

Annual Comprehensive Financial Report **City of Sierra Madre, California**

Village of the Foothills

For the Year Ending June 30, 2021



Prepared by the Finance Department Staff

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

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December 22, 2021

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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2021. 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 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, 2021, 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, 2021, 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 December 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 83 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. The Redevelopment Successor Agency was dissolved in October 2021.

Economic Condition and Outlook

Sierra Madre is a full-service municipality operating with a \$24 million budget. It funds 83 full-time equivalent employees assigned to nine operating departments which include general government activity, police and fire services, and water and sewer utilities. The City's primary goal is to provide high-quality, 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 is effective and has become a permanent part of the annual budget planning process.

The Coronavirus Pandemic: COVID-19

On March 17, 2020, the Sierra Madre City Council passed a resolution declaring a local state of emergency regarding COVID-19, and authorizing the City to request disaster recovery assistance from the State of California and the Federal Emergency Management Agency (FEMA). The City is tracking these expenditures for potential FEMA reimbursement. The City has also created a Small Business Grant program funded through Los Angeles County Urban County Community Development Block Grant (CDBG) Program.

Results for FY 20-21

The total fund balance of the City's General Fund increased by approximately \$2.1M for FY 20-21. During fiscal year 20-21, \$425,000 was set aside in a section 115 trust fund for future pension contributions. The Water fund net position increased by \$4.3M. The Water fund invested \$2.1M in water main replacement. The Sewer Fund had an increase in net position of \$20,000 in FY 20-21.

The General Fund balance reserve requirements is set at 25% of expenses; the City successfully met this threshold for FY20-21.

Major Accomplishments for the Year:

- The continuation of the long-term project to replace the City's water main infrastructure; Capital Investment in FY 20-21 was \$2.1M and \$1.9M for FY 19-20.
- The City Council approved a \$1.5M prepayment to CalPERS beyond the annual required contribution for FY20-21 and an initial \$500,000 funding to establish a CalPERS Section 115 trust, allowing the City to invest assets to fund future pension obligations.
- Initiated Kersting Court Renovation Project and successfully secured funding through Regional Park and Open Space District (RPOSD) in the amount of \$300,000.
- Invested in upgraded Fiber Internet Access which greatly improved cloud connectivity, Site to Site VPN, and remote access VPN for City Hall and Public Safety facilities.
- Through the Sierra Madre Cares Program, the City provided grants for small business support in response to the COVID 19 pandemic.
- In response to COVID-19 food insecurity, the Community Services department continued its Senior Meal Program with Mater Dolorosa with over 12,000 meals served.
- Continued the street rehabilitation program with over \$1M for the FY20-21 Street improvement project. In addition to regular repair and maintenance to improve the City's PCI rating, the City's also invested in sidewalk and ADA ramps
- Formalized Sierra Madre/Arcadia Interconnection Agreement and initiated negotiations for a jointly-owned well, securing an additional water source for Sierra Madre's water portfolio.
To assist in reducing the energy-related emissions of water distribution, the City Council approved a 554 kilowatt solar project at the City Yards. This project will offset 693 tons of carbon dioxide emissions annually from the City's water distribution operations, an equivalent of using 1,457 less barrels of oil per year.

Long-Term Financial Planning

The FY 20-21 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 balanced zero-based budget for the 2020-21 Fiscal Year. This budgeting method 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.

FY 20-21 Budget

The FY 20-21 Adopted Revenue budget is \$26.3 million in total. Budgeted revenue for the City's three primary funds are \$12.0 million for the General Fund, \$6.3 million for the Water Fund, and \$1.1 million for the Sewer Fund. City-wide expenses were budgeted at \$23.2 million.

Relevant Financial Policies

On June 9, 2020, 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, 2020. This is the fourth consecutive year the City has received this award.*

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 Government Finance Officers Association (GFOA) awarded a *certificate of Distinguished Budget Presentation Award to the City of Sierra Madre for its Annual Budget Report for the fiscal year starting July 1, 2020 and July 1st 2021.*

In order to be receive the Budget award, the City had to satisfy nationally recognized guidelines for effective budget presentation. These guidelines are designed to assess how well an entity’s budget serves as 1) a policy document, 2) a financial plan, 3) an operational guide, and 4) a communications device.

The preparation and publication of this report is made possible through the dedication of the Finance Department staff and the other City departments that assist in its preparation. This report would also not have been possible without the direction of the City Manager and the City Council’s leadership in overseeing the financial operations and disclosures of the City in an open, public and transparent manner.

Respectfully,



Hillary Guirola-Leon
Finance Director



Satnam Rait
Finance and Budget Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sierra Madre
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

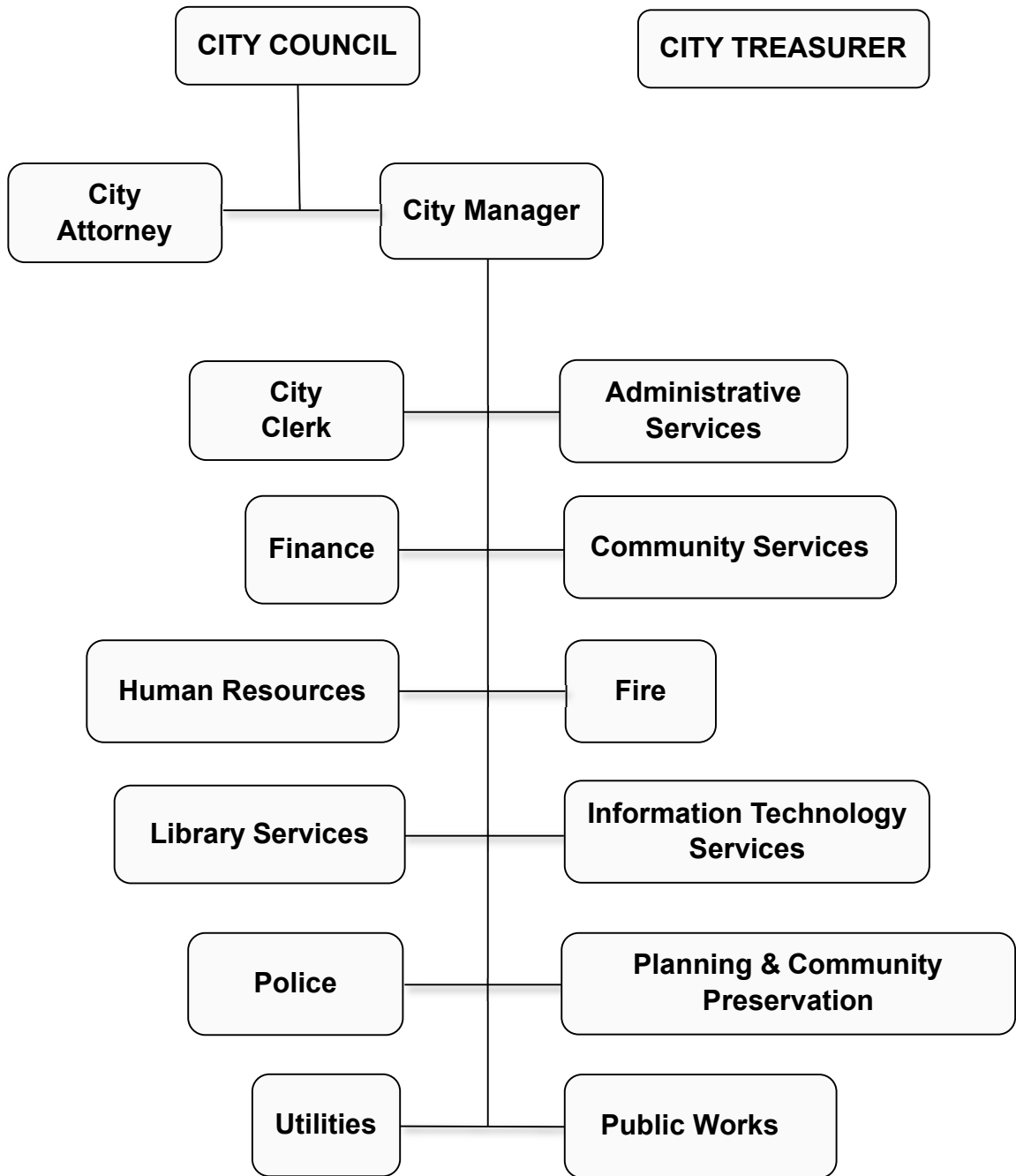
June 30, 2020

Christopher P. Morill

Executive Director/CEO



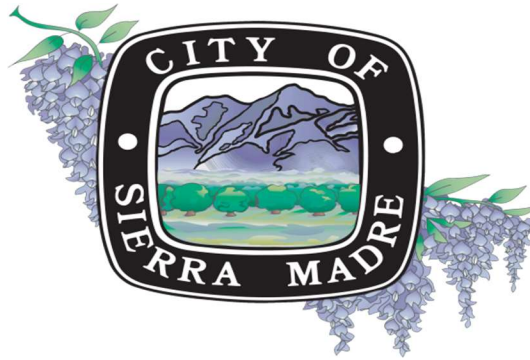
CITY OF SIERRA MADRE
Organizational Structure
As of June 30, 2021



City of Sierra Madre, California

Village of the Foothills

Annual Comprehensive Financial Report



For the Year Ending June 30, 2021

Sierra Madre, California

City Council and Elected Officials

As of June 30, 2021

Rachelle Arizmendi
Gene Goss
Edward Garcia
Kelly Kriebs
Robert Parkhurst

Laura Aguilar
Michael Amerio

Mayor
Mayor Pro Tempore
Council Member
Council Member
Council Member

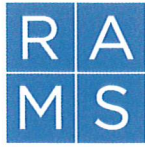
City Clerk
City Treasurer

Executive Management

Gabriel L. Engeland
Aleks Giragosian
Hillary Guirola-Leon
Vincent Gonzalez
Brent Bartlett
Rebecca Silva-Barron
Christine Smart
Rodrick Armalin
Jose Reynoso
Chris Cimino

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

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

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Independent Auditor's Report

PARTNERS

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Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST

MANAGERS / STAFF

Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
Xinlu Zoe Zhang, CPA, MSA
John Maldonado, CPA, MSA
Thao Le, CPA, MBA
Julia Rodriguez Fuentes, CPA, MSA

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

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

Report on the Audit of the Financial Statements

Opinion

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2021, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of proportionate share of net pension liability and related ratios as of the measurement date, the schedule of plan contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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

Supplementary 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 combining and individual nonmajor fund financial statements and the budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements and the budgetary comparison schedules are the responsibility of management and were derived from and relates 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 information contained therein is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, 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 22, 2021

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City of Sierra Madre, California

Village of the Foothills



Management's Discussion and Analysis For the Year Ending June 30, 2021

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CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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, 2021. 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

- At June 30, 2021, the City's net position was \$228.2 million. The City's total net position increased from prior fiscal year 2019-20 by \$5.7 million. The City-wide net position is composed of \$204.9 million in net investment in capital assets, \$6.4 million in restricted, and \$16.9 million in unrestricted net position.
- During the year, the City's General Fund balance increased by \$2.1 million and non-major governmental fund balance decreased by \$840 thousand. During FY 20-21, there was \$425 thousand set aside in a section 115 trust for future pension obligations. The decrease in non-major governmental fund balance was primarily due timing of revenue collections and project expenditures in the development impact fees fund.
- The increase in the General fund was due to an increase in sales tax revenues and a decrease in operating expenditures as part of the pandemic response plan. Fiscal year 2020-21 was the first full year of collecting the sales transaction tax after the passage of Measure S, resulting in an increase of \$650 thousand in sales tax. Property taxes also increased primarily due to the net taxable value increase of 4.6%. The increase was also attributed to the 2% Proposition 13 inflation adjustment.
- As part of the pandemic response plan, there were reductions in cost allocations to internal service funds and general fund operating expenditures. This reduction in general fund expenditures is not expected to continue after FY 21-22 and it is expected to increase by about \$800 thousand.
- The General fund had an adopted budget of \$10.7 million and amended budget of \$12.7 million. The budget amendments of \$2 million were primarily due to CalPERS stabilization efforts and a fire engine purchase. During the fiscal year, the City made an additional prepayment to CalPERS and an initial contribution to the California Employers' Pension Prefunding Trust Fund (CEPPT) to help manage pension obligation costs. As a result of CalPERS stabilization efforts, the City-wide net pension liability decreased by \$2.4 million from prior fiscal year.
- In the City's proprietary funds: The Water Fund net position increased by \$4.3 million. During the fiscal year, the City received a one-time amount of \$2.3 million for the sale of its water maintained in a cyclic storage account in the Main San Gabriel Basin. The remaining increase in net position for fiscal year 2020-21 was reinvested in capital assets. The Sewer Fund had an increase in net position of \$20 thousand. Non-Major Enterprise Funds remained unchanged, and total Internal Service Funds decreased by \$1.2 million due to reducing cost allocations and using existing reserves.

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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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.).

The statement of net position presents information on all the City'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'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 16 through 18 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 19 through 28 of this report.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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.

The City maintains 44 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 66 of this report.

Although legally separate, component units function for all practical purposes as departments of the City and, therefore, have been blended as part of the primary government.

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 23 through 26 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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 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 Successor Agency has been dissolved as of the issuance date of these financial statements.

The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position found on pages 27 through 28. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 29 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 65 through 70 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 71 through 137 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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, 2021

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 (91%) 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 \$227 million at the close of the most recent fiscal year as compared to the net position of \$222 million in fiscal year 2019-20.

Table 1
Condensed Statement of Net Position
June 30, 2020 and 2021
(in thousands)

	Governmental activities		Business-type activities		Total	
	2020	2021	2020	2021	2020	2021
Assets						
Current and other assets	\$ 20,182	\$ 21,476	\$ 5,763	\$ 9,546	\$ 25,945	\$ 31,022
Noncurrent assets	1,503	1,537	-	4	1,503	1,541
Capital assets, net	180,630	181,761	27,102	28,584	207,732	210,345
Total assets	202,315	204,774	32,865	38,134	235,180	242,908
Deferred outflows of resources	8,253	6,442	601	381	8,854	6,823
Liabilities						
Current and other liabilities	1,377	2,584	851	2,028	2,228	4,612
Noncurrent liabilities	9,293	7,045	6,147	5,675	15,440	12,720
Total liabilities	10,670	9,629	6,998	7,703	17,668	17,332
Deferred inflows of resources	3,666	4,001	222	225	3,888	4,226
Net position:						
Net investment in capital assets	180,630	181,761	21,201	23,167	201,831	204,928
Restricted	5,888	446	-	54	5,888	500
Unrestricted	9,714	15,379	5,045	7,365	14,759	22,744
Total net position	\$ 196,232	\$ 197,586	\$ 26,246	\$ 30,586	\$ 222,478	\$ 228,172

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

Statement of Activities and Changes in Net Position: Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, changes in and total net position are presented in the Statement of Activities (Table 2). Total revenues increased by approximately \$1.3 million, or 5.4 percent; and total expenses increased by \$2 million.

Table 2
Condensed Statement of Activities
For the years ended June 30, 2020 and 2021
(in thousands)

	Governmental activities		Business-type activities		Total	
	2020	2021	2020	2021	2020	2021
Revenues:						
Program revenues						
Charges for services	\$ 2,407	\$ 2,430	\$ 8,161	\$ 10,058	\$ 10,568	\$ 12,488
Operating grants and contributions	2,534	2,280	-	-	2,534	2,280
Capital grants and contributions	-	115	-	-	-	115
General revenues						
Taxes	10,635	11,882	-	-	10,635	11,882
Investment income	394	(10)	108	49	502	39
Miscellaneous	1,258	29	-	80	1,258	109
Total revenues	<u>17,228</u>	<u>16,726</u>	<u>8,269</u>	<u>10,187</u>	<u>25,497</u>	<u>26,913</u>
Expenses:						
General government	5,112	4,323	-	-	5,112	4,323
Public safety	5,473	6,445	-	-	5,473	6,445
Public works	2,260	2,464	-	-	2,260	2,464
Development services	990	1,025	-	-	990	1,025
Culture and recreation	1,066	1,115	-	-	1,066	1,115
Interest	3	-	-	-	3	-
Water	-	-	3,671	4,735	3,671	4,735
Sewer	-	-	583	1,111	583	1,111
Total expenses	<u>14,904</u>	<u>15,372</u>	<u>4,254</u>	<u>5,846</u>	<u>19,158</u>	<u>21,218</u>
Change in net position before transfers	2,324	1,354	4,015	4,341	6,339	5,695
Transfers	(11)	-	11	-	-	-
Change in net position	2,313	1,354	4,026	4,341	6,339	5,695
Net position, beginning of year	<u>193,919</u>	<u>196,232</u>	<u>22,220</u>	<u>26,246</u>	<u>216,139</u>	<u>222,478</u>
Net position, end of year	<u>\$ 196,232</u>	<u>\$ 197,586</u>	<u>\$ 26,246</u>	<u>\$ 30,587</u>	<u>\$ 222,478</u>	<u>\$ 228,173</u>

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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, 2020
(in thousands)

	Total cost of services	Total program revenues	Net cost of services
General government	\$ 4,323	\$ 757	\$ (3,566)
Public safety	6,445	980	(5,465)
Public works	2,464	2,878	414
Development services	1,025	115	(910)
Culture and recreation	1,115	94	(1021)
Totals	<u>\$ 15,372</u>	<u>\$ 4,824</u>	<u>\$ (10,548)</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, 2020 and 2021
(in thousands)

	Revenues		Expenditures		Transfers		Net change in fund balance	
	2020	2021	2020	2021	2020	2021	2020	2021
General Fund	\$ 13,996	\$ 14,180	\$ 13,189	\$ 11,836	\$ (167)	\$ (242)	\$ 640	\$ 2,102
Other governmental funds	3,069	2,568	2,118	3,668	170	260	1,121	(840)
Totals	<u>\$ 17,065</u>	<u>\$ 16,748</u>	<u>\$ 15,307</u>	<u>\$ 15,504</u>	<u>\$ 3</u>	<u>\$ 18</u>	<u>\$ 1,761</u>	<u>\$ 1,262</u>

CITY OF SIERRA MADRE
Management’s Discussion and Analysis
For the year ended June 30, 2021

Governmental Funds: Based on the audited Statement of Revenues, Expenditures and Changes in Fund Balance, the total fund balance of the City’s General Fund increased by approximately \$2.1 million in FY 2020-21. General Fund revenues increased by approximately \$166 thousand, or 1.19 percent; expenditures decreased by approximately \$945 thousand, and net transfers in increased by approximately \$74 thousand. Other non-major governmental funds total fund balance decreased by \$840 thousand.

At June 30, 2021, the fund balance for the General Fund was \$9.6 million which was an increase of approximately \$2.1 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, 2020	\$ 7,590,329
Total revenues	14,180,025
Total expenditures	(11,835,903)
Transfers	<u>(241,689)</u>
General Fund - fund balance for the year ending June 30, 2021	<u>\$ 9,692,762</u>
 <i>Unassigned reserves</i>	
25% of operating expenditures - cash flow reserve policy	\$ 2,958,976
<i>Unassigned (less nonspendable and restricted amounts)</i>	6,733,786

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

- Fluctuations in assigned reserves (25% of annual operating expenditures per the City’s fund balance policy); and
- Year-end operating surpluses/deficits.

The City is working on developing a 5-year capital improvement plan for FY 22-23 to help with long-term planning and financial sustainability.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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 \$4.3 million for the current year. The Water fund had an increase in net position of \$4.3 million; and the Sewer Fund had an increase in net position of \$20 thousand. At the close of FY 2020-21, the total net change in net position of the City's Internal Service Funds was a decrease of \$1.2 million.

Table 5
Statement of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2020 and 2021
(in thousands)

	Revenues		Expenses		Nonoperating revenue (expenses)		Net change in fund balance	
	2020	2021	2020	2021	2020	2021	2020	2021
Water	\$7,017	\$ 8,934	\$3,671	\$4,505	\$ 11	\$ (109)	\$3,357	\$ 4,320
Sewer	1,252	1,124	583	1,111	-	7	669	20
Other Enterprise funds	-	-	-	-	-	-	-	-
Totals	\$8,269	\$ 10,058	\$4,254	\$5,616	\$ 11	\$ (102)	\$4,026	\$ 4,340
Governmental Activities -								
Internal Service Funds	\$3,624	\$ 3,234	\$2,290	\$4,361	\$ (13)	\$ (41)	\$1,321	\$ (1,168)

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, 2021, amounts to \$210.3 million (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, 2020 and 2021
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
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	85	471	63	75	148	546
Structures and improvements	5,423	6,345	170	153	5,593	6,498
Machinery and equipment	1,201	2,007	59	217	1,260	2,224
Infrastructure	10,439	9,455	25,327	26,567	35,766	36,022
Total	\$ 180,630	\$ 181,760	\$ 27,102	\$ 28,495	\$ 207,732	\$ 210,255

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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

Debt Administration

At the end of FY 2020-21, the City had long-term debt outstanding of \$5,416,637 (of which \$350,161 is due in FY 2021-22) for the 2017 Installment Agreement. The City paid off the interest free loan from the San Gabriel Valley Municipal Water District during FY 2020-21.

Additional information on the City's long-term debt can be found in Note 6 of the Financial Statements (pages 45 through 47).

Economic Condition and Budget Outlook

The City is a full-service municipality operating with a \$24 million budget that funds 86 full-time equivalent 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 during fiscal year 2017-18. The continuation of Zero-Based Budgeting continues to be an effective method used by the City to manage its budget and expenses. The City adopted a FY 2021-22 budget with a projected surplus of \$2.3 million and will be implementing a 5-year capital improvement plan starting FY 2022-23.

