

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

Village of the Foothills

For the Year Ending June 30, 2023



Prepared by the Finance Department Staff

City of Sierra Madre
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Sierra Madre, CA 91024

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INTRODUCTORY SECTION (UNAUDITED)

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

FINANCIAL SECTION

INDEPENDENT AUDITOR’S REPORT	1
MANAGEMENT’S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION) (UNAUDITED)	4
BASIC FINANCIAL STATEMENTS:	
GOVERNMENT-WIDE FINANCIAL STATEMENTS:	
STATEMENT OF NET POSITION	16
STATEMENT OF ACTIVITIES	17
FUND FINANCIAL STATEMENTS:	
GOVERNMENTAL FUNDS:	
BALANCE SHEET	19
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	21
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES	22
PROPRIETARY FUNDS:	
STATEMENT OF NET POSITION	23
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	24
STATEMENT OF CASH FLOWS	25
NOTES TO BASIC FINANCIAL STATEMENTS	27
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED):	
BUDGETS AND BUDGETARY ACCOUNTING	64
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND	65
BUDGETARY COMPARISON SCHEDULE – AMERICAN RESCUE PLAN ACT	66
DEFINED BENEFIT PENSION PLAN	67
OTHER POST-EMPLOYMENT BENEFITS	69
SUPPLEMENTARY INFORMATION:	
NON-MAJOR GOVERNMENTAL FUNDS BY FUND TYPE:	
COMBINED BALANCE SHEET	71
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	72
NON-MAJOR SPECIAL REVENUE FUNDS:	
COMBINING BALANCE SHEET	73
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	74

FINANCIAL SECTION (CONTINUED)

NON-MAJOR SPECIAL REVENUE FUNDS - GRANTS:	
COMBINING BALANCE SHEET	75
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	76
NON-MAJOR SPECIAL REVENUE FUNDS - ASSESSMENTS:	
COMBINING BALANCE SHEET	77
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	79
NON-MAJOR SPECIAL REVENUE FUNDS - OTHER:	
COMBINING BALANCE SHEET	81
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	87
NON-MAJOR CAPITAL PROJECT FUNDS:	
COMBINING BALANCE SHEET	93
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	94
NON-MAJOR SPECIAL REVENUE FUNDS:	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL:	
HOMELAND SECURITY SPECIAL REVENUE FUND	95
LIGHTING DISTRICT #1 SPECIAL REVENUE FUND	96
DOWNTOWN LANDSCAPING AND LIGHTING MAINTENANCE DISTRICT	97
DEVELOPMENT IMPACT FEES SPECIAL REVENUE FUND	98
POLICE DEPARTMENT DONATIONS SPECIAL REVENUE FUND	99
PUBLIC SAFETY AUGMENTATION SPECIAL REVENUE FUND	100
STATE COPS GRANT SPECIAL REVENUE FUND	101
FIRE DEPARTMENT DONATIONS SPECIAL REVENUE FUND	102
RECREATION DEPARTMENT DONATIONS SPECIAL REVENUE FUND	103
LOCAL TRANSPORTATION PROP A SPECIAL REVENUE FUND	104
OPEN SPACE SPECIAL REVENUE FUND	105
SENIOR CENTER SPECIAL REVENUE FUND	106
LOCAL TRANSIT PROP C SPECIAL REVENUE FUND	107
CLEAR AIR (AQMD) SPECIAL REVENUE FUND	108
ENVIRONMENTAL SPECIAL REVENUE FUND	109
GAS TAX SPECIAL REVENUE FUND	110
MEASURE R SPECIAL REVENUE FUND	111
MEASURE M SPECIAL REVENUE FUND	112
ROAD MAINTENANCE REHABILITATION SPECIAL REVENUE FUND	113
LIBRARY GIFT AND MEMORIAL SPECIAL REVENUE FUND	114
FRIENDS OF THE LIBRARY SPECIAL REVENUE FUND	115
MEASURE W SPECIAL REVENUE FUND	116
ROBERT DAY TRUST FUND SPECIAL REVENUE FUND	117
OTHER NON-MAJOR FUNDS:	
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL:	
CAPITAL PROJECTS FUND	118
INTERNAL SERVICE FUNDS:	
COMBINING STATEMENT OF NET POSITION	119
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	121
COMBINING STATEMENT OF CASH FLOWS	123

STATISTICAL SECTION (UNAUDITED)

NET POSITION BY COMPONENT	126
CHANGES IN NET POSITION	128
FUND BALANCES OF GOVERNMENTAL FUNDS	132
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS	134
ASSESSED VALUE OF TAXABLE PROPERTY	136
PROPERTY TAX RATES - DIRECT & OVERLAPPING PROPERTY TAX RATES	138
PRINCIPAL PROPERTY TAXPAYERS	140
PROPERTY TAX LEVIES AND COLLECTIONS	141
TOTAL DIRECT AND OVERLAPPING DEBT	142
OUTSTANDING DEBT BY TYPE	143
PLEDGED REVENUE COVERAGE	145
DEMOGRAPHIC AND ECONOMIC STATISTICS	147
TOP 25 SALES TAX PRODUCERS	148
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	149
OPERATING INDICATORS BY FUNCTION	150
CAPITAL ASSETS – BOOK VALUE	152

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December 20, 2023

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, 2023. 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, 2023, 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, 2023, 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 90 full-time equivalent employees consisting of ten 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.

Budgetary Controls

The City Council adopts an annual budget by June 30th, prior to the beginning of the budget cycle. The City Manager maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the fund level. Revenues are estimated annually and monitored on an ongoing basis to ensure there are adequate resources to cover expenditures. Expenditures are also monitored and reviewed during the Fiscal year..

Economic Condition and Outlook

Sierra Madre is a full-service municipality; it funds 90 full-time employees assigned to ten 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. Zero-Based budgeting ensures accountability and provides departments with a City-wide budget perspective.

General Fund revenues are of particular interest as they fund essential City services. The City's two primary revenue sources are Property Taxes and Utility User Taxes, which comprise 73% of the General Fund Revenues.

The City's commitment to strong financial management practices and policies have been key to the City's current positive financial position. During FY 22-23 Council approved an additional prepayment to CalPERS Unfunded Accrued Liability (UAL) of \$340,000 that will result in maintaining a minimum funded status of 85% as approved by Council policy. Reviewing and managing pension costs are crucial to maintaining sustainability and avoiding operational impacts due to an increase in annual required contributions.

Results for FY 22-23

The total fund balance of the City's General Fund increased by \$2M for FY 22-23 as a result of an increase in budgeted revenues and decrease in budgeted expenditures. Additional information regarding the results of FY 22-23 can be found in the accompanying Management's Discussion and Analysis (MD&A) starting on page 4 of the report. The Water fund net position increased by \$1.4M mainly due to an increase in net investment in capital assets of \$1.2M. Net investment in Capital Assets is one of three classifications of net position and represents the portion of net position related to the reported capital assets and related liabilities. The Water fund invested \$2.2M in water main replacement during FY 22-23. The Sewer Fund had a decrease in net position of \$88 thousand in FY 22-23. The General Fund balance reserve minimum requirements is set at 25% of expenses; the City successfully met this threshold for FY22-23.

Looking Forward and Long-Term Financial Planning

The City has continued to make City capital improvements and is currently in the process of the Meaningful Improvement Library Project. The City has developed a 5-year Capital Improvement plan to help assess the City-wide capital needs. The latest Capital Improvement Plan has \$14M in unfunded projects. Unfunded Projects will be reviewed alongside Strategic goals to determine priority and allocate limited resources.

The City has hired a third party consultant to develop a Master Plan for both Fire and Police Departments. The Master Plans will compare our existing Public Safety services to the industry standard and the future needs of the City. The Master Plan results will also be reviewed to determine funding source.

Major Accomplishments for the Year:

- The continuation of the long-term project to replace the City's water main infrastructure; Capital Investment in FY 22-23 was \$2.2M and \$2.2M for FY 21-22.
- Continued the street rehabilitation program with \$803,643 for the Street improvement project and \$347,268 for the Library Front Parking Improvement Project.
- The Library was awarded a \$10,000,000 California State Library Targeted Grant for ADA and seismic upgrades/improvements, building expansion and renovations, and improved green space.

- Obtained a Certified 6th Cycle 2021-2029 Housing Element, Land Use Element, Circulation Element and Safety Element Update from State Housing and Community Department.
- Continued cooperation with, and support, of the Sierra Madre Citizen Emergency Response Team (CERT) program.
- The City started the process of reviewing Strategic goals and held Town Hall meetings to obtain public comment on the City's Strategic goals, operations, and services.
- Kersting Court General Improvements Project closed successfully with Regional Parks & Open Space District (RPOSD) for grant award of \$300,000.
- Continued the Fire Departments' Sierra Madre Achieves Resiliency Together (S.M.A.R.T) Fire Hazard & Fuel Reduction Program with fire prevention workshops and chipper & waste days, for the second year.
- Various infrastructure and Public Safety building enhancements. Continued purchase of upgraded communication and operational equipment.
- Continued Security Training City wide with Employee Phishing campaigns.
- The city IT department increased the run time at Critical Data Centers, including City Yard and Police.
- Police Department continued to have a Detective assigned to Taskforce for Regional Auto Theft Prevention (TRAP). This is a regional auto theft taskforce that focuses on the investigation, reduction, and prosecution of car-theft related crimes.
- Continue to monitor funded status of Pension Liabilities and maintain the minimum funded status at 85%, based on the latest valuation.

Relevant Financial Policies

On June 14, 2022, 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, 2022. This is the sixth 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 beginning July 1, 2022. This is the third consecutive year the City receives the award.

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,

A handwritten signature in blue ink, appearing to read 'H. Guirola-Leon', with a long, sweeping flourish extending to the right.

Hillary Guirola-Leon
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Sierra Madre
California**

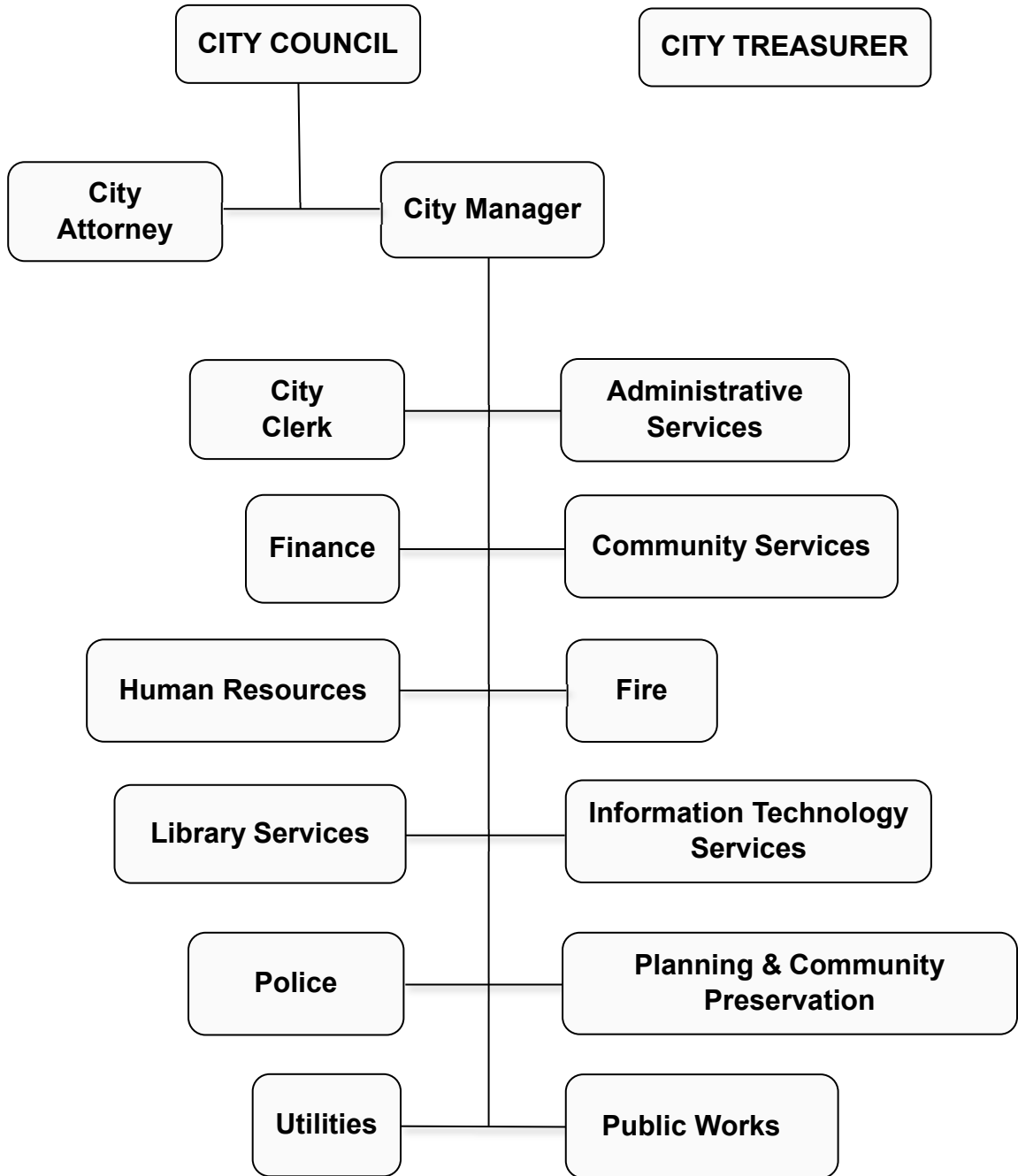
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF SIERRA MADRE
Organizational Structure
As of June 30, 2023



City of Sierra Madre, California

Village of the Foothills

Annual Comprehensive Financial Report



For the Year Ending June 30, 2023

Sierra Madre, California

City Council and Elected Officials

As of June 30, 2023

Edward Garcia
Kelly Kriebs
Kristine Lowe
Gene Goss
Robert Parkhurst

Laura Aguilar
Michael Amerio

Mayor
Mayor Pro Tempore
Council Member
Council Member
Council Member

City Clerk
City Treasurer

Executive Management

Jose Reynoso
Aleks Giragosian
Miguel Hernandez
Laura Aguilar
Hillary Guirola-Leon
Vincent Gonzalez
Brent Bartlett
Rebecca Silva-Barron
Leila Regan
Gustavo Barrientos
Chris Cimino

City Manager
City Attorney
Assistant City Manager
Deputy City Manager
Finance Director
Director of Planning and Community Preservation
Fire Chief
Community Services Manager
City Librarian
Police Chief
Director of Public Works



Independent Auditor's Report

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

Report on the Audit of the Financial Statements

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Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

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Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants



Opinions

We have audited the 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, 2023, 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, 2023, 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 Opinions

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* (GAS), 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the City adopted provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

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 and GAS 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 and GAS, 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 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 required supplementary information, 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 supplementary information, as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was 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 accompanying supplementary information 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 20, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 20, 2023

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City of Sierra Madre, California

Village of the Foothills



Management's Discussion and Analysis For the Year Ending June 30, 2023

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CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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, 2023. 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-v of this report.

FINANCIAL HIGHLIGHTS

- At June 30, 2023, the City’s net position was \$241M. The City’s total net position decreased from prior fiscal year 2021-2022 by \$1.9M, primarily due to pension expense recognized during the Fiscal Year as a result of pension long-term liability. The City-wide net position is composed of \$209M in net investment in capital assets, \$8M in restricted, and \$23.7M in unrestricted net position.
- During the year, the City’s General Fund balance increased by \$2M, the American Rescue Plan Act Fund increased by \$45 thousand, the Targeted State Grant Library Fund increase by \$23 thousand, and non-major governmental fund balance increased by \$844 thousand. During FY 22-23, there was \$491 thousand set aside in a section 115 trust for future pension obligations.
- The increase in the General Fund was due to an increase in revenues and a decrease in budgeted operating expenditures. Utility Users Tax revenue increased by \$350 thousand primarily due to additional revenue from So Cal Gas and Clean Power Alliance. Revenues also increased due to more activity in building permits issued and inspections performed during the Fiscal year, making up \$230 thousand of the increase. The City also received a one-time payment from the Monsanto Settlement of \$126 thousand during the Fiscal year.
- The General Fund had an adopted expenditure budget of \$14.3M and amended budget of \$14.9 M. The budget amendments were primarily due to the Special Election costs of \$400 thousand and payroll costs.
- In the City’s proprietary funds: The Water Fund net position increased by \$1.5 M primarily due to investment in capital assets. The Sewer Fund had a decrease in net position of \$88 thousand in FY 22-23. Non-Major Enterprise Funds remained unchanged, and total Internal Service Funds decreased by \$243 thousand.

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 Discussion and Analysis
June 30, 2023

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 two categories: governmental funds and proprietary funds. The basic fund financial statements can be found on pages 19 through 26 of this report.

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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 39 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 65 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 Discussion and Analysis
June 30, 2023

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 27 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 64 through 70 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, and internal service 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 125 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 Discussion and Analysis
June 30, 2023

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.

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CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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 (87%) 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 \$241M at the close of the most recent fiscal year as compared to the net position of \$243M in fiscal year 2021-22.

Table 1
Condensed Statement of Net Position
June 30, 2022 and 2023
(in thousands)

	Governmental activities		Business-type activities		Total	
	2022	2023	2022	2023	2022	2023
Assets						
Current and other assets	\$ 22,463	\$ 32,021	\$ 10,206	\$ 12,054	\$ 32,669	\$ 44,075
Noncurrent assets	4,102	1,500	2,236	-	6,338	1,500
Capital assets, net	<u>185,329</u>	<u>185,294</u>	<u>30,039</u>	<u>31,400</u>	<u>215,368</u>	<u>216,694</u>
Total assets	<u>211,894</u>	<u>218,815</u>	<u>42,481</u>	<u>43,454</u>	<u>254,375</u>	<u>262,269</u>
Deferred outflows of resources	<u>5,821</u>	<u>9,263</u>	<u>285</u>	<u>493</u>	<u>6,106</u>	<u>9,756</u>
Liabilities						
Current and other liabilities	3,128	9,663	2,472	1,672	5,600	11,335
Noncurrent liabilities	<u>806</u>	<u>8,660</u>	<u>7,008</u>	<u>7,650</u>	<u>7,814</u>	<u>16,310</u>
Total liabilities	<u>3,934</u>	<u>18,323</u>	<u>9,480</u>	<u>9,322</u>	<u>13,414</u>	<u>27,645</u>
Deferred inflows of resources	<u>3,816</u>	<u>3,065</u>	<u>197</u>	<u>148</u>	<u>4,013</u>	<u>3,213</u>
Net position:						
Net investment in capital assets	185,319	185,245	22,881	23,997	208,200	209,242
Restricted	7,237	8,132	48	49	7,285	8,181
Unrestricted	<u>17,409</u>	<u>13,313</u>	<u>10,160</u>	<u>10,431</u>	<u>27,569</u>	<u>23,744</u>
Total net position	<u>\$ 209,965</u>	<u>\$ 206,690</u>	<u>\$ 33,089</u>	<u>\$ 34,477</u>	<u>\$ 243,054</u>	<u>\$ 241,167</u>

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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 \$670 thousand, and total expenses increased by \$17M. A significant increase in expenditures was due to the increase in Net Pension Liability. The Pension Risk Pool experienced a significant investment loss during its last valuation report. The City's share of Net Pension Liability as of June 30, 2023 is \$8.06M

Table 2
Condensed Statement of Activities
For the years ended June 30, 2022 and 2023
(in thousands)

	Governmental activities		Business-type activities		Total	
	2022	2023	2022	2023	2022	2023
Revenues:						
Program revenues						
Charges for services	\$ 3,117	\$ 2,932	\$ 7,800	\$ 7,645	\$ 10,917	\$ 10,577
Operating grants and contributions	3,108	2,390	-	-	3,108	2,390
Capital grants and contributions	45	-	-	-	45	-
General revenues						
Taxes	12,881	13,647	-	-	12,881	13,647
Investment income	(303)	261	(185)	98	(488)	359
Miscellaneous	94	259	87	82	181	341
Total revenues	<u>18,942</u>	<u>19,489</u>	<u>7,702</u>	<u>7,825</u>	<u>26,644</u>	<u>27,314</u>
Expenses:						
General government	1,464	5,545	-	-	1,464	5,545
Public safety	2,377	8,085	-	-	2,377	8,085
Public works	2,131	3,748	-	-	2,131	3,748
Development services	517	2,384	-	-	517	2,384
Culture and recreation	374	2,986	-	-	374	2,986
Water	-	-	4,276	5,155	4,276	5,155
Sewer	-	-	945	1,305	945	1,305
Total expenses	<u>6,863</u>	<u>22,748</u>	<u>5,221</u>	<u>6,460</u>	<u>12,084</u>	<u>29,208</u>
Change in net position before transfers	12,079	-3,259	2,481	1,365	14,560	-1,894
Transfers	(21)	(22)	21	22	-	-
Change in net position	12,058	-3,281	2,502	1,387	14,560	-1,894
Net position, beginning of year, as restated	<u>197,908</u>	<u>209,971</u>	<u>30,587</u>	<u>33,090</u>	<u>228,495</u>	<u>243,061</u>
Net position, end of year	<u>\$ 209,966</u>	<u>\$ 206,690</u>	<u>\$ 33,089</u>	<u>\$ 34,477</u>	<u>\$ 243,055</u>	<u>\$ 241,167</u>

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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 and includes the change in Net Pension Liability):

Table 3
Net Cost of Governmental Activities
For the year ended June 30, 2023
(in thousands)

	Total cost of services	Total program revenues	Net cost of services
General government	\$ 5,545	\$ 799	\$ (4,746)
Public safety	8,085	1,156	(6,929)
Public works	3,748	2,916	-832
Development services	2,384	274	(2110)
Culture and recreation	2,986	175	(2811)
Totals	\$ 22,748	\$ 5,320	\$ (17,428)

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, 2022 and 2023
(in thousands)

	Revenues		Expenditures		Transfers		Net change in fund balance	
	2022	2023	2022	2023	2022	2023	2022	2023
General Fund	\$ 15,344	\$ 16,684	\$ 14,847	\$ 14,384	\$ (181)	\$ (290)	\$ 316	\$ 2,010
Target State Grant Library	-	87	-	64	-	-	-	23
American Rescue Plan Act	397	94	391	49	-	-	6	45
Other governmental funds	3,105	2,604	2,827	2,054	190	294	468	844
Totals	\$ 18,846	\$ 19,469	\$ 18,065	\$ 16,551	\$ 9	\$ 4	\$ 790	\$ 2,922

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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 \$2M in FY 2022-23. General Fund revenues increased by approximately \$1.34M, or 8.7 percent from prior year; expenditures decreased by approximately \$463 thousand, and net transfers out decreased by approximately \$109 thousand.

