



# Comprehensive Annual Financial Report

City of Sierra Madre, California

For the Fiscal Year Ended

June 30, 2018

# Comprehensive Annual Financial Report

## City of Sierra Madre, California

For the Fiscal Year Ended June 30, 2018



**Prepared by the Finance Department Staff**

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

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January 7, 2019

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 our pleasure to present the City of Sierra Madre's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2018. 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 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 the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City 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, 2018, 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 unmodified opinion that the City of Sierra Madre's financial statements for the fiscal year ended June 30, 2018, 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.

### ***City Profile***

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 93 full time equivalent employees consisting of nine departments, including full-service Police and Fire Departments. Part-Time employees and volunteers add service and value as integral parts the City organization and community service clubs.

The City has a population of approximately 11,000 residents. The City has approximately 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 with a \$24 million budget that fund general government activity, public safety, and water and sewer utilities. 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. For more than a decade the City of Sierra Madre had maintained expenditures under the available resources, but this has had its challenges. Like most governments since the recent recession, Sierra Madre revenues received have remained relatively flat 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 the Community Redevelopment Plan and the General Fund was faced with absorbing most of these costs.

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

- Refinanced Long-Term Water Debt, saving more than \$1M.
- Implemented the Water Master Plan and replaced nearly 2.5 miles (12,000 ft.) of failed water mains.
- Purchased and began installation of advanced metering infrastructure (smart meters) for all water customers, which will allow residents to monitor and control water use in real time.
- Reduced system-wide water loss by 34%.
- Approved new five year MOUs with both City unions, previous agreements had been two years.
- Transitioned from a volunteer Fire Department to a full Career Fire Department.
- Created the City's first "Transparency Portal" online to provide information to residents.
- Implemented a "zero-based" budget that reduced expenditures and scaled down services appropriately.
- Approve the pension rate stabilization plan, which will be implemented in the FY 18-19 and 19-20 budgets.

### ***Long-Term Financial Planning***

The FY 17-18 Adopted Budget was developed based on the policies and vision of the City Council. In order to implement the vision of the City Council staff completed a zero-based budget for the 2017-18 Fiscal Year. This style of budgeting requires every expenditure, in all funds, to be reviewed line-by-line and justified. This process reduced expenditures and allowed the General Fund Budget to be adopted without the use of reserve funding, which was required in previous years.

In addition, this budget took steps to eliminate or mitigate structural deficits which had not been addressed in prior years. Previous budgets often used one-time spending and other practices that are not able to be replicated, while allowing long-term structural deficits to remain unaddressed. The FY 17-18 budget invested in infrastructure needs at three times the rate of the previous budget, transitioned fire suppression from volunteer-based to a career-oriented, fully-paid fire department, and absorbed significant increases to pension plans and associated unfunded accrued pension liability, without asking residents for a tax increase.

The FY 17-18 Adopted Revenue budget is \$24,169 Million in total, and includes \$10.936 Million in the General Fund, \$4.963 Million for the Water Fund, and \$875 Thousand for the Sewer Fund which are the City's three primary Funds. The overall surplus for the audited budget is \$3,159 Million, with \$1.324 Million of this surplus attributed to the General Fund.

### ***Relevant Financial Policies***

On June 13, 2017, the City Council adopted the Budget, which includes a comprehensive set of financial policies and procedures. It is established that the budget should be adopted on an annual basis prior to the beginning of the budget cycle. The budgets are adopted on a basis that does not materially differ from Generally Accepted Accounting Principles (GAAP).

In addition, the financial policies set the General Fund operating reserve at 50% of operating revenues.

### ***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.

## ***Awards and Acknowledgements***

*The Government Finance Officers Association (GFOA) awarded a certificate of Achievement for Excellence in Financial Reporting to the City of Sierra Madre for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017.*

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation and publication of this report is made possible through the dedication of the 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 overseeing the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner.

Respectfully submitted,



Colby Konisek  
Finance Director



Hillary Guirola-Leon  
Accounting Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Sierra Madre  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

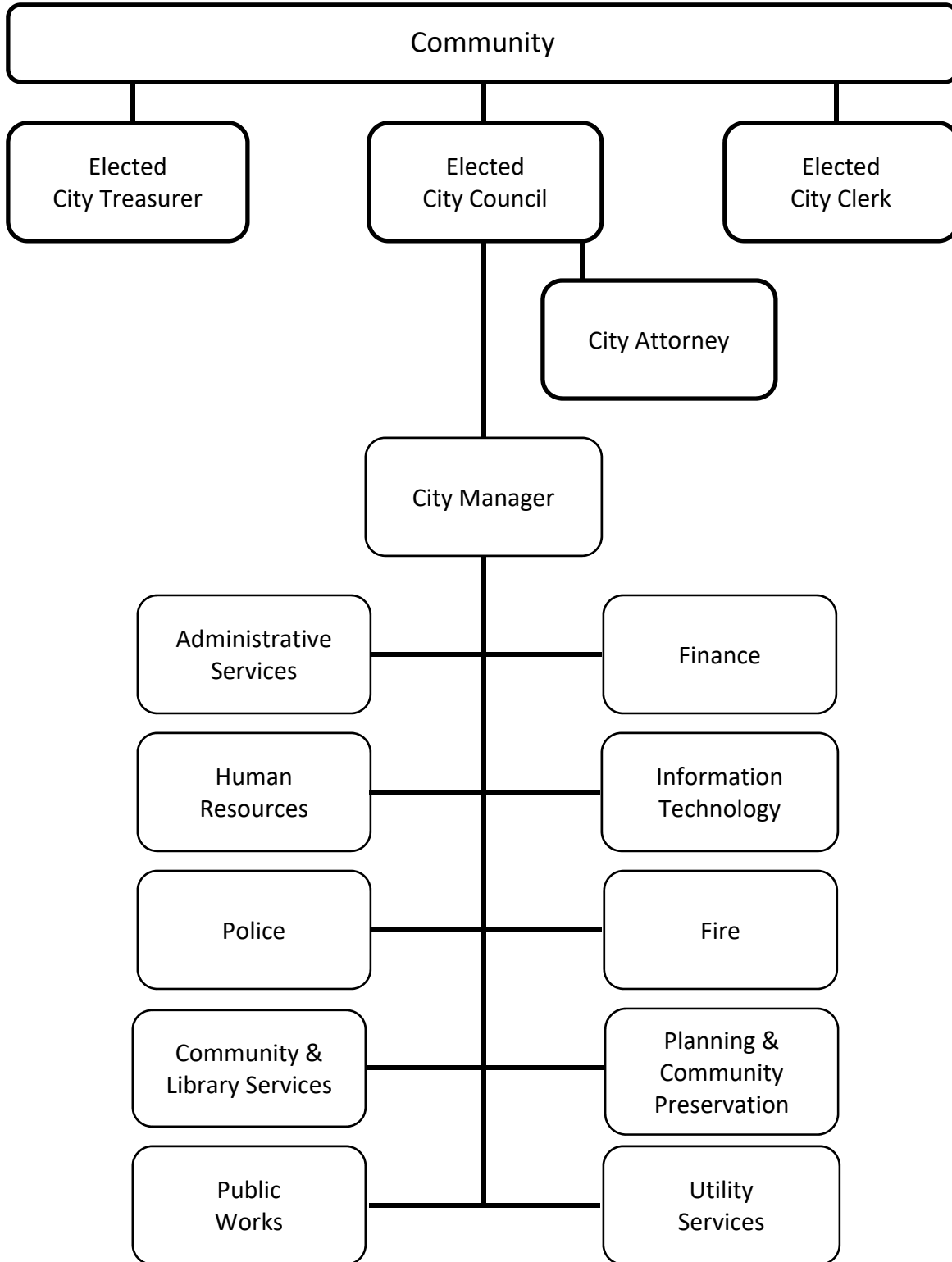
**June 30, 2017**

*Christopher P. Morill*

Executive Director/CEO



# 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, 2018

Sierra Madre, California

### **City Council and Elected Officials**

Denise Delmar  
John Harabedian  
John Capoccia  
Gene Goss  
Rachelle Arizmendi

Sue Spears  
Michael Amerio

Mayor  
Mayor Pro Tempore  
Council Member  
Council Member  
Council Member

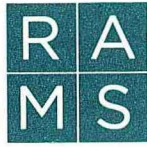
City Clerk  
City Treasurer

### **Executive Management**

Gabriel L. Engeland  
Teresa Highsmith  
Colby Konisek  
Vincent Gonzalez  
Kurt Norwood  
Rebecca Silva-Barron  
Christine Smart  
Joe Ortiz  
Jose Reynoso  
Chris Cimino

City Manager  
City Attorney  
Finance Director  
Director of Planning and Community Preservation  
Acting Fire Chief  
Community Services Manager  
Library Services Manager  
Police Chief  
Utility Services Director  
Director of Public Works

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ROGERS, ANDERSON, MALODY & SCOTT, LLP  
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

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## INDEPENDENT AUDITOR'S REPORT

### PARTNERS

Brenda L. Odle, CPA, MST  
Terry P. Shea, CPA  
Kirk A. Franks, CPA  
Scott W. Manno, CPA, CGMA  
Leena Shanbhag, CPA, MST, CGMA  
Bradferd A. Welebir, CPA, MBA, CGMA  
Jay H. Zercher, CPA (Partner Emeritus)  
Phillip H. Waller, CPA (Partner Emeritus)

### MANAGERS / STAFF

Jenny Liu, CPA, MST  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA  
Gardenya Duran, CPA  
Brianna Schultz, CPA  
Samuel Singery, CPA  
Jing Wu, CPA  
Evelyn Morentin-Barcena, CPA  
Jin Gu, CPA, MT  
Veronica Hernandez, CPA

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

### 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, 2018, 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.

### MEMBERS

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

*Employee Benefit Plan  
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, 2018, 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 a Matter***

#### *Change in Accounting Principle*

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*. Our opinion is not modified with respect to this matter.

The cumulative effects of applying the provisions of GASB Statement No. 75 have been reported as a restatement of beginning net position for the year ended June 30, 2018 in accordance with the Statement.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 2, 2019, 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.

*Rogers, Anderson, Malody & Scott, LLP.*

San Bernardino, California  
January 2, 2019

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Management's Discussion and Analysis For the Year Ending June 30, 2018**

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**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

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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, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

**FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2018 by \$212,818,207 (net position). Of this amount, \$199,043,580 is net investment in capital assets, \$4,926,003 is restricted for various programs, and \$8,848,624 represents unrestricted net position.
- From current operations, the City's governmental activities net position increased \$2,019,628 for fiscal year ended June 30, 2018 or 1.1 percent. Net position of the business-type activities increased by \$1,139,303 or 6.0 percent from current operations.
- During the year, the City's General Fund fund balance increased by \$1,324,075, or 17.8 percent, and total governmental funds balance increased \$611,611, or 11.9 percent.
- In the City's proprietary funds: The Water Fund net position increased by \$1,112,723 or 7.1 percent. This is mainly the result of the City reducing expenses and decreasing allocation and charges from the General Fund to the Water Fund. The Sewer Fund decreased \$105,319 or 3.0 percent. The Sewer Fund has been using up available funds as it was planned at the time of the last sewer rate study, and previous operating deficits were significantly larger. The City reduced expenses and completed an audit of sewer accounts. The result of the audit was an additional 395 added as customers of the Sewer Fund. Non-Major Enterprise Funds increased by \$131,899 or 36.8 percent mainly due to the build-up of funds in the Aquatics Fund, and total Internal Service Funds increased by \$1,189,743 or 23.4 percent which is due to the build-up of proper reserves in the Personnel and Risk Management Fund.

**OVERVIEW OF FINANCIAL STATEMENTS**

The discussion and analysis provided here are intended to serve as an introduction to the City of Sierra Madre's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Sierra Madre's finances, in a manner similar to the private sector business. 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. The statements are prepared using the accrual basis of accounting which 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. 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, and equipment, etc.) as well as the recognition of various long-term liabilities (e.g., bonds payable, accrued employee benefits, claims and judgments payable, etc.).

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

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The statement of net position presents information on all the City of Sierra Madre's assets, liabilities, and deferred inflows/outflows of resources. The difference between assets plus deferred outflows of resources, and liabilities and deferred inflows of resources is reported as net position. This statement includes changes in capitalized and depreciated capital assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City of Sierra Madre's net position 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 for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include the City and its component units. As stated in Note 1A 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*.

The *government-wide* financial statements can be found on pages 15 through 17 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.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

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The City maintains 43 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 which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in the form of combining statements in the Supplementary Information.

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 69 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.

**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 22 through 25 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 Non-Major 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, 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.

The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position found on pages 26 through 27. 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 28 of this report.



**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

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**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information and compliance; Schedule of the City's Proportionate Share of the Plan's Net Pension Liability and Related Ratios; Schedule of Plan Contributions; and Schedule of Changes in the Net OPEB Liability and Related Ratios, and the Schedule of OPEB Contributions. Required supplementary information can be found on pages 68 through 73 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information captioned supplementary schedules. Combining and individual fund statements and schedules can be found on pages 74 through 129 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**

As noted earlier, 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, liabilities, and deferred outflows/inflows of resources of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the City's net position and changes in them. Net position is the difference between assets, liabilities, and deferred outflows/inflows of resources, 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, and other state and federal funds finance these activities.

**Business-type activities** – The City charges a fee to customers to cover the services it provides within this category. The City's water system, sewer system, and community operations are reported in this category.

**Government-Wide Financial Analysis**

Our analysis focuses on the City's net 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 have been presented. An analysis of the significant increases/decreases from the prior year is provided before each table.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

**Net Position:** Net Position, the difference between a government's assets plus deferred outflows of resources and liabilities and deferred inflows of resources, may serve over time as one potential useful indicator of a government's financial position (Table 1). Net Position 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 and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$212,818,207 at the close of the most recent fiscal year as compared to the net position of \$210,370,771 in fiscal year 2016-17.

Table 1  
**Condensed Statement of Net Position**  
**June 30, 2017 and 2018**  
(in thousands)

	Governmental activities		Business-type activities		Total	
	2017	2018	2017	2018	2017	2018
<b>Assets</b>						
Current and other assets	\$ 18,505	\$ 20,798	\$ 6,158	\$ 4,914	\$ 24,663	\$ 25,712
Noncurrent assets	1,802	1,500	-	-	1,802	1,500
Capital assets, net	180,793	181,264	25,329	25,011	206,122	206,275
<b>Total assets</b>	<b>201,100</b>	<b>203,562</b>	<b>31,487</b>	<b>29,925</b>	<b>232,587</b>	<b>233,487</b>
Deferred outflows of resources	2,982	3,595	654	789	3,636	4,384
<b>Liabilities</b>						
Current and other liabilities	1,520	1,514	2,422	298	3,942	1,812
Noncurrent liabilities	11,271	12,792	10,150	9,724	21,421	22,516
<b>Total liabilities</b>	<b>12,791</b>	<b>14,306</b>	<b>12,572</b>	<b>10,022</b>	<b>25,363</b>	<b>24,328</b>
Deferred inflows of resources	401	595	88	131	489	726
<b>Net position:</b>						
Net investment in capital assets	180,505	181,067	16,892	17,975	197,397	199,042
Restricted	5,120	4,925	1,149	-	6,269	4,925
Unrestricted	5,265	6,264	1,440	2,586	6,705	8,850
<b>Total net position</b>	<b>\$ 190,890</b>	<b>\$ 192,256</b>	<b>\$ 19,481</b>	<b>\$ 20,561</b>	<b>\$ 210,371</b>	<b>\$ 212,817</b>

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

**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 \$1.2 million, or 6.1 percent; and total expenses increased by \$255 thousand, or 1.5 percent.

Table 2  
**Condensed Statement of Activities**  
**For the years ended June 30, 2017 and 2018**  
(in thousands)

	Governmental activities		Business-type activities		Total	
	2017	2018	2017	2018	2017	2018
<i>Revenues:</i>						
Program revenues						
Charges for services	\$ 2,377	\$ 2,652	\$ 6,338	\$ 6,719	\$ 8,715	\$ 9,371
Operating grants and contributions	1,369	1,588	62	-	1,431	1,588
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Taxes	9,331	9,655	-	-	9,331	9,655
Investment income	86	109	8	32	94	141
Total revenues	<u>13,163</u>	<u>14,004</u>	<u>6,408</u>	<u>6,751</u>	<u>19,571</u>	<u>20,755</u>
<i>Expenses:</i>						
General government	1,710	1,335	-	-	1,710	1,335
Public safety	5,116	5,394	-	-	5,116	5,394
Public works	1,961	2,197	-	-	1,961	2,197
Development services	1,130	1,558	-	-	1,130	1,558
Culture and recreation	1,078	1,388	-	-	1,078	1,388
Interest	14	10	-	-	14	10
Water	-	-	4,763	4,432	4,763	4,432
Sewer	-	-	1,371	1,030	1,371	1,030
Recreation services	-	-	23	4	23	4
Strike Team	-	-	126	171	126	171
Filming	-	-	51	78	51	78
Total expenses	<u>11,009</u>	<u>11,882</u>	<u>6,334</u>	<u>5,715</u>	<u>17,343</u>	<u>17,597</u>
Change in net position before transfers	2,154	2,122	74	1,036	2,228	3,158
Transfers	<u>(119)</u>	<u>(103)</u>	<u>119</u>	<u>103</u>	<u>-</u>	<u>-</u>
Change in net position	2,035	2,019	193	1,139	2,228	3,158
Net position, beginning, restated	<u>188,855</u>	<u>190,237</u>	<u>19,288</u>	<u>19,422</u>	<u>208,143</u>	<u>209,659</u>
Net position, ending	<u>\$ 190,890</u>	<u>\$ 192,256</u>	<u>\$ 19,481</u>	<u>\$ 20,561</u>	<u>\$ 210,371</u>	<u>\$ 212,817</u>

**CITY OF SIERRA MADRE**  
**Management’s Discussion and Analysis**  
**For the year ended June 30, 2018**

**Governmental Activities:** The following (Table 3) presents the cost of each of the City’s largest programs – general government, public safety, public works, community development and culture and recreation, – and in addition, 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**  
**For the year ended June 30, 2018**  
(in thousands)

	Total cost of services	Total program revenues	Net cost of services
General government	\$ 1,335	\$ 1,218	\$ (117)
Public safety	5,394	753	(4,641)
Public works	2,197	1,900	(297)
Development services	1,558	65	(1,493)
Culture and recreation	1,388	304	(1,084)
Totals	<u>\$ 11,872</u>	<u>\$ 4,240</u>	<u>\$ (7,632)</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  
**Condensed Statement of Revenues, Expenditures and Changes in Fund Balance**  
**For the years ended June 30, 2017 and 2018**  
(in thousands)

	Revenues		Expenditures		Transfers		Net change in fund balance	
	2017	2018	2017	2018	2017	2018	2017	2018
General Fund	\$ 11,108	\$ 12,053	\$ 10,377	\$ 10,620	\$ 38	\$ (109)	\$ 769	\$ 1,324
Other governmental funds	2,033	1,927	1,200	2,665	(135)	25	698	(713)
Totals	<u>\$ 13,141</u>	<u>\$ 13,980</u>	<u>\$ 11,577</u>	<u>\$ 13,285</u>	<u>\$ (97)</u>	<u>\$ (84)</u>	<u>\$ 1,467</u>	<u>\$ 611</u>

**CITY OF SIERRA MADRE**  
**Management’s Discussion and Analysis**  
**For the year ended June 30, 2018**

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**Governmental Funds:** Based on the audited Statement of Revenues, Expenditures and Changes in Fund Balance, the total fund balance of the City’s General Fund increased by approximately \$1.3 million in FY 2017-18. General Fund revenues increased by approximately \$900 thousand, or 8.5 percent; expenditures increased by approximately \$243 thousand, or 2.2 percent; and net transfers out decreased by approximately \$150 thousand, which was due to the collapsing of subsidized operations to the General Fund. In prior years Recreation Classes, the Paramedic Program and Development Services were reported in separate funds supported by a subsidy from the General Fund. Commencing in 2016-2017 the subsidized operations were accounted for in the General Fund, increasing Revenues and Expenditures in the General Fund and eliminating the Transfer Out for the subsidized amount. Other governmental funds decreased total fund balance by approximately \$700 thousand in FY 2017-18.

At June 30, 2018, the fund balance for the General Fund was \$8,752,193 which was an increase of approximately \$1.3 million. The City adopted an operating reserve as follows:

Table 4-a  
**Fund balances for General Fund**

	<u>Amount</u>
General Fund - fund balance for the year ending June 30, 2017	\$ 7,428,118
Total revenues	12,053,691
Total expenditures	(10,620,444)
Transfers	<u>(109,172)</u>
General Fund - fund balance for the year ending June 30, 2018	<u>\$ 8,752,193</u>
 <i>Unassigned reserves</i>	
50% of operating revenues - cash flow reserve policy	\$ 6,026,846
<i>Unassigned reserves</i>	2,725,347

The unassigned General Fund reserves were accumulated over time. The total unassigned General Fund reserves increased slightly. The unassigned General fund reserves are the result of:

- Fluctuations in assigned reserves (50% of annual operating revenues per the City’s fund balance policy); and
- Year End operating surpluses/deficits.

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

**Business-Type Funds:** As shown in the Statement of Revenues, Expenses, and Changes in Net Position, the Enterprise Funds had a total change in net position increase of \$1.1 million or 5.8 percent for the current year. The Water fund had an increase in net position of \$1.1 million, or 7.1 percent; and the Sewer Fund had a decrease in net position of \$105 thousand, or 2.9 percent. At the close of FY 2017-18, the total net change in net position of the City's Internal Service Funds was an increase of \$1.2 million.

Table 5  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the years ended June 30, 2017 and 2018**  
(in thousands)

	Revenues		Expenses		Contributions and transfers		Net change in fund balance	
	2017	2018	2017	2018	2017	2018	2017	2018
Water	\$5,311	\$5,545	\$4,763	\$4,433	\$ 16	\$ -	\$ 564	\$1,112
Sewer	870	924	1,372	1,029	42	-	(460)	(105)
Other Enterprise funds	226	281	198	253	60	103	88	131
Totals	<u>\$6,407</u>	<u>\$6,750</u>	<u>\$6,333</u>	<u>\$5,715</u>	<u>\$ 118</u>	<u>\$ 103</u>	<u>\$ 192</u>	<u>\$1,138</u>
Governmental Activities -								
Internal Service Funds	<u>\$4,598</u>	<u>\$4,875</u>	<u>\$3,518</u>	<u>\$3,666</u>	<u>\$ (22)</u>	<u>\$ (20)</u>	<u>\$1,058</u>	<u>\$1,189</u>

**Capital Assets and Debt Administration**

**Capital Assets**

The City of Sierra Madre investment in capital assets for its governmental and business-type activities as of June 30, 2018, amounts to \$206,275,500 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, sewer lines, and the water distribution system.

Table 6  
**Capital assets (net of depreciation)**  
**June 30, 2017 and 2018**  
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2017	2018	2017	2018	2017	2018
Land	\$ 162,276	\$ 162,276	\$ 1,483	\$ 1,483	\$ 163,759	\$ 163,759
Trees	1,206	1,206	-	-	1,206	1,206
Construction in progress	93	1,038	-	67	93	1,105
Structures and improvements	5,801	5,609	221	203	6,022	5,812
Machinery and equipment	1,542	1,572	241	170	1,783	1,742
Infrastructure	9,875	9,563	23,384	23,088	33,259	32,651
Total	<u>\$ 180,793</u>	<u>\$ 181,264</u>	<u>\$ 25,329</u>	<u>\$ 25,011</u>	<u>\$ 206,122</u>	<u>\$ 206,275</u>

**CITY OF SIERRA MADRE**  
**Management’s Discussion and Analysis**  
**For the year ended June 30, 2018**

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Additional information on the City of Sierra Madre’s capital assets can be found in Note 5 on pages 43 through 44 of this report.

**Debt Administration**

At the end of FY 2017-18, the City had total long-term debt outstanding of \$6,503,693 (of which \$421,645 is due in FY 2018-2019) for the 2017 Installment Agreement. In addition, the Water Fund has an interest free loan from the San Gabriel Valley Municipal Water District, with an outstanding balance of \$437,063 (of which \$145,688 is due in FY 2018-19) at June 30, 2018.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide debt as of June 30, 2018 was \$291,164 (of which \$138,608 is due in FY 2018-19). Additional information on the City’s long-term debt can be found in Note 6 of the Financial Statements (pages 45 through 48).