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 increases in pension obligations through CalPERS and the unfunded accrued liability (UAL). The City has made three prepayments to CalPERS UAL in 2018, 2019, and 2020 which has reduced our annual contributions going forward.

General Fund

The City's largest fund is the General Fund and its revenues are approximately \$14.0 million. It provides the resources necessary to sustain the day-to-day activities and services to the community. All ten 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 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 a smaller amount from sales tax and other commercial activities.

At fiscal year ending June 30, 2021, General Fund revenues were 52% Property Tax and 10% VLF/Property Tax Backfill; 20% Utility User Tax and 18% other sources which includes Franchise fee, Sales Tax, and Business Licenses.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2021

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.

In FY 2018-2019 the City adopted the comprehensive water and wastewater cost of service and a Proposition 218 process to increase the rates. An infrastructure charge was implemented to raise funding to match the annual need of main replacements and improvements. In FY 20-21 the water fund invested \$2.1 million in capital and \$1.9M in FY 19-20. The water fund will continue to invest in capital to make improvements needed.

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, in FY 18-19, the Sewer fund had a new rate study implemented and a Proposition 218 process to increase the rates.

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, 2021

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CITY OF SIERRA MADRE
Statement of Net Position
June 30, 2021

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 19,333,269	\$ 8,706,027	\$ 28,039,296
Restricted cash and investments	446,000	54,000	500,000
Receivables, net:			
Accounts	1,060,296	786,221	1,846,517
Taxes	523,859	-	523,859
Interest	14,646	-	14,646
Due from other governments	84,735	-	84,735
Prepays	13,492	-	13,492
Total current assets	<u>21,476,297</u>	<u>9,546,248</u>	<u>31,022,545</u>
Noncurrent assets:			
Land held for resale	1,500,000	-	1,500,000
Capital assets:			
Non-depreciable assets	163,953,171	1,558,005	165,511,176
Depreciable assets-net	17,807,344	27,025,827	44,833,171
Net OPEB asset	36,556	3,616	40,172
Total noncurrent assets	<u>183,297,071</u>	<u>28,587,448</u>	<u>211,884,519</u>
Total assets	<u>204,773,368</u>	<u>38,133,696</u>	<u>242,907,064</u>
Deferred Outflows of Resources:			
OPEB related	156,001	15,428	171,429
Pension related	6,285,565	366,027	6,651,592
Total deferred outflows of resources	<u>6,441,566</u>	<u>381,455</u>	<u>6,823,021</u>
Liabilities:			
Current liabilities:			
Accounts payable	1,536,984	670,307	2,207,291
Accrued payroll and related liabilities	275,533	755,756	1,031,289
Interest payable	-	37,018	37,018
Deposits and retentions	610,671	161,637	772,308
Due within one year	160,400	403,607	564,007
Total current liabilities	<u>2,583,588</u>	<u>2,028,325</u>	<u>4,611,913</u>
Noncurrent liabilities:			
Due in more than one year	641,601	5,280,262	5,921,863
Net pension liability	6,403,816	395,121	6,798,937
Total noncurrent liabilities	<u>7,045,417</u>	<u>5,675,383</u>	<u>12,720,800</u>
Total liabilities	<u>9,629,005</u>	<u>7,703,708</u>	<u>17,332,713</u>
Deferred Inflows of Resources:			
OPEB related	349,093	34,526	383,619
Pension related	3,651,552	190,450	3,842,002
Total deferred inflows of resources	<u>4,000,645</u>	<u>224,976</u>	<u>4,225,621</u>
Net Position:			
Net investment in capital assets	181,760,515	23,167,195	204,927,710
Restricted for:			
Culture and recreation	-	-	-
Development services	-	-	-
Public safety	-	-	-
Public works	-	-	-
Section 115 Trust	446,000	54,000	500,000
Unrestricted	15,378,769	7,365,272	22,744,041
Total net position	<u>\$ 197,585,284</u>	<u>\$ 30,586,467</u>	<u>\$ 228,171,751</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Activities
For the year ended June 30, 2021

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 4,322,627	\$ 440,474	\$ 316,050	\$ -	\$ 756,524
Public safety	6,445,253	462,055	518,370	-	980,425
Public works	2,464,339	1,384,034	1,379,422	114,657	2,878,113
Development services	1,025,108	115,354	-	-	115,354
Culture and recreation	1,114,768	27,927	66,088	-	94,015
Total governmental activities	15,372,095	2,429,844	2,279,930	114,657	4,824,431
Business-type activities:					
Water	4,734,967	8,934,480	-	-	8,934,480
Sewer	1,110,982	1,123,590	-	-	1,123,590
Total business-type activities	5,845,949	10,058,070	-	-	10,058,070
Total primary government	\$ 21,218,044	\$ 12,487,914	\$ 2,279,930	\$ 114,657	\$ 14,882,501

General revenues:

Taxes:

Property taxes

Utility user taxes

Other taxes

Unrestricted sales taxes - shared state revenue

Investment earnings (loss)

Miscellaneous

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
\$ (3,566,103)	\$ -	\$ (3,566,103)
(5,464,828)	-	(5,464,828)
413,774	-	413,774
(909,754)	-	(909,754)
(1,020,753)	-	(1,020,753)
<u>(10,547,664)</u>	<u>-</u>	<u>(10,547,664)</u>
-	4,199,513	4,199,513
-	12,608	12,608
<u>-</u>	<u>4,212,121</u>	<u>4,212,121</u>
<u>(10,547,664)</u>	<u>4,212,121</u>	<u>(6,335,543)</u>
7,393,489	-	7,393,489
2,809,894	-	2,809,894
553,133	-	553,133
1,125,303	-	1,125,303
(9,580)	48,731	39,151
29,009	79,755	108,764
<u>11,901,248</u>	<u>128,486</u>	<u>12,029,734</u>
1,353,584	4,340,607	5,694,191
<u>196,231,700</u>	<u>26,245,860</u>	<u>222,477,560</u>
<u>\$ 197,585,284</u>	<u>\$ 30,586,467</u>	<u>\$ 228,171,751</u>

CITY OF SIERRA MADRE
Balance Sheet
Governmental funds
June 30, 2021

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 8,828,644	\$ 5,429,853	\$ 14,258,497
Restricted cash and investments	425,000	-	425,000
Receivables:			
Accounts	361,845	653,019	1,014,864
Taxes	418,975	104,884	523,859
Interest	14,646	-	14,646
Due from other agencies	-	84,735	84,735
Due from other funds	736,382	-	736,382
Prepaid	1,565	3,792	5,357
Land held for resale	-	1,500,000	1,500,000
Total assets	<u>\$ 10,787,057</u>	<u>\$ 7,776,283</u>	<u>\$ 18,563,340</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 378,420	\$ 986,434	\$ 1,364,854
Accrued payroll and related liabilities	220,146	19,254	239,400
Due to other funds	-	736,382	736,382
Deposits and retentions	495,729	114,942	610,671
Total liabilities	<u>1,094,295</u>	<u>1,857,012</u>	<u>2,951,307</u>
Fund balances:			
Nonspendable	1,565	-	1,565
Restricted	455,167	5,826,040	6,281,207
Committed	-	401,910	401,910
Assigned	-	-	-
Unassigned	9,236,030	(308,679)	8,927,351
Total fund balances	<u>9,692,762</u>	<u>5,919,271</u>	<u>15,612,033</u>
Total liabilities and fund balances	<u>\$ 10,787,057</u>	<u>\$ 7,776,283</u>	<u>\$ 18,563,340</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position
June 30, 2021

Total fund balances - total governmental funds \$ 15,612,033

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 180,798,292

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:

Net pension liability (6,131,858)

Net OPEB (liability) asset 34,949

Compensated absences (623,067)

Deferred outflows and inflows of resources related to pension and OPEB are not reported in the governmental funds:

Pension and OPEB related deferred outflows of resources 6,168,645

Pension and OPEB related deferred inflows of resources (3,831,620)

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 not included in the governmental funds balance sheet, however, these are included on governmental activities in the Statement of Net Position.

5,557,910

Net position of governmental activities \$ 197,585,284

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, 2021

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 7,393,489	\$ 272,633	\$ 7,666,122
Other taxes	4,393,543	-	4,393,543
Charges for services	647,451	135	647,586
Intergovernmental	264,828	1,889,636	2,154,464
Licenses and permits	1,366,585	98,407	1,464,992
Fines and forfeitures	70,616	-	70,616
Investment income (loss)	18,795	(26,733)	(7,938)
Miscellaneous	24,718	333,912	358,630
Total revenues	<u>14,180,025</u>	<u>2,567,990</u>	<u>16,748,015</u>
Expenditures:			
Current:			
General government	3,832,934	-	3,832,934
Public safety	5,887,640	853,540	6,741,180
Public works	359,029	2,276,506	2,635,535
Development	1,008,133	107,565	1,115,698
Culture and recreation	748,167	430,468	1,178,635
Total expenditures	<u>11,835,903</u>	<u>3,668,079</u>	<u>15,503,982</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,344,122</u>	<u>(1,100,089)</u>	<u>1,244,033</u>
Other financing sources (uses):			
Transfers in	-	1,022,186	1,022,186
Transfers out	(241,689)	(762,040)	(1,003,729)
Total other financing sources (uses)	<u>(241,689)</u>	<u>260,146</u>	<u>18,457</u>
Net change in fund balances	2,102,433	(839,943)	1,262,490
Fund balances, beginning of year	<u>7,590,329</u>	<u>6,759,214</u>	<u>14,349,543</u>
Fund balances, end of year	<u>\$ 9,692,762</u>	<u>\$ 5,919,271</u>	<u>\$ 15,612,033</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, 2021**

Net change in fund balances - total governmental funds \$ 1,262,490

Amounts reported for governmental activities in the Statement of Activities 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	(1,263,918)
Capital outlay, net of disposals	2,351,637

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

(1,167,767)

Some expenses reported on the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net change in compensated absences	80,392
Net change in OPEB asset	31,875
Net change in pension liability	2,115,451
Net change in OPEB asset's related deferred outflows and inflows of resources	26,356
Net change pension liability's related deferred outflows and inflows of resources	<u>(2,082,932)</u>

Change in net position of governmental activities \$ 1,353,584

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Net Position
Proprietary Funds
June 30, 2021

	Business-type Activities				
	Enterprise Funds				
	Major Funds		Non-Major Fund	Total Enterprise Funds	Governmental Activities Internal Service Funds
Water	Sewer	Special Strike Team Services			
Assets:					
Current assets:					
Cash and investments	\$ 6,741,846	\$ 1,882,307	\$ 81,874	\$ 8,706,027	\$ 5,074,772
Restricted cash and investments	30,000	\$ 24,000	-	54,000	21,000
Accounts receivable	675,103	111,118	-	786,221	45,432
Prepays	-	-	-	-	8,135
Total current assets	<u>7,446,949</u>	<u>2,017,425</u>	<u>81,874</u>	<u>9,546,248</u>	<u>5,149,339</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,558,005	-	-	1,558,005	-
Depreciable assets-net	24,200,789	2,825,038	-	27,025,827	962,223
Net OPEB asset	2,009	1,607	-	3,616	1,607
Total noncurrent assets	<u>25,760,803</u>	<u>2,826,645</u>	<u>-</u>	<u>28,587,448</u>	<u>963,830</u>
Total assets	<u>33,207,752</u>	<u>4,844,070</u>	<u>81,874</u>	<u>38,133,696</u>	<u>6,113,169</u>
Deferred Outflows of Resources:					
OPEB related	8,571	6,857	-	15,428	6,857
Pension related	203,348	162,679	-	366,027	266,064
Total deferred outflows of resources	<u>211,919</u>	<u>169,536</u>	<u>-</u>	<u>381,455</u>	<u>272,921</u>
Liabilities:					
Current liabilities:					
Accounts payable	663,092	7,215	-	670,307	172,130
Accrued payroll and related liabilities	739,178	16,578	-	755,756	36,133
Interest payable	37,018	-	-	37,018	-
Deposits and retentions	150,467	11,170	-	161,637	-
Compensated absences - current	36,158	17,288	-	53,446	35,787
Installment agreement payable - current	350,161	-	-	350,161	-
Total current liabilities	<u>1,976,074</u>	<u>52,251</u>	<u>-</u>	<u>2,028,325</u>	<u>244,050</u>
Noncurrent liabilities:					
Compensated absences	144,633	69,153	-	213,786	143,147
Net pension Liability	219,512	175,609	-	395,121	271,958
Installment agreement/loan payable	5,066,476	-	-	5,066,476	-
Total noncurrent liabilities	<u>5,430,621</u>	<u>244,762</u>	<u>-</u>	<u>5,675,383</u>	<u>415,105</u>
Total liabilities	<u>7,406,695</u>	<u>297,013</u>	<u>-</u>	<u>7,703,708</u>	<u>659,155</u>
Deferred Inflows of Resources:					
OPEB related	19,181	15,345	-	34,526	15,345
Pension related	105,806	84,644	-	190,450	153,680
Total deferred inflows of resources	<u>124,987</u>	<u>99,989</u>	<u>-</u>	<u>224,976</u>	<u>169,025</u>
Net Position:					
Net investment in capital assets	20,342,157	2,825,038	-	23,167,195	962,223
Restricted	30,000	24,000	-	54,000	21,000
Unrestricted	5,515,832	1,767,566	81,874	7,365,272	4,574,687
Total net position	<u>\$ 25,887,989</u>	<u>\$ 4,616,604</u>	<u>\$ 81,874</u>	<u>\$ 30,586,467</u>	<u>\$ 5,557,910</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, 2021

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds			Total Enterprise Funds	
	Major Funds		Non-Major Fund		
	Water	Sewer	Special Strike Team Services		
Operating revenues:					
Charges for services	\$ 8,934,480	\$ 1,123,115	\$ -	\$ 10,057,595	\$ 3,186,879
Licenses and permits	-	475	-	475	31,188
Miscellaneous	-	-	-	-	16,374
Total operating revenues	<u>8,934,480</u>	<u>1,123,590</u>	<u>-</u>	<u>10,058,070</u>	<u>3,234,441</u>
Operating expenses:					
Personnel services	896,708	705,358	-	1,602,066	1,855,534
Contractual services	308,720	24,556	-	333,276	557,729
Materials and supplies	1,013,258	11,134	-	1,024,392	272,982
Utilities	606,145	-	-	606,145	516,422
Maintenance and operation	40,952	210,092	-	251,044	105,040
Administrative Charges	942,970	11,648	-	954,618	894,258
Depreciation	696,012	148,194	-	844,206	159,449
Total operating expenses	<u>4,504,765</u>	<u>1,110,982</u>	<u>-</u>	<u>5,615,747</u>	<u>4,361,414</u>
Operating income (loss)	<u>4,429,715</u>	<u>12,608</u>	<u>-</u>	<u>4,442,323</u>	<u>(1,126,973)</u>
Nonoperating revenues (expenses):					
Investment income	41,293	7,438	-	48,731	(22,337)
Interest expense	(230,202)	-	-	(230,202)	-
Grant revenue	79,755	-	-	79,755	-
Total nonoperating revenues (expenses)	<u>(109,154)</u>	<u>7,438</u>	<u>-</u>	<u>(101,716)</u>	<u>(22,337)</u>
Income before transfers	<u>4,320,561</u>	<u>20,046</u>	<u>-</u>	<u>4,340,607</u>	<u>(1,149,310)</u>
Transfers:					
Transfers out	-	-	-	-	(18,457)
Total transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18,457)</u>
Change in net position	4,320,561	20,046	-	4,340,607	(1,167,767)
Net position, beginning of year	<u>21,567,428</u>	<u>4,596,558</u>	<u>81,874</u>	<u>26,245,860</u>	<u>6,725,677</u>
Net position, end of year	<u>\$ 25,887,989</u>	<u>\$ 4,616,604</u>	<u>\$ 81,874</u>	<u>\$ 30,586,467</u>	<u>\$ 5,557,910</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, 2021

	Business-type Activities			Total Enterprise Funds	Governmental Activities Internal Service Funds
	Enterprise Funds				
	Major Funds	Non-Major Fund			
Water	Sewer	Special Strike Team Services			
Cash flows from operating activities:					
Receipts from customers and users	\$ 9,534,303	\$ 1,236,081	\$ -	\$ 10,770,384	\$ -
Payments to suppliers	(2,033,250)	(252,472)	-	(2,285,722)	(2,303,422)
Payments to employees	(129,346)	(648,443)	-	(777,789)	(1,927,714)
Net cash provided (used) by operating activities	<u>7,371,707</u>	<u>335,166</u>	<u>-</u>	<u>7,706,873</u>	<u>(1,034,517)</u>
Cash flows from non-capital financing activities:					
Operating grant revenue	79,755	-	-	79,755	-
Transfers to other funds	-	-	-	-	(18,457)
Net cash provided (used) by non-capital financing activities	<u>79,755</u>	<u>-</u>	<u>-</u>	<u>79,755</u>	<u>(18,457)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(2,156,145)	(170,000)	-	(2,326,145)	(202,709)
Principal paid	(484,231)	-	-	(484,231)	-
Interest paid	(232,511)	-	-	(232,511)	-
Net cash provided (used) by capital and related financing activities	<u>(2,872,887)</u>	<u>(170,000)</u>	<u>-</u>	<u>(3,042,887)</u>	<u>(202,709)</u>
Cash flows from investing activities:					
Investment income	<u>41,293</u>	<u>7,438</u>	<u>-</u>	<u>48,731</u>	<u>(22,337)</u>
Net cash provided (used) by investing activities	<u>41,293</u>	<u>7,438</u>	<u>-</u>	<u>48,731</u>	<u>(22,337)</u>
Net increase (decrease) in cash and cash equivalents	4,619,868	172,604	-	4,792,472	(1,278,020)
Cash and investments:					
Beginning of year	<u>2,151,978</u>	<u>1,733,703</u>	<u>81,874</u>	<u>3,967,555</u>	<u>6,373,792</u>
End of year	<u>\$ 6,771,846</u>	<u>\$ 1,906,307</u>	<u>\$ 81,874</u>	<u>\$ 8,760,027</u>	<u>\$ 5,095,772</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, 2021

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Major Funds		Non-Major Fund		
	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)	\$ 4,429,715	\$ 12,608	\$ -	\$ 4,442,323	\$ (1,126,973)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	696,012	148,194	-	844,206	159,449
Changes in assets, liabilities and deferred amounts::					
(Increase) decrease in accounts receivable	599,823	112,491	-	712,314	(37,822)
(Increase) decrease in prepaid expenses	297,074	-	-	297,074	(8,135)
(Increase) decrease in net OPEB asset	(1,832)	(1,466)	-	(3,298)	(1,466)
(Increase) decrease in deferred outflows	135,830	83,849	-	219,679	76,046
Increase (decrease) in accounts payable	493,289	4,958	-	498,247	51,144
Increase (decrease) in accrued liabilities	710,278	3,206	-	713,484	(96,881)
Increase (decrease) in deposits payable	88,432	-	-	88,432	-
Increase (decrease) in deferred inflows	1,440	1,151	-	2,591	13,508
Increase (decrease) in compensated absences	38,465	25,599	-	64,064	23,663
Increase (decrease) in net pension liability	(116,819)	(55,424)	-	(172,243)	(87,050)
Total adjustments	2,941,992	322,558	-	3,264,550	92,456
Net cash provided (used) by operating activities	\$ 7,371,707	\$ 335,166	\$ -	\$ 7,706,873	\$ (1,034,517)

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, 2021

	Private-Purpose Trust Fund
	Redevelopment Obligation Retirement Fund
Assets:	
Cash and investments	\$ 210,762
Total assets	<u>210,762</u>
Liabilities:	
Total liabilities	<u>-</u>
Net Position:	
Unrestricted	210,762
Total net position	<u>\$ 210,762</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, 2021

	Private-Purpose Trust Fund Redevelopment Obligation Retirement Fund
Additions:	
Investment income	\$ 1,168
Total additions	<u>1,168</u>
Deductions:	
General and administration	<u>5,721</u>
Total deductions	<u>5,721</u>
Change in net position	(4,553)
Net position, beginning of year	<u>215,315</u>
Net position, ending of year	<u>\$ 210,762</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, 2021

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

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 ACFR 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, 2021

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, 2021

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, 2021

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 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 one fiduciary fund type: a private-purpose trust fund. 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

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, 2021

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	60 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, 2021

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, 2021

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 of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan’s fiduciary net position have been determined on the same basis. 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.

