and recreation	1,660,368	1,776,581	2,006,435	1,231,928
Interest on long-term debt	433,659	251,635	178,109	167,567
<b>Total governmental activities expenses</b>	<b>13,213,092</b>	<b>13,318,034</b>	<b>13,652,039</b>	<b>17,185,778</b>
<b>Business-type activities:</b>				
Water	3,164,465	3,309,580	9,519,066	3,137,904
Sewer	705,900	767,100	627,238	651,945
Recreation services	433,847	391,107	414,058	445,244
Special services	3,796	52,954	136,705	195,286
Film services	86,376	61,481	65,954	26,561
<b>Total business-type activities expenses</b>	<b>4,394,384</b>	<b>4,582,222</b>	<b>10,763,021</b>	<b>4,456,940</b>
<b>Total primary government expenses</b>	<b>\$ 17,607,476</b>	<b>\$ 17,900,256</b>	<b>\$ 24,415,060</b>	<b>\$ 21,642,718</b>
<b>Program revenues:</b>				
<b>Governmental activities:</b>				
Charges for services	\$ 5,685,124	\$ 4,240,302	\$ 5,486,438	\$ 5,521,416
Operating grants and contributions	376,161	624,932	1,444,440	2,920,814
Capital grants and contributions	-	-	428,708	121,739
<b>Total governmental activities program revenues</b>	<b>6,061,285</b>	<b>4,865,234</b>	<b>7,359,586</b>	<b>8,563,969</b>
<b>Business-type activities:</b>				
Charges for services	4,197,696	5,952,735	6,322,222	4,412,306
Capital grants and contributions	271,576	-	-	1,043,645
<b>Total business-type activities program revenues</b>	<b>4,469,272</b>	<b>5,952,735</b>	<b>6,322,222</b>	<b>5,455,951</b>
<b>Total primary government program revenues</b>	<b>\$ 10,530,557</b>	<b>\$ 10,817,969</b>	<b>\$ 13,681,808</b>	<b>\$ 14,019,920</b>
<b>Net revenue/(expense):</b>				
Governmental activities	\$ (7,151,807)	\$ (8,452,800)	\$ (6,292,453)	\$ (8,621,809)
Business-type activities	74,888	1,370,513	(4,440,799)	999,011
<b>Total primary government net revenue/(expense)</b>	<b>\$ (7,076,919)</b>	<b>\$ (7,082,287)</b>	<b>\$ (10,733,252)</b>	<b>\$ (7,622,798)</b>

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 nine 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,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 7,779,996	\$ 3,495,144	\$ 1,756,491	\$ 2,350,968	742,540
4,380,352	5,504,146	5,243,664	5,240,506	5,525,072
884,015	1,756,538	2,669,022	1,311,100	1,499,333
375,842	1,738,918	998,147	874,469	993,035
1,444,584	1,392,657	1,695,105	1,449,653	1,407,243
156,125	181,711	95,211	8,241	23,697
<u>15,020,914</u>	<u>14,069,114</u>	<u>12,457,640</u>	<u>11,234,937</u>	<u>10,190,920</u>
3,399,076	3,442,699	3,806,990	3,980,084	3,542,092
856,702	951,566	927,102	1,022,868	844,486
493,509	503,796	306,613	115,980	131,897
89,909	37,462	168,546	112,482	92,752
47,529	46,681	70,275	58,589	54,817
<u>4,886,725</u>	<u>4,982,204</u>	<u>5,279,526</u>	<u>5,290,003</u>	<u>4,666,044</u>
<u>\$ 19,907,639</u>	<u>\$ 19,051,318</u>	<u>\$ 17,737,166</u>	<u>\$ 16,524,940</u>	<u>\$ 14,856,964</u>
\$ 5,065,422	\$ 2,390,204	\$ 2,013,245	\$ 2,512,450	3,525,563
757,868	957,136	1,331,720	992,239	1,237,489
48,228	1,008,836	51,342	-	-
<u>5,871,518</u>	<u>4,356,176</u>	<u>3,396,307</u>	<u>3,504,689</u>	<u>4,763,052</u>
4,173,073	4,379,502	4,090,554	4,525,723	4,978,343
248,500	29,619	-	316,930	258,882
<u>4,421,573</u>	<u>4,409,121</u>	<u>4,090,554</u>	<u>4,842,653</u>	<u>5,237,225</u>
<u>\$ 10,293,091</u>	<u>\$ 8,765,297</u>	<u>\$ 7,486,861</u>	<u>\$ 8,347,342</u>	<u>\$ 10,000,277</u>
\$ (9,149,396)	\$ (9,712,938)	\$ (9,061,333)	\$ (7,730,248)	\$ (5,427,868)
(465,152)	(573,083)	(1,188,972)	(447,350)	571,181
<u>\$ (9,614,548)</u>	<u>\$ (10,286,021)</u>	<u>\$ (10,250,305)</u>	<u>\$ (8,177,598)</u>	<u>\$ (4,856,687)</u>

**CITY OF SIERRA MADRE**

**Changes in Net Position, (continued)**

**(accrual basis of accounting)**

	<b>Fiscal Year Ended June 30,</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General revenues and other changes in net position:				
Governmental activities:				
Taxes	\$ 5,715,743	\$ 6,944,803	\$ 6,493,372	\$ 8,198,847
Investment income	511,590	1,118,952	521,398	334,793
Grants and contributions, not restricted	1,028,383	1,185,396	-	-
Capital contributions	-	568,579	-	168,991
Extraordinary gain/(loss)	-	-	-	-
Loss on disposal of property	-	-	-	-
Transfers	(182,727)	176,108	(96,533)	94,135
Total governmental activities	<u>7,072,989</u>	<u>9,993,838</u>	<u>6,918,237</u>	<u>8,796,766</u>
Business-type activities:				
Investment income	-	194,901	222,005	210,854
Capital contributions	-	-	3,140,885	
Transfers	182,727	(176,108)	96,533	(94,135)
Total business-type activities	<u>182,727</u>	<u>18,793</u>	<u>3,459,423</u>	<u>116,719</u>
Total primary government	<u>\$ 7,255,716</u>	<u>\$ 10,012,631</u>	<u>\$ 10,377,660</u>	<u>\$ 8,913,485</u>
Change in net position:				
Governmental activities	\$ (78,818)	\$ 1,541,038	\$ 625,784	\$ 174,957
Business-type activities	257,615	1,389,306	(981,376)	1,115,730
Total primary government	<u>\$ 178,797</u>	<u>\$ 2,930,344</u>	<u>\$ (355,592)</u>	<u>\$ 1,290,687</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 nine 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,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 8,905,659	\$ 8,437,401	\$ 7,774,266	\$ 7,739,306	8,217,065
231,953	54,370	16,405	21,761	11,671
-	-	-	-	-
369,848	65,294	-	15,209	-
-	-	1,499,139	-	-
-	-	-	-	(854,341)
(114,988)	(167,071)	(164,500)	(47,372)	(4,389)
<u>9,392,472</u>	<u>8,389,994</u>	<u>9,125,310</u>	<u>7,728,904</u>	<u>7,370,006</u>
38,667	11,044	2,827	-	6,826
-	-	-	-	-
114,988	167,071	164,500	47,372	4,389
<u>153,655</u>	<u>178,115</u>	<u>167,327</u>	<u>47,372</u>	<u>11,215</u>
<u>\$ 9,546,127</u>	<u>\$ 8,568,109</u>	<u>\$ 9,292,637</u>	<u>\$ 7,776,276</u>	<u>\$ 7,381,221</u>
\$ 243,076	\$ (1,322,944)	\$ 63,977	\$ (1,344)	\$ 1,942,138
(311,497)	(394,968)	(1,021,645)	(399,978)	582,396
<u>\$ (68,421)</u>	<u>\$ (1,717,912)</u>	<u>\$ (957,668)</u>	<u>\$ (401,322)</u>	<u>\$ 2,524,534</u>