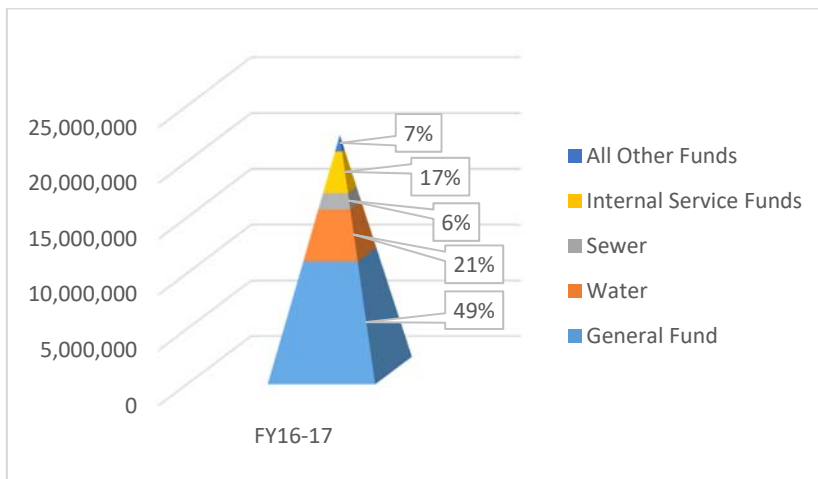
**Economic Condition and Budget Outlook**

The City is a full service municipality operating with a \$24 million budget that funds 70 full-time employees assigned to nine operating departments and includes its own water and sewer utilities. In order to provide a balanced budget, the City implemented “zero-based” budgeting for the 2017-18 Fiscal Year. The City’s General Fund was balanced by budgeting for the use of reserve funds, carryover funds, and other “one-time” budget procedures which cannot be replicated, in both the 2015-16 and the 2016-17 budget years. The implementation of the zero-based budget allowed for the City to balance the General Fund with a substantial surplus in the 2017-18 budget year which just concluded.

Citizens of Sierra Madre approved a permanent extension of the Utility Users Tax (UUT) at 10% (the City’s second largest revenue source), and property taxes in Sierra Madre continued to increase similar to the property value increases in Los Angeles County as a whole. Moving forward, challenges to the budget will include mandatory programs from the County and State and dramatic increases in pension obligations through CalPERS and the unfunded accrued liability (UAL).

**General Fund**

The City’s largest fund is the General fund and its revenues are approximately \$12 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 49% of the City’s operations (see chart below).



**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2018**

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The City of Sierra Madre, with a population of approximately 11,000, is primarily a residential community. Its small size and quiet neighborhoods provide a village-like atmosphere the residents are proud to maintain. Sierra Madre has a small, bustling downtown, centered around the iconic Kersting Court. The commercial activity is proportional to the small population of the City, meaning Sierra Madre receives its significant support from property tax and utility user tax (UUT), and only a minimal amount from sales tax and other commercial or business activities.

At fiscal year ending June 30, 2018, General Fund revenues were 51% Property Tax and VLF/Property Tax Backfill; 21% Utility User Tax and 28% other sources which includes Franchise fee, Sales Tax, and Business Licenses.

The median sale price of a single family home in Sierra Madre for 2018 was \$1,000,000. This represents a \$35,000 (3.38%) decrease in median sale price from 2017.

**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.

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 would be trending upward. However, the rate study did not take into account the additional water conservation due to the drought and City and State mandated water conservation, and the full cost of purchased water. Another factor in the fund balance not increasing as estimated was the cost of maintenance and improvements.

The City has initiated a new water rate study in order to take into account the various factors mentioned above and provide a new rate that will provide for the funding necessary for the operation.

**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. 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.



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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Basic Financial Statements For the Year Ending June 30, 2018**

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**CITY OF SIERRA MADRE**  
**Statement of Net Position**  
**June 30, 2018**

	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 20,036,608	\$ 3,950,781	\$ 23,987,389
Receivables, net:			
Accounts	243,087	664,370	907,457
Taxes	440,274	-	440,274
Interest	66,959	-	66,959
Due from other governments	11,992	-	11,992
Prepays	-	298,824	298,824
Total current assets	<u>20,798,920</u>	<u>4,913,975</u>	<u>25,712,895</u>
Noncurrent assets:			
Land held for resale	1,500,000	-	1,500,000
Capital assets:			
Non-depreciable assets	164,520,320	1,550,531	166,070,851
Depreciable assets-net	<u>16,743,707</u>	<u>23,460,942</u>	<u>40,204,649</u>
Total noncurrent assets	<u>182,764,027</u>	<u>25,011,473</u>	<u>207,775,500</u>
Total assets	<u>203,562,947</u>	<u>29,925,448</u>	<u>233,488,395</u>
<b>Deferred Outflows of Resources:</b>			
OPEB related	88,096	19,337	107,433
Pension related	<u>3,507,139</u>	<u>769,860</u>	<u>4,276,999</u>
Total deferred outflows of resources	<u>3,595,235</u>	<u>789,197</u>	<u>4,384,432</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	971,615	162,698	1,134,313
Accrued payroll and related liabilities	183,359	17,332	200,691
Interest payable	3,031	49,005	52,036
Deposits and retentions	<u>356,830</u>	<u>69,734</u>	<u>426,564</u>
Total current liabilities	<u>1,514,835</u>	<u>298,769</u>	<u>1,813,604</u>
Noncurrent liabilities:			
Due within one year	349,563	641,542	991,105
Due in more than one year	830,760	6,533,460	7,364,220
Net OPEB liability	230,847	50,675	281,522
Net pension liability	<u>11,380,599</u>	<u>2,498,180</u>	<u>13,878,779</u>
Total liabilities	<u>14,306,604</u>	<u>10,022,626</u>	<u>24,329,230</u>
<b>Deferred Inflows of Resources:</b>			
OPEB related	146,068	32,063	178,131
Pension related	<u>448,752</u>	<u>98,507</u>	<u>547,259</u>
Total deferred inflows of resources	<u>594,820</u>	<u>130,570</u>	<u>725,390</u>
<b>Net Position:</b>			
Net investment in capital assets	181,067,634	17,975,946	199,043,580
Restricted:			
Public safety	374,106	-	374,106
Public works	1,062,655	-	1,062,655
Development services	3,189,075	-	3,189,075
Culture and recreation	300,167	-	300,167
Unrestricted	<u>6,263,121</u>	<u>2,585,503</u>	<u>8,848,624</u>
Total net position	<u>\$ 192,256,758</u>	<u>\$ 20,561,449</u>	<u>\$ 212,818,207</u>

*See accompanying notes to the basic financial statements.*

**CITY OF SIERRA MADRE**  
**Statement of Activities**  
**For the year ended June 30, 2018**

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
<b>Primary government:</b>					
Governmental activities:					
General government	\$ 1,334,388	\$ 1,218,317	\$ -	\$ -	\$ 1,218,317
Public safety	5,394,253	491,112	261,587	-	752,699
Public works	2,196,985	841,122	1,058,965	-	1,900,087
Development services	1,557,850	65,702	-	-	65,702
Culture and recreation	1,388,943	36,664	267,650	-	304,314
Interest on long-term debt	10,336	-	-	-	-
<b>Total governmental activities</b>	<b>11,882,755</b>	<b>2,652,917</b>	<b>1,588,202</b>	<b>-</b>	<b>4,241,119</b>
Business-type activities:					
Water	4,432,899	5,521,322	-	-	5,521,322
Sewer	1,029,623	916,565	-	-	916,565
Recreation services	4,150	73,080	-	-	73,080
Special services	171,228	68,081	-	-	68,081
Film services	77,923	139,996	-	-	139,996
<b>Total business-type activities</b>	<b>5,715,823</b>	<b>6,719,044</b>	<b>-</b>	<b>-</b>	<b>6,719,044</b>
<b>Total primary government</b>	<b>\$ 17,598,578</b>	<b>\$ 9,371,961</b>	<b>\$ 1,588,202</b>	<b>\$ -</b>	<b>\$ 10,960,163</b>

General revenues:

Taxes:

Property taxes

Utility user taxes

Other taxes

Unrestricted sales taxes - shared state revenue

Investment earnings

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 the basic financial statements.

Net (expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
\$ (116,071)	\$ -	\$ (116,071)
(4,641,554)	-	(4,641,554)
(296,898)	-	(296,898)
(1,492,148)	-	(1,492,148)
(1,084,629)	-	(1,084,629)
(10,336)	-	(10,336)
<u>(7,641,636)</u>	<u>-</u>	<u>(7,641,636)</u>
-	1,088,423	1,088,423
-	(113,058)	(113,058)
-	68,930	68,930
-	(103,147)	(103,147)
-	62,073	62,073
<u>-</u>	<u>1,003,221</u>	<u>1,003,221</u>
<u>(7,641,636)</u>	<u>1,003,221</u>	<u>(6,638,415)</u>
6,426,261	-	6,426,261
2,504,433	-	2,504,433
414,611	-	414,611
309,590	-	309,590
109,516	32,935	142,451
(103,147)	103,147	-
<u>9,661,264</u>	<u>136,082</u>	<u>9,797,346</u>
2,019,628	1,139,303	3,158,931
<u>190,237,130</u>	<u>19,422,146</u>	<u>209,659,276</u>
<u>\$ 192,256,758</u>	<u>\$ 20,561,449</u>	<u>\$ 212,818,207</u>

**CITY OF SIERRA MADRE**  
**Balance Sheet**  
**Governmental funds**  
**June 30, 2018**

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and investments	\$ 8,551,218	\$ 4,974,426	\$ 13,525,644
Receivables:			
Accounts	173,695	56,707	230,402
Taxes	370,285	69,989	440,274
Interest	66,959	-	66,959
Due from other agencies	-	11,992	11,992
Due from other funds	175,183	-	175,183
Land held for resale	-	1,500,000	1,500,000
Total assets	<u>\$ 9,337,340</u>	<u>\$ 6,613,114</u>	<u>\$ 15,950,454</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ 180,959	\$ 686,448	\$ 867,407
Accrued payroll and related liabilities	100,638	55,820	156,458
Due to other funds	-	175,183	175,183
Deposits and retentions	<u>303,550</u>	<u>53,280</u>	<u>356,830</u>
Total liabilities	<u>585,147</u>	<u>970,731</u>	<u>1,555,878</u>
Fund balances:			
Restricted	15,802	4,856,087	4,871,889
Committed	-	903,576	903,576
Unassigned	<u>8,736,391</u>	<u>(117,280)</u>	<u>8,619,111</u>
Total fund balances	<u>8,752,193</u>	<u>5,642,383</u>	<u>14,394,576</u>
Total liabilities and fund balances	<u>\$ 9,337,340</u>	<u>\$ 6,613,114</u>	<u>\$ 15,950,454</u>

*See accompanying notes to the basic financial statements.*

**CITY OF SIERRA MADRE**  
**Reconciliation of the Governmental Funds Balance Sheet in**  
**Fund Balances to the Governmental-wide Statement of Net Position**  
**June 30, 2018**

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**Total fund balances - total governmental funds** \$ 14,394,576

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 180,185,058

Accrued interest payable of the current portion of interest due on long-term debt has not been reported in governmental funds. (2,626)

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 (170,179)

Compensated absences (553,232)

Net OPEB liability and pension related deferred outflows and inflows of resources (264,164)

Net pension liability and pension related deferred outflows and inflows of resources (7,611,779)

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.

6,279,104

**Net position of governmental activities** \$ 192,256,758

*See accompanying notes to the basic financial statements.*



**CITY OF SIERRA MADRE**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the year ended June 30, 2018**

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Property taxes	\$ 6,198,020	\$ 228,241	\$ 6,426,261
Other taxes	3,228,635	-	3,228,635
Charges for services	638,402	95,527	733,929
Intergovernmental	27,043	1,201,603	1,228,646
Licenses and permits	1,127,303	99,774	1,227,077
Fines and forfeitures	118,324	-	118,324
Investment income	52,055	32,857	84,912
Miscellaneous	663,909	269,233	933,142
Total revenues	<u>12,053,691</u>	<u>1,927,235</u>	<u>13,980,926</u>
<b>Expenditures:</b>			
Current:			
General government	2,609,677	-	2,609,677
Public safety	5,119,024	81,173	5,200,197
Public works	619,575	2,186,799	2,806,374
Development	1,437,228	-	1,437,228
Culture and recreation	834,940	306,558	1,141,498
Debt Service:			
Principal	-	79,484	79,484
Interest	-	11,563	11,563
Total expenditures	<u>10,620,444</u>	<u>2,665,577</u>	<u>13,286,021</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,433,247</u>	<u>(738,342)</u>	<u>694,905</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	37,851	37,851
Transfers out	(109,172)	(11,973)	(121,145)
Total other financing sources (uses)	<u>(109,172)</u>	<u>25,878</u>	<u>(83,294)</u>
Net change in fund balances	1,324,075	(712,464)	611,611
Fund balances, beginning of year	<u>7,428,118</u>	<u>6,354,847</u>	<u>13,782,965</u>
Fund balances, end of year	<u>\$ 8,752,193</u>	<u>\$ 5,642,383</u>	<u>\$ 14,394,576</u>

*See accompanying notes to the 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  
For the year ended June 30, 2018**

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**Net change in fund balances - total governmental funds** \$ 611,611

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	(1,271,336)
Capital outlay, net of disposals	1,817,876

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	79,484
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Internal service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The net revenue of internal service funds is reported with governmental activities.

	1,189,743
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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	1,226
Net change in compensated absences	251,228
Net OPEB liability and pension related deferred outflows and inflows of resources	63,717
Net pension liability and pension related deferred outflows and inflows of resources	<u>(723,921)</u>

**Change in net position of governmental activities** \$ 2,019,628

*See accompanying notes to the basic financial statements.*

**CITY OF SIERRA MADRE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2018**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 2,271,850	\$ 1,145,325	\$ 533,606	\$ 3,950,781	\$ 6,510,964
Accounts receivable	543,209	121,161	-	664,370	12,685
Prepays	297,074	-	1,750	298,824	-
Total current assets	<u>3,112,133</u>	<u>1,266,486</u>	<u>535,356</u>	<u>4,913,975</u>	<u>6,523,649</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,550,531	-	-	1,550,531	-
Depreciable assets-net	20,274,348	3,186,594	-	23,460,942	1,078,969
Total noncurrent assets	<u>21,824,879</u>	<u>3,186,594</u>	<u>-</u>	<u>25,011,473</u>	<u>1,078,969</u>
Total assets	<u>24,937,012</u>	<u>4,453,080</u>	<u>535,356</u>	<u>29,925,448</u>	<u>7,602,618</u>
<b>Deferred Outflows of Resources:</b>					
OPEB related	10,743	8,594	-	19,337	7,520
Pension related	427,700	342,160	-	769,860	299,390
Total deferred outflows of resources	<u>438,443</u>	<u>350,754</u>	<u>-</u>	<u>789,197</u>	<u>306,910</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	143,981	2,016	16,701	162,698	104,208
Accrued payroll and related liabilities	12,248	5,025	59	17,332	26,901
Interest payable	47,542	1,463	-	49,005	405
Deposits and retentions	42,888	11,170	15,676	69,734	-
Claims payable - current	-	-	-	-	114,647
Compensated absences - current	16,777	8,646	2,472	27,895	31,976
Capital lease payable - current	-	46,314	-	46,314	12,811
Loan payable - current	145,688	-	-	145,688	-
Installment agreement payable -	421,645	-	-	421,645	-
Total current liabilities	<u>830,769</u>	<u>74,634</u>	<u>34,908</u>	<u>940,311</u>	<u>290,948</u>
Noncurrent liabilities:					
Claims payable	-	-	-	-	156,172
Compensated absences	67,108	34,585	9,887	111,580	127,903
Net pension Liability	1,387,878	1,110,302	-	2,498,180	971,515
Net OPEB liability	28,153	22,522	-	50,675	19,706
Capital lease payable	-	48,458	-	48,458	13,403
Installment agreement/loan payable	6,373,422	-	-	6,373,422	-
Total noncurrent liabilities	<u>7,856,561</u>	<u>1,215,867</u>	<u>9,887</u>	<u>9,082,315</u>	<u>1,288,699</u>
Total liabilities	<u>8,687,330</u>	<u>1,290,501</u>	<u>44,795</u>	<u>10,022,626</u>	<u>1,579,647</u>
<b>Deferred Inflows of Resources:</b>					
OPEB related	17,813	14,250	-	32,063	12,469
Pension related	54,726	43,781	-	98,507	38,308
Total deferred inflows of resources	<u>72,539</u>	<u>58,031</u>	<u>-</u>	<u>130,570</u>	<u>50,777</u>
<b>Net Position:</b>					
Net investment in capital assets	14,884,124	3,091,822	-	17,975,946	1,052,755
Unrestricted	1,731,462	363,480	490,561	2,585,503	5,226,349
Total net position	<u>\$ 16,615,586</u>	<u>\$ 3,455,302</u>	<u>\$ 490,561</u>	<u>\$ 20,561,449</u>	<u>\$ 6,279,104</u>

See accompanying notes to the basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Operating revenues:</b>					
Charges for services	\$ 5,521,322	\$ 916,702	\$ 242,573	\$ 6,680,597	\$ 4,755,565
Licenses and permits	-	(137)	38,584	38,447	34,796
Miscellaneous	-	-	-	-	60,396
Total operating revenues	<u>5,521,322</u>	<u>916,565</u>	<u>281,157</u>	<u>6,719,044</u>	<u>4,850,757</u>
<b>Operating expenses:</b>					
Personnel services	795,184	478,070	182,493	1,455,747	1,544,166
Contractual services	278,667	15,603	43,111	337,381	500,776
Materials and supplies	650,613	1,709	1,058	653,380	325,313
Utilities	495,875	9,912	-	505,787	357,702
Maintenance and operation	98,790	251,981	19,599	370,370	52,125
Administrative Charges	1,197,882	60,416	7,040	1,265,338	609,313
Depreciation	597,997	206,177	-	804,174	241,157
Total operating expenses	<u>4,115,008</u>	<u>1,023,868</u>	<u>253,301</u>	<u>5,392,177</u>	<u>3,630,552</u>
Operating income (loss)	<u>1,406,314</u>	<u>(107,303)</u>	<u>27,856</u>	<u>1,326,867</u>	<u>1,220,205</u>
<b>Nonoperating revenues (expenses):</b>					
Investment income	24,300	7,739	896	32,935	24,603
Loss on disposal of property	-	-	-	-	(33,626)
Interest expense	(317,891)	(5,755)	-	(323,646)	(1,586)
Total nonoperating revenues (expenses)	<u>(293,591)</u>	<u>1,984</u>	<u>896</u>	<u>(290,711)</u>	<u>(10,609)</u>
Income (loss) before transfers	<u>1,112,723</u>	<u>(105,319)</u>	<u>28,752</u>	<u>1,036,156</u>	<u>1,209,596</u>
<b>Transfers:</b>					
Transfers in	-	-	103,147	103,147	-
Transfers out	-	-	-	-	(19,853)
Total transfers	<u>-</u>	<u>-</u>	<u>103,147</u>	<u>103,147</u>	<u>(19,853)</u>
Change in net position	<u>1,112,723</u>	<u>(105,319)</u>	<u>131,899</u>	<u>1,139,303</u>	<u>1,189,743</u>
Net position, beginning of year, as restated	<u>15,502,863</u>	<u>3,560,621</u>	<u>358,662</u>	<u>19,422,146</u>	<u>5,089,361</u>
Net position, end of year	<u>\$ 16,615,586</u>	<u>\$ 3,455,302</u>	<u>\$ 490,561</u>	<u>\$ 20,561,449</u>	<u>\$ 6,279,104</u>

See accompanying notes to the basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 5,575,909	\$ 901,539	\$ 281,157	\$ 6,758,605	\$ -
Receipts from interfund services provided	-	-	-	-	4,843,956
Payments to suppliers	(4,000,423)	(482,415)	(57,625)	(4,540,463)	(1,354,204)
Payments to employees	(711,876)	(445,420)	(174,156)	(1,331,452)	(1,549,446)
Net cash provided (used) by operating activities	863,610	(26,296)	49,376	886,690	1,940,306
<b>Cash flows from non-capital financing activities:</b>					
Transfers from other funds	-	-	103,147	103,147	-
Transfers to other funds	-	-	-	-	(19,853)
Net cash provided (used) by non-capital financing activities	-	-	103,147	103,147	(19,853)
<b>Cash flows from capital and related financing activities:</b>					
Acquisition and construction of capital assets	(486,594)	-	-	(486,594)	(198,829)
Proceeds from installment agreement	6,761,977	-	-	6,761,977	-
Principal paid	(8,118,972)	(44,264)	-	(8,163,236)	(12,244)
Interest paid	(332,991)	(6,438)	-	(339,429)	(1,775)
Net cash provided (used) by capital and related financing activities	(2,176,580)	(50,702)	-	(2,227,282)	(212,848)
<b>Cash flows from investing activities:</b>					
Investment income	24,300	7,739	896	32,935	24,603
Net cash provided (used) by investing activities	24,300	7,739	896	32,935	24,603
Net increase (decrease) in cash and cash equivalents	(1,288,670)	(69,259)	153,419	(1,204,510)	1,732,208
<b>Cash and investments:</b>					
Beginning of year	3,560,520	1,214,584	380,187	5,155,291	4,778,756
End of year	\$ 2,271,850	\$ 1,145,325	\$ 533,606	\$ 3,950,781	\$ 6,510,964

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2018**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	<u>\$ 1,406,314</u>	<u>\$ (107,303)</u>	<u>\$ 27,856</u>	<u>\$ 1,326,867</u>	<u>\$ 1,220,205</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	597,997	206,177	-	804,174	241,157
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	54,587	(15,026)	-	39,561	(6,801)
(Increase) decrease in prepaid expenses	-	-	(375)	(375)	662,566
(Increase) decrease in deferred outflows	(63,985)	(51,188)	-	(115,173)	(44,789)
Increase (decrease) in accounts payable	(1,290,602)	(134,572)	2,119	(1,423,055)	(171,541)
Increase (decrease) in accrued liabilities	2,360	(1,760)	(1,735)	(1,135)	2,108
Increase (decrease) in deposits payable	12,006	(8,222)	11,439	15,223	(114,232)
Increase (decrease) in deferred inflows	23,665	18,932	-	42,597	16,565
Increase (decrease) in compensated absences	(17,933)	(44,695)	10,072	(52,556)	37,627
Increase (decrease) in net OPEB liability	(15,565)	(12,452)	-	(28,017)	(10,896)
Increase (decrease) in net pension liability	<u>154,766</u>	<u>123,813</u>	<u>-</u>	<u>278,579</u>	<u>108,337</u>
Total adjustments	<u>(542,704)</u>	<u>81,007</u>	<u>21,520</u>	<u>(440,177)</u>	<u>720,101</u>
Net cash provided (used) by operating activities	<u>\$ 863,610</u>	<u>\$ (26,296)</u>	<u>\$ 49,376</u>	<u>\$ 886,690</u>	<u>\$ 1,940,306</u>

Noncash non-capital financing activities, capital and related financing activities and investing activities:

**None**

*See accompanying notes to the basic financial statements.*

**CITY OF SIERRA MADRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2018**

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	Private-Purpose Trust Fund
	Redevelopment Obligation Retirement Fund
<b>Assets:</b>	
Cash and investments	\$ 581,097
Restricted cash and investments with fiscal agents	<u>405,648</u>
Total assets	<u>986,745</u>
<b>Liabilities:</b>	
Interest payable	4,667
Bonds payable - current	360,000
Bonds payable - noncurrent	<u>380,000</u>
Total liabilities	<u>744,667</u>
<b>Net Position:</b>	
Unrestricted	<u>242,078</u>
Total net position	<u>\$ 242,078</u>

*See accompanying notes to the basic financial statements.*

**CITY OF SIERRA MADRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2018**

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	Private-Purpose Trust Fund Redevelopment Obligation Retirement Fund
<b>Additions:</b>	
Property taxes	\$ 481,093
Investment income	5,820
Total additions	<u>486,913</u>
<b>Deductions:</b>	
General and administration	87,354
Interest expense	<u>42,688</u>
Total deductions	<u>130,042</u>
Change in net position	356,871
Net position (deficit), beginning of year	<u>(114,793)</u>
Net position, ending of year	<u>\$ 242,078</u>

*See accompanying notes to the basic financial statements.*



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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Notes to Basic Financial Statements For the Year Ending June 30, 2018**

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**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 generally accepted accounting principles 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, 2018**

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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 considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

Property taxes, sales taxes, franchise taxes, and other taxes associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end). All other revenue items are considered measurable and available only when cash is received by the government.