GASB 68 requires 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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

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, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 1, 2019 to June 30, 2020

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2021 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 28,039,296
Restricted cash and investments	500,000

Statement of Fiduciary Net Position:

Cash and investments	210,762
Total cash and investments	<u>\$ 28,750,058</u>

Cash and investments as of June 30, 2021 consist of the following:

Petty cash	\$ 2,000
Deposits with financial institutions	2,772,639
Investments	<u>25,975,419</u>
Total cash and investments	<u>\$ 28,750,058</u>

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

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	\$ 75 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, 2021

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, 2021, 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 short-term and long-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, 2021

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	\$ 18,271,729	\$ 18,271,729	\$ -	\$ -
US Treasury Notes	5,357,941	2,123,197	2,251,224	983,520
US Agency Securities	1,595,941	497,580	1,098,361	-
Certificate of Deposits	749,808	-	-	749,808
Total	\$ 25,975,419	\$ 20,892,506	\$ 3,349,585	\$ 1,733,328

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	\$ 18,271,729	N/A	\$ -	\$ 18,271,729
US Treasury Notes	5,357,941	N/A	5,357,941	-
US Agency Securities	1,595,941	N/A	1,595,941	-
Certificates of Deposits	749,808	N/A	749,808	-
Total	\$ 25,975,419		\$ 7,703,690	\$ 18,271,729

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

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, 2021, 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	\$ 5,357,941	\$ -	\$ 5,357,941	\$ -
US Agency Securities	1,595,941		1,595,941	
Certificates of Deposits	<u>749,808</u>	<u>-</u>	<u>749,808</u>	<u>-</u>
Sub-total	7,703,690	<u>\$ -</u>	<u>\$ 7,703,690</u>	<u>\$ -</u>
Investments not subject to fair value hierarchy:				
State investment pool	<u>18,271,729</u>			
Total	<u>\$ 25,975,419</u>			

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, 2021

3. INTERFUND BALANCES AND TRANSFERS

A. Due To/Due From

At June 30, 2021, the City had the following short-term interfund receivables and payables:

Receivable	Payable	Amount
General Fund	Non-major Governmental Funds	\$ 736,382

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

B. Transfers

At June 30, 2021, the City had the following transfers:

Transfers out	Transfers in	Amount
General Fund	Capital Projects Fund	\$ 160,000
	Non-major Governmental Funds	81,689
Non-major Governmental Funds	Non-major Governmental Funds	762,040
Internal Service Funds	Non-major Governmental Funds	18,457
	Total	\$ 1,022,186

- a. \$160,000 transfer from General fund to Capital Projects fund to fund street capital expenditures.
- b. \$81,689 transfer from General fund to Non-major governmental funds to cover expenditures.
- c. \$762,040 transfer to move Robert day trust donation to its own fund called Robert Day trust fund.
- d. \$18,457 transfer from Internal Service fund to non-major governmental funds to cover expenditures.

4. FUND DEFICITS

A. Fund Deficits

The following funds reported deficits in fund balance at June 30, 2021:

Description	Deficit balance
Non-major Governmental Funds:	
Leap Grant	\$ 14,174
Central Business Assessment District	9
Parking Maintenance District	461
Measure W	294,505

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

The City did not adopt budgets for the following funds: Fire Department Donations, Community Arts Commissions, Recreation Department Donations, CA Beverage Container Grant, Traffic Congestion Relief Program, Local History State Grant, SB2 Grant, Leap Grant, Fane/Winwood Assessment District, DUI Enforcement, Police Department Donations, SM Community Foundation, YAC-Youth Activity Center, Local Historical Society, and Robert Day Trust Fund.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

5. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the governmental activities capital assets at June 30, 2021 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	85,331	471,013	(85,331)	471,013
Total capital assets, not being depreciated	163,567,490	471,013	(85,331)	163,953,172
Capital assets, being depreciated:				
Structures and improvements	12,439,113	1,123,133	-	13,562,246
Machinery and equipment	4,568,850	1,045,532	(93,815)	5,520,567
Infrastructure	25,943,801	-	-	25,943,801
Total capital assets, being depreciated	42,951,764	2,168,665	(93,815)	45,026,614
Less accumulated depreciation				
Structures and improvements	(7,016,545)	(200,441)	-	(7,216,986)
Machinery and equipment	(3,368,178)	(238,823)	93,815	(3,513,186)
Infrastructure	(15,504,996)	(984,103)	-	(16,489,099)
Total accumulated depreciation	(25,889,719)	(1,423,367)	93,815	(27,219,271)
Total capital assets being depreciated	17,062,045	745,298	-	17,807,343
Governmental activities, capital assets, net	\$ 180,629,535	\$ 1,216,311	\$ (85,331)	\$ 181,760,515

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

Governmental activities:	
General government	\$ 99,158
Public safety	122,134
Public works	1,043,086
Culture and recreation	158,989
Total	\$ 1,423,367

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

5. CAPITAL ASSETS, (continued)

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2021 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	<u>62,749</u>	<u>74,755</u>	<u>(62,749)</u>	<u>74,755</u>
Total capital assets, not being depreciated	<u>1,545,999</u>	<u>74,755</u>	<u>(62,749)</u>	<u>1,558,005</u>
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,068,940	170,000	(30,000)	1,208,940
Infrastructure	<u>47,046,028</u>	<u>2,144,139</u>	<u>-</u>	<u>49,190,167</u>
Total capital assets, being depreciated	<u>48,936,258</u>	<u>2,314,139</u>	<u>(30,000)</u>	<u>51,220,397</u>
Structures and improvements	(651,590)	(16,970)	-	(668,560)
Machinery and equipment	(1,010,223)	(12,205)	30,000	(992,428)
Infrastructure	<u>(21,718,551)</u>	<u>(815,031)</u>	<u>-</u>	<u>(22,533,582)</u>
Total accumulated depreciation	<u>(23,380,364)</u>	<u>(844,206)</u>	<u>30,000</u>	<u>(24,194,570)</u>
Total capital assets being depreciated	<u>25,555,894</u>	<u>1,469,933</u>	<u>-</u>	<u>27,025,827</u>
Business-type activities, capital assets, net	<u>\$ 27,101,893</u>	<u>\$ 1,544,688</u>	<u>\$ (62,749)</u>	<u>\$ 28,583,832</u>

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

Business-type activities:	
Water	\$ 696,012
Sewer	<u>148,194</u>
Total	<u>\$ 844,206</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

6. LONG-TERM LIABILITIES

A. Governmental Activities

A summary of changes in the governmental activities long-term liabilities at June 30, 2021 is as follows:

<u>Governmental activities:</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>	<u>Due more than one year</u>
Compensated absences	\$ 858,730	\$ 660,422	\$ (717,151)	\$ 802,001	\$ 160,400	\$ 641,601
Net pension liability	<u>8,606,317</u>	<u>-</u>	<u>(2,202,501)</u>	<u>6,403,816</u>	<u>-</u>	<u>6,403,816</u>
Total	<u>\$ 9,465,047</u>	<u>\$ 660,422</u>	<u>\$ (2,919,652)</u>	<u>\$ 7,205,817</u>	<u>\$ 160,400</u>	<u>\$ 7,045,417</u>

The net pension liability and the net OPEB liability associated with the governmental activities are primarily liquidated by the General Fund. The net OPEB liability changed to a net OPEB asset during the year.

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

6. LONG-TERM LIABILITIES, (continued)

B. Business-type Activities, (continued)

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2021 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	\$ 5,755,180	\$ -	\$ (338,543)	\$ 5,416,637	\$ 350,161	\$ 5,066,476
Loan payable to SGVMWD	145,688	-	(145,688)	-	-	-
Subtotal long-term debt	5,900,868	-	(484,231)	5,416,637	350,161	5,066,476
Other long-term liabilities						
Compensated absences	203,168	167,573	(103,509)	267,232	53,446	213,786
Net pension liability	567,364	-	(172,243)	395,121	-	395,121
Subtotal other long-term liabilities	770,532	167,573	(275,752)	662,353	53,446	608,907
Total long-term liabilities	\$ 6,671,400	\$ 167,573	\$ (759,983)	\$ 6,078,990	\$ 403,607	\$ 5,675,383

The net OPEB liability changed to a net OPEB asset during the year.

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 \$570,418 and the net revenues were \$6,109,990.

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, 2021

6. LONG-TERM LIABILITIES, (continued)

B. Business-type Activities (continued)

The outstanding balance is \$5,416,637 at June 30, 2021.

Annual debt service requirements on this debt are as follows:

Year ending June 30,	Principal	Interest	Total
2022	\$ 350,161	\$ 218,552	\$ 568,713
2023	362,881	204,066	566,947
2024	376,062	189,054	565,116
2025	389,722	173,497	563,219
2026	403,878	157,374	561,252
2027-2031	2,250,400	523,777	2,774,177
2032-2034	<u>1,283,533</u>	<u>79,884</u>	<u>1,363,417</u>
Totals	<u>\$ 5,416,637</u>	<u>\$ 1,546,204</u>	<u>\$ 6,962,841</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. As of June 30, 2021, the loan was paid in full.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

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	\$ 1,565	\$ -	\$ 1,565
Restricted for:			
Public works	-	2,350,860	2,350,860
Public safety	30,167	192,347	222,514
Community services/development	-	2,220,977	2,220,977
Streets projects	-	601,214	601,214
Debt service	-		-
Donor restrictions	-		-
Culture and recreation	-	460,642	460,642
Section 115 Trust	425,000	-	425,000
Committed to:			
Debt service	-	13,338	13,338
Community services/development	-	388,572	388,572
Culture and recreation	-	-	-
Public safety	-	-	-
Unassigned	<u>9,236,030</u>	<u>(308,679)</u>	<u>8,927,351</u>
Total fund balance	<u>\$ 9,692,762</u>	<u>\$ 5,919,271</u>	<u>\$ 15,612,033</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 expenditures be set aside. As of June 30, 2021, the amount set aside was \$2,598,976 and is reported as unassigned fund balance.

B. Net Position Classification

In accordance with generally accepted accounting principles, the City's restricted net position is as follows:

Description	Governmental Activities	Business-type Activities	Total
Restricted:			
Public safety	\$ 222,514	\$ -	\$ 222,514
Public works	2,952,074	-	2,952,074
Development services	2,220,977	-	2,220,977
Culture and recreation	460,642	-	460,642
Section 15 Trust	<u>446,000</u>	<u>54,000</u>	<u>500,000</u>
Total restricted net position	<u>\$ 6,302,207</u>	<u>\$ 54,000</u>	<u>\$ 6,356,207</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

7. NET POSITION AND FUND BALANCES, (continued)

C. Net Investment in Capital Assets

Net position for governmental activities and business-type activities is classified as 1) net investment in capital assets, 2) restricted, or 3) unrestricted. Net position that was classified as net investment in capital assets as of June 30, 2021, was determined as follows:

	Business-type Activities		
	Water	Sewer	Total Enterprise Funds
Capital assets, net of accumulated depreciation	\$ 25,758,794	\$ 2,825,038	\$ 28,583,832
Less capital related debt balance:			
Outstanding principal balance of 2017 Installment Agreement	(5,416,637)	-	(5,416,637)
Net investment in capital assets	\$ 20,342,157	\$ 2,825,038	\$ 23,167,195

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 118 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. Primary 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

8. RISK MANAGEMENT, (continued)

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 \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 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 also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, 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 \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

8. RISK MANAGEMENT, (continued)

C. Purchased Insurance, (continued)

Property Insurance

The City of Sierra Madre participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Sierra Madre property is currently insured according to a schedule of covered property submitted by the City of Sierra Madre to the Authority. City of Sierra Madre property currently has all-risk property insurance protection in the amount of \$83,649,704. 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 \$38,210,624. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

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 2020-21.

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, 2021

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 or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. 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 generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City participates in 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, 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, 2021

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

The Plans' provisions and benefits in effect at June 30, 2021 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 2.7%	1.0% to 2.5%
Required employer contribution rates for FY2021	12.142% + \$635,237	7.072% + \$3,046

	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	50 - 57
Monthly benefits, as a % of eligible compensation	3.0%	2.0% to 2.7%
Required employer contribution rates for FY2021	21.748% + \$529,895	13.786% + \$2,146

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, 2021 were \$2,546,555. The actual employer payments of \$6,585,121 made to CalPERS by the City during the measurement period ended June 30, 2020 differed from the City's proportionate share of the employer's contributions of \$2,361,122 by \$1,746,201, 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, 2021

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability

The City'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 is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 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, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by Entry Age and Service
Mortality rate table (1)	Derived using CALPERS' membership data for all Funds
Post retirement benefit increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.5% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 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, 2021

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 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.

The expected real rates of return by asset class are as follows:

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 ACFR, 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

The Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

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 plan's 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 plan's fiduciary net position and additions to/deductions from the plan's 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 the 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: 6/30/2019 (VD*)	\$ 53,669,673	\$ 44,495,992	\$ 9,173,681
Balance at: 6/30/2020 (MD*)	56,046,431	49,247,494	6,798,937
Net Changes during 2019-20	2,376,758	4,751,502	(2,374,744)

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

The City'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, 2021

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, 2019 and 2020 measurement dates was as follows:

	Misc.	Safety	Total
Proportion - June 30, 2019	0.13969%	0.05734%	0.08953%
Proportion - June 30, 2020	0.10408%	0.03615%	0.06249%
Change - increase/(decrease)	<u>-0.03561%</u>	<u>-0.02119%</u>	<u>-0.02704%</u>

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

The following presents the City's proportionate share of the net pension liability of the 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.	\$ 8,507,158	\$ 4,390,226	\$ 988,531
Employer's Net Pension Liability - Safety	5,818,690	2,408,711	(389,500)
Employer's Net Pension Liability - Total	<u>\$ 14,325,848</u>	<u>\$ 6,798,937</u>	<u>\$ 599,030</u>

Subsequent Events

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

Amortization of Deferred Outflows and Deferred Inflows of Resources

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:

Net difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSLS) 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, 2021

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, 2020 is 3.8 years, which was obtained by dividing the total service years of 548,581 (the sum of remaining service lifetimes of the active employees) by 145,663 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. 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, 2019), the City's net pension liability was \$9,173,681. For the measurement period ending June 30, 2020 (the measurement date), the City incurred a pension expense of \$2,570,507.

As of June 30, 2021, the City has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	\$ -	\$ 39,335
Differences between expected and actual experience	413,025	-
Differences between projected and actual investment earnings	182,770	-
Differences between employer's contributions and proportionate share of contributions	3,509,242	16,403
Change in employer's proportion	-	3,786,264
Pension contributions made subsequent to measurement date	2,546,555	-
Totals	<u>\$ 6,651,592</u>	<u>\$ 3,842,002</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

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 2019-20 measurement period expense. Contributions subsequent to the measurement date of \$2,546,555 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other 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
2022	\$ (110,216)	\$ 65,905	\$ (44,311)
2023	34,047	205,660	239,707
2024	7,254	(28,398)	(21,144)
2025	62,552	26,231	88,783
2026	-	-	-
Thereafter	-	-	-
	<u>\$ (6,363)</u>	<u>\$ 269,398</u>	<u>\$ 263,035</u>

E. Payable to the Pension Plan

At June 30, 2021, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year then ended.

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, 2021, the City's payroll covered by the plan was \$289,783. 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, 2021

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.

D. Contingencies

COVID-19 considerations

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States caused business disruption through mandated and voluntary closings of businesses and shelter in place orders. The City's major revenue sources could still be directly impacted by these events, it is possible that this matter could negatively impact the City. However, the ultimate financial impact and duration cannot be estimated at this time, and no adjustments have been made to these financial statements as a result of this contingency.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

- 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 \$139 per month in 2021.

The City’s monthly PEMCHA contribution toward health plan benefits for retirees as of the June 30, 2020 measurement date is \$139 for all retirees, since all employee groups have been contracted with CalPERS for over 20 years.

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 (up to a maximum of 100%) times the lowest premium in Region 3.
- 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 Region 3.

The lowest cost HMO plan premium in the Region 3 available to retirees in 2020 is the Health Net Salud y Mas plan with a monthly premium of \$392.31

Employee covered

As of the June 30, 2020 valuation, the following current and former employees are covered by the benefit terms under the plan:

Active employees	81
Inactive employees or beneficiaries currently receiving benefits	<u>19</u>
Total	<u><u>100</u></u>

52 employees are currently enrolled with 29 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, 2021, the City’s cash contributions were \$113,325 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, 2021

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Net OPEB liability/(asset)

The City's net OPEB liability/(asset) was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation dated June 30, 2020, based on the following actuarial methods and assumptions:

Discount rate	6.35%
Inflation	2.50%
Salary increases	3.00%
Mortality rate	MacLeod Watts Scale 2018 applied generationally
Healthcare trend	6.50% to 4.90% for 2020 and beyond

Change of Assumptions

Trust rate of return	(a) <i>for accounting purposes</i> : Decreased from 6.73% to 6.35%, reflecting updated projections of long term trust returns. (b) <i>for plan funding purposes</i> : Changed to reflect the expected returns described above, reduced by 10 basis points for annual trust administrative fees, resulting in a (net) rate of 6.25%.
Demographic Assumptions	Assumed mortality, termination, and retirement rates were updated from those provided in the 2014 experience study report to those provided in the 2017 experience study report of CalPERS.
Mortality Improvement	Updated from MacLeod Watts Scale 2017 to MacLeod Watts Scale 2018.
General Inflation Rate	Decreased from 2.75% to 2.50%.
Salary Increase	Decreased from 3.25% to 3.00% per year.
Spouse Coverage	For those employees expected to receive a benefit in addition to the PEMHCA MEC in retirement, increased the percentage of retirees assumed to cover a spouse in retirement from 35% to 70%, based on a review of recent retiree elections. The assumption for spouse coverage for all other future retirees remained at 35%.
Medical Trend	Updated to use the Getzen healthcare trend model sponsored by the Society of Actuaries.
PEMHCA MEC Increases	Decreased the assumed trend on the PEMHCA minimum benefit from 4.50% to 4.00% per year based on recent historical and expected future increases in CPI-medical.
Excise tax on High-cost Coverage	Excluded the excise tax from the results given the December 2019 repeal of this provision of the Affordable Care Act.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Discount rate

The discount rate used to measure the total OPEB liability/(asset) was 6.35% 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 long-term rate of return
Global equity	40.0%	4.80%
Fixed income	43.0%	1.10%
REIT's	8.0%	0.25%
Treasury inflation protection	5.0%	3.20%
Commodities	4.0%	1.50%
Total	100%	

Changes in the net OPEB liability/(asset)

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, 2020			
(Valuation date June 30, 2019)	\$ 1,859,778	\$ 1,863,311	\$ (3,533)
Changes recognized for the measurement period:			
Service cost	93,625	-	93,625
Interest cost	120,510	-	120,510
Employer contributions	-	150,528	(150,528)
Net investment income	-	101,166	(101,166)
Administrative expenses	(111,228)	(111,228)	-
Benefit payments	-	(920)	920
Net changes	102,907	139,546	(36,639)
Balance at June 30, 2021			
(Measurement date June 30, 2020)	\$ 1,962,685	\$ 2,002,857	\$ (40,172)

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Sensitivity of the Net OPEB Liability/(Asset) 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, 2020:

	Discount rate		
	1% decrease	Current rate	1% increase
Net OPEB liability/(asset)	\$ 178,885	\$ (40,172)	\$ (225,273)

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, 2020:

	Medical cost inflation		
	1% decrease	Current rate	1% increase
Net OPEB liability/(asset)	\$ (255,260)	\$ (40,172)	\$ 221,321

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:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight line recognition over the expected average remaining service lifetime (EARSL) (9.61 years at June 30, 2019)

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2021

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

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

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$46,396. As of fiscal year ended June 30, 2021, 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	\$ 45,005	\$ -
Differences between expected and actual experience	-	383,619
Net difference between projected and actual earnings on investments	13,099	-
Contributions subsequent to the measurement date	<u>113,325</u>	<u>-</u>
Totals	<u>\$ 171,429</u>	<u>\$ 383,619</u>

The \$113,325 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2022. 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,</u>	<u>Recognized net deferred outflows (inflows) of resources</u>
2022	\$ (49,118)
2023	(46,048)
2024	(47,805)
2025	(47,126)
2026	(50,799)
Thereafter:	<u>(84,619)</u>
	<u>\$ (325,515)</u>

City of Sierra Madre, California

Village of the Foothills



Required Supplementary Information For the Year Ending June 30, 2021

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CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2021

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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,891,000	6,941,000	\$ 7,393,489	\$ 452,489
Other taxes	3,337,000	3,777,000	4,393,543	616,543
Charges for services	577,900	577,900	647,451	69,551
Intergovernmental	7,000	240,547	264,828	24,281
Licenses and permits	1,063,500	1,063,500	1,366,585	303,085
Fines and forfeitures	59,000	59,000	70,616	11,616
Investment income	50,000	50,000	18,795	(31,205)
Miscellaneous	25,000	25,000	24,718	(282)
Total revenues	<u>12,010,400</u>	<u>12,733,947</u>	<u>14,180,025</u>	<u>1,446,078</u>
Expenditures:				
Current:				
General government:				
Administrative Services	2,744,750	3,766,250	3,505,250	261,000
Elected and Appointed	455,260	465,760	327,684	138,076
Total general government	<u>3,200,010</u>	<u>4,232,010</u>	<u>3,832,934</u>	<u>399,076</u>
Public safety:				
Police	2,775,182	2,876,532	2,930,587	(54,055)
Fire	2,307,043	3,111,043	2,957,053	153,990
Total public safety	<u>5,082,225</u>	<u>5,987,575</u>	<u>5,887,640</u>	<u>99,935</u>
Public works	397,635	405,635	359,029	46,606
Development	1,002,800	1,042,800	1,008,133	34,667
Culture and recreation:				
Community Services	354,745	374,745	342,774	31,971
Library Services	529,305	529,305	405,393	123,912
Total culture and recreation	<u>884,050</u>	<u>904,050</u>	<u>748,167</u>	<u>155,883</u>
Total expenditures	<u>10,566,720</u>	<u>12,572,070</u>	<u>11,835,903</u>	<u>736,167</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,443,680</u>	<u>161,877</u>	<u>2,344,122</u>	<u>2,182,245</u>
Other financing sources (uses):				
Transfers out	(172,700)	(322,700)	(241,689)	81,011
Total other financing sources (uses)	<u>(172,700)</u>	<u>(322,700)</u>	<u>(241,689)</u>	<u>81,011</u>
Net change in fund balance	1,270,980	(160,823)	2,102,433	2,263,256
Fund balance, beginning of year	<u>7,590,329</u>	<u>7,590,329</u>	<u>7,590,329</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,861,309</u>	<u>\$ 7,429,506</u>	<u>\$ 9,692,762</u>	<u>\$ 2,263,256</u>

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2021

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>Employer's 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%
June 30, 2019	9,173,681	0.08953%	4,773,023	192.20%	82.91%
June 30, 2020	6,798,937	0.06249%	5,315,808	127.90%	87.87%

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

*Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2021

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%
June 30, 2020	1,107,313	(4,107,313)	(3,000,000)	5,315,808	77.27%
June 30, 2021	1,046,555	(2,546,555)	(1,500,000)	5,789,730	43.98%

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. 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 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. 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.

*Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2021

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			
	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability				
Service cost	\$ 93,625	\$ 113,216	\$ 109,652	\$ 107,444
Interest cost	120,510	139,838	130,212	132,432
Plan experience	-	(352,670)	-	(186,345)
Changes in assumptions	-	47,406	-	13,329
Benefit payments	<u>(111,228)</u>	<u>(105,241)</u>	<u>(95,572)</u>	<u>(108,541)</u>
Net change in Total OPEB Liability	102,907	(157,451)	144,292	(41,681)
Total OPEB Liability - beginning	<u>1,849,778</u>	<u>2,017,229</u>	<u>1,872,937</u>	<u>1,914,618</u>
Total OPEB Liability - ending (a)	<u>1,962,685</u>	<u>1,859,778</u>	<u>2,017,229</u>	<u>1,872,937</u>
Plan Fiduciary Net Position				
Contribution - employer	150,528	163,349	95,572	108,541
Expected investment income/experience	101,166	118,856	98,236	99,406
Investment experience	-	-	-	15,348
Benefit payments	(111,228)	(105,241)	(95,572)	(108,541)
Administrative expense	<u>(920)</u>	<u>(363)</u>	<u>(2,941)</u>	<u>(782)</u>
Net change in Plan Fiduciary Net Position	139,546	176,601	95,295	113,972
Plan Fiduciary Net Position - beginning	<u>1,863,311</u>	<u>1,686,710</u>	<u>1,591,415</u>	<u>1,477,443</u>
Plan Fiduciary Net Position - ending (b)	<u>2,002,857</u>	<u>1,863,311</u>	<u>1,686,710</u>	<u>1,591,415</u>
Net OPEB Liability (asset) - ending (a) - (b)	<u>\$ (40,172)</u>	<u>\$ (3,533)</u>	<u>\$ 330,519</u>	<u>\$ 281,522</u>
Plan fiduciary net position as a percentage of the total OPEB liability	102.05%	100.19%	83.62%	84.97%
Covered payroll	\$ 6,061,061	\$ 5,884,525	\$ 5,537,332	\$ 4,937,800
Net OPEB liability (asset) as a percentage of covered payroll	-0.66%	-0.06%	5.97%	5.70%

Notes to schedule:

The following assumptions were changed from the prior valuation:

Discount rate: Decreased from 6.73% to 6.35%.

Demographic assumptions: Mortality rates updated from 2014 to 2017 experience study.

Mortality improvement: Sclae updated from 2017 to 2018 MacLeod Watts Scale

General inflation rate: Decreased from 2.75% to 2.5%

Salary increase: Decreased from 3.25% to 3.0%.

Spouse coverage: Change percentage of retirees assumed spouse coverage from 35% to 70%.

Medical trend: updated to use Getzen healthcare trend.

PEMHCA MEC increases: Decreased assumed trend from 4.5% to 4.0%.

*Historical information is required only for measurement

Future years' information will be displayed up to 10 years as information becomes available.

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2021

2. OTHER POST EMPLOYMENT BENEFITS, (continued)

*Schedule of Plan Contributions – Last 10 Years**

Fiscal year	Actuarially Determined Contributions (ADC)	Contributions in relation to the ADC	Contribution deficiency (excess)	Covered- employee payroll	Contributions as a percentage of covered- employee payroll
June 30, 2018	\$ 153,086	\$ (95,572)	\$ 57,514	\$ 5,537,332	1.73%
June 30, 2019	145,849	(163,349)	(17,500)	5,884,525	2.78%
June 30, 2020	150,528	(150,528)	-	6,061,061	2.48%
June 30, 2021	100,910	(113,325)	(12,415)	7,686,509	1.68%

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. Benefits are not based on a measure of pay so covered-employee payroll is issued.

Methods and assumptions used to determine contributions:

Valuation date	June 30, 2020
Funding method	Entry age normal cost, level % of pay
Asset valuation	Market value of assets
Discount Rate	6.35%
Inflation	2.50%
Salary Increases	3.00%
Mortality Rate	MacLeod Watts Scale 2018 applied generationally
Healthcare Trend Rate	6.5% to 4.90% for 2021 and beyond

*Fiscal year 2017-18 was the first year of implementation. Additional years to be presented as information becomes available.

City of Sierra Madre, California

Village of the Foothills



Supplementary Information For the Year Ending June 30, 2021

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CITY OF SIERRA MADRE
Combined Balance Sheet
Non-Major Governmental Funds by Fund Type
June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
Assets:				
Cash and investments	\$ 4,743,923	\$ 672,592	\$ 13,338	\$ 5,429,853
Receivables:				
Accounts	653,019	-	-	653,019
Taxes	104,884	-	-	104,884
Due from other agencies	84,735	-	-	84,735
Prepaid	3,792	-	-	3,792
Land held for resale	-	1,500,000	-	1,500,000
Total assets	<u>\$ 5,590,353</u>	<u>\$ 2,172,592</u>	<u>\$ 13,338</u>	<u>\$ 7,776,283</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 725,957	\$ 260,477	\$ -	\$ 986,434
Accrued payroll and related liabilities	19,254	-	-	19,254
Due to other funds	736,382	-	-	736,382
Deposits and retentions	91,565	23,377	-	114,942
Total liabilities	<u>1,573,158</u>	<u>283,854</u>	<u>-</u>	<u>1,857,012</u>
Fund balances (deficit):				
Restricted	4,325,874	1,500,166	-	5,826,040
Committed	-	388,572	13,338	401,910
Unassigned	(308,679)	-	-	(308,679)
Total fund balances	<u>4,017,195</u>	<u>1,888,738</u>	<u>13,338</u>	<u>5,919,271</u>
Total liabilities and fund balances	<u>\$ 5,590,353</u>	<u>\$ 2,172,592</u>	<u>\$ 13,338</u>	<u>\$ 7,776,283</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, 2021

	Special Revenue Funds	Capital Projects Funds	City-wide Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ 272,633	\$ -	\$ -	\$ 272,633
Charges for services	135	-	-	135
Intergovernmental	1,889,636	-	-	1,889,636
Licenses and permits	98,407	-	-	98,407
Investment income (loss)	(22,675)	(4,058)	-	(26,733)
Miscellaneous	333,912	-	-	333,912
Total revenues	<u>2,572,048</u>	<u>(4,058)</u>	<u>-</u>	<u>2,567,990</u>
Expenditures:				
Current:				
Public safety	853,540	-	-	853,540
Public works	1,995,152	281,354	-	2,276,506
Development	107,565	-	-	107,565
Culture and recreation	430,468	-	-	430,468
Total expenditures	<u>3,386,725</u>	<u>281,354</u>	<u>-</u>	<u>3,668,079</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(814,677)</u>	<u>(285,412)</u>	<u>-</u>	<u>(1,100,089)</u>
Other financing sources (uses):				
Transfers in	862,186	160,000	-	1,022,186
Transfers out	(762,040)	-	-	(762,040)
Total other financing sources (uses)	<u>100,146</u>	<u>160,000</u>	<u>-</u>	<u>260,146</u>
Net change to fund balances	(714,531)	(125,412)	-	(839,943)
Fund balances, beginning of year	<u>4,731,726</u>	<u>2,014,150</u>	<u>13,338</u>	<u>6,759,214</u>
Fund balances, end of year	<u>\$ 4,017,195</u>	<u>\$ 1,888,738</u>	<u>\$ 13,338</u>	<u>\$ 5,919,271</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2021

	Grant Funds	Assessment Funds	Other Special Revenue Funds	Total Special Revenue Funds
Assets:				
Cash and investments	\$ 6,181	\$ 1,395,306	\$ 3,342,436	\$ 4,743,923
Receivables:				
Accounts	-	-	653,019	653,019
Taxes	-	2,959	101,925	104,884
Due from other agencies	84,735	-	-	84,735
Prepaid	-	-	3,792	3,792
Total assets	<u>\$ 90,916</u>	<u>\$ 1,398,265</u>	<u>\$ 4,101,172</u>	<u>\$ 5,590,353</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 42,610	\$ 18,296	\$ 665,051	\$ 725,957
Accrued payroll and related liabilities	-	459	18,795	19,254
Due to other funds	58,117	-	678,265	736,382
Deposits and retentions	-	-	91,565	91,565
Total liabilities	<u>100,727</u>	<u>18,755</u>	<u>1,453,676</u>	<u>1,573,158</u>
Fund balances (deficit):				
Restricted	4,363	1,379,510	2,942,001	4,325,874
Committed	-	-	-	-
Unassigned	<u>(14,174)</u>	<u>-</u>	<u>(294,505)</u>	<u>(308,679)</u>
Total fund balances	<u>(9,811)</u>	<u>1,379,510</u>	<u>2,647,496</u>	<u>4,017,195</u>
Total liabilities and fund balances	<u>\$ 90,916</u>	<u>\$ 1,398,265</u>	<u>\$ 4,101,172</u>	<u>\$ 5,590,353</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, 2021

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Revenues:				
Property taxes	\$ -	\$ 272,633	\$ -	\$ 272,633
Charges for services	-	-	135	135
Intergovernmental	126,279	-	1,763,357	1,889,636
Licenses and permits	-	-	98,407	98,407
Investment income (loss)	6	(8,533)	(14,148)	(22,675)
Miscellaneous	-	-	333,912	333,912
Total revenues	<u>126,285</u>	<u>264,100</u>	<u>2,181,663</u>	<u>2,572,048</u>
Expenditures:				
Current:				
Public safety	-	-	853,540	853,540
Public works	-	133,916	1,861,236	1,995,152
Development	107,565	-	-	107,565
Culture and recreation	<u>12,639</u>	<u>-</u>	<u>417,829</u>	<u>430,468</u>
Total expenditures	<u>120,204</u>	<u>133,916</u>	<u>3,132,605</u>	<u>3,386,725</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,081</u>	<u>130,184</u>	<u>(950,942)</u>	<u>(814,677)</u>
Other financing sources (uses):				
Transfers in	-	18,459	843,727	862,186
Transfers out	<u>-</u>	<u>-</u>	<u>(762,040)</u>	<u>(762,040)</u>
Total other financing sources (uses)	<u>-</u>	<u>18,459</u>	<u>81,687</u>	<u>100,146</u>
Net change in fund balances	6,081	148,643	(869,255)	(714,531)
Fund balances (deficit), beginning of year	<u>(15,892)</u>	<u>1,230,867</u>	<u>3,516,751</u>	<u>4,731,726</u>
Fund balances (deficit), end of year	<u>\$ (9,811)</u>	<u>\$ 1,379,510</u>	<u>\$ 2,647,496</u>	<u>\$ 4,017,195</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Grants
June 30, 2021

	Local History State Grant	SB2 Grant	Leap Grant	Total Special Revenue-Grant Funds
Assets:				
Cash and investments	\$ 6,181	\$ -	\$ -	\$ 6,181
Due from other agencies	-	84,735	-	84,735
Total assets	<u>\$ 6,181</u>	<u>\$ 84,735</u>	<u>-</u>	<u>\$ 90,916</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 1,818	26,618	14,174	\$ 42,610
Due to other funds	-	58,117	-	58,117
Total liabilities	<u>1,818</u>	<u>84,735</u>	<u>14,174</u>	<u>100,727</u>
Fund balances:				
Restricted	4,363	-	-	4,363
Unassigned	-	-	(14,174)	(14,174)
Total fund balances	<u>4,363</u>	<u>-</u>	<u>(14,174)</u>	<u>(9,811)</u>
Total liabilities and fund balances	<u>\$ 6,181</u>	<u>\$ 84,735</u>	<u>\$ -</u>	<u>\$ 90,916</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, 2021

	Local History State Grant	SB2 Grant	Leap Grant	Total Special Revenue-Grant Funds
Revenues:				
Intergovernmental	\$ 11,622	\$ 114,657	\$ -	\$ 126,279
Investment income	6	-	-	6
Total revenues	<u>11,628</u>	<u>114,657</u>	<u>-</u>	<u>126,285</u>
Expenditures:				
Development	-	93,391	14,174	107,565
Culture and recreation	12,639	-	-	12,639
Total expenditures	<u>12,639</u>	<u>93,391</u>	<u>14,174</u>	<u>120,204</u>
Excess (deficit) of revenues over (under) expenditures	<u>(1,011)</u>	<u>21,266</u>	<u>(14,174)</u>	<u>6,081</u>
Net change to fund balances	(1,011)	21,266	(14,174)	6,081
Fund balances (deficit), beginning of year	<u>5,374</u>	<u>(21,266)</u>	<u>-</u>	<u>(15,892)</u>
Fund balances (deficit), end of year	<u>\$ 4,363</u>	<u>\$ -</u>	<u>\$ (14,174)</u>	<u>\$ (9,811)</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Assessments
June 30, 2021

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Assets:				
Cash and investments	\$ 54,405	\$ 865	\$ 7,933	\$ 451,023
Taxes receivable	-	155	-	481
Total assets	<u>\$ 54,405</u>	<u>\$ 1,020</u>	<u>\$ 7,933</u>	<u>\$ 451,504</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 1,029	\$ -	\$ 192
related liabilities	-	-	-	-
Total liabilities	<u>-</u>	<u>1,029</u>	<u>-</u>	<u>192</u>
Fund balances:				
Restricted	<u>54,405</u>	<u>(9)</u>	<u>7,933</u>	<u>451,312</u>
Total fund balances	<u>54,405</u>	<u>(9)</u>	<u>7,933</u>	<u>451,312</u>
Total liabilities and fund balances	<u>\$ 54,405</u>	<u>\$ 1,020</u>	<u>\$ 7,933</u>	<u>\$ 451,504</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 381,962	\$ 410,051	\$ 2,813	\$ 22,043	\$ 64,211	\$ 1,395,306
1,119	1,066	138	-	-	2,959
<u>\$ 383,081</u>	<u>\$ 411,117</u>	<u>\$ 2,951</u>	<u>\$ 22,043</u>	<u>\$ 64,211</u>	<u>\$ 1,398,265</u>
\$ 12,496	\$ 1,626	\$ 2,953	\$ -	\$ -	\$ 18,296
-	-	459	-	-	459
<u>12,496</u>	<u>1,626</u>	<u>3,412</u>	<u>-</u>	<u>-</u>	<u>18,755</u>
370,585	409,491	(461)	22,043	64,211	1,379,510
<u>370,585</u>	<u>409,491</u>	<u>(461)</u>	<u>22,043</u>	<u>64,211</u>	<u>1,379,510</u>
<u>\$ 383,081</u>	<u>\$ 411,117</u>	<u>\$ 2,951</u>	<u>\$ 22,043</u>	<u>\$ 64,211</u>	<u>\$ 1,398,265</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, 2021

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Revenues:				
Property taxes	\$ 12,017	\$ 5,211	\$ -	\$ 68,189
Investment income (loss)	(295)	(29)	20	(2,619)
Total revenues	<u>11,722</u>	<u>5,182</u>	<u>20</u>	<u>65,570</u>
Expenditures:				
Current:				
Public works	-	12,116	-	1,820
Total expenditures	<u>-</u>	<u>12,116</u>	<u>-</u>	<u>1,820</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,722</u>	<u>(6,934)</u>	<u>20</u>	<u>63,750</u>
Other financing sources (uses):				
Transfers in	-	6,925	-	-
Total other financing sources (uses)	<u>-</u>	<u>6,925</u>	<u>-</u>	<u>-</u>
Net change to fund balances	11,722	(9)	20	63,750
Fund balances, beginning of year	<u>42,683</u>	<u>-</u>	<u>7,913</u>	<u>387,562</u>
Fund balances (deficit), end of year	<u>\$ 54,405</u>	<u>\$ (9)</u>	<u>\$ 7,933</u>	<u>\$ 451,312</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 82,562 (2,895) <u>79,667</u>	\$ 81,788 (2,238) <u>79,550</u>	\$ 8,957 (33) <u>8,924</u>	\$ 7,065 (21) <u>7,044</u>	\$ 6,844 (423) <u>6,421</u>	\$ 272,633 (8,533) <u>264,100</u>
<u>80,443</u>	<u>18,618</u>	<u>20,919</u>	-	-	<u>133,916</u>
<u>80,443</u>	<u>18,618</u>	<u>20,919</u>	-	-	<u>133,916</u>
<u>(776)</u>	<u>60,932</u>	<u>(11,995)</u>	<u>7,044</u>	<u>6,421</u>	<u>130,184</u>
-	-	<u>11,534</u>	-	-	<u>18,459</u>
-	-	<u>11,534</u>	-	-	<u>18,459</u>
(776)	60,932	(461)	7,044	6,421	148,643
<u>371,361</u>	<u>348,559</u>	-	<u>14,999</u>	<u>57,790</u>	<u>1,230,867</u>
<u>\$ 370,585</u>	<u>\$ 409,491</u>	<u>\$ (461)</u>	<u>\$ 22,043</u>	<u>\$ 64,211</u>	<u>\$ 1,379,510</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other
June 30, 2021

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
Assets:					
Cash and investments	\$ 377,034	\$ 61,040	\$ 1,169	\$ 6,390	\$ 141,865
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	40,640
Prepaid	-	-	-	-	-
Total assets	<u>\$ 377,034</u>	<u>\$ 61,040</u>	<u>\$ 1,169</u>	<u>\$ 6,390</u>	<u>\$ 182,505</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 45,137	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	3,416
Due to other funds	-	-	-	-	-
Deposits and retentions	89,405	-	-	-	-
Total liabilities	<u>134,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,416</u>
Fund balances (deficit):					
Restricted	242,492	61,040	1,169	6,390	179,089
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>242,492</u>	<u>61,040</u>	<u>1,169</u>	<u>6,390</u>	<u>179,089</u>
Total liabilities and fund balances	<u>\$ 377,034</u>	<u>\$ 61,040</u>	<u>\$ 1,169</u>	<u>\$ 6,390</u>	<u>\$ 182,505</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>
\$ -	\$ 5,699	\$ 6,554	\$ 26,133	\$ 485,179	\$ 38,856	\$ 181,803
-	-	-	-	-	-	-
61,285	-	-	-	-	-	-
-	-	-	-	1,896	-	-
<u>\$ 61,285</u>	<u>\$ 5,699</u>	<u>\$ 6,554</u>	<u>\$ 26,133</u>	<u>\$ 487,075</u>	<u>\$ 38,856</u>	<u>\$ 181,803</u>
\$ 360	\$ -	\$ -	\$ 2,967	\$ 13,119	\$ -	\$ 11,932
11,621	-	-	-	-	-	-
49,304	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>61,285</u>	<u>-</u>	<u>-</u>	<u>2,967</u>	<u>13,119</u>	<u>-</u>	<u>11,932</u>
-	5,699	6,554	23,166	473,956	38,856	169,871
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>5,699</u>	<u>6,554</u>	<u>23,166</u>	<u>473,956</u>	<u>38,856</u>	<u>169,871</u>
<u>\$ 61,285</u>	<u>\$ 5,699</u>	<u>\$ 6,554</u>	<u>\$ 26,133</u>	<u>\$ 487,075</u>	<u>\$ 38,856</u>	<u>\$ 181,803</u>

(continued)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2021

	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	County Prop A Park Development	CA Beverage Container
Assets:					
Cash and investments	\$ 46,699	\$ 62,432	\$ 202,080	\$ -	\$ 30,012
Receivables:					
Accounts	-	-	-	361,405	-
Taxes	-	-	-	-	-
Prepaid	-	-	1,896	-	-
Total assets	<u>\$ 46,699</u>	<u>\$ 62,432</u>	<u>\$ 203,976</u>	<u>\$ 361,405</u>	<u>\$ 30,012</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 180,259	\$ 73,500	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	287,905	-
Deposits and retentions	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>180,259</u>	<u>361,405</u>	<u>-</u>
Fund balances (deficit):					
Restricted	46,699	62,432	23,717	-	30,012
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>46,699</u>	<u>62,432</u>	<u>23,717</u>	<u>-</u>	<u>30,012</u>
Total liabilities and fund balances	<u>\$ 46,699</u>	<u>\$ 62,432</u>	<u>\$ 203,976</u>	<u>\$ 361,405</u>	<u>\$ 30,012</u>

Community Development Block Grant	Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Bikeway/Sidewalk TDA	Measure R	Traffic Congestion Relief Program
\$ -	\$ 40,677	\$ 45,138	\$ 84,360	\$ -	\$ 162,447	\$ 1,755
183,580	3,591	25,341	-	6,125	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 183,580</u>	<u>\$ 44,268</u>	<u>\$ 70,479</u>	<u>\$ 84,360</u>	<u>\$ 6,125</u>	<u>\$ 162,447</u>	<u>\$ 1,755</u>
\$ -	\$ -	\$ -	\$ 5,374	\$ 5,249	\$ 5,000	\$ 1,755
-	-	499	3,259	-	-	-
183,580	-	-	-	876	-	-
-	-	2,160	-	-	-	-
<u>183,580</u>	<u>-</u>	<u>2,659</u>	<u>8,633</u>	<u>6,125</u>	<u>5,000</u>	<u>1,755</u>
-	44,268	67,820	75,727	-	157,447	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>44,268</u>	<u>67,820</u>	<u>75,727</u>	<u>-</u>	<u>157,447</u>	<u>-</u>
<u>\$ 183,580</u>	<u>\$ 44,268</u>	<u>\$ 70,479</u>	<u>\$ 84,360</u>	<u>\$ 6,125</u>	<u>\$ 162,447</u>	<u>\$ 1,755</u>