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

	<b>Fiscal Year Ended June 30,</b>			
	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
General fund:				
Unreserved <sup>(1)</sup>	\$ 2,371,490	\$ 3,408,285	\$ 3,841,994	\$ 3,454,249
Reserved <sup>(1)</sup>	-	-	300,000	490,000
Nonspendable	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<b>\$ 2,371,490</b>	<b>\$ 3,408,285</b>	<b>\$ 4,141,994</b>	<b>\$ 3,944,249</b>
All other governmental funds:				
Reserved: <sup>(1)</sup>				
Debt service funds	\$ 2,848,789	\$ 3,451,710	\$ 3,178,349	\$ 2,445,701
Land held for resale	1,682,998	1,682,998	1,682,998	1,682,998
Capital projects funds	275,369	(494,512)	112,656	407,967
Unreserved, reported in: <sup>(1)</sup>				
Special revenue funds	300,579	871,674	568,536	1,580,312
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total all other governmental funds</b>	<b>\$ 5,107,735</b>	<b>\$ 5,511,870</b>	<b>\$ 5,542,539</b>	<b>\$ 6,116,978</b>
<b>Total all governmental funds</b>	<b>\$ 7,479,225</b>	<b>\$ 8,920,155</b>	<b>\$ 9,684,533</b>	<b>\$ 10,061,227</b>

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

<sup>(1)</sup> In FY 2010-2011, the City of Sierra Madre adopted GASB 54, Fund Balances. The City follows the designations of Nonspendable, 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,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 4,246,065	\$ -	\$ -	\$ -	\$ -
890,000	-	-	-	-
-	-	-	-	2,547
-	800,000	250,000	635,000	1,255,290
-	-	3,989,683	4,400,416	4,635,021
-	4,721,717	870,761	900,121	553,476
<b>\$ 5,136,065</b>	<b>\$ 5,521,717</b>	<b>\$ 5,110,444</b>	<b>\$ 5,935,537</b>	<b>\$ 6,446,334</b>
\$ 2,528,671	\$ -	\$ -	\$ -	
1,682,998	-	-	-	-
469,927	-	-	-	-
2,040,378	-	-	-	-
-	401,575	-	-	300
-	1,682,998	1,682,998	1,682,998	1,682,998
-	5,863,012	888,909	1,658,115	2,199,679
-	854,020	1,453,098	981,304	1,151,561
-	(2,902,573)	(395,035)	(344,327)	(349,034)
<b>\$ 6,721,974</b>	<b>\$ 5,899,032</b>	<b>\$ 3,629,970</b>	<b>\$ 3,978,090</b>	<b>\$ 4,685,504</b>
<b>\$ 11,858,039</b>	<b>\$ 11,420,749</b>	<b>\$ 8,740,414</b>	<b>\$ 9,913,627</b>	<b>\$ 11,131,838</b>

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

	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Revenues:				
Property Taxes	\$ 5,715,743	\$ 6,944,803	\$ 6,493,372	\$ 8,198,847
Other Taxes	1,321,951	624,678	578,794	545,968
Charges for services	1,404,544	1,810,328	1,873,146	3,042,552
Intergovernmental	427,661	558,884	987,713	847,977
Licenses and permits	229,338	127,206	179,912	189,677
Fines and forfeitures	511,590	700,133	521,398	278,739
Investment Income				
Miscellaneous	483,261	412,979	224,668	188,538
Total revenues	<u>10,094,088</u>	<u>11,179,011</u>	<u>10,859,003</u>	<u>13,292,298</u>
Expenditures:				
Current:				
General government	3,139,621	2,742,176	2,407,126	2,664,527
Public safety	2,966,427	3,838,128	3,938,272	6,698,070
Public works	1,450,449	833,215	917,320	805,897
Development	-	-	-	431,174
Culture and recreation	1,660,368	1,776,581	2,006,435	1,231,928
Debt service:				
Principal	195,000	205,000	215,000	225,000
Interest	204,580	191,129	181,520	171,288
Capital outlay	1,168,030	619,475	421,953	615,364
Total expenditures	<u>10,784,475</u>	<u>10,205,704</u>	<u>10,087,626</u>	<u>12,843,248</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(690,387)</u>	<u>973,307</u>	<u>771,377</u>	<u>449,050</u>
Other financing sources (uses):				
Sale of City property	-	400,000	-	-
Equipment Financing	-	-	-	-
Transfers in	2,095,408	1,394,269	2,767,157	3,869,613
Transfers out	(1,904,058)	(1,200,272)	(2,765,329)	(3,789,486)
Total other financing sources (uses)	<u>191,350</u>	<u>593,997</u>	<u>1,828</u>	<u>80,127</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(499,037)	1,567,304	773,205	529,177
Fund balances, beginning of year, as restated	<u>7,978,261</u>	<u>7,352,851</u>	<u>8,911,328</u>	<u>9,532,050</u>
Fund balances, end of year	<u>\$ 7,479,224</u>	<u>\$ 8,920,155</u>	<u>\$ 9,684,533</u>	<u>\$ 10,061,227</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 nine years of data for this schedule.*

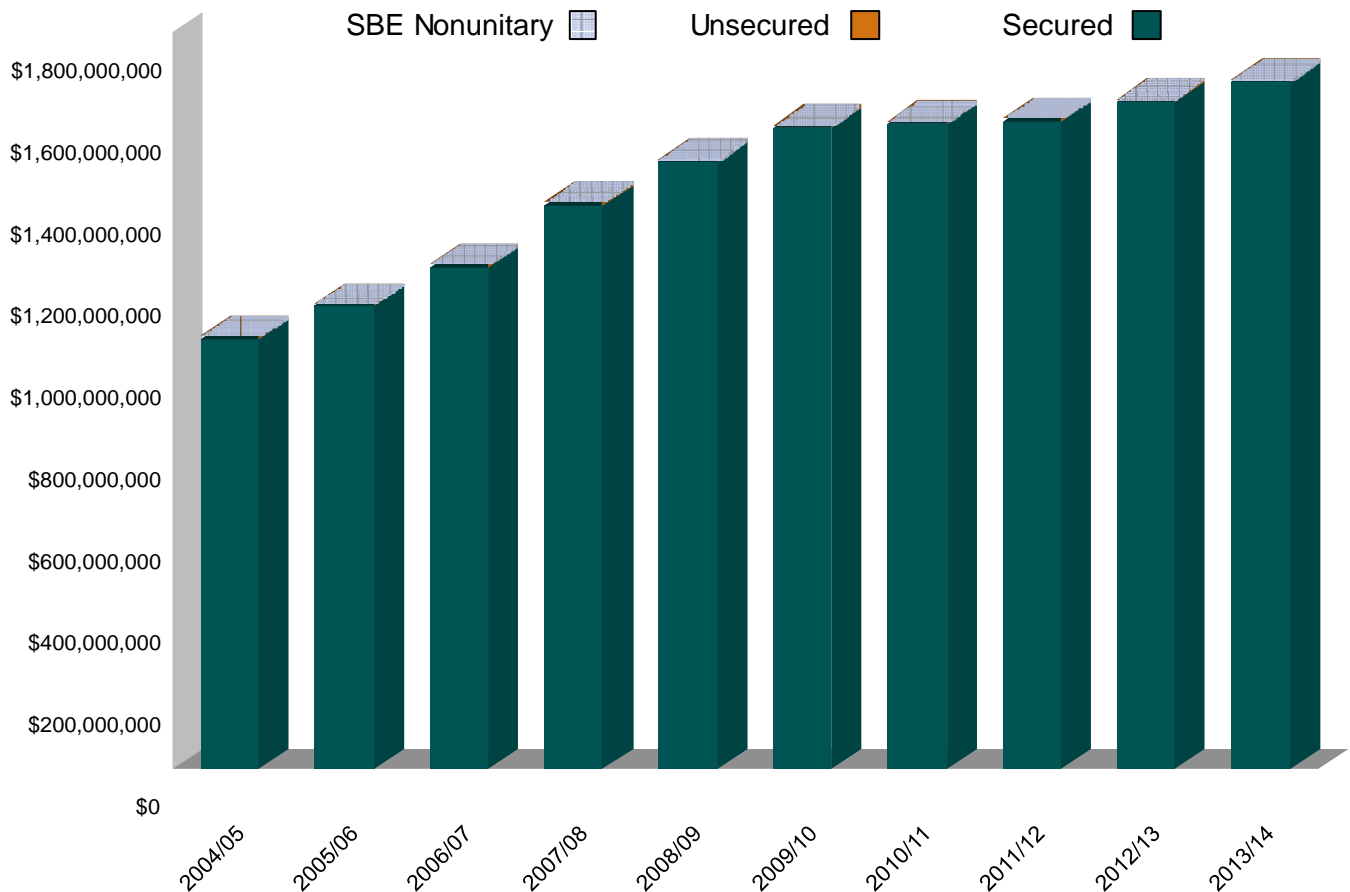
\*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