The increase in General Fund balance during FY 22-23 was primarily due to an increase in revenue projected and decrease in expenditures projected. Utility Users Tax revenue increased by \$350 thousand during the Fiscal Year mainly due to additional revenue earned from So Cal Gas and Clean Power Alliance. During the Fiscal Year, the City also had more activity in Building permits issued and inspections making up 18% of the revenue increase in the General Fund. The City also received a one-time payment from the Monsanto Settlement of \$126 thousand during the Fiscal year.

The American Rescue Plan Act (ARPA) Fund accounts for Federal funding received for eligible expenditures related to the COVID-19 pandemic. The ARPA fund had expenditures of \$48,896 and a total fund balance of \$51,319. Other non-major governmental funds total fund balance increased by \$844 thousand.

At June 30, 2023, the fund balance for the General Fund was \$12M which was an increase of approximately \$2M. 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, 2022	\$ 10,008,576
Total revenues	16,684,395
Total expenditures	(14,383,681)
Subscription acquisition and transfers	(289,888)
General Fund - fund balance for the year ending June 30, 2023	<u>\$ 12,019,402</u>
 <i>Unassigned reserves</i>	
25% of operating expenditures - cash flow reserve policy	\$ 3,595,920
<i>Unassigned (less nonspendable and restricted amounts)</i>	7,969,593

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.

It is important to note the 25% is the minimum fund balance for emergency reserves. Additional reserves are necessary above the 25% to minimize risk, for cash flow purposes, and to fund capital needs. The latest Capital Improvement Plan has \$14M in unfunded projects. Unfunded Projects will be reviewed alongside Strategic goals to determine priority and allocate limited resources.

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

Enterprise Funds: As shown in the Statement of Revenues, Expenses, and Changes in Net Position, the Enterprise Funds had an increase in net position of \$1.4M for the current year. The Water fund had an increase in net position of \$1.5M primarily due to investment in capital assets; and the Sewer Fund had a decrease in net position of \$88 thousand. At the close of FY 2022-2023, the total net change in net position of the City's Internal Service Funds was a decrease of \$243 thousand.

Table 5
Statement of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2022 and 2023
(in thousands)

	Revenues		Expenses		Nonoperating revenue(expenses) and transfers		Net change in fund balance	
	2022	2023	2022	2023	2022	2023	2022	2023
Water	\$ 6,656	\$ 6,446	\$4,059	\$ 4,953	\$ (253)	\$ (18)	\$ 2,344	\$ 1,475
Sewer	1,145	1,199	945	1,305	(41)	17	159	-89
Totals	<u>\$ 7,801</u>	<u>\$ 7,645</u>	<u>\$5,004</u>	<u>\$ 6,258</u>	<u>\$ (294)</u>	<u>\$ (1,000)</u>	<u>\$ 2,503</u>	<u>\$ 1,386</u>
Governmental Activities -								
Internal Service Funds	<u>\$ 3,855</u>	<u>\$ 4,976</u>	<u>\$4,332</u>	<u>\$ 4,777</u>	<u>\$ (108)</u>	<u>\$ 45</u>	<u>\$ (585)</u>	<u>\$ 244</u>

Capital Assets and Debt Administration

Capital Assets and intangible right-to-use assets

The City of Sierra Madre investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$216.6M (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 and intangible assets (net of depreciation)
June 30, 2022 and 2023
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
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	3,432	3,503	30	95	3,462	3,598
Structures and improvements	6,276	6,437	133	114	6,409	6,551
Machinery and equipment	1,996	1,924	291	251	2,287	2,175
Infrastructure	10,132	9,896	28,102	29,457	38,234	39,353
Right-to-use - leases	10	5	-	-	10	5
Right-to-use - subscription	-	48	-	-	-	48
Total	<u>\$ 185,328</u>	<u>\$185,295</u>	<u>\$ 30,039</u>	<u>\$31,400</u>	<u>\$ 215,367</u>	<u>\$216,695</u>

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

Additional information on the City of Sierra Madre's capital assets can be found in Note 6 on pages 41 through 43 of this report.

Debt Administration

At the end of FY 2022-2023, the City had long-term debt outstanding of \$7.5M (of which \$4.7M is due in FY 2022-23) for the 2017 Installment Agreement and long-term debt of \$2.7M for the loan from the San Gabriel Valley Municipal Water District.

Additional information on the City's long-term debt can be found in Note 7 of the Financial Statements (pages 44 through 46).

Economic Condition and Budget Outlook

Sierra Madre is a full-service municipality; it funds 90 full-time 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. Zero-Based budgeting ensures accountability and provides departments with a City-wide budget perspective.

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 additional prepayment which has reduced our annual contributions going forward. The City also set aside funds in a Section 115 Trust fund for the purpose of paying off pension liabilities.

Strategic goals will be implemented into the budget process and as a resource to help prioritize programs and projects. The latest Capital Improvement Plan has \$14M in unfunded projects. Unfunded Projects will be reviewed alongside Strategic goals to determine priority and allocate limited resources. Strategic goals will also help guide a General Fund reserve policy to set aside funding for future projects.

The City has hired a third party consultant to develop a Master Plan for both Fire and Police Departments. The Master Plans will compare our existing Public Safety services to the industry standard and the future needs of the City. The Master Plan results will also be reviewed to determine funding source.

General Fund

The City's largest fund is the General Fund and its revenues are approximately \$16.7 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, 2023, General Fund revenues were 50% property taxes, 31% other taxes, 10% licenses and permits, and 9% other sources.

CITY OF SIERRA MADRE
Management Discussion and Analysis
June 30, 2023

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 and is currently in the process of adopting the updated Water and Waste Water Study. An infrastructure charge was implemented to raise funding to match the annual need of main replacements and improvements. In FY 22-23 the water fund invested \$2.2 million in capital and \$2.2 million in FY 21-22. The Water Fund will continue to invest in capital to make improvements needed.

Sewer Fund

The second Utility fund is the City's Sewer 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.

City of Sierra Madre, California

Village of the Foothills



Basic Financial Statements For the Year Ending June 30, 2023

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CITY OF SIERRA MADRE
Statement of Net Position
June 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 29,788,203	\$ 11,267,047	\$ 41,055,250
Restricted cash and investments	442,191	49,455	491,646
Receivables, net:			
Accounts	686,500	737,444	1,423,944
Taxes	610,508	-	610,508
Interest	224,371	-	224,371
Lease	86,606	-	86,606
Due from other governments	175,186	-	175,186
Prepays	7,475	-	7,475
Total current assets	<u>32,021,040</u>	<u>12,053,946</u>	<u>44,074,986</u>
Noncurrent assets:			
Land held for resale	1,500,000	-	1,500,000
Capital assets:			
Non-depreciable assets	166,985,470	1,578,706	168,564,176
Depreciable assets-net	18,308,776	29,821,506	48,130,282
Total noncurrent assets	<u>186,794,246</u>	<u>31,400,212</u>	<u>218,194,458</u>
Total assets	<u>218,815,286</u>	<u>43,454,158</u>	<u>262,269,444</u>
Deferred Outflows of Resources:			
OPEB related	466,500	46,137	512,637
Pension related	8,796,857	446,915	9,243,772
Total deferred outflows of resources	<u>9,263,357</u>	<u>493,052</u>	<u>9,756,409</u>
Liabilities:			
Current liabilities:			
Accounts payable	508,769	1,057,975	1,566,744
Accrued payroll and related liabilities	922,445	53,840	976,285
Interest payable	-	32,146	32,146
Deposits and retentions	605,377	100,361	705,738
Unearned revenue	7,378,885	-	7,378,885
Due within one year	247,669	427,424	675,093
Total current liabilities	<u>9,663,145</u>	<u>1,671,746</u>	<u>11,334,891</u>
Noncurrent liabilities:			
Due in more than one year	860,454	7,232,981	8,093,435
Net pension liability	7,663,176	403,787	8,066,963
Net OPEB liability	136,625	13,513	150,138
Total noncurrent liabilities	<u>8,660,255</u>	<u>7,650,281</u>	<u>16,310,536</u>
Total liabilities	<u>18,323,400</u>	<u>9,322,027</u>	<u>27,645,427</u>
Deferred Inflows of Resources:			
OPEB related	341,889	33,813	375,702
Pension related	2,649,759	114,525	2,764,284
Leases	73,795	-	73,795
Total deferred inflows of resources	<u>3,065,443</u>	<u>148,338</u>	<u>3,213,781</u>
Net Position:			
Net investment in capital assets	185,244,915	23,996,617	209,241,532
Restricted for:			
Culture and recreation	683,386	-	683,386
Development services	3,741,518	-	3,741,518
Public safety	214,458	-	214,458
Public works	3,049,994	-	3,049,994
Section 115 Trust	442,191	49,455	491,646
Unrestricted	13,313,338	10,430,773	23,744,111
Total net position	<u>\$ 206,689,800</u>	<u>\$ 34,476,845</u>	<u>\$ 241,166,645</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Activities
For the year ended June 30, 2023

Functions/programs	Program Revenues				Total
	Expenses	Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 5,544,945	\$ 467,818	\$ 331,606	\$ -	\$ 799,424
Public safety	8,085,479	754,607	401,471	-	1,156,078
Public works	3,747,946	1,397,534	1,518,885	-	2,916,419
Development services	2,384,299	274,414	-	-	274,414
Culture and recreation	2,985,550	37,928	137,539	-	175,467
Interest on long-term liability	431	-	-	-	-
Total governmental activities	22,748,650	2,932,301	2,389,501	-	5,321,802
Business-type activities:					
Water	5,154,213	6,446,169	-	-	6,446,169
Sewer	1,305,431	1,199,432	-	-	1,199,432
Total business-type activities	6,459,644	7,645,601	-	-	7,645,601
Total primary government	\$ 29,208,294	\$ 10,577,902	\$ 2,389,501	\$ -	\$ 12,967,403

General revenues:
Taxes:
Property taxes
Utility user taxes
Other taxes
Unrestricted sales taxes - shared state revenue
Investment earnings (loss)
Miscellaneous
Transfers in (out)

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to the basic financial statements.

Net (expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
\$ (4,745,521)	\$ -	\$ (4,745,521)
(6,929,401)	-	(6,929,401)
(831,527)	-	(831,527)
(2,109,885)	-	(2,109,885)
(2,810,083)	-	(2,810,083)
(431)	-	(431)
<u>(17,426,848)</u>	<u>-</u>	<u>(17,426,848)</u>
-	1,291,956	1,291,956
-	(105,999)	(105,999)
<u>-</u>	<u>1,185,957</u>	<u>1,185,957</u>
<u>(17,426,848)</u>	<u>1,185,957</u>	<u>(16,240,891)</u>
8,313,912	-	8,313,912
3,289,248	-	3,289,248
599,597	-	599,597
1,444,674	-	1,444,674
260,977	97,792	358,769
259,134	81,826	340,960
(22,199)	22,199	-
<u>14,145,343</u>	<u>201,817</u>	<u>14,347,160</u>
(3,281,505)	1,387,774	(1,893,731)
<u>209,971,305</u>	<u>33,089,071</u>	<u>243,060,376</u>
<u>\$ 206,689,800</u>	<u>\$ 34,476,845</u>	<u>\$ 241,166,645</u>

CITY OF SIERRA MADRE
Balance Sheet
Governmental funds
June 30, 2023

	General Fund	Target State Grant Library	American Rescue Plan Act	Non-Major Governmental Funds	Total Governmental Funds
Assets:					
Cash and investments	\$ 11,605,127	\$ 5,022,386	\$ 2,193,508	\$ 6,414,746	\$ 25,235,767
Restricted cash and investments	422,844	-	-	-	422,844
Receivables:					
Accounts	479,883	-	-	199,415	679,298
Taxes	491,209	-	-	119,299	610,508
Interest	224,371	-	-	-	224,371
Leases	86,606	-	-	-	86,606
Due from other agencies	100,000	-	-	75,186	175,186
Due from other funds	245,027	-	-	-	245,027
Prepaid	5,450	-	-	725	6,175
Land held for resale	-	-	-	1,500,000	1,500,000
Total assets	<u>\$ 13,660,517</u>	<u>\$ 5,022,386</u>	<u>\$ 2,193,508</u>	<u>\$ 8,309,371</u>	<u>\$ 29,185,782</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accounts payable	\$ 182,667	\$ -	\$ -	\$ 77,387	\$ 260,054
Accrued payroll and related liabilities	734,716	64,449	-	17,428	816,593
Due to other funds	-	-	-	245,027	245,027
Deposits and retentions	549,937	-	-	55,440	605,377
Unearned revenue	-	4,935,551	2,142,189	301,145	7,378,885
Total liabilities	<u>1,467,320</u>	<u>5,000,000</u>	<u>2,142,189</u>	<u>696,427</u>	<u>9,305,936</u>
Deferred inflows of resources:					
Unavailable revenues	100,000	-	-	165,487	265,487
Leases	73,795	-	-	-	73,795
Total deferred inflows of resources	<u>173,795</u>	<u>-</u>	<u>-</u>	<u>165,487</u>	<u>339,282</u>
Fund balances:					
Nonspendable	5,450	-	-	-	5,450
Restricted	453,889	22,386	51,319	7,584,606	8,112,200
Committed	-	-	-	13,338	13,338
Unassigned	11,560,063	-	-	(150,487)	11,409,576
Total fund balances	<u>12,019,402</u>	<u>22,386</u>	<u>51,319</u>	<u>7,447,457</u>	<u>19,540,564</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,660,517</u>	<u>\$ 5,022,386</u>	<u>\$ 2,193,508</u>	<u>\$ 8,309,371</u>	<u>\$ 29,185,782</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, 2023

Total fund balances - total governmental funds \$ 19,540,564

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 183,969,490

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:

Subscription liability (21,840)

Net pension liability (7,340,497)

Net OPEB liability (130,619)

Compensated absences (816,533)

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 8,873,101

Pension and OPEB related deferred inflows of resources (2,866,048)

Revenues reported as unavailable revenue in the governmental funds are recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.

265,487

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.

5,216,695

Net position of governmental activities \$ 206,689,800

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, 2023

	General Fund	Target State Grant Library	American Rescue Plan Act	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 8,313,912	\$ -	\$ -	\$ 69,023	\$ 8,382,935
Other taxes	5,230,313	-	-	-	5,230,313
Charges for services	939,751	-	-	640	940,391
Intergovernmental	184,591	64,449	48,895	1,946,986	2,244,921
Licenses and permits	1,563,238	-	-	319,600	1,882,838
Fines and forfeitures	109,610	-	-	-	109,610
Investment income (loss)	109,410	22,386	44,832	126,224	302,852
Miscellaneous	233,570	-	-	141,814	375,384
Total revenues	<u>16,684,395</u>	<u>86,835</u>	<u>93,727</u>	<u>2,604,287</u>	<u>19,469,244</u>
Expenditures:					
Current:					
General government	4,584,836	-	-	-	4,584,836
Public safety	6,817,744	-	-	376,063	7,193,807
Public works	455,675	64,449	48,896	1,603,381	2,172,401
Development	1,459,483	-	-	-	1,459,483
Culture and recreation	1,057,057	-	-	74,303	1,131,360
Debt Service:					
Principal	8,671	-	-	-	8,671
Interest	215	-	-	-	215
Total expenditures	<u>14,383,681</u>	<u>64,449</u>	<u>48,896</u>	<u>2,053,747</u>	<u>16,550,773</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,300,714</u>	<u>22,386</u>	<u>44,831</u>	<u>550,540</u>	<u>2,918,471</u>
Other financing sources (uses):					
Subscription acquisition	30,511	-	-	-	30,511
Transfers in	756,408	-	-	1,079,608	1,836,016
Transfers out	(1,076,807)	-	-	(785,697)	(1,862,504)
Total other financing sources (uses)	<u>(289,888)</u>	<u>-</u>	<u>-</u>	<u>293,911</u>	<u>4,023</u>
Net change in fund balances	2,010,826	22,386	44,831	844,451	2,922,494
Fund balances, beginning of year, as restated	<u>10,008,576</u>	<u>-</u>	<u>6,488</u>	<u>6,603,006</u>	<u>16,618,070</u>
Fund balances, end of year	<u>\$ 12,019,402</u>	<u>\$ 22,386</u>	<u>\$ 51,319</u>	<u>\$ 7,447,457</u>	<u>\$ 19,540,564</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, 2023

Net change in fund balances - total governmental funds \$ 2,922,494

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 threshold 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	(1,556,787)
Capital outlay	1,138,495

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

Principal payments	8,671
Subscription liability acquisition	(30,511)

Revenues that do not meet the revenue recognition criteria are recorded as unavailable revenue in the governmental funds, however, they are reported as revenues in the Statement of Activities. (21,089)

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. 243,750

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	(11,844)
Net change in net OPEB liability asset related deferred outflows and inflows of resources	6,841
Net change in net pension liability related deferred outflows and inflows of resources	<u>(5,981,525)</u>

Change in net position of governmental activities \$ (3,281,505)

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Major Funds		Non-Major Fund		
	Water	Sewer	Special Strike Team Services	Total Enterprise Funds	
Assets:					
Current assets:					
Cash and investments	\$ 9,081,015	\$ 2,104,158	\$ 81,874	\$ 11,267,047	\$ 4,552,436
Restricted cash and investments	27,521	21,934	-	49,455	19,347
Receivables:					
Accounts	617,776	119,668	-	737,444	7,202
Prepays	-	-	-	-	1,300
Total current assets	<u>9,726,312</u>	<u>2,245,760</u>	<u>81,874</u>	<u>12,053,946</u>	<u>4,580,285</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,578,706	-	-	1,578,706	1,980
Depreciable assets, net	27,233,946	2,587,560	-	29,821,506	1,322,776
Total noncurrent assets	<u>28,812,652</u>	<u>2,587,560</u>	<u>-</u>	<u>31,400,212</u>	<u>1,324,756</u>
Total assets	<u>38,538,964</u>	<u>4,833,320</u>	<u>81,874</u>	<u>43,454,158</u>	<u>5,905,041</u>
Deferred Outflows of Resources:					
OPEB related	25,632	20,505	-	46,137	20,505
Pension related	248,286	198,629	-	446,915	369,751
Total deferred outflows of resources	<u>273,918</u>	<u>219,134</u>	<u>-</u>	<u>493,052</u>	<u>390,256</u>
Liabilities:					
Current liabilities:					
Accounts payable	1,045,618	12,357	-	1,057,975	248,715
Accrued payroll and related liabilities	35,240	18,600	-	53,840	105,852
Interest payable	32,146	-	-	32,146	-
Deposits and retentions	100,361	-	-	100,361	-
Compensated absences - current	34,873	16,489	-	51,362	48,452
Lease liability - current	-	-	-	-	4,488
Subscription liability - current	-	-	-	-	23,003
Installment agreement payable - current	376,062	-	-	376,062	-
Total current liabilities	<u>1,624,300</u>	<u>47,446</u>	<u>-</u>	<u>1,671,746</u>	<u>430,510</u>
Noncurrent liabilities:					
Compensated absences	139,493	65,955	-	205,448	193,807
Net pension liability	224,326	179,461	-	403,787	322,679
Net OPEB liability	7,507	6,006	-	13,513	6,006
Installment agreement/loan payable	7,027,533	-	-	7,027,533	-
Total noncurrent liabilities	<u>7,398,859</u>	<u>251,422</u>	<u>-</u>	<u>7,650,281</u>	<u>522,492</u>
Total liabilities	<u>9,023,159</u>	<u>298,868</u>	<u>-</u>	<u>9,322,027</u>	<u>953,002</u>
Deferred Inflows of Resources:					
OPEB related	18,785	15,028	-	33,813	15,028
Pension related	63,625	50,900	-	114,525	110,572
Total deferred inflows of resources	<u>82,410</u>	<u>65,928</u>	<u>-</u>	<u>148,338</u>	<u>125,600</u>
Net Position:					
Net investment in capital assets	21,409,057	2,587,560	-	23,996,617	1,297,265
Restricted - section 115 trust	27,521	21,934	-	49,455	19,347
Unrestricted	8,270,735	2,078,164	81,874	10,430,773	3,900,083
Total net position	<u>\$ 29,707,313</u>	<u>\$ 4,687,658</u>	<u>\$ 81,874</u>	<u>\$ 34,476,845</u>	<u>\$ 5,216,695</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, 2023