(continued)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2021

	Measure M	Road Maintenance and Rehabilitation	Library Gift and Memorial	Friends of the Library	Local Historical Society
Assets:					
Cash and investments	\$ 112,264	\$ 341,332	\$ 113,134	\$ -	\$ 174
Receivables:					
Accounts	-	36,880	-	23,533	-
Taxes	-	-	-	-	-
Prepaid	-	-	-	-	-
Total assets	<u>\$ 112,264</u>	<u>\$ 378,212</u>	<u>\$ 113,134</u>	<u>\$ 23,533</u>	<u>\$ 174</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ 111,597	\$ 34,556	\$ 244	\$ 8,915	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	14,618	-
Deposits and retentions	-	-	-	-	-
Total liabilities	<u>111,597</u>	<u>34,556</u>	<u>244</u>	<u>23,533</u>	<u>-</u>
Fund balances (deficit):					
Restricted	667	343,656	112,890	-	174
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>667</u>	<u>343,656</u>	<u>112,890</u>	<u>-</u>	<u>174</u>
Total liabilities and fund balances	<u>\$ 112,264</u>	<u>\$ 378,212</u>	<u>\$ 113,134</u>	<u>\$ 23,533</u>	<u>\$ 174</u>

Measure W	Robert Day Trust Fund	Total Other Special Revenue Funds
\$ -	\$ 768,210	\$ 3,342,436
12,564	-	653,019
-	-	101,925
-	-	3,792
<u>\$ 12,564</u>	<u>\$ 768,210</u>	<u>\$ 4,101,172</u>
\$ 165,087	-	\$ 665,051
-	-	18,795
141,982	-	678,265
-	-	91,565
<u>307,069</u>	<u>-</u>	<u>1,453,676</u>
-	768,210	2,942,001
-	-	-
<u>(294,505)</u>	<u>-</u>	<u>(294,505)</u>
<u>(294,505)</u>	<u>768,210</u>	<u>2,647,496</u>
<u>\$ 12,564</u>	<u>\$ 768,210</u>	<u>\$ 4,101,172</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, 2021

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	159,292
Licenses and permits	-	-	-	-	-
Investment income (loss)	(13,755)	(545)	18	215	(1,491)
Miscellaneous	-	-	-	100,000	-
Total revenues	<u>(13,755)</u>	<u>(545)</u>	<u>18</u>	<u>100,215</u>	<u>157,801</u>
Expenditures:					
Current:					
Public safety	-	-	-	100,000	166,956
Public works	432,417	441	-	-	-
Culture and recreation	288,745	-	-	-	-
Total expenditures	<u>721,162</u>	<u>441</u>	<u>-</u>	<u>100,000</u>	<u>166,956</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(734,917)</u>	<u>(986)</u>	<u>18</u>	<u>215</u>	<u>(9,155)</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	(734,917)	(986)	18	215	(9,155)
Fund balances, beginning of year	<u>977,409</u>	<u>62,026</u>	<u>1,151</u>	<u>6,175</u>	<u>188,244</u>
Fund balances (deficit), end of year	<u>\$ 242,492</u>	<u>\$ 61,040</u>	<u>\$ 1,169</u>	<u>\$ 6,390</u>	<u>\$ 179,089</u>

State COPS Grant	Fire Department Donations	Community Arts Commission	Recreation Department Donations	Local Transportation Prop A	Open Space	Senior Center
\$ -	\$ -	\$ -	\$ -	\$ 135	\$ -	\$ -
161,285	-	-	-	224,037	-	-
-	-	-	-	-	-	-
(3,835)	11	(89)	(384)	3,662	295	(1,878)
-	102,892	-	-	-	49,578	18,900
<u>157,450</u>	<u>102,903</u>	<u>(89)</u>	<u>(384)</u>	<u>227,834</u>	<u>49,873</u>	<u>17,022</u>
484,044	102,540	-	-	-	-	-
-	-	-	-	159,913	-	-
-	-	-	8,787	-	-	67,630
<u>484,044</u>	<u>102,540</u>	<u>-</u>	<u>8,787</u>	<u>159,913</u>	<u>-</u>	<u>67,630</u>
(326,594)	363	(89)	(9,171)	67,921	49,873	(50,608)
81,687	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>81,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(244,907)	363	(89)	(9,171)	67,921	49,873	(50,608)
244,907	5,336	6,643	32,337	406,035	(11,017)	220,479
<u>\$ -</u>	<u>\$ 5,699</u>	<u>\$ 6,554</u>	<u>\$ 23,166</u>	<u>\$ 473,956</u>	<u>\$ 38,856</u>	<u>\$ 169,871</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, 2021

	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	-	-	185,831	213,307	5,000
Licenses and permits	-	-	-	-	-
Investment income (loss)	(364)	(553)	948	-	(293)
Miscellaneous	4,269	-	-	-	-
Total revenues	<u>3,905</u>	<u>(553)</u>	<u>186,779</u>	<u>213,307</u>	<u>4,707</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	195,232	213,307	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>195,232</u>	<u>213,307</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,905</u>	<u>(553)</u>	<u>(8,453)</u>	<u>-</u>	<u>4,707</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	3,905	(553)	(8,453)	-	4,707
Fund balances, beginning of year	<u>42,794</u>	<u>62,985</u>	<u>32,170</u>	<u>-</u>	<u>25,305</u>
Fund balances, end of year	<u>\$ 46,699</u>	<u>\$ 62,432</u>	<u>\$ 23,717</u>	<u>\$ -</u>	<u>\$ 30,012</u>

CDBG- Community Development Block Grant	Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Bikeway/Sidewalk TDA
\$ -	\$ -	\$ -	\$ -	\$ -
51,580	14,123	-	242,692	6,125
-	-	98,407	-	-
-	313	62	372	-
-	-	-	-	-
<u>51,580</u>	<u>14,436</u>	<u>98,469</u>	<u>243,064</u>	<u>6,125</u>
-	-	-	-	-
51,580	-	62,607	178,642	6,125
-	-	-	-	-
<u>51,580</u>	<u>-</u>	<u>62,607</u>	<u>178,642</u>	<u>6,125</u>
-	14,436	35,862	64,422	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	14,436	35,862	64,422	-
-	29,832	31,958	11,305	-
<u>\$ -</u>	<u>\$ 44,268</u>	<u>\$ 67,820</u>	<u>\$ 75,727</u>	<u>\$ -</u>

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, 2021

	Measure R	Traffic Congestion Relief Program	Measure M	Road Maintenance and Rehabilitation
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	139,566	-	158,134	202,385
Licenses and permits	-	-	-	-
Investment income (loss)	744	-	1,005	1,986
Miscellaneous	-	-	-	-
Total revenues	<u>140,310</u>	<u>-</u>	<u>159,139</u>	<u>204,371</u>
Expenditures:				
Current:				
Public safety	-	-	-	-
Public works	7,500	1,755	222,656	34,556
Culture and recreation	-	-	-	-
Total expenditures	<u>7,500</u>	<u>1,755</u>	<u>222,656</u>	<u>34,556</u>
Excess (deficiency) of revenues over (under) expenditures	<u>132,810</u>	<u>(1,755)</u>	<u>(63,517)</u>	<u>169,815</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	132,810	(1,755)	(63,517)	169,815
Fund balances, beginning of year	<u>24,637</u>	<u>1,755</u>	<u>64,184</u>	<u>173,841</u>
Fund balances, end of year	<u>\$ 157,447</u>	<u>\$ -</u>	<u>\$ 667</u>	<u>\$ 343,656</u>

(continued)

	Library Gift and Memorial	Friends of the Library	Local Historical Society
Revenues:			
Charges for services	\$ -	\$ -	\$ -
Intergovernmental	-	-	-
Licenses and permits	-	-	-
Investment income (loss)	(6,762)	-	-
Miscellaneous	8,444	49,829	-
Total revenues	<u>1,682</u>	<u>49,829</u>	<u>-</u>
Expenditures:			
Current:			
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	2,838	49,829	-
Total expenditures	<u>2,838</u>	<u>49,829</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,156)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(762,040)	-	-
Total other financing sources (uses)	<u>(762,040)</u>	<u>-</u>	<u>-</u>
Net change to fund balances	(763,196)	-	-
Fund balances, beginning of year	<u>876,086</u>	<u>-</u>	<u>174</u>
Fund balances, end of year	<u>\$ 112,890</u>	<u>\$ -</u>	<u>\$ 174</u>

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, 2021

Measure W	Robert Day Trust Fund	Total Other Special Revenue Funds
\$ -	\$ -	\$ 135
-	-	1,763,357
-	-	98,407
-	6,170	(14,148)
-	-	333,912
-	6,170	2,181,663
-	-	853,540
294,505	-	1,861,236
-	-	417,829
294,505	-	3,132,605
(294,505)	6,170	(950,942)
-	762,040	843,727
-	-	(762,040)
-	762,040	81,687
(294,505)	768,210	(869,255)
-	-	3,516,751
<u>\$ (294,505)</u>	<u>\$ 768,210</u>	<u>\$ 2,647,496</u>
		(concluded)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2021

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Assets:			
Cash and investments	\$ 2,666	\$ 669,926	\$ 672,592
Land held for resale	1,500,000	-	1,500,000
Total assets	<u>\$ 1,502,666</u>	<u>\$ 669,926</u>	<u>\$ 2,172,592</u>
Liabilities and Fund Balances:			
Accounts payable	\$ -	\$ 260,477	\$ 260,477
Deposits and retentions	2,500	20,877	23,377
Total liabilities	<u>2,500</u>	<u>281,354</u>	<u>283,854</u>
Fund balances:			
Restricted	1,500,166	-	1,500,166
Committed	-	388,572	388,572
Total fund balances	<u>1,500,166</u>	<u>388,572</u>	<u>1,888,738</u>
Total liabilities and fund balances	<u>\$ 1,502,666</u>	<u>\$ 669,926</u>	<u>\$ 2,172,592</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, 2021

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Revenues:			
Investment income (loss)	\$ (24)	\$ (4,034)	\$ (4,058)
Total revenues	<u>(24)</u>	<u>(4,034)</u>	<u>(4,058)</u>
Expenditures:			
Current:			
Public works	-	281,354	281,354
Total expenditures	<u>-</u>	<u>281,354</u>	<u>281,354</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24)</u>	<u>(285,388)</u>	<u>(285,412)</u>
Other financing sources (uses):			
Transfers in	-	160,000	160,000
Total other financing sources (uses)	<u>-</u>	<u>160,000</u>	<u>160,000</u>
Net change to fund balance	(24)	(125,388)	(125,412)
Fund balances, beginning of year	<u>1,500,190</u>	<u>513,960</u>	<u>2,014,150</u>
Fund Balances, end of year	<u>\$ 1,500,166</u>	<u>\$ 388,572</u>	<u>\$ 1,888,738</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 10,000	\$ 10,000	\$ 12,017	\$ 2,017
Investment income (loss)	-	-	(295)	(295)
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>11,722</u>	<u>1,722</u>
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>10,000</u>	<u>10,000</u>	<u>11,722</u>	<u>1,722</u>
Net change to fund balance	10,000	10,000	11,722	1,722
Fund balance, beginning of year	<u>42,683</u>	<u>42,683</u>	<u>42,683</u>	-
Fund balance, end of year	<u>\$ 52,683</u>	<u>\$ 52,683</u>	<u>\$ 54,405</u>	<u>\$ 1,722</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,000	\$ 5,000	\$ 5,211	\$ 211
Investment income	-	-	(29)	(29)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,182</u>	<u>182</u>
Expenditures:				
Current:				
Public works	<u>11,600</u>	<u>11,600</u>	<u>12,116</u>	<u>(516)</u>
Total expenditures	<u>11,600</u>	<u>11,600</u>	<u>12,116</u>	<u>(516)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,600)</u>	<u>(6,600)</u>	<u>(6,934)</u>	<u>(334)</u>
Other financing sources (uses):				
Transfers in	<u>6,600</u>	<u>6,600</u>	<u>6,925</u>	<u>325</u>
Total other financing sources (uses)	<u>6,600</u>	<u>6,600</u>	<u>6,925</u>	<u>325</u>
Net change to fund balance	-	-	(9)	(9)
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (9)</u>	<u>\$ (9)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 50,000	\$ 50,000	\$ 68,189	\$ 18,189
Investment income (loss)	-	-	(2,619)	(2,619)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>65,570</u>	<u>15,570</u>
Expenditures:				
Current:				
Public works	<u>2,000</u>	<u>2,000</u>	<u>1,820</u>	<u>180</u>
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,820</u>	<u>180</u>
Excess (deficiency) of revenues over (under) expenditures	<u>48,000</u>	<u>48,000</u>	<u>63,750</u>	<u>15,750</u>
Net change to fund balance	48,000	48,000	63,750	15,750
Fund balance, beginning of year	<u>387,562</u>	<u>387,562</u>	<u>387,562</u>	<u>-</u>
Fund balance, end of year	<u>\$ 435,562</u>	<u>\$ 435,562</u>	<u>\$ 451,312</u>	<u>\$ 15,750</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 60,000	\$ 60,000	\$ 82,562	\$ 22,562
Investment income (loss)	-	-	(2,895)	(2,895)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>79,667</u>	<u>19,667</u>
Expenditures:				
Current:				
Public works	38,700	38,700	80,443	(41,743)
Total expenditures	<u>38,700</u>	<u>38,700</u>	<u>80,443</u>	<u>(41,743)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,300</u>	<u>21,300</u>	<u>(776)</u>	<u>(22,076)</u>
Net change to fund balance	21,300	21,300	(776)	(22,076)
Fund balance, beginning of year	<u>371,361</u>	<u>371,361</u>	<u>371,361</u>	<u>-</u>
Fund balance, end of year	<u>\$ 392,661</u>	<u>\$ 392,661</u>	<u>\$ 370,585</u>	<u>\$ (22,076)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 65,000	\$ 65,000	\$ 81,788	\$ 16,788
Investment income (loss)	-	-	(2,238)	(2,238)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>79,550</u>	<u>14,550</u>
Expenditures:				
Public works	<u>43,721</u>	<u>43,721</u>	<u>18,618</u>	<u>25,103</u>
Total expenditures	<u>43,721</u>	<u>43,721</u>	<u>18,618</u>	<u>25,103</u>
Excess (deficiency) of revenues over (under) expenditures	<u>21,279</u>	<u>21,279</u>	<u>60,932</u>	<u>39,653</u>
Net change to fund balance	21,279	21,279	60,932	39,653
Fund balance, beginning of year	<u>348,559</u>	<u>348,559</u>	<u>348,559</u>	<u>-</u>
Fund balance, end of year	<u>\$ 369,838</u>	<u>\$ 369,838</u>	<u>\$ 409,491</u>	<u>\$ 39,653</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,800	\$ 8,800	\$ 8,957	\$ 157
Investment income (loss)	-	-	(33)	(33)
Total revenues	<u>8,800</u>	<u>8,800</u>	<u>8,924</u>	<u>124</u>
Expenditures:				
Current:				
Public works	<u>22,992</u>	<u>22,992</u>	<u>20,919</u>	<u>2,073</u>
Total expenditures	<u>22,992</u>	<u>22,992</u>	<u>20,919</u>	<u>2,073</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(14,192)</u>	<u>(14,192)</u>	<u>(11,995)</u>	<u>2,197</u>
Other financing sources (uses):				
Transfers in	<u>14,192</u>	<u>14,192</u>	<u>11,534</u>	<u>(2,658)</u>
Total other financing sources (uses)	<u>14,192</u>	<u>14,192</u>	<u>11,534</u>	<u>(2,658)</u>
Net change to fund balance	-	-	(461)	(461)
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (461)</u>	<u>\$ (461)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,500	\$ 6,500	\$ 7,065	\$ 565
Investment income (loss)	-	-	(21)	(21)
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>7,044</u>	<u>544</u>
Expenditures:				
Current:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>6,500</u>	<u>6,500</u>	<u>7,044</u>	<u>544</u>
Net change to fund balance	6,500	6,500	7,044	544
Fund balance, beginning of year	<u>14,999</u>	<u>14,999</u>	<u>14,999</u>	-
Fund balance, end of year	<u><u>\$ 21,499</u></u>	<u><u>\$ 21,499</u></u>	<u><u>\$ 22,043</u></u>	<u><u>\$ 544</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,500	\$ 6,500	\$ 6,844	\$ 344
Investment income (loss)	-	-	(423)	(423)
Total revenues	<u>6,500</u>	<u>6,500</u>	<u>6,421</u>	<u>(79)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,500</u>	<u>6,500</u>	<u>6,421</u>	<u>(79)</u>
Net change to fund balance	6,500	6,500	6,421	(79)
Fund balance, beginning of year	<u>57,790</u>	<u>57,790</u>	<u>57,790</u>	-
Fund balance, end of year	<u>\$ 64,290</u>	<u>\$ 64,290</u>	<u>\$ 64,211</u>	<u>\$ (79)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Development Impact Fees Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (13,755)	\$ (13,755)
Total revenues	<u>-</u>	<u>-</u>	<u>(13,755)</u>	<u>(13,755)</u>
Expenditures:				
Current:				
Public works	125,000	394,596	432,417	(37,821)
Culture and recreation	28,320	218,320	288,745	(70,425)
Total expenditures	<u>153,320</u>	<u>612,916</u>	<u>721,162</u>	<u>(108,246)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(153,320)</u>	<u>(612,916)</u>	<u>(734,917)</u>	<u>(122,001)</u>
Net change to fund balance	(153,320)	(612,916)	(734,917)	(122,001)
Fund balance, beginning of year	<u>977,409</u>	<u>977,409</u>	<u>977,409</u>	<u>-</u>
Fund balance, end of year	<u>\$ 824,089</u>	<u>\$ 364,493</u>	<u>\$ 242,492</u>	<u>\$ (122,001)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Development Fees Art in Public Places Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (545)	\$ (545)
Total revenues	<u>-</u>	<u>-</u>	<u>(545)</u>	<u>(545)</u>
Expenditures:				
Current:				
Public works	60,300	60,300	441	59,859
Total expenditures	<u>60,300</u>	<u>60,300</u>	<u>441</u>	<u>59,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(60,300)</u>	<u>(60,300)</u>	<u>(986)</u>	<u>59,314</u>
Net change to fund balance	(60,300)	(60,300)	(986)	59,314
Fund balance, beginning of year	<u>62,026</u>	<u>62,026</u>	<u>62,026</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,726</u>	<u>\$ 1,726</u>	<u>\$ 61,040</u>	<u>\$ 59,314</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 130,000	\$ 130,000	\$ 159,292	\$ 29,292
Investment income (loss)	-	-	(1,491)	(1,491)
Total revenues	<u>130,000</u>	<u>130,000</u>	<u>157,801</u>	<u>27,801</u>
Expenditures:				
Current:				
Public safety	191,350	191,350	166,956	24,394
Total expenditures	<u>191,350</u>	<u>191,350</u>	<u>166,956</u>	<u>24,394</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61,350)</u>	<u>(61,350)</u>	<u>(9,155)</u>	<u>52,195</u>
Net change to fund balance	(61,350)	(61,350)	(9,155)	52,195
Fund balance, beginning of year	<u>188,244</u>	<u>188,244</u>	<u>188,244</u>	<u>-</u>
Fund balance, end of year	<u>\$ 126,894</u>	<u>\$ 126,894</u>	<u>\$ 179,089</u>	<u>\$ 52,195</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 161,285	\$ 11,285
Investment income (loss)	-	-	(3,835)	(3,835)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>157,450</u>	<u>7,450</u>
Expenditures:				
Current:				
Public safety	<u>353,300</u>	<u>393,300</u>	<u>484,044</u>	<u>(90,744)</u>
Total expenditures	<u>353,300</u>	<u>393,300</u>	<u>484,044</u>	<u>(90,744)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,300)</u>	<u>(243,300)</u>	<u>(326,594)</u>	<u>(83,294)</u>
Other financing sources (uses):				
Transfers in	-	-	81,687	81,687
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>81,687</u>	<u>81,687</u>
Net change to fund balance	(203,300)	(243,300)	(244,907)	(1,607)
Fund balance, beginning of year	<u>244,907</u>	<u>244,907</u>	<u>244,907</u>	<u>-</u>
Fund balance, end of year	<u>\$ 41,607</u>	<u>\$ 1,607</u>	<u>\$ -</u>	<u>\$ (1,607)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ -	\$ -	\$ 135	\$ 135
Intergovernmental	234,700	234,700	224,037	(10,663)
Investment income (loss)	-	-	3,662	3,662
Total revenues	<u>234,700</u>	<u>234,700</u>	<u>227,834</u>	<u>(6,866)</u>
Expenditures:				
Current:				
Public works	<u>162,900</u>	<u>162,900</u>	<u>159,913</u>	<u>2,987</u>
Total expenditures	<u>162,900</u>	<u>162,900</u>	<u>159,913</u>	<u>2,987</u>
Excess (deficiency) of revenues over (under) expenditures	<u>71,800</u>	<u>71,800</u>	<u>67,921</u>	<u>(3,879)</u>
Net change to fund balance	71,800	71,800	67,921	(3,879)
Fund balance, beginning of year	<u>406,035</u>	<u>406,035</u>	<u>406,035</u>	<u>-</u>
Fund balance, end of year	<u>\$ 477,835</u>	<u>\$ 477,835</u>	<u>\$ 473,956</u>	<u>\$ (3,879)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Open Space Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ 295	\$ 295
Miscellaneous	49,578	49,578	49,578	-
Total revenues	<u>49,578</u>	<u>49,578</u>	<u>49,873</u>	<u>295</u>
Expenditures:				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,578</u>	<u>49,578</u>	<u>49,873</u>	<u>295</u>
Net change to fund balance	49,578	49,578	49,873	295
Fund balance (deficit), beginning of year	<u>(11,017)</u>	<u>(11,017)</u>	<u>(11,017)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 38,561</u>	<u>\$ 38,561</u>	<u>\$ 38,856</u>	<u>\$ 295</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (1,878)	\$ (1,878)
Miscellaneous	<u>26,400</u>	<u>26,400</u>	<u>18,900</u>	<u>(7,500)</u>
Total revenues	<u>26,400</u>	<u>26,400</u>	<u>17,022</u>	<u>(9,378)</u>
Expenditures:				
Current:				
Culture and recreation	<u>1,100</u>	<u>1,100</u>	<u>67,630</u>	<u>(66,530)</u>
Total expenditures	<u>1,100</u>	<u>1,100</u>	<u>67,630</u>	<u>(66,530)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,300</u>	<u>25,300</u>	<u>(50,608)</u>	<u>(75,908)</u>
Net change to fund balance	25,300	25,300	(50,608)	(75,908)
Fund balance, beginning of year	<u>220,479</u>	<u>220,479</u>	<u>220,479</u>	<u>-</u>
Fund balance, end of year	<u>\$ 245,779</u>	<u>\$ 245,779</u>	<u>\$ 169,871</u>	<u>\$ (75,908)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 194,678	\$ 194,678	\$ 185,831	\$ (8,847)
Investment income (loss)	-	-	948	948
Total revenues	<u>194,678</u>	<u>194,678</u>	<u>186,779</u>	<u>(7,899)</u>
Expenditures:				
Current:				
Public works	<u>194,678</u>	<u>194,678</u>	<u>195,232</u>	<u>(554)</u>
Total expenditures	<u>194,678</u>	<u>194,678</u>	<u>195,232</u>	<u>(554)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(8,453)</u>	<u>(8,453)</u>
Net change to fund balance	-	-	(8,453)	(8,453)
Fund balance, beginning of year	<u>32,170</u>	<u>32,170</u>	<u>32,170</u>	<u>-</u>
Fund balance, end of year	<u>\$ 32,170</u>	<u>\$ 32,170</u>	<u>\$ 23,717</u>	<u>\$ (8,453)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
County Prop A Park Development Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 206,000	\$ 206,000	\$ 213,307	\$ 7,307
Total revenues	<u>206,000</u>	<u>206,000</u>	<u>213,307</u>	<u>7,307</u>
Expenditures:				
Current:				
Public works	206,000	206,000	213,307	(7,307)
Total expenditures	<u>206,000</u>	<u>206,000</u>	<u>213,307</u>	<u>(7,307)</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
CDBG Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 51,580	\$ 6,580
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>51,580</u>	<u>6,580</u>
Expenditures:				
Current:				
Public works	45,000	45,000	51,580	(6,580)
Total expenditures	<u>45,000</u>	<u>45,000</u>	<u>51,580</u>	<u>(6,580)</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
Clear Air (AQMD) Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 13,250	\$ 13,250	\$ 14,123	\$ 873
Investment income (loss)	-	-	313	313
Total revenues	<u>13,250</u>	<u>13,250</u>	<u>14,436</u>	<u>1,186</u>
Expenditures:				
Total expenditures	-	-	-	-
Excess (deficiency) of revenues over (under) expenditures	<u>13,250</u>	<u>13,250</u>	<u>14,436</u>	<u>1,186</u>
Net change to fund balance	13,250	13,250	14,436	1,186
Fund balance, beginning of year	<u>29,832</u>	<u>29,832</u>	<u>29,832</u>	-
Fund balance, end of year	<u>\$ 43,082</u>	<u>\$ 43,082</u>	<u>\$ 44,268</u>	<u>\$ 1,186</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 80,000	\$ 80,000	\$ 98,407	\$ 18,407
Investment income (loss)	-	-	62	62
Total revenues	<u>80,000</u>	<u>80,000</u>	<u>98,469</u>	<u>18,469</u>
Expenditures:				
Current:				
Public works	76,100	76,100	62,607	13,493
Total expenditures	<u>76,100</u>	<u>76,100</u>	<u>62,607</u>	<u>13,493</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,900</u>	<u>3,900</u>	<u>35,862</u>	<u>31,962</u>
Other financing sources (uses):				
Transfers in	8,960	8,960	-	(8,960)
Total other financing sources (uses)	<u>8,960</u>	<u>8,960</u>	<u>-</u>	<u>(8,960)</u>
Net change to fund balance	12,860	12,860	35,862	23,002
Fund balance, beginning of year	<u>31,958</u>	<u>31,958</u>	<u>31,958</u>	<u>-</u>
Fund balance, end of year	<u>\$ 44,818</u>	<u>\$ 44,818</u>	<u>\$ 67,820</u>	<u>\$ 23,002</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 266,500	\$ 266,500	\$ 242,692	\$ (23,808)
Investment income (loss)	-	-	372	372
Total revenues	<u>266,500</u>	<u>266,500</u>	<u>243,064</u>	<u>(23,436)</u>
Expenditures:				
Current:				
Public works	<u>267,250</u>	<u>267,250</u>	<u>178,642</u>	<u>88,608</u>
Total expenditures	<u>267,250</u>	<u>267,250</u>	<u>178,642</u>	<u>88,608</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(750)</u>	<u>(750)</u>	<u>64,422</u>	<u>65,172</u>
Other financing sources (uses):				
Transfers in	<u>13,700</u>	<u>13,700</u>	-	<u>(13,700)</u>
Total other financing sources (uses)	<u>13,700</u>	<u>13,700</u>	-	<u>(13,700)</u>
Net change to fund balance	12,950	12,950	64,422	51,472
Fund balance, beginning of year	<u>11,305</u>	<u>11,305</u>	<u>11,305</u>	-
Fund balance, end of year	<u>\$ 24,255</u>	<u>\$ 24,255</u>	<u>\$ 75,727</u>	<u>\$ 51,472</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Bikeway/Sidewalk TDA Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 45,500	\$ 45,500	\$ 6,125	\$ (39,375)
Total revenues	<u>45,500</u>	<u>45,500</u>	<u>6,125</u>	<u>(39,375)</u>
Expenditures:				
Current:				
Public works	<u>45,500</u>	<u>45,500</u>	<u>6,125</u>	<u>39,375</u>
Total expenditures	<u>45,500</u>	<u>45,500</u>	<u>6,125</u>	<u>39,375</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 146,023	\$ 146,023	\$ 139,566	\$ (6,457)
Investment income (loss)	-	-	744	744
Total revenues	<u>146,023</u>	<u>146,023</u>	<u>140,310</u>	<u>(5,713)</u>
Expenditures:				
Current:				
Public works	<u>146,000</u>	<u>146,000</u>	<u>7,500</u>	<u>138,500</u>
Total expenditures	<u>146,000</u>	<u>146,000</u>	<u>7,500</u>	<u>138,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23</u>	<u>23</u>	<u>132,810</u>	<u>132,787</u>
Net change to fund balance	23	23	132,810	132,787
Fund balance, beginning of year	<u>24,637</u>	<u>24,637</u>	<u>24,637</u>	<u>-</u>
Fund balance, end of year	<u>\$ 24,660</u>	<u>\$ 24,660</u>	<u>\$ 157,447</u>	<u>\$ 132,787</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 165,476	\$ 165,476	\$ 158,134	\$ (7,342)
Investment income (loss)	-	-	1,005	1,005
Total revenues	<u>165,476</u>	<u>165,476</u>	<u>159,139</u>	<u>(6,337)</u>
Expenditures:				
Current:				
Public works	165,476	165,476	222,656	(57,180)
Total expenditures	<u>165,476</u>	<u>165,476</u>	<u>222,656</u>	<u>(57,180)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>(63,517)</u>	<u>(63,517)</u>
Net change to fund balance	-	-	(63,517)	(63,517)
Fund balance, beginning of year	<u>64,184</u>	<u>64,184</u>	<u>64,184</u>	<u>-</u>
Fund balance, end of year	<u>\$ 64,184</u>	<u>\$ 64,184</u>	<u>\$ 667</u>	<u>\$ (63,517)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Road Maintenance and Rehabilitation Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 191,300	\$ 191,300	\$ 202,385	\$ 11,085
Investment income (loss)	-	-	1,986	1,986
Total revenues	<u>191,300</u>	<u>191,300</u>	<u>204,371</u>	<u>13,071</u>
Expenditures:				
Current:				
Public works	<u>191,300</u>	<u>191,300</u>	<u>34,556</u>	<u>156,744</u>
Total expenditures	<u>191,300</u>	<u>191,300</u>	<u>34,556</u>	<u>156,744</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>169,815</u>	<u>169,815</u>
Net change to fund balance	-	-	169,815	169,815
Fund balance, beginning of year	<u>173,841</u>	<u>173,841</u>	<u>173,841</u>	<u>-</u>
Fund balance, end of year	<u>\$ 173,841</u>	<u>\$ 173,841</u>	<u>\$ 343,656</u>	<u>\$ 169,815</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (6,762)	\$ (6,762)
Miscellaneous	-	-	8,444	8,444
Total revenues	<u>-</u>	<u>-</u>	<u>1,682</u>	<u>1,682</u>
Expenditures:				
Current:				
Culture and recreation	6,000	6,000	2,838	3,162
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>2,838</u>	<u>3,162</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,000)</u>	<u>(6,000)</u>	<u>(1,156)</u>	<u>4,844</u>
Other financing sources (uses):				
Transfers out	-	-	(762,040)	(762,040)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(762,040)</u>	<u>(762,040)</u>
Net change to fund balance	(6,000)	(6,000)	(763,196)	(757,196)
Fund balance, beginning of year	<u>876,086</u>	<u>876,086</u>	<u>876,086</u>	<u>-</u>
Fund balance, end of year	<u>\$ 870,086</u>	<u>\$ 870,086</u>	<u>\$ 112,890</u>	<u>\$ (757,196)</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, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 55,000	\$ 55,000	\$ 49,829	\$ (5,171)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>49,829</u>	<u>(5,171)</u>
Expenditures:				
Current:				
Culture and recreation	55,000	55,000	49,829	5,171
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>49,829</u>	<u>5,171</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), 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 W Special Revenue Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 164,900	\$ 164,900	\$ -	\$ (164,900)
Total revenues	<u>164,900</u>	<u>164,900</u>	<u>-</u>	<u>(164,900)</u>
Expenditures:				
Current:				
Public works	1,750	1,750	294,505	(292,755)
Total expenditures	<u>1,750</u>	<u>1,750</u>	<u>294,505</u>	<u>(292,755)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>163,150</u>	<u>163,150</u>	<u>(294,505)</u>	<u>(457,655)</u>
Net change to fund balance	163,150	163,150	(294,505)	(457,655)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 163,150</u>	<u>\$ 163,150</u>	<u>\$ (294,505)</u>	<u>\$ (457,655)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Capital Projects Fund
For the year ended June 30, 2021