**Fiscal Year Ended June 30,**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$	8,905,659	\$ 8,437,444	\$ 6,758,148	\$ 3,902,682	4,391,262
	658,809	616,947	595,203	3,724,541	3,707,633
	757,869	1,965,972	2,249,029	897,281	820,236
	854,492	1,221,741	1,160,456	1,065,088	1,248,338
	189,899	235,260	223,902	1,131,957	2,431,117
	170,391			328,707	240,188
		49,439	10,571		6,636
	153,766	316,214	184,835	163,313	169,853
	<u>11,690,885</u>	<u>12,843,017</u>	<u>11,182,144</u>	<u>11,213,569</u>	<u>13,015,263</u>
	3,091,208	1,444,497	2,107,607	1,921,278	1,871,441
	4,380,352	5,504,146	5,081,731	5,074,457	5,382,934
	884,016	1,756,537	2,210,897	794,165	1,844,412
	375,842	1,132,604	1,259,802	842,273	940,335
	1,444,583	1,392,657	1,540,117	1,284,435	1,244,718
	235,000	302,998	315,581	63,385	66,321
	160,125	181,711	101,461	27,656	24,721
	574,064	1,553,968	95,735	31,790	14,833
	<u>11,145,190</u>	<u>13,269,118</u>	<u>12,712,931</u>	<u>10,039,439</u>	<u>11,389,715</u>
	545,695	(426,101)	(1,530,787)	1,174,130	1,625,548
	-	65,294	-	-	-
	725,402	-	-	-	-
	1,950,479	3,590,490	2,845,339	1,376,732	881,171
	(1,403,676)	(3,579,472)	(3,017,170)	(1,377,649)	(1,288,508)
	<u>1,272,205</u>	<u>76,312</u>	<u>(171,831)</u>	<u>(917)</u>	<u>(407,337)</u>
	-	-	(1,085,861)	-	-
	1,817,900	(349,789)	(2,788,479)	1,173,213	1,218,211
	10,040,139	11,770,538	11,528,893	8,740,414	9,913,627
\$	<u>11,858,039</u>	<u>\$ 11,420,749</u>	<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,131,838</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
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%
2012/13	\$1,679,729,590	\$6,711,328	\$0	1,686,440,918	2.98%
2013/14	\$1,769,778,988	\$6,183,887	\$0	\$1,775,962,875	5.31%



Data Source: L. A. County Assessor 0/ - 2013/14 Combined Tax Rolls

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

Category	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Residential	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	1,569,368,492	1,657,387,265
Commercial	27,757,457	28,988,463	34,892,478	38,120,509	44,106,361	47,818,195	47,606,368	47,274,344	50,519,744	52,244,923
Industrial	5,415,393	5,523,681	5,663,629	5,776,878	7,240,625	7,385,414	7,447,664	7,503,723	7,653,776	7,806,831
Govt. Owned	337,926	144,405	498,870	508,845	519,020	156,306	155,935	157,109	542,759	163,456
Institutional	3,147,875	2,251,162	2,296,184	2,342,105	2,388,942	2,436,717	2,430,940	6,669,589	3,943,818	4,105,294
Irrigated	3,603,931	3,676,009								
Recreational	964,751	984,042	579,793	591,386	603,211	615,272	613,810	618,428	1,647,693	1,680,645
Vacant	11,784,290	14,485,379	33,464,760	43,044,306	39,531,555	47,752,008	41,417,109	44,660,373	44,480,022	44,785,823
SBE Nonunitary	0	0	0	0	0					
Cross Reference	4,875,281	4,962,841	5,062,095	1,918,774	1,977,310	1,538,550	1,530,912	1,542,439	1,573,286	1,604,751
Unsecured	7,258,551	7,336,999	7,311,177	6,993,385	7,021,368	6,881,054	6,823,278	6,990,234	6,711,328	6,183,887
Exempt	[4,425,339]	[4,425,339]	[4,268,753]	[4,224,002]	[3,601,786]	[3,605,034]	[3,605,034]	[3,605,034]	[3,605,034]	[3,605,138]
<b>TOTALS</b>	<b>1,138,669,444</b>	<b>1,234,769,644</b>	<b>1,385,341,179</b>	<b>1,490,657,667</b>	<b>1,573,247,804</b>	<b>1,584,194,394</b>	<b>1,590,436,220</b>	<b>1,637,641,253</b>	<b>1,686,440,918</b>	<b>1,775,962,875</b>
<b>Total Direct Rate</b>	<b>0.27615</b>	<b>0.28023</b>	<b>0.28118</b>	<b>0.28220</b>	<b>0.28474</b>	<b>0.28501</b>	<b>0.28519</b>	<b>0.28433</b>	<b>0.28214</b>	<b>0.22284</b>

**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 2004/05 - 2013/14 Combined Tax Rolls

Prepared On 11/7/2014 By MV

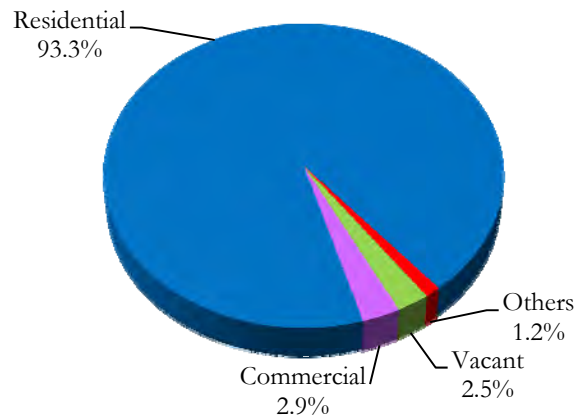
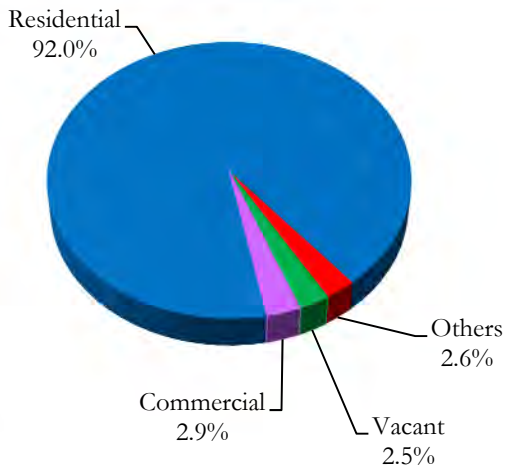
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**CITY OF SIERRA MADRE  
2013/14 USE CATEGORY SUMMARY  
Basic Property Value Table**

