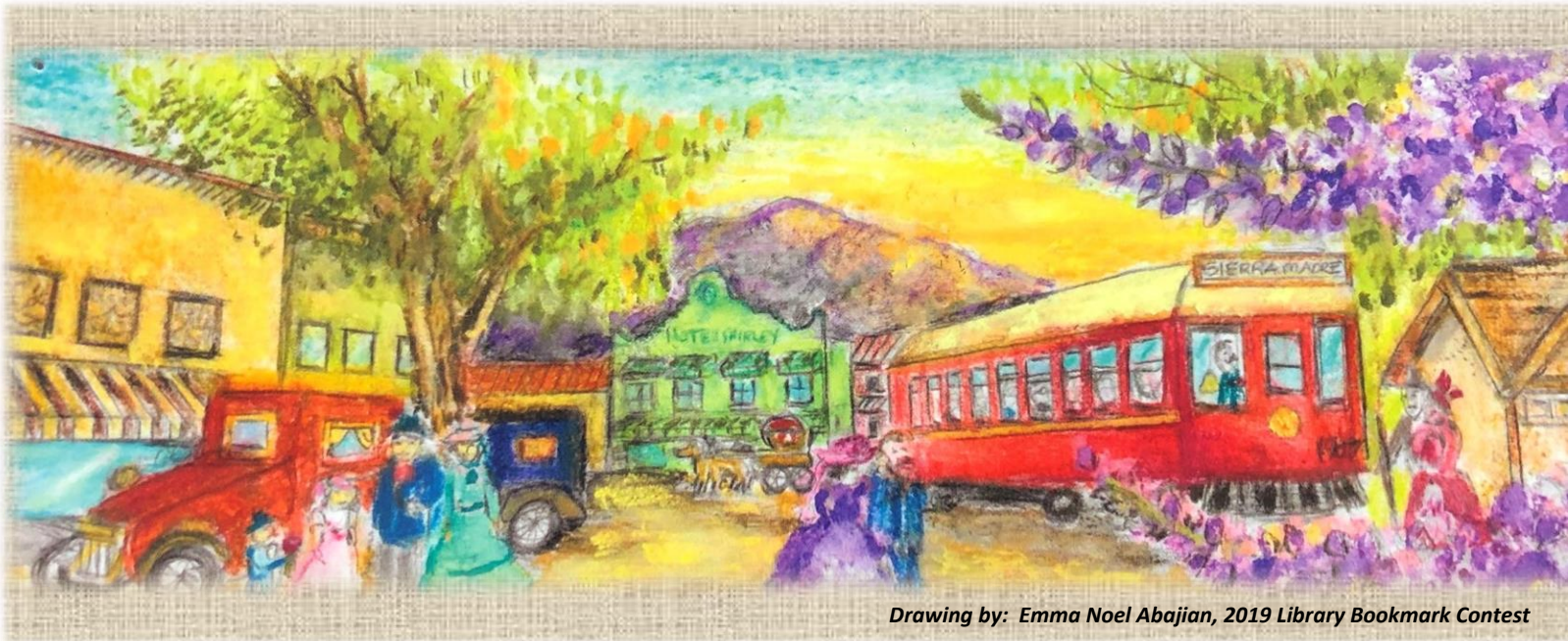




City of

Sierra Madre,

California



Drawing by: Emma Noel Abajian, 2019 Library Bookmark Contest

Comprehensive Annual Financial Report

For the Fiscal Year Ended June 30, 2019

Comprehensive Annual Financial Report City of Sierra Madre, California

Village of the Foothills

For the Year Ending June 30, 2019



Prepared by the Finance Department Staff

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

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INTRODUCTORY SECTION (UNAUDITED)

LETTER OF TRANSMITTAL	i
GFOA CERTIFICATE OF ACHIEVEMENT	v
ORGANIZATIONAL CHART	vi
ELECTED OFFICIALS AND EXECUTIVE MANAGEMENT	vii

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) (UNAUDITED)	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	15
STATEMENT OF ACTIVITIES	16
FUND FINANCIAL STATEMENTS:	
GOVERNMENTAL FUNDS:	
BALANCE SHEET	18
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET FUND BALANCES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION	19
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	20
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES	21
PROPRIETARY FUNDS:	
STATEMENT OF NET POSITION	22
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	23
STATEMENT OF CASH FLOWS	24
FIDUCIARY FUNDS:	
STATEMENT OF FIDUCIARY NET POSITION	26
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	27
NOTES TO BASIC FINANCIAL STATEMENTS	28
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
BUDGETS AND BUDGETARY ACCOUNTING	66
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	67
DEFINED BENEFIT PENSION PLAN	68
OTHER POST-EMPLOYMENT BENEFITS	70
SUPPLEMENTARY INFORMATION:	
NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE:	
COMBINED BALANCE SHEET	72
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	73
NON-MAJOR SPECIAL REVENUE FUNDS:	
COMBINING BALANCE SHEET	74
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	75

FINANCIAL SECTION (CONTINUED)

NON-MAJOR SPECIAL REVENUE FUNDS -GRANTS:	
COMBINING BALANCE SHEET	76
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	77
NON-MAJOR SPECIAL REVENUE FUNDS -ASSESSMENTS:	
COMBINING BALANCE SHEET	78
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	80
NON-MAJOR SPECIAL REVENUE FUNDS -OTHER:	
COMBINING BALANCE SHEET	82
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	87
NON-MAJOR CAPITAL PROJECT FUNDS:	
COMBINING BALANCE SHEET	92
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	93
NON-MAJOR SPECIAL REVENUE FUNDS:	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL:	
BONITA SEWER ASSESSMENT DISTRICT SPECIAL REVENUE FUND	94
CENTRAL BUSINESS ASSESSMENT DISTRICT SPECIAL REVENUE FUND	95
FANE/WINWOOD LAND ASSESSMENT	96
LIGHTING DISTRICT #1 SPECIAL REVENUE FUND	97
LIGHTING DISTRICT ZONE A SPECIAL REVENUE FUND	98
LIGHTING DISTRICT ZONE B SPECIAL REVENUE FUND	99
PARKING MAINTENANCE DISTRICT SPECIAL REVENUE FUND	100
SEWER ASSESSMENT DISTRICT SPECIAL REVENUE FUND	101
SIERRA MADRE CFD SPECIAL REVENUE FUND	102
DUI ENFORCEMENT SPECIAL REVENUE FUND	103
POLICE DEPARTMENT DONATIONS SPECIAL REVENUE FUND	104
PUBLIC SAFETY AUGMENTATION SPECIAL REVENUE FUND	105
STATE COPS GRANT SPECIAL REVENUE FUND	106
FIRE DEPARTMENT DONATIONS SPECIAL REVENUE FUND	107
COMMUNITY ARTS COMMISSION SPECIAL REVENUE FUND	108
RECREATION DEPARTMENT DONATIONS SPECIAL REVENUE FUND	109
LOCAL TRANSPORTATION PROP A SPECIAL REVENUE FUND	110
SENIOR CENTER SPECIAL REVENUE FUND	111
LOCAL TRANSIT PROP C SPECIAL REVENUE FUND	112
CA BEVERAGE CONTAINER GRANT SPECIAL REVENUE FUND	113
CLEAR AIR (AQMD) SPECIAL REVENUE FUND	114
ENVIRONMENTAL SPECIAL REVENUE FUND	115
GAS TAX SPECIAL REVENUE FUND	116
BIKEWAY/SIDEWALK SPECIAL REVENUE FUND	117
MEASURE R SPECIAL REVENUE FUND	118
MEASURE M SPECIAL REVENUE FUND	119
LIBRARY GIFT AND MEMORIAL SPECIAL REVENUE FUND	120
FRIENDS OF THE LIBRARY SPECIAL REVENUE FUND	121

FINANCIAL SECTION (CONTINUED)

OTHER NON-MAJOR FUNDS:	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL:	
CITY-WIDE DEBT SERVICE FUND	122
NON-MAJOR ENTERPRISE FUNDS:	
COMBINING STATEMENT OF NET POSITION	123
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	124
COMBINING STATEMENT OF CASH FLOWS	125
INTERNAL SERVICE FUNDS:	
COMBINING STATEMENT OF NET POSITION	126
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	128
COMBINING STATEMENT OF CASH FLOWS	130

STATISTICAL SECTION (UNAUDITED)

NET POSITION BY COMPONENT	133
CHANGES IN NET POSITION	135
FUND BALANCES OF GOVERNMENTAL FUNDS	139
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	141
ASSESSED VALUE OF TAXABLE PROPERTY	143
PROPERTY TAX RATES - DIRECT & OVERLAPPING PROPERTY TAX RATES	145
PRINCIPAL PROPERTY TAXPAYERS	147
PROPERTY TAX LEVIES AND COLLECTIONS	148
TOTAL DIRECT AND OVERLAPPING DEBT	149
RATIOS OF OUTSTANDING DEBT BY TYPE	150
PLEGGED REVENUE COVERAGE	152
DEMOGRAPHIC AND ECONOMIC STATISTICS	154
TOP 25 SALES TAX PRODUCERS	155
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	156
OPERATING INDICATORS BY FUNCTION	157
CAPITAL ASSETS – BOOK VALUE	159

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December 18, 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, 2019. 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, 2019, 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, 2019, 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 87 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

Sierra Madre is a full-service municipality operating with a \$24 million budget that funds general government activity, public safety, and water and sewer utilities. The City's primary goal is to provide high-quality and cost-effective services to its residents and businesses. As in all service industries, personnel expense is the primary business cost. During the budget preparation for FY2017-18, Zero-Based Budget techniques were inaugurated to more efficiently manage financial resources; the technique has become a permanent part of the annual budget planning. Fund balances for the Water and Sewer funds increased, due in part to a reduction of Internal Service Fund transfers of charges from the General Fund. Management will use a portion of the surpluses to fund the Water Main Replacement Project, a mandate to replace aging water infrastructure pipes; annual spending for the multi-year project will exceed \$1 million annually. Other uses for these surplus and other one-time revenue opportunities will be used to reduce unfunded pension plan liabilities as part of the City's Pension Plan Stabilization Plan.

Major Accomplishments for the Year:

- Continued Zero-Based Budgeting in 2019-2020 and reduced budgeted expenditures by 12% from the FY2017-18 budget and 3.5% from the FY 2018-19 budget.
- Reduced General Fund spending by \$1.1M in 2019-20 FY budget with an expected General Fund surplus of \$1.84M.
- Continued the CalPERS pension stabilization program, which resulted in a total funding level of Sierra Madre pensions projected to be in excess of 90%, which is far greater than peer cities in California and the San Gabriel Valley.
- Continued 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 from 29% in 2016 to less than ten percent in 2019.
- Transitioned from a volunteer Fire Department to a full Career Fire Department.
- Continued using a Zero-Based Budgeting to reduce expenditures and improve services.

Long-Term Financial Planning

The FY 18-19 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 2018-19 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, the FY17-18 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 18-19 budget continued the use of Zero-Based Budgeting to fully vet each line item to ensure that the use of the City's resources are being efficiently deployed.

The FY 18-19 Adopted Revenue budget is \$24.092 million in total, and includes \$11.681 million in the General Fund, \$5.029 million for the Water Fund, and \$923 thousand for the Sewer Fund which are the City's three primary Funds. The overall surplus for the audited budget is \$3.321 million, which includes a deficit of \$1.802 million attributed to the General Fund.

Relevant Financial Policies

On June 11, 2018, 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).

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, 2018.

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 direction of the City Manager and 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,



Hillary Guirola-Leon
Finance and Budget Manager



Colby Konisek
Finance Director



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

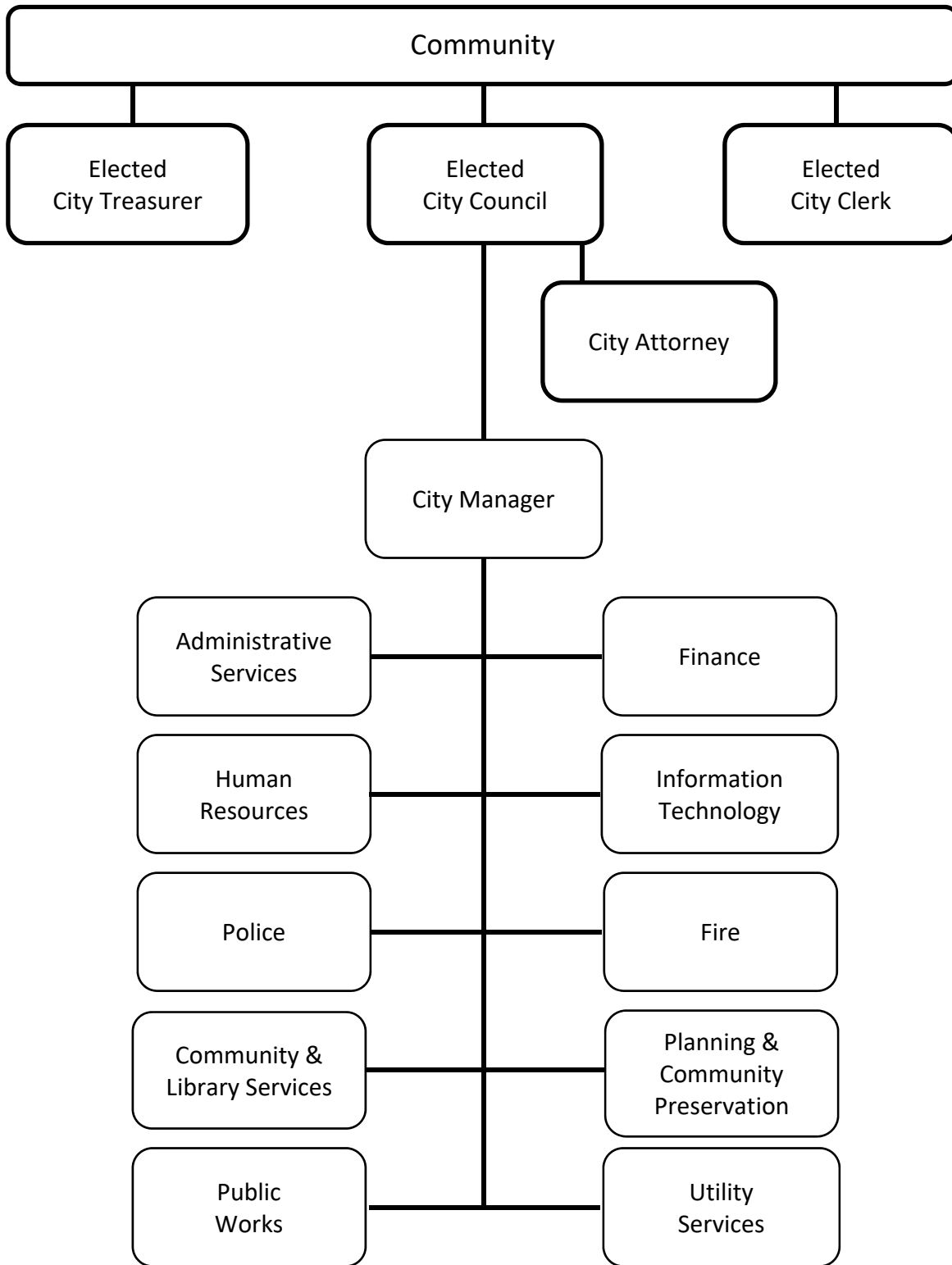
June 30, 2018

Christopher P. Morill

Executive Director/CEO



**CITY OF SIERRA MADRE
ORGANIZATIONAL CHART
As of June 30, 2019**



City of Sierra Madre, California

Village of the Foothills

Comprehensive Annual Financial Report



For the Year Ending June 30, 2019

Sierra Madre, California

City Council and Elected Officials

As of June 30, 2019

John Harabedian
John Capoccia
Gene Goss
Denise Delmar
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
Jim Hunt
Jose Reynoso
Chris Cimino

City Manager
City Attorney
Finance Director
Director of Planning and Community Preservation
Interim Fire Chief
Community Services Manager
Library Services Manager
Interim 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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San Bernardino, CA 92408
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909 889 5361 F
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INDEPENDENT AUDITOR'S REPORT

PARTNERS

Brenda L. Odle, CPA, MST
Terry P. Shea, 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)
Kirk A. Franks, CPA (Partner Emeritus)

DIRECTORS

Jenny Liu, CPA, MST

MANAGERS / STAFF

Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Jingjie Wu, CPA
Evelyn Morentin-Barcena, CPA
Jin Gu, CPA, MT
Veronica Hernandez, CPA
Tara R. Thorp, CPA, MSA
Laura Arvizu, CPA

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



A Worldwide Alliance of Independent
Accounting, Law and Consulting Firms

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, 2019, 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.

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, 2019, 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.

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'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 December 18, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 18, 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, 2019

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CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2019

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, 2019. 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, 2019 by \$216,138,706 (net position). Of this amount, \$200,514,709 is net investment in capital assets, \$4,861,587 is restricted for various programs, and \$10,762,410 represents unrestricted net position.
- From current operations, the City's governmental activities net position increased \$1,661,940 for fiscal year ended June 30, 2019 or 0.9 percent. Net position of the business-type activities increased by \$1,658,559 or 8.1 percent from current operations.
- During the year, the City's General Fund fund balance decreased by \$1,801,888, or 20.6 percent, and total governmental funds balance decreased \$1,805,915 or 12.5 percent.
- In the City's proprietary funds: The Water Fund net position increased by \$1,594,819 or 9.6 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 increased \$472,427 or 13.7 percent. The Sewer Fund has been using up available funds as 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 decreased by \$408,687 or 83.3% percent due to the transfer of the Aquatics Fund and related smaller funds to the General Fund, and total Internal Service Funds decreased by \$873,595 or 13.9 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, 2019

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. The basic fund financial statements can be found on pages 18 through 21 of this report.

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, except for expenditure driven grants) 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, 2019

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 67 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

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2019

government-wide and fund financial statements. The notes to the financial statements begin on page 28 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's 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 66 through 71 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 72 through 131 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, 2019

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 (93%) 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 \$216,138,706 at the close of the most recent fiscal year as compared to the net position of \$212,818,207 in fiscal year 2017-18.

Table 1
Condensed Statement of Net Position
June 30, 2018 and 2019
(in thousands)

	Governmental activities		Business-type activities		Total	
	2018	2019	2018	2019	2018	2019
Assets						
Current and other assets	\$ 20,798	\$ 18,925	\$ 4,914	\$ 4,816	\$ 25,712	\$ 23,741
Noncurrent assets	1,500	1,500	-	-	1,500	1,500
Capital assets, net	181,264	181,034	25,011	26,002	206,275	207,036
Total assets	203,562	201,459	29,925	30,818	233,487	232,277
Deferred outflows of resources	3,595	7,590	789	1,133	4,384	8,723
Liabilities						
Current and other liabilities	1,514	1,890	298	1,370	1,812	3,260
Noncurrent liabilities	12,792	11,912	9,724	8,238	22,516	20,150
Total liabilities	14,306	13,802	10,022	9,608	24,328	23,410
Deferred inflows of resources	595	1,328	131	123	726	1,451
Net position:						
Net investment in capital assets	181,067	180,934	17,975	19,581	199,042	200,515
Restricted	4,925	4,862	-	-	4,925	4,862
Unrestricted	6,264	8,123	2,586	2,639	8,850	10,762
Total net position	\$ 192,256	\$ 193,919	\$ 20,561	\$ 22,220	\$ 212,817	\$ 216,139

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2019

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 \$820 thousand, or 4.0 percent; and total expenses increased by \$658 thousand, or 3.7 percent.

Table 2
Condensed Statement of Activities
For the years ended June 30, 2018 and 2019
(in thousands)

	Governmental activities		Business-type activities		Total	
	2018	2019	2018	2019	2018	2019
Revenues:						
Program revenues						
Charges for services	\$ 2,305	\$ 2,602	\$ 6,719	\$ 6,676	\$ 9,024	\$ 9,278
Operating grants and contributions	1,426	1,705	-	-	1,426	1,705
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Taxes	9,512	9,982	-	-	9,512	9,982
Investment income	88	373	32	90	120	463
Miscellaneous	674	148	-	-	674	148
Total revenues	<u>14,005</u>	<u>14,810</u>	<u>6,751</u>	<u>6,766</u>	<u>20,756</u>	<u>21,576</u>
Expenses:						
General government	1,335	3,417	-	-	1,335	3,417
Public safety	5,394	5,688	-	-	5,394	5,688
Public works	2,197	1,883	-	-	2,197	1,883
Development services	1,558	1,089	-	-	1,558	1,089
Culture and recreation	1,388	1,458	-	-	1,388	1,458
Interest	10	7	-	-	10	7
Water	-	-	4,432	4,083	4,432	4,083
Sewer	-	-	1,030	630	1,030	630
Recreation services	-	-	4	-	4	-
Strike Team	-	-	171	-	171	-
Filming	-	-	78	-	78	-
Total expenses	<u>11,882</u>	<u>13,542</u>	<u>5,715</u>	<u>4,713</u>	<u>17,597</u>	<u>18,255</u>
Change in net position before transfers	2,123	1,268	1,036	2,053	3,159	3,321
Transfers	<u>(103)</u>	<u>394</u>	<u>103</u>	<u>(394)</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 2,020</u>	<u>\$ 1,662</u>	<u>\$ 1,139</u>	<u>\$ 1,659</u>	<u>\$ 3,159</u>	<u>\$ 3,321</u>

CITY OF SIERRA MADRE
Management’s Discussion and Analysis
For the year ended June 30, 2019

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 (excludes interest expense):

Table 3
Net Cost of Governmental Activities
For the year ended June 30, 2019
(in thousands)

	Total cost of services	Total program revenues	Net cost of services
General government	\$ 3,417	\$ 857	\$ (2,560)
Public safety	5,688	938	(4,750)
Public works	1,883	2,287	404
Development services	1,089	84	(1,005)
Culture and recreation	1,458	142	(1,316)
Totals	<u>\$ 13,535</u>	<u>\$ 4,308</u>	<u>\$ (9,227)</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, 2018 and 2019
(in thousands)

	Revenues		Expenditures		Transfers		Net change in fund balance	
	2018	2019	2018	2019	2018	2019	2018	2019
General Fund	\$ 12,053	\$ 12,311	\$ 10,620	\$ 14,502	\$ (109)	\$ 389	\$ 1,324	\$ (1,802)
Other governmental funds	1,927	2,338	2,665	2,360	25	18	(713)	(4)
Totals	<u>\$ 13,980</u>	<u>\$ 14,649</u>	<u>\$ 13,285</u>	<u>\$ 16,862</u>	<u>\$ (84)</u>	<u>\$ 407</u>	<u>\$ 611</u>	<u>\$ (1,806)</u>

CITY OF SIERRA MADRE
Management’s Discussion and Analysis
For the year ended June 30, 2019

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 decreased by approximately \$1.8 million in FY 2018-19. General Fund revenues increased by approximately \$258 thousand, or 2.1 percent; expenditures increased by approximately \$3.9 million, or 36.6 percent; and net transfers in increased by approximately \$498 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 non-major governmental funds decreased total fund balance by approximately \$708 thousand in FY 2018-19.