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income (loss)	\$ -	\$ -	\$ (4,034)	\$ (4,034)
Total revenues	<u>-</u>	<u>-</u>	<u>(4,034)</u>	<u>(4,034)</u>
Expenditures:				
Current:				
Public works	360,000	485,000	281,354	203,646
Total expenditures	<u>360,000</u>	<u>485,000</u>	<u>281,354</u>	<u>203,646</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(360,000)</u>	<u>(485,000)</u>	<u>(285,388)</u>	<u>199,612</u>
Other financing sources (uses):				
Transfers in	160,000	160,000	160,000	-
Total other financing sources (uses)	<u>160,000</u>	<u>160,000</u>	<u>160,000</u>	<u>-</u>
Net change to fund balance	(200,000)	(325,000)	(125,388)	199,612
Fund balance, beginning of year	<u>513,960</u>	<u>513,960</u>	<u>513,960</u>	<u>-</u>
Fund balance, end of year	<u>\$ 313,960</u>	<u>\$ 188,960</u>	<u>\$ 388,572</u>	<u>\$ 199,612</u>

CITY OF SIERRA MADRE
Combining Statement of Net Position
Internal Service Funds
June 30, 2021

	Fleet	Facilities Management	Administration
Assets:			
Current assets:			
Cash and investments	\$ 444,718	\$ 1,080,828	\$ 970,621
Restricted cash and investments	-	-	-
Receivables:			
Accounts Receivable	-	-	-
Prepays	-	-	8,135
Total current assets	<u>444,718</u>	<u>1,080,828</u>	<u>978,756</u>
Noncurrent assets:			
Capital assets:			
Depreciable, net	641,188	169,552	24,201
Net OPEB asset	-	-	1,607
Total noncurrent assets	<u>641,188</u>	<u>169,552</u>	<u>25,808</u>
Total assets	<u>1,085,906</u>	<u>1,250,380</u>	<u>1,004,564</u>
Deferred Outflows of Resources:			
OPEB related	-	-	6,857
Pension related	-	-	266,064
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>272,921</u>
Liabilities:			
Current liabilities:			
Accounts payable	2,945	71,954	11,236
Accrued payroll and related liabilities	3,589	30,728	17,313
Compensated absences - current	4,978	9,351	14,580
Total current liabilities	<u>11,512</u>	<u>112,033</u>	<u>43,129</u>
Noncurrent liabilities:			
Compensated absences	19,912	37,403	58,321
Net pension liability	-	-	271,958
Total noncurrent liabilities	<u>19,912</u>	<u>37,403</u>	<u>330,279</u>
Total liabilities	<u>31,424</u>	<u>149,436</u>	<u>373,408</u>
Deferred Inflows of Resources:			
OPEB related	-	-	15,345
Pension related	-	-	153,680
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>169,025</u>
Net Position:			
Net investment in capital assets	641,188	169,552	24,201
Restricted	-	-	-
Unrestricted	413,294	931,392	710,851
Total net position	<u>\$ 1,054,482</u>	<u>\$ 1,100,944</u>	<u>\$ 735,052</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 725,399	\$ 1,759,104	\$ 94,102	\$ 5,074,772
-	21,000	-	21,000
8,323	37,109	-	45,432
-	-	-	8,135
<u>733,722</u>	<u>1,817,213</u>	<u>94,102</u>	<u>5,149,339</u>
127,282	-	-	962,223
-	-	-	1,607
<u>127,282</u>	<u>-</u>	<u>-</u>	<u>963,830</u>
<u>861,004</u>	<u>1,817,213</u>	<u>94,102</u>	<u>6,113,169</u>
-	-	-	6,857
-	-	-	266,064
-	-	-	<u>272,921</u>
57,334	28,661	-	172,130
6,606	(22,103)	-	36,133
4,052	2,826	-	35,787
<u>67,992</u>	<u>9,384</u>	<u>-</u>	<u>244,050</u>
16,207	11,304	-	143,147
-	-	-	271,958
<u>16,207</u>	<u>11,304</u>	<u>-</u>	<u>415,105</u>
<u>84,199</u>	<u>20,688</u>	<u>-</u>	<u>659,155</u>
-	-	-	15,345
-	-	-	153,680
-	-	-	<u>169,025</u>
127,282	-	-	962,223
-	21,000	-	21,000
<u>649,523</u>	<u>1,775,525</u>	<u>94,102</u>	<u>4,574,687</u>
<u>\$ 776,805</u>	<u>\$ 1,796,525</u>	<u>\$ 94,102</u>	<u>\$ 5,557,910</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2021

	Fleet	Facilities Management	Administration
Operating revenues:			
Charges for services	\$ 365,000	\$ 620,001	\$ 650,000
Licenses and permits	-	-	-
Miscellaneous	16,374	-	-
Total operating revenues	<u>381,374</u>	<u>620,001</u>	<u>650,000</u>
Operating expenses:			
Personnel services	126,349	195,981	604,849
Contractual services	68,066	94,588	61,352
Materials and supplies	60,196	54,907	48,359
Utilities	85,818	294,117	-
Maintenance and operation	-	38,782	240.00
Insurance, claims and charges	-	-	-
Depreciation	85,114	2,899	48,403
Total operating expenses	<u>425,543</u>	<u>681,274</u>	<u>763,203</u>
Operating income (loss)	<u>(44,169)</u>	<u>(61,273)</u>	<u>(113,203)</u>
Nonoperating revenues (expenses):			
Investment income (loss)	<u>(1,181)</u>	<u>(4,620)</u>	<u>770</u>
Total nonoperating revenues (expenses)	<u>(1,181)</u>	<u>(4,620)</u>	<u>770</u>
Income (loss) before transfers and capital contributions	(45,350)	(65,893)	(112,433)
Transfers:			
Transfers out	<u>-</u>	<u>(18,457)</u>	<u>-</u>
Total transfers	<u>-</u>	<u>(18,457)</u>	<u>-</u>
Change in net position	(45,350)	(84,350)	(112,433)
Net position, beginning of year	<u>1,099,832</u>	<u>1,185,294</u>	<u>847,485</u>
Net position, end of year	<u>\$ 1,054,482</u>	<u>\$ 1,100,944</u>	<u>\$ 735,052</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 645,000	\$ 906,878	\$ -	\$ 3,186,879
31,188	-	-	31,188
-	-	-	16,374
<u>676,188</u>	<u>906,878</u>	<u>-</u>	<u>3,234,441</u>
239,684	688,671	-	1,855,534
231,521	102,202	-	557,729
78,167	31,353	-	272,982
136,487	-	-	516,422
66,018	-	-	105,040
-	894,258	-	894,258
23,033	-	-	159,449
<u>774,910</u>	<u>1,716,484</u>	<u>-</u>	<u>4,361,414</u>
<u>(98,722)</u>	<u>(809,606)</u>	<u>-</u>	<u>(1,126,973)</u>
<u>(2,929)</u>	<u>(14,292)</u>	<u>(85)</u>	<u>(22,337)</u>
<u>(2,929)</u>	<u>(14,292)</u>	<u>(85)</u>	<u>(22,337)</u>
(101,651)	(823,898)	(85)	(1,149,310)
-	-	-	(18,457)
-	-	-	(18,457)
(101,651)	(823,898)	(85)	(1,167,767)
<u>878,456</u>	<u>2,620,423</u>	<u>94,187</u>	<u>6,725,677</u>
<u>\$ 776,805</u>	<u>\$ 1,796,525</u>	<u>\$ 94,102</u>	<u>\$ 5,557,910</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2021

	Fleet	Facilities Management	Administration
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 381,374	\$ 620,001	\$ 650,000
Payments to suppliers	(258,167)	(435,262)	(113,166)
Payments to employees	(122,090)	(161,918)	(570,304)
Net cash provided (used) by operating activities	<u>1,117</u>	<u>22,821</u>	<u>(33,470)</u>
Cash flows from non-capital financing activities:			
Transfers to other funds	-	(18,457)	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(18,457)</u>	<u>-</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(150,417)	(29,977)	-
Net cash provided (used) by capital and related financing activities	<u>(150,417)</u>	<u>(29,977)</u>	<u>-</u>
Cash flows from investing activities:			
Investment income	(1,181)	(4,620)	770
Net cash provided (used) by investing activities	<u>(1,181)</u>	<u>(4,620)</u>	<u>770</u>
Net increase (decrease) in cash and cash equivalents	(150,481)	(30,233)	(32,700)
Cash and investments:			
Beginning of year	595,199	1,111,061	1,003,321
End of year	<u>\$ 444,718</u>	<u>\$ 1,080,828</u>	<u>\$ 970,621</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (44,169)	\$ (61,273)	\$ (113,203)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	85,114	2,899	48,403
Changes in assets, liabilities and deferred amounts:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in prepaid expenses	-	-	(8,135)
(Increase) decrease in net OPEB asset	-	-	(1,466)
(Increase) decrease in deferred outflow of resources	-	-	76,046
Increase (decrease) in accounts payable	(44,087)	47,132	4,920
Increase (decrease) in accrued liabilities	375	23,925	(3,052)
Increase (decrease) in compensated absences	3,884	10,138	36,559
Increase (decrease) in deferred inflow of resources	-	-	13,508
Increase (decrease) in net pension liability	-	-	(87,050)
Total adjustments	<u>45,286</u>	<u>84,094</u>	<u>79,733</u>
Net cash provided (used) by operating activities	<u>\$ 1,117</u>	<u>\$ 22,821</u>	<u>\$ (33,470)</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2021

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 675,475	\$ 869,769	\$ -	\$ 3,196,619
(479,720)	(1,011,796)	(5,311)	(2,303,422)
<u>(235,598)</u>	<u>(837,804)</u>	<u>-</u>	<u>(1,927,714)</u>
<u>(39,843)</u>	<u>(979,831)</u>	<u>(5,311)</u>	<u>(1,034,517)</u>
-	-	-	(18,457)
-	-	-	(18,457)
<u>(22,315)</u>	<u>-</u>	<u>-</u>	<u>(202,709)</u>
<u>(22,315)</u>	<u>-</u>	<u>-</u>	<u>(202,709)</u>
<u>(2,929)</u>	<u>(14,292)</u>	<u>(85)</u>	<u>(22,337)</u>
<u>(2,929)</u>	<u>(14,292)</u>	<u>(85)</u>	<u>(22,337)</u>
(65,087)	(994,123)	(5,396)	(1,278,020)
<u>790,486</u>	<u>2,774,227</u>	<u>99,498</u>	<u>6,373,792</u>
<u>\$ 725,399</u>	<u>\$ 1,780,104</u>	<u>\$ 94,102</u>	<u>\$ 5,095,772</u>
<u>\$ (98,722)</u>	<u>\$ (809,606)</u>	<u>\$ -</u>	<u>\$ (1,126,973)</u>
23,033	-	-	159,449
(713)	(37,109)	-	(37,822)
-	-	-	(8,135)
-	-	-	(1,466)
-	-	-	76,046
32,473	16,017	(5,311)	51,144
2,908	(121,037)	-	(96,881)
1,178	(28,096)	-	23,663
-	-	-	13,508
<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,050)</u>
<u>58,879</u>	<u>(170,225)</u>	<u>(5,311)</u>	<u>92,456</u>
<u>\$ (39,843)</u>	<u>\$ (979,831)</u>	<u>\$ (5,311)</u>	<u>\$ (1,034,517)</u>