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.

*Proprietary Fund Financial Statements*

Proprietary fund financial statements 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 funds 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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

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

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.

*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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**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 generally accepted accounting principles, 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 generally accepted accounting principles, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

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

**D. Land Held for Resale**

Land Held for Resale in the Capital Projects Fund is an inventory of land 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.



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**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

**G. Capital Assets**

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at acquisition value on the date of acquisition. The City's capitalization policy is \$5,000 and above for various capital assets and \$25,000 for improvements and infrastructure. 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 buildings	50 years
Vehicles and 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 liquated by the City's General Fund.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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** – Generally accepted accounting principles require 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.

*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 (City Council by ordinance). Committed fund balance may be redirected by the City to other purposes, as long as, the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the highest level of decision-making authority.

*Assigned* - comprises amounts intended to be used by the government for specific purposes. Assignments may be established either by the City Council or by a designee of the City (the City Council has delegated this authority to the City Manager), 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. Further, when components of unrestricted fund balance can be used for the same purpose, committed fund balance is used first, followed by assigned fund balance and lastly unassigned fund balance.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**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. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The City currently has pension related deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has pension related deferred inflows of resources.

**M. Implementation of New Pronouncements**

The following GASB Statements were implemented in the current financial statements:

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This standard will improve accounting and financial reporting for other postemployment benefits (OPEB).

**N. Pensions**

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used.

Valuation Date (VD)	June 30, 2016
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**O. Other Postemployment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. For this purpose, benefit payments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2017
Measurement Date (MD)	June 30, 2017
Measurement Period (MP)	July 1, 2016 to June 30, 2017

**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2018 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 23,987,389
Statement of Fiduciary Net Position:	
Cash and investments	581,097
Cash and investments with fiscal agent - restricted	<u>405,648</u>
 Total cash and investments	 <u><u>\$ 24,974,134</u></u>
 Cash and investments as of June 30, 2018 consist of the following:	
Petty cash	\$ 2,020
Deposits with financial institutions	2,090,778
Investments	<u>22,881,336</u>
 Total cash and investments	 <u><u>\$ 24,974,134</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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

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

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.

Investment Types Authorized by State Law	Authorized by investment policy	Maximum maturity*	Maximum percentage of portfolio*	Maximum investment in one issuer*
Local Agency Bonds	Yes	5 years	None	None
US Treasury Obligations	Yes	5 years	None	None
US Agency Securities	Yes	5 years	None	None
Bankers' acceptances	Yes	180 days	40%	None
Commercial paper	Yes	270 days	25%	10%
Negotiable certificates of deposit	Yes	5 years	30%	None
Repurchase agreements	Yes	1 year	None	None
Reverse repurchase agreements	No	92 days	20%	None
Medium-term notes	No	5 years	30%	None
Money market mutual funds	No	N/A	20%	10%
Mortgage pass-through securities	No	5 years	20%	None
County pooled investment funds	No	N/A	None	None
Local Agency Investment Funds (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

\* based on state law requirements or investment policy requirements, whichever is more restrictive

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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 collateral	None	None	None
Interest-bearing deposit accounts	None	None	None
Investment agreements	None	None	None
Commercial paper	None	None	None
Municipal bonds or notes	None	None	None
State bonds or notes	None	None	None
Bankers' acceptances	1 year	None	None
Repurchase agreements	30 days	None	None

*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, 2018, 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.

*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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*Interest Rate Risk, (continued)*

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	\$ 14,051,805	\$ 14,051,805	\$ -	\$ -
US Treasury Notes	8,423,883	2,184,275	2,158,541	4,081,067
Held by fiscal agent:				
Federated US Treasury obligations	<u>405,648</u>	<u>405,648</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 22,881,336</u></b>	<b><u>\$ 16,641,728</u></b>	<b><u>\$ 2,158,541</u></b>	<b><u>\$ 4,081,067</u></b>

*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	\$ 14,051,805	N/A	\$ -	\$ 14,051,805
US Treasury Notes	8,423,883	N/A	8,423,883	-
Held by fiscal agent:				
Federated US Treasury obligations	<u>405,648</u>	N/A	<u>405,648</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 22,881,336</u></b>		<b><u>\$ 8,829,531</u></b>	<b><u>\$ 14,051,805</u></b>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*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, 2018, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

*Investment in State Investment Pool*

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

*Fair Value Measurements*

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment type	Total	Fair value measurement		
		Level 1	Level 2	Level 3
US Treasury Notes	\$ 8,423,883	\$ -	\$ 8,423,883	\$ -
Sub-total	8,423,883	\$ -	\$ 8,423,883	\$ -
Investments measured at Net Asset Value:				
Federated US Treasury obligations	405,648			
Investments not subject to fair value:				
State investment pool	14,051,805			
Total	\$ 22,881,336			

Level 2 investments are valued using a *Continuous Fixed Income Evaluated Pricing* service.



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**3. INTERFUND BALANCES AND TRANSFERS**

**A. Due To/Due From**

At June 30, 2018, 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>\$ 175,183</u>
	Total	<u>\$ 175,183</u>

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

**B. Transfers**

At June 30, 2018, the City had the following transfers:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
Non-major Governmental Funds	Non-major Governmental Funds	\$ 11,973
General Fund	Non-major Enterprise Funds	103,147
	Non-major Governmental Funds	6,025
Internal Service Funds	Non-major Governmental Funds	<u>19,853</u>
		<u>\$ 140,998</u>

- a. \$6,025 transfer from GF to environmental fund to cover short term deficit
- b. \$103,147 transfer from GF to special events fund to cover operating expenses
- c. \$19,853 transfer from Facilities fund to Parking Assessment District to cover short term deficit

**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, 2018:

<u>Description</u>	<u>Deficit balance</u>
Non-major Governmental Funds:	
Open Space	\$ 110,173
Friends of the Library	7,107

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**B. Excess of Expenditures over Appropriations**

The following funds reported expenditures in excess of appropriations:

	Final Appropriations	Expenditures	Variance
Governmental Funds:			
Fane/Winwood Lane Assessment District	\$ 700	\$ 1,044	\$ (344)
Lighting District Zone A	7,900	8,448	(548)
Lighting District Zone B	17,400	19,717	(2,317)
Sewer Assessment District	-	40	(40)
State COPS Grant	62,000	64,752	(2,752)
Local Transit Prop C	169,900	516,185	(346,285)
Clean Air (AQMD)	-	96,327	(96,327)
Bikeway/Sidewalk	5,000	8,874	(3,874)
Measure R	127,400	440,731	(313,331)

The City did not adopt budgets for the following funds: Police Donations, SM community Center, LA County Tree Mitigation Grant, LACMTA, Measure M, Road Maintenance and Rehabilitation, City Capital Projects, Local History State Grant, Development Impact Fees, Development Fees Art in Public Places, DUI Enforcement, Fire Department Donations, Community Arts Commission, Recreation Department Donations, YAC-Youth Activity Center, Local Historical Society and the Low & Moderate Income Housing Asset.

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**5. CAPITAL ASSETS**

**A. Governmental Activities**

A summary of changes in the governmental activities capital assets at June 30, 2018 is as follows:

<b>Governmental activities:</b>	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 162,275,945	\$ -	\$ -	\$ 162,275,945
Trees	1,206,214	-	-	1,206,214
Construction in progress	92,501	1,038,161	(92,501)	1,038,161
Total capital assets, not being depreciated	163,574,660	1,038,161	(92,501)	164,520,320
Capital assets, being depreciated:				
Structures and improvements	12,108,391	61,379	-	12,169,770
Machinery and equipment	3,999,651	439,373	(120,820)	4,318,204
Infrastructure	22,623,648	570,293	-	23,193,941
Total capital assets, being depreciated	38,731,690	1,071,045	(120,820)	39,681,915
Less accumulated depreciation				
Structures and improvements	(6,306,831)	(254,681)	-	(6,561,512)
Machinery and equipment	(2,457,594)	(374,309)	87,193	(2,744,710)
Infrastructure	(12,748,483)	(883,503)	-	(13,631,986)
Total accumulated depreciation	(21,512,908)	(1,512,493)	87,193	(22,938,208)
Total capital assets being depreciated	17,218,782	(441,448)	(33,627)	16,743,707
Governmental activities, capital assets, net	\$ 180,793,442	\$ 596,713	\$(126,128)	\$ 181,264,027

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

<b>Governmental activities:</b>	
General government	\$ 108,425
Public safety	222,947
Public works	996,843
Culture and recreation	184,278
Total	\$ 1,512,493

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**B. Business-type Activities**

A summary of changes in the business-type activities capital assets at June 30, 2018 is as follows:

<b>Business-type activities:</b>	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Construction in progress	-	67,281	-	67,281
Total capital assets, not being depreciated	1,483,250	67,281	-	1,550,531
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,174,667	-	(38,177)	1,136,490
Infrastructure	42,856,779	419,313	-	43,276,092
Total capital assets, being depreciated	44,852,736	419,313	(38,177)	45,233,872
Structures and improvements	(600,681)	(16,969)	-	(617,650)
Machinery and equipment	(934,377)	(70,187)	38,177	(966,387)
Infrastructure	(19,471,875)	(717,018)	-	(20,188,893)
Total accumulated depreciation	(21,006,933)	(804,174)	38,177	(21,772,930)
Total capital assets being depreciated	23,845,803	(384,861)	-	23,460,942
Business-type activities, capital assets, net	\$ 25,329,053	\$ (317,580)	\$ -	\$ 25,011,473

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

<b>Business-type activities:</b>	
Water	\$ 597,997
Sewer	206,177
Total	\$ 804,174

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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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, 2018 is as follows:

<u>Governmental activities:</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>	<u>Due more than one year</u>
Capital lease	\$ 288,119	\$ -	\$ (91,726)	\$ 196,393	\$ 92,294	\$ 104,099
Claims payable	385,051	-	(114,232)	270,819	114,647	156,172
Compensated absences	926,712	397,391	(610,992)	713,111	142,622	570,489
Net OPEB liability	358,483	-	(127,636)	230,847	-	230,847
Net pension liability	<u>10,111,515</u>	<u>1,269,084</u>	<u>-</u>	<u>11,380,599</u>	<u>-</u>	<u>11,380,599</u>
Total	<u>\$ 12,069,880</u>	<u>\$ 1,666,475</u>	<u>\$ (944,586)</u>	<u>\$ 12,791,769</u>	<u>\$ 349,563</u>	<u>\$ 12,442,206</u>

The net pension liability and the net OPEB liability associated with the governmental activities is primarily liquidated by the General Fund.

*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 \$196,393 at June 30, 2018.

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

<u>Future minimum lease payments for the year ending June 30,</u>	<u>Governmental activities</u>
2019	\$ 105,066
2020	<u>105,066</u>
Subtotal	210,132
Less: amount representing interest	<u>(13,739)</u>
Present value of future lease payments	<u>\$ 196,393</u>

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

Assets:	
Machinery and equipment	\$ 856,714
Less: accumulated depreciation	<u>(639,121)</u>
Total	<u>\$ 217,593</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

**B. Business-type Activities**

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2018 is as follows:

<b>Business-type activities:</b>	Beginning balance	Additions	Deletions	Ending balance	Due within one year	Due more than one year
Water Revenue Refunding						
Bonds, Series 1998A	\$ 965,000	\$ -	\$ (965,000)	\$ -	\$ -	\$ -
Water Revenue Parity						
Bonds, Series 2003	6,750,000	-	(6,750,000)	-	-	-
2017 Installment agreement	-	6,761,977	(258,284)	6,503,693	421,645	6,082,048
Loan payable to SGVMWD	582,751	-	(145,688)	437,063	145,688	291,375
Capital lease	139,036	-	(44,265)	94,771	46,314	48,457
Compensated absences	192,031	91,285	(143,841)	139,475	27,895	111,580
Net OPEB liability	78,392	-	(27,717)	50,675	-	50,675
Net pension liability	2,219,601	278,579	-	2,498,180	-	2,498,180
<b>Total</b>	<b>\$ 10,926,811</b>	<b>\$ 7,131,841</b>	<b>\$ (8,334,795)</b>	<b>\$ 9,723,857</b>	<b>\$ 641,542</b>	<b>\$ 9,082,315</b>

*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%. During the current year, the bonds were refinanced by the 2018 Installment Agreement.

*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 subject to special mandatory redemption, mandatory sinking fund redemption and redemption from optional prepayment of installment payments prior to maturity. During the current year, the bonds were refinanced by the 2018 Installment Agreement.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

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

*2017 Installment Agreement*

In October 2017, the City entered into an installment agreement to issue debt totaling \$6,761,977. The purpose of the issuance was to pay off the outstanding principal of the 1998 A Series and 2003 Series bonds. The interest and principal is due semi-annually with payments due on April 30 and October 31 each year. Principal payments will be made through October 31, 2033 in amounts ranging from \$158,711 to \$266,253. Principal and interest payments range from \$272,078 to \$405,215. The interest rate of the debt is currently 4.10%. The City has pledged all of the net water revenues (as described in the agreement) to the payment of the debt until paid in full. The current year debt service was \$397,477 and the net revenues were \$2,946,657. The outstanding balance was \$6,503,693 at June 30, 2018.

Annual debt service requirements on this debt are as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 421,645	\$ 278,810	\$ 700,455
2020	326,045	262,579	588,624
2021	337,888	248,185	586,073
2022	350,161	233,268	583,429
2023	362,881	217,809	580,690
2024-2028	2,021,963	836,780	2,858,743
2029-2033	2,416,857	356,841	2,773,698
2034	266,253	5,825	272,078
Totals	<u>\$ 6,503,693</u>	<u>\$ 2,440,097</u>	<u>\$ 8,943,790</u>

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

The City has identified equipment needed to help assure a reliable water supply, by replacing its Mira Monte Reservoir and Booster Station ("Reservoir Project"). Therefore, the City entered into a loan agreement with the San Gabriel Valley Municipal Water District to fund a portion of the reservoir cost in the amount of \$1,456,875. Proceeds of the loan were disbursed to the City during the duration of the Reservoir Project on a reimbursement basis. Payments are due in annual installments of \$145,688 for ten years. Notice of Completion was March 15, 2009 and was approved by City Council on April 28, 2009. The SGVMWD has extended the first payment terms until July 1, 2012. The outstanding balance of the loan payable to San Gabriel Valley Municipal Water District was \$437,063 at June 30, 2018.

Annual debt service requirements on this loan are as follows:

Year ending June 30,	Principal	Interest	Total
2019	\$ 145,688	\$ -	\$ 145,688
2020	145,688	-	145,688
2021	145,687	-	145,687
Totals	<u>\$ 437,063</u>	<u>\$ -</u>	<u>\$ 437,063</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

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

*Capital Lease*

In January 2010, the City entered into a capital lease agreement to fund certain current and future major equipment purchases in the sewer fund. The balance of the capital lease payable was \$94,771 at June 30, 2018.

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

Future minimum lease payments for the year ending June 30,	Business-type activities
2019	\$ 50,702
2020	50,702
Subtotal	101,404
Less: amount representing interest	(6,633)
Present value of future lease payments	<u>\$ 94,771</u>

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

Assets:	
Machinery and equipment	\$ 541,547
Less: accumulated depreciation	(428,883)
Total	<u>\$ 112,664</u>

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**7. NET POSITION AND FUND BALANCES**

**A. Fund Balance Classifications**

In accordance with generally accepted accounting principles, the City's fund balances are as follows:

	General Fund	Non-Major Governmental Funds	Total
Restricted for:			
Public works	\$ -	\$ 993,168	\$ 993,168
Public safety	15,802	349,875	365,677
Community services/development	-	3,130,518	3,130,518
Streets projects	-	69,487	69,487
Culture and recreation	-	313,039	313,039
Committed to:			
Debt service	-	11,422	11,422
Community services/development	-	569,187	569,187
Culture and recreation	-	314,538	314,538
Public safety	-	8,429	8,429
Unassigned	<u>8,736,391</u>	<u>(117,280)</u>	<u>8,619,111</u>
 Total fund balance	 <u>\$ 8,752,193</u>	 <u>\$ 5,642,383</u>	 <u>\$ 14,394,576</u>

The City Council has adopted a minimum fund balance policy. The policy requires 50% of General Fund revenues be set aside. As of June 30, 2018, the amount set aside was \$6,026,846.

**8. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Below is the detail of how the City addresses these risks.

*California Joint Powers Insurance 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 116 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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**8. RISK MANAGEMENT, (continued)**

**B. Self-Insurance Programs of the Authority**

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim. 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 funds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

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 general government 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 from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2017-18 the Authority pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled restrictions: (a) \$2.5 million annual aggregate deductible in the \$3 million in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

*Workers' Compensation*

In the workers' compensation program, claims are pooled separately between public safety (police and fire) and general government 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 from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**8. RISK MANAGEMENT, (continued)**

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

*Workers' Compensation, (continued)*

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits 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 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, 2015 through July 1, 2018. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

*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 \$76,424,449. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 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 \$34,896,081. 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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**8. RISK MANAGEMENT, (continued)**

**C. Purchased Insurance, (continued)**

*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 2017-18.

**E. Claims Liability**

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.

As of June 30, 2018, the City paid off its retrospective deposit balance for the Liability Program. The current claims liability for both programs of \$270,819 is reported as claims payable current liabilities on the Statement of Net Position.

**9. DEFERRED COMPENSATION PLAN**

The City has made available to its employees a deferred compensation plan (Plan). The Plan permits employees to defer a portion of their salary until future years. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts are held in such trust accounts for the exclusive benefit of the employee participants and their beneficiaries. The accumulated assets of the Plan are not required to be reported in the accompanying financial statements.

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN**

**A. General Information About the Pension Plan**

*Plan Description*

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Sierra Madre sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and the City of Sierra Madre resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

*Benefits Provided*

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**A. General Information About the Pension Plan, (continued)**

The Plans' provisions and benefits in effect at June 30, 2018 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employer contribution rates	10.848% + \$470,213	6.908% + \$117

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3%	2.0% to 2.7%
Required employer contribution rates	19.520% + \$389,766	12.729% + \$322

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2018 were \$1,418,218. The actual employer payments of \$1,272,198 made to CalPERS by the City of Sierra Madre during the measurement period ended June 30, 2017 differed from the City of Sierra Madre's proportionate share of the employer's contributions of \$1,199,981 by \$72,217, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**B. Net Pension Liability**

The City of Sierra Madre’s net pension liability for the (each) Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

*Actuarial Methods and Assumptions Used to Determine Total Pension Liability*

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.75%
Salary increases (1)	3.3% - 14.2%
Investment rate of return (2)	7.65%
Mortality rate table (3)	Derived using CALPERS' membership data for all Funds
Post retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) Net of pension plan investment and administrative expenses; includes inflation

(3) The mortality table used was developed based on CalPERS’ specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**B. Net Pension Liability, (continued)**

*Change of Assumptions*

For the measurement date June 30, 2017, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**B. Net Pension Liability, (continued)**

*Discount Rate, (continued)*

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset class	Current target allocation	Real return years 1 - 10 <sup>1</sup>	Real return years 11+ <sup>2</sup>
Global equity	47.0%	4.90%	5.38%
Global fixed income	19.0%	0.80%	2.27%
Inflation sensitive	6.0%	0.60%	1.39%
Private equity	12.0%	6.60%	6.63%
Real estate	11.0%	2.80%	5.21%
Infrastructure and forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	(0.40%)	(0.90%)
Total	100%		

<sup>1</sup> An expected inflation of 2.5% used for this period

<sup>2</sup> An expected inflation of 3.0% used for this period

*Pension Plan Fiduciary Net Position*

Information about the pension plans' assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plans' fiduciary net position and additions to/deductions from the plans' fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**C. Proportionate Share of Net Pension Liability**

The following table shows the Plans' proportionate share of the net pension liability over the measurement period.

	Increase (decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2016 (VD*)	\$ 42,664,790	\$ 30,333,674	\$ 12,331,116
Balance at: 6/30/2017 (MD*)	46,888,321	33,009,542	13,878,779
Net Changes during 2016-17	4,223,531	2,675,868	1,547,663

\* Valuation Date (VD), Measurement Date (MD)

The Local Government's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The Local Government's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The Local Government's proportionate share of the net pension liability for the Plan as of the June 30, 2016 and 2017 measurement dates was as follows:

	Misc	Safety	Total
Proportion - June 30, 2015	0.20243%	0.10231%	0.14251%
Proportion - June 30, 2016	0.20177%	0.09916%	0.13995%
Change - increase/(decrease)	<u>-0.00066%</u>	<u>-0.00315%</u>	<u>-0.00256%</u>

*Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate*

The following presents the City of Sierra Madre's proportionate share of the net pension liability for each Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount rate -1% 6.15%	Current discount rate 7.15%	Discount rate +1% 8.15%
Employer's Net Pension Liability - Misc	\$ 11,562,891	\$ 7,953,893	\$ 4,964,856
Employer's Net Pension Liability - Safety	8,814,175	5,924,886	3,563,036
Employer's Net Pension Liability - Total	<u>\$ 20,377,066</u>	<u>\$ 13,878,779</u>	<u>\$ 8,527,892</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**C. Proportionate Share of Net Pension Liability, (continued)**

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

*Recognition of Gains and Losses*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for the Plan for the 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

As of the start of the measurement period (July 1, 2016), the net pension liability for the plan was \$12,331,116. For the measurement period ending June 30, 2017 (the measurement date), the City of Sierra Madre incurred a pension expense of \$2,140,685 for the Plan.

As of June 30, 2018, the City of Sierra Madre has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	\$ 1,969,460	\$ 150,586
Differences between expected and actual experience	69,130	142,146
Differences between projected and actual investment earnings	438,309	-
Differences between employer's contributions and proportionate share of contributions	149,097	173,324
Change in employer's proportion	232,785	81,203
Pension contributions made subsequent to measurement date	1,418,218	-
Totals	<u>\$ 4,276,999</u>	<u>\$ 547,259</u>

These amounts above are net of outflows and inflows recognized in the 2017-2018 measurement period expense. The \$1,418,218 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ending June 30:	Misc	Safety	Total
2019	\$ 356,999	\$ 198,687	\$ 555,686
2020	648,622	598,992	1,247,614
2021	387,885	378,933	766,818
2022	(147,013)	(111,583)	(258,596)
2023	-	-	-
Thereafter	-	-	-
Totals	<u>\$ 1,246,493</u>	<u>\$ 1,065,029</u>	<u>\$ 2,311,522</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

**E. Payable to the Pension Plan**

At June 30, 2018, the City of Sierra Madre reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2018.

**11. 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, 2018, the City's payroll covered by the plan was \$400,169. The employees contributed 100% of the contributions.

**12. COMMITMENTS AND CONTINGENCIES**

**A. Grant Audits**

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

**B. Litigation**

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City beyond that already accrued 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**  
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**13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS**

*Plan Description*

The City administers a single-employer defined benefit plan which provides medical benefits to eligible retirees and their spouses. Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS: either (a) attainment of age 50 (age 52, if new to PERS on or after January 1, 2013) with 5 years of State or public City service or (b) approved disability retirement. The Plan does not issue separate financial statements.

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 items:
  - 5% times
  - The number of prior years the City has been contracted with PEMHCA times the monthly contracted PEMCHA contribution the employer makes towards active employee health benefits, which was \$128 per month in 2017 and increased to \$133 per month in 2018.

The City's monthly PEMCHA contribution toward health plan benefits for retirees during 2018 are:

- \$133 for CEA (and other non-POA) retirees, since contracted with CalPERS over 20 years.
- \$113.05 for the POA retirees, calculated as 5% times 19 years times \$133.

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 15, 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 lowest premium in the Los Angeles area region.
- For CEA (and other non-POA) employees hired on or after October 15, 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 in the LA area region.