Category	Parcels	Assessed Value	Net Taxable Value
Residential	3,721	\$1,659,245,862 (92.0%)	\$1,657,387,265 (93.3%)
Commercial	121	\$53,063,405 (2.9%)	\$52,244,923 (2.9%)
Industrial	22	\$7,806,831 (0.4%)	\$7,806,831 (0.4%)
Govt. Owned	2	\$553,613 (0.0%)	\$163,456 (0.0%)
Institutional	21	\$24,710,223 (1.4%)	\$4,105,294 (0.2%)
Recreational	3	\$1,680,645 (0.1%)	\$1,680,645 (0.1%)
Vacant	218	\$45,636,664 (2.5%)	\$44,785,823 (2.5%)
Exempt	97	\$3,605,138 (0.2%)	\$0 (0.0%)
Cross Reference	2	\$1,604,751 (0.1%)	\$1,604,751 (0.1%)
Unsecured	246	\$6,188,887 (0.3%)	\$6,183,887 (0.3%)
<b>TOTALS</b>	<b>4,205</b>	<b>\$1,804,096,019</b>	<b>\$1,775,962,875</b>

**ASSESSED VALUE**

**NET TAXABLE VALUE**

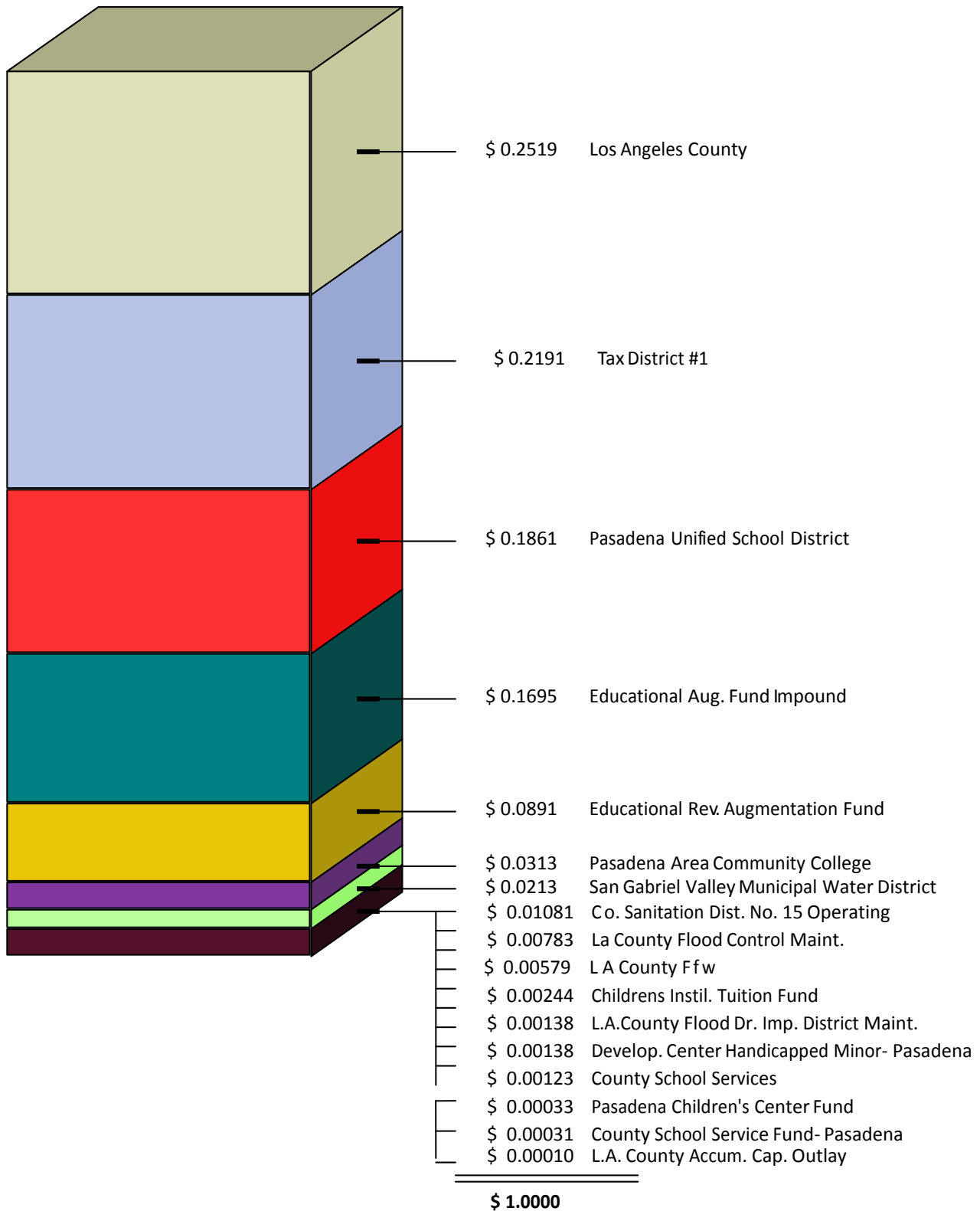


Data Source: L. A. County Assessor 2013/14 Combined Tax Rolls

Prepared On 11/7/2014 By MV

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**CITY OF SIERRA MADRE  
2013/14 PROPERTY TAX DOLLAR BREAKDOWN**



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

Data Source: L. A. County Assessor 2013/14 Annual Tax Increment Tables

Prepared On 11/7/2014 By MV

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**CITY OF SIERRA MADRE  
2013/14 CITY ROLL SUMMARY  
Taxable Property Values**

	<b>Secured</b>	<b>Nonunitary Utilities</b>	<b>Unsecured</b>
Parcels	4,108	0	246
TRAs	9	0	6
<b>Values</b>			
Land	1,051,959,569	0	0
Improvements	650,645,910	0	0
Personal Property	428,124	0	4,112,747
Fixtures	255,658	0	2,076,140
Aircraft	0	0	0
<b>Total Value</b>	<b>\$1,703,289,261</b>	<b>\$0</b>	<b>\$6,716,328</b>
<b>Exemptions</b>			
Real Estate	24,009,006	0	0
Personal Property	460,000	0	5,000
Fixtures	54,000	0	0
Aircraft	0	0	0
Homeowners*	16,896,600	0	0
<b>Total Exemptions</b>	<b>\$23,559,671</b>	<b>\$0</b>	<b>\$5,000</b>
<b>Total Net Value</b>	<b>\$1,769,778,988</b>	<b>\$0</b>	<b>\$6,183,887</b>

<b>Combined Values</b>	<b>Total</b>
<b>Total Values</b>	<b>\$1,800,490,881</b>
<b>Total Exemptions</b>	<b>\$24,528,006</b>
<b>Net Total Values</b>	<b>\$1,775,962,875</b>

\* Note: Homeowner Exemptions are not included in Total Exemptions

Data Source: L. A. County Assessor 2013/14 Combined Tax Rolls  
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Prepared On 11/7/2014 By MV



**CITY OF SIERRA MADRE  
2013/14 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) CETT MADRE LIMITED	24	\$12,101,832	0.68%				\$12,101,832	0.68%	Vacant TD #1
2) ONE CARTER LLC	3	\$11,189,552	0.63%				\$11,189,552	0.63%	Vacant TD #1
3) CITY OF SIERRA MADRE LESSOR	4	\$6,956,086	0.39%				\$6,956,086	0.39%	Residential TD #1
4) BARBERA FAMILY LP	3	\$5,011,163	0.28%				\$5,011,163	0.28%	Residential TD #1
5) GINKGO STONEHOUSE II LLC	4	\$4,920,148	0.28%				\$4,920,148	0.28%	Vacant TD #1
6) WILLIAM L. SULLIVAN FAMILY TRUST	9	\$4,353,067	0.25%				\$4,353,067	0.25%	Residential TD #1
7) MB EQUITY LLC	2	\$4,076,487	0.23%				\$4,076,487	0.23%	Residential TD #1
8) GINKGO STONEHOUSE LLC	2	\$3,805,519	0.22%				\$3,805,519	0.21%	Residential TD #1
9) MARIE SULLIVAN TRUST	5	\$3,552,761	0.20%				\$3,552,761	0.20%	Industrial Successor Agency
10) ZHIHAO LIU	1	\$3,056,267	0.17%				\$3,056,267	0.17%	Residential TD #1
<b>Top Ten Total</b>	55	\$59,022,882	3.34%	0	\$0	0.00%	\$59,022,882	3.32%	
<b>City Total</b>		\$1,769,778,988			\$6,183,887		\$1,775,962,875		