At June 30, 2019, the fund balance for the General Fund was \$6,950,305 which was a decrease of approximately \$1.8 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, 2018	\$ 8,752,193
Total revenues	12,311,369
Total expenditures	(14,502,403)
Transfers	<u>389,146</u>
General Fund - fund balance for the year ending June 30, 2019	<u>\$ 6,950,305</u>
 <i>Unassigned reserves</i>	
25% of operating revenues - cash flow reserve policy	\$ 3,077,842
<i>Unassigned (less nonspendable and restricted amounts)</i>	3,837,371

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 (25% 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, 2019

Enterprise Funds: As shown in the Statement of Revenues, Expenses, and Changes in Net Position, the Enterprise Funds had an increase in net position of \$1,658,559 or 8 percent for the current year. The Water fund had an increase in net position of \$1,594,819, or 9.6 percent; and the Sewer Fund had an increase in net position of \$472 thousand, or 13.7 percent. At the close of FY 2018-19, the total net change in net position of the City's Internal Service Funds was a decrease of \$873 thousand.

Table 5
Statement of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2018 and 2019
(in thousands)

	Revenues		Expenses		Contributions and transfers		Net change in fund balance	
	2018	2019	2018	2019	2018	2019	2018	2019
Water	\$5,545	\$5,668	\$4,433	\$4,083	\$ -	\$ 10	\$1,112	\$1,595
Sewer	924	1,086	1,029	630	-	17	(105)	473
Other Enterprise funds	281	12	253	-	103	(421)	131	(409)
Totals	<u>\$6,750</u>	<u>\$6,766</u>	<u>\$5,715</u>	<u>\$4,713</u>	<u>\$ 103</u>	<u>\$ (394)</u>	<u>\$1,138</u>	<u>\$1,659</u>
Governmental Activities -								
Internal Service Funds	<u>\$4,875</u>	<u>\$4,071</u>	<u>\$3,666</u>	<u>\$4,931</u>	<u>\$ (20)</u>	<u>\$ (13)</u>	<u>\$1,189</u>	<u>\$ (873)</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, 2019, amounts to \$207,036,187 (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, 2018 and 2019
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2019	2018	2019	2018	2019
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	1,038	227	67	382	1,105	609
Structures and improvements	5,609	5,538	203	187	5,812	5,725
Machinery and equipment	1,572	1,300	170	100	1,742	1,400
Infrastructure	9,563	10,487	23,088	23,849	32,651	34,336
Total	<u>\$ 181,264</u>	<u>\$ 181,034</u>	<u>\$ 25,011</u>	<u>\$ 26,001</u>	<u>\$ 206,275</u>	<u>\$ 207,035</u>

CITY OF SIERRA MADRE
Management’s Discussion and Analysis
For the year ended June 30, 2019

Additional information on the City of Sierra Madre’s capital assets can be found in Note 5 on pages 42 through 43 of this report.

Debt Administration

At the end of FY 2018-19, the City had long-term debt outstanding of \$6,081,226 (of which \$326,045 is due in FY 2019-20) 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 \$291,375 (of which \$145,688 is due in FY 2019-20) at June 30, 2019.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide lease payable as of June 30, 2019 was \$148,877 (all of which is due in FY 2019-20 as the final payment of the lease). Additional information on the City’s long-term debt can be found in Note 6 of the Financial Statements (pages 44 through 47).

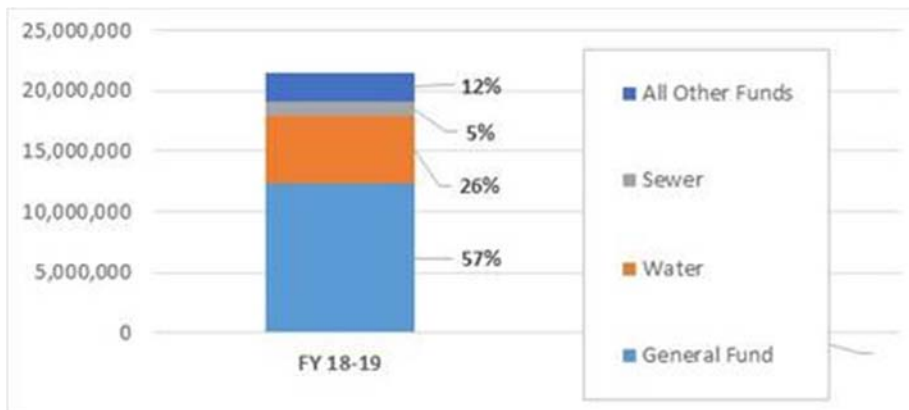
Economic Condition and Budget Outlook

The City is a full-service municipality operating with a \$24 million budget that funds 71 full-time employees assigned to nine operating departments and includes police and fire services as well as 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 proceeds which cannot be replicated, in the 2015-16, 2016-17 and 2018-19 budget years. The continuation of Zero-Based Budgeting continues to be an effective method used by the City to manage its budget and expenses.

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 \$12.3 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 financial statements) or cost allocations (overhead). The General Fund supports over half of the City’s total personnel costs and almost half of the City’s operations at 57% (see chart below).



CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2019

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 most significant support from property tax and utility user tax (UUT), and only a minimal amount from sales tax and other commercial activities.

At fiscal year ending June 30, 2019, General Fund revenues were 54% Property Tax and VLF/Property Tax Backfill; 21% Utility User Tax and 25% other sources which includes Franchise fee, Sales Tax, and Business Licenses.

The median sale price of a single family home in Sierra Madre for 2019 was \$1,003,800. This represents a \$3,800 (0.38%) increase in median sale price from 2018.

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 projected that the fund balance would trend upward. However, the study did not take into account the effects of additional water conservation due to the drought, City and State mandated water conservation and the full cost of purchased water. Finally, the ever-increasing costs of maintenance and improvements also served to prevent the fund balance from increasing as expected.

The City has initiated a new water rate study that took into account the various factors mentioned above and provided a new set of rates that are starting to provide the funding necessary for water operations.

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, 2019

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CITY OF SIERRA MADRE
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 18,104,789	\$ 3,521,000	\$ 21,625,789
Receivables, net:			
Accounts	262,895	998,167	1,261,062
Taxes	472,034	-	472,034
Interest	70,812	-	70,812
Due from other governments	11,992	-	11,992
Prepays	2,365	297,074	299,439
Total current assets	<u>18,924,887</u>	<u>4,816,241</u>	<u>23,741,128</u>
Noncurrent assets:			
Land held for resale	1,500,000	-	1,500,000
Capital assets:			
Non-depreciable assets	163,708,921	1,865,651	165,574,572
Depreciable assets-net	17,325,573	24,136,042	41,461,615
Total noncurrent assets	<u>182,534,494</u>	<u>26,001,693</u>	<u>208,536,187</u>
Total assets	<u>201,459,381</u>	<u>30,817,934</u>	<u>232,277,315</u>
Deferred Outflows of Resources:			
OPEB related	142,472	31,276	173,748
Pension related	7,447,982	1,101,596	8,549,578
Total deferred outflows of resources	<u>7,590,454</u>	<u>1,132,872</u>	<u>8,723,326</u>
Liabilities:			
Current liabilities:			
Accounts payable	643,195	685,767	1,328,962
Accrued payroll and related liabilities	163,624	24,098	187,722
Interest payable	1,550	42,303	43,853
Deposits and retentions	431,865	63,903	495,768
Due within one year	649,829	554,212	1,204,041
Total current liabilities	<u>1,890,063</u>	<u>1,370,283</u>	<u>3,260,346</u>
Noncurrent liabilities:			
Due in more than one year	1,214,844	6,036,956	7,251,800
Net OPEB liability	271,025	59,494	330,519
Net pension liability	10,426,843	2,141,178	12,568,021
Total noncurrent liabilities	<u>11,912,712</u>	<u>8,237,628</u>	<u>20,150,340</u>
Total liabilities	<u>13,802,775</u>	<u>9,607,911</u>	<u>23,410,686</u>
Deferred Inflows of Resources:			
OPEB related	120,996	26,560	147,556
Pension related	1,207,366	96,327	1,303,693
Total deferred inflows of resources	<u>1,328,362</u>	<u>122,887</u>	<u>1,451,249</u>
Net Position:			
Net investment in capital assets	180,934,074	19,580,635	200,514,709
Restricted	4,861,587	-	4,861,587
Unrestricted	8,123,037	2,639,373	10,762,410
Total net position	<u>\$ 193,918,698</u>	<u>\$ 22,220,008</u>	<u>\$ 216,138,706</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Activities
For the year ended June 30, 2019

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 3,416,581	\$ 806,027	\$ 50,879	\$ -	\$ 856,906
Public safety	5,688,672	581,522	356,184	-	937,706
Public works	1,883,420	1,049,051	1,237,557	-	2,286,608
Development services	1,089,342	84,254	-	-	84,254
Culture and recreation	1,457,670	81,662	60,567	-	142,229
Interest on long-term debt	7,610	-	-	-	-
Total governmental activities	13,543,295	2,602,516	1,705,187	-	4,307,703
Business-type activities:					
Water	4,083,465	5,611,440	-	-	5,611,440
Sewer	629,988	1,052,199	-	-	1,052,199
Special services	-	5,601	-	-	5,601
Film services	-	6,722	-	-	6,722
Total business-type activities	4,713,453	6,675,962	-	-	6,675,962
Total primary government	\$ 18,256,748	\$ 9,278,478	\$ 1,705,187	\$ -	\$ 10,983,665

General revenues:

Taxes:

Property taxes

Utility user taxes

Other taxes

Unrestricted sales taxes - shared state revenue

Investment earnings

Miscellaneous

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

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
\$ (2,559,675)	\$ -	\$ (2,559,675)
(4,750,966)	-	(4,750,966)
403,188	-	403,188
(1,005,088)	-	(1,005,088)
(1,315,441)	-	(1,315,441)
(7,610)	-	(7,610)
<u>(9,235,592)</u>	<u>-</u>	<u>(9,235,592)</u>
-	1,527,975	1,527,975
-	422,211	422,211
-	5,601	5,601
-	6,722	6,722
<u>-</u>	<u>1,962,509</u>	<u>1,962,509</u>
<u>(9,235,592)</u>	<u>1,962,509</u>	<u>(7,273,083)</u>
6,593,990	-	6,593,990
2,545,044	-	2,545,044
482,022	-	482,022
360,836	-	360,836
373,205	90,344	463,549
148,141	-	148,141
394,294	(394,294)	-
<u>10,897,532</u>	<u>(303,950)</u>	<u>10,593,582</u>
1,661,940	1,658,559	3,320,499
<u>192,256,758</u>	<u>20,561,449</u>	<u>212,818,207</u>
<u>\$ 193,918,698</u>	<u>\$ 22,220,008</u>	<u>\$ 216,138,706</u>

CITY OF SIERRA MADRE
Balance Sheet
Governmental funds
June 30, 2019

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 6,864,494	\$ 4,430,326	\$ 11,294,820
Restricted cash and investments with fiscal agents			
Receivables:			
Accounts	184,746	70,392	255,138
Taxes	348,100	123,934	472,034
Interest	70,812	-	70,812
Due from other agencies	-	11,992	11,992
Due from other funds	104,522	-	104,522
Prepaid	2,365	-	2,365
Land held for resale	-	1,500,000	1,500,000
Total assets	<u>\$ 7,575,039</u>	<u>\$ 6,136,644</u>	<u>\$ 13,711,683</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 161,687	\$ 296,980	\$ 458,667
Accrued payroll and related liabilities	120,150	7,818	127,968
Due to other funds	-	104,522	104,522
Deposits and retentions	<u>342,897</u>	<u>88,968</u>	<u>431,865</u>
Total liabilities	<u>624,734</u>	<u>498,288</u>	<u>1,123,022</u>
Fund balances:			
Nonspendable	2,365	-	2,365
Restricted	32,727	4,828,860	4,861,587
Committed	-	870,091	870,091
Unassigned	<u>6,915,213</u>	<u>(60,595)</u>	<u>6,854,618</u>
Total fund balances	<u>6,950,305</u>	<u>5,638,356</u>	<u>12,588,661</u>
 Total liabilities and fund balances	 <u>\$ 7,575,039</u>	 <u>\$ 6,136,644</u>	 <u>\$ 13,711,683</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, 2019

Total fund balances - total governmental funds \$ 12,588,661

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 180,169,168

Accrued interest payable of the current portion of interest due on long-term debt has not been reported in governmental funds. (1,343)

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 (87,016)

Compensated absences (730,702)

Net OPEB liability and related deferred outflows and inflows of resources (228,246)

Net pension liability and related deferred outflows and inflows of resources (3,197,333)

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. 5,405,509

Net position of governmental activities \$ 193,918,698

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, 2019

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 6,593,990	\$ 236,061	\$ 6,830,051
Other taxes	3,302,646	-	3,302,646
Charges for services	879,736	95,005	974,741
Intergovernmental	24,766	1,511,245	1,536,011
Licenses and permits	1,142,814	88,256	1,231,070
Fines and forfeitures	140,395	-	140,395
Investment income	164,203	142,126	306,329
Miscellaneous	62,819	264,962	327,781
Total revenues	<u>12,311,369</u>	<u>2,337,655</u>	<u>14,649,024</u>
Expenditures:			
Current:			
General government	3,613,267	49,390	3,662,657
Public safety	7,884,275	281,229	8,165,504
Public works	479,797	1,693,726	2,173,523
Development	1,272,696	-	1,272,696
Culture and recreation	1,252,368	244,614	1,496,982
Debt Service:			
Principal	-	83,163	83,163
Interest	-	7,879	7,879
Total expenditures	<u>14,502,403</u>	<u>2,360,001</u>	<u>16,862,404</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,191,034)</u>	<u>(22,346)</u>	<u>(2,213,380)</u>
Other financing sources (uses):			
Transfers in	421,010	47,554	468,564
Transfers out	<u>(31,864)</u>	<u>(29,235)</u>	<u>(61,099)</u>
Total other financing sources (uses)	<u>389,146</u>	<u>18,319</u>	<u>407,465</u>
Net change in fund balances	(1,801,888)	(4,027)	(1,805,915)
Fund balances, beginning of year	<u>8,752,193</u>	<u>5,642,383</u>	<u>14,394,576</u>
Fund balances, end of year	<u>\$ 6,950,305</u>	<u>\$ 5,638,356</u>	<u>\$ 12,588,661</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, 2019**

Net change in fund balances - total governmental funds \$ (1,805,915)

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	(1,299,492)
Capital outlay, net of disposals	1,283,606

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	83,163
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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.

	(873,595)
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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	1,283
Net change in compensated absences	(177,470)
Net OPEB liability and related deferred outflows and inflows of resources	35,918
Net pension liability and related deferred outflows and inflows of resources	<u>4,414,442</u>

Change in net position of governmental activities \$ 1,661,940

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Assets:					
Current assets:					
Cash and investments	\$ 2,109,980	\$ 1,329,146	\$ 81,874	\$ 3,521,000	\$ 6,809,969
Accounts receivable	834,924	163,243	-	998,167	7,757
Prepays	297,074	-	-	297,074	-
Total current assets	<u>3,241,978</u>	<u>1,492,389</u>	<u>81,874</u>	<u>4,816,241</u>	<u>6,817,726</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,865,651	-	-	1,865,651	-
Depreciable assets-net	21,155,624	2,980,418	-	24,136,042	865,326
Total noncurrent assets	<u>23,021,275</u>	<u>2,980,418</u>	<u>-</u>	<u>26,001,693</u>	<u>865,326</u>
Total assets	<u>26,263,253</u>	<u>4,472,807</u>	<u>81,874</u>	<u>30,817,934</u>	<u>7,683,052</u>
Deferred Outflows of Resources:					
OPEB related	17,375	13,901	-	31,276	12,162
Pension related	720,068	381,528	-	1,101,596	1,090,056
Total deferred outflows of resources	<u>737,443</u>	<u>395,429</u>	<u>-</u>	<u>1,132,872</u>	<u>1,102,218</u>
Liabilities:					
Current liabilities:					
Accounts payable	683,764	2,003	-	685,767	184,528
Accrued payroll and related liabilities	17,166	6,932	-	24,098	35,656
Interest payable	41,555	748	-	42,303	207
Deposits and retentions	52,733	11,170	-	63,903	-
Claims payable - current	-	-	-	-	375,249
Compensated absences - current	23,330	10,692	-	34,022	28,021
Capital lease payable - current	-	48,457	-	48,457	13,404
Loan payable - current	145,688	-	-	145,688	-
Installment agreement payable -	326,045	-	-	326,045	-
Total current liabilities	<u>1,290,281</u>	<u>80,002</u>	<u>-</u>	<u>1,370,283</u>	<u>637,065</u>
Noncurrent liabilities:					
Claims payable	-	-	-	-	518,202
Compensated absences	93,320	42,768	-	136,088	112,079
Net pension Liability	1,393,797	747,381	-	2,141,178	1,974,848
Net OPEB liability	33,052	26,442	-	59,494	23,136
Installment agreement/loan payable	5,900,868	-	-	5,900,868	-
Total noncurrent liabilities	<u>7,421,037</u>	<u>816,591</u>	<u>-</u>	<u>8,237,628</u>	<u>2,628,265</u>
Total liabilities	<u>8,711,318</u>	<u>896,593</u>	<u>-</u>	<u>9,607,911</u>	<u>3,265,330</u>
Deferred Inflows of Resources:					
OPEB related	14,755	11,805	-	26,560	10,329
Pension related	64,218	32,109	-	96,327	104,102
Total deferred inflows of resources	<u>78,973</u>	<u>43,914</u>	<u>-</u>	<u>122,887</u>	<u>114,431</u>
Net Position:					
Net investment in capital assets	16,648,674	2,931,961	-	19,580,635	851,922
Unrestricted	1,561,731	995,768	81,874	2,639,373	4,553,587
Total net position	<u>\$ 18,210,405</u>	<u>\$ 3,927,729</u>	<u>\$ 81,874</u>	<u>\$ 22,220,008</u>	<u>\$ 5,405,509</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, 2019

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services	\$ 5,611,440	\$ 1,051,329	\$ -	\$ 6,662,769	\$ 3,867,998
Licenses and permits	-	870	-	870	31,735
Miscellaneous	-	-	12,323	12,323	9,663
Total operating revenues	<u>5,611,440</u>	<u>1,052,199</u>	<u>12,323</u>	<u>6,675,962</u>	<u>3,909,396</u>
Operating expenses:					
Personnel services	910,010	266,085	-	1,176,095	2,065,070
Contractual services	173,364	3,328	-	176,692	575,354
Materials and supplies	767,155	5,338	-	772,493	356,167
Utilities	500,493	12,101	-	512,594	399,263
Maintenance and operation	13,316	123,815	-	137,131	12,308
Administrative Charges	821,861	9,472	-	831,333	1,284,917
Depreciation	639,285	206,176	-	845,461	237,642
Total operating expenses	<u>3,825,484</u>	<u>626,315</u>	<u>-</u>	<u>4,451,799</u>	<u>4,930,721</u>
Operating income (loss)	<u>1,785,956</u>	<u>425,884</u>	<u>12,323</u>	<u>2,224,163</u>	<u>(1,021,325)</u>
Nonoperating revenues (expenses):					
Investment income	56,847	33,497	-	90,344	161,917
Interest expense	(257,981)	(3,673)	-	(261,654)	(1,016)
Total nonoperating revenues (expenses)	<u>(201,134)</u>	<u>29,824</u>	<u>-</u>	<u>(171,310)</u>	<u>160,901</u>
Income (loss) before transfers	<u>1,584,822</u>	<u>455,708</u>	<u>12,323</u>	<u>2,052,853</u>	<u>(860,424)</u>
Transfers:					
Transfers in	9,997	16,719	-	26,716	474,900
Transfers out	-	-	(421,010)	(421,010)	(488,071)
Total transfers	<u>9,997</u>	<u>16,719</u>	<u>(421,010)</u>	<u>(394,294)</u>	<u>(13,171)</u>
Capital contributions:	-	-	-	-	-
Change in net position	1,594,819	472,427	(408,687)	1,658,559	(873,595)
Net position, beginning 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>
Net position, end of year	<u>\$ 18,210,405</u>	<u>\$ 3,927,729</u>	<u>\$ 81,874</u>	<u>\$ 22,220,008</u>	<u>\$ 5,405,509</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, 2019