The lowest cost HMO plan premium in the LA area region was \$404.32 per month in 2018.

*Employee covered*

As of the June 30, 2017 valuation, the following current and former employees are covered by the benefit terms under the plan:

Active employees	85
Inactive employees or beneficiaries currently receiving benefits	<u>21</u>
Total	<u>106</u>

51 employees are currently enrolled with 34 waiving coverage.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*Contributions*

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City makes contributions to eligible retirees for their medical plan premiums when the retiree enrolls in a City sponsored health plan. The current monthly amount paid by the City varies depending on the retiree’s bargaining unit at retirement. These amounts do not increase in future years to account for inflation. The City provided amounts are detailed in the Summary of Principal Plan Provisions. For the fiscal year ended June 30, 2018, the City’s cash contributions were \$95,572 in payments for premiums. The City voluntarily prefunds its annual contribution requirement (i.e. to set aside funds in advance of when medical premiums become due).

*Net OPEB liability*

The City’s net OPEB liability was measured as of June 30, 2017 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Discount rate	6.73%	
Inflation	2.75%	
Salary increases	3.25%	
Mortality rate	MacLeod Watts Scale 2017 applied generationally	
Healthcare trend	2018	actual
	2019	7.50%
	2020	7.00%
	2021	6.50%
	2022	6.00%
	2023	5.50%
	2024	5.00%
	thereafter	5.00%

*Discount rate*

The discount rate used to measure the total OPEB liability was 6.73% percent. The discount rate is the expected long-term return on trust assets. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset class</u>	<u>Current target allocation</u>	<u>Expected longterm rate of return<sup>1</sup></u>
Global equity	40.0%	4.90%
Fixed income	39.0%	0.80%
Inflation sensitive	10.0%	0.60%
Real estate	8.0%	6.60%
Commodities	3.0%	2.80%
<b>Total</b>	<b>100%</b>	

<sup>1</sup> An expected inflation of 3.0%

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*Changes in the net OPEB liability*

The changes in the net OPEB liability for the plan are as follows:

	<u>Total OPEB liability (a)</u>	<u>Plan fiduciary net position (b)</u>	<u>Net OPEB liability/(asset) (a)-(b)=(c)</u>
<b>Balance at June 30, 2017</b>			
(Valuation date June 30, 2016)	\$ 1,914,618	\$ 1,477,443	\$ 437,175
<b>Changes recognized for the measurement period:</b>			
Service cost	107,444	-	107,444
Interest cost	132,432	-	132,432
Expected investment income	-	99,406	(99,406)
Employer contributions	-	108,541	(108,541)
Administrative expenses	-	(782)	782
Benefit payments	(108,541)	(108,541)	-
Assumption changes	13,329	-	13,329
Plan experience	(186,345)	-	(186,345)
Investment experience	-	15,348	(15,348)
<b>Net changes</b>	<u>(41,681)</u>	<u>113,972</u>	<u>(155,653)</u>
<b>Balance at June 30, 2018</b>			
(Measurement date June 30, 2017)	<u>\$ 1,872,937</u>	<u>\$ 1,591,415</u>	<u>\$ 281,522</u>

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate*

The following presents the net OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	<u>Discount rate</u>		
	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
Net OPEB liability	<u>\$ 483,080</u>	<u>\$ 281,522</u>	<u>\$ 110,740</u>

*Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates*

The following presents the net OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2017:

	<u>Medical cost inflation</u>		
	<u>1% decrease</u>	<u>Current rate</u>	<u>1% increase</u>
Net OPEB liability	<u>\$ 75,563</u>	<u>\$ 281,522</u>	<u>\$ 577,779</u>



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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

*Recognition of Deferred Outflows and Deferred Inflows of Resources*

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Assumption changes and experience gains and losses	Expected average remaining service life (EARSL) 9.09 years
Difference between projected and actual earnings	5 year straight-line amortization

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB*

For the fiscal year ended June 30, 2018, the City recognized OPEB expense of \$119,156. As of fiscal year ended June 30, 2018, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred outflows of resources</u>	<u>Deferred inflows of resources</u>
Changes in assumptions	\$ 11,861	\$ -
Differences between expected and actual experience	-	165,853
Net difference between projected and actual earnings on investments	-	12,278
Contributions subsequent to the measurement date	<u>95,572</u>	<u>-</u>
Totals	<u>\$ 107,433</u>	<u>\$ 178,131</u>

The \$95,572 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2019. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows:

<u>For the fiscal year ending June 30, 2018</u>	<u>Recognized net deferred outflows (inflows) of resources</u>
2019	\$ (22,086)
2020	(22,086)
2021	(22,086)
2022	(22,086)
2023	(19,026)
Thereafter	(58,900)

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**14. SUCCESSOR AGENCY**

**Successor Agency Long-Term Debt**

The debt of the Successor Agency as of June 30, 2018 is as follows:

<u>Successor Agency</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>	<u>Due more than one year</u>
Refunding Bond, Series 1998A	\$ 1,085,000	\$ -	\$ (345,000)	\$ 740,000	\$ 360,000	\$ 380,000
Compensated absences	2,562	-	(2,562)	-	-	-
Total	<u>\$ 1,087,562</u>	<u>\$ -</u>	<u>\$ (347,562)</u>	<u>\$ 740,000</u>	<u>\$ 360,000</u>	<u>\$ 380,000</u>

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

In May 1998, the Sierra Madre Financing Authority issued the Tax Increment Revenue Refunding Bonds, Series 1998A on behalf of the Sierra Madre Community Redevelopment Agency in prepayment of its Agency Loan Agreement dated November 1, 1988, by and between the Agency and the Authority. These bonds mature annually through November 1, 2019 in the amounts ranging from \$155,000 to \$380,000 as of November 1, 1998. The interest on the bonds is payable semi-annually on May 1 and November 1, as of November 1, 1999.

The bonds are special obligations of the Authority secured by and payable solely as of the tax rate of the Tax Increment Revenue Refunding Bonds, Series 1998A ranging from 3.8% to 5.0%. The bonds are subject to mandatory sinking redemption and redemption from optional loan prepayments prior to maturity. The outstanding balance of the Tax Increment Revenue Refunding Bonds, Series 1998A was \$740,000 at June 30, 2018.

Annual debt service requirements on these bonds are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 360,000	\$ 28,000	\$ 388,000
2020	380,000	9,500	389,500
Totals	<u>\$ 740,000</u>	<u>\$ 37,500</u>	<u>\$ 777,500</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2018**

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**15. SUBSEQUENT EVENT**

Subsequent to year end, the City Council approved, and the City made, a payment to CALPERS in the amount of \$5,000,000 in order to reduce the City’s unfunded actuarial liability.

In July 2018, the City renegotiated the interest rate on its 2017 Installment Agreement. The interest rate went from 4.3754% to 4.100% per annum.

**16. CHANGE IN ACCOUNTING PRINCIPLE**

During the current fiscal year, the City implemented GASB No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. In order to implement the standard, Net position has been restated as follows:

	<u>Amount</u>		<u>Amount</u>
<b>Governmental activities:</b>		<b>Business-type activities:</b>	
Net position, beginning of year	\$ 190,889,470	Net position, beginning of year	\$ 19,481,301
Change in accounting principle	<u>(652,340)</u>	Change in accounting principle	<u>(59,155)</u>
Net position, ending of year, as restated	<u>\$ 190,237,130</u>	Net position, ending of year, as restated	<u>\$ 19,422,146</u>
<b>Water Enterprise:</b>		<b>Sewer Enterprise:</b>	
Net position, beginning of year	\$ 15,535,727	Net position, beginning of year	\$ 3,586,912
Change in accounting principle	<u>(32,864)</u>	Change in accounting principle	<u>(26,291)</u>
Net position, ending of year, as restated	<u>\$ 15,502,863</u>	Net position, ending of year, as restated	<u>\$ 3,560,621</u>
<b>Administration Internal Service:</b>			
Net position, beginning of year	\$ 234,397		
Change in accounting principle	<u>(23,004)</u>		
Net position, ending of year, as restated	<u>\$ 211,393</u>		

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Required Supplementary Information For the Year Ending June 30, 2018**

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**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**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.

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**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**General Fund Budgetary Comparison Schedule**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 6,039,000	\$ 6,039,000	\$ 6,198,020	\$ 159,020
Other taxes	3,250,000	3,250,000	3,228,635	(21,365)
Charges for services	494,800	494,800	638,402	143,602
Intergovernmental	-	-	27,043	27,043
Licenses and permits	932,300	932,300	1,127,303	195,003
Fines and forfeitures	155,100	155,100	118,324	(36,776)
Investment income	31,000	31,000	52,055	21,055
Miscellaneous	30,500	30,500	663,909	633,409
Total revenues	<u>10,932,700</u>	<u>10,932,700</u>	<u>12,053,691</u>	<u>1,120,991</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Administrative Services	2,309,300	2,309,300	2,353,805	(44,505)
Elected and Appointed	316,300	316,300	255,872	60,428
Total general government	<u>2,625,600</u>	<u>2,625,600</u>	<u>2,609,677</u>	<u>15,923</u>
<b>Public safety:</b>				
Police	3,590,900	3,590,900	3,275,227	315,673
Fire	1,939,400	1,939,400	1,843,797	95,603
Total public safety	<u>5,530,300</u>	<u>5,530,300</u>	<u>5,119,024</u>	<u>411,276</u>
Public works	574,900	574,900	619,575	(44,675)
Development	1,181,900	1,294,400	1,437,228	(142,828)
<b>Culture and recreation:</b>				
Community Services	265,700	265,700	201,743	63,957
Library Services	797,300	813,900	633,197	180,703
Total culture and recreation	<u>1,063,000</u>	<u>1,079,600</u>	<u>834,940</u>	<u>244,660</u>
Total expenditures	<u>10,975,700</u>	<u>11,104,800</u>	<u>10,620,444</u>	<u>484,356</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(43,000)</u>	<u>(172,100)</u>	<u>1,433,247</u>	<u>1,605,347</u>
<b>Other financing sources (uses):</b>				
Transfers in	100,000	100,000	-	(100,000)
Transfers out	(44,000)	(44,000)	(109,172)	(65,172)
Total other financing sources (uses)	<u>56,000</u>	<u>56,000</u>	<u>(109,172)</u>	<u>(165,172)</u>
Net change to fund balance	13,000	(116,100)	1,324,075	1,440,175
Fund balance, beginning of year	<u>7,428,118</u>	<u>7,428,118</u>	<u>7,428,118</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,441,118</u>	<u>\$ 7,312,018</u>	<u>\$ 8,752,193</u>	<u>\$ 1,440,175</u>

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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

***Schedule of Employer's Proportionate Share of the Plan's Net Pension Liability and related Ratios as of the Measurement Date – Last 10 Years\****

	Measurement date			
	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Employer's Proportion of the Collective Net Pension Liability <sup>1</sup>	0.14780%	0.14779%	0.14251%	0.13995%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 9,021,417	\$ 10,143,930	\$ 12,331,116	\$ 13,878,779
Covered payroll	\$ 4,688,122	\$ 4,841,779	\$ 4,869,024	\$ 5,243,636
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered-employee Payroll	192.43%	209.51%	253.26%	264.68%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.90%	75.43%	71.10%	70.40%

<sup>1</sup>Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool

\* = Only four years of data is available



**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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

***Schedule of Plan Contributions – Last 10 Years\****

	Fiscal year			
	2015	2016	2017	2018
Actuarially Determined Contribution	\$ 1,004,211	\$ 1,175,439	\$ 1,272,198	\$ 1,418,218
Contributions in Relation to the Actuarially Determined Contribution	<u>(1,004,211)</u>	<u>(1,175,439)</u>	<u>(1,272,198)</u>	<u>(1,418,218)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,841,779	\$ 4,869,024	\$ 5,243,636	\$ 4,566,971
Contributions as a Percentage of Covered Payroll	20.74%	24.14%	24.26%	31.05%

**Notes to Schedule:**

Change in Benefit Terms: None

Changes in Assumptions: In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

\* = Only four years of data is available.

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**2. OTHER POST EMPLOYMENT BENEFITS**

*Schedule of Change's Net OPEB Liability and Related Ratios as of the Measurement Date – Last 10 Years\**

	<u>Measurement date</u> <u>6/30/2017</u>
<b>Total OPEB Liability</b>	
Service cost	\$ 107,444
Interest cost	132,432
Plan experience	(186,345)
Changes in assumptions	13,329
Changes in benefit terms	-
Benefit payments	<u>(108,541)</u>
<b>Net change in Total OPEB Liability</b>	(41,681)
<b>Total OPEB Liability - beginning</b>	<u>1,914,618</u>
<b>Total OPEB Liability - ending (a)</b>	<u>\$ 1,872,937</u>
<b>Plan Fiduciary Net Position</b>	
Contribution - employer	\$ 108,541
Expected investment income	99,406
Investment experience	15,348
Benefit payments	(108,541)
Administrative expense	<u>(782)</u>
<b>Net change in Plan Fiduciary Net Position</b>	113,972
<b>Plan Fiduciary Net Position - beginning</b>	<u>1,477,443</u>
<b>Plan Fiduciary Net Position - ending (b)</b>	<u>\$ 1,591,415</u>
<b>Net OPEB Liability - ending (a) - (b)</b>	<u>\$ 281,522</u>
Plan fiduciary net position as a percentage of the total OPEB liability	84.97%
Covered employee payroll	\$ 4,937,800
Net OPEB liability as a percentage of covered employee payroll	5.70%

Notes to schedule:

*The following assumptions were changed from the prior valuation:*

Future rates of mortality were projected to improve on a generational basis using MacLeod Watts Scale 2017, rather than MacLeod Watts Scale 2014

Medical plan premiums are assumed to increase at somewhat higher rate than assumed in the prior valuation

\* = Only one year of data is available.

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2018**

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**2. OTHER POST EMPLOYMENT BENEFITS, (continued)**

***Schedule of Plan Contributions – Last 10 Years\****

	<u>Fiscal year</u>
	<u>2018</u>
Contractually Determined Contributions (CDC)	\$ 153,086
Contributions in relation to the CDC	(95,572)
Contribution Deficiency (Excess)	<u>\$ 57,514</u>
Covered-Employee Payroll	\$ 4,937,800
Contributions as a Percentage of Covered Payroll	3.10%

**Notes to schedule:**

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

**Methods and assumptions used to determine contributions:**

Valuation date	June 30, 2017
Funding method	Entry age normal cost, level % of pay
Asset valuation	Market value of assets
Discount Rate	6.73%
Inflation	2.75%
Salary Increases	3.25%
Mortality Rate	MacLeod Watts Scale 2017 applied generationally
Healthcare Trend Rate	7.50% to 5.00% for 2019 and beyond

# **City of Sierra Madre, California**

*Village of the Foothills*



## **Supplementary Information For the Year Ending June 30, 2018**

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**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds by Fund Type**  
**June 30, 2018**

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 4,161,431	\$ 801,573	\$ 11,422	\$ 4,974,426
Receivables:				
Accounts	56,707	-	-	56,707
Taxes	69,989	-	-	69,989
Due from other agencies	11,992	-	-	11,992
Land held for resale	-	1,500,000	-	1,500,000
Total assets	<u>\$ 4,300,119</u>	<u>\$ 2,301,573</u>	<u>\$ 11,422</u>	<u>\$ 6,613,114</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 456,602	\$ 229,846	\$ -	\$ 686,448
Accrued payroll and related liabilities	55,820	-	-	55,820
Due to other funds	175,183	-	-	175,183
Deposits and retentions	50,780	2,500	-	53,280
Total liabilities	<u>738,385</u>	<u>232,346</u>	<u>-</u>	<u>970,731</u>
Fund balances (deficit):				
Restricted	3,356,047	1,500,040	-	4,856,087
Committed	322,967	569,187	11,422	903,576
Unassigned	(117,280)	-	-	(117,280)
Total fund balances	<u>3,561,734</u>	<u>2,069,227</u>	<u>11,422</u>	<u>5,642,383</u>
Total liabilities and fund balances	<u>\$ 4,300,119</u>	<u>\$ 2,301,573</u>	<u>\$ 11,422</u>	<u>\$ 6,613,114</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Governmental Funds by Fund Type**  
**For the year ended June 30, 2018**

	Special Revenue Funds	Capital Projects Funds	City-wide Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 228,241	\$ -	\$ -	\$ 228,241
Charges for services	3,527	-	92,000	95,527
Intergovernmental	1,201,603	-	-	1,201,603
Licenses and permits	99,774	-	-	99,774
Investment income	27,570	5,287	-	32,857
Miscellaneous	251,951	17,282	-	269,233
Total revenues	<u>1,812,666</u>	<u>22,569</u>	<u>92,000</u>	<u>1,927,235</u>
<b>Expenditures:</b>				
Current:				
Public safety	81,173	-	-	81,173
Public works	1,852,448	334,351	-	2,186,799
Culture and recreation	306,558	-	-	306,558
Debt Service:				
Principal	-	-	79,484	79,484
Interest	-	-	11,563	11,563
Total expenditures	<u>2,240,179</u>	<u>334,351</u>	<u>91,047</u>	<u>2,665,577</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(427,513)</u>	<u>(311,782)</u>	<u>953</u>	<u>(738,342)</u>
<b>Other financing sources (uses):</b>				
Transfers in	37,851	-	-	37,851
Transfers out	(11,973)	-	-	(11,973)
Total other financing sources (uses)	<u>25,878</u>	<u>-</u>	<u>-</u>	<u>25,878</u>
Net change to fund balances	(401,635)	(311,782)	953	(712,464)
Fund balances, beginning of year	<u>3,963,369</u>	<u>2,381,009</u>	<u>10,469</u>	<u>6,354,847</u>
Fund balances, end of year	<u>\$ 3,561,734</u>	<u>\$ 2,069,227</u>	<u>\$ 11,422</u>	<u>\$ 5,642,383</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2018**

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
<b>Assets:</b>				
Cash and investments	\$ 8,128	\$ 893,694	\$ 3,259,609	\$ 4,161,431
Receivables:				
Accounts	-	-	56,707	56,707
Taxes	-	23,220	46,769	69,989
Due from other agencies	<u>11,992</u>	<u>-</u>	<u>-</u>	<u>11,992</u>
Total assets	<u>\$ 20,120</u>	<u>\$ 916,914</u>	<u>\$ 3,363,085</u>	<u>\$ 4,300,119</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 1,852	\$ 3,309	\$ 451,441	\$ 456,602
Accrued payroll and related liabilities	155	107	55,558	55,820
Due to other funds	11,992	-	163,191	175,183
Deposits and retentions	<u>-</u>	<u>-</u>	<u>50,780</u>	<u>50,780</u>
Total liabilities	<u>13,999</u>	<u>3,416</u>	<u>720,970</u>	<u>738,385</u>
Fund balances (deficit):				
Restricted	6,121	913,498	2,436,428	3,356,047
Committed	-	-	322,967	322,967
Unassigned	<u>-</u>	<u>-</u>	<u>(117,280)</u>	<u>(117,280)</u>
Total fund balances	<u>6,121</u>	<u>913,498</u>	<u>2,642,115</u>	<u>3,561,734</u>
Total liabilities and fund balances	<u>\$ 20,120</u>	<u>\$ 916,914</u>	<u>\$ 3,363,085</u>	<u>\$ 4,300,119</u>



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**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Special Revenue Funds**  
**For the year ended June 30, 2018**

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
<b>Revenues:</b>				
Property taxes	\$ -	\$ 228,241	\$ -	\$ 228,241
Charges for services	-	-	3,527	3,527
Intergovernmental	20,957	-	1,180,646	1,201,603
Licenses and permits	-	-	99,774	99,774
Investment income	-	5,125	22,445	27,570
Miscellaneous	-	-	251,951	251,951
Total revenues	<u>20,957</u>	<u>233,366</u>	<u>1,558,343</u>	<u>1,812,666</u>
<b>Expenditures:</b>				
Current:				
Public safety	-	-	81,173	81,173
Public works	-	63,663	1,788,785	1,852,448
Culture and recreation	14,836	-	291,722	306,558
Total expenditures	<u>14,836</u>	<u>63,663</u>	<u>2,161,680</u>	<u>2,240,179</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,121</u>	<u>169,703</u>	<u>(603,337)</u>	<u>(427,513)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	19,852	17,999	37,851
Transfers out	-	-	(11,973)	(11,973)
Total other financing sources (uses)	<u>-</u>	<u>19,852</u>	<u>6,026</u>	<u>25,878</u>
Net change to fund balances	6,121	189,555	(597,311)	(401,635)
Fund balances, beginning of year	<u>-</u>	<u>723,943</u>	<u>3,239,426</u>	<u>3,963,369</u>
Fund balances, end of year	<u>\$ 6,121</u>	<u>\$ 913,498</u>	<u>\$ 2,642,115</u>	<u>\$ 3,561,734</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds – Grants**  
**June 30, 2018**

---

	Local History State Grant	LA County Tree Mitigation Grant	Total Special Revenue-Grant Funds
<b>Assets:</b>			
Cash and investments	\$ 8,128	\$ -	\$ 8,128
Due from other agencies	-	11,992	11,992
Total assets	<u>\$ 8,128</u>	<u>\$ 11,992</u>	<u>\$ 20,120</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ 1,852	\$ -	\$ 1,852
Accrued payroll and related liabilities	155	-	155
Due to other funds	-	11,992	11,992
Total liabilities	<u>2,007</u>	<u>11,992</u>	<u>13,999</u>
Fund balances:			
Restricted	<u>6,121</u>	-	<u>6,121</u>
Total fund balances	<u>6,121</u>	-	<u>6,121</u>
Total liabilities and fund balances	<u>\$ 8,128</u>	<u>\$ 11,992</u>	<u>\$ 20,120</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Special Revenue Funds – Grants**  
**For the year ended June 30, 2018**

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	<u>Local History State Grant</u>	<u>LA County Tree Mitigation Grant</u>	<u>Total Special Revenue-Grant Funds</u>
<b>Revenues:</b>			
Intergovernmental	\$ 20,957	\$ -	\$ 20,957
Total revenues	<u>20,957</u>	<u>-</u>	<u>20,957</u>
<b>Expenditures:</b>			
Current:			
Culture and recreation	14,836	-	14,836
Total expenditures	<u>14,836</u>	<u>-</u>	<u>14,836</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,121</u>	<u>-</u>	<u>6,121</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	6,121	-	6,121
Fund balances, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>\$ 6,121</u>	<u>\$ -</u>	<u>\$ 6,121</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds – Assessments**  
**June 30, 2018**

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
<b>Assets:</b>				
Cash and investments	\$ 31,054	\$ 3,220	\$ 10,690	\$ 251,067
Taxes receivable	-	249	-	7,665
Total assets	<u>\$ 31,054</u>	<u>\$ 3,469</u>	<u>\$ 10,690</u>	<u>\$ 258,732</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 141
Accrued payroll and related liabilities	-	-	107	-
Due to other funds	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>107</u>	<u>141</u>
Fund balances:				
Restricted	<u>31,054</u>	<u>3,469</u>	<u>10,583</u>	<u>258,591</u>
Total fund balances	<u>31,054</u>	<u>3,469</u>	<u>10,583</u>	<u>258,591</u>
Total liabilities and fund balances	<u>\$ 31,054</u>	<u>\$ 3,469</u>	<u>\$ 10,690</u>	<u>\$ 258,732</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 264,278	\$ 283,198	\$ 1,311	\$ 7,545	\$ 41,331	\$ 893,694
11,513	3,062	572	159	-	23,220
<u>\$ 275,791</u>	<u>\$ 286,260</u>	<u>\$ 1,883</u>	<u>\$ 7,704</u>	<u>\$ 41,331</u>	<u>\$ 916,914</u>
\$ 244	\$ 1,041	\$ 1,883	\$ -	\$ -	\$ 3,309
-	-	-	-	-	107
-	-	-	-	-	-
<u>244</u>	<u>1,041</u>	<u>1,883</u>	<u>-</u>	<u>-</u>	<u>3,416</u>
275,547	285,219	-	7,704	41,331	913,498
<u>275,547</u>	<u>285,219</u>	<u>-</u>	<u>7,704</u>	<u>41,331</u>	<u>913,498</u>
<u>\$ 275,791</u>	<u>\$ 286,260</u>	<u>\$ 1,883</u>	<u>\$ 7,704</u>	<u>\$ 41,331</u>	<u>\$ 916,914</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balance**  
**Non-Major Special Revenue Funds – Assessments**  
**For the year ended June 30, 2018**