	Business-type Activities				Total Enterprise Funds	Governmental Activities Internal Service Funds
	Enterprise Funds			Special Strike Team Services		
	Major Funds		Non-Major Fund			
Water	Sewer					
Operating revenues:						
Charges for services	\$ 6,444,375	\$ 1,198,659	\$ -	\$ 7,643,034	\$ 4,910,532	
Licenses and permits	-	773	-	773	30,144	
Miscellaneous	1,794	-	-	1,794	35,000	
Total operating revenues	<u>6,446,169</u>	<u>1,199,432</u>	<u>-</u>	<u>7,645,601</u>	<u>4,975,676</u>	
Operating expenses:						
Personnel services	834,254	713,365	-	1,547,619	2,127,497	
Contractual services	364,793	64,421	-	429,214	576,853	
Materials and supplies	883,807	7,980	-	891,787	276,600	
Utilities	688,136	-	-	688,136	678,940	
Maintenance and operation	30,033	-	-	30,033	79,620	
Administrative charges	1,439,789	344,147	-	1,783,936	891,147	
Depreciation	711,841	175,518	-	887,359	119,453	
Amortization	-	-	-	-	27,078	
Total operating expenses	<u>4,952,653</u>	<u>1,305,431</u>	<u>-</u>	<u>6,258,084</u>	<u>4,777,188</u>	
Operating income (loss)	<u>1,493,516</u>	<u>(105,999)</u>	<u>-</u>	<u>1,387,517</u>	<u>198,488</u>	
Nonoperating revenues (expenses):						
Investment income (loss)	79,800	17,992	-	97,792	24,879	
Gain (loss) on disposal of property	-	-	-	-	16,310	
Interest expense	(201,560)	-	-	(201,560)	(216)	
Grant revenue	81,826	-	-	81,826	-	
Total nonoperating revenues (expenses)	<u>(39,934)</u>	<u>17,992</u>	<u>-</u>	<u>(21,942)</u>	<u>40,973</u>	
Income before transfers	<u>1,453,582</u>	<u>(88,007)</u>	<u>-</u>	<u>1,365,575</u>	<u>239,461</u>	
Transfers:						
Transfers in	22,199	-	-	22,199	4,289	
Total transfers	<u>22,199</u>	<u>-</u>	<u>-</u>	<u>22,199</u>	<u>4,289</u>	
Change in net position	1,475,781	(88,007)	-	1,387,774	243,750	
Net position, beginning of year	<u>28,231,532</u>	<u>4,775,665</u>	<u>81,874</u>	<u>33,089,071</u>	<u>4,972,945</u>	
Net position, end of year	<u>\$ 29,707,313</u>	<u>\$ 4,687,658</u>	<u>\$ 81,874</u>	<u>\$ 34,476,845</u>	<u>\$ 5,216,695</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, 2023

	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	\$ 6,403,556	\$ 1,179,305	\$ -	\$ 7,582,861	\$ -
Receipts from interfund services provided	-	-	-	-	4,979,172
Payments to suppliers	(4,208,747)	(428,107)	-	(4,636,854)	(2,452,009)
Payments to employees	(664,643)	(582,363)	-	(1,247,006)	(1,760,365)
Net cash provided (used) by operating activities	1,530,166	168,835	-	1,699,001	766,798
Cash flows from non-capital financing activities:					
Transfers from other funds	22,199	-	-	22,199	4,289
Grant revenue	81,826	-	-	81,826	-
Net cash provided (used) by non-capital financing activities	104,025	-	-	104,025	4,289
Cash flows from capital and related financing activities:					
Proceeds from sales of capital assets	-	-	-	-	41,900
Acquisition and construction of capital assets	(2,248,277)	-	-	(2,248,277)	(509,187)
Proceeds from installment agreement	2,700,000	-	-	2,700,000	-
Principal paid	(362,881)	-	-	(362,881)	(29,227)
Interest paid	(204,039)	-	-	(204,039)	(216)
Net cash provided (used) by capital and related financing activities	(115,197)	-	-	(115,197)	(496,730)
Cash flows from investing activities:					
Investment income	79,800	17,992	-	97,792	24,879
Net cash provided (used) by investing activities	79,800	17,992	-	97,792	24,879
Net increase (decrease) in cash and cash equivalents	1,598,794	186,827	-	1,785,621	299,236
Cash and investments:					
Beginning of year	7,509,742	1,939,265	81,874	9,530,881	4,272,547
End of year	\$ 9,108,536	\$ 2,126,092	\$ 81,874	\$ 11,316,502	\$ 4,571,783
Reconciliation to the Statement of Net Position:					
Cash and investments	\$ 9,081,015	\$ 2,104,158	\$ 81,874	\$ 11,267,047	\$ 4,552,436
Restricted cash and investments	27,521	21,934	-	49,455	19,347
Total	\$ 9,108,536	\$ 2,126,092	\$ 81,874	\$ 11,316,502	\$ 4,571,783

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2023

	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)	\$ 1,493,516	\$ (105,999)	\$ -	\$ 1,387,517	\$ 198,488
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	711,841	175,518	-	887,359	119,453
Amortization	-	-	-	-	27,078
Changes in assets, liabilities and deferred amounts:					
(Increase) decrease in accounts receivable	(42,613)	(20,127)	-	(62,740)	3,496
(Increase) decrease in prepaid expenses	-	-	-	-	(1,300)
(Increase) decrease in net OPEB asset	22,094	17,675	-	39,769	17,675
(Increase) decrease in net pension asset	57,916	46,332	-	104,248	92,160
(Increase) decrease in deferred outflows	(115,361)	(92,288)	-	(207,649)	(145,988)
Increase (decrease) in accounts payable	(706,320)	(1,441)	-	(707,761)	52,451
Increase (decrease) in accrued liabilities	5,363	(130)	-	5,233	60,043
Increase (decrease) in deposits payable	(95,869)	(10,118)	-	(105,987)	-
Increase (decrease) in compensated absences	(5,093)	(4,341)	-	(9,434)	45,442
Increase (decrease) in deferred inflows	(27,141)	(21,713)	-	(48,854)	(30,885)
Increase (decrease) in net OPEB liability	7,507	6,006	-	13,513	6,006
Increase (decrease) in net pension liability	224,326	179,461	-	403,787	322,679
Total adjustments	36,650	274,834	-	311,484	568,310
Net cash provided (used) by operating activities	\$ 1,530,166	\$ 168,835	\$ -	\$ 1,699,001	\$ 766,798
Noncash investing, capital and financing activities:					
Subscription liabilities	\$ -	\$ -	\$ -	\$ -	\$ 46,279
Subscription acquisition	-	-	-	-	(46,279)

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, 2023

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

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 Authority. Its purpose is facilitating the issuance of debt instruments, loans, and other financing to the City or Authority for the construction of public improvements. It has no separate existence and has acted as a conduit between the issuer (the Authority 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, 2023

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, 2023

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.

Target State Grant Library Fund – Accounts for a \$10,000,000 award from the California State Library and allowable expenditures

American Rescue Plan Act Fund – Accounts for all American Rescue Plan Act grant funds and allowable expenditures.

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, 2023

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.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Cash, Cash Equivalents, and Investments, (continued)

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.

F. Property Taxes

Property tax in California is levied in accordance with Article 13B of the State Constitution at one percent of county-wide assessed valuations. This one percent is allocated pursuant to State law to the appropriate units of local government. Property tax revenue is recognized in the fiscal year for which taxes have been levied provided that the revenues collected in the current period or will be collected within 60 days thereafter.

The following dates relate to property tax levies and collections:

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Delinquent Dates	December 10 and April 10

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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.

J. Net Position and Fund Balances

Government-Wide Financial Statements – In the government-wide financial statements, net position is 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.”

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J. Net Position and Fund Balances, (continued)

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.

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 assets that applies to future periods and so will not be recognized as an outflow of resources (expenses) until then. The City currently has OPEB and 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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City currently has OPEB, pension and lease related deferred inflows of resources.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

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.

GASB 75 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, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

O. New Accounting Pronouncement

For the year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96 – *Subscription Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this Statement, a lessee is required to recognize a SBITA liability and an intangible right-to-use asset. For additional information, refer to the disclosures for capital assets and long-term liabilities.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2023 are classified in the accompanying financial statements as follows:

Statement of Net Position:

Cash and investments	\$ 41,055,250
Restricted cash and investments	491,646
Total cash and investments	<u>\$ 41,546,896</u>

Cash and investments as of June 30, 2023 consist of the following:

Petty cash	\$ 1,850
Deposits with financial institutions	2,877,051
Investments	38,667,995
Total cash and investments	<u>\$ 41,546,896</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%	5%
Commercial paper	Yes	270 days	25%	5%
Negotiable certificates of deposit	Yes	5 years	30%	None
Repurchase agreements	Yes	92 days	20%	None
Reverse repurchase agreements	No	92 days	20%	None
Medium-term notes	No	5 years	10%	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	\$ 75,000,000
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, 2023

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, 2023, 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, 2023

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	\$ 30,439,280	\$ 30,439,280	\$ -	\$ -
US Treasury Notes	4,910,804	-	3,919,946	990,858
US Treasury Bills	1,045,748	1,045,748	-	-
US Agency Securities	1,549,665	1,549,665	-	-
Certificate of Deposits	722,498	487,463	235,035	-
Total	\$ 38,667,995	\$ 33,522,156	\$ 4,154,981	\$ 990,858

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	\$ 30,439,280	N/A	\$ -	\$ 30,439,280
US Treasury Notes	4,910,804	N/A	4,910,804	-
US Treasury Bills	1,045,748	N/A	1,045,748	-
US Agency Securities	1,549,665	N/A	1,549,665	-
Certificates of Deposits	722,498	N/A	722,498	-
Total	\$ 38,667,995		\$ 8,228,715	\$ 30,439,280

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

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, 2023, 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. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

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	\$ 4,910,804	\$ -	\$ 4,910,804	\$ -
US Treasury Bills	1,045,748	-	1,045,748	-
US Agency Securities	1,549,665	-	1,549,665	-
Certificates of Deposits	722,498	-	722,498	-
Sub-total	8,228,715	\$ -	\$ 8,228,715	\$ -
Investments not subject to fair value hierarchy:				
State investment pool	30,439,280			
Total	\$ 38,667,995			

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, 2023

3. INTERFUND BALANCES AND TRANSFERS

A. Due To/Due From

At June 30, 2023, the City had the following short-term interfund receivables and payables:

Receivable	Payable	Amount
General Fund	Non-major Governmental Funds	\$ 245,027

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

B. Transfers

At June 30, 2023, the City had the following transfers:

Transfers out	Transfers in	Amount
General Fund	Non-major Governmental Funds	\$ 1,054,608
General Fund	Water Fund	22,199
Non-major Governmental Funds	Non-major Governmental Funds	25,000
Non-major Governmental Funds	General Fund	756,408
Non-major Governmental Funds	Internal Service Funds	4,289
	Total	\$ 1,862,504

- a. \$1,054,608 from General Fund to non-major governmental funds to fund street capital expenditures as a match requirement and to create a new fund.
- b. \$22,199 transfer from the General Fund to the Water Fund to subsidize low-income discount.
- c. \$756,408 transfer from non-major governmental funds to the General Funds to close out two funds.
- d. \$25,000 transfer from Robert Day Trust Fund to the Library Gift and Memorial Fund as approved by the Library Board of Trustees.
- e. \$4,290 transfer from Internal Service Fund to non-major governmental funds to close out two funds.

4. FUND DEFICITS

The following funds reported deficits in fund balance at June 30, 2023:

Description	Deficit balance
Non-major Governmental Funds:	
Homeland Security Fund	\$ 11,445
County Prop A Park Development	63,856
Community Development Block Grant	75,186

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

4. FUND DEFICITS, (continued)

The City did not adopt budgets for the following funds: Target State Grant Library, County Prop A Park Development, CA Beverage Container Grant, Community Development Block Grant, Library Grant, Bonita Sewer Assessment District, Low & Moderate Income Housing Asset Fund, Fane/Winwood Assessment District, Central Business Assessment District, Lighting District Zone A, Lighting District Zone B, Parking Maintenance District, Sewer Assessment District, Sierra Madre CFD, Development Fees Art in Public Places, DUI Enforcement, SM Community Foundation, YAC-Youth Activity Center, and Local Historical Society.

5. Leases Receivable

On July 1, 2021, City entered into a 55-month lease as Lessor for the use of 242 Sierra Madre Boulevard. An initial lease receivable was recorded in the amount of \$127,956. As of June 30, 2023, the value of the lease receivable is \$86,606. The lessee is required to make monthly fixed payments of \$2,500. The lease has an interest rate of 0.9800%. The value of the deferred inflow of resources as of June 30, 2023 was \$73,795, and the City recognized lease revenue of \$27,081 during the fiscal year. The lessee has 4 extension option(s), each for 60 months. The lessee had a termination period of 2 months as of the lease commencement. The lease has a lease termination penalty of \$7,500.

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

6. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the governmental activities capital assets at June 30, 2023 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	3,432,431	91,089	(20,209)	3,503,311
Total capital assets, not being depreciated	166,914,590	91,089	(20,209)	166,985,470
Capital assets, being depreciated and amortized				
Structures and improvements	13,738,138	385,268	-	14,123,406
Machinery and equipment	5,796,058	237,927	(518,159)	5,515,826
Infrastructure	27,597,678	803,644	-	28,401,322
Right-to-use lease equipment	16,375	-	-	16,375
Right-to-use subscription	-	76,790	-	76,790
Total capital assets, being depreciated and amortized	47,148,249	1,503,629	(518,159)	48,133,719
Less accumulated depreciation and amortization				
Structures and improvements	(7,461,753)	(224,846)	-	(7,686,599)
Machinery and equipment	(3,799,880)	(284,710)	492,568	(3,592,022)
Infrastructure	(17,466,112)	(1,039,354)	-	(18,505,466)
Right-to-use lease equipment	(5,901)	(5,901)	-	(11,802)
Right-to-use subscription	-	(29,054)	-	(29,054)
Total accumulated depreciation and amortization	(28,733,646)	(1,583,865)	492,568	(29,824,943)
Total capital assets being depreciated and amortized	18,414,603	(80,236)	(25,591)	18,308,776
Governmental activities, capital assets, net	\$ 185,329,193	\$ 10,853	\$ (45,800)	\$ 185,294,246

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

6. CAPITAL ASSETS, (continued)

A. Governmental Activities, (continued)

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

Governmental activities:	
General government	\$ 79,221
Public safety	195,337
Public works	1,129,590
Culture and recreation	<u>179,717</u>
Total	<u>\$ 1,583,865</u>

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

6. CAPITAL ASSETS, (continued)

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2023 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>29,755</u>	<u>65,701</u>	<u>-</u>	<u>95,456</u>
Total capital assets, not being depreciated	<u>1,513,005</u>	<u>65,701</u>	<u>-</u>	<u>1,578,706</u>
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,312,175	-	-	1,312,175
Infrastructure	<u>51,480,403</u>	<u>2,182,576</u>	<u>-</u>	<u>53,662,979</u>
Total capital assets, being depreciated	<u>53,613,868</u>	<u>2,182,576</u>	<u>-</u>	<u>55,796,444</u>
Structures and improvements	(687,957)	(19,396)	-	(707,353)
Machinery and equipment	(1,021,633)	(39,529)	-	(1,061,162)
Infrastructure	<u>(23,377,989)</u>	<u>(828,434)</u>	<u>-</u>	<u>(24,206,423)</u>
Total accumulated depreciation	<u>(25,087,579)</u>	<u>(887,359)</u>	<u>-</u>	<u>(25,974,938)</u>
Total capital assets being depreciated	<u>28,526,289</u>	<u>1,295,217</u>	<u>-</u>	<u>29,821,506</u>
Business-type activities, capital assets, net	<u>\$ 30,039,294</u>	<u>\$ 1,360,918</u>	<u>\$ -</u>	<u>\$ 31,400,212</u>

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

Business-type activities:	
Water	\$ 711,841
Sewer	<u>175,518</u>
Total	<u>\$ 887,359</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

7. LONG-TERM LIABILITIES

A. Governmental Activities

A summary of changes in the governmental activities long-term liabilities at June 30, 2023 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>
Lease liability	\$ 10,439	\$ -	\$ (5,951)	\$ 4,488	\$ 4,488	\$ -
Subscription liability	-	76,790	(31,947)	44,843	31,422	13,421
Compensated absences	<u>1,001,506</u>	<u>605,099</u>	<u>(547,813)</u>	<u>1,058,792</u>	<u>211,759</u>	<u>847,033</u>
Total	<u>\$ 1,011,945</u>	<u>\$ 681,889</u>	<u>\$ (585,711)</u>	<u>\$ 1,108,123</u>	<u>\$ 247,669</u>	<u>\$ 860,454</u>

Lease Liability

On July 1, 2021, City entered into a 33-month lease as Lessee for the use of Neopost Mailing System. An initial lease liability was recorded in the amount of \$16,375. As of June 30, 2023, the value of the lease liability is \$4,488. The City is required to make quarterly fixed payments of \$1,501. The lease has an interest rate of 0.6480%. The value of the right-to-use asset as of June 30, 2023 of \$16,375 with accumulated amortization of \$11,802 is included with the right-to-use lease equipment in the capital assets note.

Annual debt service requirements on this liability are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 4,488</u>	<u>\$ 15</u>	<u>\$ 4,503</u>
Totals	<u>\$ 4,488</u>	<u>\$ 15</u>	<u>\$ 4,503</u>

Subscription Liabilities

On July 1, 2022, the City entered into various subscriptions ranging from 26 – 54 months. An initial subscription liability was recorded in the amount of \$76,790. As of June 30, 2023, the value of the subscription liability is \$44,843. The City is required to make annual fixed payments ranging from \$735 - \$15,976. The subscription has an interest rate ranging from 1.08937% to 2.3100%. The value of the right-to-use assets as of June 30, 2023 of \$76,790 with accumulated amortization of \$29,054 is included with the right-to-use subscription in the capital assets note.

Annual debt service requirements on this liability are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 31,422</u>	<u>\$ 902</u>	<u>\$ 32,324</u>
2025	<u>8,630</u>	<u>288</u>	<u>8,918</u>
2026	<u>4,791</u>	<u>105</u>	<u>4,896</u>
Totals	<u>\$ 44,843</u>	<u>\$ 1,295</u>	<u>\$ 46,138</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

7. LONG-TERM LIABILITIES, (continued)

B. Business-type Activities

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2023 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	\$ 5,066,476	\$ -	\$ (362,881)	\$ 4,703,595	\$ 376,062	\$ 4,327,533
Loan payable to SGVMWD	2,091,622	608,378	-	2,700,000	-	2,700,000
Subtotal long-term debt	7,158,098	608,378	(362,881)	7,403,595	376,062	7,027,533
Other long-term liabilities						
Compensated absences	266,244	116,357	(125,791)	256,810	51,362	205,448
Subtotal other long-term liabilities	266,244	116,357	(125,791)	256,810	51,362	205,448
Total long-term liabilities	\$ 7,424,342	\$ 724,735	\$ (488,672)	\$ 7,660,405	\$ 427,424	\$ 7,232,981

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 are 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 \$566,947 and the net revenues were \$1,493,516.

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.

The outstanding balance is \$4,703,595 at June 30, 2023.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

7. LONG-TERM LIABILITIES, (continued)

B. Business-type Activities (continued)

Annual debt service requirements on this debt are as follows:

Year ending June 30,	Principal	Interest	Total
2024	\$ 376,062	\$ 189,054	\$ 565,116
2025	389,722	173,497	563,219
2026	403,878	157,374	561,252
2027	418,549	140,666	559,215
2028	433,752	123,351	557,103
2029 - 2034	<u>2,681,632</u>	<u>339,643</u>	<u>3,021,275</u>
Totals	<u>\$ 4,703,595</u>	<u>\$ 1,123,585</u>	<u>\$ 5,827,180</u>

Loan Payable to San Gabriel Valley Municipal Water District \$2,700,000 – direct borrowing

The City has identified three water main infrastructure replacement projects. Therefore, the City entered into a loan agreement with the San Gabriel Valley Municipal Water District to fund a portion of the project cost in the amount up to \$2,700,000. As of June 30, 2023, the City reported a loan payable of \$2,700,000. Payments will be due in ten annual installments beginning one year after the Notice of Completion is approved by City Council.

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

8. 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	Target State Grant Library	American Rescue Plan Act	Non-Major Governmental Funds	Total
Nonspendable	\$ 5,450	\$ -	\$ -	\$ -	\$ 5,450
Restricted for:					
Public works	-	-	-	2,389,731	2,389,731
Public safety	31,045	-	-	183,413	214,458
Community services/development	-	22,386	51,319	3,667,813	3,741,518
Streets projects	-	-	-	660,263	660,263
Culture and recreation	-	-	-	683,386	683,386
Section 115 Trust	422,844	-	-	-	422,844
Committed to:					
Debt service	-	-	-	13,338	13,338
Unassigned	11,560,063	-	-	(150,487)	11,409,576
 Total fund balance	 <u>\$ 12,019,402</u>	 <u>\$ 22,386</u>	 <u>\$ 51,319</u>	 <u>\$ 7,447,457</u>	 <u>\$ 19,540,564</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, 2023, the amount set aside was \$3,571,445 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	\$ 214,458	\$ -	\$ 214,458
Public works	3,049,994	-	3,049,994
Development services	3,741,518	-	3,741,518
Culture and recreation	683,386	-	683,386
Section 115 Trust	442,191	49,455	491,646
 Total restricted net position	 <u>\$ 8,131,547</u>	 <u>\$ 49,455</u>	 <u>\$ 8,181,002</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

8. 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, 2023, was determined as follows:

	Business-type Activities		
	Water	Sewer	Total Enterprise Funds
Capital assets, net of accumulated depreciation	\$ 28,812,652	\$ 2,587,560	\$ 31,400,212
Less capital related debt balance:			
Lease and subscription liabilities	(7,403,595)	-	(7,403,595)
Net investment in capital assets	\$ 21,409,057	\$ 2,587,560	\$ 23,996,617

	Governmental Activities	
Capital assets, net of accumulated depreciation	\$ 185,294,246	
Less capital related debt balance:		
Lease and subscription liabilities	(49,331)	
Net investment in capital assets	\$ 185,244,915	

9. RISK MANAGEMENT

The City of Sierra Madre is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Member entity obtains insurance coverage.

The City of Sierra Madre is a Member of the California Intergovernmental Risk Authority (CIRA), a joint powers authority, which provides joint protection programs for public entities covering automobile, general liability, errors and omission losses, workers' compensation, and property claims. Under the General Liability program, the City has a \$25,000 retention limit similar to a deductible, with the Authority being responsible for losses above that amount up to \$1 million. The Authority has additional coverage of \$39 million in excess of its \$1 million retention limit through affiliated risk management authorities. The Authority also provides \$600 million aggregate property coverage to its members with such coverage provided by purchased insurance.

Liabilities of the member entity are reported when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example, from salvage or subrogation, are another component of the claims liability estimate.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

9. RISK MANAGEMENT, (continued)

The Authority covers workers' compensation claims up to its self-insurance limit of \$500,000. Safety National and Gray Insurance Company provide excess coverage to statutory limits. Financial Statements of CIRA may be obtained from its administrative office located at 2330 E. Bidwell Street, Suite 150, Folsom, CA 95630; www.cira-jpa.org or by calling (916) 927-7727.

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 2022-23.

10. 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.

11. 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, at www.calpers.ca.gov.