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City of Sierra Madre, California

Village of the Foothills



**Statistical Section
For the Year Ending
June 30, 2021**

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This part of the City's annual comprehensive 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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities:				
Net investment in capital assets	\$ 185,544,420	\$ 184,344,066	\$ 183,026,172	\$ 181,862,536
Restricted	10,779,254	10,341,052	13,952,436	6,051,883
Unrestricted	<u>870,761</u>	<u>555,794</u>	<u>204,442</u>	<u>764,679</u>
Total governmental activities net position	<u>\$ 197,194,435</u>	<u>\$ 195,240,912</u>	<u>\$ 197,183,050</u>	<u>\$ 188,679,098</u>
Business-Type activities:				
Net investment in capital assets	\$ 15,665,079	\$ 15,804,079	\$ 15,963,941	\$ 16,668,550
Restricted	1,145,841	1,149,456	1,149,456	1,149,456
Unrestricted	<u>4,437,196</u>	<u>3,894,603</u>	<u>4,053,155</u>	<u>1,994,086</u>
Total business-type activities net position	<u>\$ 21,248,116</u>	<u>\$ 20,848,138</u>	<u>\$ 21,166,552</u>	<u>\$ 19,812,092</u>
Primary government:				
Net investment in capital assets	\$ 201,209,499	\$ 200,148,145	\$ 198,990,113	\$ 198,531,086
Restricted	11,925,095	11,490,508	15,101,892	7,201,339
Unrestricted	<u>5,307,957</u>	<u>4,450,397</u>	<u>4,257,597</u>	<u>2,758,765</u>
Total primary government net position	<u>\$ 218,442,551</u>	<u>\$ 216,089,050</u>	<u>\$ 218,349,602</u>	<u>\$ 208,491,190</u>

Source: City of Sierra Madre Finance Department

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 181,328,167	\$ 180,505,323	\$ 181,067,634	\$ 180,934,074	\$ 180,629,535	\$ 181,760,515
5,794,991	5,119,384	4,926,003	4,861,587	5,887,957	6,302,207
<u>1,731,997</u>	<u>5,264,763</u>	<u>6,263,121</u>	<u>8,123,037</u>	<u>9,714,208</u>	<u>9,522,562</u>
<u>\$ 188,855,155</u>	<u>\$ 190,889,470</u>	<u>\$ 192,256,758</u>	<u>\$ 193,918,698</u>	<u>\$ 196,231,700</u>	<u>\$ 197,585,284</u>
\$ 16,824,482	\$ 16,892,266	\$ 17,975,946	\$ 19,580,635	\$ 21,201,025	\$ 23,167,195
1,149,456	1,149,456	-	-	-	54,000
<u>1,313,820</u>	<u>1,439,579</u>	<u>2,585,503</u>	<u>2,639,373</u>	<u>5,044,835</u>	<u>7,365,272</u>
<u>\$ 19,287,758</u>	<u>\$ 19,481,301</u>	<u>\$ 20,561,449</u>	<u>\$ 22,220,008</u>	<u>\$ 26,245,860</u>	<u>\$ 30,586,467</u>
\$ 198,152,649	\$ 197,397,589	\$ 199,043,580	\$ 200,514,709	\$ 201,830,560	\$ 204,927,710
6,944,447	6,268,840	4,926,003	4,861,587	5,887,957	6,356,207
<u>3,045,817</u>	<u>6,704,342</u>	<u>8,848,624</u>	<u>10,762,410</u>	<u>14,759,043</u>	<u>16,887,834</u>
<u>\$ 208,142,913</u>	<u>\$ 210,370,771</u>	<u>\$ 212,818,207</u>	<u>\$ 216,138,706</u>	<u>\$ 222,477,560</u>	<u>\$ 228,171,751</u>

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

<u>Fiscal year ended June 30,</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Expenses:				
Governmental activities:				
General government	\$ 1,756,491	\$ 2,350,968	\$ 742,540	\$ 1,581,532
Public safety	5,243,664	5,240,506	5,525,072	5,500,997
Public works	2,669,022	1,311,100	1,499,333	2,255,560
Development	998,147	874,469	993,035	1,089,493
Culture and recreation	1,695,105	1,449,653	1,407,243	1,325,706
Interest on long-term debt	95,211	8,241	23,697	20,580
Total governmental activities expenses	<u>12,457,640</u>	<u>11,234,937</u>	<u>10,190,920</u>	<u>11,773,868</u>
Business-type activities:				
Water	3,806,990	3,980,084	3,542,092	4,626,949
Sewer	927,102	1,022,868	844,486	939,202
Recreation services	306,613	115,980	131,897	113,608
Special services	168,546	112,482	92,752	101,219
Film services	70,275	58,589	54,817	18,035
Total business-type activities expenses	<u>5,279,526</u>	<u>5,290,003</u>	<u>4,666,044</u>	<u>5,799,013</u>
Total primary government expenses	<u>\$ 17,737,166</u>	<u>\$ 16,524,940</u>	<u>\$ 14,856,964</u>	<u>\$ 17,572,881</u>
Program revenues:				
Governmental activities:				
Charges for services	\$ 2,013,245	\$ 2,512,450	\$ 3,525,563	\$ 2,374,090
Operating grants and contributions	1,331,720	992,239	1,237,489	1,071,981
Capital grants and contributions	51,342	-	-	-
Total governmental activities program revenues	<u>3,396,307</u>	<u>3,504,689</u>	<u>4,763,052</u>	<u>3,446,071</u>
Business-type activities:				
Charges for services	4,090,554	4,525,723	4,978,343	5,497,755
Capital grants and contributions	-	316,930	258,882	242,500
Total business-type activities program revenues	<u>4,090,554</u>	<u>4,842,653</u>	<u>5,237,225</u>	<u>5,740,255</u>
Total primary government program revenues	<u>\$ 7,486,861</u>	<u>\$ 8,347,342</u>	<u>\$ 10,000,277</u>	<u>\$ 9,186,326</u>
Net revenue/(expense):				
Governmental activities	\$ (9,061,333)	\$ (7,730,248)	\$ (5,427,868)	\$ (8,327,797)
Business-type activities	(1,188,972)	(447,350)	571,181	(58,758)
Total primary government net revenue/(expense)	<u>\$ (10,250,305)</u>	<u>\$ (8,177,598)</u>	<u>\$ (4,856,687)</u>	<u>\$ (8,386,555)</u>

Source: City of Sierra Madre Finance Department

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	1,791,927	\$ 1,710,653	\$ 1,334,388	\$ 3,416,581	\$ 5,111,963	\$ 4,322,627
	5,754,806	5,115,933	5,394,253	5,688,672	5,473,096	6,445,253
	1,401,974	1,961,343	2,196,985	1,883,420	2,260,036	2,464,339
	1,412,537	1,129,817	1,557,850	1,089,342	990,443	1,025,108
	1,280,228	1,078,262	1,388,943	1,457,670	1,065,948	1,114,768
	<u>17,322</u>	<u>13,909</u>	<u>10,336</u>	<u>7,610</u>	<u>3,097</u>	<u>-</u>
	<u>11,658,794</u>	<u>11,009,917</u>	<u>11,882,755</u>	<u>13,543,295</u>	<u>14,904,584</u>	<u>15,372,095</u>
	4,388,290	4,763,179	4,432,899	4,083,465	3,670,810	4,734,967
	1,172,547	1,371,492	1,029,623	629,988	582,658	1,110,982
	259,594	22,697	4,150	-	-	-
	108,211	125,547	171,228	-	-	-
	<u>43,620</u>	<u>50,618</u>	<u>77,923</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,972,262</u>	<u>6,333,533</u>	<u>5,715,823</u>	<u>4,713,453</u>	<u>4,253,468</u>	<u>5,845,949</u>
\$	<u>17,631,056</u>	<u>17,343,450</u>	<u>17,598,578</u>	<u>18,256,748</u>	<u>19,158,052</u>	<u>21,218,044</u>
\$	2,350,878	\$ 2,377,056	\$ 2,305,382	\$ 2,602,516	\$ 2,406,865	\$ 2,429,844
	1,022,280	1,368,859	1,426,015	1,705,187	2,534,045	2,279,930
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,657</u>
	<u>3,373,158</u>	<u>3,745,915</u>	<u>3,731,397</u>	<u>4,307,703</u>	<u>4,940,910</u>	<u>4,824,431</u>
	5,606,012	6,337,602	6,719,044	6,675,962	8,160,577	10,058,070
	<u>46,234</u>	<u>62,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>5,652,246</u>	<u>6,399,768</u>	<u>6,719,044</u>	<u>6,675,962</u>	<u>8,160,577</u>	<u>10,058,070</u>
\$	<u>9,025,404</u>	<u>10,145,683</u>	<u>10,450,441</u>	<u>10,983,665</u>	<u>13,101,487</u>	<u>14,882,501</u>
\$	(8,285,636)	\$ (7,264,002)	\$ (8,151,358)	\$ (9,235,592)	\$ (9,963,674)	\$ (10,547,664)
	<u>(320,016)</u>	<u>66,235</u>	<u>1,003,221</u>	<u>1,962,509</u>	<u>3,907,109</u>	<u>4,212,121</u>
\$	<u>(8,605,652)</u>	<u>(7,197,767)</u>	<u>(7,148,137)</u>	<u>(7,273,083)</u>	<u>(6,056,565)</u>	<u>(6,335,543)</u>

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

Fiscal year ended June 30,	2012	2013	2014	2015	2016
Governmental activities:					
Taxes	\$ 7,774,266	\$ 7,739,306	\$ 8,217,065	\$ 8,435,031	\$ 8,487,077
Investment income (loss)	16,405	21,761	11,671	11,875	38,125
Miscellaneous	-	-	-	-	-
Capital contributions	-	15,209	-	-	-
Extraordinary gain/(loss)	1,499,139	-	-	-	-
Loss on disposal of property	-	-	(854,341)	-	-
Transfers	(164,500)	(47,372)	(4,389)	(54,018)	(63,509)
Total governmental activities	<u>9,125,310</u>	<u>7,728,904</u>	<u>7,370,006</u>	<u>8,392,888</u>	<u>8,461,693</u>
Business-type activities:					
Investment income (loss)	2,827	-	6,826	6,425	11,201
Miscellaneous	-	-	-	-	-
Transfers	164,500	47,372	4,389	54,018	63,509
Total business-type activities	<u>167,327</u>	<u>47,372</u>	<u>11,215</u>	<u>60,443</u>	<u>74,710</u>
Total primary government	<u>\$ 9,292,637</u>	<u>\$ 7,776,276</u>	<u>\$ 7,381,221</u>	<u>\$ 8,453,331</u>	<u>\$ 8,536,403</u>
Change in net position:					
Governmental activities	\$ 63,977	\$ (1,344)	\$ 1,942,138	\$ 65,091	\$ 176,057
Business-type activities	(1,021,645)	(399,978)	582,396	1,685	(245,306)
Total primary government	<u>\$ (957,668)</u>	<u>\$ (401,322)</u>	<u>\$ 2,524,534</u>	<u>\$ 66,776</u>	<u>\$ (69,249)</u>

Source: City of Sierra Madre Finance Department

2017	2018	2019	2020	2021
\$ 9,332,367	\$ 9,512,791	\$ 9,981,892	\$ 10,635,408	\$ 11,881,819
85,587	87,400	373,205	393,927	(9,580)
-	673,942	148,141	1,258,038	29,009
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(118,957)</u>	<u>(103,147)</u>	<u>394,294</u>	<u>(10,697)</u>	<u>-</u>
<u>9,298,997</u>	<u>10,170,986</u>	<u>10,897,532</u>	<u>12,276,676</u>	<u>11,901,248</u>
7,691	32,935	90,344	108,046	48,731
-	-	-	-	79,755
<u>118,957</u>	<u>103,147</u>	<u>(394,294)</u>	<u>10,697</u>	<u>-</u>
<u>126,648</u>	<u>136,082</u>	<u>(303,950)</u>	<u>118,743</u>	<u>128,486</u>
<u>\$ 9,425,645</u>	<u>\$ 10,307,068</u>	<u>\$ 10,593,582</u>	<u>\$ 12,395,419</u>	<u>\$ 12,029,734</u>
\$ 2,034,995	\$ 2,019,628	\$ 1,661,940	\$ 2,313,002	\$ 1,353,584
192,883	1,139,303	1,658,559	4,025,852	4,340,607
<u>\$ 2,227,878</u>	<u>\$ 3,158,931</u>	<u>\$ 3,320,499</u>	<u>\$ 6,338,854</u>	<u>\$ 5,694,191</u>

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

<u>As of June 30,</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund:				
Nonspendable	\$ -	\$ -	\$ 2,547	\$ 19,535
Restricted	-	-	-	-
Committed	250,000	635,000	1,255,290	1,280,500
Assigned	3,989,683	4,400,416	4,635,021	5,133,278
Unassigned	<u>870,761</u>	<u>900,121</u>	<u>553,476</u>	<u>1,021,355</u>
Total General Fund	<u>\$ 5,110,444</u>	<u>\$ 5,935,537</u>	<u>\$ 6,446,334</u>	<u>\$ 7,454,668</u>
All other governmental funds:				
Restricted	1,682,998	1,682,998	1,682,998	4,113,442
Committed	888,909	1,658,115	2,199,679	661,036
Assigned	1,453,098	981,304	1,237,371	-
Unassigned	<u>(395,035)</u>	<u>(344,327)</u>	<u>(348,734)</u>	<u>(256,676)</u>
Total all other governmental funds	<u>\$ 3,629,970</u>	<u>\$ 3,978,090</u>	<u>\$ 4,771,314</u>	<u>\$ 4,517,802</u>
Total all governmental funds	<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,217,648</u>	<u>\$ 11,972,470</u>

Source: City of Sierra Madre Finance Department

2016	2017	2018	2019	2020	2021
\$ -	\$ -	\$ -	\$ 2,365	\$ -	\$ 1,565
-	-	15,802	32,727	32,639	455,167
-	-	-	-	-	-
4,720,472	-	-	-	-	-
<u>1,938,003</u>	<u>7,428,117</u>	<u>8,736,391</u>	<u>6,915,213</u>	<u>7,557,690</u>	<u>9,236,030</u>
<u>\$ 6,658,475</u>	<u>\$ 7,428,117</u>	<u>\$ 8,752,193</u>	<u>\$ 6,950,305</u>	<u>\$ 7,590,329</u>	<u>\$ 9,692,762</u>
4,406,441	5,119,384	4,856,087	4,828,860	5,855,318	5,826,040
1,457,095	1,391,394	903,576	870,091	936,179	401,910
-	-	-	-	-	-
<u>(206,006)</u>	<u>(155,931)</u>	<u>(117,280)</u>	<u>(60,595)</u>	<u>(32,283)</u>	<u>(308,679)</u>
<u>\$ 5,657,530</u>	<u>\$ 6,354,847</u>	<u>\$ 5,642,383</u>	<u>\$ 5,638,356</u>	<u>\$ 6,759,214</u>	<u>\$ 5,919,271</u>
<u>\$ 12,316,005</u>	<u>\$ 13,782,964</u>	<u>\$ 14,394,576</u>	<u>\$ 12,588,661</u>	<u>\$ 14,349,543</u>	<u>\$ 15,612,033</u>

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

Fiscal year ended June 30,	2012	2013	2014	2015
Revenues:				
Taxes	\$ 6,758,148	\$ -	\$ -	\$ -
Property Taxes	-	3,902,682	4,391,262	5,264,471
Other Taxes	-	3,724,541	3,707,633	3,170,560
Charges for services	595,203	897,281	820,236	871,237
Intergovernmental	2,249,029	1,065,088	1,248,338	1,073,897
Licenses and permits	1,160,456	1,131,957	2,431,117	1,018,971
Fines and forfeitures	223,902	328,707	240,188	223,072
Investment Income	10,571	-	6,636	5,397
Miscellaneous	184,835	163,313	169,853	260,810
Total revenues	11,182,144	11,213,569	13,015,263	11,888,415
Expenditures:				
Current:				
General government	2,107,607	1,921,278	1,871,441	1,672,935
Public safety	5,081,731	5,074,457	5,382,934	5,382,396
Public works	2,210,897	794,165	1,844,412	1,670,830
Development	1,259,802	842,273	940,335	1,019,712
Culture and recreation	1,540,117	1,284,435	1,244,718	1,162,983
Debt service:				
Principal	315,581	63,385	66,321	69,391
Interest	101,461	27,656	24,721	21,651
Capital outlay	95,735	31,790	14,833	-
Total expenditures	12,712,931	10,039,439	11,389,715	10,999,898
Excess (deficiency) of revenues over (under) expenditures	<u>(1,530,787)</u>	<u>1,174,130</u>	<u>1,625,548</u>	<u>888,517</u>
Other financing sources (uses):				
Sale of City property	-	-	-	-
Equipment Financing	-	-	-	-
Transfers in	2,845,339	1,376,732	881,171	941,521
Transfers out	<u>(3,017,170)</u>	<u>(1,377,649)</u>	<u>(1,288,508)</u>	<u>(989,406)</u>
Total other financing sources (uses)	<u>(171,831)</u>	<u>(917)</u>	<u>(407,337)</u>	<u>(47,885)</u>
Extraordinary gain (loss)	<u>(1,085,861)</u>	-	-	-
Net change in fund balances	(2,788,479)	1,173,213	1,218,211	840,632
Fund balances, beginning of year, as restated	<u>11,528,893</u>	<u>8,740,414</u>	<u>9,913,627</u>	<u>11,131,838</u>
Fund balances, end of year	<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,131,838</u>	<u>\$ 11,972,470</u>
Debt Service as a Percentage of Non-Capital Expenditures	3%	1%	1%	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

	2016	2017	2018	2019	2020	2021
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -
	5,677,308	6,075,078	6,426,261	6,830,051	7,161,511	7,666,122
	2,809,769	3,257,288	3,228,635	3,302,646	3,644,793	4,393,543
	881,477	690,417	733,929	974,741	824,891	647,586
	1,022,280	1,176,272	1,228,646	1,536,011	1,745,392	2,154,464
	837,657	1,222,728	1,227,077	1,231,070	1,245,264	1,464,992
	190,999	167,318	118,324	140,395	82,903	70,616
	25,726	63,194	84,912	306,329	320,460	(7,938)
	440,745	489,181	933,142	327,781	2,040,124	358,630
	<u>11,885,961</u>	<u>13,141,476</u>	<u>13,980,926</u>	<u>14,649,024</u>	<u>17,065,338</u>	<u>16,748,015</u>
	1,970,283	2,391,482	2,609,677	3,662,657	5,561,126	3,832,934
	5,725,286	5,375,953	5,200,197	8,165,504	5,717,940	6,741,180
	1,004,326	1,247,133	2,806,374	2,173,523	2,003,010	2,635,535
	1,485,372	1,355,877	1,437,228	1,272,696	983,998	1,115,698
	1,228,487	1,115,425	1,141,498	1,496,982	950,110	1,178,635
	72,604	75,964	79,484	83,163	87,016	-
	18,442	15,082	11,563	7,879	4,026	-
	-	-	-	-	-	-
	<u>11,504,800</u>	<u>11,576,916</u>	<u>13,286,021</u>	<u>16,862,404</u>	<u>15,307,226</u>	<u>15,503,982</u>
	<u>381,161</u>	<u>1,564,560</u>	<u>694,905</u>	<u>(2,213,380)</u>	<u>1,758,112</u>	<u>1,244,033</u>
	-	-	-	-	-	-
	-	-	-	-	-	-
	2,348,798	246,913	37,851	468,564	169,858	1,022,186
	<u>(2,386,421)</u>	<u>(343,835)</u>	<u>(121,145)</u>	<u>(61,099)</u>	<u>(167,088)</u>	<u>(1,003,729)</u>
	<u>(37,623)</u>	<u>(96,922)</u>	<u>(83,294)</u>	<u>407,465</u>	<u>2,770</u>	<u>18,457</u>
	-	-	-	-	-	-
	343,538	1,467,638	611,611	(1,805,915)	1,760,882	1,262,490
	<u>11,972,467</u>	<u>12,315,326</u>	<u>13,782,965</u>	<u>14,394,576</u>	<u>12,588,661</u>	<u>14,349,543</u>
\$	<u>12,316,005</u>	<u>\$ 13,782,964</u>	<u>\$ 14,394,576</u>	<u>\$ 12,588,661</u>	<u>\$ 14,349,543</u>	<u>\$ 15,612,033</u>
	1%	1%	1%	1%	1%	0%