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
<b>Revenues:</b>				
Property taxes	\$ 10,290	\$ 5,396	\$ -	\$ 54,367
Investment income	173	14	-	1,472
Total revenues	<u>10,463</u>	<u>5,410</u>	<u>-</u>	<u>55,839</u>
<b>Expenditures:</b>				
Current:				
Public works	720	1,941	1,044	2,432
Total expenditures	<u>720</u>	<u>1,941</u>	<u>1,044</u>	<u>2,432</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,743</u>	<u>3,469</u>	<u>(1,044)</u>	<u>53,407</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	9,743	3,469	(1,044)	53,407
Fund balances, beginning of year	<u>21,311</u>	<u>-</u>	<u>11,627</u>	<u>205,184</u>
Fund balances, end of year	<u>\$ 31,054</u>	<u>\$ 3,469</u>	<u>\$ 10,583</u>	<u>\$ 258,591</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 62,479	\$ 71,682	\$ 9,469	\$ 7,713	\$ 6,845	\$ 228,241
1,556	1,641	-	31	238	5,125
<u>64,035</u>	<u>73,323</u>	<u>9,469</u>	<u>7,744</u>	<u>7,083</u>	<u>233,366</u>
8,448	19,717	29,321	40	-	63,663
<u>8,448</u>	<u>19,717</u>	<u>29,321</u>	<u>40</u>	<u>-</u>	<u>63,663</u>
55,587	53,606	(19,852)	7,704	7,083	169,703
-	-	19,852	-	-	19,852
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>19,852</u>	<u>-</u>	<u>-</u>	<u>19,852</u>
55,587	53,606	-	7,704	7,083	189,555
<u>219,960</u>	<u>231,613</u>	<u>-</u>	<u>-</u>	<u>34,248</u>	<u>723,943</u>
<u>\$ 275,547</u>	<u>\$ 285,219</u>	<u>\$ -</u>	<u>\$ 7,704</u>	<u>\$ 41,331</u>	<u>\$ 913,498</u>



**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds – Other**  
**June 30, 2018**

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
<b>Assets:</b>					
Cash and investments	\$ 1,416,964	\$ 58,573	\$ 1,087	\$ 5,056	\$ 139,974
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	23,433
Due from other agencies	-	-	-	-	-
Total assets	<u>\$ 1,416,964</u>	<u>\$ 58,573</u>	<u>\$ 1,087</u>	<u>\$ 5,056</u>	<u>\$ 163,407</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	50,780	-	-	-	-
Total liabilities	<u>50,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):					
Restricted	1,366,184	58,573	1,087	-	163,407
Committed	-	-	-	5,056	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,366,184</u>	<u>58,573</u>	<u>1,087</u>	<u>5,056</u>	<u>163,407</u>
Total liabilities and fund balances	<u>\$ 1,416,964</u>	<u>\$ 58,573</u>	<u>\$ 1,087</u>	<u>\$ 5,056</u>	<u>\$ 163,407</u>

<u>State COPS</u>	<u>Fire Department Donations</u>	<u>Community Arts Commission</u>	<u>Recreation Department Donations</u>	<u>Local Transportation Prop A</u>	<u>Open Space</u>	<u>Senior Center</u>
\$ 186,097	\$ 3,373	\$ 6,273	\$ 45,701	\$ 289,984	\$ -	\$ 163,647
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 186,097</u>	<u>\$ 3,373</u>	<u>\$ 6,273</u>	<u>\$ 45,701</u>	<u>\$ 289,984</u>	<u>\$ -</u>	<u>\$ 163,647</u>
\$ -	\$ -	\$ -	\$ -	\$ 25,513	\$ -	\$ 1,146
716	-	-	-	177	-	-
-	-	-	-	-	110,173	-
-	-	-	-	-	-	-
<u>716</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,690</u>	<u>110,173</u>	<u>1,146</u>
185,381	-	-	-	264,294	-	-
-	3,373	6,273	45,701	-	-	162,501
-	-	-	-	-	(110,173)	-
<u>185,381</u>	<u>3,373</u>	<u>6,273</u>	<u>45,701</u>	<u>264,294</u>	<u>(110,173)</u>	<u>162,501</u>
<u>\$ 186,097</u>	<u>\$ 3,373</u>	<u>\$ 6,273</u>	<u>\$ 45,701</u>	<u>\$ 289,984</u>	<u>\$ -</u>	<u>\$ 163,647</u>

(continued)

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds – Other, Continued**  
**June 30, 2018**

	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	CA Beverage Container	Clean Air Fund (AQMD)
<b>Assets:</b>					
Cash and investments	\$ 40,411	\$ 59,478	\$ 134,565	\$ 38,487	\$ 90,008
Receivables:					
Accounts	-	-	-	-	3,625
Taxes	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Total assets	<u>\$ 40,411</u>	<u>\$ 59,478</u>	<u>\$ 134,565</u>	<u>\$ 38,487</u>	<u>\$ 93,633</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 109,188	\$ -	\$ 52,450
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>109,188</u>	<u>-</u>	<u>52,450</u>
Fund balances (deficit):					
Restricted	-	-	25,377	38,487	41,183
Committed	40,411	59,478	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>40,411</u>	<u>59,478</u>	<u>25,377</u>	<u>38,487</u>	<u>41,183</u>
Total liabilities and fund balances	<u>\$ 40,411</u>	<u>\$ 59,478</u>	<u>\$ 134,565</u>	<u>\$ 38,487</u>	<u>\$ 93,633</u>

Environmental Fund	Gas Tax Fund	Bikeway/Side walk TDA	Measure R	Measure M	Road Maintenance and Rehabilitation	LACMTA
\$ -	\$ 10,511	\$ -	\$ 280,807	\$ 16,039	\$ 24,055	\$ -
21,619	-	8,874	-	-	-	-
-	-	-	-	-	23,336	-
-	-	-	-	-	-	-
<u>\$ 21,619</u>	<u>\$ 10,511</u>	<u>\$ 8,874</u>	<u>\$ 280,807</u>	<u>\$ 16,039</u>	<u>\$ 47,391</u>	<u>\$ -</u>
\$ 3,476	\$ 5,975	\$ -	\$ 205,373	\$ -	\$ 44,890	\$ -
265	2,758		51,642	-	-	-
17,878	-	8,874	-	-	-	-
-	-	-	-	-	-	-
<u>21,619</u>	<u>8,733</u>	<u>8,874</u>	<u>257,015</u>	<u>-</u>	<u>44,890</u>	<u>-</u>
-	1,778	-	23,792	16,039	2,501	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>1,778</u>	<u>-</u>	<u>23,792</u>	<u>16,039</u>	<u>2,501</u>	<u>-</u>
<u>\$ 21,619</u>	<u>\$ 10,511</u>	<u>\$ 8,874</u>	<u>\$ 280,807</u>	<u>\$ 16,039</u>	<u>\$ 47,391</u>	<u>\$ -</u>

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**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds – Other, Continued**  
**June 30, 2018**

	Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
<b>Assets:</b>				
Cash and investments	\$ 248,345	\$ -	\$ 174	\$ 3,259,609
Receivables:				
Accounts	-	22,589	-	56,707
Taxes	-	-	-	46,769
Due from other agencies	-	-	-	-
Total assets	<u>\$ 248,345</u>	<u>\$ 22,589</u>	<u>\$ 174</u>	<u>\$ 3,363,085</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ -	\$ 3,430	\$ -	\$ 451,441
Accrued payroll and related liabilities	-	-	-	55,558
Due to other funds	-	26,266	-	163,191
Deposits and retentions	-	-	-	50,780
Total liabilities	<u>-</u>	<u>29,696</u>	<u>-</u>	<u>720,970</u>
Fund balances (deficit):				
Restricted	248,345	-	-	2,436,428
Committed	-	-	174	322,967
Unassigned	-	(7,107)	-	(117,280)
Total fund balances	<u>248,345</u>	<u>(7,107)</u>	<u>174</u>	<u>2,642,115</u>
Total liabilities and fund balances	<u>\$ 248,345</u>	<u>\$ 22,589</u>	<u>\$ 174</u>	<u>\$ 3,363,085</u>

(concluded)

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Special Revenue Funds – Other**  
**For the year ended June 30, 2018**

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
<b>Revenues:</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	132,590
Licenses and permits	-	-	-	-	-
Investment income	8,777	363	21	38	553
Miscellaneous	-	-	-	300	-
Total revenues	<u>8,777</u>	<u>363</u>	<u>21</u>	<u>338</u>	<u>133,143</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	6,000	1,614	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>1,614</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,777</u>	<u>363</u>	<u>(5,979)</u>	<u>(1,276)</u>	<u>133,143</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	11,973
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,973</u>
Net change to fund balances	8,777	363	(5,979)	(1,276)	145,116
Fund balances, beginning of year	<u>1,357,407</u>	<u>58,210</u>	<u>7,066</u>	<u>6,332</u>	<u>18,291</u>
Fund balances, end of year	<u>\$ 1,366,184</u>	<u>\$ 58,573</u>	<u>\$ 1,087</u>	<u>\$ 5,056</u>	<u>\$ 163,407</u>

State COPS Grant	Fire Department Donations	Community Arts Commission	Recreation Department Donations	Local Transportation Prop A	Open Space	Senior Center
\$ -	\$ -	\$ -	\$ -	\$ 3,527	\$ -	\$ -
100,000	-	-	-	205,428	-	-
-	-	-	-	-	-	-
1,203	25	69	283	3,340	311	983
-	1,655	-	-	-	45,447	32,081
<u>101,203</u>	<u>1,680</u>	<u>69</u>	<u>283</u>	<u>212,295</u>	<u>45,758</u>	<u>33,064</u>
-	-	-	-	-	-	-
64,752	8,807	-	-	-	-	-
-	-	-	-	11,450	-	-
-	-	-	-	158,698	-	16,384
<u>64,752</u>	<u>8,807</u>	<u>-</u>	<u>-</u>	<u>170,148</u>	<u>-</u>	<u>16,384</u>
<u>36,451</u>	<u>(7,127)</u>	<u>69</u>	<u>283</u>	<u>42,147</u>	<u>45,758</u>	<u>16,680</u>
-	-	-	-	-	-	-
<u>(11,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(11,973)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
24,478	(7,127)	69	283	42,147	45,758	16,680
<u>160,903</u>	<u>10,500</u>	<u>6,204</u>	<u>45,418</u>	<u>222,147</u>	<u>(155,931)</u>	<u>145,821</u>
<u>\$ 185,381</u>	<u>\$ 3,373</u>	<u>\$ 6,273</u>	<u>\$ 45,701</u>	<u>\$ 264,294</u>	<u>\$ (110,173)</u>	<u>\$ 162,501</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, 2018**

	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	CA Beverage Container Grant	Clean Air Fund (AQMD)
<b>Revenues:</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	170,416	5,000	13,960
Licenses and permits	-	-	-	-	-
Investment income	250	369	852	255	762
Miscellaneous	3,303	-	-	-	-
Total revenues	<u>3,553</u>	<u>369</u>	<u>171,268</u>	<u>5,255</u>	<u>14,722</u>
<b>Expenditures:</b>					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	812	-	516,185	5,000	96,327
Culture and recreation	620	-	-	-	-
Total expenditures	<u>1,432</u>	<u>-</u>	<u>516,185</u>	<u>5,000</u>	<u>96,327</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,121</u>	<u>369</u>	<u>(344,917)</u>	<u>255</u>	<u>(81,605)</u>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	2,121	369	(344,917)	255	(81,605)
Fund balances, beginning of year	<u>38,290</u>	<u>59,109</u>	<u>370,294</u>	<u>38,232</u>	<u>122,788</u>
Fund balances, end of year	<u>\$ 40,411</u>	<u>\$ 59,478</u>	<u>\$ 25,377</u>	<u>\$ 38,487</u>	<u>\$ 41,183</u>

Environmental Fund	Gas Tax Fund	Bikeway/Side walk TDA	Measure R	Measure M	Road Maintenance and Rehabilitation	LACMTA
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	236,580	8,874	127,626	115,658	64,514	-
99,774	-	-	-	-	-	-
-	(62)	-	2,399	381	-	-
-	-	-	-	-	-	-
<u>99,774</u>	<u>236,518</u>	<u>8,874</u>	<u>130,025</u>	<u>116,039</u>	<u>64,514</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
117,541	236,302	8,874	440,731	100,000	62,013	193,550
-	-	-	-	-	-	-
<u>117,541</u>	<u>236,302</u>	<u>8,874</u>	<u>440,731</u>	<u>100,000</u>	<u>62,013</u>	<u>193,550</u>
<u>(17,767)</u>	<u>216</u>	<u>-</u>	<u>(310,706)</u>	<u>16,039</u>	<u>2,501</u>	<u>(193,550)</u>
6,026	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>6,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(11,741)	216	-	(310,706)	16,039	2,501	(193,550)
11,741	1,562	-	334,498	-	-	193,550
<u>\$ -</u>	<u>\$ 1,778</u>	<u>\$ -</u>	<u>\$ 23,792</u>	<u>\$ 16,039</u>	<u>\$ 2,501</u>	<u>\$ -</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, 2018**

	Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
<b>Revenues:</b>				
Charges for services	\$ -	\$ -	\$ -	\$ 3,527
Intergovernmental	-	-	-	1,180,646
Licenses and permits	-	-	-	99,774
Investment income	1,272	-	1	22,445
Miscellaneous	<u>107,730</u>	<u>61,435</u>	<u>-</u>	<u>251,951</u>
Total revenues	<u>109,002</u>	<u>61,435</u>	<u>1</u>	<u>1,558,343</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	81,173
Public works	-	-	-	1,788,785
Culture and recreation	<u>47,478</u>	<u>68,542</u>	<u>-</u>	<u>291,722</u>
Total expenditures	<u>47,478</u>	<u>68,542</u>	<u>-</u>	<u>2,161,680</u>
Excess (deficiency) of revenues over (under) expenditures	<u>61,524</u>	<u>(7,107)</u>	<u>1</u>	<u>(603,337)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	17,999
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,973)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,026</u>
Net change to fund balances	61,524	(7,107)	1	(597,311)
Fund balances, beginning of year	<u>186,821</u>	<u>-</u>	<u>173</u>	<u>3,239,426</u>
Fund balances, end of year	<u>\$ 248,345</u>	<u>\$ (7,107)</u>	<u>\$ 174</u>	<u>\$ 2,642,115</u>

(concluded)

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2018**

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	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
<b>Assets:</b>			
Cash and investments	\$ 2,540	\$ 799,033	\$ 801,573
Land held for resale	1,500,000	-	1,500,000
Total assets	<u>\$ 1,502,540</u>	<u>\$ 799,033</u>	<u>\$ 2,301,573</u>
<b>Liabilities and Fund Balances:</b>			
Liabilities:			
Accounts payable	\$ -	\$ 229,846	\$ 229,846
Deposits and retentions	2,500	-	2,500
Total liabilities	<u>2,500</u>	<u>229,846</u>	<u>232,346</u>
Fund balances:			
Restricted	1,500,040	-	1,500,040
Committed	-	569,187	569,187
Total fund balances	<u>1,500,040</u>	<u>569,187</u>	<u>2,069,227</u>
Total liabilities and fund balances	<u>\$ 1,502,540</u>	<u>\$ 799,033</u>	<u>\$ 2,301,573</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, 2018**

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	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
<b>Revenues:</b>			
Investment income	\$ 16	\$ 5,271	\$ 5,287
Miscellaneous	-	17,282	17,282
Total revenues	<u>16</u>	<u>22,553</u>	<u>22,569</u>
<b>Expenditures:</b>			
Current:			
Public works	-	334,351	334,351
Total expenditures	<u>-</u>	<u>334,351</u>	<u>334,351</u>
Net change to fund balance	16	(311,798)	(311,782)
Fund balances, beginning of year	<u>1,500,024</u>	<u>880,985</u>	<u>2,381,009</u>
Fund Balances, end of year	<u>\$ 1,500,040</u>	<u>\$ 569,187</u>	<u>\$ 2,069,227</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Local History State Grant**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 23,286	\$ 20,957	\$ (2,329)
Total revenues	<u>-</u>	<u>23,286</u>	<u>20,957</u>	<u>(2,329)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	-	23,286	14,836	8,450
Total expenditures	<u>-</u>	<u>23,286</u>	<u>14,836</u>	<u>8,450</u>
Net change to fund balance	-	-	6,121	6,121
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,121</u>	<u>\$ 6,121</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Bonita Sewer Assessment District Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 10,300	\$ 10,300	\$ 10,290	\$ (10)
Investment income	-	-	173	173
Total revenues	<u>10,300</u>	<u>10,300</u>	<u>10,463</u>	<u>163</u>
<b>Expenditures:</b>				
Public works	900	900	720	180
Total expenditures	<u>900</u>	<u>900</u>	<u>720</u>	<u>180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,400</u>	<u>9,400</u>	<u>9,743</u>	<u>343</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	-	-
Transfers out	<u>(20,400)</u>	<u>(20,400)</u>	<u>-</u>	<u>20,400</u>
Total other financing sources (uses)	<u>(20,400)</u>	<u>(20,400)</u>	<u>-</u>	<u>20,400</u>
Net change to fund balance	(11,000)	(11,000)	9,743	20,743
Fund balance, beginning of year	<u>21,311</u>	<u>21,311</u>	<u>21,311</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,311</u>	<u>\$ 10,311</u>	<u>\$ 31,054</u>	<u>\$ 20,743</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Central Business Assessment District Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 5,200	\$ 5,200	\$ 5,396	\$ 196
Investment income	-	-	14	14
Total revenues	<u>5,200</u>	<u>5,200</u>	<u>5,410</u>	<u>210</u>
<b>Expenditures:</b>				
Current:				
Public works	21,400	21,400	1,941	19,459
Total expenditures	<u>21,400</u>	<u>21,400</u>	<u>1,941</u>	<u>19,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16,200)</u>	<u>(16,200)</u>	<u>3,469</u>	<u>19,669</u>
<b>Other financing sources (uses):</b>				
Transfers in	16,200	16,200	-	(16,200)
Total other financing sources (uses)	<u>16,200</u>	<u>16,200</u>	<u>-</u>	<u>(16,200)</u>
Net change to fund balance	-	-	3,469	3,469
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,469</u>	<u>\$ 3,469</u>



**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Fane/Winwood Lane Assessment District Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>				
Current:				
Public works	700	700	1,044	(344)
Total expenditures	<u>700</u>	<u>700</u>	<u>1,044</u>	<u>(344)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(700)</u>	<u>(700)</u>	<u>(1,044)</u>	<u>(344)</u>
Net change to fund balance	(700)	(700)	(1,044)	(344)
Fund balance, beginning of year	<u>11,627</u>	<u>11,627</u>	<u>11,627</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,927</u>	<u>\$ 10,927</u>	<u>\$ 10,583</u>	<u>\$ (344)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Lighting District #1 Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 45,100	\$ 45,100	\$ 54,367	\$ 9,267
Investment income	400	400	1,472	1,072
Total revenues	<u>45,500</u>	<u>45,500</u>	<u>55,839</u>	<u>10,339</u>
<b>Expenditures:</b>				
Current:				
Public works	2,900	2,900	2,432	468
Total expenditures	<u>2,900</u>	<u>2,900</u>	<u>2,432</u>	<u>468</u>
Net change to fund balance	42,600	42,600	53,407	10,807
Fund balance, beginning of year	<u>205,184</u>	<u>205,184</u>	<u>205,184</u>	<u>-</u>
Fund balance, end of year	<u>\$ 247,784</u>	<u>\$ 247,784</u>	<u>\$ 258,591</u>	<u>\$ 10,807</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Lighting District Zone A Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 48,100	\$ 48,100	\$ 62,479	\$ 14,379
Investment income	400	400	1,556	1,156
Total revenues	<u>48,500</u>	<u>48,500</u>	<u>64,035</u>	<u>15,535</u>
<b>Expenditures:</b>				
Current:				
Public works	7,900	7,900	8,448	(548)
Total expenditures	<u>7,900</u>	<u>7,900</u>	<u>8,448</u>	<u>(548)</u>
Net change to fund balance	40,600	40,600	55,587	14,987
Fund balance, beginning of year	<u>219,960</u>	<u>219,960</u>	<u>219,960</u>	<u>-</u>
Fund balance, end of year	<u>\$ 260,560</u>	<u>\$ 260,560</u>	<u>\$ 275,547</u>	<u>\$ 14,987</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Lighting District Zone B Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 65,400	\$ 65,400	\$ 71,682	\$ 6,282
Investment income	400	400	1,641	1,241
Total revenues	<u>65,800</u>	<u>65,800</u>	<u>73,323</u>	<u>7,523</u>
<b>Expenditures:</b>				
Current:				
Public works	17,400	17,400	19,717	(2,317)
Total expenditures	<u>17,400</u>	<u>17,400</u>	<u>19,717</u>	<u>(2,317)</u>
Net change to fund balance	48,400	48,400	53,606	5,206
Fund balance, beginning of year	<u>231,613</u>	<u>231,613</u>	<u>231,613</u>	<u>-</u>
Fund balance, end of year	<u>\$ 280,013</u>	<u>\$ 280,013</u>	<u>\$ 285,219</u>	<u>\$ 5,206</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Parking Maintenance District Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 8,800	\$ 8,800	\$ 9,469	\$ 669
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>9,469</u>	<u>669</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>33,700</u>	<u>33,700</u>	<u>29,321</u>	<u>4,379</u>
Total expenditures	<u>33,700</u>	<u>33,700</u>	<u>29,321</u>	<u>4,379</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,900)</u>	<u>(24,900)</u>	<u>(19,852)</u>	<u>5,048</u>
<b>Other financing sources (uses):</b>				
Transfers in	<u>24,900</u>	<u>24,900</u>	<u>19,852</u>	<u>(5,048)</u>
Total other financing sources (uses)	<u>24,900</u>	<u>24,900</u>	<u>19,852</u>	<u>(5,048)</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Sewer Assessment District Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 7,000	\$ 7,000	\$ 7,713	\$ 713
Investment income	-	-	31	31
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,744</u>	<u>744</u>
<b>Expenditures:</b>				
Current:				
Total expenditures	-	-	40	(40)
Excess (deficiency) of revenues over (under) expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,704</u>	<u>704</u>
<b>Other financing sources (uses):</b>				
Transfers out	<u>(42,200)</u>	<u>(42,200)</u>	-	42,200
Total other financing sources (uses)	<u>(42,200)</u>	<u>(42,200)</u>	-	42,200
Net change to fund balance	(35,200)	(35,200)	7,704	42,904
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ (35,200)</u>	<u>\$ (35,200)</u>	<u>\$ 7,704</u>	<u>\$ 42,904</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Sierra Madre CFD Special Revenue Fund**  
**For the year ended June 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Property taxes	\$ 6,900	\$ 6,900	\$ 6,845	\$ (55)
Investment income	-	-	238	238
Total revenues	<u>6,900</u>	<u>6,900</u>	<u>7,083</u>	<u>183</u>
<b>Expenditures:</b>				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	6,900	6,900	7,083	183
Fund balance, beginning of year	<u>34,248</u>	<u>34,248</u>	<u>34,248</u>	<u>-</u>
Fund balance, end of year	<u>\$ 41,148</u>	<u>\$ 41,148</u>	<u>\$ 41,331</u>	<u>\$ 183</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Public Safety Augmentation Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 100,000	\$ 100,000	\$ 132,590	\$ 32,590
Investment income	-	-	553	553
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>133,143</u>	<u>33,143</u>
<b>Expenditures:</b>				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>100,000</u>	<u>133,143</u>	<u>33,143</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	11,973	11,973
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>100,000</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>11,973</u>	<u>111,973</u>
Net change to fund balance	-	-	145,116	145,116
Fund balance, beginning of year	<u>18,291</u>	<u>18,291</u>	<u>18,291</u>	<u>-</u>
Fund balance, end of year	<u>\$ 18,291</u>	<u>\$ 18,291</u>	<u>\$ 163,407</u>	<u>\$ 145,116</u>