Benefits Provided

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

11. DEFINED BENEFIT PENSION PLAN, (continued)

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

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.

The Plans’ provisions and benefits in effect at June 30, 2023 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 - 57	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employer contribution rates	13.020%	7.760%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3.0%	2.0% to 2.7%
Required employer contribution rates	23.680%	13.660%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are 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. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance 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, 2023 were \$1,712,415. The actual employer payments of \$1,202,469 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City’s proportionate share of the employer’s contributions of \$3,262,413 by \$2,059,944, 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, 2023

11. 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 of the Plan is measured as of June 30, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 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

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions.

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Normal
Asset valuation method	Fair Value of Assets
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
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 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.3% thereafter.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

11. 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. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

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

Asset class	Assumed asset allocation	Real return ^{1, 2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
Total	<u>100%</u>	

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

11. 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 6.90%. 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.

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

11. DEFINED BENEFIT PENSION PLAN, (continued)

C. Proportionate Share of Net Pension Liability

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

	Increase (decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability / (Asset) (c) = (a) - (b)
Balance at: 6/30/2021 (VD*)	\$ 59,164,251	\$ 61,468,265	\$ (2,304,014)
Balance at: 6/30/2022 (MD*)	63,827,851	55,760,888	8,066,963
Net Changes during 2021-22	4,663,600	(5,707,377)	10,370,977

* 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.

The City's proportionate share of the net pension liability for the Plan as of the June 30, 2022 and 2023 fiscal years was as follows:

	Misc.	Safety	Total
Proportion - June 30, 2022	-0.06100%	-0.03265%	-0.04260%
Proportion - June 30, 2023	0.09588%	0.05211%	0.06984%
Change - increase/(decrease)	<u>0.15688%</u>	<u>0.08476%</u>	<u>0.11244%</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 / (Asset) of the Plan as of the measurement date, calculated using the discount rate of 6.9 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 (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount rate -1% 5.90%	Current discount rate 6.90%	Discount rate +1% 7.90%
Net Pension Liability / (Asset) - Misc.	\$ 9,301,195	\$ 4,486,523	\$ 525,244
Net Pension Liability / (Asset) - Safety	7,517,412	3,580,440	362,854
Net Pension Liability / (Asset) - Total	<u>\$ 16,818,607</u>	<u>\$ 8,066,963</u>	<u>\$ 888,098</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

11. DEFINED BENEFIT PENSION PLAN, (continued)

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

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 (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

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

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (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, 2021), the City's net pension asset was \$2,304,014. For the measurement period ending June 30, 2022 (the measurement date), the City incurred a pension expense of \$8,261,420.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

11. DEFINED BENEFIT PENSION PLAN, (continued)

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

As of June 30, 2023, 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	\$ 820,755	\$ -
Differences between expected and actual experience	238,280	99,225
Differences between projected and actual investment earnings	1,387,213	-
Differences between employer's contributions and proportionate share of contributions	656,961	1,912,801
Change in employer's proportion	4,428,148	752,258
Pension contributions made subsequent to measurement date	1,712,415	-
Totals	<u>\$ 9,243,772</u>	<u>\$ 2,764,284</u>

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$1,712,415 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
2024	\$ 867,379	\$ 606,904	\$ 1,474,283
2025	897,742	616,069	1,513,811
2026	562,313	369,116	931,429
2027	502,648	344,902	847,550
2028	-	-	-
Thereafter	-	-	-
	<u>\$ 2,830,082</u>	<u>\$ 1,936,991</u>	<u>\$ 4,767,073</u>

E. Payable to the Pension Plan

At June 30, 2023, the City reported a payable of \$10,331 for the outstanding amount of contributions to the pension plan required for the year then ended.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

12. 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, 2023, the City's payroll covered by the plan was \$273,655. The employees contributed 100% of the contributions.

13. COMMITMENTS AND CONTINGENCIES

A. Grant Audits

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

B. Litigation

The City is presently involved in certain matters of litigation that have arisen in the normal course of conducting City business. City management believes, based upon consultation with the City Attorney, that these cases, in the aggregate, are not expected to result in a material adverse financial impact on the City beyond that already accrued in the basic financial statements. Additionally, City management believes that sufficient resources are available to the City to cover any potential losses, should an unfavorable outcome arise.

C. Compliance with Laws and Regulations

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

14. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS

Plan Description

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

Benefits Provided

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

- All employees who retire from the City (including disability retirement) and continue coverage in the CalPERS medical program are eligible for the benefit provided in the PEMHCA resolutions.
- Those resolutions provide for the City to contribute toward retiree premiums by multiplying together the following items: 5% times the number of prior years the City has been contracted with PEMHCA times The monthly contracted PEMCHA contribution the employer makes towards active employee health benefits, which was \$151 per month in 2023.

The City's monthly PEMCHA contribution toward health plan benefits for retirees as of the June 30, 2022 measurement date is \$151 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 2023 is the Health Net Salud y Mas plan with a monthly premium of \$630.13

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

14. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Employee covered

As of the June 30, 2021 valuation, the following current and former employees are covered by the benefit terms under the plan:

Active employees	91
Inactive employees entitle to but not receiving benefits	21
Inactive employees or beneficiaries currently receiving benefits	<u>22</u>
Total	<u><u>134</u></u>

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, 2023, the City’s cash contributions were \$54,756 in payments for premiums and \$39,212 in implicit subsidy payment. The City voluntarily prefunds its annual contribution requirement (i.e. to set aside funds in advance of when medical premiums become due).

Net OPEB liability/(asset)

The City’s net OPEB liability/(asset) was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability/asset was determined by an actuarial valuation dated June 30, 2021, based on the following actuarial methods and assumptions:

Discount rate	5.65%
Inflation	2.50%
Salary increases	3.00%
Mortality rate	MacLeod Watts Scale 2020 applied generationally
Healthcare trend	5.6% to 4.0% for 2023 and beyond

Change of Assumptions

Trust rate of return	For accounting purposes: Decreased from 6.45% to 5.65%.
Medical Trend	Updated to the Getzen model which was published by the Society of Actuaries.
Spouse Coverage	Updated to vary by eligibility by different levels of benefits.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

14. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

Discount rate

The discount rate used to measure the total OPEB liability/(asset) was 5.65% 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	34.0%	6.80%
Fixed income	41.0%	4.50%
REIT's	17.0%	6.20%
Treasury inflation protection	5.0%	3.60%
Commodities	3.0%	3.50%
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, 2022			
(Valuation date June 30, 2021)	\$ 1,953,974	\$ 2,395,846	\$ (441,872)
Changes recognized for the measurement period:			
Service cost	113,161	-	113,161
Interest cost	128,999	-	128,999
Difference between the expected and the actual experience	-	(455,814)	455,814
Changes of assumptions	182,231	-	182,231
Employer contributions	-	134,288	(134,288)
Net investment income	-	154,513	(154,513)
Benefit payments	(134,288)	(134,288)	-
Administrative expenses	-	(606)	606
Net changes	290,103	(301,907)	592,010
Balance at June 30, 2023			
(Measurement date June 30, 2022)	\$ 2,244,077	\$ 2,093,939	\$ 150,138

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

14. 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, 2022:

	Discount rate		
	1% decrease	Current rate	1% increase
Net OPEB liability/(asset)	\$ 415,929	\$ 150,138	\$ (73,941)

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, 2022:

	Healthcare Cost Trend Rates		
	1% decrease	Current rate	1% increase
Net OPEB liability/(asset)	\$ (91,409)	\$ 150,138	\$ 443,974

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	Staright line reconition over the expected average remaining service lifetime (EARSL) (10.44 years at June 30, 2022)

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

14. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$86,115. As of fiscal year ended June 30, 2023, 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	\$ 196,983	\$ 106,479
Differences between expected and actual experience	10,295	269,223
Net difference between projected and actual earnings on investments	211,382	-
Contributions subsequent to the measurement date	<u>93,977</u>	<u>-</u>
Totals	<u>\$ 512,637</u>	<u>\$ 375,702</u>

The \$93,977 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2022 measurement date will be recognized as a reduction of the net OPEB liability / (asset) in the upcoming fiscal year. 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>
2024	\$ (3,895)
2025	(3,216)
2026	(6,889)
2027	63,746
2028	(25,706)
Thereafter	<u>18,918</u>
	<u>\$ 42,958</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2023

15. PRIOR PERIOD ADJUSTMENT

The beginning fund balance of the non-major governmental funds and beginning net position of the governmental activities were restated due to the correction of an error. The City previously recognized revenue in the amount that should have been recorded as unavailable revenue and an adjust a corrected payable recognized in the prior year. The prior period adjustment is as follows:

<u>Non-Major Governmental Funds</u>	
Fund Balance, Beginning of Year, as Previously Stated	\$ 6,596,538
Restatement	<u>6,468</u>
Fund Balances, Beginning of Year, as Restated	<u>\$ 6,603,006</u>
<u>Government-wide</u>	
Net Position, Beginning of Year, as Previously Stated	\$ 209,964,837
Restatement	<u>6,468</u>
Net Position, Beginning of Year, as Restated	<u>\$ 209,971,305</u>

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City of Sierra Madre, California

Village of the Foothills



Required Supplementary Information For the Year Ending June 30, 2023

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CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2023

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,030,800	\$ 8,116,000	\$ 8,313,912	\$ 197,912
Other taxes	4,439,000	4,840,000	5,230,313	390,313
Charges for services	659,400	747,000	939,751	192,751
Intergovernmental	-	148,000	184,591	36,591
Licenses and permits	1,372,000	1,360,000	1,563,238	203,238
Fines and forfeitures	91,000	111,000	109,610	(1,390)
Investment income (loss)	20,000	20,000	109,410	89,410
Miscellaneous	58,500	77,000	233,570	156,570
Total revenues	<u>14,670,700</u>	<u>15,419,000</u>	<u>16,684,395</u>	<u>1,265,395</u>
Expenditures:				
Current:				
General government:				
Administrative Services	3,813,110	3,813,110	3,740,845	72,265
Elected and Appointed	482,450	934,100	843,991	90,109
Total general government	<u>4,295,560</u>	<u>4,747,210</u>	<u>4,584,836</u>	<u>162,374</u>
Public safety:				
Police	3,819,450	4,031,850	4,039,616	(7,766)
Fire	2,945,430	2,963,430	2,778,128	185,302
Total public safety	<u>6,764,880</u>	<u>6,995,280</u>	<u>6,817,744</u>	<u>177,536</u>
Public works	558,000	553,700	455,675	98,025
Development	1,529,300	1,550,200	1,459,483	90,717
Culture and recreation:				
Community Services	448,900	451,000	426,768	24,232
Library Services	730,500	658,400	630,289	28,111
Total culture and recreation	<u>1,179,400</u>	<u>1,109,400</u>	<u>1,057,057</u>	<u>52,343</u>
Debt Service:				
Principal	-	-	8,671	(8,671)
Interest	-	-	215	(215)
Total expenditures	<u>14,327,140</u>	<u>14,955,790</u>	<u>14,383,681</u>	<u>572,109</u>
Excess (deficiency) of revenues over (under) expenditures	<u>343,560</u>	<u>463,210</u>	<u>2,300,714</u>	<u>1,837,504</u>
Other financing sources (uses):				
Subscription acquisition	-	-	30,511	30,511
Transfers in	-	-	756,408	756,408
Transfers out	(298,200)	(319,600)	(1,076,807)	(757,207)
Total other financing sources (uses)	<u>(298,200)</u>	<u>(319,600)</u>	<u>(289,888)</u>	<u>29,712</u>
Net change in fund balance	45,360	143,610	2,010,826	1,867,216
Fund balance, beginning of year	<u>10,008,576</u>	<u>10,008,576</u>	<u>10,008,576</u>	<u>-</u>
Fund balance, end of year	<u>\$ 10,053,936</u>	<u>\$ 10,152,186</u>	<u>\$ 12,019,402</u>	<u>\$ 1,867,216</u>

CITY OF SIERRA MADRE
Required Supplementary Information
American Rescue Plan Act Fund Budgetary Comparison Schedule
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 1,290,900	\$ 1,290,900	\$ 48,895	\$ (1,242,005)
Investment income	-	-	44,832	44,832
Total revenues	<u>1,290,900</u>	<u>1,290,900</u>	<u>93,727</u>	<u>(1,197,173)</u>
Expenditures:				
Current:				
Public works	<u>1,000,000</u>	<u>1,000,000</u>	<u>48,896</u>	<u>951,104</u>
Total expenditures	<u>1,000,000</u>	<u>1,000,000</u>	<u>48,896</u>	<u>951,104</u>
Excess (deficiency) of revenues over (under) expenditures	<u>290,900</u>	<u>290,900</u>	<u>44,831</u>	<u>(246,069)</u>
Net change to fund balance	290,900	290,900	44,831	(246,069)
Fund balance, beginning of year	<u>6,488</u>	<u>6,488</u>	<u>6,488</u>	<u>-</u>
Fund balance, end of year	<u>\$ 297,388</u>	<u>\$ 297,388</u>	<u>\$ 51,319</u>	<u>\$ (246,069)</u>

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2023

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

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

Measurement Date	Employer's Proportion of the Collective Net Pension Liability / (Asset)¹	Employer's Proportionate Share of the Collective Net Pension Liability	Employer's Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Employer's Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability/Asset
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%
June 30, 2021	(2,304,014)	-0.04260%	5,789,730	-39.79%	103.89%
June 30, 2022	8,066,963	0.06984%	6,343,997	127.16%	87.36%

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, 2023

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

Schedule of Plan Contributions – Last 10 Years*

Fiscal year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered payroll	Contributions as a Percentage of Covered Payroll
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%
June 30, 2022	1,202,469	(1,202,469)	-	6,343,997	18.95%
June 30, 2023	1,372,415	(1,712,415)	(340,000)	6,846,964	25.01%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. 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, 2023

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, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability						
Service cost	\$ 113,161	\$ 96,434	\$ 93,625	\$ 113,216	\$ 109,652	\$ 107,444
Interest cost	128,999	127,156	120,510	139,838	130,212	132,432
Plan experience	-	12,735	-	(352,670)	-	(186,345)
Changes in assumptions	182,231	(131,711)	-	47,406	-	13,329
Benefit payments	(134,288)	(113,325)	(111,228)	(105,241)	(95,572)	(108,541)
Net change in Total OPEB Liability	290,103	(8,711)	102,907	(157,451)	144,292	(41,681)
Total OPEB Liability - beginning	1,953,974	1,962,685	1,859,778	2,017,229	1,872,937	1,914,618
Total OPEB Liability - ending (a)	2,244,077	1,953,974	1,962,685	1,859,778	2,017,229	1,872,937
Plan Fiduciary Net Position						
Contribution - employer	134,288	113,325	150,528	163,349	95,572	108,541
Expected investment income/experience	154,513	393,718	101,166	118,856	98,236	99,406
Investment experience	(455,814)	-	-	-	-	15,348
Benefit payments	(134,288)	(113,325)	(111,228)	(105,241)	(95,572)	(108,541)
Administrative expense	(606)	(729)	(920)	(363)	(2,941)	(782)
Net change in Plan Fiduciary Net Position	(301,907)	392,989	139,546	176,601	95,295	113,972
Plan Fiduciary Net Position - beginning	2,395,846	2,002,857	1,863,311	1,686,710	1,591,415	1,477,443
Plan Fiduciary Net Position - ending (b)	2,093,939	2,395,846	2,002,857	1,863,311	1,686,710	1,591,415
Net OPEB Liability (asset) - ending (a) - (b)	\$ 150,138	\$ (441,872)	\$ (40,172)	\$ (3,533)	\$ 330,519	\$ 281,522
Plan fiduciary net position as a percentage of the total OPEB liability	93.31%	122.61%	102.05%	100.19%	83.62%	84.97%
Covered-employee payroll	\$ 8,203,079	\$ 7,686,509	\$ 6,061,061	\$ 5,884,525	\$ 5,537,332	\$ 4,937,800
Net OPEB liability (asset) as a percentage of covered-employee payroll	1.83%	-5.75%	-0.66%	-0.06%	5.97%	5.70%

Notes to schedule:

The following assumptions were changed from the prior valuation:

Discount rate: decreased from 6.45% to 5.65%

Actuarial Methods and Assumptions

Demographic assumptions: Mortality rates use the 2017 experience study.

General inflation rate: same as that of prior year 2.5%

Salary increase: Same as that of prior year 3.0%

Medical trend: updated to use Getzen Model 2021_b published by the Society of Actuaries

*Historical information is required only for measurement periods for which GASB 75 is applicable.

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, 2023

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	1.47%
June 30, 2022	103,663	(134,288)	(30,625)	8,203,079	1.64%
June 30, 2023	90,289	(93,977)	(3,688)	8,852,694	1.06%

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, 2021
Funding method	Entry age normal cost, level % of pay
Asset valuation	Fair value of assets
Discount Rate	5.65%
Inflation	2.50%
Salary Increases	3.00%
Mortality Rate	CalPERS 2017 Experience Study
Healthcare Trend Rate	5.7% in 2022 stepping down by .1% to 4.0% in 2076

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

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City of Sierra Madre, California

Village of the Foothills



Supplementary Information For the Year Ending June 30, 2023

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CITY OF SIERRA MADRE
Combined Balance Sheet
Non-Major Governmental Funds by Fund Type
June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
Assets:				
Cash and investments	\$ 5,771,174	\$ 630,234	\$ 13,338	\$ 6,414,746
Receivables:				
Accounts	199,415	-	-	199,415
Taxes	119,299	-	-	119,299
Due from other agencies	75,186	-	-	75,186
Prepaid	725	-	-	725
Land held for resale	-	1,500,000	-	1,500,000
Total assets	<u>\$ 6,165,799</u>	<u>\$ 2,130,234</u>	<u>\$ 13,338</u>	<u>\$ 8,309,371</u>
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Accounts payable	\$ 77,387	\$ -	\$ -	\$ 77,387
Accrued payroll and related liabilities	17,428	-	-	17,428
Due to other funds	245,027	-	-	245,027
Deposits and retentions	52,940	2,500	-	55,440
Unearned revenue	301,145	-	-	301,145
Total liabilities	<u>693,927</u>	<u>2,500</u>	<u>-</u>	<u>696,427</u>
Deferred inflows of resources:				
Unavailable revenues	165,487	-	-	165,487
Total deferred inflows of resources	<u>165,487</u>	<u>-</u>	<u>-</u>	<u>165,487</u>
Fund balances (deficit):				
Restricted	5,456,872	2,127,734	-	7,584,606
Committed	-	-	13,338	13,338
Unassigned	(150,487)	-	-	(150,487)
Total fund balances	<u>5,306,385</u>	<u>2,127,734</u>	<u>13,338</u>	<u>7,447,457</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,165,799</u>	<u>\$ 2,130,234</u>	<u>\$ 13,338</u>	<u>\$ 8,309,371</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, 2023

	Special Revenue Funds	Capital Projects Funds	City-wide Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ 69,023	\$ -	\$ -	\$ 69,023
Charges for services	640	-	-	640
Intergovernmental	1,946,986	-	-	1,946,986
Licenses and permits	319,600	-	-	319,600
Investment income	116,598	9,626	-	126,224
Miscellaneous	141,814	-	-	141,814
Total revenues	<u>2,594,661</u>	<u>9,626</u>	<u>-</u>	<u>2,604,287</u>
Expenditures:				
Current:				
Public safety	376,063	-	-	376,063
Public works	1,407,519	195,862	-	1,603,381
Culture and recreation	74,303	-	-	74,303
Total expenditures	<u>1,857,885</u>	<u>195,862</u>	<u>-</u>	<u>2,053,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>736,776</u>	<u>(186,236)</u>	<u>-</u>	<u>550,540</u>
Other financing sources (uses):				
Transfers in	781,408	298,200	-	1,079,608
Transfers out	(785,697)	-	-	(785,697)
Total other financing sources (uses)	<u>(4,289)</u>	<u>298,200</u>	<u>-</u>	<u>293,911</u>
Net change to fund balances	732,487	111,964	-	844,451
Fund balances, beginning of year, as restated	<u>4,573,898</u>	<u>2,015,770</u>	<u>13,338</u>	<u>6,603,006</u>
Fund balances, end of year	<u>\$ 5,306,385</u>	<u>\$ 2,127,734</u>	<u>\$ 13,338</u>	<u>\$ 7,447,457</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023

	Grant Funds	Assessment Funds	Other Special Revenue Funds	Total Special Revenue Funds
Assets:				
Cash and investments	\$ 319,185	\$ 1,410,085	\$ 4,041,904	\$ 5,771,174
Receivables:				
Accounts	11,445	-	187,970	199,415
Taxes	-	2,869	116,430	119,299
Due from other agencies	-	-	75,186	75,186
Prepaid	-	-	725	725
Total assets	<u>\$ 330,630</u>	<u>\$ 1,412,954</u>	<u>\$ 4,422,215</u>	<u>\$ 6,165,799</u>
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Accounts payable	\$ -	\$ 4,155	\$ 73,232	\$ 77,387
Accrued payroll and related liabilities	-	-	17,428	17,428
Due to other funds	11,445	-	233,582	245,027
Deposits and retentions	-	-	52,940	52,940
Unearned revenue	301,145	-	-	301,145
Total liabilities	<u>312,590</u>	<u>4,155</u>	<u>377,182</u>	<u>693,927</u>
Deferred inflows of resources:				
Unavailable revenues	26,445	-	139,042	165,487
Total deferred inflows of resources	<u>26,445</u>	<u>-</u>	<u>139,042</u>	<u>165,487</u>
Fund balances (deficit):				
Restricted	3,040	1,408,799	4,045,033	5,456,872
Unassigned	(11,445)	-	(139,042)	(150,487)
Total fund balances	<u>(8,405)</u>	<u>1,408,799</u>	<u>3,905,991</u>	<u>5,306,385</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 330,630</u>	<u>\$ 1,412,954</u>	<u>\$ 4,422,215</u>	<u>\$ 6,165,799</u>