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Cash flows from operating activities:					
Receipts from customers and users	\$ 5,319,725	\$ 1,010,117	\$ 12,323	\$ 6,342,165	\$ -
Receipts from interfund services provided	-	-	-	-	3,914,324
Payments to suppliers	(1,726,561)	(154,067)	(30,627)	(1,911,255)	(2,547,689)
Payments to employees	(1,154,075)	(671,741)	(12,418)	(1,838,234)	(1,178,353)
Net cash provided (used) by operating activities	<u>2,439,089</u>	<u>184,309</u>	<u>(30,722)</u>	<u>2,592,676</u>	<u>188,282</u>
Cash flows from non-capital financing activities:					
Transfers from other funds	9,997	16,719	-	26,716	474,900
Transfers to other funds	-	-	(421,010)	(421,010)	(488,071)
Net cash provided (used) by non-capital financing activities	<u>9,997</u>	<u>16,719</u>	<u>(421,010)</u>	<u>(394,294)</u>	<u>(13,171)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(1,835,681)	-	-	(1,835,681)	(23,999)
Proceeds from installment agreement	-	-	-	-	-
Principal paid	(568,155)	(46,314)	-	(614,469)	(12,810)
Interest paid	(263,967)	(4,390)	-	(268,357)	(1,214)
Net cash provided (used) by capital and related financing activities	<u>(2,667,803)</u>	<u>(50,704)</u>	<u>-</u>	<u>(2,718,507)</u>	<u>(38,023)</u>
Cash flows from investing activities:					
Investment income	<u>56,847</u>	<u>33,497</u>	<u>-</u>	<u>90,344</u>	<u>161,917</u>
Net cash provided (used) by investing activities	<u>56,847</u>	<u>33,497</u>	<u>-</u>	<u>90,344</u>	<u>161,917</u>
Net increase (decrease) in cash and cash equivalents	(161,870)	183,821	(451,732)	(429,781)	299,005
Cash and investments:					
Beginning of year	<u>2,271,850</u>	<u>1,145,325</u>	<u>533,606</u>	<u>3,950,781</u>	<u>6,510,964</u>
End of year	<u>\$ 2,109,980</u>	<u>\$ 1,329,146</u>	<u>\$ 81,874</u>	<u>\$ 3,521,000</u>	<u>\$ 6,809,969</u>

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2019

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	<u>\$ 1,785,956</u>	<u>\$ 425,884</u>	<u>\$ 12,323</u>	<u>\$ 2,224,163</u>	<u>\$ (1,021,325)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	639,285	206,176	-	845,461	237,642
Changes in assets, liabilities and deferred amounts::					
(Increase) decrease in accounts receivable	(291,715)	(42,082)	-	(333,797)	4,928
(Increase) decrease in prepaid expenses	-	-	1,750	1,750	-
(Increase) decrease in deferred outflows	(299,000)	(44,674)	-	(343,674)	(795,308)
Increase (decrease) in accounts payable	539,783	(13)	(16,701)	523,069	80,320
Increase (decrease) in accrued liabilities	4,918	1,907	(59)	6,766	8,755
Increase (decrease) in deposits payable	9,845	-	(15,676)	(5,831)	622,632
Increase (decrease) in deferred inflows	6,434	(14,117)	-	(7,683)	63,654
Increase (decrease) in compensated absences	32,765	10,229	(12,359)	30,635	(19,779)
Increase (decrease) in net OPEB liability	4,899	3,920	-	8,819	3,430
Increase (decrease) in net pension liability	<u>5,919</u>	<u>(362,921)</u>	<u>-</u>	<u>(357,002)</u>	<u>1,003,333</u>
Total adjustments	<u>653,133</u>	<u>(241,575)</u>	<u>(43,045)</u>	<u>368,513</u>	<u>1,209,607</u>
Net cash provided (used) by operating activities	<u>\$ 2,439,089</u>	<u>\$ 184,309</u>	<u>\$ (30,722)</u>	<u>\$ 2,592,676</u>	<u>\$ 188,282</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, 2019

	Private-Purpose Trust Fund
	Redevelopment Obligation Retirement Fund
Assets:	
Cash and investments	\$ 190,991
Restricted cash and investments with fiscal agents	409,464
Total assets	<u>600,455</u>
Liabilities:	
Interest payable	1,583
Compensated absences - current	97
Compensated absences - noncurrent	388
Bonds payable - current	380,000
Total liabilities	<u>382,068</u>
Net Position:	
Unrestricted	218,387
Total net position	<u>\$ 218,387</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, 2019

	Private-Purpose Trust Fund Redevelopment Obligation Retirement Fund
Additions:	
Investment income	\$ 16,289
Total additions	<u>16,289</u>
Deductions:	
General and administration	15,064
Interest expense	<u>24,916</u>
Total deductions	<u>39,980</u>
Change in net position	(23,691)
Net position, beginning of year	<u>242,078</u>
Net position, ending of year	<u>\$ 218,387</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, 2019

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Sierra Madre, California (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

A. Financial Reporting Entity

The 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, 2019

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, 2019

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. The 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, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Proprietary Fund Financial Statements, (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, 2019

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, 2019

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, 2019

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, 2019

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. 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, 2017
Measurement Date (MD)	June 30, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

N. 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, 2018
Measurement Period (MP)	July 1, 2017 to June 30, 2018

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2019 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 21,625,789
Statement of Fiduciary Net Position:	
Cash and investments	190,991
Cash and investments with fiscal agent - restricted	<u>409,464</u>
 Total cash and investments	 <u><u>\$ 22,226,244</u></u>
 Cash and investments as of June 30, 2019 consist of the following:	
Petty cash	\$ 2,000
Deposits with financial institutions	1,523,653
Investments	<u>20,700,591</u>
 Total cash and investments	 <u><u>\$ 22,226,244</u></u>

Investments Authorized by the California Government Code and the City's Investment Policy

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

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

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	\$ 65 m
JPA Pools (other investment pools)	No	N/A	None	None

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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, 2019, 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, 2019

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	\$ 11,714,169	\$ 11,714,169	\$ -	\$ -
US Treasury Notes	8,576,958	2,191,112	2,089,100	4,296,746
Held by fiscal agent:				
Federated US Treasury obligations	409,464	409,464	-	-
Total	\$ 20,700,591	\$ 14,314,745	\$ 2,089,100	\$ 4,296,746

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	\$ 11,714,169	N/A	\$ -	\$ 11,714,169
US Treasury Notes	8,576,958	N/A	8,576,958	-
Held by fiscal agent:				
Federated US Treasury obligations	409,464	N/A	409,464	-
Total	\$ 20,700,591		\$ 8,986,422	\$ 11,714,169

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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, 2019, 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	\$ 8,576,958	\$ -	\$ 8,576,958	\$ -
Sub-total	8,576,958	\$ -	\$ 8,576,958	\$ -
Investments not subject to fair value:				
Federated US Treasury obligations	409,464			
State investment pool	11,714,169			
Total	\$ 20,700,591			

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, 2019

3. INTERFUND BALANCES AND TRANSFERS

A. Due To/Due From

At June 30, 2019, the City had the following short-term interfund receivables and payables:

Receivable	Payable	Amount
General Fund	Non-major Governmental Funds	<u>\$ 104,522</u>

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

B. Transfers

At June 30, 2019, the City had the following transfers:

Transfers out	Transfers in	Amount
Non-major Enterprise Funds	General Fund	\$ 421,010
General Fund	Non-major Governmental Funds	21,867
	Water Fund	9,997
Non-major Governmental Funds	Sewer Fund	16,719
	Non-major Governmental Funds	12,516
Internal Service Funds	Internal Service Funds	474,900
Internal Service Funds	Non-major Governmental Funds	<u>13,171</u>
	Total	<u>\$ 970,180</u>

- a. \$421,010 transfer from non-major enterprise funds to General Fund to collapse funds into General Fund.
- b. \$9,997 transfer from General Fund to Water Fund to subsidize low income discount.
- c. \$16,719 transfer from Non major governmental funds to Sewer Fund.
- d. \$21,867 transfer from General Fund to Non major governmental funds to cover short term deficit.
- e. \$12,516 transfer from Gas tax to Traffic Congestion Relief fund to separate both funds.
- f. \$13,171 from Facilities fund to Parking Assessment to cover short term deficit.
- g. \$474,900 transfer from internal service funds to Administration internal service fund to cover pension UAL payments.

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, 2019:

Description	Deficit balance
Non-major Governmental Funds:	
Open Space	<u>\$ 60,595</u>

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, 2019

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

B. Excess of Expenditures over Appropriations

The following funds/functions reported expenditures in excess of appropriations:

	Final		
	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Governmental Funds:			
Fane/Winwood Lane Assessment District	\$ 1,000	\$ 2,670	\$ (1,670)
Lighting District #1	2,000	7,862	(5,862)
Lighting District Zone B	55,400	91,559	(36,159)
State COPS Grant	100,000	152,825	(52,825)
Local Transportation Prop A	161,200	162,945	(1,745)
CA Beverage Container Grant	15,000	20,052	(5,052)

The City did not adopt budgets for the following funds: SM community Center, LA County Tree Mitigation Grant, Road Maintenance and Rehabilitation, Traffic Congestion Relief, Open Space, County Prop A Park Development, City Capital Projects, Local History State Grant, Development Impact Fees, Development Fees Art in Public Places, 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, 2019

5. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the governmental activities capital assets at June 30, 2019 is as follows:

Governmental activities:	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	<u>1,038,161</u>	<u>272,387</u>	<u>(1,083,786)</u>	<u>226,762</u>
 Total capital assets, not being depreciated	 <u>164,520,320</u>	 <u>272,387</u>	 <u>(1,083,786)</u>	 <u>163,708,921</u>
Capital assets, being depreciated:				
Structures and improvements	12,169,770	185,793	-	12,355,563
Machinery and equipment	4,318,204	107,464	(76,632)	4,349,036
Infrastructure	<u>23,193,941</u>	<u>1,830,306</u>	<u>-</u>	<u>25,024,247</u>
Total capital assets, being depreciated	<u>39,681,915</u>	<u>2,123,563</u>	<u>(76,632)</u>	<u>41,728,846</u>
Less accumulated depreciation				
Structures and improvements	(6,561,512)	(255,908)	-	(6,817,420)
Machinery and equipment	(2,744,710)	(376,040)	72,069	(3,048,681)
Infrastructure	<u>(13,631,986)</u>	<u>(905,186)</u>	<u>-</u>	<u>(14,537,172)</u>
Total accumulated depreciation	<u>(22,938,208)</u>	<u>(1,537,134)</u>	<u>72,069</u>	<u>(24,403,273)</u>
Total capital assets being depreciated	<u>16,743,707</u>	<u>586,429</u>	<u>(4,563)</u>	<u>17,325,573</u>
 Governmental activities, capital assets, net	 <u>\$ 181,264,027</u>	 <u>\$ 858,816</u>	 <u>\$ (1,088,349)</u>	 <u>\$ 181,034,494</u>

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

Governmental activities:	
General government	\$ 109,652
Public safety	228,037
Public works	1,023,048
Culture and recreation	<u>176,397</u>
Total	<u>\$ 1,537,134</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

5. CAPITAL ASSETS, (continued)

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2019 is as follows:

Business-type activities:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Construction in progress	67,281	382,401	(67,281)	382,401
Total capital assets, not being depreciated	1,550,531	382,401	(67,281)	1,865,651
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,136,490	-	(67,550)	1,068,940
Infrastructure	43,276,092	1,520,561	-	44,796,653
Total capital assets, being depreciated	45,233,872	1,520,561	(67,550)	46,686,883
Structures and improvements	(617,650)	(16,970)	-	(634,620)
Machinery and equipment	(966,387)	(70,189)	67,550	(969,026)
Infrastructure	(20,188,893)	(758,302)	-	(20,947,195)
Total accumulated depreciation	(21,772,930)	(845,461)	67,550	(22,550,841)
Total capital assets being depreciated	23,460,942	675,100	-	24,136,042
Business-type activities, capital assets, net	\$ 25,011,473	\$ 1,057,501	\$ (67,281)	\$ 26,001,693

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

Business-type activities:	
Water	\$ 639,285
Sewer	206,176
Total	\$ 845,461

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES

A. Governmental Activities

A summary of changes in the governmental activities long-term liabilities at June 30, 2019 is as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance	Due within one year	Due more than one year
Capital lease	\$ 196,393	\$ -	\$ (95,973)	\$ 100,420	\$ 100,420	\$ -
Claims payable	270,819	622,632	-	893,451	375,249	518,202
Compensated absences	713,111	664,081	(506,390)	870,802	174,160	696,642
Net OPEB liability	230,847	40,178	-	271,025	-	271,025
Net pension liability	<u>11,380,599</u>	<u>-</u>	<u>(953,756)</u>	<u>10,426,843</u>	<u>-</u>	<u>10,426,843</u>
Total	<u>\$ 12,791,769</u>	<u>\$ 1,326,891</u>	<u>\$ (1,556,119)</u>	<u>\$ 12,562,541</u>	<u>\$ 649,829</u>	<u>\$ 11,912,712</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 \$100,420 at June 30, 2019.

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

Future minimum lease payments for the year ending June 30,	Governmental activities
2020	<u>\$ 105,066</u>
Subtotal	105,066
Less: amount representing interest	<u>(4,646)</u>
Present value of future lease payments	<u>\$ 100,420</u>

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

Assets:	
Machinery and equipment	\$ 856,714
Less: accumulated depreciation	<u>(738,536)</u>
Total	<u>\$ 118,178</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, (continued)

B. Business-type Activities

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2019 is as follows:

Business-type activities:	Beginning balance	Additions	Deletions	Ending balance	Due within one year	Due more than one year
Long-term debt						
<i>Direct borrowings:</i>						
2017 Installment agreement	\$ 6,503,693	\$ -	\$ (422,467)	\$ 6,081,226	\$ 326,045	\$ 5,755,181
Loan payable to SGVMWD	437,063	-	(145,688)	291,375	145,688	145,687
Subtotal long-term debt	<u>6,940,756</u>	<u>-</u>	<u>(568,155)</u>	<u>6,372,601</u>	<u>471,733</u>	<u>5,900,868</u>
Other long-term liabilities						
Capital lease	94,771	-	(46,314)	48,457	48,457	-
Compensated absences	139,475	106,599	(75,964)	170,110	34,022	136,088
Net OPEB liability	50,675	8,819	-	59,494	-	59,494
Net pension liability	2,498,180	-	(357,002)	2,141,178	-	2,141,178
Subtotal other long-term liabilities	<u>2,783,101</u>	<u>115,418</u>	<u>(479,280)</u>	<u>2,419,239</u>	<u>82,479</u>	<u>2,336,760</u>
Total long-term liabilities	<u>\$ 9,723,857</u>	<u>\$ 115,418</u>	<u>\$ (1,047,435)</u>	<u>\$ 8,791,840</u>	<u>\$ 554,212</u>	<u>\$ 8,237,628</u>

2017 Installment Agreement \$6,761,977 – direct borrowing

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 \$686,434 and the net revenues were \$3,121,130

In the event of default, the lender, at its option upon notice to the City, declare the entire principal amount of the unpaid 2017 Installment Agreement and any accrued interest thereon to be accelerated and immediately due and payable, whereupon the same shall immediately become due and payable.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

6. LONG-TERM LIABILITIES, (continued)

B. Business-type Activities

The outstanding balance is \$6,081,226 at June 30, 2019.

Annual debt service requirements on this debt are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 326,045	\$ 246,018	\$ 572,063
2021	337,888	232,530	570,418
2022	350,161	218,552	568,713
2023	362,881	204,066	566,947
2024	376,062	189,054	565,116
2025-2029	2,095,408	700,296	2,795,704
2030-2034	<u>2,232,781</u>	<u>234,236</u>	<u>2,467,017</u>
Totals	<u>\$ 6,081,226</u>	<u>\$ 2,024,752</u>	<u>\$ 8,105,978</u>

Loan Payable to San Gabriel Valley Municipal Water District \$1,456,875 – direct borrowing

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 outstanding balance of the loan payable is \$291,375 at June 30, 2019.

Annual debt service requirements on this loan are as follows:

Year ending June 30,	Principal	Interest	Total
2020	\$ 145,688	\$ -	\$ 145,688
2021	<u>145,687</u>	<u>-</u>	<u>145,687</u>
Totals	<u>\$ 291,375</u>	<u>\$ -</u>	<u>\$ 291,375</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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 \$48,457 at June 30, 2019.

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
2020	\$ 50,702
Subtotal	50,702
Less: amount representing interest	(2,245)
Present value of future lease payments	<u>\$ 48,457</u>

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

Assets:	
Machinery and equipment	\$ 401,418
Less: accumulated depreciation	(372,427)
Total	<u>\$ 28,991</u>

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

7. NET POSITION AND FUND BALANCES

A. Fund Balance Classification

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

	General Fund	Non-Major Governmental Funds	Total
Nonspendable	\$ 2,365	\$ -	\$ 2,365
Restricted for:			
Public works	-	1,043,272	1,043,272
Public safety	32,727	424,587	457,314
Community services/development	-	2,854,772	2,854,772
Streets projects	-	189,885	189,885
Culture and recreation	-	316,344	316,344
Committed to:			
Debt service	-	12,380	12,380
Community services/development	-	507,737	507,737
Culture and recreation	-	341,269	341,269
Public safety	-	8,705	8,705
Unassigned	<u>6,915,213</u>	<u>(60,595)</u>	<u>6,854,618</u>
 Total fund balance	 <u>\$ 6,950,305</u>	 <u>\$ 5,638,356</u>	 <u>\$ 12,588,661</u>

The City Council has adopted a minimum fund balance policy for the General Fund. The intent of the policy is to maintain a minimum unassigned fund balance. The policy requires 25% of General Fund revenues be set aside. As of June 30, 2019, the amount set aside was \$3,077,842 and is reported as unassigned fund balance.

B. Net Position Classification

In accordance with generally accepted accounting principles, the City's net position of governmental activities are as follows:

Description	Amount
Restricted:	
Public safety	\$ 457,314
Public works	1,233,157
Development services	2,915,077
Culture and recreation	<u>256,039</u>
 Total restricted net position	 <u>\$ 4,861,587</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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.

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. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary 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.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

8. RISK MANAGEMENT, (continued)

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

Workers' Compensation

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.

For 2018-19 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 an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

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. The City of Sierra Madre property currently has all-risk property insurance protection in the amount of \$79,511,823. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

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 \$36,315,690. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

8. RISK MANAGEMENT, (continued)

C. Purchased Insurance, (continued)

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.

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 facilitated 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 2018-19.

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, 2019, the City paid off its retrospective deposit balance for the Liability Program. The current claims liability for both programs is \$893,451. Of this amount, \$375,249 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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 sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City 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.

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, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

The Plans' provisions and benefits in effect at June 30, 2019 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 for FY2019	11.419% + \$549,470	7.266% + \$399

	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 for FY2019	20.416% + \$456,498	12.965% + \$2,379

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, 2019 were \$6,585,121. The actual employer payments of \$1,418,218 made to CalPERS by the City of Sierra Madre during the measurement period ended June 30, 2018 differed from the City of Sierra Madre's proportionate share of the employer's contributions of \$1,496,134 by \$77,916, 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, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability

The City of Sierra Madre’s net pension liability for the 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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017
Measurement date	June 30, 2018
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases (1)	3.3% - 14.2%
Mortality rate table (2)	Derived using CALPERS' membership data for all Funds
Post retirement benefit increase	Contract COLA up to 2.0% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

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

(2) The mortality table used was developed based on CalPERS’ specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website at www.calpers.ca.gov.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability, (continued)

Long-term Expected Rate of Return

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 cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded 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 adjusted to account for assumed administrative expenses.

Asset class ¹	Current target allocation	Real return years 1 - 10 ²	Real return years 11+ ³
Global equity	50.0%	4.80%	5.98%
Fixed income	28.0%	1.00%	2.62%
Inflation assets	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)
Total	<u>100%</u>		

¹ In the System's CAFR, fixed income is included in global debt securities; liquidity is include in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

For the measurement period 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability, (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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. 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.

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: 6/30/2017 (VD*)	\$ 46,888,321	\$ 33,009,542	\$ 13,878,779
Balance at: 6/30/2018 (MD*)	49,966,301	37,398,280	12,568,021
Net Changes during 2017-18	3,077,980	4,388,738	(1,310,758)

* 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, 2018, 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, 2017 rolled forward to June 30, 2018 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

The City's proportionate share of the net pension liability for the Plan as of the June 30, 2017 and 2018 measurement dates was as follows:

	Misc.	Safety	Total
Proportion - June 30, 2018	0.20177%	0.09916%	0.13995%
Proportion - June 30, 2019	0.20507%	0.08248%	0.13042%
Change - increase/(decrease)	<u>0.00330%</u>	<u>-0.01668%</u>	<u>-0.00953%</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.	\$ 11,468,184	\$ 7,728,511	\$ 4,641,472
Employer's Net Pension Liability - Safety	7,916,542	4,839,510	2,318,434
Employer's Net Pension Liability - Total	<u>\$ 19,384,726</u>	<u>\$ 12,568,021</u>	<u>\$ 6,959,906</u>

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

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 PERF C for the measurement period ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (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.

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

As of the start of the measurement period (July 1, 2017), the net pension liability for the plan was \$13,878,779. For the measurement period ending June 30, 2018 (the measurement date), the City incurred a pension expense of \$1,758,219 for the Plan.

As of June 30, 2019, the City 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	\$ 1,355,912	\$ 279,997
Differences between expected and actual experience	400,514	101,302
Differences between projected and actual investment earnings	70,974	-
Differences between employer's contributions and proportionate share of contributions	86,658	94,195
Change in employer's proportion	50,399	828,199
Pension contributions made subsequent to measurement date	6,585,121	-
Totals	<u>\$ 8,549,578</u>	<u>\$ 1,303,693</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

10. DEFINED BENEFIT PENSION PLAN, (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions, (continued)

These amounts above are net of outflows and inflows recognized in the 2017-2018 measurement period expense. The \$6,585,121 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, 2020. 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
2020	\$ 665,778	\$ 274,166	\$ 939,944
2021	340,722	87,126	427,848
2022	(312,962)	(291,033)	(603,995)
2023	(69,513)	(33,520)	(103,033)
2024	-	-	-
Thereafter	-	-	-

E. Payable to the Pension Plan

At June 30, 2019, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

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, 2019, the City's payroll covered by the plan was \$376,029. 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

12. COMMITMENTS AND CONTINGENCIES, (continued)

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.

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS

Plan Description

The City administers an agent-multiple 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 \$133 per month in 2018 and increased to \$136 per month in 2019.

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

- \$136 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

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 2019.

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><u>106</u></u>

51 employees are currently enrolled with 34 waiving coverage.

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, 2019, the City’s cash contributions were \$110,559 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).