Top Owners last edited on 8/19/14 by maheav sales through 06/30/14 (Version R.1)

Data Source: L. A. County Assessor 2013/14 Combined Tax Rolls and the SBE Non Unitary Tax Roll  
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**CITY OF SIERRA MADRE**  
**2004/05 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)	7	\$9,204,399	0.81%				\$9,204,399	0.81%	Irrigated TD #1
2) BARBERA FAMILY LIMITED PARTNERSHIP	3	\$4,331,055	0.38%				\$4,331,055	0.38%	Residential TD #1
3) CENTURY-TCI CALIFORNIA LP (Pending Appeals On Parcels)	1	\$1,583,694	0.14%	1	\$1,793,149	24.70%	\$3,346,843	0.30%	Unsecured TD #1
4) RENAISSANCE PLAZA LLC	2	\$2,335,572	0.21%				\$2,335,572	0.21%	Commercial Successor Agency
5) IVAN V. AND BARBARA R. OVIEDO	3	\$2,283,666	0.20%				\$2,283,666	0.20%	Residential TD #1
6) SAN GABRIEL PROPERTIES LLC	3	\$1,969,926	0.17%				\$1,969,926	0.17%	Residential TD #1
7) TIARA ENTERPRISES LLC	1	\$1,900,000	0.17%				\$1,900,000	0.17%	Commercial Successor Agency
8) CAROLE J. DOHLEN TRUST	2	\$1,818,179	0.16%				\$1,818,179	0.16%	Residential TD #1
9) ZHANG HONGMEI	3	\$1,450,518	0.15%				\$1,772,872	0.16%	Residential TD #1
10) ERNEST M. COMACHO	3	\$1,750,518	0.15%				\$1,750,518	0.15%	Residential TD #1
<b>Top Ten Total</b>	26	\$28,949,881	2.56%	1	\$1,793,149	24.70%	\$30,743,030	2.70%	
<b>City Total</b>		\$1,131,410,893			\$7,258,551		\$1,138,669,444		

Top Owners last edited on 7/19/13 by maheav using sales through 6/30/05 (Version R.1)

Data Source: L. A. County Assessor 2004/05 Combined Tax Rolls and the SBE Non Unitary Tax Roll  
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**CITY OF SIERRA MADRE**  
**Ratios of Outstanding Debt by Type**

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Fiscal Year Ended June 30,	Governmental Activities			Total
	Master Lease Equipment Financing	General Obligation Bonds	Tax Increment Bonds <sup>(1)</sup>	
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
2013	616,191	-	-	616,191
2014	539,654	-	-	539,654

<sup>(1)</sup> 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 eight years of data for this schedule.*

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

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Business-type Activities

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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
297,353	9,385,000	1,165,500	10,847,853	11,464,044
260,419	8,995,000	1,019,812	10,275,231	10,814,885

**CITY OF SIERRA MADRE**  
**Pledged Revenue Coverage**

Fiscal Year Ended June 30,	Governmental Activities			
	Tax Increment <sup>(1)</sup>	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 <sup>(2)</sup>	1,128,402	225,000	171,288	2.85
2010 <sup>(3)</sup>	697,666	235,000	160,125	1.77
2011 <sup>(4)</sup>	1,174,727	245,000	148,125	2.99
2012 <sup>(5)</sup>	1,249,669	255,000	156,042	3.04
2013 <sup>(6)</sup>	555,072	270,000	120,187	1.42
2014 <sup>(6)</sup>	505,387	300,000	106,188	1.24

<sup>(1)</sup> Tax increment figures are net of related pass-through payments.

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

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

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

<sup>(5)</sup> 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.

<sup>(6)</sup> Due to the dissolution of the Community Redevelopment Agency, the Tax Allocation Bonds were transferred to the Successor Agency. This funding represents the Private Purpose Trust 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

Debt Service

Fiscal Year Ended June 30,	Operating Revenues	Operating Expenses	Operating Income	Principal	Interest	Coverage
2006	\$ 3,054,798	\$ 1,782,573	\$ 1,272,225	\$ 270,000	\$ 580,757	1.50
2007	4,727,750	2,508,870	2,218,880	280,000	693,759	2.28
2008	5,031,771	5,828,036	(796,265)	290,000	556,042	(0.94)
2009	3,037,500	2,596,025	441,475	300,000	541,878	0.52
2010	2,920,048	2,719,354	200,694	320,000	526,387	0.24
2011	3,155,645	2,751,540	404,105	335,000	528,267	0.47
2012	3,038,056	2,760,709	277,347	350,000	492,665	0.33
2013	3,558,161	2,925,171	632,990	370,000	477,178	0.75
2014	3,834,017	2,625,997	1,208,020	390,000	458,033	1.42

*The City has elected to show only nine 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	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Basic Levy<sup>1</sup></b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.02908	0.02746	0.02831	0.08086	0.07911	0.07561	0.07456	0.07691	0.07670	0.07550
County Detention Facilities 1987 Debt	0.00092	0.00080	0.00066	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
La County Flood Control	0.00025	0.00005	0.00005	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Pasadena Community College Dist	0.00879	0.00410	0.02080	0.01972	0.01742	0.02300	0.01986	0.01956	0.02056	0.01899
Pasadena Unified School Dist	0.08631	0.10991	0.11717	0.05491	0.06375	0.10836	0.10195	0.11120	0.11403	0.10351
San Gabriel Vly Mwd State Water Bond	0.02000	0.02000	0.02000	0.02000	0.01800	0.01800	0.01800	0.01800	0.01800	0.01800
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.45437</b>	<b>1.47134</b>	<b>1.49602</b>	<b>1.48451</b>	<b>1.48730</b>	<b>1.53400</b>	<b>1.52340</b>	<b>1.53470</b>	<b>1.53832</b>	<b>1.52502</b>
<b>City's Share of 1% Levy Per Prop 13<sup>3</sup></b>	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
<b>General Obligation Debt Rate</b>										
<b>Redevelopment Rate<sup>4</sup></b>	1.02117	1.02084	1.02072	1.02000	1.01800	1.01800	1.01800	1.01800		
<b>Total Direct Rate<sup>5</sup></b>	0.27615	0.28023	0.28118	0.28220	0.28474	0.28501	0.28519	0.28433	0.28214	0.22284

**Notes:**

<sup>1</sup>In 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.

<sup>2</sup>Overlapping 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.

<sup>3</sup>City'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.

<sup>4</sup> Redevelopment Rate is based on the largest RDA tax rate area and only includes 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. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

<sup>5</sup> Total Direct Rate is the weighted average of all individual direct rates applied to by the government preparing the statistical section information and excludes revenues derived from aircraft.