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, 2023

	Grant Funds	Assessment Funds	Other Special Revenue Funds	Total Special Revenue Funds
Revenues:				
Property taxes	\$ -	\$ 69,023	\$ -	\$ 69,023
Charges for services	-	-	640	640
Intergovernmental	-	-	1,946,986	1,946,986
Licenses and permits	-	-	319,600	319,600
Investment income	2,965	29,561	84,072	116,598
Miscellaneous	-	-	141,814	141,814
Total revenues	<u>2,965</u>	<u>98,584</u>	<u>2,493,112</u>	<u>2,594,661</u>
Expenditures:				
Current:				
Public safety	11,445	-	364,618	376,063
Public works	-	145,318	1,262,201	1,407,519
Culture and recreation	-	-	74,303	74,303
Total expenditures	<u>11,445</u>	<u>145,318</u>	<u>1,701,122</u>	<u>1,857,885</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,480)</u>	<u>(46,734)</u>	<u>791,990</u>	<u>736,776</u>
Other financing sources (uses):				
Transfers in	-	756,408	25,000	781,408
Transfers out	-	(760,697)	(25,000)	(785,697)
Total other financing sources (uses)	<u>-</u>	<u>(4,289)</u>	<u>-</u>	<u>(4,289)</u>
Net change in fund balances	(8,480)	(51,023)	791,990	732,487
Fund balances (deficit), beginning of year as restated	<u>75</u>	<u>1,459,822</u>	<u>3,114,001</u>	<u>4,573,898</u>
Fund balances (deficit), end of year	<u>\$ (8,405)</u>	<u>\$ 1,408,799</u>	<u>\$ 3,905,991</u>	<u>\$ 5,306,385</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Grants
June 30, 2023

	Library Grant	Homeland Security Fund	Officer Wellness and Mental Health Program	Total Special Revenue-Grant Funds
Assets:				
Cash and investments	\$ 304,074	\$ -	\$ 15,111	\$ 319,185
Receivables:				
Accounts	-	11,445	-	11,445
Total assets	<u>\$ 304,074</u>	<u>\$ 11,445</u>	<u>\$ 15,111</u>	<u>\$ 330,630</u>
Liabilities, deferred inflows of resources, and fund balances:				
Liabilities:				
Due to other funds	\$ -	\$ 11,445	\$ -	\$ 11,445
Unearned revenue	301,145	-	-	301,145
Total liabilities	<u>301,145</u>	<u>11,445</u>	<u>-</u>	<u>312,590</u>
Deferred inflows of resources:				
Unavailable revenues	-	11,445	15,000	26,445
Total deferred inflows of resources	<u>-</u>	<u>11,445</u>	<u>15,000</u>	<u>26,445</u>
Fund balances:				
Restricted	2,929	-	111	3,040
Unassigned	-	(11,445)	-	(11,445)
Total fund balances	<u>2,929</u>	<u>(11,445)</u>	<u>111</u>	<u>(8,405)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 304,074</u>	<u>\$ 11,445</u>	<u>\$ 15,111</u>	<u>\$ 330,630</u>

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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, 2023

	<u>Library Grant</u>	<u>Homeland Security Fund</u>	<u>Officer Wellness and Mental Health Program</u>	<u>Total Special Revenue-Grant Funds</u>
Revenues:				
Investment income	\$ 2,854	\$ -	\$ 111	\$ 2,965
Total revenues	<u>2,854</u>	<u>-</u>	<u>111</u>	<u>2,965</u>
Expenditures:				
Current:				
Public safety	-	11,445	-	11,445
Total expenditures	<u>-</u>	<u>11,445</u>	<u>-</u>	<u>11,445</u>
Excess (deficit) of revenues over (under) expenditures	<u>2,854</u>	<u>(11,445)</u>	<u>111</u>	<u>(8,480)</u>
Net change to fund balances	2,854	(11,445)	111	(8,480)
Fund balances (deficit), beginning of year	<u>75</u>	<u>-</u>	<u>-</u>	<u>75</u>
Fund balances (deficit), end of year	<u>\$ 2,929</u>	<u>\$ (11,445)</u>	<u>\$ 111</u>	<u>\$ (8,405)</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Assessments
June 30, 2023

	Bonita Sewer Assessment District	Fane/Winwood Assessment District	Lighting District #1
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and investments	\$ 76,543	\$ 8,148	\$ 534,789
Taxes receivable	811	-	-
Total assets	<u>\$ 77,354</u>	<u>\$ 8,148</u>	<u>\$ 534,789</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:			
Restricted	<u>77,354</u>	<u>8,148</u>	<u>534,789</u>
Total fund balances	<u>77,354</u>	<u>8,148</u>	<u>534,789</u>
Total liabilities and fund balances	<u>\$ 77,354</u>	<u>\$ 8,148</u>	<u>\$ 534,789</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Downtown Landscaping and Lighting Maintenance District	Total Special Revenue- Assessment Funds
\$ -	\$ -	\$ -	\$ 36,659	\$ 79,868	\$ 674,078	\$ 1,410,085
-	-	-	295	-	1,763	2,869
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,954</u>	<u>\$ 79,868</u>	<u>\$ 675,841</u>	<u>\$ 1,412,954</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,155	\$ 4,155
-	-	-	-	-	4,155	4,155
-	-	-	36,954	79,868	671,686	1,408,799
-	-	-	36,954	79,868	671,686	1,408,799
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,954</u>	<u>\$ 79,868</u>	<u>\$ 675,841</u>	<u>\$ 1,412,954</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, 2023

	Bonita Sewer Assessment District	Fane/Winwood Assessment District	Lighting District #1	Lighting District Zone A
Revenues:				
Property taxes	\$ 10,531	\$ -	\$ 69	\$ -
Investment income	1,455	166	10,871	-
Total revenues	<u>11,986</u>	<u>166</u>	<u>10,940</u>	<u>-</u>
Expenditures:				
Current:				
Public works	-	-	1,233	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,233</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,986</u>	<u>166</u>	<u>9,707</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(360,628)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(360,628)</u>
Net change to fund balances	11,986	166	9,707	(360,628)
Fund balances, beginning of year, as restated	<u>65,368</u>	<u>7,982</u>	<u>525,082</u>	<u>360,628</u>
Fund balances (deficit), end of year	<u>\$ 77,354</u>	<u>\$ 8,148</u>	<u>\$ 534,789</u>	<u>\$ -</u>

Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Downtown Landscaping and Lighting Maintenance District	Total Special Revenue- Assessment Funds
\$ -	\$ -	\$ 7,063	\$ 6,845	\$ 44,515	\$ 69,023
-	-	674	1,547	14,848	29,561
<u>-</u>	<u>-</u>	<u>7,737</u>	<u>8,392</u>	<u>59,363</u>	<u>98,584</u>
-	-	-	-	144,085	145,318
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>144,085</u>	<u>145,318</u>
-	-	7,737	8,392	(84,722)	(46,734)
-	-	-	-	756,408	756,408
(395,780)	(4,289)	-	-	-	(760,697)
<u>(395,780)</u>	<u>(4,289)</u>	<u>-</u>	<u>-</u>	<u>756,408</u>	<u>(4,289)</u>
(395,780)	(4,289)	7,737	8,392	671,686	(51,023)
<u>395,780</u>	<u>4,289</u>	<u>29,217</u>	<u>71,476</u>	<u>-</u>	<u>1,459,822</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,954</u>	<u>\$ 79,868</u>	<u>\$ 671,686</u>	<u>\$ 1,408,799</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other
June 30, 2023

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
Assets:					
Cash and investments	\$ 889,263	\$ 25,971	\$ 1,200	\$ 34,847	\$ 66,656
Accounts	-	-	-	-	-
Taxes	-	-	-	-	30,271
Due from other agencies	-	-	-	-	-
Prepaid	-	-	-	-	-
Total assets	<u>\$ 889,263</u>	<u>\$ 25,971</u>	<u>\$ 1,200</u>	<u>\$ 34,847</u>	<u>\$ 96,927</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	6,009
Due to other funds	-	-	-	-	-
Deposits and retentions	50,780	-	-	-	-
Total liabilities	<u>50,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,009</u>
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):					
Restricted	838,483	25,971	1,200	34,847	90,918
Unassigned	-	-	-	-	-
Total fund balances	<u>838,483</u>	<u>25,971</u>	<u>1,200</u>	<u>34,847</u>	<u>90,918</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 889,263</u>	<u>\$ 25,971</u>	<u>\$ 1,200</u>	<u>\$ 34,847</u>	<u>\$ 96,927</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>
\$ -	\$ 30,387	\$ 6,731	\$ 15,665	\$ 713,188	\$ 140,811	\$ 219,540
-	-	-	-	-	-	-
86,159	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 86,159</u>	<u>\$ 30,387</u>	<u>\$ 6,731</u>	<u>\$ 15,665</u>	<u>\$ 713,188</u>	<u>\$ 140,811</u>	<u>\$ 219,540</u>
\$ 2,160	\$ 1,167	\$ -	\$ -	\$ 14,521	\$ -	\$ 1,566
6,244	-	-	-	-	-	-
50,638	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>59,042</u>	<u>1,167</u>	<u>-</u>	<u>-</u>	<u>14,521</u>	<u>-</u>	<u>1,566</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,117	29,220	6,731	15,665	698,667	140,811	217,974
-	-	-	-	-	-	-
<u>27,117</u>	<u>29,220</u>	<u>6,731</u>	<u>15,665</u>	<u>698,667</u>	<u>140,811</u>	<u>217,974</u>
<u>\$ 86,159</u>	<u>\$ 30,387</u>	<u>\$ 6,731</u>	<u>\$ 15,665</u>	<u>\$ 713,188</u>	<u>\$ 140,811</u>	<u>\$ 219,540</u>

(continued)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2023

	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	County Prop A Park Development	CA Beverage Container
Assets:					
Cash and investments	\$ 53,088	\$ 64,124	\$ 91,878	\$ -	\$ 17,366
Accounts	-	-	-	63,856	-
Taxes	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid	-	-	-	-	-
Total assets	<u>\$ 53,088</u>	<u>\$ 64,124</u>	<u>\$ 91,878</u>	<u>\$ 63,856</u>	<u>\$ 17,366</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 10,495	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	63,856	-
Deposits and retentions	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>10,495</u>	<u>63,856</u>	<u>-</u>
Deferred inflows of resources:					
Unavailable revenues	-	-	-	63,856	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,856</u>	<u>-</u>
Fund balances (deficit):					
Restricted	53,088	64,124	81,383	-	17,366
Unassigned	-	-	-	(63,856)	-
Total fund balances	<u>53,088</u>	<u>64,124</u>	<u>81,383</u>	<u>(63,856)</u>	<u>17,366</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 53,088</u>	<u>\$ 64,124</u>	<u>\$ 91,878</u>	<u>\$ 63,856</u>	<u>\$ 17,366</u>

Community Development Block Grant	Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Measure R	Measure M
\$ -	\$ 10,921	\$ 105,878	\$ 151,497	\$ 211,153	\$ 213,556
-	3,624	27,377	24,854	-	-
-	-	-	-	-	-
75,186	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 75,186</u>	<u>\$ 14,545</u>	<u>\$ 133,255</u>	<u>\$ 176,351</u>	<u>\$ 211,153</u>	<u>\$ 213,556</u>
\$ -	\$ -	\$ 257	\$ 61	\$ 38,272	\$ -
-	-	-	5,175	-	-
75,186	-	-	-	-	-
-	-	2,160	-	-	-
<u>75,186</u>	<u>-</u>	<u>2,417</u>	<u>5,236</u>	<u>38,272</u>	<u>-</u>
75,186	-	-	-	-	-
<u>75,186</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	14,545	130,838	171,115	172,881	213,556
(75,186)	-	-	-	-	-
<u>(75,186)</u>	<u>14,545</u>	<u>130,838</u>	<u>171,115</u>	<u>172,881</u>	<u>213,556</u>
<u>\$ 75,186</u>	<u>\$ 14,545</u>	<u>\$ 133,255</u>	<u>\$ 176,351</u>	<u>\$ 211,153</u>	<u>\$ 213,556</u>

(continued)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2023

	Road Maintenance and Rehabilitation	Library Gift and Memorial	Friends of the Library	Local Historical Society	Measure W
Assets:					
Cash and investments	\$ -	\$ 184,888	\$ -	\$ 174	\$ 55,176
Accounts	43,718	-	24,541	-	-
Taxes	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Prepaid	-	-	725	-	-
Total assets	<u>\$ 43,718</u>	<u>\$ 184,888</u>	<u>\$ 25,266</u>	<u>\$ 174</u>	<u>\$ 55,176</u>
Liabilities, deferred inflows of resources, and fund balances:					
Liabilities:					
Accounts payable	\$ -	\$ 69	\$ 3,754	\$ -	\$ 910
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	22,390	-	21,512	-	-
Deposits and retentions	-	-	-	-	-
Total liabilities	<u>22,390</u>	<u>69</u>	<u>25,266</u>	<u>-</u>	<u>910</u>
Deferred inflows of resources:					
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):					
Restricted	21,328	184,819	-	174	54,266
Unassigned	-	-	-	-	-
Total fund balances	<u>21,328</u>	<u>184,819</u>	<u>-</u>	<u>174</u>	<u>54,266</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 43,718</u>	<u>\$ 184,888</u>	<u>\$ 25,266</u>	<u>\$ 174</u>	<u>\$ 55,176</u>

<u>Robert Day</u> <u>Trust Fund</u>	<u>Total Other</u> <u>Special Revenue</u> <u>Funds</u>
\$ 737,946	\$ 4,041,904
-	187,970
-	116,430
-	75,186
-	725
<u>\$ 737,946</u>	<u>\$ 4,422,215</u>

\$ -	\$ 73,232
-	17,428
-	233,582
-	52,940
<u>-</u>	<u>377,182</u>

-	139,042
<u>-</u>	<u>139,042</u>

737,946	4,045,033
-	(139,042)
<u>737,946</u>	<u>3,905,991</u>

<u>\$ 737,946</u>	<u>\$ 4,422,215</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, 2023

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Police Department Donations	Public Safety Augmentation Fund
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	171,778
Licenses and permits	216,394	-	-	-	-
Investment income (loss)	16,766	381	24	861	1,175
Miscellaneous	-	7,500	-	5,200	-
Total revenues	<u>233,160</u>	<u>7,881</u>	<u>24</u>	<u>6,061</u>	<u>172,953</u>
Expenditures:					
Current:					
Public safety	-	-	-	20,949	149,593
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,949</u>	<u>149,593</u>
Excess (deficiency) of revenues over (under) expenditures	<u>233,160</u>	<u>7,881</u>	<u>24</u>	<u>(14,888)</u>	<u>23,360</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	233,160	7,881	24	(14,888)	23,360
Fund balances (deficit), beginning of year, as restated	<u>605,323</u>	<u>18,090</u>	<u>1,176</u>	<u>49,735</u>	<u>67,558</u>
Fund balances (deficit), end of year	<u>\$ 838,483</u>	<u>\$ 25,971</u>	<u>\$ 1,200</u>	<u>\$ 34,847</u>	<u>\$ 90,918</u>

<u>State COPS Grant</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>
\$ -	\$ -	\$ -	\$ -	\$ 640	\$ -	\$ -
186,159	-	-	-	280,063	-	-
-	-	-	-	-	-	-
-	976	136	326	14,233	2,367	4,565
-	8,877	-	-	-	49,578	3,160
<u>186,159</u>	<u>9,853</u>	<u>136</u>	<u>326</u>	<u>294,936</u>	<u>51,945</u>	<u>7,725</u>
168,000	26,076	-	-	-	-	-
-	-	-	-	176,965	-	-
-	-	-	1,521	-	-	15,101
<u>168,000</u>	<u>26,076</u>	<u>-</u>	<u>1,521</u>	<u>176,965</u>	<u>-</u>	<u>15,101</u>
18,159	(16,223)	136	(1,195)	117,971	51,945	(7,376)
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,159	(16,223)	136	(1,195)	117,971	51,945	(7,376)
8,958	45,443	6,595	16,860	580,696	88,866	225,350
<u>\$ 27,117</u>	<u>\$ 29,220</u>	<u>\$ 6,731</u>	<u>\$ 15,665</u>	<u>\$ 698,667</u>	<u>\$ 140,811</u>	<u>\$ 217,974</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, 2023

	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	-	-	232,305	-	5,001
Licenses and permits	-	-	-	-	-
Investment income (loss)	1,062	1,304	2,940	-	305
Miscellaneous	5,037	-	-	-	-
Total revenues	<u>6,099</u>	<u>1,304</u>	<u>235,245</u>	<u>-</u>	<u>5,306</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	207,928	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>207,928</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,099</u>	<u>1,304</u>	<u>27,317</u>	<u>-</u>	<u>5,306</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	6,099	1,304	27,317	-	5,306
Fund balances (deficit), beginning of year, as restated	<u>46,989</u>	<u>62,820</u>	<u>54,066</u>	<u>(63,856)</u>	<u>12,060</u>
Fund balances (deficit), end of year	<u>\$ 53,088</u>	<u>\$ 64,124</u>	<u>\$ 81,383</u>	<u>\$ (63,856)</u>	<u>\$ 17,366</u>

Community Development Block Grant	Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Measure R	Measure M
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	14,342	-	285,800	174,177	197,033
-	-	103,206	-	-	-
-	1,146	1,775	2,601	5,221	4,658
-	-	-	-	-	-
-	15,488	104,981	288,401	179,398	201,691
-	-	-	-	-	-
-	58,983	67,382	200,703	161,700	130,809
-	-	-	-	-	-
-	58,983	67,382	200,703	161,700	130,809
-	(43,495)	37,599	87,698	17,698	70,882
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(43,495)	37,599	87,698	17,698	70,882
(75,186)	58,040	93,239	83,417	155,183	142,674
<u>\$ (75,186)</u>	<u>\$ 14,545</u>	<u>\$ 130,838</u>	<u>\$ 171,115</u>	<u>\$ 172,881</u>	<u>\$ 213,556</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, 2023

	Road Maintenance and Rehabilitation	Library Gift and Memorial	Friends of the Library	Local Historical Society	Measure W
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	249,487	-	-	-	150,841
Licenses and permits	-	-	-	-	-
Investment income (loss)	2,513	3,737	-	-	-
Miscellaneous	-	8,245	54,217	-	-
Total revenues	<u>252,000</u>	<u>11,982</u>	<u>54,217</u>	<u>-</u>	<u>150,841</u>
Expenditures:					
Current:					
Public safety	-	-	-	-	-
Public works	243,881	-	-	-	13,850
Culture and recreation	-	3,464	54,217	-	-
Total expenditures	<u>243,881</u>	<u>3,464</u>	<u>54,217</u>	<u>-</u>	<u>13,850</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,119</u>	<u>8,518</u>	<u>-</u>	<u>-</u>	<u>136,991</u>
Other financing sources (uses):					
Transfers in	-	25,000	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	8,119	33,518	-	-	136,991
Fund balances (deficit), beginning of year, as restated	<u>13,209</u>	<u>151,301</u>	<u>-</u>	<u>174</u>	<u>(82,725)</u>
Fund balances (deficit), end of year	<u>\$ 21,328</u>	<u>\$ 184,819</u>	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 54,266</u>

Robert Day Trust Fund	Total Other Special Revenue Funds
\$ -	\$ 640
-	1,946,986
-	319,600
15,000	84,072
-	<u>141,814</u>
<u>15,000</u>	<u>2,493,112</u>
-	364,618
-	1,262,201
-	<u>74,303</u>
-	<u>1,701,122</u>
<u>15,000</u>	<u>791,990</u>
-	25,000
<u>(25,000)</u>	<u>(25,000)</u>
<u>(25,000)</u>	<u>-</u>
(10,000)	791,990
<u>747,946</u>	<u>3,114,001</u>
<u>\$ 737,946</u>	<u>\$ 3,905,991</u>
	(concluded)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2023

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Assets:			
Cash and investments	\$ 335,646	\$ 294,588	\$ 630,234
Land held for resale	1,500,000	-	1,500,000
Total assets	<u>\$ 1,835,646</u>	<u>\$ 294,588</u>	<u>\$ 2,130,234</u>
Liabilities and Fund Balances:			
Deposits and retentions	<u>\$ 2,500</u>	<u>\$ -</u>	<u>\$ 2,500</u>
Total liabilities	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Fund balances:			
Restricted	<u>1,833,146</u>	<u>294,588</u>	<u>2,127,734</u>
Total fund balances	<u>1,833,146</u>	<u>294,588</u>	<u>2,127,734</u>
Total liabilities and fund balances	<u>\$ 1,835,646</u>	<u>\$ 294,588</u>	<u>\$ 2,130,234</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, 2023

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Revenues:			
Investment income	\$ 6,822	\$ 2,804	\$ 9,626
Total revenues	<u>6,822</u>	<u>2,804</u>	<u>9,626</u>
Expenditures:			
Current:			
Public works	-	195,862	195,862
Total expenditures	<u>-</u>	<u>195,862</u>	<u>195,862</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,822</u>	<u>(193,058)</u>	<u>(186,236)</u>
Other financing sources (uses):			
Transfers in	-	298,200	298,200
Total other financing sources (uses)	<u>-</u>	<u>298,200</u>	<u>298,200</u>
Net change to fund balance	6,822	105,142	111,964
Fund balances, beginning of year	<u>1,826,324</u>	<u>189,446</u>	<u>2,015,770</u>
Fund Balances, end of year	<u>\$ 1,833,146</u>	<u>\$ 294,588</u>	<u>\$ 2,127,734</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Homeland Security Fund Special Revenue Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public safety	-	15,000	11,445	(3,555)
Total expenditures	-	15,000	11,445	(3,555)
Excess (deficiency) of revenues over (under) expenditures	-	(15,000)	(11,445)	3,555
Net change to fund balance	-	(15,000)	(11,445)	3,555
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	\$ -	\$ (15,000)	\$ (11,445)	\$ 3,555