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Net OPEB liability

The City's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 (rolled forward), 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%

Change of Assumptions

There were no changes in assumptions.

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.

Asset class	Current target allocation	Expected longterm rate of return ¹
Global equity	40.0%	4.80%
Fixed income	43.0%	1.10%
Inflation sensitive	5.0%	0.25%
Real estate	8.0%	3.20%
Commodities	4.0%	1.50%
Total	100%	

¹ An expected inflation of 2.0%

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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:

	Total OPEB liability (a)	Plan fiduciary net position (b)	Net OPEB liability/(asset) (a)-(b)=(c)
Balance at June 30, 2018			
(Valuation date June 30, 2017)	\$ 1,872,937	\$ 1,591,415	\$ 281,522
Changes recognized for the measurement period:			
Service cost	109,652	-	109,652
Interest cost	130,212	-	130,212
Expected investment income	-	107,003	(107,003)
Employer contributions	-	95,572	(95,572)
Administrative expenses	-	(836)	836
Benefit payments	(95,572)	(95,572)	-
Other expenses	-	(2,105)	2,105
Investment experience	-	(8,767)	8,767
Net changes	<u>144,292</u>	<u>95,295</u>	<u>48,997</u>
Balance at June 30, 2019			
(Measurement date June 30, 2018)	<u>\$ 2,017,229</u>	<u>\$ 1,686,710</u>	<u>\$ 330,519</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, 2018:

	Discount rate		
	1% decrease	Current rate	1% increase
Net OPEB liability	<u>\$ 549,740</u>	<u>\$ 330,519</u>	<u>\$ 145,376</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, 2018:

	Medical cost inflation		
	1% decrease	Current rate	1% increase
Net OPEB liability	<u>\$ 88,287</u>	<u>\$ 330,519</u>	<u>\$ 683,054</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

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, 2019, the City recognized OPEB expense of \$115,459. As of fiscal year ended June 30, 2019, 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	\$ 10,399	\$ -
Differences between expected and actual experience	-	145,362
Net difference between projected and actual earnings on investments	-	2,194
Contributions subsequent to the measurement date	<u>163,349</u>	<u>-</u>
Totals	<u>\$ 173,748</u>	<u>\$ 147,556</u>

The \$163,349 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2019 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. 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>
2020	\$ (20,343)
2021	(20,343)
2022	(20,341)
2023	(17,271)
2024	(19,026)
Thereafter	(39,833)

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2019

14. SUCCESSOR AGENCY

Successor Agency Long-Term Debt

The debt of the Successor Agency as of June 30, 2019 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>
Long-term debt						
Refunding Bond, Series 1998A	\$ 740,000	\$ -	\$ (360,000)	\$ 380,000	\$ 380,000	\$ -
Other long-term liabilities						
Compensated absences	-	693	(208)	485	97	388
Total	<u>\$ 740,000</u>	<u>\$ 693</u>	<u>\$ (360,208)</u>	<u>\$ 380,485</u>	<u>\$ 380,097</u>	<u>\$ 388</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 Agency originally pledged tax increment revenues for repayment, but now pledges Redevelopment Property Tax Trust Fund revenues.

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 \$380,000 at June 30, 2019.

In the event of default, only with the consent of the Bond Insurer, upon the occurrence and during the continuance of any event of default the trustee may, and at the written direction of the owners of a majority in aggregate principal amount of the bonds at the time outstanding, the trustee shall, declare the principal of all of the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately, and upon any such declaration the same shall become and shall be immediately due and payable.

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>
2020	<u>\$ 380,000</u>	<u>\$ 9,500</u>	<u>\$ 389,500</u>
Totals	<u>\$ 380,000</u>	<u>\$ 9,500</u>	<u>\$ 389,500</u>

City of Sierra Madre, California

Village of the Foothills



Required Supplementary Information For the Year Ending June 30, 2019

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CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2019

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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,394,400	\$ 6,394,400	\$ 6,593,990	\$ 199,590
Other taxes	3,080,000	3,080,000	3,302,646	222,646
Charges for services	737,700	737,700	879,736	142,036
Intergovernmental	-	-	24,766	24,766
Licenses and permits	1,219,700	1,219,700	1,142,814	(76,886)
Fines and forfeitures	148,100	148,100	140,395	(7,705)
Investment income	50,000	50,000	164,203	114,203
Miscellaneous	51,400	51,400	62,819	11,419
Total revenues	<u>11,681,300</u>	<u>11,681,300</u>	<u>12,311,369</u>	<u>630,069</u>
Expenditures:				
Current:				
General government:				
Administrative Services	2,607,300	3,341,300	3,319,121	22,179
Elected and Appointed	284,200	284,200	294,146	(9,946)
Total general government	<u>2,891,500</u>	<u>3,625,500</u>	<u>3,613,267</u>	<u>12,233</u>
Public safety:				
Police	3,615,800	4,841,600	4,733,846	107,754
Fire	2,182,000	3,318,000	3,150,429	167,571
Total public safety	<u>5,797,800</u>	<u>8,159,600</u>	<u>7,884,275</u>	<u>275,325</u>
Public works	561,500	593,500	479,797	113,703
Development	1,279,300	1,487,300	1,272,696	214,604
Culture and recreation:				
Community Services	460,700	752,700	683,847	68,853
Library Services	523,100	523,100	568,521	(45,421)
Total culture and recreation	<u>983,800</u>	<u>1,275,800</u>	<u>1,252,368</u>	<u>23,432</u>
Total expenditures	<u>11,513,900</u>	<u>15,141,700</u>	<u>14,502,403</u>	<u>639,297</u>
Excess (deficiency) of revenues over (under) expenditures	<u>167,400</u>	<u>(3,460,400)</u>	<u>(2,191,034)</u>	<u>1,269,366</u>
Other financing sources (uses):				
Transfers in	138,200	-	421,010	421,010
Transfers out	(16,000)	(16,000)	(31,864)	(15,864)
Total other financing sources (uses)	<u>122,200</u>	<u>(16,000)</u>	<u>389,146</u>	<u>405,146</u>
Net change to fund balance	289,600	(3,476,400)	(1,801,888)	1,674,512
Fund balance, beginning of year	<u>8,752,193</u>	<u>8,752,193</u>	<u>8,752,193</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,041,793</u>	<u>\$ 5,275,793</u>	<u>\$ 6,950,305</u>	<u>\$ 1,674,512</u>

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2019

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**

<u>Measurement date</u>	<u>Employer's Proportion of the Collective Net Pension Liability¹</u>	<u>Employer's Proportionate Share of the Collective Net Pension Liability</u>	<u>Covered payroll</u>	<u>Employer's proportionate share of the collective net pension liability as a percentage of the employer's covered payroll</u>	<u>Pension Plan's fiduciary net position as a percentage of the total pension liability</u>
June 30, 2014	\$ 9,021,417	0.14780%	\$ 4,688,122	192.43%	77.90%
June 30, 2015	10,143,930	0.14779%	4,841,779	209.51%	75.43%
June 30, 2016	12,331,116	0.14251%	4,869,024	253.26%	71.10%
June 30, 2017	13,878,779	0.13995%	5,243,636	264.68%	70.40%
June 30, 2018	12,568,021	0.13042%	4,566,971	275.19%	74.85%

¹Proportion 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 five years of data is available

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2019

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

*Schedule of Plan Contributions – Last 10 Years**

<u>Fiscal year</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
June 30, 2015	\$ 1,004,211	\$ (1,004,211)	\$ -	\$ 4,841,779	20.74%
June 30, 2016	1,175,439	(1,175,439)	-	4,869,024	24.14%
June 30, 2017	1,272,198	(1,272,198)	-	5,243,636	24.26%
June 30, 2018	1,418,218	(1,418,218)	-	4,566,971	31.05%
June 30, 2019	1,585,121	(6,585,121)	(5,000,000)	4,773,023	137.97%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. 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 five years of data is available.

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2019

2. OTHER POST EMPLOYMENT BENEFITS

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

	Measurement date	
	<u>June 30, 2018</u>	<u>June 30, 2017</u>
Total OPEB Liability		
Service cost	\$ 109,652	\$ 107,444
Interest cost	130,212	132,432
Plan experience	-	(186,345)
Changes in assumptions	-	13,329
Changes in benefit terms	-	-
Benefit payments	<u>(95,572)</u>	<u>(108,541)</u>
Net change in Total OPEB Liability	144,292	(41,681)
Total OPEB Liability - beginning	<u>1,872,937</u>	<u>1,914,618</u>
Total OPEB Liability - ending (a)	<u>2,017,229</u>	<u>1,872,937</u>
Plan Fiduciary Net Position		
Contribution - employer	95,572	108,541
Expected investment income/experience	98,236	99,406
Investment experience	-	15,348
Benefit payments	(95,572)	(108,541)
Administrative expense	<u>(2,941)</u>	<u>(782)</u>
Net change in Plan Fiduciary Net Position	95,295	113,972
Plan Fiduciary Net Position - beginning	<u>1,591,415</u>	<u>1,477,443</u>
Plan Fiduciary Net Position - ending (b)	<u>1,686,710</u>	<u>1,591,415</u>
Net OPEB Liability - ending (a) - (b)	<u>\$ 330,519</u>	<u>\$ 281,522</u>
Plan fiduciary net position as a percentage of the total OPEB liability	83.62%	84.97%
Covered payroll	\$ 5,537,332	\$ 4,937,800
Net OPEB liability as a percentage of covered payroll	5.97%	5.70%

Notes to schedule:

There were no changes in assumptions from the previous valuation.

* = Only two years of data is available.

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2019

2. OTHER POST EMPLOYMENT BENEFITS, (continued)

*Schedule of Plan Contributions – Last 10 Years**

<u>Fiscal year</u>	<u>Actuarially Determined Contributions (ADC)</u>	<u>Contributions in relation to the ADC</u>	<u>Contribution deficiency (excess)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
June 30, 2018	\$ 153,086	\$ (108,541)	\$ 44,545	\$ 5,537,332	1.96%
June 30, 2019	145,849	(163,349)	(17,500)	5,884,525	2.78%

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

* = Only two years of data is available.

City of Sierra Madre, California

Village of the Foothills



Supplementary Information For the Year Ending June 30, 2019

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CITY OF SIERRA MADRE
Combined Balance Sheet
Non-Major Governmental Funds by Fund Type
June 30, 2019

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
Assets:				
Cash and investments	\$ 3,849,419	\$ 568,527	\$ 12,380	\$ 4,430,326
Receivables:				
Accounts	70,392	-	-	70,392
Taxes	123,934	-	-	123,934
Due from other agencies	11,992	-	-	11,992
Land held for resale	-	1,500,000	-	1,500,000
Total assets	<u>\$ 4,055,737</u>	<u>\$ 2,068,527</u>	<u>\$ 12,380</u>	<u>\$ 6,136,644</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 274,493	\$ 22,487	\$ -	\$ 296,980
Accrued payroll and related liabilities	7,818	-	-	7,818
Due to other funds	104,522	-	-	104,522
Deposits and retentions	50,780	38,188	-	88,968
Total liabilities	<u>437,613</u>	<u>60,675</u>	<u>-</u>	<u>498,288</u>
Fund balances (deficit):				
Restricted	3,328,745	1,500,115	-	4,828,860
Committed	349,974	507,737	12,380	870,091
Unassigned	(60,595)	-	-	(60,595)
Total fund balances	<u>3,618,124</u>	<u>2,007,852</u>	<u>12,380</u>	<u>5,638,356</u>
Total liabilities and fund balances	<u>\$ 4,055,737</u>	<u>\$ 2,068,527</u>	<u>\$ 12,380</u>	<u>\$ 6,136,644</u>

CITY OF SIERRA MADRE
Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds by Fund Type
For the year ended June 30, 2019

	Special Revenue Funds	Capital Projects Funds	City-wide Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ 236,061	\$ -	\$ -	\$ 236,061
Charges for services	3,005	-	92,000	95,005
Intergovernmental	1,511,245	-	-	1,511,245
Licenses and permits	88,256	-	-	88,256
Investment income	122,782	19,344	-	142,126
Miscellaneous	143,036	121,926	-	264,962
Total revenues	<u>2,104,385</u>	<u>141,270</u>	<u>92,000</u>	<u>2,337,655</u>
Expenditures:				
Current:				
General government	49,390	-	-	49,390
Public safety	281,229	-	-	281,229
Public works	1,491,081	202,645	-	1,693,726
Culture and recreation	244,614	-	-	244,614
Debt Service:				
Principal	-	-	83,163	83,163
Interest	-	-	7,879	7,879
Total expenditures	<u>2,066,314</u>	<u>202,645</u>	<u>91,042</u>	<u>2,360,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>38,071</u>	<u>(61,375)</u>	<u>958</u>	<u>(22,346)</u>
Other financing sources (uses):				
Transfers in	47,554	-	-	47,554
Transfers out	(29,235)	-	-	(29,235)
Total other financing sources (uses)	<u>18,319</u>	<u>-</u>	<u>-</u>	<u>18,319</u>
Net change to fund balances	56,390	(61,375)	958	(4,027)
Fund balances, beginning of year	<u>3,561,734</u>	<u>2,069,227</u>	<u>11,422</u>	<u>5,642,383</u>
Fund balances, end of year	<u>\$ 3,618,124</u>	<u>\$ 2,007,852</u>	<u>\$ 12,380</u>	<u>\$ 5,638,356</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2019

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Assets:				
Cash and investments	\$ -	\$ 1,003,149	\$ 2,846,270	\$ 3,849,419
Receivables:				
Accounts	1,343	-	69,049	70,392
Taxes	-	7,978	115,956	123,934
Due from other agencies	11,992	-	-	11,992
Total assets	<u>\$ 13,335</u>	<u>\$ 1,011,127</u>	<u>\$ 3,031,275</u>	<u>\$ 4,055,737</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 7,798	\$ 266,695	\$ 274,493
Accrued payroll and related liabilities	-	-	7,818	7,818
Due to other funds	13,335	-	91,187	104,522
Deposits and retentions	-	-	50,780	50,780
Total liabilities	<u>13,335</u>	<u>7,798</u>	<u>416,480</u>	<u>437,613</u>
Fund balances (deficit):				
Restricted	-	1,003,329	2,325,416	3,328,745
Committed	-	-	349,974	349,974
Unassigned	-	-	(60,595)	(60,595)
Total fund balances	<u>-</u>	<u>1,003,329</u>	<u>2,614,795</u>	<u>3,618,124</u>
 Total liabilities and fund balances	 <u>\$ 13,335</u>	 <u>\$ 1,011,127</u>	 <u>\$ 3,031,275</u>	 <u>\$ 4,055,737</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, 2019

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Revenues:				
Property taxes	\$ -	\$ 236,061	\$ -	\$ 236,061
Charges for services	-	-	3,005	3,005
Intergovernmental	1,344	-	1,509,901	1,511,245
Licenses and permits	-	-	88,256	88,256
Investment income	11	27,707	95,064	122,782
Miscellaneous	-	-	143,036	143,036
Total revenues	<u>1,355</u>	<u>263,768</u>	<u>1,839,262</u>	<u>2,104,385</u>
Expenditures:				
Current:				
General government	-	-	49,390	49,390
Public safety	-	-	281,229	281,229
Public works	-	170,389	1,320,692	1,491,081
Culture and recreation	7,608	-	237,006	244,614
Total expenditures	<u>7,608</u>	<u>170,389</u>	<u>1,888,317</u>	<u>2,066,314</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,253)</u>	<u>93,379</u>	<u>(49,055)</u>	<u>38,071</u>
Other financing sources (uses):				
Transfers in	132	13,171	34,251	47,554
Transfers out	-	(16,719)	(12,516)	(29,235)
Total other financing sources (uses)	<u>132</u>	<u>(3,548)</u>	<u>21,735</u>	<u>18,319</u>
Net change to fund balances	(6,121)	89,831	(27,320)	56,390
Fund balances, beginning of year	<u>6,121</u>	<u>913,498</u>	<u>2,642,115</u>	<u>3,561,734</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,003,329</u>	<u>\$ 2,614,795</u>	<u>\$ 3,618,124</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Grants
June 30, 2019

	<u>Local History State Grant</u>	<u>LA County Tree Mitigation Grant</u>	<u>Total Special Revenue-Grant Funds</u>
Assets:			
Accounts receivable	\$ 1,343	\$ -	\$ 1,343
Due from other agencies	-	11,992	11,992
Total assets	<u>\$ 1,343</u>	<u>\$ 11,992</u>	<u>\$ 13,335</u>
Liabilities and Fund Balances:			
Liabilities:			
Due to other funds	\$ 1,343	\$ 11,992	\$ 13,335
Total liabilities	<u>1,343</u>	<u>11,992</u>	<u>13,335</u>
Fund balances:			
Restricted	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 1,343</u>	<u>\$ 11,992</u>	<u>\$ 13,335</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, 2019

	Local History State Grant	LA County Tree Mitigation Grant	Total Special Revenue-Grant Funds
Revenues:			
Intergovernmental	\$ 1,344	\$ -	\$ 1,344
Investment income	11	-	11
Total revenues	<u>1,355</u>	<u>-</u>	<u>1,355</u>
Expenditures:			
Current:			
Culture and recreation	7,608	-	7,608
Total expenditures	<u>7,608</u>	<u>-</u>	<u>7,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,253)</u>	<u>-</u>	<u>(6,253)</u>
Other financing sources (uses):			
Transfers in	132	-	132
Total other financing sources (uses)	<u>132</u>	<u>-</u>	<u>132</u>
Net change to fund balances	(6,121)	-	(6,121)
Fund balances, beginning of year	<u>6,121</u>	<u>-</u>	<u>6,121</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Assessments
June 30, 2019

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Assets:				
Cash and investments	\$ 30,408	\$ 2,594	\$ 8,086	\$ 314,660
Taxes receivable	646	70	-	2,457
Total assets	<u>\$ 31,054</u>	<u>\$ 2,664</u>	<u>\$ 8,086</u>	<u>\$ 317,117</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	560	173	524
Total liabilities	<u>-</u>	<u>560</u>	<u>173</u>	<u>524</u>
Fund balances:				
Restricted	31,054	2,104	7,913	316,593
Total fund balances	<u>31,054</u>	<u>2,104</u>	<u>7,913</u>	<u>316,593</u>
Total liabilities and fund balances	<u>\$ 31,054</u>	<u>\$ 2,664</u>	<u>\$ 8,086</u>	<u>\$ 317,117</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 317,552	\$ 272,010	\$ 2,150	\$ 7,409	\$ 48,280	\$ 1,003,149
4	3,234	82	295	1,190	7,978
<u>\$ 317,556</u>	<u>\$ 275,244</u>	<u>\$ 2,232</u>	<u>\$ 7,704</u>	<u>\$ 49,470</u>	<u>\$ 1,011,127</u>
3,654	655	2,232	\$ -	\$ -	\$ 7,798
<u>3,654</u>	<u>655</u>	<u>2,232</u>	<u>-</u>	<u>-</u>	<u>7,798</u>
313,902	274,589	-	7,704	49,470	1,003,329
<u>313,902</u>	<u>274,589</u>	<u>-</u>	<u>7,704</u>	<u>49,470</u>	<u>1,003,329</u>
<u>\$ 317,556</u>	<u>\$ 275,244</u>	<u>\$ 2,232</u>	<u>\$ 7,704</u>	<u>\$ 49,470</u>	<u>\$ 1,011,127</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, 2019

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Revenues:				
Property taxes	\$ 8,351	\$ 5,301	\$ -	\$ 57,680
Investment income	1,023	81	-	8,184
Total revenues	<u>9,374</u>	<u>5,382</u>	<u>-</u>	<u>65,864</u>
Expenditures:				
Current:				
Public works	-	6,747	2,670	7,862
Total expenditures	<u>-</u>	<u>6,747</u>	<u>2,670</u>	<u>7,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>9,374</u>	<u>(1,365)</u>	<u>(2,670)</u>	<u>58,002</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(9,374)	-	-	-
Total other financing sources (uses)	<u>(9,374)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	-	(1,365)	(2,670)	58,002
Fund balances, beginning of year	<u>31,054</u>	<u>3,469</u>	<u>10,583</u>	<u>258,591</u>
Fund balances, end of year	<u>\$ 31,054</u>	<u>\$ 2,104</u>	<u>\$ 7,913</u>	<u>\$ 316,593</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 69,172	\$ 72,790	\$ 8,886	\$ 7,036	\$ 6,845	\$ 236,061
8,677	8,139	-	309	1,294	27,707
<u>77,849</u>	<u>80,929</u>	<u>8,886</u>	<u>7,345</u>	<u>8,139</u>	<u>263,768</u>
39,494	91,559	22,057	-	-	170,389
<u>39,494</u>	<u>91,559</u>	<u>22,057</u>	<u>-</u>	<u>-</u>	<u>170,389</u>
38,355	(10,630)	(13,171)	7,345	8,139	93,379
-	-	13,171	-	-	13,171
-	-	-	(7,345)	-	(16,719)
<u>-</u>	<u>-</u>	<u>13,171</u>	<u>(7,345)</u>	<u>-</u>	<u>(3,548)</u>
38,355	(10,630)	-	-	8,139	89,831
<u>275,547</u>	<u>285,219</u>	<u>-</u>	<u>7,704</u>	<u>41,331</u>	<u>913,498</u>
<u>\$ 313,902</u>	<u>\$ 274,589</u>	<u>\$ -</u>	<u>\$ 7,704</u>	<u>\$ 49,470</u>	<u>\$ 1,003,329</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other
June 30, 2019