Beginning in 2013/14 the Total Direct rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residential revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

Data Source: L. A. County Assessor 2004/05 - 2013/14 Tax Rate Table

Prepared On 11/7/2014 By MV

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**CITY OF SIERRA MADRE  
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2014**

<b>Overlapping Debt</b>	<b>Gross Bonded Debt Balance</b>	<b>Percent Applicable To City</b>	<b>Net Bonded Debt</b>
812.51 PASADENA CCD DS 2006 SERIES B	26,985,000	2.679	722,814
812.52 PASADENA CCD DS 2006 REFUNDING BOND SERIES C	19,443,312	2.679	520,804
812.53 PASADENA CCD DS 2002, 2006 SER D	25,645,000	2.679	686,921
812.54 PASADENA CCD 2002, 2009 SERIES E (BABS)	25,295,000	2.679	677,546
817.51 ARCADIA UNIFIED DS 1993 SERIES A	3,860,109	0.348	13,422
817.53 ARCADIA UNIFIED DS 1993 SERIES C	1,008,429	0.348	3,506
817.54 ARCADIA UNIFIED DS REF. BONDS 1993 2005 SERIES A	2,735,000	0.348	9,510
817.55 ARCADIA UNIFIED DS 2006 SERIES A	185,150,423	0.348	643,781
909.54 PASADENA USD DS 2004 REF. BONDS	26,645,000	5.509	1,467,851
909.55 PASADENA USD DS 2005 REF. BONDS	110,865,000	5.509	6,107,460
909.56 PASADENA USD DS 2008 SERIES 2009	23,385,000	5.509	1,288,260
909.57 PASADENA USD 2008 SERIES 2009A-2 BABS	84,680,000	5.509	4,664,950
909.58 PASADENA USD DS 2008 SERIES 2012	138,270,000	5.509	7,617,179

**Total Overlapping Debt**

**24,424,003**

2013/14 Assessed Valuation: \$1,630,410,328 After Deducting \$145,552,547 Incremental Value

Debt To Assess Valuation Ratios:	Direct Debt	0.00%
	Overlapping Debt	1.50%
	<b>Total Debt</b>	<b>1.50%</b>

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.

**CITY OF SIERRA MADRE  
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2005**

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		16,205,000	0.156	25,226
030.60	LA CO FLD CTRL STORM DR BONDS NO 4 DS	Land, Impr.	1,990,000	0.164	3,259
030.61	LA CO FLD CTRL REF BONDS 1993 DEBT SVC	Land, Impr.	275,000	0.164	450
812.50	PASADENA COM COLL DIS 2002 SERIES A		28,840,000	2.740	790,190
817.51	ARCADIA UNIF SD 1993 SER A DS		10,173,001	0.374	38,017
817.52	ARCADIA UNIF SD 1993 SER B DS		390,000	0.374	1,457
817.53	ARCADIA UNIF DS 1993 SER C DS		3,173,601	0.374	11,860
909.50	PASADENA UNIFIED SD 2004 REF BONDS		86,685,000	5.648	4,896,088
909.51	PASADENA UNIFIED SD 1997 SER B DS		2,495,000	5.648	140,921
909.52	PASADENA UNIFIED SD 1997 SER C DS		3,235,000	5.648	182,717

**Total Overlapping Debt**

**6,090,186**

2004/05 Assessed Valuation: \$1,050,883,223 After Deducting \$87,786,221 Incremental Value.

Debt To Assessed Valuation Ratios:	Direct Debt	0.00%
	Overlapping Debt	0.58%
	Total Debt	0.58%

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.

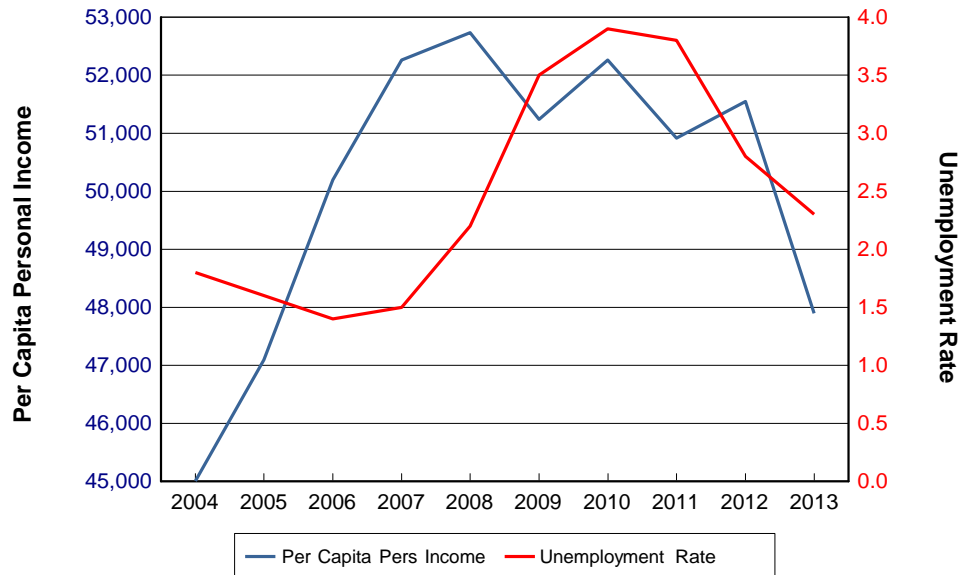
Data Source: HdL Coren & Cone, L. A. County Assessor and Auditor Combined 2004/05 Lien Date Tax Rolls  
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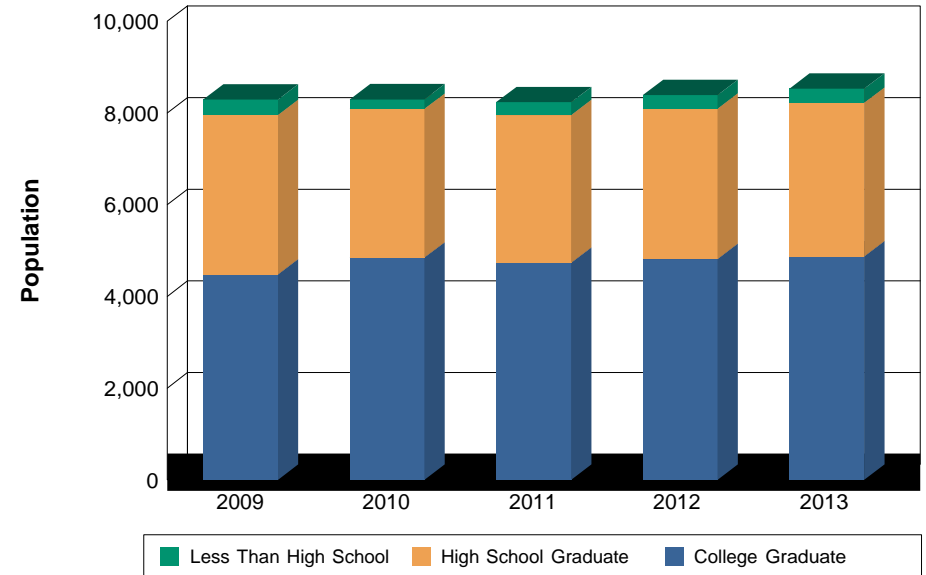
**CITY OF SIERRA MADRE  
DEMOGRAPHIC AND ECONOMIC STATISTICS**

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
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%
2012	11,023	\$568,214	\$51,548	2.8%	48.2	96.5%	57.4%
2013	11,094	\$531,369	\$47,897	2.3%	48.0	96.4%	57.1%