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 55,000	\$ -	\$ 69	\$ 69
Investment income	-	-	10,871	10,871
Total revenues	<u>55,000</u>	<u>-</u>	<u>10,940</u>	<u>10,940</u>
Expenditures:				
Current:				
Public works	2,000	2,000	1,233	767
Total expenditures	<u>2,000</u>	<u>2,000</u>	<u>1,233</u>	<u>767</u>
Excess (deficiency) of revenues over (under) expenditures	<u>53,000</u>	<u>(2,000)</u>	<u>9,707</u>	<u>11,707</u>
Net change to fund balance	53,000	(2,000)	9,707	11,707
Fund balance, beginning of year	<u>525,082</u>	<u>525,082</u>	<u>525,082</u>	<u>-</u>
Fund balance, end of year	<u>\$ 578,082</u>	<u>\$ 523,082</u>	<u>\$ 534,789</u>	<u>\$ 11,707</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Downtown Landscaping and Lighting Maintenance District
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 86,200	\$ 40,000	\$ 44,515	\$ 4,515
Investment income	-	-	14,848	14,848
Total revenues	<u>86,200</u>	<u>40,000</u>	<u>59,363</u>	<u>19,363</u>
Expenditures:				
Current:				
Public works	586,200	630,200	144,085	(486,115)
Total expenditures	<u>586,200</u>	<u>630,200</u>	<u>144,085</u>	<u>(486,115)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(500,000)</u>	<u>(590,200)</u>	<u>(84,722)</u>	<u>505,478</u>
Net change to fund balance	(500,000)	(590,200)	671,686	1,261,886
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (500,000)</u>	<u>\$ (590,200)</u>	<u>\$ 671,686</u>	<u>\$ 1,261,886</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ -	\$ 123,950	\$ 216,394	\$ 92,444
Investment income	-	-	16,766	16,766
Total revenues	<u>-</u>	<u>123,950</u>	<u>233,160</u>	<u>109,210</u>
Expenditures:				
Current:				
Culture and recreation	156,800	156,800	-	156,800
Total expenditures	<u>156,800</u>	<u>156,800</u>	<u>-</u>	<u>156,800</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(156,800)</u>	<u>(32,850)</u>	<u>233,160</u>	<u>266,010</u>
Net change to fund balance	(156,800)	(32,850)	233,160	266,010
Fund balance, beginning of year	<u>605,323</u>	<u>605,323</u>	<u>605,323</u>	<u>-</u>
Fund balance, end of year	<u>\$ 448,523</u>	<u>\$ 572,473</u>	<u>\$ 838,483</u>	<u>\$ 266,010</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Police Department Donations Special Revenue Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 861	\$ 861
Miscellaneous	-	-	5,200	5,200
Total revenues	<u>-</u>	<u>-</u>	<u>6,061</u>	<u>6,061</u>
Expenditures:				
Current:				
Public safety	-	49,700	20,949	28,751
Total expenditures	<u>-</u>	<u>49,700</u>	<u>20,949</u>	<u>28,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(49,700)</u>	<u>(14,888)</u>	<u>34,812</u>
Net change to fund balance	-	(49,700)	(14,888)	34,812
Fund balance, beginning of year	<u>49,735</u>	<u>49,735</u>	<u>49,735</u>	<u>-</u>
Fund balance, end of year	<u>\$ 49,735</u>	<u>\$ 35</u>	<u>\$ 34,847</u>	<u>\$ 34,812</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 145,000	\$ 145,000	\$ 171,778	\$ 26,778
Investment income	-	-	1,175	1,175
Total revenues	<u>145,000</u>	<u>145,000</u>	<u>172,953</u>	<u>27,953</u>
Expenditures:				
Current:				
Public safety	<u>119,630</u>	<u>143,630</u>	<u>149,593</u>	<u>(5,963)</u>
Total expenditures	<u>119,630</u>	<u>143,630</u>	<u>149,593</u>	<u>(5,963)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,370</u>	<u>1,370</u>	<u>23,360</u>	<u>21,990</u>
Net change to fund balance	25,370	1,370	23,360	21,990
Fund balance, beginning of year	<u>67,558</u>	<u>67,558</u>	<u>67,558</u>	<u>-</u>
Fund balance, end of year	<u>\$ 92,928</u>	<u>\$ 68,928</u>	<u>\$ 90,918</u>	<u>\$ 21,990</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 150,000	\$ 160,000	\$ 186,159	\$ 26,159
Total revenues	<u>150,000</u>	<u>160,000</u>	<u>186,159</u>	<u>26,159</u>
Expenditures:				
Current:				
Public safety	143,300	168,000	168,000	-
Total expenditures	<u>143,300</u>	<u>168,000</u>	<u>168,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>6,700</u>	<u>(8,000)</u>	<u>18,159</u>	<u>26,159</u>
Net change to fund balance	6,700	(8,000)	18,159	26,159
Fund balance, beginning of year	<u>8,958</u>	<u>8,958</u>	<u>8,958</u>	<u>-</u>
Fund balance, end of year	<u>\$ 15,658</u>	<u>\$ 958</u>	<u>\$ 27,117</u>	<u>\$ 26,159</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Fire Department Donations Special Revenue Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 976	\$ 976
Miscellaneous	-	-	8,877	8,877
Total revenues	<u>-</u>	<u>-</u>	<u>9,853</u>	<u>9,853</u>
Expenditures:				
Current:				
Public safety	-	45,443	26,076	19,367
Total expenditures	<u>-</u>	<u>45,443</u>	<u>26,076</u>	<u>19,367</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(45,443)</u>	<u>(16,223)</u>	<u>29,220</u>
Net change to fund balance	-	(45,443)	(16,223)	29,220
Fund balance, beginning of year	<u>45,443</u>	<u>45,443</u>	<u>45,443</u>	<u>-</u>
Fund balance, end of year	<u>\$ 45,443</u>	<u>\$ -</u>	<u>\$ 29,220</u>	<u>\$ 29,220</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Recreation Department Donations Special Revenue Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 326	\$ 326
Total revenues	<u>-</u>	<u>-</u>	<u>326</u>	<u>326</u>
Expenditures:				
Current:				
Culture and recreation	-	6,000	1,521	4,479
Total expenditures	<u>-</u>	<u>6,000</u>	<u>1,521</u>	<u>4,479</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(6,000)</u>	<u>(1,195)</u>	<u>4,805</u>
Net change to fund balance	-	(6,000)	(1,195)	4,805
Fund balance, beginning of year	<u>16,860</u>	<u>16,860</u>	<u>16,860</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,860</u>	<u>\$ 10,860</u>	<u>\$ 15,665</u>	<u>\$ 4,805</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ -	\$ -	\$ 640	\$ 640
Intergovernmental	259,000	259,000	280,063	21,063
Investment income	-	-	14,233	14,233
Total revenues	<u>259,000</u>	<u>259,000</u>	<u>294,936</u>	<u>35,936</u>
Expenditures:				
Current:				
Public works	<u>182,000</u>	<u>182,000</u>	<u>176,965</u>	<u>5,035</u>
Total expenditures	<u>182,000</u>	<u>182,000</u>	<u>176,965</u>	<u>5,035</u>
Excess (deficiency) of revenues over (under) expenditures	<u>77,000</u>	<u>77,000</u>	<u>117,971</u>	<u>40,971</u>
Net change to fund balance	77,000	77,000	117,971	40,971
Fund balance, beginning of year	<u>580,696</u>	<u>580,696</u>	<u>580,696</u>	<u>-</u>
Fund balance, end of year	<u>\$ 657,696</u>	<u>\$ 657,696</u>	<u>\$ 698,667</u>	<u>\$ 40,971</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 2,367	\$ 2,367
Miscellaneous	49,550	49,550	49,578	28
Total revenues	<u>49,550</u>	<u>49,550</u>	<u>51,945</u>	<u>2,395</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>49,550</u>	<u>49,550</u>	<u>51,945</u>	<u>2,395</u>
Net change to fund balance	49,550	49,550	51,945	2,395
Fund balance, beginning of year	<u>88,866</u>	<u>88,866</u>	<u>88,866</u>	<u>-</u>
Fund balance, end of year	<u>\$ 138,416</u>	<u>\$ 138,416</u>	<u>\$ 140,811</u>	<u>\$ 2,395</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 4,565	\$ 4,565
Miscellaneous	-	-	3,160	3,160
Total revenues	<u>-</u>	<u>-</u>	<u>7,725</u>	<u>7,725</u>
Expenditures:				
Current:				
Culture and recreation	<u>3,000</u>	<u>21,000</u>	<u>15,101</u>	<u>5,899</u>
Total expenditures	<u>3,000</u>	<u>21,000</u>	<u>15,101</u>	<u>5,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,000)</u>	<u>(21,000)</u>	<u>(7,376)</u>	<u>13,624</u>
Net change to fund balance	(3,000)	(21,000)	(7,376)	13,624
Fund balance, beginning of year	<u>225,350</u>	<u>225,350</u>	<u>225,350</u>	<u>-</u>
Fund balance, end of year	<u>\$ 222,350</u>	<u>\$ 204,350</u>	<u>\$ 217,974</u>	<u>\$ 13,624</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 215,600	\$ 215,600	\$ 232,305	\$ 16,705
Investment income	-	-	2,940	2,940
Total revenues	<u>215,600</u>	<u>215,600</u>	<u>235,245</u>	<u>19,645</u>
Expenditures:				
Current:				
Public works	<u>212,500</u>	<u>212,500</u>	<u>207,928</u>	<u>4,572</u>
Total expenditures	<u>212,500</u>	<u>212,500</u>	<u>207,928</u>	<u>4,572</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,100</u>	<u>3,100</u>	<u>27,317</u>	<u>24,217</u>
Net change to fund balance	3,100	3,100	27,317	24,217
Fund balance, beginning of year	<u>54,066</u>	<u>54,066</u>	<u>54,066</u>	<u>-</u>
Fund balance, end of year	<u>\$ 57,166</u>	<u>\$ 57,166</u>	<u>\$ 81,383</u>	<u>\$ 24,217</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 14,000	\$ 14,000	\$ 14,342	\$ 342
Investment income	-	-	1,146	1,146
Total revenues	<u>14,000</u>	<u>14,000</u>	<u>15,488</u>	<u>1,488</u>
Expenditures:				
Current:				-
Public works	-	70,000	58,983	11,017
Total expenditures	<u>-</u>	<u>70,000</u>	<u>58,983</u>	<u>11,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>14,000</u>	<u>(56,000)</u>	<u>(43,495)</u>	<u>12,505</u>
Net change to fund balance	14,000	(56,000)	(43,495)	12,505
Fund balance, beginning of year	<u>58,040</u>	<u>58,040</u>	<u>58,040</u>	<u>-</u>
Fund balance, end of year	<u>\$ 72,040</u>	<u>\$ 2,040</u>	<u>\$ 14,545</u>	<u>\$ 12,505</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 85,000	\$ 98,000	\$ 103,206	\$ 5,206
Investment income	-	-	1,775	1,775
Total revenues	<u>85,000</u>	<u>98,000</u>	<u>104,981</u>	<u>6,981</u>
Expenditures:				
Current:				
Public works	103,000	103,000	67,382	35,618
Total expenditures	<u>103,000</u>	<u>103,000</u>	<u>67,382</u>	<u>35,618</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(18,000)</u>	<u>(5,000)</u>	<u>37,599</u>	<u>42,599</u>
Net change to fund balance	(18,000)	(5,000)	37,599	42,599
Fund balance, beginning of year	<u>93,239</u>	<u>93,239</u>	<u>93,239</u>	-
Fund balance, end of year	<u>\$ 75,239</u>	<u>\$ 88,239</u>	<u>\$ 130,838</u>	<u>\$ 42,599</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 320,000	\$ 290,000	\$ 285,800	\$ (4,200)
Investment income	-	-	2,601	2,601
Total revenues	<u>320,000</u>	<u>290,000</u>	<u>288,401</u>	<u>(1,599)</u>
Expenditures:				
Current:				
Public works	320,450	320,450	200,703	119,747
Total expenditures	<u>320,450</u>	<u>320,450</u>	<u>200,703</u>	<u>119,747</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(450)</u>	<u>(30,450)</u>	<u>87,698</u>	<u>118,148</u>
Net change to fund balance	(450)	(30,450)	87,698	118,148
Fund balance, beginning of year	<u>83,417</u>	<u>83,417</u>	<u>83,417</u>	<u>-</u>
Fund balance, end of year	<u>\$ 82,967</u>	<u>\$ 52,967</u>	<u>\$ 171,115</u>	<u>\$ 118,148</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 161,700	\$ 161,700	\$ 174,177	\$ 12,477
Investment income	-	-	5,221	5,221
Total revenues	<u>161,700</u>	<u>161,700</u>	<u>179,398</u>	<u>17,698</u>
Expenditures:				
Current:				
Public works	<u>161,700</u>	<u>161,700</u>	<u>161,700</u>	-
Total expenditures	<u>161,700</u>	<u>161,700</u>	<u>161,700</u>	-
Excess (deficiency) of revenues over (under) expenditures	-	-	17,698	17,698
Net change to fund balance	-	-	17,698	17,698
Fund balance, beginning of year	<u>155,183</u>	<u>155,183</u>	<u>155,183</u>	-
Fund balance, end of year	<u><u>\$ 155,183</u></u>	<u><u>\$ 155,183</u></u>	<u><u>\$ 172,881</u></u>	<u><u>\$ 17,698</u></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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 180,000	\$ 180,000	\$ 197,033	\$ 17,033
Investment income	-	-	4,658	4,658
Total revenues	<u>180,000</u>	<u>180,000</u>	<u>201,691</u>	<u>21,691</u>
Expenditures:				
Current:				
Public works	180,000	180,000	130,809	49,191
Total expenditures	<u>180,000</u>	<u>180,000</u>	<u>130,809</u>	<u>49,191</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>70,882</u>	<u>70,882</u>
Net change to fund balance	-	-	70,882	70,882
Fund balance, beginning of year	<u>142,674</u>	<u>142,674</u>	<u>142,674</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 142,674</u></u>	<u><u>\$ 142,674</u></u>	<u><u>\$ 213,556</u></u>	<u><u>\$ 70,882</u></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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 245,000	\$ 240,000	\$ 249,487	\$ 9,487
Investment income	-	-	2,513	2,513
Total revenues	<u>245,000</u>	<u>240,000</u>	<u>252,000</u>	<u>12,000</u>
Expenditures:				
Current:				
Public works	<u>245,000</u>	<u>245,000</u>	<u>243,881</u>	<u>1,119</u>
Total expenditures	<u>245,000</u>	<u>245,000</u>	<u>243,881</u>	<u>1,119</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(5,000)</u>	<u>8,119</u>	<u>13,119</u>
Net change to fund balance	-	(5,000)	8,119	13,119
Fund balance, beginning of year	<u>13,209</u>	<u>13,209</u>	<u>13,209</u>	<u>-</u>
Fund balance, end of year	<u>\$ 13,209</u>	<u>\$ 8,209</u>	<u>\$ 21,328</u>	<u>\$ 13,119</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 3,737	\$ 3,737
Miscellaneous	-	4,000	8,245	4,245
Total revenues	-	4,000	11,982	7,982
Expenditures:				
Current:				
Culture and recreation	80,000	80,000	3,464	76,536
Total expenditures	80,000	80,000	3,464	76,536
Excess (deficiency) of revenues over (under) expenditures	(80,000)	(76,000)	8,518	84,518
Other financing sources (uses):				
Transfers in	-	25,000	25,000	-
Total other financing sources (uses)	-	25,000	25,000	-
Net change to fund balance	(80,000)	(51,000)	33,518	84,518
Fund balance, beginning of year	151,301	151,301	151,301	-
Fund balance, end of year	\$ 71,301	\$ 100,301	\$ 184,819	\$ 84,518

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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 55,000	\$ 55,000	\$ 54,217	\$ (783)
Total revenues	<u>55,000</u>	<u>55,000</u>	<u>54,217</u>	<u>(783)</u>
Expenditures:				
Current:				
Culture and recreation	55,000	55,000	54,217	783
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>54,217</u>	<u>783</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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 W Special Revenue Fund
For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 150,841	\$ 841
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>150,841</u>	<u>841</u>
Expenditures:				
Current:				
Public works	58,200	58,200	13,850	44,350
Total expenditures	<u>58,200</u>	<u>58,200</u>	<u>13,850</u>	<u>44,350</u>
Excess (deficiency) of revenues over (under) expenditures	<u>91,800</u>	<u>91,800</u>	<u>136,991</u>	<u>45,191</u>
Net change to fund balance	91,800	91,800	136,991	45,191
Fund balance (deficit), beginning of year	<u>(82,725)</u>	<u>(82,725)</u>	<u>(82,725)</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 9,075</u>	<u>\$ 9,075</u>	<u>\$ 54,266</u>	<u>\$ 45,191</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Robert Day Trust Fund Special Revenue Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 15,000	15,000
Total revenues	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>15,000</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>(25,000)</u>	<u>(25,000)</u>	<u>-</u>
Net change to fund balance	-	(25,000)	(10,000)	15,000
Fund balance, beginning of year	<u>747,946</u>	<u>747,946</u>	<u>747,946</u>	<u>-</u>
Fund balance, end of year	<u>\$ 747,946</u>	<u>\$ 722,946</u>	<u>\$ 737,946</u>	<u>\$ 15,000</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, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 2,804	\$ 2,804
Total revenues	<u>-</u>	<u>-</u>	<u>2,804</u>	<u>2,804</u>
Expenditures:				
Current:				
Public works	<u>298,200</u>	<u>298,200</u>	<u>195,862</u>	<u>102,338</u>
Total expenditures	<u>298,200</u>	<u>298,200</u>	<u>195,862</u>	<u>102,338</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(298,200)</u>	<u>(298,200)</u>	<u>(193,058)</u>	<u>105,142</u>
Other financing sources (uses):				
Transfers in	<u>298,200</u>	<u>298,200</u>	<u>298,200</u>	<u>-</u>
Total other financing sources (uses)	<u>298,200</u>	<u>298,200</u>	<u>298,200</u>	<u>-</u>
Net change to fund balance	-	-	105,142	105,142
Fund balance, beginning of year	<u>189,446</u>	<u>189,446</u>	<u>189,446</u>	<u>-</u>
Fund balance, end of year	<u>\$ 189,446</u>	<u>\$ 189,446</u>	<u>\$ 294,588</u>	<u>\$ 105,142</u>

CITY OF SIERRA MADRE
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Fleet	Facilities Management	Administration
Assets:			
Current assets:			
Cash and investments	\$ 697,714	\$ 738,857	\$ 905,673
Restricted cash and investments	-	-	-
Receivables:			
Accounts	-	-	-
Prepays	-	-	1,300
Total current assets	<u>697,714</u>	<u>738,857</u>	<u>906,973</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable assets	-	1,980	-
Depreciable, net	571,544	662,656	-
Total noncurrent assets	<u>571,544</u>	<u>664,636</u>	<u>-</u>
Total assets	<u>1,269,258</u>	<u>1,403,493</u>	<u>906,973</u>
Deferred Outflows of Resources:			
OPEB related	-	-	20,505
Pension related	-	-	369,751
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>390,256</u>
Liabilities:			
Current liabilities:			
Accounts payable	50,963	97,122	17,927
Accrued payroll and related liabilities	5,928	21,960	33,046
Compensated absences - current	5,417	11,405	24,518
Lease liability - current	-	-	-
Subscription liability - current	-	-	-
Total current liabilities	<u>62,308</u>	<u>130,487</u>	<u>75,491</u>
Noncurrent liabilities:			
Compensated absences	21,668	45,620	98,072
Net pension liability	-	-	322,679
Net OPEB liability	-	-	6,006
Total noncurrent liabilities	<u>21,668</u>	<u>45,620</u>	<u>426,757</u>
Total liabilities	<u>83,976</u>	<u>176,107</u>	<u>502,248</u>
Deferred Inflows of Resources:			
OPEB related	-	-	15,028
Pension related	-	-	110,572
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>125,600</u>
Net Position:			
Net investment in capital assets	571,544	664,636	-
Restricted - Section 115 trust	-	-	-
Unrestricted	613,738	562,750	669,381
Total net position	<u>\$ 1,185,282</u>	<u>\$ 1,227,386</u>	<u>\$ 669,381</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 868,011	\$ 1,235,824	\$ 106,357	\$ 4,552,436
-	19,347	-	19,347
7,202	-	-	7,202
-	-	-	1,300
<u>875,213</u>	<u>1,255,171</u>	<u>106,357</u>	<u>4,580,285</u>
-	-	-	1,980
<u>88,576</u>	<u>-</u>	<u>-</u>	<u>1,322,776</u>
<u>88,576</u>	<u>-</u>	<u>-</u>	<u>1,324,756</u>
<u>963,789</u>	<u>1,255,171</u>	<u>106,357</u>	<u>5,905,041</u>
-	-	-	20,505
<u>-</u>	<u>-</u>	<u>-</u>	<u>369,751</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>390,256</u>
47,977	34,726	-	248,715
11,725	33,193	-	105,852
4,273	2,839	-	48,452
4,488	-	-	4,488
23,003	-	-	23,003
<u>91,466</u>	<u>70,758</u>	<u>-</u>	<u>430,510</u>
17,093	11,354	-	193,807
-	-	-	322,679
-	-	-	6,006
<u>17,093</u>	<u>11,354</u>	<u>-</u>	<u>522,492</u>
<u>108,559</u>	<u>82,112</u>	<u>-</u>	<u>953,002</u>
-	-	-	15,028
<u>-</u>	<u>-</u>	<u>-</u>	<u>110,572</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>125,600</u>
61,085	-	-	1,297,265
-	19,347	-	19,347
794,145	1,153,712	106,357	3,900,083
<u>\$ 855,230</u>	<u>\$ 1,173,059</u>	<u>\$ 106,357</u>	<u>\$ 5,216,695</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2023