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
Assets:					
Cash and investments	\$ 1,102,857	\$ 60,305	\$ 1,119	\$ 5,028	\$ 157,972
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	24,053
Total assets	<u>\$ 1,102,857</u>	<u>\$ 60,305</u>	<u>\$ 1,119</u>	<u>\$ 5,028</u>	<u>\$ 182,025</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 32,271	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	2,455
Due to other funds	-	-	-	-	-
Deposits and retentions	50,780	-	-	-	-
Total liabilities	<u>83,051</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,455</u>
Fund balances (deficit):					
Restricted	1,019,806	60,305	1,119	-	179,570
Committed	-	-	-	5,028	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,019,806</u>	<u>60,305</u>	<u>1,119</u>	<u>5,028</u>	<u>179,570</u>
Total liabilities and fund balances	<u>\$ 1,102,857</u>	<u>\$ 60,305</u>	<u>\$ 1,119</u>	<u>\$ 5,028</u>	<u>\$ 182,025</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>
\$ 190,175	\$ 3,677	\$ 6,459	\$ 40,504	\$ 347,616	\$ -	\$ 195,298
-	-	-	-	-	-	-
55,948	-	-	-	-	-	-
<u>\$ 246,123</u>	<u>\$ 3,677</u>	<u>\$ 6,459</u>	<u>\$ 40,504</u>	<u>\$ 347,616</u>	<u>\$ -</u>	<u>\$ 195,298</u>
\$ -	\$ -	\$ -	\$ 1,522	\$ 12,765	\$ -	\$ 2,486
2,225	-	-	-	-	-	-
-	-	-	-	-	60,595	-
-	-	-	-	-	-	-
<u>2,225</u>	<u>-</u>	<u>-</u>	<u>1,522</u>	<u>12,765</u>	<u>60,595</u>	<u>2,486</u>
243,898	-	-	-	334,851	-	-
-	3,677	6,459	38,982	-	-	192,812
-	-	-	-	-	(60,595)	-
<u>243,898</u>	<u>3,677</u>	<u>6,459</u>	<u>38,982</u>	<u>334,851</u>	<u>(60,595)</u>	<u>192,812</u>
<u>\$ 246,123</u>	<u>\$ 3,677</u>	<u>\$ 6,459</u>	<u>\$ 40,504</u>	<u>\$ 347,616</u>	<u>\$ -</u>	<u>\$ 195,298</u>

(continued)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2019

	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	County Prop A Park Development	CA Beverage Container	Clean Air Fund (AQMD)
Assets:						
Cash and investments	\$ 41,606	\$ 61,236	\$ 98,805	\$ -	\$ 39,645	\$ 12,857
Receivables:						
Accounts	-	-	-	13,763	-	2,493
Taxes	-	-	-	-	-	-
Total assets	<u>\$ 41,606</u>	<u>\$ 61,236</u>	<u>\$ 98,805</u>	<u>\$ 13,763</u>	<u>\$ 39,645</u>	<u>\$ 15,350</u>
Liabilities and Fund Balances:						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ 90,733	\$ -	\$ 15,052	\$ -
Accrued payroll and related liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	13,763	-	-
Deposits and retentions	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>90,733</u>	<u>13,763</u>	<u>15,052</u>	<u>-</u>
Fund balances (deficit):						
Restricted	-	-	8,072	-	24,593	15,350
Committed	41,606	61,236	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>41,606</u>	<u>61,236</u>	<u>8,072</u>	<u>-</u>	<u>24,593</u>	<u>15,350</u>
Total liabilities and fund balances	<u>\$ 41,606</u>	<u>\$ 61,236</u>	<u>\$ 98,805</u>	<u>\$ 13,763</u>	<u>\$ 39,645</u>	<u>\$ 15,350</u>

Environmental Fund	Gas Tax Fund	Bikeway/Sidewalk TDA	Measure R	Traffic Congestion Relief Program	Measure M	Road Maintenance and Rehabilitation
\$ 1,044	\$ 3,537	\$ -	\$ 69,606	\$ 25,090	\$ 78,600	\$ 45,762
23,636	-	7,289	-	-	-	-
-	-	-	-	-	-	35,955
<u>\$ 24,680</u>	<u>\$ 3,537</u>	<u>\$ 7,289</u>	<u>\$ 69,606</u>	<u>\$ 25,090</u>	<u>\$ 78,600</u>	<u>\$ 81,717</u>
\$ 24,405	\$ 744	\$ -	\$ 32,500	\$ -	\$ 40,630	\$ -
275	2,793	-	-	-	70	-
-	-	7,289	-	-	-	-
-	-	-	-	-	-	-
<u>24,680</u>	<u>3,537</u>	<u>7,289</u>	<u>32,500</u>	<u>-</u>	<u>40,700</u>	<u>-</u>
-	-	-	37,106	25,090	37,900	81,717
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>37,106</u>	<u>25,090</u>	<u>37,900</u>	<u>81,717</u>
<u>\$ 24,680</u>	<u>\$ 3,537</u>	<u>\$ 7,289</u>	<u>\$ 69,606</u>	<u>\$ 25,090</u>	<u>\$ 78,600</u>	<u>\$ 81,717</u>

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CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2019

	Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
Assets:				
Cash and investments	\$ 257,298	\$ -	\$ 174	\$ 2,846,270
Receivables:				
Accounts	-	21,868	-	69,049
Taxes	-	-	-	115,956
Total assets	<u>\$ 257,298</u>	<u>\$ 21,868</u>	<u>\$ 174</u>	<u>\$ 3,031,275</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,259	\$ 12,328	\$ -	\$ 266,695
Accrued payroll and related liabilities	-	-	-	7,818
Due to other funds	-	9,540	-	91,187
Deposits and retentions	-	-	-	50,780
Total liabilities	<u>1,259</u>	<u>21,868</u>	<u>-</u>	<u>416,480</u>
Fund balances (deficit):				
Restricted	256,039	-	-	2,325,416
Committed	-	-	174	349,974
Unassigned	-	-	-	(60,595)
Total fund balances	<u>256,039</u>	<u>-</u>	<u>174</u>	<u>2,614,795</u>
Total liabilities and fund balances	<u>\$ 257,298</u>	<u>\$ 21,868</u>	<u>\$ 174</u>	<u>\$ 3,031,275</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, 2019

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	138,889
Licenses and permits	-	-	-	-	-
Investment income	40,384	1,732	32	147	5,503
Miscellaneous	-	-	-	-	-
Total revenues	<u>40,384</u>	<u>1,732</u>	<u>32</u>	<u>147</u>	<u>144,392</u>
Expenditures:					
Current:					
General government	49,390	-	-	-	-
Public safety	-	-	-	175	128,229
Public works	337,372	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>386,762</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>128,229</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(346,378)</u>	<u>1,732</u>	<u>32</u>	<u>(28)</u>	<u>16,163</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	(346,378)	1,732	32	(28)	16,163
Fund balances, beginning of year	<u>1,366,184</u>	<u>58,573</u>	<u>1,087</u>	<u>5,056</u>	<u>163,407</u>
Fund balances, end of year	<u>\$ 1,019,806</u>	<u>\$ 60,305</u>	<u>\$ 1,119</u>	<u>\$ 5,028</u>	<u>\$ 179,570</u>

State COPS Grant	Fire Department Donations	Community Arts Commission	Recreation Department Donations	Local Transportation Prop A	Open Space	Senior Center
\$ -	\$ -	\$ -	\$ -	\$ 3,005	\$ -	\$ -
204,694	-	-	-	221,038	-	-
-	-	-	-	-	-	-
6,648	103	186	1,262	9,459	-	5,256
-	201	-	-	-	49,578	45,432
<u>211,342</u>	<u>304</u>	<u>186</u>	<u>1,262</u>	<u>233,502</u>	<u>49,578</u>	<u>50,688</u>
-	-	-	-	-	-	-
152,825	-	-	-	-	-	-
-	-	-	-	1,819	-	-
-	-	-	7,981	161,126	-	20,377
<u>152,825</u>	<u>-</u>	<u>-</u>	<u>7,981</u>	<u>162,945</u>	<u>-</u>	<u>20,377</u>
<u>58,517</u>	<u>304</u>	<u>186</u>	<u>(6,719)</u>	<u>70,557</u>	<u>49,578</u>	<u>30,311</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
58,517	304	186	(6,719)	70,557	49,578	30,311
<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>\$ 243,898</u>	<u>\$ 3,677</u>	<u>\$ 6,459</u>	<u>\$ 38,982</u>	<u>\$ 334,851</u>	<u>\$ (60,595)</u>	<u>\$ 192,812</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, 2019

	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	County Prop A Park Development	CA Beverage Container Grant
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	183,345	13,763	5,000
Licenses and permits	-	-	-	-	-
Investment income	1,195	1,758	3,405	-	1,158
Miscellaneous	-	-	-	-	-
Total revenues	<u>1,195</u>	<u>1,758</u>	<u>186,750</u>	<u>13,763</u>	<u>6,158</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	204,055	13,763	20,052
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>204,055</u>	<u>13,763</u>	<u>20,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,195</u>	<u>1,758</u>	<u>(17,305)</u>	<u>-</u>	<u>(13,894)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	1,195	1,758	(17,305)	-	(13,894)
Fund balances, beginning of year	<u>40,411</u>	<u>59,478</u>	<u>25,377</u>	<u>-</u>	<u>38,487</u>
Fund balances, end of year	<u>\$ 41,606</u>	<u>\$ 61,236</u>	<u>\$ 8,072</u>	<u>\$ -</u>	<u>\$ 24,593</u>

Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Bikeway/Sidewalk TDA	Measure R	Traffic Congestion Relief Program	Measure M	Road Maintenance and Rehabilitation
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13,049	-	216,527	7,289	137,548	12,389	154,907	201,463
-	88,256	-	-	-	-	-	-
1,271	-	-	-	3,779	185	2,304	1,905
-	-	-	-	-	-	-	-
<u>14,320</u>	<u>88,256</u>	<u>216,527</u>	<u>7,289</u>	<u>141,327</u>	<u>12,574</u>	<u>157,211</u>	<u>203,368</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
40,153	99,684	208,990	7,289	128,013	-	135,350	124,152
-	-	-	-	-	-	-	-
<u>40,153</u>	<u>99,684</u>	<u>208,990</u>	<u>7,289</u>	<u>128,013</u>	<u>-</u>	<u>135,350</u>	<u>124,152</u>
<u>(25,833)</u>	<u>(11,428)</u>	<u>7,537</u>	<u>-</u>	<u>13,314</u>	<u>12,574</u>	<u>21,861</u>	<u>79,216</u>
-	11,428	3,201	-	-	12,516	-	-
-	-	(12,516)	-	-	-	-	-
-	11,428	(9,315)	-	-	12,516	-	-
(25,833)	-	(1,778)	-	13,314	25,090	21,861	79,216
<u>41,183</u>	<u>-</u>	<u>1,778</u>	<u>-</u>	<u>23,792</u>	<u>-</u>	<u>16,039</u>	<u>2,501</u>
<u>\$ 15,350</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,106</u>	<u>\$ 25,090</u>	<u>\$ 37,900</u>	<u>\$ 81,717</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, 2019

	Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ 3,005
Intergovernmental	-	-	-	1,509,901
Licenses and permits	-	-	-	88,256
Investment income	7,392	-	-	95,064
Miscellaneous	4,212	43,613	-	143,036
Total revenues	<u>11,604</u>	<u>43,613</u>	<u>-</u>	<u>1,839,262</u>
Expenditures:				
Current:				
General government	-	-	-	49,390
Public safety	-	-	-	281,229
Public works	-	-	-	1,320,692
Culture and recreation	3,910	43,612	-	237,006
Total expenditures	<u>3,910</u>	<u>43,612</u>	<u>-</u>	<u>1,888,317</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,694</u>	<u>1</u>	<u>-</u>	<u>(49,055)</u>
Other financing sources (uses):				
Transfers in	-	7,106	-	34,251
Transfers out	-	-	-	(12,516)
Total other financing sources (uses)	<u>-</u>	<u>7,106</u>	<u>-</u>	<u>21,735</u>
Net change to fund balances	7,694	7,107	-	(27,320)
Fund balances, beginning of year	<u>248,345</u>	<u>(7,107)</u>	<u>174</u>	<u>2,642,115</u>
Fund balances, end of year	<u>\$ 256,039</u>	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 2,614,795</u> (concluded)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2019

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Assets:			
Cash and investments	\$ 2,615	\$ 565,912	\$ 568,527
Land held for resale	1,500,000	-	1,500,000
Total assets	<u>\$ 1,502,615</u>	<u>\$ 565,912</u>	<u>\$ 2,068,527</u>
Liabilities and Fund Balances:			
Accounts payable	\$ -	\$ 22,487	\$ 22,487
Deposits and retentions	2,500	35,688	38,188
Total liabilities	<u>2,500</u>	<u>58,175</u>	<u>60,675</u>
Fund balances:			
Restricted	1,500,115	-	1,500,115
Committed	-	507,737	507,737
Total fund balances	<u>1,500,115</u>	<u>507,737</u>	<u>2,007,852</u>
Total liabilities and fund balances	<u>\$ 1,502,615</u>	<u>\$ 565,912</u>	<u>\$ 2,068,527</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, 2019