**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**State COPS Grant Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 100,000	\$ 100,000	100,000	\$ -
Investment income	-	-	1,203	1,203
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>101,203</u>	<u>1,203</u>
<b>Expenditures:</b>				
Current:				
Public safety	62,000	62,000	64,752	(2,752)
Total expenditures	<u>62,000</u>	<u>62,000</u>	<u>64,752</u>	<u>(2,752)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,000</u>	<u>38,000</u>	<u>36,451</u>	<u>(1,549)</u>
<b>Other financing sources (uses):</b>				
Transfers out	-	-	(11,973)	(11,973)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,973)</u>	<u>(11,973)</u>
Net change to fund balance	38,000	38,000	24,478	(13,522)
Fund balance, beginning of year	<u>160,903</u>	<u>160,903</u>	<u>160,903</u>	<u>-</u>
Fund balance, end of year	<u>\$ 198,903</u>	<u>\$ 198,903</u>	<u>\$ 185,381</u>	<u>\$ (13,522)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Local Transportation Prop A Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Charges for services	\$ 4,500	\$ 4,500	\$ 3,527	\$ (973)
Intergovernmental	204,800	204,800	205,428	628
Investment income	-	-	3,340	3,340
Total revenues	<u>209,300</u>	<u>209,300</u>	<u>212,295</u>	<u>2,995</u>
<b>Expenditures:</b>				
Current:				
Public works	10,800	10,800	11,450	(650)
Culture and recreation	<u>176,500</u>	<u>176,500</u>	<u>158,698</u>	<u>17,802</u>
Total expenditures	<u>187,300</u>	<u>187,300</u>	<u>170,148</u>	<u>17,152</u>
Net change to fund balance	22,000	22,000	42,147	20,147
Fund balance, beginning of year	<u>222,147</u>	<u>222,147</u>	<u>222,147</u>	<u>-</u>
Fund balance, end of year	<u>\$ 244,147</u>	<u>\$ 244,147</u>	<u>\$ 264,294</u>	<u>\$ 20,147</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Open Space Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 311	\$ 311
Miscellaneous	49,500	49,500	45,447	(4,053)
Total revenues	<u>49,500</u>	<u>49,500</u>	<u>45,758</u>	<u>(3,742)</u>
<b>Expenditures:</b>				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	49,500	49,500	45,758	(3,742)
Fund balance (deficit), beginning of year	<u>(155,931)</u>	<u>(155,931)</u>	<u>(155,931)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (106,431)</u>	<u>\$ (106,431)</u>	<u>\$ (110,173)</u>	<u>\$ (3,742)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Senior Center Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Charges for services	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Investment income	-	-	983	983
Miscellaneous	20,600	20,600	32,081	11,481
Total revenues	<u>21,600</u>	<u>21,600</u>	<u>33,064</u>	<u>11,464</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	20,600	20,600	16,384	4,216
Total expenditures	<u>20,600</u>	<u>20,600</u>	<u>16,384</u>	<u>4,216</u>
Net change to fund balance	1,000	1,000	16,680	15,680
Fund balance, beginning of year	<u>145,821</u>	<u>145,821</u>	<u>145,821</u>	<u>-</u>
Fund balance, end of year	<u>\$ 146,821</u>	<u>\$ 146,821</u>	<u>\$ 162,501</u>	<u>\$ 15,680</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Local Transit Prop C Special Revenue Fund**  
**For the year ended June 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 169,900	\$ 169,900	\$ 170,416	\$ 516
Investment income	-	-	852	852
Total revenues	<u>169,900</u>	<u>169,900</u>	<u>171,268</u>	<u>1,368</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>169,900</u>	<u>169,900</u>	<u>516,185</u>	<u>(346,285)</u>
Total expenditures	<u>169,900</u>	<u>169,900</u>	<u>516,185</u>	<u>(346,285)</u>
Net change to fund balance	-	-	(344,917)	(344,917)
Fund balance, beginning of year	<u>370,294</u>	<u>370,294</u>	<u>370,294</u>	<u>-</u>
Fund balance, end of year	<u>\$ 370,294</u>	<u>\$ 370,294</u>	<u>\$ 25,377</u>	<u>\$ (344,917)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**CA Beverage Container Grant Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Investment income	-	-	255	255
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,255</u>	<u>255</u>
<b>Expenditures:</b>				
Current:				
Public works	5,000	5,000	5,000	-
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Net change to fund balance	-	-	255	255
Fund balance, beginning of year	<u>38,232</u>	<u>38,232</u>	<u>38,232</u>	<u>-</u>
Fund balance, end of year	<u>\$ 38,232</u>	<u>\$ 38,232</u>	<u>\$ 38,487</u>	<u>\$ 255</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Clear Air (AQMD) Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 13,400	\$ 13,400	\$ 13,960	\$ 560
Investment income	-	-	762	762
Total revenues	<u>13,400</u>	<u>13,400</u>	<u>14,722</u>	<u>1,322</u>
<b>Expenditures:</b>				
Current:				
Public works	-	-	96,327	(96,327)
Total expenditures	<u>-</u>	<u>-</u>	<u>96,327</u>	<u>(96,327)</u>
Net change to fund balance	13,400	13,400	(81,605)	(95,005)
Fund balance, beginning of year	<u>122,788</u>	<u>122,788</u>	<u>122,788</u>	<u>-</u>
Fund balance, end of year	<u>\$ 136,188</u>	<u>\$ 136,188</u>	<u>\$ 41,183</u>	<u>\$ (95,005)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Environmental Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Licenses and permits	\$ 89,000	\$ 89,000	\$ 99,774	\$ 10,774
Investment income	100	100	-	(100)
Total revenues	<u>89,100</u>	<u>89,100</u>	<u>99,774</u>	<u>10,674</u>
<b>Expenditures:</b>				
Current:				
Public works	134,200	134,200	117,541	16,659
Total expenditures	<u>134,200</u>	<u>134,200</u>	<u>117,541</u>	<u>16,659</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(45,100)</u>	<u>(45,100)</u>	<u>(17,767)</u>	<u>27,333</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	6,026	6,026
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>6,026</u>	<u>6,026</u>
Net change to fund balance	(45,100)	(45,100)	(11,741)	33,359
Fund balance, beginning of year	<u>11,741</u>	<u>11,741</u>	<u>11,741</u>	<u>-</u>
Fund balance, end of year	<u>\$ (33,359)</u>	<u>\$ (33,359)</u>	<u>\$ -</u>	<u>\$ 33,359</u>



**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Gas Tax Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 313,300	\$ 313,300	\$ 236,580	\$ (76,720)
Investment income	-	-	(62)	(62)
Total revenues	<u>313,300</u>	<u>313,300</u>	<u>236,518</u>	<u>(76,782)</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>288,300</u>	<u>288,300</u>	<u>236,302</u>	<u>51,998</u>
Total expenditures	<u>288,300</u>	<u>288,300</u>	<u>236,302</u>	<u>51,998</u>
Net change to fund balance	25,000	25,000	216	(24,784)
Fund balance, beginning of year	<u>1,562</u>	<u>1,562</u>	<u>1,562</u>	-
Fund balance, end of year	<u>\$ 26,562</u>	<u>\$ 26,562</u>	<u>\$ 1,778</u>	<u>\$ (24,784)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Bikeway/Sidewalk Special Revenue Fund**  
**For the year ended June 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 8,874	\$ 3,874
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>8,874</u>	<u>3,874</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>5,000</u>	<u>5,000</u>	<u>8,874</u>	<u>(3,874)</u>
Total expenditures	<u>5,000</u>	<u>5,000</u>	<u>8,874</u>	<u>(3,874)</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Measure R Special Revenue Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Intergovernmental	\$ 127,400	\$ 127,400	\$ 127,626	\$ 226
Investment income	-	-	2,399	2,399
Total revenues	<u>127,400</u>	<u>127,400</u>	<u>130,025</u>	<u>2,625</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>127,400</u>	<u>127,400</u>	<u>440,731</u>	<u>(313,331)</u>
Total expenditures	<u>127,400</u>	<u>127,400</u>	<u>440,731</u>	<u>(313,331)</u>
Net change to fund balance	-	-	(310,706)	(310,706)
Fund balance, beginning of year	<u>334,498</u>	<u>334,498</u>	<u>334,498</u>	<u>-</u>
Fund balance, end of year	<u>\$ 334,498</u>	<u>\$ 334,498</u>	<u>\$ 23,792</u>	<u>\$ (310,706)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Library Gift and Memorial Special Revenue Fund**  
**For the year ended June 30, 2018**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Investment income	\$ -	\$ -	\$ 1,272	\$ 1,272
Miscellaneous	-	-	107,730	107,730
Total revenues	<u>-</u>	<u>-</u>	<u>109,002</u>	<u>109,002</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	<u>66,700</u>	<u>66,700</u>	<u>47,478</u>	<u>19,222</u>
Total expenditures	<u>66,700</u>	<u>66,700</u>	<u>47,478</u>	<u>19,222</u>
Net change to fund balance	(66,700)	(66,700)	61,524	128,224
Fund balance, beginning of year	<u>186,821</u>	<u>186,821</u>	<u>186,821</u>	<u>-</u>
Fund balance, end of year	<u>\$ 120,121</u>	<u>\$ 120,121</u>	<u>\$ 248,345</u>	<u>\$ 128,224</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Friends of the Library Special Revenue Fund**  
**For the year ended June 30, 2018**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues:</b>				
Miscellaneous	\$ 155,000	\$ 155,000	\$ 61,435	\$ (93,565)
Total revenues	<u>155,000</u>	<u>155,000</u>	<u>61,435</u>	<u>(93,565)</u>
<b>Expenditures:</b>				
Current:				
Culture and recreation	<u>155,000</u>	<u>155,000</u>	<u>68,542</u>	<u>86,458</u>
Total expenditures	<u>155,000</u>	<u>155,000</u>	<u>68,542</u>	<u>86,458</u>
Net change to fund balance	-	-	(7,107)	(7,107)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (7,107)</u>	<u>\$ (7,107)</u>

**CITY OF SIERRA MADRE**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual**  
**Debt Service Fund**  
**For the year ended June 30, 2018**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Charges for services	\$ 92,000	\$ 92,000	\$ 92,000	\$ -
Total revenues	<u>92,000</u>	<u>92,000</u>	<u>92,000</u>	<u>-</u>
<b>Expenditures:</b>				
Debt service:				
Prinicpal	76,000	76,000	79,484	(3,484)
Interest	<u>16,000</u>	<u>16,000</u>	<u>11,563</u>	<u>4,437</u>
Total expenditures	<u>92,000</u>	<u>92,000</u>	<u>91,047</u>	<u>953</u>
Net change to fund balance	-	-	953	953
Fund balance, beginning of year	<u>10,469</u>	<u>10,469</u>	<u>10,469</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,469</u>	<u>\$ 10,469</u>	<u>\$ 11,422</u>	<u>\$ 953</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2018**

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 81,874	\$ 221,487	\$ 12,402	\$ 217,843	\$ 533,606
Prepays	-	-	1,750	-	1,750
Total current assets	<u>81,874</u>	<u>221,487</u>	<u>14,152</u>	<u>217,843</u>	<u>535,356</u>
Total assets	<u>81,874</u>	<u>221,487</u>	<u>14,152</u>	<u>217,843</u>	<u>535,356</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	-	4,150	8,551	4,000	16,701
Accrued payroll and related liabilities	-	-	-	59	59
Deposits and retentions	-	-	-	15,676	15,676
Compensated absences - current	-	-	1,120	1,352	2,472
Total current liabilities	<u>-</u>	<u>4,150</u>	<u>9,671</u>	<u>21,087</u>	<u>34,908</u>
Noncurrent liabilities:					
Compensated absences	-	-	4,481	5,406	9,887
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>4,481</u>	<u>5,406</u>	<u>9,887</u>
Total liabilities	<u>-</u>	<u>4,150</u>	<u>14,152</u>	<u>26,493</u>	<u>44,795</u>
<b>Net Position:</b>					
Unrestricted	<u>81,874</u>	<u>217,337</u>	<u>-</u>	<u>191,350</u>	<u>490,561</u>
Total net position	<u>\$ 81,874</u>	<u>\$ 217,337</u>	<u>\$ -</u>	<u>\$ 191,350</u>	<u>\$ 490,561</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, 2018**

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
<b>Operating revenues:</b>					
Charges for services	\$ -	\$ 73,080	\$ 68,081	\$ 101,412	\$ 242,573
Licenses and permits	-	-	-	38,584	38,584
Total operating revenues	<u>-</u>	<u>73,080</u>	<u>68,081</u>	<u>139,996</u>	<u>281,157</u>
<b>Operating expenses:</b>					
Personnel services	-	-	108,779	73,714	182,493
Contractual services	-	-	41,791	1,320	43,111
Materials and supplies	-	-	1,058	-	1,058
Administrative Charges	-	-	7,040	-	7,040
Maintenance and operation	-	4,150	12,560	2,889	19,599
Total operating expenses	<u>-</u>	<u>4,150</u>	<u>171,228</u>	<u>77,923</u>	<u>253,301</u>
Operating income (losses)	-	68,930	(103,147)	62,073	27,856
<b>Nonoperating revenues (expenses):</b>					
Investment Income	-	464	-	432	896
Total nonoperating revenues (expenses)	<u>-</u>	<u>464</u>	<u>-</u>	<u>432</u>	<u>896</u>
Income (loss) before transfers	<u>-</u>	<u>69,394</u>	<u>(103,147)</u>	<u>62,505</u>	<u>28,752</u>
<b>Transfers:</b>					
Transfers in	-	-	103,147	-	103,147
Total transfers	<u>-</u>	<u>-</u>	<u>103,147</u>	<u>-</u>	<u>103,147</u>
Change in net position	-	69,394	-	62,505	131,899
Net position, beginning of year	<u>81,874</u>	<u>147,943</u>	<u>-</u>	<u>128,845</u>	<u>358,662</u>
Net position, end of year	<u>\$ 81,874</u>	<u>\$ 217,337</u>	<u>\$ -</u>	<u>\$ 191,350</u>	<u>\$ 490,561</u>



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**CITY OF SIERRA MADRE**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2018**

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ -	\$ 73,080	\$ 68,081	\$ 139,996	\$ 281,157
Payments to suppliers	-	-	(58,239)	614	(57,625)
Payments to employees	-	-	(106,575)	(67,581)	(174,156)
Net cash provided (used) by operating activities	-	73,080	(96,733)	73,029	49,376
<b>Cash flows from non-capital financing activities:</b>					
Interfund borrowings	-	-	103,147	-	103,147
Net cash provided (used) by non-capital financing activities	-	-	103,147	-	103,147
<b>Cash flows from investing activities:</b>					
Investment income	-	464	-	432	896
Net cash provided (used) by investing activities	-	464	-	432	896
Net increase in cash and cash equivalents	-	73,544	6,414	73,461	153,419
<b>Cash and investments:</b>					
Beginning of year	81,874	147,943	5,988	144,382	380,187
End of year	\$ 81,874	\$ 221,487	\$ 12,402	\$ 217,843	\$ 533,606
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ -	\$ 68,930	\$ (103,147)	\$ 62,073	\$ 27,856
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in prepaid expenses	-	-	(375)	-	(375)
Increase (decrease) in accounts payable	-	4,150	4,585	(6,616)	2,119
Increase (decrease) in accrued liabilities	-	-	(1,110)	(625)	(1,735)
Increase (decrease) in deposits payable	-	-	-	11,439	11,439
Increase (decrease) in compensated absences	-	-	3,314	6,758	10,072
Total adjustments	-	4,150	6,414	10,956	21,520
Net cash provided (used) by operating activities	\$ -	\$ 73,080	\$ (96,733)	\$ 73,029	\$ 49,376

**CITY OF SIERRA MADRE**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2018**

	Fleet	Facilities Management	Administration
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 559,996	\$ 1,661,607	\$ 897,979
Accounts Receivable	-	-	-
Total current assets	<u>559,996</u>	<u>1,661,607</u>	<u>897,979</u>
Noncurrent assets:			
Capital assets:			
Depreciable-net	<u>745,502</u>	<u>61,379</u>	<u>169,410</u>
Total noncurrent assets	<u>745,502</u>	<u>61,379</u>	<u>169,410</u>
Total assets	<u>1,305,498</u>	<u>1,722,986</u>	<u>1,067,389</u>
<b>Deferred Outflows of Resources:</b>			
OPEB related	-	-	7,520
Pension related	-	-	299,390
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>306,910</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	5,229	43,283	3,449
Accrued payroll and related liabilities	1,622	2,483	8,990
Interest payable	405	-	-
Claims payable - current	-	-	-
Compensated absences - current	3,771	7,053	10,619
Capital lease payable - current	<u>12,811</u>	<u>-</u>	<u>-</u>
Total current liabilities	<u>23,838</u>	<u>52,819</u>	<u>23,058</u>
Noncurrent liabilities:			
Claims payable - current	-	-	-
Compensated absences	15,082	28,212	42,475
Net pension liability	-	-	971,515
Net OPEB liability	-	-	19,706
Capital lease payable	<u>13,403</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>28,485</u>	<u>28,212</u>	<u>1,033,696</u>
Total liabilities	<u>52,323</u>	<u>81,031</u>	<u>1,056,754</u>
<b>Deferred Inflows of Resources:</b>			
OPEB related	-	-	12,469
Pension related	<u>-</u>	<u>-</u>	<u>38,308</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>50,777</u>
<b>Net Position:</b>			
Net investment in capital assets	719,288	61,379	169,410
Unrestricted	<u>533,887</u>	<u>1,580,576</u>	<u>97,358</u>
Total net position	<u>\$ 1,253,175</u>	<u>\$ 1,641,955</u>	<u>\$ 266,768</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 828,735	\$ 2,465,608	\$ 97,039	\$ 6,510,964
12,685	-	-	12,685
<u>841,420</u>	<u>2,465,608</u>	<u>97,039</u>	<u>6,523,649</u>
<u>102,678</u>	<u>-</u>	<u>-</u>	<u>1,078,969</u>
<u>102,678</u>	<u>-</u>	<u>-</u>	<u>1,078,969</u>
<u>944,098</u>	<u>2,465,608</u>	<u>97,039</u>	<u>7,602,618</u>
-	-	-	7,520
-	-	-	299,390
<u>-</u>	<u>-</u>	<u>-</u>	<u>306,910</u>
32,925	19,322	-	104,208
3,637	10,169	-	26,901
-	-	-	405
-	114,647	-	114,647
4,365	6,168	-	31,976
-	-	-	12,811
<u>40,927</u>	<u>150,306</u>	<u>-</u>	<u>290,948</u>
-	156,172	-	156,172
17,461	24,673	-	127,903
-	-	-	971,515
-	-	-	19,706
-	-	-	13,403
<u>17,461</u>	<u>180,845</u>	<u>-</u>	<u>1,288,699</u>
<u>58,388</u>	<u>331,151</u>	<u>-</u>	<u>1,579,647</u>
-	-	-	12,469
<u>-</u>	<u>-</u>	<u>-</u>	<u>38,308</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>50,777</u>
102,678	-	-	1,052,755
<u>783,032</u>	<u>2,134,457</u>	<u>97,039</u>	<u>5,226,349</u>
<u>\$ 885,710</u>	<u>\$ 2,134,457</u>	<u>\$ 97,039</u>	<u>\$ 6,279,104</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Internal Service Funds**  
**For the year ended June 30, 2018**

	Fleet	Facilities Management	Administration
<b>Operating revenues:</b>			
Charges for services	\$ 324,771	\$ 577,900	\$ 1,006,300
Licenses and permits	-	-	-
Miscellaneous	37,929	-	-
Total operating revenues	<u>362,700</u>	<u>577,900</u>	<u>1,006,300</u>
<b>Operating expenses:</b>			
Personnel services	130,267	159,630	741,711
Contractual services	57,492	100,664	121,105
Materials and supplies	63,248	60,128	39,225
Insurance, claims and charges	-	-	-
Utilities	76,665	172,760	-
Maintenance and operation	339	48,900	2,886
Depreciation	179,919	-	48,403
Total operating expenses	<u>507,930</u>	<u>542,082</u>	<u>953,330</u>
Operating income (loss)	<u>(145,230)</u>	<u>35,818</u>	<u>52,970</u>
<b>Nonoperating revenues (expenses):</b>			
Investment income	2,835	8,857	2,405
Loss on disposal of property	(33,626)	-	-
Interest expense	(1,586)	-	-
Total nonoperating revenues (expenses)	<u>(32,377)</u>	<u>8,857</u>	<u>2,405</u>
Income (loss) before transfers and capital contributions	<u>(177,607)</u>	<u>44,675</u>	<u>55,375</u>
<b>Transfers:</b>			
Transfers out	-	(19,853)	-
Total transfers	<u>-</u>	<u>(19,853)</u>	<u>-</u>
Change in net position	<u>(177,607)</u>	<u>24,822</u>	<u>55,375</u>
Net position, beginning of year, restated	<u>1,430,782</u>	<u>1,617,133</u>	<u>211,393</u>
Net position, end of year	<u>\$ 1,253,175</u>	<u>\$ 1,641,955</u>	<u>\$ 266,768</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 694,400	\$ 2,152,194	\$ -	\$ 4,755,565
34,796	-	-	34,796
-	22,467	-	60,396
<u>729,196</u>	<u>2,174,661</u>	<u>-</u>	<u>4,850,757</u>
228,313	284,245	-	1,544,166
154,896	66,619	-	500,776
135,646	27,066	-	325,313
-	609,313	-	609,313
108,277	-	-	357,702
-	-	-	52,125
12,835	-	-	241,157
<u>639,967</u>	<u>987,243</u>	<u>-</u>	<u>3,630,552</u>
<u>89,229</u>	<u>1,187,418</u>	<u>-</u>	<u>1,220,205</u>
3,009	6,896	601	24,603
-	-	-	(33,626)
-	-	-	(1,586)
<u>3,009</u>	<u>6,896</u>	<u>601</u>	<u>(10,609)</u>
92,238	1,194,314	601	1,209,596
-	-	-	(19,853)
-	-	-	(19,853)
92,238	1,194,314	601	1,189,743
<u>793,472</u>	<u>940,143</u>	<u>96,438</u>	<u>5,089,361</u>
<u>\$ 885,710</u>	<u>\$ 2,134,457</u>	<u>\$ 97,039</u>	<u>\$ 6,279,104</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2018**

	Fleet	Facilities Management	Administration
<b>Cash flows from operating activities:</b>			
Receipts from interfund services provided	\$ 362,700	\$ 577,900	\$ 1,006,300
Payments to suppliers	(306,205)	(384,619)	(181,693)
Payments to employees	(117,139)	(166,485)	(659,864)
Net cash provided (used) by operating activities	(60,644)	26,796	164,743
<b>Cash flows from non-capital financing activities:</b>			
Transfers to other funds	-	(19,853)	-
Net cash provided (used) by non-capital financing activities	-	(19,853)	-
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(137,450)	(61,379)	-
Principal paid	(12,244)	-	-
Interest paid	(1,775)	-	-
Net cash provided (used) by capital and related financing activities	(151,469)	(61,379)	-
<b>Cash flows from investing activities:</b>			
Investment income	2,835	8,857	2,405
Net cash provided (used) by investing activities	2,835	8,857	2,405
Net increase (decrease) in cash and cash equivalents	(209,278)	(45,579)	167,148
<b>Cash and investments:</b>			
Beginning of year	769,274	1,707,186	730,831
End of year	<u>\$ 559,996</u>	<u>\$ 1,661,607</u>	<u>\$ 897,979</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (145,230)	\$ 35,818	\$ 52,970
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	179,919	-	48,403
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in deferred outflow of resources	-	-	(44,789)
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	(108,461)	(2,167)	(18,477)
Increase (decrease) in accrued liabilities	1,017	(19)	1,140
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in compensated absences	12,111	(6,836)	11,490
Increase (decrease) in deferred inflow of resources	-	-	16,565
Increase (decrease) in net OPEB liability	-	-	(10,896)
Increase (decrease) in net pension liability	-	-	108,337
Total adjustments	84,586	(9,022)	111,773
Net cash provided (used) by operating activities	<u>\$ (60,644)</u>	<u>\$ 26,796</u>	<u>\$ 164,743</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 722,395	\$ 2,174,661	\$ -	\$ 4,843,956
(446,428)	(35,259)	-	(1,354,204)
<u>(206,798)</u>	<u>(399,160)</u>	<u>-</u>	<u>(1,549,446)</u>
69,169	1,740,242	-	1,940,306
-	-	-	(19,853)
-	-	-	(19,853)
-	-	-	(198,829)
-	-	-	(12,244)
-	-	-	(1,775)
-	-	-	(212,848)
3,009	6,896	601	24,603
3,009	6,896	601	24,603
72,178	1,747,138	601	1,732,208
756,557	718,470	96,438	4,778,756
<u>\$ 828,735</u>	<u>\$ 2,465,608</u>	<u>\$ 97,039</u>	<u>\$ 6,510,964</u>
\$ 89,229	\$ 1,187,418	\$ -	\$ 1,220,205
12,835	-	-	241,157
(6,801)	-	-	(6,801)
-	-	-	(44,789)
-	662,566	-	662,566
(47,609)	5,173	-	(171,541)
(47)	17	-	2,108
-	(114,232)	-	(114,232)
21,562	(700)	-	37,627
-	-	-	16,565
-	-	-	(10,896)
-	-	-	108,337
(20,060)	552,824	-	720,101
<u>\$ 69,169</u>	<u>\$ 1,740,242</u>	<u>\$ -</u>	<u>\$ 1,940,306</u>



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# **City of Sierra Madre, California**

*Village of the Foothills*



**Statistical Section  
For the Year Ending  
June 30, 2018**

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This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

***Financial trend information:***

Intended to assist users in understanding and assessing how a government's financial position has changed over time.