	Fleet	Facilities Management	Administration
Operating revenues:			
Charges for services	\$ 718,000	\$ 1,030,000	\$ 975,000
Licenses and permits	-	-	-
Miscellaneous	-	-	-
Total operating revenues	<u>718,000</u>	<u>1,030,000</u>	<u>975,000</u>
Operating expenses:			
Personnel services	177,384	288,100	1,005,800
Contractual services	75,205	125,656	133,994
Materials and supplies	60,642	48,828	63,065
Utilities	146,215	338,329	-
Maintenance and operation	16,131	57,963	5,526
Insurance, claims and charges	-	-	-
Depreciation	91,425	4,995	-
Amortization	-	-	-
Total operating expenses	<u>567,002</u>	<u>863,871</u>	<u>1,208,385</u>
Operating income (loss)	<u>150,998</u>	<u>166,129</u>	<u>(233,385)</u>
Nonoperating revenues (expenses):			
Investment income	3,881	2,928	4,703
Gain (Loss) on disposal of property	16,310	-	-
Interest expense	-	-	-
Total nonoperating revenues (expenses)	<u>20,191</u>	<u>2,928</u>	<u>4,703</u>
Income (loss) before transfers and capital contributions	171,189	169,057	(228,682)
Transfers:			
Transfers in	-	4,289	-
Total transfers	<u>-</u>	<u>4,289</u>	<u>-</u>
Change in net position	171,189	173,346	(228,682)
Net position, beginning of year	<u>1,014,093</u>	<u>1,054,040</u>	<u>898,063</u>
Net position, end of year	<u>\$ 1,185,282</u>	<u>\$ 1,227,386</u>	<u>\$ 669,381</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 920,000	\$ 1,267,532	\$ -	\$ 4,910,532
30,144	-	-	30,144
-	-	35,000	35,000
<u>950,144</u>	<u>1,267,532</u>	<u>35,000</u>	<u>4,975,676</u>
354,918	301,295	-	2,127,497
170,007	71,991	-	576,853
76,620	27,445	-	276,600
194,396	-	-	678,940
-	-	-	79,620
-	891,147	-	891,147
23,033	-	-	119,453
27,078	-	-	27,078
<u>846,052</u>	<u>1,291,878</u>	<u>-</u>	<u>4,777,188</u>
<u>104,092</u>	<u>(24,346)</u>	<u>35,000</u>	<u>198,488</u>
4,380	8,293	694	24,879
-	-	-	16,310
(216)	-	-	(216)
<u>4,164</u>	<u>8,293</u>	<u>694</u>	<u>40,973</u>
108,256	(16,053)	35,694	239,461
-	-	-	4,289
<u>-</u>	<u>-</u>	<u>-</u>	<u>4,289</u>
108,256	(16,053)	35,694	243,750
<u>746,974</u>	<u>1,189,112</u>	<u>70,663</u>	<u>4,972,945</u>
<u>\$ 855,230</u>	<u>\$ 1,173,059</u>	<u>\$ 106,357</u>	<u>\$ 5,216,695</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2023

	Fleet	Facilities Management	Administration	Technology
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 718,000	\$ 1,030,000	\$ 975,000	\$ 950,953
Payments to suppliers	(257,573)	(530,295)	(197,976)	(474,200)
Payments to employees	(175,006)	(294,198)	(677,750)	(361,421)
Net cash provided (used) by operating activities	<u>285,421</u>	<u>205,507</u>	<u>99,274</u>	<u>115,332</u>
Cash flows from non-capital financing activities:				
Transfers from other funds	-	4,289	-	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>4,289</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Proceeds from sales of capital assets	41,900	-	-	-
Acquisition and construction of capital assets	(144,128)	(365,059)	-	-
Principal paid	-	-	-	(29,227)
Interest paid	-	-	-	(216)
Net cash provided (used) by capital and related financing activities	<u>(102,228)</u>	<u>(365,059)</u>	<u>-</u>	<u>(29,443)</u>
Cash flows from investing activities:				
Investment income	3,881	2,928	4,703	4,380
Net cash provided (used) by investing activities	<u>3,881</u>	<u>2,928</u>	<u>4,703</u>	<u>4,380</u>
Net increase (decrease) in cash and cash equivalents	187,074	(152,335)	103,977	90,269
Cash and investments:				
Beginning of year	510,640	891,192	801,696	777,742
End of year	<u>\$ 697,714</u>	<u>\$ 738,857</u>	<u>\$ 905,673</u>	<u>\$ 868,011</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 150,998	\$ 166,129	\$ (233,385)	\$ 104,092
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	91,425	4,995	-	23,033
Amortization	-	-	-	27,078
Changes in assets, liabilities and deferred amounts:				
(Increase) decrease in accounts receivable	-	-	-	809
(Increase) decrease in prepaid expenses	-	-	(1,300)	-
(Increase) decrease in net OPEB asset	-	-	17,675	-
(Increase) decrease in net pension asset	-	-	92,160	-
(Increase) decrease in deferred outflow of resources	-	-	(145,988)	-
Increase (decrease) in accounts payable	40,620	40,481	5,909	(33,177)
Increase (decrease) in accrued liabilities	662	(9,311)	13,209	1,441
Increase (decrease) in compensated absences	1,716	3,213	53,194	(7,944)
Increase (decrease) in deferred inflow of resources	-	-	(30,885)	-
Increase (decrease) in net OPEB liability	-	-	6,006	-
Increase (decrease) in net pension liability	-	-	322,679	-
Total adjustments	<u>134,423</u>	<u>39,378</u>	<u>332,659</u>	<u>11,240</u>
Net cash provided (used) by operating activities	<u>\$ 285,421</u>	<u>\$ 205,507</u>	<u>\$ 99,274</u>	<u>\$ 115,332</u>
Noncash investing, capital and financing activities:				
Subscription liabilities	\$ -	\$ -	\$ -	\$ 46,279
Subscription acquisition	-	-	-	(46,279)

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2023

Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 1,270,219	\$ 35,000	\$ 4,979,172
(989,702)	(2,263)	(2,452,009)
(251,990)	-	(1,760,365)
<u>28,527</u>	<u>32,737</u>	<u>766,798</u>
-	-	4,289
-	-	4,289
-	-	41,900
-	-	(509,187)
-	-	(29,227)
-	-	(216)
-	-	(496,730)
<u>8,293</u>	<u>694</u>	<u>24,879</u>
<u>8,293</u>	<u>694</u>	<u>24,879</u>
36,820	33,431	299,236
<u>1,218,351</u>	<u>72,926</u>	<u>4,272,547</u>
<u>\$ 1,255,171</u>	<u>\$ 106,357</u>	<u>\$ 4,571,783</u>
<u>\$ (24,346)</u>	<u>\$ 35,000</u>	<u>\$ 198,488</u>
-	-	119,453
-	-	27,078
2,687	-	3,496
-	-	(1,300)
-	-	17,675
-	-	92,160
-	-	(145,988)
881	(2,263)	52,451
54,042	-	60,043
(4,737)	-	45,442
-	-	(30,885)
-	-	6,006
-	-	322,679
<u>52,873</u>	<u>(2,263)</u>	<u>568,310</u>
<u>\$ 28,527</u>	<u>\$ 32,737</u>	<u>\$ 766,798</u>
\$ -	\$ -	\$ 46,279
-	-	(46,279)

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City of Sierra Madre, California

Village of the Foothills



Statistical Section
For the Year Ending
June 30, 2023

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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>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Governmental activities:				
Net investment in capital assets	\$ 183,026,172	\$ 181,862,536	\$ 181,328,167	\$ 180,505,323
Restricted	13,952,436	6,051,883	5,794,991	5,119,384
Unrestricted	<u>204,442</u>	<u>764,679</u>	<u>1,731,997</u>	<u>5,264,763</u>
Total governmental activities net position	<u>\$ 197,183,050</u>	<u>\$ 188,679,098</u>	<u>\$ 188,855,155</u>	<u>\$ 190,889,470</u>
Business-Type activities:				
Net investment in capital assets	\$ 15,963,941	\$ 16,668,550	\$ 16,824,482	\$ 16,892,266
Restricted	1,149,456	1,149,456	1,149,456	1,149,456
Unrestricted	<u>4,053,155</u>	<u>1,994,086</u>	<u>1,313,820</u>	<u>1,439,579</u>
Total business-type activities net position	<u>\$ 21,166,552</u>	<u>\$ 19,812,092</u>	<u>\$ 19,287,758</u>	<u>\$ 19,481,301</u>
Primary government:				
Net investment in capital assets	\$ 198,990,113	\$ 198,531,086	\$ 198,152,649	\$ 197,397,589
Restricted	15,101,892	7,201,339	6,944,447	6,268,840
Unrestricted	<u>4,257,597</u>	<u>2,758,765</u>	<u>3,045,817</u>	<u>6,704,342</u>
Total primary government net position	<u>\$ 218,349,602</u>	<u>\$ 208,491,190</u>	<u>\$ 208,142,913</u>	<u>\$ 210,370,771</u>

Source: City of Sierra Madre Finance Department

2018	2019	2020	2021	2022	2023
\$ 181,067,634	\$ 180,934,074	\$ 180,629,535	\$ 181,760,515	\$ 185,318,754	\$ 185,244,915
4,926,003	4,861,587	5,887,957	6,302,207	7,237,002	8,131,547
6,263,121	8,123,037	9,714,208	9,522,562	17,409,081	13,313,338
<u>\$ 192,256,758</u>	<u>\$ 193,918,698</u>	<u>\$ 196,231,700</u>	<u>\$ 197,585,284</u>	<u>\$ 209,964,837</u>	<u>\$ 206,689,800</u>
\$ 17,975,946	\$ 19,580,635	\$ 21,201,025	\$ 23,167,195	\$ 22,881,196	\$ 23,996,617
-	-	-	54,000	47,615	49,455
2,585,503	2,639,373	5,044,835	7,365,272	10,160,260	10,430,773
<u>\$ 20,561,449</u>	<u>\$ 22,220,008</u>	<u>\$ 26,245,860</u>	<u>\$ 30,586,467</u>	<u>\$ 33,089,071</u>	<u>\$ 34,476,845</u>
\$ 199,043,580	\$ 200,514,709	\$ 201,830,560	\$ 204,927,710	\$ 208,199,950	\$ 209,241,532
4,926,003	4,861,587	5,887,957	6,356,207	7,284,617	8,181,002
8,848,624	10,762,410	14,759,043	16,887,834	27,569,341	23,744,111
<u>\$ 212,818,207</u>	<u>\$ 216,138,706</u>	<u>\$ 222,477,560</u>	<u>\$ 228,171,751</u>	<u>\$ 243,053,908</u>	<u>\$ 241,166,645</u>

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

Fiscal year ended June 30,	2014	2015	2016	2017
Expenses:				
Governmental activities:				
General government	\$ 742,540	\$ 1,581,532	\$ 1,791,927	\$ 1,710,653
Public safety	5,525,072	5,500,997	5,754,806	5,115,933
Public works	1,499,333	2,255,560	1,401,974	1,961,343
Development	993,035	1,089,493	1,412,537	1,129,817
Culture and recreation	1,407,243	1,325,706	1,280,228	1,078,262
Interest on long-term debt	23,697	20,580	17,322	13,909
Total governmental activities expenses	10,190,920	11,773,868	11,658,794	11,009,917
Business-type activities:				
Water	3,542,092	4,626,949	4,388,290	4,763,179
Sewer	844,486	939,202	1,172,547	1,371,492
Recreation services	131,897	113,608	259,594	22,697
Special services	92,752	101,219	108,211	125,547
Film services	54,817	18,035	43,620	50,618
Total business-type activities expenses	4,666,044	5,799,013	5,972,262	6,333,533
Total primary government expenses	\$ 14,856,964	\$ 17,572,881	\$ 17,631,056	\$ 17,343,450
Program revenues:				
Governmental activities:				
Charges for services	\$ 3,525,563	\$ 2,374,090	\$ 2,350,878	\$ 2,377,056
Operating grants and contributions	1,237,489	1,071,981	1,022,280	1,368,859
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	4,763,052	3,446,071	3,373,158	3,745,915
Business-type activities:				
Charges for services	4,978,343	5,497,755	5,606,012	6,337,602
Capital grants and contributions	258,882	242,500	46,234	62,166
Total business-type activities program revenues	5,237,225	5,740,255	5,652,246	6,399,768
Total primary government program revenues	\$ 10,000,277	\$ 9,186,326	\$ 9,025,404	\$ 10,145,683
Net revenue/(expense):				
Governmental activities	\$ (5,427,868)	\$ (8,327,797)	\$ (8,285,636)	\$ (7,264,002)
Business-type activities	571,181	(58,758)	(320,016)	66,235
Total primary government net revenue/(expense)	\$ (4,856,687)	\$ (8,386,555)	\$ (8,605,652)	\$ (7,197,767)

Source: City of Sierra Madre Finance Department

	2018	2019	2020	2021	2022	2023
\$	1,334,388	\$ 3,416,581	\$ 5,111,963	\$ 4,322,627	\$ 1,464,496	\$ 5,544,945
	5,394,253	5,688,672	5,473,096	6,445,253	2,377,264	8,085,479
	2,196,985	1,883,420	2,260,036	2,464,339	2,131,163	3,747,946
	1,557,850	1,089,342	990,443	1,025,108	517,557	2,384,299
	1,388,943	1,457,670	1,065,948	1,114,768	373,800	2,985,550
	10,336	7,610	3,097	-	68	431
	<u>11,882,755</u>	<u>13,543,295</u>	<u>14,904,584</u>	<u>15,372,095</u>	<u>6,864,348</u>	<u>22,748,650</u>
	4,432,899	4,083,465	3,670,810	4,734,967	4,275,124	5,154,213
	1,029,623	629,988	582,658	1,110,982	945,302	1,305,431
	4,150	-	-	-	-	-
	171,228	-	-	-	-	-
	77,923	-	-	-	-	-
	<u>5,715,823</u>	<u>4,713,453</u>	<u>4,253,468</u>	<u>5,845,949</u>	<u>5,220,426</u>	<u>6,459,644</u>
\$	<u>17,598,578</u>	<u>\$ 18,256,748</u>	<u>\$ 19,158,052</u>	<u>\$ 21,218,044</u>	<u>\$ 12,084,774</u>	<u>\$ 29,208,294</u>
\$	2,305,382	\$ 2,602,516	\$ 2,406,865	\$ 2,429,844	\$ 3,116,788	\$ 2,932,301
	1,426,015	1,705,187	2,534,045	2,279,930	3,108,323	2,389,501
	-	-	-	114,657	45,343	-
	<u>3,731,397</u>	<u>4,307,703</u>	<u>4,940,910</u>	<u>4,824,431</u>	<u>6,270,454</u>	<u>5,321,802</u>
	6,719,044	6,675,962	8,160,577	10,058,070	7,800,525	7,645,601
	-	-	-	-	-	-
	<u>6,719,044</u>	<u>6,675,962</u>	<u>8,160,577</u>	<u>10,058,070</u>	<u>7,800,525</u>	<u>7,645,601</u>
\$	<u>10,450,441</u>	<u>\$ 10,983,665</u>	<u>\$ 13,101,487</u>	<u>\$ 14,882,501</u>	<u>\$ 14,070,979</u>	<u>\$ 12,967,403</u>
\$	(8,151,358)	\$ (9,235,592)	\$ (9,963,674)	\$ (10,547,664)	\$ (593,894)	\$ (17,426,848)
	1,003,221	1,962,509	3,907,109	4,212,121	2,580,099	1,185,957
\$	<u>(7,148,137)</u>	<u>\$ (7,273,083)</u>	<u>\$ (6,056,565)</u>	<u>\$ (6,335,543)</u>	<u>\$ 1,986,205</u>	<u>\$ (16,240,891)</u>

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

Fiscal year ended June 30,	2014	2015	2016	2017
Governmental activities:				
Taxes	\$ 8,217,065	\$ 8,435,031	\$ 8,487,077	\$ 9,332,367
Investment income (loss)	11,671	11,875	38,125	85,587
Miscellaneous	-	-	-	-
Loss on disposal of property	(854,341)	-	-	-
Transfers	(4,389)	(54,018)	(63,509)	(118,957)
Total governmental activities	7,370,006	8,392,888	8,461,693	9,298,997
Business-type activities:				
Investment income (loss)	6,826	6,425	11,201	7,691
Miscellaneous	-	-	-	-
Transfers	4,389	54,018	63,509	118,957
Total business-type activities	11,215	60,443	74,710	126,648
Total primary government	\$ 7,381,221	\$ 8,453,331	\$ 8,536,403	\$ 9,425,645
Change in net position:				
Governmental activities	\$ 1,942,138	\$ 65,091	\$ 176,057	\$ 2,034,995
Business-type activities	582,396	1,685	(245,306)	192,883
Total primary government	\$ 2,524,534	\$ 66,776	\$ (69,249)	\$ 2,227,878

Source: City of Sierra Madre Finance Department

2018	2019	2020	2021	2022	2023
\$ 9,512,791	\$ 9,981,892	\$ 10,635,408	\$ 11,881,819	\$ 12,880,340	\$ 13,647,431
87,400	373,205	393,927	(9,580)	(302,973)	260,977
673,942	148,141	1,258,038	29,009	93,943	259,134
-	-	-	-	-	-
(103,147)	394,294	(10,697)	-	(20,724)	(22,199)
<u>10,170,986</u>	<u>10,897,532</u>	<u>12,276,676</u>	<u>11,901,248</u>	<u>12,650,586</u>	<u>14,145,343</u>
32,935	90,344	108,046	48,731	(184,925)	97,792
-	-	-	79,755	86,706	81,826
103,147	(394,294)	10,697	-	20,724	22,199
<u>136,082</u>	<u>(303,950)</u>	<u>118,743</u>	<u>128,486</u>	<u>(77,495)</u>	<u>201,817</u>
<u>\$ 10,307,068</u>	<u>\$ 10,593,582</u>	<u>\$ 12,395,419</u>	<u>\$ 12,029,734</u>	<u>\$ 12,573,091</u>	<u>\$ 14,347,160</u>
\$ 2,019,628	\$ 1,661,940	\$ 2,313,002	\$ 1,353,584	\$ 12,056,692	\$ (3,281,505)
<u>1,139,303</u>	<u>1,658,559</u>	<u>4,025,852</u>	<u>4,340,607</u>	<u>2,502,604</u>	<u>1,387,774</u>
<u>\$ 3,158,931</u>	<u>\$ 3,320,499</u>	<u>\$ 6,338,854</u>	<u>\$ 5,694,191</u>	<u>\$ 14,559,296</u>	<u>\$ (1,893,731)</u>

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

As of June 30,	2014	2015	2016	2017
General fund:				
Nonspendable	\$ 2,547	\$ 19,535	\$ -	\$ -
Restricted	-	-	-	-
Committed	1,255,290	1,280,500	-	-
Assigned	4,635,021	5,133,278	4,720,472	-
Unassigned	553,476	1,021,355	1,938,003	7,428,117
Total General Fund	\$ 6,446,334	\$ 7,454,668	\$ 6,658,475	\$ 7,428,117
All other governmental funds:				
Restricted	1,682,998	4,113,442	4,406,441	5,119,384
Committed	2,199,679	661,036	1,457,095	1,391,394
Assigned	1,237,371	-	-	-
Unassigned	(348,734)	(256,676)	(206,006)	(155,931)
Total all other governmental funds	\$ 4,771,314	\$ 4,517,802	\$ 5,657,530	\$ 6,354,847
Total all governmental funds	\$ 11,217,648	\$ 11,972,470	\$ 12,316,005	\$ 13,782,964

Source: City of Sierra Madre Finance Departm

2018	2019	2020	2021	2022	2023
\$ -	\$ 2,365	\$ -	\$ 1,565	\$ -	\$ 5,450
15,802	32,727	32,639	455,167	404,690	453,889
-	-	-	-	-	-
-	-	-	-	-	-
<u>8,736,391</u>	<u>6,915,213</u>	<u>7,557,690</u>	<u>9,236,030</u>	<u>9,603,886</u>	<u>11,560,063</u>
<u>\$ 8,752,193</u>	<u>\$ 6,950,305</u>	<u>\$ 7,590,329</u>	<u>\$ 9,692,762</u>	<u>\$ 10,008,576</u>	<u>\$ 12,019,402</u>
4,856,087	4,828,860	5,855,318	5,826,040	6,813,634	7,658,311
903,576	870,091	936,179	401,910	13,338	13,338
-	-	-	-	-	-
<u>(117,280)</u>	<u>(60,595)</u>	<u>(32,283)</u>	<u>(308,679)</u>	<u>(223,946)</u>	<u>(150,487)</u>
<u>\$ 5,642,383</u>	<u>\$ 5,638,356</u>	<u>\$ 6,759,214</u>	<u>\$ 5,919,271</u>	<u>\$ 6,603,026</u>	<u>\$ 7,521,162</u>
<u>\$ 14,394,576</u>	<u>\$ 12,588,661</u>	<u>\$ 14,349,543</u>	<u>\$ 15,612,033</u>	<u>\$ 16,611,602</u>	<u>\$ 19,540,564</u>

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

Fiscal year ended June 30,	2014	2015	2016	2017
Revenues:				
Property Taxes	\$ 4,391,262	\$ 5,264,471	\$ 5,677,308	\$ 6,075,078
Other Taxes	3,707,633	3,170,560	2,809,769	3,257,288
Charges for services	820,236	871,237	881,477	690,417
Intergovernmental	1,248,338	1,073,897	1,022,280	1,176,272
Licenses and permits	2,431,117	1,018,971	837,657	1,222,728
Fines and forfeitures	240,188	223,072	190,999	167,318
Investment Income (loss)	6,636	5,397	25,726	63,194
Miscellaneous	169,853	260,810	440,745	489,181
Total revenues	13,015,263	11,888,415	11,885,961	13,141,476
Expenditures:				
Current:				
General government	1,871,441	1,672,935	1,970,283	2,391,482
Public safety	5,382,934	5,382,396	5,725,286	5,375,953
Public works	1,844,412	1,670,830	1,004,326	1,247,133
Development	940,335	1,019,712	1,485,372	1,355,877
Culture and recreation	1,244,718	1,162,983	1,228,487	1,115,425
Debt service:				
Principal	66,321	69,391	72,604	75,964
Interest	24,721	21,651	18,442	15,082
Capital outlay	14,833	-	-	-
Total expenditures	11,389,715	10,999,898	11,504,800	11,576,916
Excess (deficiency) of revenues over (under) expenditures	1,625,548	888,517	381,161	1,564,560
Other financing sources (uses):				
Subscription acquisition	-	-	-	-
Transfers in	881,171	941,521	2,348,798	246,913
Transfers out	(1,288,508)	(989,406)	(2,386,421)	(343,835)
Total other financing sources (uses)	(407,337)	(47,885)	(37,623)	(96,922)
Net change in fund balances	1,218,211	840,632	343,538	1,467,638
Fund balances, beginning of year, as restated	9,913,627	11,131,838	11,972,467	12,315,326
Fund balances, end of year	\$ 11,131,838	\$ 11,972,470	\$ 12,316,005	\$ 13,782,964
Debt Service as a Percentage of Non-Capital Expenditures	1%	1%	1%	1%