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Revenues:			
Investment income	\$ 75	\$ 19,269	\$ 19,344
Miscellaneous	-	121,926	121,926
Total revenues	<u>75</u>	<u>141,195</u>	<u>141,270</u>
Expenditures:			
Current:			
Public works	-	202,645	202,645
Total expenditures	<u>-</u>	<u>202,645</u>	<u>202,645</u>
Net change to fund balance	75	(61,450)	(61,375)
Fund balances, beginning of year	<u>1,500,040</u>	<u>569,187</u>	<u>2,069,227</u>
Fund Balances, end of year	<u>\$ 1,500,115</u>	<u>\$ 507,737</u>	<u>\$ 2,007,852</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 10,300	\$ 10,300	\$ 8,351	\$ (1,949)
Investment income	200	200	1,023	823
Total revenues	<u>10,500</u>	<u>10,500</u>	<u>9,374</u>	<u>(1,126)</u>
Expenditures:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,500</u>	<u>10,500</u>	<u>9,374</u>	<u>(1,126)</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	<u>(31,800)</u>	<u>(31,800)</u>	<u>(9,374)</u>	<u>22,426</u>
Total other financing sources (uses)	<u>(31,800)</u>	<u>(31,800)</u>	<u>(9,374)</u>	<u>22,426</u>
Net change to fund balance	(21,300)	(21,300)	-	21,300
Fund balance, beginning of year	<u>31,054</u>	<u>31,054</u>	<u>31,054</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,754</u>	<u>\$ 9,754</u>	<u>\$ 31,054</u>	<u>\$ 21,300</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,200	\$ 6,200	\$ 5,301	\$ (899)
Investment income	-	-	81	81
Total revenues	<u>6,200</u>	<u>6,200</u>	<u>5,382</u>	<u>(818)</u>
Expenditures:				
Current:				
Public works	<u>17,800</u>	<u>17,800</u>	<u>6,747</u>	<u>11,053</u>
Total expenditures	<u>17,800</u>	<u>17,800</u>	<u>6,747</u>	<u>11,053</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(11,600)</u>	<u>(11,600)</u>	<u>(1,365)</u>	<u>10,235</u>
Other financing sources (uses):				
Transfers in	<u>11,600</u>	<u>11,600</u>	-	<u>(11,600)</u>
Total other financing sources (uses)	<u>11,600</u>	<u>11,600</u>	-	<u>(11,600)</u>
Net change to fund balance	-	-	(1,365)	(1,365)
Fund balance, beginning of year	<u>3,469</u>	<u>3,469</u>	<u>3,469</u>	<u>-</u>
Fund balance, end of year	<u>\$ 3,469</u>	<u>\$ 3,469</u>	<u>\$ 2,104</u>	<u>\$ (1,365)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Current:				
Public works	1,000	1,000	2,670	(1,670)
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>2,670</u>	<u>(1,670)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,000)</u>	<u>(1,000)</u>	<u>(2,670)</u>	<u>(1,670)</u>
Net change to fund balance	(1,000)	(1,000)	(2,670)	(1,670)
Fund balance, beginning of year	<u>10,583</u>	<u>10,583</u>	<u>10,583</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,583</u>	<u>\$ 9,583</u>	<u>\$ 7,913</u>	<u>\$ (1,670)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 51,000	\$ 51,000	\$ 57,680	\$ 6,680
Investment income	-	-	8,184	8,184
Total revenues	<u>51,000</u>	<u>51,000</u>	<u>65,864</u>	<u>14,864</u>
Expenditures:				
Current:				
Public works	<u>2,000</u>	<u>2,000</u>	<u>7,862</u>	<u>(5,862)</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>7,862</u>	<u>(5,862)</u>
Net change to fund balance	49,000	49,000	58,002	9,002
Fund balance, beginning of year	<u>258,591</u>	<u>258,591</u>	<u>258,591</u>	<u>-</u>
Fund balance, end of year	<u>\$ 307,591</u>	<u>\$ 307,591</u>	<u>\$ 316,593</u>	<u>\$ 9,002</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 61,000	\$ 61,000	\$ 69,172	\$ 8,172
Investment income	-	-	8,677	8,677
Total revenues	<u>61,000</u>	<u>61,000</u>	<u>77,849</u>	<u>16,849</u>
Expenditures:				
Current:				
Public works	41,100	41,100	39,494	1,606
Total expenditures	<u>41,100</u>	<u>41,100</u>	<u>39,494</u>	<u>1,606</u>
Net change to fund balance	19,900	19,900	38,355	18,455
Fund balance, beginning of year	<u>275,547</u>	<u>275,547</u>	<u>275,547</u>	<u>-</u>
Fund balance, end of year	<u>\$ 295,447</u>	<u>\$ 295,447</u>	<u>\$ 313,902</u>	<u>\$ 18,455</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 70,000	\$ 70,000	\$ 72,790	\$ 2,790
Investment income	-	-	8,139	8,139
Total revenues	<u>70,000</u>	<u>70,000</u>	<u>80,929</u>	<u>10,929</u>
Expenditures:				
Current:				
Public works	55,400	55,400	91,559	(36,159)
Total expenditures	<u>55,400</u>	<u>55,400</u>	<u>91,559</u>	<u>(36,159)</u>
Net change to fund balance	14,600	14,600	(10,630)	(25,230)
Fund balance, beginning of year	<u>285,219</u>	<u>285,219</u>	<u>285,219</u>	<u>-</u>
Fund balance, end of year	<u>\$ 299,819</u>	<u>\$ 299,819</u>	<u>\$ 274,589</u>	<u>\$ (25,230)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,800	\$ 8,800	\$ 8,886	\$ 86
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>8,886</u>	<u>86</u>
Expenditures:				
Current:				
Public works	<u>28,600</u>	<u>28,600</u>	<u>22,057</u>	<u>6,543</u>
Total expenditures	<u>28,600</u>	<u>28,600</u>	<u>22,057</u>	<u>6,543</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,800)</u>	<u>(19,800)</u>	<u>(13,171)</u>	<u>6,629</u>
Other financing sources (uses):				
Transfers in	<u>19,800</u>	<u>19,800</u>	<u>13,171</u>	<u>(6,629)</u>
Total other financing sources (uses)	<u>19,800</u>	<u>19,800</u>	<u>13,171</u>	<u>(6,629)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 7,000	\$ 7,000	\$ 7,036	\$ 36
Investment income	-	-	309	309
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>7,345</u>	<u>345</u>
Expenditures:				
Current:				
Public works	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,000</u>	<u>7,000</u>	<u>7,345</u>	<u>345</u>
Other financing sources (uses):				
Transfers out	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,345)</u>	<u>(345)</u>
Total other financing sources (uses)	<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,345)</u>	<u>(345)</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>7,704</u>	<u>7,704</u>	<u>7,704</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,704</u>	<u>\$ 7,704</u>	<u>\$ 7,704</u>	<u>\$ -</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 7,000	\$ 7,000	\$ 6,845	\$ (155)
Investment income	-	-	1,294	1,294
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>8,139</u>	<u>1,139</u>
Expenditures:				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	7,000	7,000	8,139	1,139
Fund balance, beginning of year	<u>41,331</u>	<u>41,331</u>	<u>41,331</u>	<u>-</u>
Fund balance, end of year	<u>\$ 48,331</u>	<u>\$ 48,331</u>	<u>\$ 49,470</u>	<u>\$ 1,139</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
DUI Enforcement Special Revenue Fund
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 32	\$ 32
Total revenues	<u>-</u>	<u>-</u>	<u>32</u>	<u>32</u>
Expenditures:				
Current:				
General government	1,200	1,200	-	1,200
Total expenditures	<u>1,200</u>	<u>1,200</u>	<u>-</u>	<u>1,200</u>
Net change to fund balance	(1,200)	(1,200)	32	1,232
Fund balance, beginning of year	<u>1,087</u>	<u>1,087</u>	<u>1,087</u>	<u>-</u>
Fund balance, end of year	<u>\$ (113)</u>	<u>\$ (113)</u>	<u>\$ 1,119</u>	<u>\$ 1,232</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Police Department Donations Special Revenue Fund
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 147	\$ 147
Total revenues	<u>-</u>	<u>-</u>	<u>147</u>	<u>147</u>
Expenditures:				
Current:				
Public safety	5,400	5,400	175	5,225
Total expenditures	<u>5,400</u>	<u>5,400</u>	<u>175</u>	<u>5,225</u>
Net change to fund balance	(5,400)	(5,400)	(28)	5,372
Fund balance, beginning of year	<u>5,056</u>	<u>5,056</u>	<u>5,056</u>	<u>-</u>
Fund balance, end of year	<u>\$ (344)</u>	<u>\$ (344)</u>	<u>\$ 5,028</u>	<u>\$ 5,372</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 120,000	\$ 120,000	\$ 138,889	\$ 18,889
Investment income	-	-	5,503	5,503
Total revenues	<u>120,000</u>	<u>120,000</u>	<u>144,392</u>	<u>24,392</u>
Expenditures:				
Current:				
Public safety	-	138,200	128,229	9,971
Total expenditures	<u>-</u>	<u>138,200</u>	<u>128,229</u>	<u>9,971</u>
Excess (deficiency) of revenues over (under) expenditures	<u>120,000</u>	<u>(18,200)</u>	<u>16,163</u>	<u>34,363</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	(138,200)	-	-	-
Total other financing sources (uses)	<u>(138,200)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	(18,200)	(18,200)	16,163	34,363
Fund balance, beginning of year	<u>163,407</u>	<u>163,407</u>	<u>163,407</u>	<u>-</u>
Fund balance, end of year	<u>\$ 145,207</u>	<u>\$ 145,207</u>	<u>\$ 179,570</u>	<u>\$ 34,363</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 204,694	\$ 104,694
Investment income	-	-	6,648	6,648
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>211,342</u>	<u>111,342</u>
Expenditures:				
Current:				
Public safety	100,000	100,000	152,825	(52,825)
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>152,825</u>	<u>(52,825)</u>
Net change to fund balance	-	-	58,517	58,517
Fund balance, beginning of year	<u>185,381</u>	<u>185,381</u>	<u>185,381</u>	<u>-</u>
Fund balance, end of year	<u>\$ 185,381</u>	<u>\$ 185,381</u>	<u>\$ 243,898</u>	<u>\$ 58,517</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Fire Department Donations Special Revenue Fund
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 103	\$ 103
Miscellaneous	-	-	201	201
Total revenues	<u>-</u>	<u>-</u>	<u>304</u>	<u>304</u>
Expenditures:				
Current:				
Public safety	<u>3,500</u>	<u>3,500</u>	-	<u>3,500</u>
Total expenditures	<u>3,500</u>	<u>3,500</u>	-	<u>3,500</u>
Net change to fund balance	(3,500)	(3,500)	304	3,804
Fund balance, beginning of year	<u>3,373</u>	<u>3,373</u>	<u>3,373</u>	<u>-</u>
Fund balance, end of year	<u>\$ (127)</u>	<u>\$ (127)</u>	<u>\$ 3,677</u>	<u>\$ 3,804</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Community Arts Commission Special Revenue Fund
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 186	\$ 186
Total revenues	<u>-</u>	<u>-</u>	<u>186</u>	<u>186</u>
Expenditures:				
Current:				
Total expenditures	<u>6,300</u>	<u>6,300</u>	<u>-</u>	<u>6,300</u>
Net change to fund balance	(6,300)	(6,300)	186	6,486
Fund balance, beginning of year	<u>6,273</u>	<u>6,273</u>	<u>6,273</u>	<u>-</u>
Fund balance, end of year	<u>\$ (27)</u>	<u>\$ (27)</u>	<u>\$ 6,459</u>	<u>\$ 6,486</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Recreation Department Donations Special Revenue Fund
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 1,262	\$ 1,262
Total revenues	<u>-</u>	<u>-</u>	<u>1,262</u>	<u>1,262</u>
Expenditures:				
Current:				
Culture and recreation	-	15,000	7,981	7,019
Total expenditures	<u>-</u>	<u>15,000</u>	<u>7,981</u>	<u>-</u>
Net change to fund balance	-	(15,000)	(6,719)	8,281
Fund balance, beginning of year	<u>45,701</u>	<u>45,701</u>	<u>45,701</u>	<u>-</u>
Fund balance, end of year	<u>\$ 45,701</u>	<u>\$ 30,701</u>	<u>\$ 38,982</u>	<u>\$ 8,281</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 4,500	\$ 4,500	\$ 3,005	\$ (1,495)
Intergovernmental	211,000	211,000	221,038	10,038
Investment income	-	-	9,459	9,459
Total revenues	<u>215,500</u>	<u>215,500</u>	<u>233,502</u>	<u>18,002</u>
Expenditures:				
Current:				
Public works	11,000	11,000	1,819	9,181
Culture and recreation	<u>150,200</u>	<u>150,200</u>	<u>161,126</u>	<u>(10,926)</u>
Total expenditures	<u>161,200</u>	<u>161,200</u>	<u>162,945</u>	<u>(1,745)</u>
Net change to fund balance	54,300	54,300	70,557	16,257
Fund balance, beginning of year	<u>264,294</u>	<u>264,294</u>	<u>264,294</u>	<u>-</u>
Fund balance, end of year	<u>\$ 318,594</u>	<u>\$ 318,594</u>	<u>\$ 334,851</u>	<u>\$ 16,257</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 5,256	\$ 5,256
Miscellaneous	<u>26,400</u>	<u>26,400</u>	<u>45,432</u>	<u>19,032</u>
Total revenues	<u>26,400</u>	<u>26,400</u>	<u>50,688</u>	<u>24,288</u>
Expenditures:				
Current:				
Culture and recreation	<u>22,000</u>	<u>22,000</u>	<u>20,377</u>	<u>1,623</u>
Total expenditures	<u>22,000</u>	<u>22,000</u>	<u>20,377</u>	<u>1,623</u>
Net change to fund balance	4,400	4,400	30,311	25,911
Fund balance, beginning of year	<u>162,501</u>	<u>162,501</u>	<u>162,501</u>	<u>-</u>
Fund balance, end of year	<u>\$ 166,901</u>	<u>\$ 166,901</u>	<u>\$ 192,812</u>	<u>\$ 25,911</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 178,700	\$ 178,700	\$ 183,345	\$ 4,645
Investment income	-	-	3,405	3,405
Total revenues	<u>178,700</u>	<u>178,700</u>	<u>186,750</u>	<u>8,050</u>
Expenditures:				
Current:				
Public works	<u>385,400</u>	<u>385,400</u>	<u>204,055</u>	<u>181,345</u>
Total expenditures	<u>385,400</u>	<u>385,400</u>	<u>204,055</u>	<u>181,345</u>
Net change to fund balance	(206,700)	(206,700)	(17,305)	189,395
Fund balance, beginning of year	<u>25,377</u>	<u>25,377</u>	<u>25,377</u>	<u>-</u>
Fund balance, end of year	<u>\$ (181,323)</u>	<u>\$ (181,323)</u>	<u>\$ 8,072</u>	<u>\$ 189,395</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Investment income	-	-	1,158	1,158
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>6,158</u>	<u>1,158</u>
Expenditures:				
Current:				
Public works	15,000	15,000	20,052	(5,052)
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>20,052</u>	<u>(5,052)</u>
Net change to fund balance	(10,000)	(10,000)	(13,894)	(3,894)
Fund balance, beginning of year	<u>38,487</u>	<u>38,487</u>	<u>38,487</u>	<u>-</u>
Fund balance, end of year	<u>\$ 28,487</u>	<u>\$ 28,487</u>	<u>\$ 24,593</u>	<u>\$ (3,894)</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 13,400	\$ 13,400	\$ 13,049	\$ (351)
Investment income	-	-	1,271	1,271
Total revenues	<u>13,400</u>	<u>13,400</u>	<u>14,320</u>	<u>920</u>
Expenditures:				
Current:				
Public works	<u>149,600</u>	<u>149,600</u>	<u>40,153</u>	<u>109,447</u>
Total expenditures	<u>149,600</u>	<u>149,600</u>	<u>40,153</u>	<u>109,447</u>
Net change to fund balance	(136,200)	(136,200)	(25,833)	110,367
Fund balance, beginning of year	<u>41,183</u>	<u>41,183</u>	<u>41,183</u>	-
Fund balance, end of year	<u>\$ (95,017)</u>	<u>\$ (95,017)</u>	<u>\$ 15,350</u>	<u>\$ 110,367</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 93,000	\$ 93,000	\$ 88,256	\$ (4,744)
Total revenues	<u>93,000</u>	<u>93,000</u>	<u>88,256</u>	<u>(4,744)</u>
Expenditures:				
Current:				
Public works	113,000	113,000	99,684	13,316
Total expenditures	<u>113,000</u>	<u>113,000</u>	<u>99,684</u>	<u>13,316</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(20,000)</u>	<u>(20,000)</u>	<u>(11,428)</u>	<u>8,572</u>
Other financing sources (uses):				
Transfers in	-	-	11,428	11,428
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>11,428</u>	<u>11,428</u>
Net change to fund balance	(20,000)	(20,000)	-	20,000
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ (20,000)</u>	<u>\$ (20,000)</u>	<u>\$ -</u>	<u>\$ 20,000</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 283,400	\$ 283,400	\$ 216,527	\$ (66,873)
Total revenues	<u>283,400</u>	<u>283,400</u>	<u>216,527</u>	<u>(66,873)</u>
Expenditures:				
Current:				
Public works	<u>462,300</u>	<u>462,300</u>	<u>208,990</u>	<u>253,310</u>
Total expenditures	<u>462,300</u>	<u>462,300</u>	<u>208,990</u>	<u>253,310</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(178,900)</u>	<u>(178,900)</u>	<u>7,537</u>	<u>186,437</u>
Other financing sources (uses):				
Transfers in	-	-	3,201	3,201
Transfers out	-	-	<u>(12,516)</u>	<u>(12,516)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(9,315)</u>	<u>(9,315)</u>
Net change to fund balance	(178,900)	(178,900)	(1,778)	177,122
Fund balance, beginning of year	<u>1,778</u>	<u>1,778</u>	<u>1,778</u>	<u>-</u>
Fund balance, end of year	<u>\$ (177,122)</u>	<u>\$ (177,122)</u>	<u>\$ -</u>	<u>\$ 177,122</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 40,000	\$ 40,000	\$ 7,289	\$ (32,711)
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>7,289</u>	<u>(32,711)</u>
Expenditures:				
Current:				
Public works	<u>40,000</u>	<u>40,000</u>	<u>7,289</u>	<u>32,711</u>
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>7,289</u>	<u>32,711</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 134,000	\$ 134,000	\$ 137,548	\$ 3,548
Investment income	-	-	3,779	3,779
Total revenues	<u>134,000</u>	<u>134,000</u>	<u>141,327</u>	<u>7,327</u>
Expenditures:				
Current:				
Public works	<u>134,100</u>	<u>134,100</u>	<u>128,013</u>	<u>6,087</u>
Total expenditures	<u>134,100</u>	<u>134,100</u>	<u>128,013</u>	<u>6,087</u>
Net change to fund balance	(100)	(100)	13,314	13,414
Fund balance, beginning of year	<u>23,792</u>	<u>23,792</u>	<u>23,792</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,692</u>	<u>\$ 23,692</u>	<u>\$ 37,106</u>	<u>\$ 13,414</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Measure M Special Revenue Fund
For the year ended June 30, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 151,900	\$ 151,900	\$ 154,907	\$ 3,007
Investment income	-	-	2,304	2,304
Total revenues	<u>151,900</u>	<u>151,900</u>	<u>157,211</u>	<u>5,311</u>
Expenditures:				
Current:				
Public works	151,900	151,900	135,350	16,550
Total expenditures	<u>151,900</u>	<u>151,900</u>	<u>135,350</u>	<u>16,550</u>
Net change to fund balance	-	-	21,861	21,861
Fund balance, beginning of year	<u>16,039</u>	<u>16,039</u>	<u>16,039</u>	-
Fund balance, end of year	<u>\$ 16,039</u>	<u>\$ 16,039</u>	<u>\$ 37,900</u>	<u>\$ 21,861</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Investment income	\$ -	\$ -	\$ 7,392	\$ 7,392
Miscellaneous	-	-	<u>4,212</u>	<u>4,212</u>
Total revenues	<u>-</u>	<u>-</u>	<u>11,604</u>	<u>11,604</u>
Expenditures:				
Current:				
Culture and recreation	<u>22,500</u>	<u>22,500</u>	<u>3,910</u>	<u>18,590</u>
Total expenditures	<u>22,500</u>	<u>22,500</u>	<u>3,910</u>	<u>18,590</u>
Net change to fund balance	(22,500)	(22,500)	7,694	30,194
Fund balance, beginning of year	<u>248,345</u>	<u>248,345</u>	<u>248,345</u>	<u>-</u>
Fund balance, end of year	<u>\$ 225,845</u>	<u>\$ 225,845</u>	<u>\$ 256,039</u>	<u>\$ 30,194</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, 2019

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 135,000	\$ 135,000	\$ 43,613	\$ (91,387)
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>43,613</u>	<u>(91,387)</u>
Expenditures:				
Current:				
Culture and recreation	135,000	135,000	43,612	91,388
Total expenditures	<u>135,000</u>	<u>135,000</u>	<u>43,612</u>	<u>91,388</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1</u>	<u>1</u>
Other financing sources (uses):				
Transfers in	-	-	7,106	7,106
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>7,106</u>	<u>7,106</u>
Net change to fund balance	-	-	7,107	7,107
Fund balance, beginning of year	<u>(7,107)</u>	<u>(7,107)</u>	<u>(7,107)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (7,107)</u>	<u>\$ (7,107)</u>	<u>\$ -</u>	<u>\$ 7,107</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
City-wide Debt Service Fund
For the year ended June 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
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>
Expenditures:				
Debt service:				
Principal	70,000	70,000	83,163	(13,163)
Interest	<u>22,000</u>	<u>22,000</u>	<u>7,879</u>	<u>14,121</u>
Total expenditures	<u>92,000</u>	<u>92,000</u>	<u>91,042</u>	<u>958</u>
Net change to fund balance	-	-	958	958
Fund balance, beginning of year	<u>11,422</u>	<u>11,422</u>	<u>11,422</u>	<u>-</u>
Fund balance, end of year	<u>\$ 11,422</u>	<u>\$ 11,422</u>	<u>\$ 12,380</u>	<u>\$ 958</u>

CITY OF SIERRA MADRE
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2019

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
Assets:					
Current assets:					
Cash and investments	\$ 81,874	\$ -	\$ -	\$ -	\$ 81,874
Total current assets	<u>81,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,874</u>
Total assets	<u>81,874</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>81,874</u>
Liabilities:					
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:					
Unrestricted	81,874	-	-	-	81,874
Total net position	<u>\$ 81,874</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,874</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, 2019

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
Operating revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous	-	-	5,601	6,722	12,323
Total operating revenues	-	-	5,601	6,722	12,323
Total operating expenses	-	-	-	-	-
Operating income (losses)	-	-	5,601	6,722	12,323
Nonoperating revenues (expenses):					
Total nonoperating revenues (expenses)	-	-	-	-	-
Income (loss) before transfers	-	-	5,601	6,722	12,323
Transfers:					
Transfers in	-	-	-	-	-
Transfer out	-	(217,337)	(5,601)	(198,072)	(421,010)
Total transfers	-	(217,337)	(5,601)	(198,072)	(421,010)
Change in net position	-	(217,337)	-	(191,350)	(408,687)
Net position, beginning of year	81,874	217,337	-	191,350	490,561
Net position, end of year	\$ 81,874	\$ -	\$ -	\$ -	\$ 81,874

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CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2019

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ -	\$ -	\$ 5,601	\$ 6,722	\$ 12,323
Payments to suppliers	-	(4,150)	(6,801)	(19,676)	(30,627)
Payments to employees	-	-	(5,601)	(6,817)	(12,418)
Net cash provided (used) by operating activities	-	(4,150)	(6,801)	(19,771)	(30,722)
Cash flows from non-capital financing activities:					
Transfers to other funds	-	(217,337)	(5,601)	(198,072)	(421,010)
Net cash provided (used) by non-capital financing activities	-	(217,337)	(5,601)	(198,072)	(421,010)
Net decrease in cash and cash equivalents	-	(221,487)	(12,402)	(217,843)	(451,732)
Cash and investments:					
Beginning of year	81,874	221,487	12,402	217,843	533,606
End of year	\$ 81,874	\$ -	\$ -	\$ -	\$ 81,874
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ -	\$ -	\$ 5,601	\$ 6,722	\$ 12,323
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in prepaid expenses	-	-	1,750	-	1,750
Increase (decrease) in accounts payable	-	(4,150)	(8,551)	(4,000)	(16,701)
Increase (decrease) in accrued liabilities	-	-	-	(59)	(59)
Increase (decrease) in deposits payable	-	-	-	(15,676)	(15,676)
Increase (decrease) in compensated absences	-	-	(5,601)	(6,758)	(12,359)
Total adjustments	-	(4,150)	(12,402)	(26,493)	(43,045)
Net cash provided (used) by operating activities	\$ -	\$ (4,150)	\$ (6,801)	\$ (19,771)	\$ (30,722)

CITY OF SIERRA MADRE
Combining Statement of Net Position
Internal Service Funds
June 30, 2019

	Fleet	Facilities Management	Administration
Assets:			
Current assets:			
Cash and investments	\$ 611,928	\$ 1,527,320	\$ 940,138
Accounts Receivable	-	-	-
Total current assets	<u>611,928</u>	<u>1,527,320</u>	<u>940,138</u>
Noncurrent assets:			
Capital assets:			
Depreciable, net	594,324	60,151	121,007
Total noncurrent assets	<u>594,324</u>	<u>60,151</u>	<u>121,007</u>
Total assets	<u>1,206,252</u>	<u>1,587,471</u>	<u>1,061,145</u>
Deferred Outflows of Resources:			
OPEB related	-	-	12,162
Pension related	-	-	1,090,056
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>1,102,218</u>
Liabilities:			
Current liabilities:			
Accounts payable	40,776	18,386	8,033
Accrued payroll and related liabilities	2,097	11,706	9,478
Interest payable	207	-	-
Claims payable - current	-	-	-
Compensated absences - current	3,959	7,267	5,606
Capital lease payable - current	13,404	-	-
Total current liabilities	<u>60,443</u>	<u>37,359</u>	<u>23,117</u>
Noncurrent liabilities:			
Claims payable	-	-	-
Compensated absences	15,835	29,068	22,422
Net pension liability	-	-	1,974,848
Net OPEB liability	-	-	23,136
Total noncurrent liabilities	<u>15,835</u>	<u>29,068</u>	<u>2,020,406</u>
Total liabilities	<u>76,278</u>	<u>66,427</u>	<u>2,043,523</u>
Deferred Inflows of Resources:			
OPEB related	-	-	10,329
Pension related	-	-	104,102
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>114,431</u>
Net Position:			
Net investment in capital assets	580,920	60,151	121,007
Unrestricted	549,054	1,460,893	(115,598)
Total net position	<u>\$ 1,129,974</u>	<u>\$ 1,521,044</u>	<u>\$ 5,409</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 1,053,450	\$ 2,577,225	\$ 99,908	\$ 6,809,969
<u>7,757</u>	<u>-</u>	<u>-</u>	<u>7,757</u>
<u>1,061,207</u>	<u>2,577,225</u>	<u>99,908</u>	<u>6,817,726</u>
<u>89,844</u>	<u>-</u>	<u>-</u>	<u>865,326</u>
<u>89,844</u>	<u>-</u>	<u>-</u>	<u>865,326</u>
<u>1,151,051</u>	<u>2,577,225</u>	<u>99,908</u>	<u>7,683,052</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>12,162</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,090,056</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,102,218</u>
98,357	18,976	-	184,528
2,197	10,178	-	35,656
-	-	-	207
-	375,249	-	375,249
3,959	7,230	-	28,021
-	-	-	13,404
<u>104,513</u>	<u>411,633</u>	<u>-</u>	<u>637,065</u>
-	518,202	-	518,202
15,835	28,919	-	112,079
-	-	-	1,974,848
-	-	-	23,136
<u>15,835</u>	<u>547,121</u>	<u>-</u>	<u>2,628,265</u>
<u>120,348</u>	<u>958,754</u>	<u>-</u>	<u>3,265,330</u>
-	-	-	10,329
-	-	-	104,102
-	-	-	114,431
89,844	-	-	851,922
940,859	1,618,471	99,908	4,553,587
<u>\$ 1,030,703</u>	<u>\$ 1,618,471</u>	<u>\$ 99,908</u>	<u>\$ 5,405,509</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2019

	Fleet	Facilities Management	Administration
Operating revenues:			
Charges for services	\$ 356,587	\$ 501,800	\$ 851,399
Licenses and permits	-	-	-
Miscellaneous	9,465	-	-
Total operating revenues	<u>366,052</u>	<u>501,800</u>	<u>851,399</u>
Operating expenses:			
Personnel services	113,319	148,530	1,382,952
Contractual services	14,541	95,351	133,115
Materials and supplies	77,374	55,696	42,304
Utilities	102,747	191,957	-
Maintenance and operation	-	12,096	212
Insurance, claims and charges	-	-	-
Depreciation	175,178	1,227	48,403
Total operating expenses	<u>483,159</u>	<u>504,857</u>	<u>1,606,986</u>
Operating income (loss)	<u>(117,107)</u>	<u>(3,057)</u>	<u>(755,587)</u>
Nonoperating revenues (expenses):			
Investment income	15,755	41,150	19,328
Interest expense	(1,016)	-	-
Total nonoperating revenues (expenses)	<u>14,739</u>	<u>41,150</u>	<u>19,328</u>
Income (loss) before transfers and capital contributions	(102,368)	38,093	(736,259)
Transfers:			
Transfers in	-	-	474,900
Transfers out	(20,833)	(159,004)	-
Total transfers	<u>(20,833)</u>	<u>(159,004)</u>	<u>474,900</u>
Change in net position	(123,201)	(120,911)	(261,359)
Net position, beginning of year, restated	<u>1,253,175</u>	<u>1,641,955</u>	<u>266,768</u>
Net position, end of year	<u>\$ 1,129,974</u>	<u>\$ 1,521,044</u>	<u>\$ 5,409</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 876,800	\$ 1,281,412	\$ -	\$ 3,867,998
31,735	-	-	31,735
-	198	-	9,663
<u>908,535</u>	<u>1,281,610</u>	<u>-</u>	<u>3,909,396</u>
174,141	246,128	-	2,065,070
233,811	98,536	-	575,354
154,859	25,934	-	356,167
104,559	-	-	399,263
-	-	-	12,308
-	1,284,917	-	1,284,917
12,834	-	-	237,642
<u>680,204</u>	<u>1,655,515</u>	<u>-</u>	<u>4,930,721</u>
<u>228,331</u>	<u>(373,905)</u>	<u>-</u>	<u>(1,021,325)</u>
20,829	61,986	2,869	161,917
-	-	-	(1,016)
<u>20,829</u>	<u>61,986</u>	<u>2,869</u>	<u>160,901</u>
249,160	(311,919)	2,869	(860,424)
-	-	-	474,900
<u>(104,167)</u>	<u>(204,067)</u>	<u>-</u>	<u>(488,071)</u>
<u>(104,167)</u>	<u>(204,067)</u>	<u>-</u>	<u>(13,171)</u>
144,993	(515,986)	2,869	(873,595)
<u>885,710</u>	<u>2,134,457</u>	<u>97,039</u>	<u>6,279,104</u>
<u>\$ 1,030,703</u>	<u>\$ 1,618,471</u>	<u>\$ 99,908</u>	<u>\$ 5,405,509</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2019