***Revenue capacity information:***

Intended to assist users in understanding and assessing the factors affecting a government's ability to generate its own revenue.

***Debt capacity information:***

Intended to assist users in understanding and assessing a government's debt burden and its ability to issue additional debt.

***Demographic and economic information:***

Intended to assist users in understanding the socioeconomic environment within which a government operates and to provide information that facilitates comparison of financial statement information over time and among governments.

***Operating information:***

Intended to provide information about a government's operations and resources in order to assist readers in using financial information to understand and assess a government's economic condition.

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

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 187,749,494	\$ 187,804,691	\$ 186,635,375	\$ 185,544,420
Restricted	4,473,882	4,681,595	8,648,585	10,779,254
Unrestricted	5,880,289	5,876,098	1,634,124	870,761
<b>Total governmental activities net position</b>	<b>\$ 198,103,665</b>	<b>\$ 198,362,384</b>	<b>\$ 196,918,084</b>	<b>\$ 197,194,435</b>
<b>Business-Type activities:</b>				
Net investment in capital assets	\$ 16,526,965	\$ 15,741,252	\$ 15,842,534	\$ 15,665,079
Restricted	-	-	-	1,145,841
Unrestricted	6,338,095	6,822,253	6,324,287	4,437,196
<b>Total business-type activities net position</b>	<b>\$ 22,865,060</b>	<b>\$ 22,563,505</b>	<b>\$ 22,166,821</b>	<b>\$ 21,248,116</b>
<b>Primary government:</b>				
Net investment in capital assets	\$ 204,276,459	\$ 203,545,943	\$ 202,477,909	\$ 201,209,499
Restricted	4,473,882	4,681,595	8,648,585	11,925,095
Unrestricted	12,218,384	12,698,351	7,958,411	5,307,957
<b>Total primary government net position</b>	<b>\$ 220,968,725</b>	<b>\$ 220,925,889</b>	<b>\$ 219,084,905</b>	<b>\$ 218,442,551</b>

Source: City of Sierra Madre Finance Department

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 184,344,066	\$ 183,026,172	\$ 181,862,536	\$ 181,328,167	\$ 180,505,323	\$ 181,067,634
10,341,052	13,952,436	6,051,883	5,794,991	5,119,384	4,926,003
555,794	204,442	764,679	1,731,997	5,264,763	6,263,121
<u>\$ 195,240,912</u>	<u>\$ 197,183,050</u>	<u>\$ 188,679,098</u>	<u>\$ 188,855,155</u>	<u>\$ 190,889,470</u>	<u>\$ 192,256,758</u>
\$ 15,804,079	\$ 15,963,941	\$ 16,668,550	\$ 16,824,482	\$ 16,892,266	\$ 17,975,946
1,149,456	1,149,456	1,149,456	1,149,456	1,149,456	-
3,894,603	4,053,155	1,994,086	1,313,820	1,439,579	2,585,503
<u>\$ 20,848,138</u>	<u>\$ 21,166,552</u>	<u>\$ 19,812,092</u>	<u>\$ 19,287,758</u>	<u>\$ 19,481,301</u>	<u>\$ 20,561,449</u>
\$ 200,148,145	\$ 198,990,113	\$ 198,531,086	\$ 198,152,649	\$ 197,397,589	\$ 199,043,580
11,490,508	15,101,892	7,201,339	6,944,447	6,268,840	4,926,003
4,450,397	4,257,597	2,758,765	3,045,817	6,704,342	8,848,624
<u>\$ 216,089,050</u>	<u>\$ 218,349,602</u>	<u>\$ 208,491,190</u>	<u>\$ 208,142,913</u>	<u>\$ 210,370,771</u>	<u>\$ 212,818,207</u>

**CITY OF SIERRA MADRE**

**Changes in Net Position**

**(accrual basis of accounting)**

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 7,851,142	\$ 7,779,996	\$ 3,495,144	\$ 1,756,491
Public safety	6,698,070	4,380,352	5,504,146	5,243,664
Public works	805,897	884,015	1,756,538	2,669,022
Development	431,174	375,842	1,738,918	998,147
Culture and recreation	1,231,928	1,444,584	1,392,657	1,695,105
Interest on long-term debt	167,567	156,125	181,711	95,211
Total governmental activities expenses	<u>17,185,778</u>	<u>15,020,914</u>	<u>14,069,114</u>	<u>12,457,640</u>
Business-type activities:				
Water	3,137,904	3,399,076	3,442,699	3,806,990
Sewer	651,945	856,702	951,566	927,102
Recreation services	445,244	493,509	503,796	306,613
Special services	195,286	89,909	37,462	168,546
Film services	26,561	47,529	46,681	70,275
Total business-type activities expenses	<u>4,456,940</u>	<u>4,886,725</u>	<u>4,982,204</u>	<u>5,279,526</u>
Total primary government expenses	<u>\$ 21,642,718</u>	<u>\$ 19,907,639</u>	<u>\$ 19,051,318</u>	<u>\$ 17,737,166</u>
<b>Program revenues:</b>				
Governmental activities:				
Charges for services	\$ 5,521,416	\$ 5,065,422	\$ 2,390,204	\$ 2,013,245
Operating grants and contributions	2,920,814	757,868	957,136	1,331,720
Capital grants and contributions	121,739	48,228	1,008,836	51,342
Total governmental activities program revenues	<u>8,563,969</u>	<u>5,871,518</u>	<u>4,356,176</u>	<u>3,396,307</u>
Business-type activities:				
Charges for services	4,412,306	4,173,073	4,379,502	4,090,554
Capital grants and contributions	1,043,645	248,500	29,619	-
Total business-type activities program revenues	<u>5,455,951</u>	<u>4,421,573</u>	<u>4,409,121</u>	<u>4,090,554</u>
Total primary government program revenues	<u>\$ 14,019,920</u>	<u>\$ 10,293,091</u>	<u>\$ 8,765,297</u>	<u>\$ 7,486,861</u>
<b>Net revenue/(expense):</b>				
Governmental activities	\$ (8,621,809)	\$ (9,149,396)	\$ (9,712,938)	\$ (9,061,333)
Business-type activities	999,011	(465,152)	(573,083)	(1,188,972)
Total primary government net revenue/(expense)	<u>\$ (7,622,798)</u>	<u>\$ (9,614,548)</u>	<u>\$ (10,286,021)</u>	<u>\$ (10,250,305)</u>

Source: City of Sierra Madre Finance Department

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 2,350,968	\$ 742,540	\$ 1,581,532	\$ 1,791,927	\$ 1,710,653	\$ 1,334,388
5,240,506	5,525,072	5,500,997	5,754,806	5,115,933	5,394,253
1,311,100	1,499,333	2,255,560	1,401,974	1,961,343	2,196,985
874,469	993,035	1,089,493	1,412,537	1,129,817	1,557,850
1,449,653	1,407,243	1,325,706	1,280,228	1,078,262	1,388,943
8,241	23,697	20,580	17,322	13,909	10,336
<u>11,234,937</u>	<u>10,190,920</u>	<u>11,773,868</u>	<u>11,658,794</u>	<u>11,009,917</u>	<u>11,882,755</u>
3,980,084	3,542,092	4,626,949	4,388,290	4,763,179	4,432,899
1,022,868	844,486	939,202	1,172,547	1,371,492	1,029,623
115,980	131,897	113,608	259,594	22,697	4,150
112,482	92,752	101,219	108,211	125,547	171,228
58,589	54,817	18,035	43,620	50,618	77,923
<u>5,290,003</u>	<u>4,666,044</u>	<u>5,799,013</u>	<u>5,972,262</u>	<u>6,333,533</u>	<u>5,715,823</u>
<u>\$ 16,524,940</u>	<u>\$ 14,856,964</u>	<u>\$ 17,572,881</u>	<u>\$ 17,631,056</u>	<u>\$ 17,343,450</u>	<u>\$ 17,598,578</u>
\$ 2,512,450	\$ 3,525,563	\$ 2,374,090	\$ 2,350,878	\$ 2,377,056	\$ 2,652,917
992,239	1,237,489	1,071,981	1,022,280	1,368,859	1,588,202
-	-	-	-	-	-
<u>3,504,689</u>	<u>4,763,052</u>	<u>3,446,071</u>	<u>3,373,158</u>	<u>3,745,915</u>	<u>4,241,119</u>
4,525,723	4,978,343	5,497,755	5,606,012	6,337,602	6,719,044
316,930	258,882	242,500	46,234	62,166	-
<u>4,842,653</u>	<u>5,237,225</u>	<u>5,740,255</u>	<u>5,652,246</u>	<u>6,399,768</u>	<u>6,719,044</u>
<u>\$ 8,347,342</u>	<u>\$ 10,000,277</u>	<u>\$ 9,186,326</u>	<u>\$ 9,025,404</u>	<u>\$ 10,145,683</u>	<u>\$ 10,960,163</u>
\$ (7,730,248)	\$ (5,427,868)	\$ (8,327,797)	\$ (8,285,636)	\$ (7,264,002)	\$ (7,641,636)
(447,350)	571,181	(58,758)	(320,016)	66,235	1,003,221
<u>\$ (8,177,598)</u>	<u>\$ (4,856,687)</u>	<u>\$ (8,386,555)</u>	<u>\$ (8,605,652)</u>	<u>\$ (7,197,767)</u>	<u>\$ (6,638,415)</u>



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

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Governmental activities:				
Taxes	\$ 8,198,847	\$ 8,905,659	\$ 8,437,401	\$ 7,774,266
Investment income	334,793	231,953	54,370	16,405
Grants and contributions, not restricted	-	-	-	-
Capital contributions	168,991	369,848	65,294	-
Extraordinary gain/(loss)	-	-	-	1,499,139
Loss on disposal of property	-	-	-	-
Transfers	94,135	(114,988)	(167,071)	(164,500)
Total governmental activities	<u>8,796,766</u>	<u>9,392,472</u>	<u>8,389,994</u>	<u>9,125,310</u>
Business-type activities:				
Investment income	210,854	38,667	11,044	2,827
Capital contributions	-	-	-	-
Transfers	(94,135)	114,988	167,071	164,500
Total business-type activities	<u>116,719</u>	<u>153,655</u>	<u>178,115</u>	<u>167,327</u>
Total primary government	<u>\$ 8,913,485</u>	<u>\$ 9,546,127</u>	<u>\$ 8,568,109</u>	<u>\$ 9,292,637</u>
Change in net position:				
Governmental activities	\$ 174,957	\$ 243,076	\$ (1,322,944)	\$ 63,977
Business-type activities	1,115,730	(311,497)	(394,968)	(1,021,645)
Total primary government	<u>\$ 1,290,687</u>	<u>\$ (68,421)</u>	<u>\$ (1,717,912)</u>	<u>\$ (957,668)</u>

Source: City of Sierra Madre Finance Department

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 7,739,306	\$ 8,217,065	\$ 8,435,031	\$ 8,487,077	\$ 9,332,367	\$ 9,654,895
21,761	11,671	11,875	38,125	85,587	109,516
-	-	-	-	-	-
15,209	-	-	-	-	-
-	-	-	-	-	-
-	(854,341)	-	-	-	-
<u>(47,372)</u>	<u>(4,389)</u>	<u>(54,018)</u>	<u>(63,509)</u>	<u>(118,957)</u>	<u>(103,147)</u>
<u>7,728,904</u>	<u>7,370,006</u>	<u>8,392,888</u>	<u>8,461,693</u>	<u>9,298,997</u>	<u>9,661,264</u>
-	6,826	6,425	11,201	7,691	32,935
-	-	-	-	-	-
<u>47,372</u>	<u>4,389</u>	<u>54,018</u>	<u>63,509</u>	<u>118,957</u>	<u>103,147</u>
<u>47,372</u>	<u>11,215</u>	<u>60,443</u>	<u>74,710</u>	<u>126,648</u>	<u>136,082</u>
<u>\$ 7,776,276</u>	<u>\$ 7,381,221</u>	<u>\$ 8,453,331</u>	<u>\$ 8,536,403</u>	<u>\$ 9,425,645</u>	<u>\$ 9,797,346</u>
\$ (1,344)	\$ 1,942,138	\$ 65,091	\$ 176,057	\$ 2,034,995	\$ 2,019,628
<u>(399,978)</u>	<u>582,396</u>	<u>1,685</u>	<u>(245,306)</u>	<u>192,883</u>	<u>1,139,303</u>
<u>\$ (401,322)</u>	<u>\$ 2,524,534</u>	<u>\$ 66,776</u>	<u>\$ (69,249)</u>	<u>\$ 2,227,878</u>	<u>\$ 3,158,931</u>

**CITY OF SIERRA MADRE**

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

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
General fund:				
Unreserved <sup>(1)</sup>	\$ 3,454,249	\$ 4,246,065	\$ -	\$ -
Reserved <sup>(1)</sup>	490,000	890,000	-	-
Nonspendable	-	-	-	-
Committed	-	-	800,000	250,000
Assigned	-	-	-	3,989,683
Unassigned	-	-	4,721,717	870,761
<b>Total General Fund</b>	<b>\$ 3,944,249</b>	<b>\$ 5,136,065</b>	<b>\$ 5,521,717</b>	<b>\$ 5,110,444</b>
All other governmental funds:				
Reserved: <sup>(1)</sup>				
Debt service funds	\$ 2,445,701	\$ 2,528,671	\$ -	\$ -
Land held for resale	1,682,998	1,682,998	-	-
Capital projects funds	407,967	469,927	-	-
Unreserved, reported in: <sup>(1)</sup>				
Special revenue funds	1,580,312	2,040,378	-	-
Non-spendable	-	-	401,575	-
Restricted	-	-	1,682,998	1,682,998
Committed	-	-	5,863,012	888,909
Assigned	-	-	854,020	1,453,098
Unassigned	-	-	(2,902,573)	(395,035)
<b>Total all other governmental funds</b>	<b>\$ 6,116,978</b>	<b>\$ 6,721,974</b>	<b>\$ 5,899,032</b>	<b>\$ 3,629,970</b>
<b>Total all governmental funds</b>	<b>\$ 10,061,227</b>	<b>\$ 11,858,039</b>	<b>\$ 11,420,749</b>	<b>\$ 8,740,414</b>

Source: City of Sierra Madre Finance Department

<sup>(1)</sup> In FY 2010-2011, the City of Sierra Madre adopted GASB 54, Fund Balances. The City follows the designations of Non-spendable, Restricted, Committed, Assigned and Unassigned for Government Funds.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	15,802
-	2,547	19,535	-	-	-
635,000	1,255,290	1,280,500	-	-	-
4,400,416	4,635,021	5,133,278	4,720,472	-	-
900,121	553,476	1,021,355	1,938,003	7,428,117	8,736,391
<u>\$ 5,935,537</u>	<u>\$ 6,446,334</u>	<u>\$ 7,454,668</u>	<u>\$ 6,658,475</u>	<u>\$ 7,428,117</u>	<u>\$ 8,752,193</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,682,998	1,682,998	4,113,442	4,406,441	5,119,384	4,856,087
1,658,115	2,199,679	661,036	1,457,095	1,391,394	903,576
981,304	1,237,371	-	-	-	-
(344,327)	(348,734)	(256,676)	(206,006)	(155,931)	(117,280)
<u>\$ 3,978,090</u>	<u>\$ 4,771,314</u>	<u>\$ 4,517,802</u>	<u>\$ 5,657,530</u>	<u>\$ 6,354,847</u>	<u>\$ 5,642,383</u>
<u>\$ 9,913,627</u>	<u>\$ 11,217,648</u>	<u>\$ 11,972,470</u>	<u>\$ 12,316,005</u>	<u>\$ 13,782,964</u>	<u>\$ 14,394,576</u>

**CITY OF SIERRA MADRE**

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

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Revenues:				
Taxes	\$ 8,198,847	\$ 8,905,659	\$ 8,437,444	\$ 6,758,148
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Charges for services	545,968	658,809	616,947	595,203
Intergovernmental	3,042,552	757,869	1,965,972	2,249,029
Licenses and permits	847,977	854,492	1,221,741	1,160,456
Fines and forfeitures	189,677	189,899	235,260	223,902
Investment Income	278,739	170,391	49,439	10,571
Miscellaneous	188,538	153,766	316,214	184,835
Total revenues	<u>13,292,298</u>	<u>11,690,885</u>	<u>12,843,017</u>	<u>11,182,144</u>
Expenditures:				
Current:				
General government	2,664,527	3,091,208	1,444,497	2,107,607
Public safety	6,698,070	4,380,352	5,504,146	5,081,731
Public works	805,897	884,016	1,756,537	2,210,897
Development	431,174	375,842	1,132,604	1,259,802
Culture and recreation	1,231,928	1,444,583	1,392,657	1,540,117
Debt service:				
Principal	225,000	235,000	302,998	315,581
Interest	171,288	160,125	181,711	101,461
Capital outlay	615,364	574,064	1,553,968	95,735
Total expenditures	<u>12,843,248</u>	<u>11,145,190</u>	<u>13,269,118</u>	<u>12,712,931</u>
Excess (deficiency) of revenues over (under) expenditures	<u>449,050</u>	<u>545,695</u>	<u>(426,101)</u>	<u>(1,530,787)</u>
Other financing sources (uses):				
Sale of City property	-	-	65,294	-
Equipment Financing	-	725,402	-	-
Transfers in	3,869,613	1,950,479	3,590,490	2,845,339
Transfers out	(3,789,486)	(1,403,676)	(3,579,472)	(3,017,170)
Total other financing sources (uses)	<u>80,127</u>	<u>1,272,205</u>	<u>76,312</u>	<u>(171,831)</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,085,861)</u>
Net change in fund balances	529,177	1,817,900	(349,789)	(2,788,479)
Fund balances, beginning of year, as restated	<u>9,532,050</u>	<u>10,040,139</u>	<u>11,770,538</u>	<u>11,528,893</u>
Fund balances, end of year	<u>\$ 10,061,227</u>	<u>\$ 11,858,039</u>	<u>\$ 11,420,749</u>	<u>\$ 8,740,414</u>
Debt Service as a Percentage of Non-Capital Expenditures	3%	4%	4%	3%

Source: City of Sierra Madre Finance Department

\*Note: Prior to FY 2012-2013 taxes were not segregated to subcategories, such as property taxes and other taxes.

\*\*Note: Prior to FY 2012-2013 Property Tax in-lieu of VLF was reported as intergovernmental revenues. In FY 2012-2013 and FY 2013-2014 it was reported as Other Taxes.

\*\*\*Note: In FY 2014-2015 Property Tax in-lieu of VLF is reported as part of Property Taxes.

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,902,682	4,391,262	5,264,471	5,677,308	6,075,078	6,426,261
3,724,541	3,707,633	3,170,560	2,809,769	3,257,288	3,228,635
897,281	820,236	871,237	881,477	690,417	733,929
1,065,088	1,248,338	1,073,897	1,022,280	1,176,272	1,228,646
1,131,957	2,431,117	1,018,971	837,657	1,222,728	1,227,077
328,707	240,188	223,072	190,999	167,318	118,324
-	6,636	5,397	25,726	63,194	84,912
163,313	169,853	260,810	440,745	489,181	933,142
<u>11,213,569</u>	<u>13,015,263</u>	<u>11,888,415</u>	<u>11,885,961</u>	<u>13,141,476</u>	<u>13,980,926</u>
1,921,278	1,871,441	1,672,935	1,970,283	2,391,482	2,609,677
5,074,457	5,382,934	5,382,396	5,725,286	5,375,953	5,200,197
794,165	1,844,412	1,670,830	1,004,326	1,247,133	2,806,374
842,273	940,335	1,019,712	1,485,372	1,355,877	1,437,228
1,284,435	1,244,718	1,162,983	1,228,487	1,115,425	1,141,498
63,385	66,321	69,391	72,604	75,964	79,484
27,656	24,721	21,651	18,442	15,082	11,563
31,790	14,833	-	-	-	-
<u>10,039,439</u>	<u>11,389,715</u>	<u>10,999,898</u>	<u>11,504,800</u>	<u>11,576,916</u>	<u>13,286,021</u>
<u>1,174,130</u>	<u>1,625,548</u>	<u>888,517</u>	<u>381,161</u>	<u>1,564,560</u>	<u>694,905</u>
-	-	-	-	-	-
-	-	-	-	-	-
1,376,732	881,171	941,521	2,348,798	246,913	37,851
(1,377,649)	(1,288,508)	(989,406)	(2,386,421)	(343,835)	(121,145)
<u>(917)</u>	<u>(407,337)</u>	<u>(47,885)</u>	<u>(37,623)</u>	<u>(96,922)</u>	<u>(83,294)</u>
-	-	-	-	-	-
1,173,213	1,218,211	840,632	343,538	1,467,638	611,611
8,740,414	9,913,627	11,131,838	11,972,467	12,315,326	13,782,965
<u>\$ 9,913,627</u>	<u>\$ 11,131,838</u>	<u>\$ 11,972,470</u>	<u>\$ 12,316,005</u>	<u>\$ 13,782,964</u>	<u>\$ 14,394,576</u>
1%	1%	1%	1%	1%	1%

**CITY OF SIERRA MADRE**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

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<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Category				
Residential	\$ 1,469,859,412	\$ 1,469,610,878	\$ 1,482,410,204	\$ 1,522,225,014
Commercial	44,106,361	47,818,195	47,606,368	47,274,344
Industrial	7,240,625	7,385,414	7,447,664	7,503,723
Govt. Owned	519,020	156,306	155,935	157,109
Institutional	2,388,942	2,436,717	2,430,940	6,669,589
Irrigated	-	-	-	-
Recreational	603,211	615,272	613,810	618,428
Vacant	39,531,555	47,752,008	41,417,109	44,660,373
SBE Nonunitary	-	-	-	-
Cross Reference	1,977,310	1,538,550	1,530,912	1,542,439
Unsecured	7,021,368	6,881,054	6,823,278	6,990,234
Total assessed value	<u>\$ 1,573,247,804</u>	<u>\$ 1,584,194,394</u>	<u>\$ 1,590,436,220</u>	<u>\$ 1,637,641,253</u>
Tax-Exempt Property	<u>(3,601,786)</u>	<u>(3,605,034)</u>	<u>(3,605,034)</u>	<u>(3,605,034)</u>
Total taxable assessed value	<u><u>\$ 1,569,646,018</u></u>	<u><u>\$ 1,580,589,360</u></u>	<u><u>\$ 1,586,831,186</u></u>	<u><u>\$ 1,634,036,219</u></u>
Total direct rate	0.2847	0.2850	0.2852	0.2843