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

Category	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Residential	\$ 1,522,225,014	\$ 1,569,368,492	\$ 1,657,387,265	\$ 1,750,546,835
Commercial	47,274,344	50,519,744	52,244,923	53,659,841
Industrial	7,503,723	7,653,776	7,806,831	7,842,250
Govt. Owned	157,109	542,759	163,456	164,198
Institutional	6,669,589	3,943,818	4,105,294	6,618,344
Irrigated	-	-	-	-
Recreational	618,428	1,647,693	1,680,645	1,688,272
Vacant	44,660,373	44,480,022	44,785,823	46,880,985
SBE Nonunitary	-	-	-	-
Cross Reference	1,542,439	1,573,286	1,604,751	1,792,372
Unsecured	<u>6,990,234</u>	<u>6,711,328</u>	<u>6,183,887</u>	<u>6,657,788</u>
Total assessed value	<u>\$ 1,637,641,253</u>	<u>\$ 1,686,440,918</u>	<u>\$ 1,775,962,875</u>	<u>\$ 1,875,850,885</u>
Tax-Exempt Property	<u>(3,605,034)</u>	<u>(3,605,034)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>
Total taxable assessed value	<u>\$ 1,634,036,219</u>	<u>\$ 1,682,835,884</u>	<u>\$ 1,772,357,737</u>	<u>\$ 1,872,245,747</u>
Total direct rate	0.2843	0.2821	0.2228	0.2231

Data Source: HDL Coren & Cone

2016	2017	2018	2019	2020	2021
\$ 1,849,086,339	\$ 1,958,752,239	\$ 2,064,755,283	\$ 2,175,830,705	\$ 2,301,373,113	\$ 2,416,520,193
57,179,257	60,520,506	62,360,811	66,807,200	70,441,465	73,200,604
11,350,279	11,523,349	11,904,983	11,759,635	11,994,809	12,234,680
167,478	170,032	173,432	599,145	202,511	-
6,423,627	17,021,358	18,196,153	17,707,802	23,338,541	18,446,279
-	-	-	-	-	-
1,722,001	1,748,259	1,783,221	1,818,882	1,855,256	1,892,357
44,273,558	46,173,712	42,633,298	30,933,973	33,461,991	33,273,291
-	-	-	-	-	-
1,968,133	1,998,146	2,038,108	1,851,661	1,888,694	2,204,912
7,011,648	6,843,871	6,959,470	7,981,925	7,608,348	7,433,068
<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>\$ 2,452,164,728</u>	<u>\$ 2,565,205,384</u>
(3,605,138)	(3,605,138)	(3,569,824)	(3,569,824)	(3,569,824)	(3,569,824)
<u>\$ 1,975,577,182</u>	<u>\$ 2,101,146,334</u>	<u>\$ 2,207,234,935</u>	<u>\$ 2,311,721,104</u>	<u>\$ 2,448,594,904</u>	<u>\$ 2,561,635,560</u>
0.2234	0.2243	0.2237	0.2236	0.2236	0.2240

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

Agency	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Basic Levy	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.07691	0.07670	0.07550	0.07653
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	0.01956	0.02056	0.01899	0.01032
Pasadena Unified School Dist	0.11120	0.11403	0.10351	0.10601
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902
Total Direct & Overlapping² Tax Rates	1.53469	1.53831	1.52502	1.51988
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	-	-	-
Total Direct Rate⁵	0.28433	0.28214	0.22284	0.22310

Data Source: HDL Coren & Cone

2016	2017	2018	2019	2020	2021
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07507	0.07788	0.07551	0.05365	0.05433	0.04784
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	0.02300	0.03000	0.03000	0.03000	0.03000
0.00872	0.00885	0.00819	0.00767	0.00721	0.00554
0.11168	0.10673	0.10547	0.09491	0.04531	0.02294
0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
1.52249	1.52548	1.52819	1.49526	1.44587	1.41534
0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
-	-	-	-	-	-
-	-	-	-	-	-
0.22338	0.22428	0.22367	0.22363	0.22363	0.22401

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

Taxpayer	2012			2021		
	Taxable Assesed Value	% of Net Assesed Value	Rank	Taxable Assesed Value	% of Net Assesed Value	Rank
CS One Carter LLC	\$ 20,090,796	1.23%	1			
CS Stonehouse LLC	8,513,548	0.52%	2			
S M E Associates Limited	6,296,432	0.39%	3			
Barbera Family LP	4,817,021	0.30%	4			
Congregation of the Passion Mater Dolorosa	4,362,143	0.27%	5			
William L Sullivan Trust	4,184,100	0.26%	6			
MB Equity LLC	3,918,381	0.24%	7	\$21,263,259	0.83%	1
Time Warner NY Cable LLC	1,340,649	0.08%	8			
William and Marie Sullivan Trust	3,414,866	0.21%	9			
Zhang Hongmei	2,937,591	0.18%	10			
Kensington SM GP LLC				\$ 15,320,140	0.60%	2
CETT Madre Limited				13,603,874	0.53%	3
Stanley A Sirott Trust				9,334,680	0.36%	4
Neil A Lavick and Marie D Clause				8,133,827	0.32%	5
Michael G and Rene C Hoffman Trust				6,867,889	0.27%	6
Ginkgo Stonehouse II LLC				6,264,485	0.24%	7
William L. Sullivan Cotrustee				5,461,697	0.21%	8
Avalanche Lake Realty				5,171,087	0.20%	9
Montecito Development Group LLC				4,588,381	0.18%	10
Top Ten Total	<u>\$59,875,527</u>	<u>3.67%</u>		<u>\$96,009,319</u>	<u>3.75%</u>	
City Total	<u>\$1,630,651,019</u>			<u>\$2,557,772,316</u>		

Data 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
2012	\$ 3,420,519.63	\$ 3,013,111.05	88.09%	\$ 407,408.58	\$ 3,013,111.05	88.09%
2013	3,623,212.57	3,369,908.53	93.01%	253,304.04	3,369,908.53	93.01%
2014	3,873,970.53	3,669,464.08	94.72%	204,506.45	3,669,464.08	94.72%
2015	3,929,776.21	3,837,082.58	97.64%	92,693.63	3,837,082.58	97.64%
2016	4,229,810.14	4,129,506.26	97.63%	100,303.88	4,129,506.26	97.63%
2017	4,492,592.16	4,314,137.59	96.03%	178,454.57	4,314,137.59	96.03%
2018	4,772,165.30	4,553,847.52	95.43%	218,317.78	4,553,847.52	95.43%
2019	4,977,521.00	4,854,870.94	97.54%	122,650.06	4,854,870.94	97.54%
2020	5,454,161.24	5,262,884.00	96.49%	120,330.00	5,333,831.24	97.79%
2021	5,710,131.08	5,582,408.75	97.76%	157,211.20	5,552,919.88	97.25%

Data Source: HDL Coren & Cone

CITY OF SIERRA MADRE
Total Direct and Overlapping Debt
As of June 30, 2021

		<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City</u>	<u>Net Bonded Debt</u>
Total Direct Debt				\$ -
Overlapping Debt				
812.55	PASADENA CCD DS 2014 REF SERIES A	\$ 10,880,000	2.596	282,431
812.56	PASADENA CCD DS 2016 REF SERIES A	51,650,000	2.596	1,340,769
817.53	ARCADIA UNIFIED DS 1993 SERIES C	110,444	0.366	404
817.57	ARCADIA UNIFIED DS 2006 SERIES B	205,000	0.366	750
817.58	ARCADIA UNIFIED DS 2017 REF	248,310,000	0.366	908,157
909.58	PASADENA USD DS 2008 SERIES 2012	3,855,000	5.307	204,582
909.61	PASADENA USD DS 2008 SERIES 2016	103,245,000	5.307	5,479,135
909.62	PASADENA USD DS 2016 REF BONDS SERIES A	78,470,000	5.307	4,164,344
909.63	PASADENA USD DS 2016 REF BONDS SERIES B	152,810,000	5.307	8,109,513
Total Overlapping Debt				<u>20,490,085</u>
Total Direct and Overlapping Debt				<u>\$ 20,490,085</u>

2020/21 Assessed Valuation: \$2,339,008,232 After Deducting \$226,197,152 Incremental Value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	0.88%
Total Debt	0.88%

Data Source: HDL Coren & Cone

CITY OF SIERRA MADRE
Outstanding Debt by Type

Governmental Activities				
Fiscal Year Ended June 30,	Master Lease	General Obligation Bonds	Tax Increment Bonds ⁽¹⁾	Total
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
2020	-	-	-	-
2021	-	-	-	-

⁽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

Population and Personal Income data: HDL Coren & Cone, California State Department of Finance

Business-type Activities

Master Lease	Revenue Parity		Total	Total Primary Government	Percentage	Per Capita
	Bonds	Loans			of Personal Income	
\$ 332,653	\$ 9,755,000	\$ 1,311,188	\$ 11,398,841	\$ 12,088,182	2.13%	1,096.63
297,353	9,385,000	1,165,500	10,847,853	11,464,044	2.16%	1,033.36
260,419	8,995,000	1,019,812	10,275,231	10,814,885	1.98%	974.49
221,775	8,590,000	874,126	9,685,901	10,145,475	1.88%	921.23
181,341	8,165,000	728,438	9,074,779	9,450,564	1.65%	858.36
139,036	7,715,000	582,751	8,436,787	8,724,906	1.52%	794.18
94,771	-	6,940,756	7,035,527	7,231,920	1.19%	649.48
48,457	-	6,372,601	6,421,058	6,521,478	1.00%	602.95
-	-	5,900,868	5,900,868	5,900,868	0.89%	553.81
-	-	5,416,637	5,416,637	5,416,637	0.81%	508.37

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>						
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
2018	5,521,322	2,319,129	3,202,193	258,284	186,735	7.20
<i>City of Sierra Madre Installment Purchase Agreement**</i>						
2019	5,611,440	2,364,338	3,247,102	422,467	257,981	4.77
2020	6,954,132	1,905,193	5,048,939	326,046	243,699	8.86
2021	8,934,480	2,824,490	6,109,990	338,543	231,875	10.71

* 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. The The proceeds were sufficient to defease the Revenue Bonds on November1, 2017, thereby satisfying and terminating the City's obligations under the prior installment sales agreements and indentures. Funding took place on October 31, 2017.

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

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

Source: City of Sierra Madre Finance Department

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Fiscal Year Ended June 30,	Governmental Activities			
	Tax Increment ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
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
2020 ⁽⁵⁾	215,315	380,000	19,000	0.54
2021 ⁽⁵⁾	-	-	-	-

⁽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

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CITY OF SIERRA MADRE
Demographic and Economic Statistics

<u>Calendar Year</u>	<u>Population</u>	<u>Personal Income (In Thousands)</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>	<u>Median Age</u>	<u>% of Pop 25+ with High School</u>	<u>% of Pop 25+ with Bachelor's Degree</u>
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	10,816	655,093	60,567	4.5%	47.6	98.7%	62.4%
2020	10,655	664,995	62,411	14.6%	49.0	98.4%	60.8%

Data 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, 2021

Business Name	Business Category
Ad Security	Specialty Stores
Best Buy Drugs	Drug Stores
Bottle Shop	Convenience Stores/Liquor
Casa Del Rey	Casual Dining
Corfu Restaurant	Casual Dining
Frontier Hardware Co	Building Materials
Happy's Liquor	Convenience Stores/Liquor
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
Savor the Flavor	Art/Gift/Novelty Stores
Sierra Filtration Services	Specialty Stores
Sierra Madre Independent Honda Service	Auto Repair Shops
Sierra Madre Pizza Co	Quick-Service Restaurants
Sierra Madre Service Station Inc	Service Stations
Sierra Madre Valero	Service Stations
Subway	Quick-Service Restaurants
Tacos Ensenada Dom	Quick-Service Restaurants
Taylor's Old Fashioned Meat Market	Food Stores Non-Grocery
Village Pizzeria	Fast-Casual Restaurants
Wistaria Restaurant & Bar	Casual Dining
Yui	Casual Dining

Data Source: HDL Coren & Cone

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	8	7	7	11	11	11	13	12	15	11
Public Safety										
Police										
Officers	18	16	17	17	17	17	17	15	11	17
Civilians	5	4	4	7	6	6	7	7	11	5
Fire	15.8	15.4	15.2	16	18	19	19	20	16	16
Public Works	20	19	17.5	18	18	19	18	16	16	18
Development	4	3	3.5	4	5	5	5	5	4	4
Library and Recreation	22.65	15.7	15.8	13	12	13	14	12	13	12
Total	93.45	80.1	80	86	87	90	93	87	86	83

Source: City of Sierra Madre Finance Department

CITY OF SIERRA MADRE

Operating Indicators by Function

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of:										
Physical Arrests	328	399	345	327	214	248	223	231	210	178
Parking Violations	2,031	3,266	2,976	2,764	1,797	2,596	1,705	1,127	225	1,161
Traffic Violations	1,798	1,435	1,967	571	727	837	1,210	1,216	1,051	912
Fire										
Number of:										
Calls Answered	967	947	863	970	1,036	1,107	1,102	1,097	1,197	1,088
Inspections	2,002	1,943	2,000	1,739	1,678	2,084	1,687	1,905	1,935	2,012
Public Works										
Number of:										
Water Mains Repaired	45	30	25	58	550	388	395	374	303	403
Water service leaks repaired	19	19	8	7	19	30	46	62	78	76
Street resurfacing/repair (SF)	0	0	69,000	284,790	-	142,500	454,000	705,270	180,000	136,600
Sidewalk Repairs (SF)	3,207	12,000	4,096	4,605	3,000	4,700	9,500	3,250	6,500	2,000
Trees planted	14	8	63	-	-	12	16	31	15	15
Trees pruned	20	537	514	37	24	38	43	16	15	47
Trees removed	50	20	30	62	75	75	68	44	50	15
Sewer cleaned/inspected (LF)	151,659	102,720	143,711	167,168	186,176	146,000	120,817	98,000	80,000	148,316
Sewer Manhole inspected (each)	346	171	104	676	620	433	473	380	211	380
Sewer lines inspected (LF)	500	200	330	1,064	1,000	2,045	-	-	-	1,000
Meters replaced	398	138	129	168	-	172	507	643	605	106
Valves exercised	583	299	406	284	267	3	-	60	605	600
Pot holes repaired	14	100	188	380	575	657	727	622	-	-
Water Mains Replaced (LF)	4,165	n/a	n/a	2,870	1,750	1,200	2,000	5,800	7,095	6,000
Recreation and Community Services										
Number of participants:										
Recreation classes	1,382	2,510	1,730	731	371	271	217	n/a	n/a	n/a
Aquatic ⁽¹⁾	3,146	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Summer pool memberships	16	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual Events ⁽²⁾	789									
Movie Series	n/a	1,100	1,050	1,400	1,500	1,700	1,850	1,900	2,200	1,000
Concert Series	n/a	3,600	4,550	4,835	4,400	4,600	4,800	5,600	5,800	n/a
Summer Fun in the Park	n/a	274	320	293	305	265	261	285	291	150
Huck Finn (campsites)	43	40	60	63	63	50	36	48	n/a	-
Mt. Wilson Trail Race	323	328	350	325	346	337	332	350	n/a	300
Window Painting	163	89	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Halloween Happenings	153	112	n/a	150	157	107	115	126	130	200
Excursions	n/a	n/a	n/a	n/a	511	477	464	569	262	-

Data Source: Various City of Sierra Madre Departments

⁽¹⁾ Aquatics contracted out beginning FY 2012-2013

⁽²⁾ Annual events divided into new categories beginning FY 2012-2013

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Library										
Number of:										
Registered borrowers	11,994	13,044	11,366	10,530	11,429	11,574	11,098	14,162	10,175	8,787
Circulation	105,121	86,829	79,673	85,779	113,272	97,829	114,432	115,572	97,870	84,675
Reference	6,705	5,663	5,795	6,548	6,493	5,237	5,066	4,868	4,686	4,837
Book volumes held	55,845	51,681	54,663	56,891	47,746	41,680	39,164	40,126	39,949	41,212
User's of E-Resources	13,312	13,844	14,173	14,798	17,678	16,612	14,141	17,809	13,954	11,637
Media	5,323	5,512	5,993	6,307	18,238	6,084	5,904	5,892	5,545	5,707
Periodicals	115	109	95	98	61	95	82	73	71	72
Municipal Utilities										
Number of:										
Number of Customers										
Commercial	111	112	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multi-Unit	356	353	212	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City	75	63	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential	3,255	3,280	3,424	3,550	3,489	3,565	3,501	3,654	3,624	3,600
Non-Residential	n/a	n/a	n/a	204	195	210	193	163	248	190
Water Consumption in Units (000's)	1,212	1,232	1325	821	667	925	765	741	860	1,179
Administrative Services										
Number of:										
Number of Customers										
Online Bill Pay (average)	155	131	156	211	246	288	333	421	435	965
Business Licenses Issued	1,232	1,360	2,358	1,374	1,276	1,438	1,665	1,584	2,767	1,323
Development Services										
Number of:										
Conditional Use Permit	13	5	5	37	5	6	7	-	-	1
Minor Conditional Use Permit	2	5	10	7	2	5	5	4	1	2
Design Review									11	13
Variance	4	1	-	1	1	-	-	1	-	-
Minor Variance	-	3	1	1	2	2	-	3	-	-
Municipal Code Text Amendment	2	3	1	6	5	7	-	5	-	7
Building Permit	304	278	249	231	230	274	281	258	320	260
Electrical Permit	81	165	208	159	174	206	223	223	203	215
Mechanical Permit	38	110	130	129	100	128	135	140	117	109
Plumbing Permit	59	161	166	215	194	204	230	191	141	136
Sewer Permit	13	25	26	3	14	23	2	7	3	6

Data Source: Various City of Sierra Madre Departments

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

CITY OF SIERRA MADRE
Capital Assets – Book Value (excludes construction in progress)

		Fiscal Year Ended June 30,		
		2012	2013	2014
Roadways	Pavement AC (Governmental Funds)	\$ 13,686,599	\$ 12,858,351	\$ 12,041,539
Street Appurtenances	Bridges (Governmental Funds)	58,796	51,878	44,961
Parks	Park Structures (Governmental Funds)	156,919	149,072	141,224
		167,586	162,738	155,976
	Trees (Governmental Funds)	1,206,214	1,206,214	1,206,214
Wastewater	Manholes (Sewer)	783,660	756,163	728,666
	Sewer Pipelines (Sewer)	2,778,250	2,680,768	2,583,285
Domestic Water Network	Spreading Basins (Water)	1,159,626	1,126,865	1,094,105
	Pump Stations (Water)	1,540,663	1,486,605	1,432,546
	Meters (Water)	-	-	-
	Pipelines (Water)	3,376,993	3,511,413	3,587,725
	Pressure Reducing Stations (Water)	316,626	300,389	284,152
	Fire Hydrants (Water)	185,168	175,159	165,149
	Wells (Water)	743,993	703,777	663,561
	Reservoirs (Water)	13,992,147	13,788,524	13,584,901
Buildings	All			
	Buildings (Water Fund)	151,939	143,726	135,513
	Buildings (Sewer Fund)	151,939	143,726	135,513
	Buildings (Governmental Funds)	6,599,074	6,373,114	6,147,154
	Buildings (Governmental-ISF Facilities)			
Land	All			
	Land (Water Fund)	1,483,250	1,483,250	1,483,250
	Land (Governmental Funds)	162,275,946	162,275,946	162,275,946
General Equipment	All			
	Vehicle & Equipment (Water Fund)	14,820	10,360	24,555
	Vehicle & Equipment (Sewer Fund)	404,918	341,205	336,248
	Vehicle & Equipment (Governmental Funds)	740,834	686,766	641,723
	Vehicle & Equipment (Governmental-ISF fleet)	881,965	784,751	704,962
	Software (Governmental-ISF Administration)	459,827	411,425	363,022
Total		\$ 213,317,751	\$ 211,612,185	\$ 209,961,890

Data Source: Various City of Sierra Madre Departments

Fiscal Year Ended June 30,						
2015	2016	2017	2018	2019	2020	2021
\$ 11,331,409	\$ 10,731,909	\$ 9,854,028	\$ 9,549,273	\$ 10,482,847	\$ 11,776,829	\$ 12,434,068
38,044	29,591	21,137	12,682	4,227	-	-
133,376	267,258	392,374	371,422	350,470	329,873	1,335,386
155,976	-	-	-	-	-	-
1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214
701,169	672,551	643,932	615,313	586,693	558,074	529,455
2,993,188	2,576,706	2,469,342	2,361,979	2,254,616	2,147,252	2,039,889
1,061,345	1,025,528	989,710	953,893	918,075	889,342	928,331
1,378,488	1,322,223	1,265,958	1,209,694	1,153,429	1,097,164	1,040,899
-	-	-	-	-	-	-
3,731,255	4,141,639	4,143,901	4,352,079	5,620,212	5,421,687	5,150,194
267,915	250,630	233,345	216,061	198,776	181,491	164,206
155,140	144,440	133,741	123,042	112,343	101,643	90,944
623,345	580,356	537,366	494,377	451,387	408,398	783,648
13,381,279	13,174,440	12,967,602	12,760,764	12,553,926	12,347,088	12,140,250
127,300	118,766	110,328	101,799	93,316	84,833	76,349
127,300	118,813	110,284	101,840	93,353	84,866	76,380
5,733,392	5,642,913	5,409,185	5,175,456	5,127,521	5,033,771	4,922,200
-	-	-	61,379	60,152	58,924	87,673
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
30,890	59,040	71,118	62,638	54,158	882,988	846,597
292,587	230,880	169,174	107,464	45,756	13,039	448,910
541,302	501,492	387,136	555,906	1,089,507	1,051,061	1,625,563
591,833	654,076	821,597	745,502	-	-	-
314,619	394,552	333,326	272,087	210,851	149,613	112,223
\$ 208,676,562	\$ 207,603,213	\$ 206,029,994	\$ 205,170,057	\$ 206,427,024	\$ 207,583,346	\$ 209,798,576