	Fleet	Facilities Management	Administration
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 366,052	\$ 501,800	\$ 851,399
Payments to suppliers	(159,115)	(379,997)	(171,047)
Payments to employees	(111,903)	(138,237)	(1,132,421)
Net cash provided (used) by operating activities	<u>95,034</u>	<u>(16,434)</u>	<u>(452,069)</u>
Cash flows from non-capital financing activities:			
Transfers from other funds	-	-	474,900
Transfers to other funds	(20,833)	(159,004)	-
Net cash provided (used) by non-capital financing activities	<u>(20,833)</u>	<u>(159,004)</u>	<u>474,900</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(24,000)	1	-
Principal paid	(12,810)	-	-
Interest paid	(1,214)	-	-
Net cash provided (used) by capital and related financing activities	<u>(38,024)</u>	<u>1</u>	<u>-</u>
Cash flows from investing activities:			
Investment income	15,755	41,150	19,328
Net cash provided (used) by investing activities	<u>15,755</u>	<u>41,150</u>	<u>19,328</u>
Net increase (decrease) in cash and cash equivalents	51,932	(134,287)	42,159
Cash and investments:			
Beginning of year	<u>559,996</u>	<u>1,661,607</u>	<u>897,979</u>
End of year	<u>\$ 611,928</u>	<u>\$ 1,527,320</u>	<u>\$ 940,138</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (117,107)	\$ (3,057)	\$ (755,587)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	175,178	1,227	48,403
Changes in assets, liabilities and deferred amounts:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in deferred outflow of resources	-	-	(795,308)
Increase (decrease) in accounts payable	35,547	(24,897)	4,584
Increase (decrease) in accrued liabilities	475	9,223	488
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in compensated absences	941	1,070	(25,066)
Increase (decrease) in deferred inflow of resources	-	-	63,654
Increase (decrease) in net OPEB liability	-	-	3,430
Increase (decrease) in net pension liability	-	-	1,003,333
Total adjustments	<u>212,141</u>	<u>(13,377)</u>	<u>303,518</u>
Net cash provided (used) by operating activities	<u>\$ 95,034</u>	<u>\$ (16,434)</u>	<u>\$ (452,069)</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 913,463	\$ 1,281,610	\$ -	\$ 3,914,324
(427,797)	(1,409,733)	-	(2,547,689)
<u>(177,613)</u>	<u>381,821</u>	<u>-</u>	<u>(1,178,353)</u>
<u>308,053</u>	<u>253,698</u>	<u>-</u>	<u>188,282</u>
-	-	-	474,900
<u>(104,167)</u>	<u>(204,067)</u>	<u>-</u>	<u>(488,071)</u>
<u>(104,167)</u>	<u>(204,067)</u>	<u>-</u>	<u>(13,171)</u>
-	-	-	(23,999)
-	-	-	(12,810)
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,214)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,023)</u>
<u>20,829</u>	<u>61,986</u>	<u>2,869</u>	<u>161,917</u>
<u>20,829</u>	<u>61,986</u>	<u>2,869</u>	<u>161,917</u>
224,715	111,617	2,869	299,005
<u>828,735</u>	<u>2,465,608</u>	<u>97,039</u>	<u>6,510,964</u>
<u>\$ 1,053,450</u>	<u>\$ 2,577,225</u>	<u>\$ 99,908</u>	<u>\$ 6,809,969</u>
<u>\$ 228,331</u>	<u>\$ (373,905)</u>	<u>\$ -</u>	<u>\$ (1,021,325)</u>
12,834	-	-	237,642
4,928	-	-	4,928
-	-	-	(795,308)
65,432	(346)	-	80,320
(1,440)	9	-	8,755
-	622,632	-	622,632
(2,032)	5,308	-	(19,779)
-	-	-	63,654
-	-	-	3,430
<u>-</u>	<u>-</u>	<u>-</u>	<u>1,003,333</u>
<u>79,722</u>	<u>627,603</u>	<u>-</u>	<u>1,209,607</u>
<u>\$ 308,053</u>	<u>\$ 253,698</u>	<u>\$ -</u>	<u>\$ 188,282</u>

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City of Sierra Madre, California

Village of the Foothills



**Statistical Section
For the Year Ending
June 30, 2019**

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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)

<u>As of June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Net investment in capital assets	\$ 187,804,691	\$ 186,635,375	\$ 185,544,420	\$ 184,344,066
Restricted	4,681,595	8,648,585	10,779,254	10,341,052
Unrestricted	<u>5,876,098</u>	<u>1,634,124</u>	<u>870,761</u>	<u>555,794</u>
Total governmental activities net position	<u>\$ 198,362,384</u>	<u>\$ 196,918,084</u>	<u>\$ 197,194,435</u>	<u>\$ 195,240,912</u>
Business-Type activities:				
Net investment in capital assets	\$ 15,741,252	\$ 15,842,534	\$ 15,665,079	\$ 15,804,079
Restricted	-	-	1,145,841	1,149,456
Unrestricted	<u>6,822,253</u>	<u>6,324,287</u>	<u>4,437,196</u>	<u>3,894,603</u>
Total business-type activities net position	<u>\$ 22,563,505</u>	<u>\$ 22,166,821</u>	<u>\$ 21,248,116</u>	<u>\$ 20,848,138</u>
Primary government:				
Net investment in capital assets	\$ 203,545,943	\$ 202,477,909	\$ 201,209,499	\$ 200,148,145
Restricted	4,681,595	8,648,585	11,925,095	11,490,508
Unrestricted	<u>12,698,351</u>	<u>7,958,411</u>	<u>5,307,957</u>	<u>4,450,397</u>
Total primary government net position	<u>\$ 220,925,889</u>	<u>\$ 219,084,905</u>	<u>\$ 218,442,551</u>	<u>\$ 216,089,050</u>

Source: City of Sierra Madre Finance Department

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 183,026,172	\$ 181,862,536	\$ 181,328,167	\$ 180,505,323	\$ 181,067,634	\$ 180,934,074
13,952,436	6,051,883	5,794,991	5,119,384	4,926,003	4,861,587
<u>204,442</u>	<u>764,679</u>	<u>1,731,997</u>	<u>5,264,763</u>	<u>6,263,121</u>	<u>8,123,037</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>	<u>\$ 193,918,698</u>
\$ 15,963,941	\$ 16,668,550	\$ 16,824,482	\$ 16,892,266	\$ 17,975,946	\$ 19,580,635
1,149,456	1,149,456	1,149,456	1,149,456	-	-
<u>4,053,155</u>	<u>1,994,086</u>	<u>1,313,820</u>	<u>1,439,579</u>	<u>2,585,503</u>	<u>2,639,373</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>	<u>\$ 22,220,008</u>
\$ 198,990,113	\$ 198,531,086	\$ 198,152,649	\$ 197,397,589	\$ 199,043,580	\$ 200,514,709
15,101,892	7,201,339	6,944,447	6,268,840	4,926,003	4,861,587
<u>4,257,597</u>	<u>2,758,765</u>	<u>3,045,817</u>	<u>6,704,342</u>	<u>8,848,624</u>	<u>10,762,410</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>	<u>\$ 216,138,706</u>

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

Fiscal year ended June 30,	2010	2011	2012	2013
Expenses:				
Governmental activities:				
General government	\$ 7,779,996	\$ 3,495,144	\$ 1,756,491	\$ 2,350,968
Public safety	4,380,352	5,504,146	5,243,664	5,240,506
Public works	884,015	1,756,538	2,669,022	1,311,100
Development	375,842	1,738,918	998,147	874,469
Culture and recreation	1,444,584	1,392,657	1,695,105	1,449,653
Interest on long-term debt	156,125	181,711	95,211	8,241
Total governmental activities expenses	<u>15,020,914</u>	<u>14,069,114</u>	<u>12,457,640</u>	<u>11,234,937</u>
Business-type activities:				
Water	3,399,076	3,442,699	3,806,990	3,980,084
Sewer	856,702	951,566	927,102	1,022,868
Recreation services	493,509	503,796	306,613	115,980
Special services	89,909	37,462	168,546	112,482
Film services	47,529	46,681	70,275	58,589
Total business-type activities expenses	<u>4,886,725</u>	<u>4,982,204</u>	<u>5,279,526</u>	<u>5,290,003</u>
Total primary government expenses	<u>\$ 19,907,639</u>	<u>\$ 19,051,318</u>	<u>\$ 17,737,166</u>	<u>\$ 16,524,940</u>
Program revenues:				
Governmental activities:				
Charges for services	\$ 5,065,422	\$ 2,390,204	\$ 2,013,245	\$ 2,512,450
Operating grants and contributions	757,868	957,136	1,331,720	992,239
Capital grants and contributions	48,228	1,008,836	51,342	-
Total governmental activities program revenues	<u>5,871,518</u>	<u>4,356,176</u>	<u>3,396,307</u>	<u>3,504,689</u>
Business-type activities:				
Charges for services	4,173,073	4,379,502	4,090,554	4,525,723
Capital grants and contributions	248,500	29,619	-	316,930
Total business-type activities program revenues	<u>4,421,573</u>	<u>4,409,121</u>	<u>4,090,554</u>	<u>4,842,653</u>
Total primary government program revenues	<u>\$ 10,293,091</u>	<u>\$ 8,765,297</u>	<u>\$ 7,486,861</u>	<u>\$ 8,347,342</u>
Net revenue/(expense):				
Governmental activities	\$ (9,149,396)	\$ (9,712,938)	\$ (9,061,333)	\$ (7,730,248)
Business-type activities	<u>(465,152)</u>	<u>(573,083)</u>	<u>(1,188,972)</u>	<u>(447,350)</u>
Total primary government net revenue/(expense)	<u>\$ (9,614,548)</u>	<u>\$ (10,286,021)</u>	<u>\$ (10,250,305)</u>	<u>\$ (8,177,598)</u>

Source: City of Sierra Madre Finance Department

	2014	2015	2016	2017	2018	2019
\$	742,540	\$ 1,581,532	\$ 1,791,927	\$ 1,710,653	\$ 1,334,388	\$ 3,416,581
	5,525,072	5,500,997	5,754,806	5,115,933	5,394,253	5,688,672
	1,499,333	2,255,560	1,401,974	1,961,343	2,196,985	1,883,420
	993,035	1,089,493	1,412,537	1,129,817	1,557,850	1,089,342
	1,407,243	1,325,706	1,280,228	1,078,262	1,388,943	1,457,670
	23,697	20,580	17,322	13,909	10,336	7,610
	<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>	<u>13,543,295</u>
	3,542,092	4,626,949	4,388,290	4,763,179	4,432,899	4,083,465
	844,486	939,202	1,172,547	1,371,492	1,029,623	629,988
	131,897	113,608	259,594	22,697	4,150	-
	92,752	101,219	108,211	125,547	171,228	-
	54,817	18,035	43,620	50,618	77,923	-
	<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>4,713,453</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>	<u>\$ 18,256,748</u>
\$	3,525,563	\$ 2,374,090	\$ 2,350,878	\$ 2,377,056	\$ 2,305,382	\$ 2,602,516
	1,237,489	1,071,981	1,022,280	1,368,859	1,426,015	1,705,187
	-	-	-	-	-	-
	<u>4,763,052</u>	<u>3,446,071</u>	<u>3,373,158</u>	<u>3,745,915</u>	<u>3,731,397</u>	<u>4,307,703</u>
	4,978,343	5,497,755	5,606,012	6,337,602	6,719,044	6,675,962
	258,882	242,500	46,234	62,166	-	-
	<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>6,675,962</u>
\$	<u>10,000,277</u>	<u>\$ 9,186,326</u>	<u>\$ 9,025,404</u>	<u>\$ 10,145,683</u>	<u>\$ 10,450,441</u>	<u>\$ 10,983,665</u>
\$	(5,427,868)	\$ (8,327,797)	\$ (8,285,636)	\$ (7,264,002)	\$ (8,151,358)	\$ (9,235,592)
	571,181	(58,758)	(320,016)	66,235	1,003,221	1,962,509
\$	<u>(4,856,687)</u>	<u>\$ (8,386,555)</u>	<u>\$ (8,605,652)</u>	<u>\$ (7,197,767)</u>	<u>\$ (7,148,137)</u>	<u>\$ (7,273,083)</u>

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

<u>Fiscal year ended June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:				
Taxes	\$ 8,905,659	\$ 8,437,401	\$ 7,774,266	\$ 7,739,306
Investment income	231,953	54,370	16,405	21,761
Miscellaneous	-	-	-	-
Grants and contributions, not restricted	-	-	-	-
Capital contributions	369,848	65,294	-	15,209
Extraordinary gain/(loss)	-	-	1,499,139	-
Loss on disposal of property	-	-	-	-
Transfers	(114,988)	(167,071)	(164,500)	(47,372)
Total governmental activities	<u>9,392,472</u>	<u>8,389,994</u>	<u>9,125,310</u>	<u>7,728,904</u>
Business-type activities:				
Investment income	38,667	11,044	2,827	-
Capital contributions	-	-	-	-
Transfers	114,988	167,071	164,500	47,372
Total business-type activities	<u>153,655</u>	<u>178,115</u>	<u>167,327</u>	<u>47,372</u>
Total primary government	<u>\$ 9,546,127</u>	<u>\$ 8,568,109</u>	<u>\$ 9,292,637</u>	<u>\$ 7,776,276</u>
Change in net position:				
Governmental activities	\$ 243,076	\$ (1,322,944)	\$ 63,977	\$ (1,344)
Business-type activities	(311,497)	(394,968)	(1,021,645)	(399,978)
Total primary government	<u>\$ (68,421)</u>	<u>\$ (1,717,912)</u>	<u>\$ (957,668)</u>	<u>\$ (401,322)</u>

Source: City of Sierra Madre Finance Department

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 8,217,065	\$ 8,435,031	\$ 8,487,077	\$ 9,332,367	\$ 9,512,791	\$ 9,981,892
11,671	11,875	38,125	85,587	87,400	373,205
-	-	-	-	673,942	148,141
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(854,341)	-	-	-	-	-
(4,389)	(54,018)	(63,509)	(118,957)	(103,147)	394,294
<u>7,370,006</u>	<u>8,392,888</u>	<u>8,461,693</u>	<u>9,298,997</u>	<u>10,170,986</u>	<u>10,897,532</u>
6,826	6,425	11,201	7,691	32,935	90,344
-	-	-	-	-	-
4,389	54,018	63,509	118,957	103,147	(394,294)
<u>11,215</u>	<u>60,443</u>	<u>74,710</u>	<u>126,648</u>	<u>136,082</u>	<u>(303,950)</u>
<u>\$ 7,381,221</u>	<u>\$ 8,453,331</u>	<u>\$ 8,536,403</u>	<u>\$ 9,425,645</u>	<u>\$ 10,307,068</u>	<u>\$ 10,593,582</u>
\$ 1,942,138	\$ 65,091	\$ 176,057	\$ 2,034,995	\$ 2,019,628	\$ 1,661,940
582,396	1,685	(245,306)	192,883	1,139,303	1,658,559
<u>\$ 2,524,534</u>	<u>\$ 66,776</u>	<u>\$ (69,249)</u>	<u>\$ 2,227,878</u>	<u>\$ 3,158,931</u>	<u>\$ 3,320,499</u>

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

<u>As of June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General fund:				
Unreserved ⁽¹⁾	\$ 4,246,065	\$ -	\$ -	\$ -
Reserved ⁽¹⁾	890,000	-	-	-
Restricted	-	-	-	-
Nonspendable	-	-	-	-
Committed	-	800,000	250,000	635,000
Assigned	-	-	3,989,683	4,400,416
Unassigned	-	4,721,717	870,761	900,121
Total General Fund	\$ 5,136,065	\$ 5,521,717	\$ 5,110,444	\$ 5,935,537
All other governmental funds:				
Reserved: ⁽¹⁾				
Debt service funds	\$ 2,528,671	\$ -	\$ -	\$ -
Land held for resale	1,682,998	-	-	-
Capital projects funds	469,927	-	-	-
Unreserved, reported in: ⁽¹⁾				
Special revenue funds	2,040,378	-	-	-
Non-spendable	-	401,575	-	-
Restricted	-	1,682,998	1,682,998	1,682,998
Committed	-	5,863,012	888,909	1,658,115
Assigned	-	854,020	1,453,098	981,304
Unassigned	-	(2,902,573)	(395,035)	(344,327)
Total all other governmental funds	\$ 6,721,974	\$ 5,899,032	\$ 3,629,970	\$ 3,978,090
Total all governmental funds	\$ 11,858,039	\$ 11,420,749	\$ 8,740,414	\$ 9,913,627

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

Source: City of Sierra Madre Finance Department

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
2,547	19,535	-	-	15,802	32,727
1,255,290	1,280,500	-	-	-	2,365
4,635,021	5,133,278	4,720,472	-	-	-
<u>553,476</u>	<u>1,021,355</u>	<u>1,938,003</u>	<u>7,428,117</u>	<u>8,736,391</u>	<u>6,915,213</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>	<u>\$ 6,950,305</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,682,998	4,113,442	4,406,441	5,119,384	4,856,087	4,828,860
2,199,679	661,036	1,457,095	1,391,394	903,576	870,091
1,237,371	-	-	-	-	-
<u>(348,734)</u>	<u>(256,676)</u>	<u>(206,006)</u>	<u>(155,931)</u>	<u>(117,280)</u>	<u>(60,595)</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>\$ 5,638,356</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>	<u>\$ 12,588,661</u>

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

Fiscal year ended June 30,	2010	2011	2012	2013
Revenues:				
Taxes	\$ 8,905,659	\$ 8,437,444	\$ 6,758,148	\$ -
Property Taxes	-	-	-	3,902,682
Other Taxes	-	-	-	3,724,541
Charges for services	658,809	616,947	595,203	897,281
Intergovernmental	757,869	1,965,972	2,249,029	1,065,088
Licenses and permits	854,492	1,221,741	1,160,456	1,131,957
Fines and forfeitures	189,899	235,260	223,902	328,707
Investment Income	170,391	49,439	10,571	-
Miscellaneous	153,766	316,214	184,835	163,313
Total revenues	11,690,885	12,843,017	11,182,144	11,213,569
Expenditures:				
Current:				
General government	3,091,208	1,444,497	2,107,607	1,921,278
Public safety	4,380,352	5,504,146	5,081,731	5,074,457
Public works	884,016	1,756,537	2,210,897	794,165
Development	375,842	1,132,604	1,259,802	842,273
Culture and recreation	1,444,583	1,392,657	1,540,117	1,284,435
Debt service:				
Principal	235,000	302,998	315,581	63,385
Interest	160,125	181,711	101,461	27,656
Capital outlay	574,064	1,553,968	95,735	31,790
Total expenditures	11,145,190	13,269,118	12,712,931	10,039,439
Excess (deficiency) of revenues over (under) expenditures	545,695	(426,101)	(1,530,787)	1,174,130
Other financing sources (uses):				
Sale of City property	-	65,294	-	-
Equipment Financing	725,402	-	-	-
Transfers in	1,950,479	3,590,490	2,845,339	1,376,732
Transfers out	(1,403,676)	(3,579,472)	(3,017,170)	(1,377,649)
Total other financing sources (uses)	1,272,205	76,312	(171,831)	(917)
Extraordinary gain (loss)	-	-	(1,085,861)	-
Net change in fund balances	1,817,900	(349,789)	(2,788,479)	1,173,213
Fund balances, beginning of year, as restated	10,040,139	11,770,538	11,528,893	8,740,414
Fund balances, end of year	\$ 11,858,039	\$ 11,420,749	\$ 8,740,414	\$ 9,913,627
Debt Service as a Percentage of Non-Capital Expenditures	4%	4%	3%	1%

*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.