**Personal Income and Unemployment**



**Education Level Attained for Population 25 and Over**



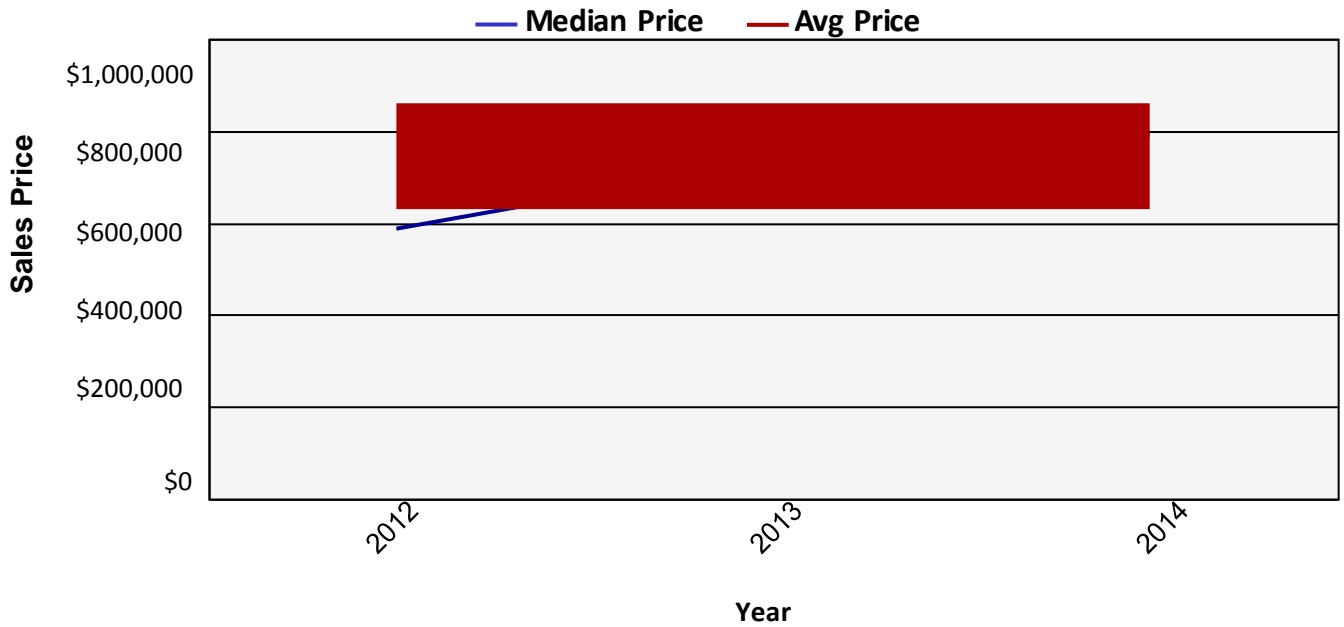
Population: California State Department of Finance. Unemployment Data: California Employment Development Department  
 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census.* Projections are developed by incorporating all of the prior census data 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 (01/01/2012 – 09/30/2014)**

Year	Full Value Sales	Average Price	Median Price	Median % Change
2012	133	\$662,331	\$589,000	
2013	158	\$808,978	\$736,250	25.00%
2014	109	\$830,037	\$792,000	7.57%



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

Data Source: L. A. County Recorder

Prepared On 11/7/2014 By MV

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

	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Apparel Stores	\$ 750	\$ 942	\$ 1,025	\$ 903	\$ 842	\$ 635	\$ 621	\$ 661	\$ 427	\$ 248
Eating and Drinking Places	4,193	5,688	6,676	7,432	7,826	7,571	7,395	8,185	7,969	8,907
Other Retail Stores	8,386	8,198	10,761	12,339	12,297	10,498	10,109	10,582	10,150	11,264
All Other Outlets	12,100	12,369	10,592	9,123	8,319	7,501	6,773	7,069	6,947	7,673
<b>Total</b>	<b>\$ 25,429</b>	<b>\$ 27,196</b>	<b>\$ 29,054</b>	<b>\$ 29,797</b>	<b>\$ 29,283</b>	<b>\$ 26,205</b>	<b>\$ 24,898</b>	<b>\$ 26,498</b>	<b>\$ 25,493</b>	<b>\$ 28,092</b>

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 2013/14**

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<b>Business Name</b>	<b>Business Category</b>
Alliance	Service Stations
Arnolds Frontier Hardware.	Hardware Store
Bean Town	Quick Service Restaurants
Bottle Shop	Package Liquor Stores
Buccaneer Lounge	Casual Dining
Casa Del Rey	Casual Dining
Corfu Restaurant	Casual Dining
Crave Enterprises	Food Service Equip./Supplies
Happys Liquor	Package Liquor Stores
Ixora Floral Studio	Florist Shops
Lenora Moss	Florist Shops
Lingo Industrial Electronics	Heavy Industrial
Lucky Baldwins Delirium Cafe	Casual Dining
Moes Automotive Service Center	Auto Repair Shops
Only Place In Town	Casual Dining
Peppertree Grill	Casual Dining
Sierra Briganti	Casual Dining
Sierra Madre Pizza Co.	Quick-Service Restaurants
Sierra Madre Service Station	Service Stations
Sierra Madre Valero	Service Stations
Starbucks.	Quick-Service Restaurants
Taco Fiesta	Quick-Service Restaurants
Ugos Bakery Deli Café	Casual Dining
Village Pizzeria	Fast-Casual Restaurants
Wistaria Restaurant & Bar	Casual Dining

Percent of Fiscal Year Total Paid By Top 25 Accounts = 77.98%

\* Firms Listed Alphabetically

Period: April 2013 Thru March 2014

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

Printed 11/7/2014

**CITY OF SIERRA MADRE**  
**TOP 25 SALES TAX PRODUCERS**  
**Fiscal Year 2004/05**

---

<b>Business Name</b>	<b>Business Category</b>
Angels Everywear	Women's Apparel
Arnold's Frontier Hardware	Hardware Stores
Attitude	Women's Apparel
Bottle Shop	Package Liquor Stores
Buccaneer Lounge	Fine Dining
Casa Del Rey	Casual Dining
Charlottes Fine Jewelry	Jewelry Stores
Dominos Pizza	Quick-Service Restaurant
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/Equip. Rentals
Howies Ranch Market	Grocery Stores Liquor
Ixia Designs	Part Time Permittees
Leonora Moss	Florist Shops
Lingo Industrial Electronics	Heavy Industrial
Moes Automotive Service Center	Auto Repair Shops
Only Place In Town	Casual Dining
Peppertree Grill	Casual Dining
Sierra Custom Kitchens Baths & De	Home Furnishings
Sierra Glass & Mirrors Inc	Paint/Glass/Wallpaper
Starbucks	Quick-Service Restaurants
Village Pizzeria & Deli	Quick-Service Restaurants
Weber Design	Personal Service-No Liquor

Percent of Fiscal Year Total Paid By Top 25 Accounts = 71.47%

\* Firms Listed Alphabetically  
 Period: March 2004 Thru March 2005

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

Printed 11/7/2014

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

	Employees as of June 30,								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government	9	8	8	8	8	8	8	9	9
Public Safety									
Police									
Officers	17	17	17	17	18	18	18	16	17
Civilians	5	5	5	5	5	5	5	4	4
Fire									
Full-Time	3	3	3	3	3	3	3	4	4
Public Works	20	20	21	21	20	20	20	19	17.5
Development	4	4	4	4	4	4	4	3	3.5
Library and Recreation	9	10	10	10	10	10	10	9	8
Total	67	67	68	68	68	68	68	64	63