<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
\$ 1,569,368,492	\$ 1,657,387,265	\$ 1,750,546,835	\$ 1,849,086,339	\$ 1,958,752,239	\$ 2,064,755,283
50,519,744	52,244,923	53,659,841	57,179,257	60,520,506	62,360,811
7,653,776	7,806,831	7,842,250	11,350,279	11,523,349	11,904,983
542,759	163,456	164,198	167,478	170,032	173,432
3,943,818	4,105,294	6,618,344	6,423,627	17,021,358	18,196,153
-	-	-	-	-	-
1,647,693	1,680,645	1,688,272	1,722,001	1,748,259	1,783,221
44,480,022	44,785,823	46,880,985	44,273,558	46,173,712	42,633,298
-	-	-	-	-	-
1,573,286	1,604,751	1,792,372	1,968,133	1,998,146	2,038,108
6,711,328	6,183,887	6,657,788	7,011,648	6,843,871	6,959,470
<u>\$ 1,686,440,918</u>	<u>\$ 1,775,962,875</u>	<u>\$ 1,875,850,885</u>	<u>\$ 1,979,182,320</u>	<u>\$ 2,104,751,472</u>	<u>\$ 2,210,804,759</u>
<u>(3,605,034)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,569,824)</u>
<u>\$ 1,682,835,884</u>	<u>\$ 1,772,357,737</u>	<u>\$ 1,872,245,747</u>	<u>\$ 1,975,577,182</u>	<u>\$ 2,101,146,334</u>	<u>\$ 2,207,234,935</u>
0.2821	0.2228	0.2231	0.2234	0.2243	0.2237



**CITY OF SIERRA MADRE**

**Property Tax Rates**

**Direct and Overlapping Governments**

**(Rate per \$100 of Taxable Value)**

**Last Ten Fiscal Years**

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<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Agency				
Basic Levy	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.07911	0.07561	0.07456	0.07691
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000
La County Flood Control	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.01800	0.01800	0.01800	0.01800
Pasadena Community College Dist	0.01742	0.02300	0.01986	0.01956
Pasadena Unified School Dist	0.06375	0.10836	0.10195	0.11120
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902
	<u>1.48730</u>	<u>1.53399</u>	<u>1.52339</u>	<u>1.53469</u>
City's Share of 1% Levy Per Prop 13 <sup>3</sup>	0.21911	0.21911	0.21911	0.21911
Voter Approved City Debt Rate	-	-	-	-
Redevelopment Rate <sup>4</sup>	1.01800	1.01800	1.01800	1.01800
Total Direct Rate <sup>5</sup>	0.28474	0.28501	0.28519	0.28433

Source: HDL Coren & Cone

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<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07670	0.07550	0.07653	0.07507	0.07788	0.07551
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.01800	0.01800	0.01800	0.01800	0.02300	0.03000
0.02056	0.01899	0.01032	0.00872	0.00885	0.00819
0.11403	0.10351	0.10601	0.11168	0.10673	0.10547
0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
<b>1.53831</b>	<b>1.52502</b>	<b>1.51988</b>	<b>1.52249</b>	<b>1.52548</b>	<b>1.52819</b>
0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
-	-	-	-	-	-
-	-	-	-	-	-
0.28214	0.22284	0.22310	0.22338	0.22428	0.22367

**CITY OF SIERRA MADRE**  
**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**

Taxpayer	2009			2018		
	Taxable Assessed Value	% of Net Assessed Value	Rank	Taxable Assessed Value	% of Net Assessed Value	Rank
CS Stonehouse LLC	\$ 16,522,148	1.05%	1			
CS One Carter LLC	10,837,920	0.69%	2			
One Carter LLC	10,490,227	0.67%	3			
S M E Associates Limited	6,510,102	41.00%	4			
Barbera Family LP	4,698,700	30.00%	5	\$ 5,316,339	0.24%	6
Montecito Development Group LLC	3,820,344	24.00%	6	4,323,741	0.20%	8
William and Marie Sullivan	3,330,830	21.00%	7			
Time Warner Cable	3,328,716	21.00%	8			
Esperanza Chateau	2,950,300	0.19%	9			
Zhang Hongmei	2,865,261	0.18%	10			
Kensington SM GP LLC				14,436,516	0.66%	1
CETT Madre Limited				12,819,268	0.58%	2
Watts Up Community Development Corp				10,103,033	0.46%	3
MB Equity LLC				6,344,710	0.29%	4
Ginkgo Stonehouse II LLC				5,903,173	0.27%	5
William L. Sullivan Cotrustee				5,146,784	0.23%	7
Jason and Heather Young				3,987,323	0.18%	9
Avalanche Lake Realty				3,973,200	0.18%	10
Top Ten Total	\$ 65,354,548	4.15%		\$ 72,354,087	3.27%	
City Total	\$ 1,573,247,804			\$ 2,210,804,759		

Source: HDL Coren & Cone

**CITY OF SIERRA MADRE**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

Fiscal Year	Taxes Levied for the		Collected within the		Collections of	Total Collections to Date	
	Fiscal Year	Amount	Fiscal Year of the Levy	Percentage of Levy		Subsequent Years	Amount
2009	\$ 3,051,928.10	\$ 3,051,928.10		100.00%	\$ -	\$ 3,051,928.10	100.00%
2010	2,943,471.38	2,516,088.07		85.48%	427,383.31	2,516,088.07	85.48%
2011	3,428,755.32	3,144,814.14		91.72%	283,941.18	3,144,814.14	91.72%
2012	3,420,519.63	3,013,111.05		88.09%	407,408.58	3,013,111.05	88.09%
2013	3,623,212.57	3,369,908.53		93.01%	253,304.04	3,369,908.53	93.01%
2014	3,873,970.53	3,669,464.08		94.72%	204,506.45	3,669,464.08	94.72%
2015	3,929,776.21	3,837,082.58		97.64%	92,693.63	3,837,082.58	97.64%
2016	4,229,810.14	4,126,506.26		97.63%	100,303.88	4,129,506.26	97.63%
2017	4,492,592.16	4,314,137.59		96.03%	178,454.57	4,314,137.59	96.03%
2018	4,772,165.30	4,553,847.52		95.43%	218,317.78	4,553,847.52	95.43%

Source: HDL Coren & Cone

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**CITY OF SIERRA MADRE**  
**Total Direct and Overlapping Debt**  
**As of June 30, 2018**

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		<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City</u>	<u>Net Bonded Debt</u>
<b>Total Direct Debt</b>				\$ 12,791,769
<b>Overlapping Debt</b>				
812.53	PASADENA CCD DS 2002, 2006 SERIES D	\$ 3,595,000.00	2.627	94,434
812.54	PASADENA CCD DS 2002, 2009 SERIES E (BABS)	25,295,000	2.627	664,455
812.55	PASADENA CCD DS 2014 REF SERIES A	15,325,000	2.627	402,561
812.56	PASADENA CCD DS 2016 REF SERIES A	32,900,000	2.627	864,225
817.51	ARCADIA UNIFIED DS 1993 SERIES A	791,782	0.367	2,907
817.53	ARCADIA UNIFIED DS 1993 SERIES C	441,778	0.367	1,622
817.57	ARCADIA UNIFIED DS 2006 SERIES B	218,215,000	0.367	801,270
909.56	PASADENA USD DS 2008 SERIES 2009	5,370,000	5.419	290,996
909.58	PASADENA USD DS 2008 SERIES 2012	103,645,000	5.419	5,616,445
909.59	PASADENA USD DS 2014 REF BONDS SERIES A	49,410,000	5.419	2,677,491
909.60	PASADENA USD DS 2014 REF BONDS SERIES B	98,380,000	5.419	5,331,138
909.61	PASADENA USD DS 2008 SERIES 2016	10,675,000	5.419	578,470
909.62	PASADENA USD DS 2016 REF BONDS SERIES A	78,470,000	5.419	4,252,230
<b>Total Overlapping Debt</b>				<u>21,578,244</u>
<b>Total Direct and Overlapping Debt</b>				<u>\$ 34,370,013</u>

2017/18 Assessed Valuation: \$2,016,218,961 After Deducting \$194,585,798 Incremental Value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	1.07%
Total Debt	1.07%

Source: HDL Coren & Cone

**CITY OF SIERRA MADRE**  
**Ratios of Outstanding Debt by Type**

Fiscal year ended June 30,	Governmental Activities			Total
	Master Lease Equipment Financing	General Obligation Bonds	Tax Increment Bonds <sup>(1)</sup>	
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
2015	459,574	-	-	459,574
2016	375,785	-	-	375,785
2017	288,119	-	-	288,119
2018	196,393	-	-	196,393

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

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

Source: City of Sierra Madre Finance Department

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Business-type Activities

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Master Lease Equipment Financing	Revenue Parity Bonds	Loans	Total	Total Primary Government
\$ -	\$ 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
221,775	8,590,000	874,126	9,685,901	10,145,475
181,341	8,165,000	728,438	9,074,779	9,450,564
139,036	7,715,000	582,751	8,436,787	8,724,906
94,771	-	6,940,756	7,035,527	7,231,920



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

Business-type Activities - Water Fund

Fiscal year ended June 30,	Operating Revenues	Operation and Maintenance	Net Revenues	Debt Service		Coverage
				Principal	Interest	
<i>Sierra Madre Water Revenue Refunding Bonds, Series 1998A</i>						
<i>Sierra Madre Water Revenue Parity Bonds, Series 2003</i>						
2009	\$ 3,037,500	\$ 2,596,025	\$ 441,475	\$ 300,000	\$ 541,878	0.52
2010	* 2,920,048	1,564,470	1,355,578	320,000	531,845	1.59
2011	* 3,155,645	1,523,156	1,632,489	335,000	515,470	1.92
2012	* 3,038,056	1,907,143	1,130,913	350,000	498,345	1.33
2013	* 3,558,161	2,084,614	1,473,547	370,000	480,345	1.73
2014	* 3,834,017	1,606,098	2,227,919	390,000	461,345	2.62
2015	4,373,849	2,574,322	1,799,527	405,000	441,470	2.13
2016	4,498,726	2,348,112	2,150,614	425,000	420,720	2.54
2017	5,249,123	2,567,912	2,681,211	450,000	398,845	3.16
<i>City of Sierra Madre Installment Purchase Agreement**</i>						
2018	5,521,322	2,319,129	3,202,193	258,284	186,735	7.20

\* The City recalculated coverage for the Revenue Bonds based on rate covenant definitions per official statements for FY 2010-2014.

\*\* The City determined that paying the prior installment sales agreements for the Revenue Bonds listed above with the proceeds from the *2017 Installment Purchase Agreement*, would reduce the City's interest expense payable from Water Revenues.

Funding was provided by Holman Capital Corporation and the City's Reserve Funds totaling \$6,761,976.01. The The proceeds were sufficient to defease the Revenue Bonds on November1, 2017, thereby satisfying and terminating the City's obligations under the prior installment sales agreements and indentures. Funding took place on October 31, 2017.

As with the original Revenue Bonds, the City irrevocably pledged all of the Net Water Revenues to the payment of the 2017 Installment Payments, and is a first priority lien on the collateral.

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

Source: City of Sierra Madre Finance Department

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

Fiscal year ended June 30,	Governmental Activities			
	Tax Increment <sup>(1)</sup>	Debt Service		Coverage
		Principal	Interest	
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
2015 <sup>(6)</sup>	738,195	300,000	94,000	1.87
2016 <sup>(6)</sup>	528,157	315,000	78,625	1.34
2017 <sup>(6)</sup>	567,950	330,000	62,500	1.45
2018 <sup>(6)</sup>	581,097	345,000	45,625	1.49

<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.

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

Source: City of Sierra Madre Finance Department

**CITY OF SIERRA MADRE**  
**Demographic and Economic Statistics**

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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
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%
2014	11,098	545,034	49,111	5.5%	47.3	96.8%	59.1%
2015	11,013	541,092	49,132	4.5%	45.8	97.5%	61.5%
2016	11,010	573,499	52,088	3.5%	46.2	98.4%	63.7%
2017	10,986	575,612	52,395	2.7%	45.0	99.2%	65.1%

Source: HDL Coren & Cone, California State Department of Finance, California EDD, US Census

**CITY OF SIERRA MADRE**  
**Top 25 Sales Tax Producers**  
**For Fiscal Year Ended June 30, 2018**

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<b>Business Name</b>	<b>Business Category</b>
Ad Security	Specialty Stores
Alliance	Service Stations
Bean Town	Quick-Service Restaurants
Bottle Shop	Convenience Stores/Liquor
Buccaneer Lounge	Casual Dining
Casa Del Rey	Casual Dining
Corfu Restaurant	Casual Dining
Faubourg Restaurant	Casual Dining
Frontier Hardware Co	Building Materials
Happy Liquor	Convenience Stores/Liquor
Leonora Moss	Florist Shops
Lingo Industrial Electronics	Heavy Industrial
Lucky Baldwins Delirium Café	Casual Dining
Moes Automotive Service Center	Auto Repair Shops
Monsieur Crepe	Fast-Casual Restaurants
Nano Café	Casual Dining
Only Place in Town	Casual Dining
Sierra Filtration Services	Specialty Stores
Sierra Madre Pizza Co	Quick-Service Restaurants
Sierra Madre Valero	Service Stations
Tacos Ensenada Dom	Quick-Service Restaurants
Talianko Design Group	Home Furnishings
Village Pizzeria	Fast-Casual Restaurants
Wistaria Restaurant & Bar	Casual Dining
Yui	Fine Dining

Source: HDL Coren & Cone

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

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<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
General Government	7	8	8	8	7	7	11	11	11	13
Public Safety										
Police										
Officers	17	18	18	18	16	17	17	17	17	17
Civilians	7	5	5	5	4	4	7	6	6	7
Fire	11.4	12	12	15.8	15.4	15.2	16	18	19	19
Public Works	21	20	20	20	19	17.5	18	18	19	18
Development	4	4	4	4	3	3.5	4	5	5	5
Library and Recreation	26.5	24.85	24.85	22.65	15.7	15.8	13	12	13	14
<b>Total</b>	<b>93.9</b>	<b>91.85</b>	<b>91.85</b>	<b>93.45</b>	<b>80.1</b>	<b>80</b>	<b>86</b>	<b>87</b>	<b>90</b>	<b>93</b>

Source: Various City of Sierra Madre Departments

**CITY OF SIERRA MADRE**  
**Operating Indicators by Function**

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Police</b>										
Number of:										
Physical Arrests	370	467	129	328	399	345	327	214	248	223
Parking Violations	3,516	2,812	2,495	2,031	3,266	2,976	2,764	1,797	2,596	1,705
Traffic Violations	1,574	1,740	1,989	1,798	1,435	1,967	571	727	837	1,210
<b>Fire</b>										
Number of:										
Calls Answered	818	885	940	967	947	863	970	1,036	1,107	1,102
Inspections	2,040	1,964	1,970	2,002	1,943	2,000	1,739	1,678	2,084	1,687
<b>Public Works</b>										
Number of:										
Water Mains Repaired	18	25	24	45	30	25	58	550	388	395
Water service leaks repaired	25	28	13	19	19	8	7	19	30	46
Street resurfacing/repair (SF)	0	331,235	0	0	0	69,000	284,790	-	142,500	454,000
Sidewalk Repairs (SF)	1,050	1,950	4,755	3,207	12,000	4,096	4,605	3,000	4,700	9,500
Trees planted	6	34	28	14	8	63	-	-	12	16
Trees pruned	444	171	24	20	537	514	37	24	38	43
Trees removed	18	18	37	50	20	30	62	75	75	68
Sewer cleaned/inspected (LF)	186,055	186,055	155,761	151,659	102,720	143,711	167,168	186,176	146,000	120,817
Sewer Manhole inspected (each)	n/a	n/a	n/a	346	171	104	676	620	433	473
Sewer lines inspected (LF)	n/a	n/a	n/a	500	200	330	1,064	1,000	2,045	-
Meters replaced	463	624	479	398	138	129	168	-	172	507
Valves exercised	234	257	829	583	299	406	284	267	3	-
Pot holes repaired	106	106	87	14	100	188	380	575	657	727
Water Mains Replaced (LF)	n/a	n/a	150	4,165	n/a	n/a	2,870	1,750	1,200	2,000
<b>Recreation and Community Services</b>										
Number of participants:										
Recreation classes	1,419	1,008	1,658	1,382	2,510	1,730	731	371	271	217
Aquatic <sup>(1)</sup>	3,398	3,720	3,584	3,146	n/a	n/a	n/a	n/a	n/a	n/a
Summer pool memberships	22	22	10	16	n/a	n/a	n/a	n/a	n/a	n/a
Annual Events <sup>(2)</sup>	738	708	758	789						
Movie Series	n/a	n/a	n/a	n/a	1,100	1,050	1,400	1,500	1,700	1,850
Concert Series	n/a	n/a	n/a	n/a	3,600	4,550	4,835	4,400	4,600	4,800
Summer Fun in the Park	n/a	n/a	n/a	n/a	274	320	293	305	265	261
Huck Finn (campsites)	28	37	41	43	40	60	63	63	50	36
Mt. Wilson Trail Race	335	328	319	323	328	350	325	346	337	332
Window Painting	130	119	163	163	89	n/a	n/a	n/a	n/a	n/a
Halloween Happenings	133	149	153	153	112	n/a	150	157	107	115
Excursions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	511	477	464

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

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

Source: Various City of Sierra Madre Departments

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

<b>Fiscal year ended June 30</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Library</b>										
Number of:										
Registered borrowers	10,970	11,162	11,292	11,994	13,044	11,366	10,530	11,429	11,574	11,098
Circulation	101,513	107,535	111,384	105,121	86,829	79,673	85,779	113,272	97,829	114,432
Reference	5,707	6,682	7,781	6,705	5,663	5,795	6,548	6,493	5,237	5,066
Book volumes held	59,540	58,956	56,415	55,845	51,681	54,663	56,891	47,746	41,680	39,164
User's of E-Resources	12,762	14,288	13,962	13,312	13,844	14,173	14,798	17,678	16,612	14,141
Media	4,940	5,381	5,301	5,323	5,512	5,993	6,307	18,238	6,084	5,904
Periodicals	108	119	115	115	109	95	98	61	95	82
<b>Municipal Utilities</b>										
Number of:										
Number of Customers										
Commercial	110	111	110	111	112	70	n/a	n/a	n/a	n/a *
Multi-Unit	351	356	354	356	353	212	n/a	n/a	n/a	n/a *
City	75	75	75	75	63	40	n/a	n/a	n/a	n/a *
Residential	3,198	3,312	3,284	3,255	3,280	3,424	3,550	3,489	3,565	3,501
Non-Residential	n/a	n/a	n/a	n/a	n/a /	n/a	204	195	210	193 *
Water Consumption in Units (000's)	956	1,010	1,086	1,212	1,232	1325	821	667	925	765
<b>Administrative Services</b>										
Number of:										
Number of Customers										
Online Bill Pay (average)	n/a	n/a	n/a	155	131	156	211	246	288	333
Business Licenses Issued	1,266	1,275	1,288	1,232	1,360	2,358	1,374	1,276	1,438	1,665
<b>Development Services</b>										
Number of:										
Conditional Use Permit	2	7	5	13	5	5	37	5	6	7
Minor Conditional Use Permit	5	5	3	2	5	10	7	2	5	5
Variance	4	4	2	4	1	-	1	1	-	-
Minor Variance	5	5	-	-	3	1	1	2	2	-
Municipal Code Text Amendment	1	1	3	2	3	1	6	5	7	-
Building Permit	245	125	242	304	278	249	231	230	274	281
Electrical Permit	132	86	57	81	165	208	159	174	206	223
Mechanical Permit	75	22	36	38	110	130	129	100	128	135
Plumbing Permit	104	45	49	59	161	166	215	194	204	230
Sewer Permit	9	2	6	13	25	26	3	14	23	2

\* Account Class categories changed as of March 2014 in line with the Water Rate Study.

Source: Various City of Sierra Madre Departments



**CITY OF SIERRA MADRE**

**Capital Assets - Book Value (excludes construction in progress)**

<b>Fiscal year ended June 30</b>		<b>2009</b>	<b>2010</b>	<b>2011</b>
Roadways	Pavement AC (Governmental Funds)	\$ 16,209,394	\$ 15,364,491	\$ 14,523,998
Street Appurtenances	Bridges (Governmental Funds)	79,547	72,630	65,713
Parks	Park Structures (Governmental Funds)	183,792	172,614	164,767
	Trees (Governmental Funds)	1,206,214	1,206,214	1,206,214
Wastewater	Manholes (Sewer)	866,151	838,654	811,157
	Sewer Pipelines (Sewer)	3,070,698	2,973,215	2,875,733
Domestic Water Network	Spreading Basins (Water)	1,257,907	1,225,146	1,192,386
	Pump Stations (Water)	1,702,838	1,648,780	1,594,721
	Meters (Water)	42,885	14,295	-
	Pipelines (Water)	3,924,614	3,742,074	3,559,533
	Pressure Reducing Stations (Water)	365,338	349,101	332,864
	Fire Hydrants (Water)	215,195	205,186	195,177
	Wells (Water)	864,640	824,424	784,209
	Reservoirs (Water)	14,539,434	14,399,392	14,195,770
Buildings	All			
	Buildings (Water Fund)	176,577	168,365	160,152
	Buildings (Sewer Fund)	176,577	168,365	160,152
	Buildings (Governmental Funds)	7,273,863	7,050,994	6,825,034
	Buildings (Governmental-ISF Facilities)			
Land	All			
	Land (Water Fund)	1,483,250	1,483,250	1,483,250
	Land (Governmental Funds)	162,275,945	162,275,945	162,275,945
General Equipment	All			
	Vehicle & Equipment (Water Fund)	39,215	27,081	20,780
	Vehicle & Equipment (Sewer Fund)	18,522	3,841	404,918
	Vehicle & Equipment (Governmental Funds)		270,108	794,752
	Vehicle & Equipment (Governmental-ISF fleet)	520,740	1,021,846	980,860
	Software (Governmental-ISF Administration)		369,848	484,029
<b>Total</b>		<b>\$ 216,493,335</b>	<b>\$ 215,875,857</b>	<b>\$ 215,165,429</b>

Source: Various City of Sierra Madre Departments

	2012	2013	2014	2015	2016	2017	2018
\$	13,686,599	\$ 12,858,351	\$ 12,041,539	\$ 11,331,409	\$ 10,731,909	\$ 9,854,028	\$ 9,549,273
	58,796	51,878	44,961	38,044	29,591	21,137	12,682
	156,919	149,072	141,224	133,376	267,258	392,374	371,422
	167,586	162,738	155,976	155,976	-	-	-
	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214
	783,660	756,163	728,666	701,169	672,551	643,932	615,313
	2,778,250	2,680,768	2,583,285	2,993,188	2,576,706	2,469,342	2,361,979
	1,159,626	1,126,865	1,094,105	1,061,345	1,025,528	989,710	953,893
	1,540,663	1,486,605	1,432,546	1,378,488	1,322,223	1,265,958	1,209,694
	-	-	-	-	-	-	-
	3,376,993	3,511,413	3,587,725	3,731,255	4,141,639	4,143,901	4,352,079
	316,626	300,389	284,152	267,915	250,630	233,345	216,060
	185,168	175,159	165,149	155,140	144,440	133,741	123,042
	743,993	703,777	663,561	623,345	580,356	537,366	494,377
	13,992,147	13,788,524	13,584,901	13,381,279	13,174,440	12,967,602	12,760,764
	151,939	143,726	135,513	127,300	118,766	110,328	101,799
	151,939	143,726	135,513	127,300	118,813	110,284	101,839
	6,599,074	6,373,114	6,147,154	5,733,392	5,642,913	5,409,185	5,175,456
							61,379
	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250
	162,275,946	162,275,946	162,275,946	162,275,946	162,275,946	162,275,946	162,275,946
	14,820	10,360	24,555	30,890	59,040	71,118	62,638
	404,918	341,205	336,248	292,587	230,880	169,174	107,464
	740,834	686,766	641,723	541,302	501,492	387,136	555,906
	881,965	784,751	704,962	591,833	654,076	821,597	745,501
	459,827	411,425	363,022	314,619	394,552	333,326	272,088
<b>\$</b>	<b>213,317,751</b>	<b>\$ 211,612,185</b>	<b>\$ 209,961,890</b>	<b>\$ 208,676,562</b>	<b>\$ 207,603,213</b>	<b>\$ 206,029,994</b>	<b>\$ 205,170,058</b>

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