Source: City of Sierra Madre Finance Department

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,391,262	5,264,471	5,677,308	6,075,078	6,426,261	6,830,051
3,707,633	3,170,560	2,809,769	3,257,288	3,228,635	3,302,646
820,236	871,237	881,477	690,417	733,929	974,741
1,248,338	1,073,897	1,022,280	1,176,272	1,228,646	1,536,011
2,431,117	1,018,971	837,657	1,222,728	1,227,077	1,231,070
240,188	223,072	190,999	167,318	118,324	140,395
6,636	5,397	25,726	63,194	84,912	306,329
169,853	260,810	440,745	489,181	933,142	327,781
<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>	<u>14,649,024</u>
1,871,441	1,672,935	1,970,283	2,391,482	2,609,677	3,662,657
5,382,934	5,382,396	5,725,286	5,375,953	5,200,197	8,165,504
1,844,412	1,670,830	1,004,326	1,247,133	2,806,374	2,173,523
940,335	1,019,712	1,485,372	1,355,877	1,437,228	1,272,696
1,244,718	1,162,983	1,228,487	1,115,425	1,141,498	1,496,982
66,321	69,391	72,604	75,964	79,484	83,163
24,721	21,651	18,442	15,082	11,563	7,879
14,833	-	-	-	-	-
<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>16,862,404</u>
<u>1,625,548</u>	<u>888,517</u>	<u>381,161</u>	<u>1,564,560</u>	<u>694,905</u>	<u>(2,213,380)</u>
-	-	-	-	-	-
-	-	-	-	-	-
881,171	941,521	2,348,798	246,913	37,851	468,564
<u>(1,288,508)</u>	<u>(989,406)</u>	<u>(2,386,421)</u>	<u>(343,835)</u>	<u>(121,145)</u>	<u>(61,099)</u>
<u>(407,337)</u>	<u>(47,885)</u>	<u>(37,623)</u>	<u>(96,922)</u>	<u>(83,294)</u>	<u>407,465</u>
-	-	-	-	-	-
1,218,211	840,632	343,538	1,467,638	611,611	(1,805,915)
<u>9,913,627</u>	<u>11,131,838</u>	<u>11,972,467</u>	<u>12,315,326</u>	<u>13,782,965</u>	<u>14,394,576</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>	<u>\$ 12,588,661</u>
1%	1%	1%	1%	1%	1%

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

<u>Fiscal year ended June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Category				
Residential	\$ 1,469,610,878	\$ 1,482,410,204	\$ 1,522,225,014	\$ 1,569,368,492
Commercial	47,818,195	47,606,368	47,274,344	50,519,744
Industrial	7,385,414	7,447,664	7,503,723	7,653,776
Govt. Owned	156,306	155,935	157,109	542,759
Institutional	2,436,717	2,430,940	6,669,589	3,943,818
Irrigated	-	-	-	-
Recreational	615,272	613,810	618,428	1,647,693
Vacant	47,752,008	41,417,109	44,660,373	44,480,022
SBE Nonunitary	-	-	-	-
Cross Reference	1,538,550	1,530,912	1,542,439	1,573,286
Unsecured	6,881,054	6,823,278	6,990,234	6,711,328
Total assessed value	<u>\$ 1,584,194,394</u>	<u>\$ 1,590,436,220</u>	<u>\$ 1,637,641,253</u>	<u>\$ 1,686,440,918</u>
Tax-Exempt Property	<u>(3,605,034)</u>	<u>(3,605,034)</u>	<u>(3,605,034)</u>	<u>(3,605,034)</u>
Total taxable assessed value	<u>\$ 1,580,589,360</u>	<u>\$ 1,586,831,186</u>	<u>\$ 1,634,036,219</u>	<u>\$ 1,682,835,884</u>
Total direct rate	0.2850	0.2852	0.2843	0.2821

Source: HDL Coren & Cone

2014	2015	2016	2017	2018	2019
\$ 1,657,387,265	\$ 1,750,546,835	\$ 1,849,086,339	\$ 1,958,752,239	\$ 2,064,755,283	\$ 2,175,830,705
52,244,923	53,659,841	57,179,257	60,520,506	62,360,811	66,807,200
7,806,831	7,842,250	11,350,279	11,523,349	11,904,983	11,759,635
163,456	164,198	167,478	170,032	173,432	599,145
4,105,294	6,618,344	6,423,627	17,021,358	18,196,153	17,707,802
-	-	-	-	-	-
1,680,645	1,688,272	1,722,001	1,748,259	1,783,221	1,818,882
44,785,823	46,880,985	44,273,558	46,173,712	42,633,298	30,933,973
-	-	-	-	-	-
1,604,751	1,792,372	1,968,133	1,998,146	2,038,108	1,851,661
6,183,887	6,657,788	7,011,648	6,843,871	6,959,470	7,981,925
<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>\$ 2,315,290,928</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>(3,569,824)</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>	<u>\$ 2,311,721,104</u>
0.2228	0.2231	0.2234	0.2243	0.2237	0.2236

CITY OF SIERRA MADRE
Property Tax Rates
Direct and Overlapping Governments
(Rate per \$100 of Taxable Value)
Last Ten Fiscal Years

<u>Fiscal year ended June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Agency				
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.07561	0.07456	0.07691	0.07670
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	0.02300	0.01986	0.01956	0.02056
Pasadena Unified School Dist	0.10836	0.10195	0.11120	0.11403
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902
Total Direct & Overlapping ² Tax Rates	1.53399	1.52339	1.53469	1.53831
City's Share of 1% Levy Per Prop 13 ³	0.21911	0.21911	0.21911	0.21911
Voter Approved City Debt Rate	-	-	-	-
Redevelopment Rate ⁴	1.01800	1.01800	1.01800	-
Total Direct Rate ⁵	0.28501	0.28519	0.28433	0.28214

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

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

³ City's share of 1.00% levy is based on the City's share of general fund tax rate area with the largest net taxable value within the City. ERAF general fund shifts may not be included in tax ratio figures.

⁴ Redevelopment rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California from the fiscal year 2012/13 and thereafter.

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

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

Source: HDL Coren & Cone; LA County Assessor

2014	2015	2016	2017	2018	2019
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07550	0.07653	0.07507	0.07788	0.07551	0.05365
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	0.02300	0.03000	0.03000
0.01899	0.01032	0.00872	0.00885	0.00819	0.00767
0.10351	0.10601	0.11168	0.10673	0.10547	0.09491
0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
1.52502	1.51988	1.52249	1.52548	1.52819	1.49526
0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
-	-	-	-	-	-
-	-	-	-	-	-
0.22284	0.22310	0.22338	0.22428	0.22367	0.22363

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

Taxpayer	2010			2019		
	Taxable Assessed Value	% of Net Assessed Value	Rank	Taxable Assessed Value	% of Net Assessed Value	Rank
CS One Carter LLC	\$ 31,200,031	1.97%	1			
CS Stonehouse LLC	16,784,741	1.06%	2			
S M E Associates Limited	6,652,302	0.42%	3			
Barbera Family LP	4,792,442	0.30%	4	\$ 5,422,433	0.23%	5
Montecito Development Group LLC	3,896,748	0.25%	5	4,410,214	0.19%	7
William and Marie Sullivan	3,397,413	0.21%	6			
William L and Patricia G Sullivan	3,260,582	0.21%	7			
Esperanza Chateau	3,009,300	0.19%	8			
Zhang Hongmei	2,922,565	0.18%	9			
CAC Exchange II LLC Time Warner Cable	2,888,997	0.18%	10			
Kensington SM GP LLC				14,725,244	0.64%	1
CETT Madre Limited				13,075,644	0.56%	2
MB Equity LLC				7,967,023	0.34%	3
Ginkgo Stonehouse II LLC				6,021,233	0.26%	4
William L. Sullivan Cotrustee				5,249,681	0.23%	6
Marie D Clause				4,283,336	0.19%	8
Jason and Heather Young				4,067,069	0.18%	9
Avalanche Lake Realty				4,052,658	0.18%	10
Top Ten Total	<u>\$ 78,805,121</u>	<u>4.97%</u>		<u>\$ 69,274,535</u>	<u>2.99%</u>	
City Total	<u>\$ 1,584,194,394</u>			<u>\$ 2,315,290,928</u>		

Source: HDL Coren & Cone

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

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections of Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 2,943,471	\$ 2,516,088	85.48%	\$ 427,383	\$ 2,516,088	85.48%
2011	3,428,755	3,144,814	91.72%	283,941	3,144,814	91.72%
2012	3,420,520	3,013,111	88.09%	407,409	3,013,111	88.09%
2013	3,623,213	3,369,909	93.01%	253,304	3,369,909	93.01%
2014	3,873,971	3,669,464	94.72%	204,506	3,669,464	94.72%
2015	3,929,776	3,837,083	97.64%	92,694	3,837,083	97.64%
2016	4,229,810	4,129,506	97.63%	100,304	4,129,506	97.63%
2017	4,492,592	4,314,138	96.03%	178,455	4,314,138	96.03%
2018	4,772,165	4,553,848	95.43%	218,318	4,553,848	95.43%
2019	4,977,521	4,854,871	97.54%	122,650	4,854,871	97.54%

Source: HDL Coren & Cone

CITY OF SIERRA MADRE
Total Direct and Overlapping Debt
As of June 30, 2019

		<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City</u>	<u>Net Bonded Debt</u>
Total Direct Debt				\$ 100,420
Overlapping Debt				
812.53	PASADENA CCD DS 2002, 2006 SERIES D	\$ 1,840,000	2.600	47,840
812.54	PASADENA CCD DS 2002, 2009 SERIES E (BABS)	25,295,000	2.600	657,665
812.55	PASADENA CCD DS 2014 REF SERIES A	13,900,000	2.600	361,397
812.56	PASADENA CCD DS 2016 REF SERIES A	32,395,000	2.600	842,264
817.53	ARCADIA UNIFIED DS 1993 SERIES C	331,333	0.380	1,258
817.57	ARCADIA UNIFIED DS 2006 SERIES B	26,910,000	0.380	102,155
817.58	ARCADIA UNIFIED DS 2017 REF	190,845,000	0.380	724,479
909.56	PASADENA USD DS 2008 SERIES 2009	2,840,000	5.352	151,994
909.58	PASADENA USD DS 2008 SERIES 2012	99,465,000	5.352	5,323,277
909.59	PASADENA USD DS 2014 REF BONDS SERIES A	24,145,000	5.352	1,292,219
909.60	PASADENA USD DS 2014 REF BONDS SERIES B	96,710,000	5.352	5,175,832
909.61	PASADENA USD DS 2008 SERIES 2016	10,515,000	5.352	562,753
909.62	PASADENA USD DS 2016 REF BONDS SERIES A	78,470,000	5.352	4,199,643
Total Overlapping Debt				<u>19,442,776</u>
Total Direct and Overlapping Debt				<u>\$ 19,543,196</u>

2018/19 Assessed Valuation: \$2,107,876,072 After Deducting \$207,414,856 Incremental Value.

Debt To Assessed Valuation Ratios:	
Direct Debt	0.00%
Overlapping Debt	0.92%
Total Debt	0.92%

Data 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 ⁽¹⁾	
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
2019	100,420	-	-	100,420

⁽¹⁾ 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

Business-type Activities					
Master Lease Equipment Financing	Revenue Parity Bonds	Loans	Total	Total Primary Government	
\$ 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	
48,457	-	6,372,601	6,421,058	6,521,478	

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Business-type Activities - Water Fund

Fiscal Year Ended June 30,	Operating Revenues	Operation and Maintenance Costs	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>						
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
2019	5,611,440	2,364,338	3,247,102	422,467	257,981	4.77

* 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 proceeds were sufficient to defease the Revenue Bonds on November 1, 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 ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
2010 ⁽¹⁾	\$ 697,666	\$ 235,000	\$ 160,125	1.77
2011 ⁽²⁾	1,174,727	245,000	148,125	2.99
2012 ⁽³⁾	1,249,669	255,000	156,042	3.04
2013 ⁽⁴⁾	555,072	270,000	120,187	1.42
2014 ⁽⁵⁾	505,387	300,000	106,188	1.24
2015 ⁽⁵⁾	738,195	300,000	94,000	1.87
2016 ⁽⁵⁾	528,157	315,000	78,625	1.34
2017 ⁽⁵⁾	567,950	330,000	62,500	1.45
2018 ⁽⁵⁾	581,097	345,000	45,625	1.49
2019 ⁽⁵⁾	190,991	360,000	28,000	0.49

⁽¹⁾ Tax increment figures are net of related pass-through payments, beginning in 2008-2009, the City began paying AB1389 pass through payments.

⁽²⁾ Tax increment figures are net of related pass-through payments, including AB1389 and State SERAF of \$542,513.

⁽³⁾ Tax increment figures are net of related pass-through payments, including AB1389 and State SERAF of \$161,861.

⁽⁴⁾ 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.

⁽⁵⁾ 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

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
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%
2018	11,135	608,795	54,674	3.7%	46.6	99.3%	63.3%

2019 data not available

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, 2019

Business Name	Business Category
Ad Security	Specialty Stores
Bespoke Machinery	Heavy Industrial
Bottle Shop	Convenience Stores/Liquor
Buccaneer Lounge	Casual Dining
Casa Del Rey	Casual Dining
CCAP Auto Lease	Auto Lease
Faubourg Restaurant	Casual Dining
Frontier Hardware Co	Building Materials
Happy's Liquor	Convenience Stores/Liquor
Ixora Floral Studio	Florist Shops
Koi Loungewear Inc	Women's Apparel
Leonora Moss	Florist Shops
Lucky Baldwins Delirium Café	Casual Dining
Moes Automotive Service Center	Auto Repair Shops
Nano Café	Casual Dining
Only Place in Town	Casual Dining
Sierra Filtration Services	Specialty Stores
Sierra Madre Pizza Co	Quick-Service Restaurants
Sierra Madre Service Station Inc	Service Stations
Sierra Madre Valero	Service Stations
Starbucks	Quick-Service Restaurants
Tacos Ensenada Dom	Quick-Service Restaurants
Village Pizzeria	Fast-Casual Restaurants
Wistaria Restaurant & Bar	Casual Dining
Yui	Casual Dining

Source: HDL Coren & Cone

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

<u>As of June 30,</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Government	8	8	8	7	7	11	11	11	13	12
Public Safety										
Police										
Officers	18	18	18	16	17	17	17	17	17	15
Civilians	5	5	5	4	4	7	6	6	7	7
Fire	12	12	15.8	15.4	15.2	16	18	19	19	20
Public Works	20	20	20	19	17.5	18	18	19	18	16
Development	4	4	4	3	3.5	4	5	5	5	5
Library and Recreation	<u>24.85</u>	<u>24.85</u>	<u>22.65</u>	<u>15.7</u>	<u>15.8</u>	<u>13</u>	<u>12</u>	<u>13</u>	<u>14</u>	<u>12</u>
Total	<u>91.85</u>	<u>91.85</u>	<u>93.45</u>	<u>80.1</u>	<u>80</u>	<u>86</u>	<u>87</u>	<u>90</u>	<u>93</u>	<u>87</u>

Source: Various City of Sierra Madre Departments

CITY OF SIERRA MADRE

Operating Indicators by Function

Fiscal year ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Number of:										
Physical Arrests	467	129	328	399	345	327	214	248	223	231
Parking Violations	2,812	2,495	2,031	3,266	2,976	2,764	1,797	2,596	1,705	1,127
Traffic Violations	1,740	1,989	1,798	1,435	1,967	571	727	837	1,210	1,216
Fire										
Number of:										
Calls Answered	885	940	967	947	863	970	1,036	1,107	1,102	1,097
Inspections	1,964	1,970	2,002	1,943	2,000	1,739	1,678	2,084	1,687	1,905
Public Works										
Number of:										
Water Mains Repaired	25	24	45	30	25	58	550	388	395	374
Water service leaks repaired	28	13	19	19	8	7	19	30	46	62
Street resurfacing/repair (SF)	331,235	-	-	-	69,000	284,790	-	142,500	454,000	705,270
Sidewalk Repairs (SF)	1,950	4,755	3,207	12,000	4,096	4,605	3,000	4,700	9,500	3,250
Trees planted	34	28	14	8	63	-	-	12	16	31
Trees pruned	171	24	20	537	514	37	24	38	43	16
Trees removed	18	37	50	20	30	62	75	75	68	44
Sewer cleaned/inspected (LF)	186,055	155,761	151,659	102,720	143,711	167,168	186,176	146,000	120,817	98,000
Sewer Manhole inspected (each)	n/a	n/a	346	171	104	676	620	433	473	380
Sewer lines inspected (LF)	n/a	n/a	500	200	330	1,064	1,000	2,045	-	-
Meters replaced	624	479	398	138	129	168	-	172	507	643
Valves exercised	257	829	583	299	406	284	267	3	-	60
Pot holes repaired	106	87	14	100	188	380	575	657	727	622
Water Mains Replaced (LF)	n/a	150	4,165	n/a	n/a	2,870	1,750	1,200	2,000	5,800
Recreation and Community Services										
Number of participants:										
Recreation classes	1,008	1,658	1,382	2,510	1,730	731	371	271	217	n/a
Aquatic ⁽¹⁾	3,720	3,584	3,146	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Summer pool memberships	22	10	16	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual Events ⁽²⁾	708	758	789							
Movie Series	n/a	n/a	n/a	1,100	1,050	1,400	1,500	1,700	1,850	1,900
Concert Series	n/a	n/a	n/a	3,600	4,550	4,835	4,400	4,600	4,800	5,600
Summer Fun in the Park	n/a	n/a	n/a	274	320	293	305	265	261	285
Huck Finn (campsites)	37	41	43	40	60	63	63	50	36	48
Mt. Wilson Trail Race	328	319	323	328	350	325	346	337	332	350
Window Painting	119	163	163	89	n/a	n/a	n/a	n/a	n/a	n/a
Halloween Happenings	149	153	153	112	n/a	150	157	107	115	126
Excursions	n/a	n/a	n/a	n/a	n/a	n/a	511	477	464	569

⁽¹⁾ Aquatics contracted out beginning FY 2012-2013

⁽²⁾ 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)

Fiscal year ended June 30,	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Library										
Number of:										
Registered borrowers	11,162	11,292	11,994	13,044	11,366	10,530	11,429	11,574	11,098	14,162
Circulation	107,535	111,384	105,121	86,829	79,673	85,779	113,272	97,829	114,432	115,572
Reference	6,682	7,781	6,705	5,663	5,795	6,548	6,493	5,237	5,066	4,868
Book volumes held	58,956	56,415	55,845	51,681	54,663	56,891	47,746	41,680	39,164	40,126
User's of E-Resources	14,288	13,962	13,312	13,844	14,173	14,798	17,678	16,612	14,141	17,809
Media	5,381	5,301	5,323	5,512	5,993	6,307	18,238	6,084	5,904	5,892
Periodicals	119	115	115	109	95	98	61	95	82	73
Municipal Utilities										
Number of:										
Number of Customers										
Commercial	111	110	111	112	70	n/a	n/a	n/a	n/a	n/a
Multi-Unit	356	354	356	353	212	n/a	n/a	n/a	n/a	n/a
City	75	75	75	63	40	n/a	n/a	n/a	n/a	n/a
Residential	3,312	3,284	3,255	3,280	3,424	3,550	3,489	3,565	3,501	3,654
Non-Residential	n/a	n/a	n/a	n/a	n/a	204	195	210	193	163
Water Consumption in Units (000's)	1,010	1,086	1,212	1,232	1,325	821	667	925	765	741
Administrative Services										
Number of:										
Number of Customers										
Online Bill Pay (average)	n/a	n/a	155	131	156	211	246	288	333	421
Business Licenses Issued	1,275	1,288	1,232	1,360	2,358	1,374	1,276	1,438	1,665	1,584
Development Services										
Number of:										
Conditional Use Permit	7	5	13	5	5	37	5	6	7	-
Minor Conditional Use Permit	5	3	2	5	10	7	2	5	5	4
Variance	4	2	4	1	-	1	1	-	-	1
Minor Variance	5	-	-	3	1	1	2	2	-	3
Municipal Code Text Amendment	1	3	2	3	1	6	5	7	-	5
Building Permit	125	242	304	278	249	231	230	274	281	258
Electrical Permit	86	57	81	165	208	159	174	206	223	223
Mechanical Permit	22	36	38	110	130	129	100	128	135	140
Plumbing Permit	45	49	59	161	166	215	194	204	230	191
Sewer Permit	2	6	13	25	26	3	14	23	2	7

* 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)

Fiscal year ended June 30,		2010	2011	2012
Roadways				
	Pavement AC (Governmental Funds)	\$ 15,364,491	\$ 14,523,998	\$ 13,686,599
Street Appurtenances				
	Bridges (Governmental Funds)	72,630	65,713	58,796
Parks				
	Park Structures (Governmental Funds)	172,614	164,767	156,919
			73,317	167,586
	Trees (Governmental Funds)	1,206,214	1,206,214	1,206,214
Wastewater				
	Manholes (Sewer)	838,654	811,157	783,660
	Sewer Pipelines (Sewer)	2,973,215	2,875,733	2,778,250
Domestic Water Network				
	Spreading Basins (Water)	1,225,146	1,192,386	1,159,626
	Pump Stations (Water)	1,648,780	1,594,721	1,540,663
	Meters (Water)	14,295	-	-
	Pipelines (Water)	3,742,074	3,559,533	3,376,993
	Pressure Reducing Stations (Water)	349,101	332,864	316,626
	Fire Hydrants (Water)	205,186	195,177	185,168
	Wells (Water)	824,424	784,209	743,993
	Reservoirs (Water)	14,399,392	14,195,770	13,992,147
Buildings	All			
	Buildings (Water Fund)	168,365	160,152	151,939
	Buildings (Sewer Fund)	168,365	160,152	151,939
	Buildings (Governmental Funds)	7,050,994	6,825,034	6,599,074
	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	162,275,946
General Equipment	All			
	Vehicle & Equipment (Water Fund)	27,081	20,780	14,820
	Vehicle & Equipment (Sewer Fund)	3,841	404,918	404,918
	Vehicle & Equipment (Governmental Funds)	270,108	794,752	740,834
	Vehicle & Equipment (Governmental-ISF fleet)	1,021,846	980,860	881,965
	Software (Governmental-ISF Administration)	369,848	484,029	459,827
Total		\$ 215,875,857	\$ 215,165,429	\$ 213,317,751

Source: Various City of Sierra Madre Departments

	2013	2014	2015	2016	2017	2018	2019
\$	12,858,351	\$ 12,041,539	\$ 11,331,409	\$ 10,731,909	\$ 9,854,028	\$ 9,549,273	\$ 10,482,847
	51,878	44,961	38,044	29,591	21,137	12,682	4,227
	149,072	141,224	133,376	267,258	392,374	371,422	350,470
	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
	756,163	728,666	701,169	672,551	643,932	615,313	586,693
	2,680,768	2,583,285	2,993,188	2,576,706	2,469,342	2,361,979	2,254,616
	1,126,865	1,094,105	1,061,345	1,025,528	989,710	953,893	918,075
	1,486,605	1,432,546	1,378,488	1,322,223	1,265,958	1,209,694	1,153,429
	-	-	-	-	-	-	-
	3,511,413	3,587,725	3,731,255	4,141,639	4,143,901	4,352,079	5,620,212
	300,389	284,152	267,915	250,630	233,345	216,061	198,776
	175,159	165,149	155,140	144,440	133,741	123,042	112,343
	703,777	663,561	623,345	580,356	537,366	494,377	451,387
	13,788,524	13,584,901	13,381,279	13,174,440	12,967,602	12,760,764	12,553,926
	143,726	135,513	127,300	118,766	110,328	101,799	93,316
	143,726	135,513	127,300	118,813	110,284	101,840	93,353
	6,373,114	6,147,154	5,733,392	5,642,913	5,409,185	5,175,456	5,127,521
						61,379	60,152
	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
	10,360	24,555	30,890	59,040	71,118	62,638	54,158
	341,205	336,248	292,587	230,880	169,174	107,464	45,756
	686,766	641,723	541,302	501,492	387,136	555,906	1,089,506
	784,751	704,962	591,833	654,076	821,597	745,502	-
	411,425	363,022	314,619	394,552	333,326	272,087	210,851
\$	211,612,185	\$ 209,961,890	\$ 208,676,562	\$ 207,603,213	\$ 206,029,994	\$ 205,170,057	\$ 206,427,024