*The City has elected to show only nine 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	2013	2014
<b>Police</b>									
Number of:									
Physical Arrests	252	580	417	370	467	129	328	399	345
Parking Violations	1,625	2,931	3,283	3,516	2,812	2,495	2,031	3,266	2,976
Traffic Violations	1,255	1,039	1,339	1,574	1,740	1,989	1,798	1,435	1,967
<b>Fire</b>									
Number of:									
Calls Answered	688	816	851	818	885	940	967	947	863
Inspections	1,406	1,662	53	2,040	1,964	1,970	2,002	1,943	2,000
<b>Public Works</b>									
Number of:									
Water Mains Repaired	n/a	20	18	18	25	24	45	30	25
Water service leaks repaired	n/a	19	15	25	28	13	19	19	8
Street resurfacing/repair (SF)	n/a	0	0	0	331,235	0	0	0	69,000
Sidewalk Repairs (SF)	n/a	1,250	1,625	1,050	1,950	4,755	3,207	12,000	4,096
Trees planted	29	0	47	6	34	28	14	8	63
Trees pruned	706	274	470	444	171	24	20	537	514
Trees removed	10	23	12	18	18	37	50	20	30
Sewer cleaned/inspected (LF)	90,000	90,000	186,055	186,055	186,055	155,761	151,659	102,720	143,711
Sewer Manhole inspected (each)	n/a	n/a	n/a	n/a	n/a	n/a	346	171	104
Sewer lines inspected (LF)	n/a	n/a	n/a	n/a	n/a	n/a	500	200	330
Meters replaced	152	105	111	463	624	479	398	138	129
Valves exercised	450	137	350	234	257	829	583	299	406
Pot holes repaired	n/a	78	66	106	106	87	14	100	188
Water Mains Replaced (LF)	n/a	n/a	n/a	n/a	n/a	150	4,165	n/a	n/a
<b>Recreation and Community Services</b>									
Number of participants:									
Recreation classes	n/a	1,476	1,518	1,419	1,008	1,658	1,382	2,510	1,730
Aquatic <sup>(1)</sup>	n/a	2,348	3,665	3,398	3,720	3,584	3,146	n/a	n/a
Summer pool memberships	n/a	13	7	22	22	10	16	n/a	n/a
Annual Events <sup>(2)</sup>	n/a	729	671	738	708	758	789		
Movie Series	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,100	1,050
Concert Series	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,600	4,550
Summer Fun in the Park	n/a	n/a	n/a	n/a	n/a	n/a	n/a	274	320
Huck Finn (campsites)	n/a	34	34	28	37	41	43	40	60
Oktoberfest	n/a	64	57	59	55	73	70	57	n/a
Mt. Wilson Trail Race	n/a	355	335	335	328	319	323	328	350
Window Painting	n/a	74	72	130	119	163	163	89	n/a
Halloween Happenings	n/a	154	131	133	149	153	153	112	n/a
Whale Watching	n/a	48	42	53	20	47	37	45	25

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

<sup>(1)</sup> Aquatics contracted out beginning FY 2012-2013

<sup>(2)</sup> Annual events divided into new categories beginning FY 2012-2013

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

	Fiscal Year Ended June 30,								
	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Library</b>									
Number of:									
Registered borrowers	13,308	13,968	10,942	10,970	11,162	11,292	11,994	13,044	11,366
Circulation	101,461	81,879	90,985	101,513	107,535	111,384	105,121	86,829	79,673
Reference	6,947	7,208	5,823	5,707	6,682	7,781	6,705	5,663	5,795
Book volumes held	61,150	61,515	59,037	59,540	58,956	56,415	55,845	51,681	54,663
User's of E-Resources	14,155	15,226	14,104	12,762	14,288	13,962	13,312	13,844	14,173
Media	4,486	4,688	4,982	4,940	5,381	5,301	5,323	5,512	5,993
Periodicals	106	115	115	108	119	115	115	109	95
<b>Municipal Utilities</b>									
Number of:									
Number of Customers									
Commercial	n/a	105	106	110	111	110	111	112	70
Multi-Unit	n/a	353	353	351	356	354	356	353	212
Residential	n/a	3,136	3,184	3,198	3,312	3,284	3,255	3,280	3,424
City	n/a	75	75	75	75	75	75	63	40
Water Served (cubic feet)	947	1,051	1,146	956	1,010	1,086	1,212	1,232	1325
<b>Administrative Services</b>									
Number of:									
Number of Customers									
Online Bill Pay (average)	n/a	n/a	n/a	n/a	n/a	n/a	155	131	156
Business Licenses Issued	n/a	1,180	1,200	1,266	1,275	1,288	1,232	1,360	2,358
<b>Development Services</b>									
Number of:									
Conditional Use Permit		18	5	2	7	5	13	5	5
Minor Conditional Use Permit		6	8	5	5	3	2	5	10
Variance		4	7	4	4	2	4	1	-
Minor Variance		8	3	5	5	-	-	3	1
Municipal Code Text Amendment		5	4	1	1	3	2	3	1
Building Permit		302	242	245	125	242	304	278	249
Electrical Permit		187	123	132	86	57	81	165	208
Mechanical Permit		111	188	75	22	36	38	110	130
Plumbing Permit		184	133	104	45	49	59	161	166
Sewer		18	8	9	2	6	13	25	26

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

**CITY OF SIERRA MADRE**  
**Fixed Assets - Current Value**

		Fiscal Year Ended June 30,		
		2007	2008	2009
Roadways	Pavement AC (Governmental Funds-ISF Facilities)	\$ 22,116,904	\$ 17,056,270	\$ 16,209,394
Street Appurtenances	Bridges (Governmental Funds-ISF Facilities)	276,685	86,464	79,547
Parks	Park Structures (Governmental Funds-ISF Facilities)	534,527	184,980	183,792
	Trees (Governmental Funds-ISF Facilities)	1,070,400	1,206,214	1,206,214
Wastewater	Manholes (Sewer)	1,649,811	893,647	866,151
	Sewer Pipelines (Sewer)	5,848,948	3,168,180	3,070,698
Domestic Water Network	Spreading Basins (Water)	1,959,726	1,356,188	1,257,907
	Pump Stations (Water)	1,308,070	1,756,896	1,702,838
	Meters (Water)	857,703	71,475	42,885
	Pipelines (Water)	9,127,009	4,107,154	3,924,614
	Pressure Reducing Stations (Water)	649,490	381,575	365,338
	Fire Hydrants (Water)	500,453	225,204	215,195
	Wells (Water)	2,010,791	904,856	864,640
	Reservoirs (Water)	7,032,861	12,824,440	14,539,434
Buildings	All			
	Buildings (Water Fund)	410,645	201,216	176,577
	Buildings (Sewer Fund)	410,645	201,216	176,577
	Buildings (Government-ISF Facilities)	11,782,716	7,822,061	7,273,863
Land	All			
	Land (Water Fund)	1,483,250	1,483,250	1,483,250
	Land (Government-ISF Facilities)	162,275,945	162,275,945	162,275,945
General Equipment	All			
	Vehicle & Equipment (Water Fund)	418,332	55,804	39,215
	Vehicle & Equipment (Sewer Fund)	237,656	19,203	18,522
	Vehicle & Equipment (Government-GASB34 only)			
	Vehicle & Equipment (Government-ISF Fleet)	1,926,882	340,274	520,740
	Accounting Software (Governmental-ISF Administration)			
<b>Total</b>		<b>\$ 233,889,449</b>	<b>\$ 216,622,513</b>	<b>\$ 216,493,335</b>

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

Fiscal Year Ended June 30,				
2010	2011	2012	2013	2014
\$ 15,364,491	\$ 14,523,998	\$ 13,686,599	\$ 12,858,351	\$ 12,041,539
72,630	65,713	58,796	51,878	44,961
172,614	164,767	156,919	149,072	141,224
	73,317	167,586	162,738	155,976
1,206,214	1,206,214	1,206,214	1,206,214	1,206,214
838,654	811,157	783,660	756,163	728,666
2,973,215	2,875,733	2,778,250	2,680,768	2,583,285
1,225,146	1,192,386	1,159,626	1,126,865	1,094,105
1,648,780	1,594,721	1,540,663	1,486,605	1,432,546
14,295	-	-	-	-
3,742,074	3,559,533	3,376,993	3,511,413	3,587,725
349,101	332,864	316,626	300,389	284,152
205,186	195,177	185,168	175,159	165,149
824,424	784,209	743,993	703,777	663,561
14,399,392	14,195,770	13,992,147	13,788,524	13,584,901
168,365	160,152	151,939	143,726	135,513
168,365	160,152	151,939	143,726	135,513
7,050,994	6,825,034	6,599,074	6,373,114	6,147,154
1,483,250	1,483,250	1,483,250	1,483,250	1,483,250
162,275,945	162,275,945	162,275,946	162,275,946	162,275,946
27,081	20,780	14,820	10,360	24,555
3,841	404,918	404,918	341,205	336,248
270,108	794,752	740,834	686,766	641,723
1,021,846	980,860	881,965	784,751	704,962
369,848	484,029	459,827	411,425	363,022
<b>\$ 215,875,857</b>	<b>\$ 215,165,429</b>	<b>\$ 213,317,751</b>	<b>\$ 211,612,185</b>	<b>\$ 209,961,890</b>