***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

	2018	2019	2020	2021	2022	2023
\$	6,426,261	\$ 6,830,051	\$ 7,161,511	\$ 7,666,122	\$ 7,967,081	\$ 8,382,935
	3,228,635	3,302,646	3,644,793	4,393,543	4,913,188	5,230,313
	733,929	974,741	824,891	647,586	935,827	940,391
	1,228,646	1,536,011	1,745,392	2,154,464	2,645,384	2,244,921
	1,227,077	1,231,070	1,245,264	1,464,992	1,962,943	1,882,838
	118,324	140,395	82,903	70,616	116,820	109,610
	84,912	306,329	320,460	(7,938)	(208,415)	302,852
	933,142	327,781	2,040,124	358,630	513,708	375,384
	13,980,926	14,649,024	17,065,338	16,748,015	18,846,536	19,469,244
	2,609,677	3,662,657	5,561,126	3,832,934	3,136,367	4,584,836
	5,200,197	8,165,504	5,717,940	6,741,180	6,567,384	7,193,807
	2,806,374	2,173,523	2,003,010	2,635,535	5,877,947	2,172,401
	1,437,228	1,272,696	983,998	1,115,698	1,449,245	1,459,483
	1,141,498	1,496,982	950,110	1,178,635	1,034,689	1,131,360
	79,484	83,163	87,016	-	-	8,671
	11,563	7,879	4,026	-	-	215
	-	-	-	-	-	-
	13,286,021	16,862,404	15,307,226	15,503,982	18,065,632	16,550,773
	694,905	(2,213,380)	1,758,112	1,244,033	780,904	2,918,471
	-	-	-	-	-	30,511
	37,851	468,564	169,858	1,022,186	214,856	1,836,016
	(121,145)	(61,099)	(167,088)	(1,003,729)	(205,724)	(1,862,504)
	(83,294)	407,465	2,770	18,457	9,132	4,023
	611,611	(1,805,915)	1,760,882	1,262,490	790,036	2,922,494
	13,782,965	14,394,576	12,588,661	14,349,543	15,821,566	16,618,070
\$	14,394,576	\$ 12,588,661	\$ 14,349,543	\$ 15,612,033	\$ 16,611,602	\$ 19,540,564
	1%	1%	1%	0%	0%	0%

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

Category	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Residential	\$ 1,657,387,265	\$ 1,750,546,835	\$ 1,849,086,339	\$ 1,958,752,239
Commercial	52,244,923	53,659,841	57,179,257	60,520,506
Industrial	7,806,831	7,842,250	11,350,279	11,523,349
Govt. Owned	163,456	164,198	167,478	170,032
Institutional	4,105,294	6,618,344	6,423,627	17,021,358
Irrigated	-	-	-	-
Recreational	1,680,645	1,688,272	1,722,001	1,748,259
Vacant	44,785,823	46,880,985	44,273,558	46,173,712
SBE Nonunitary	-	-	-	-
Cross Reference	1,604,751	1,792,372	1,968,133	1,998,146
Unsecured	<u>6,183,887</u>	<u>6,657,788</u>	<u>7,011,648</u>	<u>6,843,871</u>
Total assessed value	<u>\$ 1,775,962,875</u>	<u>\$ 1,875,850,885</u>	<u>\$ 1,979,182,320</u>	<u>\$ 2,104,751,472</u>
Tax-Exempt Property	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>
Total taxable assessed value	<u>\$ 1,772,357,737</u>	<u>\$ 1,872,245,747</u>	<u>\$ 1,975,577,182</u>	<u>\$ 2,101,146,334</u>
Total direct rate	0.2228	0.2231	0.2234	0.2243

Data Source: HDL Coren & Cone

2018	2019	2020	2021	2022	2023
\$ 2,064,755,283	\$ 2,175,830,705	\$ 2,301,373,113	\$ 2,416,520,193	\$ 2,507,761,801	\$ 2,700,903,329
62,360,811	66,807,200	70,441,465	73,200,604	77,989,769	81,836,857
11,904,983	11,759,635	11,994,809	12,234,680	10,113,154	11,032,028
173,432	599,145	202,511	-	443,851	452,727
18,196,153	17,707,802	23,338,541	18,446,279	18,651,347	21,993,571
-	-	-	-	-	-
1,783,221	1,818,882	1,855,256	1,892,357	1,911,959	1,950,195
42,633,298	30,933,973	33,461,991	33,273,291	32,959,817	35,801,559
-	-	-	-	-	-
2,038,108	1,851,661	1,888,694	2,204,912	3,468,476	3,740,845
6,959,470	7,981,925	7,608,348	7,433,068	11,647,489	13,096,720
<u>\$ 2,210,804,759</u>	<u>\$ 2,315,290,928</u>	<u>\$ 2,452,164,728</u>	<u>\$ 2,565,205,384</u>	<u>\$ 2,664,947,663</u>	<u>\$ 2,870,807,831</u>
<u>(3,569,824)</u>	<u>(3,569,824)</u>	<u>(3,569,824)</u>	<u>(3,569,824)</u>	<u>(3,569,824)</u>	<u>(3,569,824)</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>	<u>\$ 2,661,377,839</u>	<u>\$ 2,867,238,007</u>
0.2237	0.2236	0.2236	0.2043	0.2228	0.2220

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

Agency	2014	2015	2016	2017
Basic Levy	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.07550	0.07653	0.07507	0.07788
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	0.02300
Pasadena Community College Dist	0.01899	0.01032	0.00872	0.00885
Pasadena Unified School Dist	0.10351	0.10601	0.11168	0.10673
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902
Total Direct & Overlapping Tax Rates	1.52502	1.51988	1.52249	1.52548
City's Share of 1% Levy Per Prop 13	0.21911	0.21911	0.21911	0.21911
Voter Approved City Debt Rate	-	-	-	-
Redevelopment Rate	-	-	-	-
Total Direct Rate	0.22284	0.22310	0.22338	0.22428

Data Source: HDL Coren & Cone

2018	2019	2020	2021	2022	2023
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07551	0.05365	0.05433	0.04784	0.04774	0.04704
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.03000	0.03000	0.03000	0.03000	0.03000	0.03000
0.00819	0.00767	0.00721	0.00554	0.00899	0.00869
0.10547	0.09491	0.04531	0.02294	0.05361	0.07756
0.30902	0.30902	0.30902	0.30902	0.16848	0.00000
1.52819	1.49526	1.44587	1.41534	1.30882	1.16329
0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
-	-	-	-	-	-
-	-	-	-	-	-
0.22367	0.22363	0.22363	0.20425	0.22284	0.22195

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

Taxpayer	2014			2023		
	Taxable Assesed Value	% of Net Assesed Value	Rank	Taxable Assesed Value	% of Net Assesed Value	Rank
CETT Madre Limited	\$12,101,832	0.68%	1	\$14,019,680	0.49%	3
One Carter LLC	\$11,189,552	0.63%	2			
City of Sierra Madre	\$6,956,086	0.39%	3	\$9,417,649	0.33%	5
Barbera Family LP	\$5,011,163	0.28%	4			
Ginkgo Stonehouse II LLC	\$4,920,148	0.28%	5	\$6,455,966	0.23%	8
William L Sullivan Family Trust	\$4,353,067	0.25%	6			
MB Equity LLC	\$4,076,487	0.23%	7	\$30,113,011	1.05%	1
Ginkgo Stonehouse LLC	\$3,805,519	0.22%	8			
Marie A Sullivan Trust	\$3,552,761	0.20%	9			
ZhiHao Liu	\$3,056,267	0.17%	10			
Kensington SM GP LLC				\$15,788,430	0.55%	2
Stanley A Sirrott Trust				\$9,619,961	0.34%	4
Neil A Lavick and Marie D Clause				\$8,495,429	0.30%	6
Michael G and Rene C Hoffman Trust				\$7,077,807	0.25%	7
634 W. Sierra Madre Blvd LLC				\$6,106,220	0.21%	9
Richard C Wolgemuth Cotrustee				\$5,761,453	0.20%	10
Top Ten Total	<u>\$59,022,882</u>	<u>3.34%</u>		<u>112,855,606</u>	<u>3.95%</u>	
City Total	<u>\$1,769,778,988</u>			<u>\$2,857,711,111</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
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%
2022	5,920,942.25	6,271,281.22	105.92%	344,332.71	5,576,609.54	94.18%
2023	6,371,764.66	6,850,232.71	107.51%	350,085.48	6,021,679.18	94.51%

Data Source: HDL Coren & Cone

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CITY OF SIERRA MADRE
Total Direct and Overlapping Debt
As of June 30, 2023

	Total Debt June 30, 2023	% Applicable (1)	City's Share of Debt June 30, 2023
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Pasadena Area Community College District	\$ 51,995,000	2.658	\$ 1,382,027
Arcadia Unified School District	247,660,000	0.370	916,342
Pasadena Unified School District	313,070,000	5.400	16,905,780
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 19,204,149
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	\$ 2,601,551,282	0.152	\$ 3,954,358
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.152	5,173
Los Angeles County Sanitation District Nos. 15 Authority	795,080	3.393	26,977
Pasadena Area Community College District Certificates of Participation	28,785,000	2.658	765,105
Pasadena Unified School District Certificates of Participation	166,666	5.400	9,000
City of Sierra Madre	-	100	-
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$ 4,760,613
TOTAL DIRECT DEBT			\$ 35,910
TOTAL OVERLAPPING DEBT			\$ 23,964,762
COMBINED TOTAL DEBT(2)			\$ 24,000,672

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Debt To Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	0.67%
Total Debt	0.83%

Data Source: HDL Coren & Cone

CITY OF SIERRA MADRE
Outstanding Debt by Type

Governmental Activities

Fiscal Year Ended June 30,	Master Lease	Lease liability	Subscription liability	Total
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	-	-	-	-
2022	-	10,439	-	10,439
2023	-	4,488	44,843	49,331

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 Bonds	Loans	Total	Total Primary Government	Percentage of Personal Income	Per Capita
\$ 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
-	-	7,158,098	7,158,098	7,168,537	0.96%	658.82
-	-	7,403,595	7,403,595	7,452,926	0.88%	688.75

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>						
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
2022	6,655,722	4,059,012	2,596,710	350,161	216,112	4.59
2023	6,446,169	4,952,653	1,493,516	362,881	201,560	2.65

* The City recalculated coverage for the Revenue Bonds based on rate covenant definitions per official statements for FY 2013-2014.

** 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 proceeds were sufficient to defease the Revenue Bonds on November 1, 2017, thereby satisfying and terminating the City's obligations under the prior installment sales agreements and indentures. Funding took place on October 31, 2017.

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

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

Source: *City of Sierra Madre Finance Department*

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Fiscal Year Ended June 30,	Governmental Activities			
	Tax Increment ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
2014 ⁽²⁾	\$ 505,387	\$ 300,000	\$ 106,188	1.24
2015 ⁽²⁾	738,195	300,000	94,000	1.87
2016 ⁽²⁾	528,157	315,000	78,625	1.34
2017 ⁽²⁾	567,950	330,000	62,500	1.45
2018 ⁽²⁾	581,097	345,000	45,625	1.49
2019 ⁽²⁾	190,991	360,000	28,000	0.49
2020 ⁽²⁾	215,315	380,000	19,000	0.54
2021 ⁽²⁾	-	-	-	-
2022 ⁽²⁾	-	-	-	-
2023 ⁽²⁾	-	-	-	-

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

⁽²⁾ 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

Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2013	11,094	\$531,369	\$47,897	2.3%	48	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%
2021	10,865	745,581	68,622	6.7%	47.5	98.5%	62.9%
2022	10,821	850,058	78,556	3.3%	48.3	98.5%	63.4%

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, 2023

Business Name	Business Category
Bottle Shop	Convenience Stores/Liquor
Buccaneer Lounge	Casual Dining
Casa Del Rey	Casual Dining
Corfu Restaurant	Casual Dining
Four Seasons Tea Room	Casual Dining
Frontier Hardware Co	Building Materials
Happy's Liquor	Convenience Stores/Liquor
K Petrol	Service Stations
Leonora Moss	Florist Shops
Lucky Baldwins Delirium Café	Casual Dining
Moes Automotive Service Center	Auto Repair Shops
Monsieur Crepe	Casual Dining
Nano Café	Casual Dining
Ohmonah	Family Apparel
Only Place in Town	Casual Dining
Roe Japanese Fusion	Casual Dining
Rt Rogers Brewing Co	Casual Dining
Sierra Madre Pizza Co	Quick-Service Restaurants
Sierra Madre Service Station	Service Stations
South Coast Fire Equipment	Trailers/Auto Parts
Starbucks	Quick-Service Restaurants
Tacos Ensenada Dom	Quick-Service Restaurants
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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	7	11	11	11	13	12	15	11	16	16
Public Safety										
Police										
Officers	17	17	17	17	17	15	11	17	16	17
Civilians	4	7	6	6	7	7	11	5	6	5
Fire	15.2	16	18	19	19	20	16	16	17	18
Public Works	17.5	18	18	19	18	16	16	18	19	19
Development	3.5	4	5	5	5	5	4	4	5	6
Library and Recreation	15.8	13	12	13	14	12	13	12	9	9
Total	80	86	87	90	93	87	86	83	88	90

Source: City of Sierra Madre Finance Department

CITY OF SIERRA MADRE

Operating Indicators by Function

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police										
Number of:										
Physical Arrests	345	327	214	248	223	231	210	178	218	107
Parking Violations	2,976	2,764	1,797	2,596	1,705	1,127	225	1,161	1,243	820
Traffic Violations	1,967	571	727	837	1,210	1,216	1,051	912	824	718
Fire										
Number of:										
Calls Answered	863	970	1,036	1,107	1,102	1,097	1,197	1,088	1,230	1,382
Inspections	2,000	1,739	1,678	2,084	1,687	1,905	1,935	2,012	1,825	1,673
Public Works										
Number of:										
Water Mains Repaired	25	58	550	388	395	374	303	403	391	338
Water service leaks repaired	8	7	19	30	46	62	78	76	77	68
Street resurfacing/repair (SF)	69,000	284,790	-	142,500	454,000	705,270	180,000	136,600	130,000	70,000
Sidewalk Repairs (SF)	4,096	4,605	3,000	4,700	9,500	3,250	6,500	2,000	4,400	11,400
Trees planted	63	-	-	12	16	31	15	15	16	12
Trees pruned	514	37	24	38	43	16	15	47	55	85
Trees removed	30	62	75	75	68	44	50	15	26	19
Sewer cleaned/inspected (LF)	143,711	167,168	186,176	146,000	120,817	98,000	80,000	148,316	50,000	103,000
Sewer Manhole inspected (each)	104	676	620	433	473	380	211	380	210	259
Sewer lines inspected (LF)	330	1,064	1,000	2,045	-	-	-	1,000	-	30,000
Meters replaced	129	168	-	172	507	643	605	106	160	400
Valves exercised	406	284	267	3	-	60	605	600	564	350
Pot holes repaired	188	380	575	657	727	622	-	-	423	600
Water Mains Replaced (LF)	n/a	2,870	1,750	1,200	2,000	5,800	7,095	6,000	5,300	5,000
Recreation and Community Services										
Number of participants:										
Recreation classes	1,730	731	371	271	217	n/a	n/a	n/a	n/a	n/a
Aquatic ⁽¹⁾	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Summer pool memberships	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Annual Events ⁽²⁾										
Movie Series	1,050	1,400	1,500	1,700	1,850	1,900	2,200	1,000	1,500	1,550
Concert Series	4,550	4,835	4,400	4,600	4,800	5,600	5,800	n/a	6,000	4,000
Summer Fun in the Park	320	293	305	265	261	285	291	150	204	89
Huck Finn (campsites)	60	63	63	50	36	48	n/a	-	n/a	n/a
Mt. Wilson Trail Race	350	325	346	337	332	350	n/a	300	349	350
Window Painting	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Halloween Happenings	n/a	150	157	107	115	126	130	200	250	250
Family Night Camping Under the Stars	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	36
Excursions	n/a	n/a	511	477	464	569	262	-	25	37

Data Source: Various City of Sierra Madre Departments

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

	2014	2015	# 2016	2017	2018	2019	2020	2021	2022	2023
Library										
Number of:										
Registered borrowers	11,366	10,530	11,429	11,574	11,098	14,162	10,175	8,787	8,212	8,158
Circulation	79,673	85,779	113,272	97,829	114,432	115,572	97,870	84,675	103,616	108,873
Reference	5,795	6,548	6,493	5,237	5,066	4,868	4,686	4,837	4,626	5,304
Book volumes held	54,663	56,891	47,746	41,680	39,164	40,126	39,949	41,212	43,249	44,780
Use of electronic content	14,173	14,798	17,678	16,612	14,141	17,809	13,954	11,637	32,958	65,035
Media	5,993	6,307	18,238	6,084	5,904	5,892	5,545	5,707	5,708	5,719
Periodicals	95	98	61	95	82	73	71	72	67	61
Municipal Utilities										
Number of:										
Number of Customers										
Commercial	70	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multi-Unit	212	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
City	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Residential	3,424	3,550	3,489	3,565	3,501	3,654	3,624	3,600	3,568	3,594
Non-Residential	n/a	204	195	210	193	163	248	190	215	186
Water Consumption in Units (000's)	n/a	821	667	925	765	741	860	1,179	847	867
Administrative Services										
Number of:										
Number of Customers										
Online Bill Pay (average)	156	211	246	288	333	421	435	965	1,371	1,424
Business Licenses Issued	2,358	1,374	1,276	1,438	1,665	1,584	2,767	1,323	1,347	1,843
Development Services										
Number of:										
Accessory Dwelling Unit Permit	n/a	n/a	n/a	n/a	1	10	24	20	25	22
Conditional Use Permit	5	37	5	6	7	-	-	1	6	2
Minor Conditional Use Permit	10	7	2	5	5	4	1	2	7	4
Design Review							11	13	14	7
Variance	-	1	1	-	-	1	-	-	1	-
Minor Variance	1	1	2	2	-	3	-	-	-	-
Municipal Code Text Amendment	1	6	5	7	-	5	-	7	8	1
Building Permit	249	231	230	274	281	258	320	260	351	333
Electrical Permit	208	159	174	206	223	223	203	215	194	286
Mechanical Permit	130	129	100	128	135	140	117	109	122	133
Plumbing Permit	166	215	194	204	230	191	141	136	130	152
Sewer Permit	26	3	14	23	2	7	3	6	8	7

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,				
		2014	2015	2016	2017	2018
Roadways	Pavement AC (Governmental Funds)	\$ 12,041,539	\$ 11,331,409	\$ 10,731,909	\$ 9,854,028	\$ 9,549,273
Street Appurtenances	Bridges (Governmental Funds)	44,961	38,044	29,591	21,137	12,682
Parks	Park Structures (Governmental Funds)	141,224	133,376	267,258	392,374	371,422
	Trees (Governmental Funds)	155,976	155,976	-	-	-
		1,206,214	1,206,214	1,206,214	1,206,214	1,206,214
Wastewater	Manholes (Sewer)	728,666	701,169	672,551	643,932	615,313
	Sewer Pipelines (Sewer)	2,583,285	2,993,188	2,576,706	2,469,342	2,361,979
Domestic Water Network	Spreading Basins (Water)	1,094,105	1,061,345	1,025,528	989,710	953,893
	Pump Stations (Water)	1,432,546	1,378,488	1,322,223	1,265,958	1,209,694
	Meters (Water)	-	-	-	-	-
	Pipelines (Water)	3,587,725	3,731,255	4,141,639	4,143,901	4,352,079
	Pressure Reducing Stations (Water)	284,152	267,915	250,630	233,345	216,061
	Fire Hydrants (Water)	165,149	155,140	144,440	133,741	123,042
	Wells (Water)	663,561	623,345	580,356	537,366	494,377
	Reservoirs (Water)	13,584,901	13,381,279	13,174,440	12,967,602	12,760,764
Buildings	All					
	Buildings (Water Fund)	135,513	127,300	118,766	110,328	101,799
	Buildings (Sewer Fund)	135,513	127,300	118,813	110,284	101,840
	Buildings (Governmental Funds)	6,147,154	5,733,392	5,642,913	5,409,185	5,175,456
	Buildings (Governmental-ISF Facilities)	-	-	-	-	61,379
Land	All					
	Land (Water Fund)	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250
	Land (Governmental Funds)	162,275,946	162,275,946	162,275,946	162,275,946	162,275,946
General Equipment	All					
	Vehicle & Equipment (Water Fund)	24,555	30,890	59,040	71,118	62,638
	Vehicle & Equipment (Sewer Fund)	336,248	292,587	230,880	169,174	107,464
	Vehicle & Equipment (Governmental Funds)	641,723	541,302	501,492	387,136	555,906
	Vehicle & Equipment (Governmental-ISF fleet)	704,962	591,833	654,076	821,597	745,502
	Software (Governmental-ISF Administration)	363,022	314,619	394,552	333,326	272,087
Right-to-use	All					
	Equipment (Governmental-ISF Funds)	-	-	-	-	-
	Subscription (Governmental Funds)	-	-	-	-	-
	Subscription (Governmental-ISF Funds)	-	-	-	-	-
Total		\$ 209,961,890	\$ 208,676,562	\$ 207,603,213	\$ 206,029,994	\$ 205,170,057

Data Source: Various City of Sierra Madre Departments

Fiscal Year Ended June 30,					
2019	2020	2021	2022	2023	
\$ 10,482,847	\$ 11,776,829	\$ 12,434,068	\$ 13,061,359	\$ 12,785,167	
4,227	-	-	-	-	
350,470	329,873	1,335,386	1,289,681	1,251,585	
-	-	-	-	-	
1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	
586,693	558,074	529,455	500,836	472,217	
2,254,616	2,147,252	2,039,889	1,932,526	1,825,163	
918,075	889,342	928,331	904,256	880,182	
1,153,429	1,097,164	1,040,899	984,634	928,370	
-	-	-	-	-	
5,620,212	5,421,687	5,150,194	5,069,663	9,071,597	
198,776	181,491	164,206	146,921	129,636	
112,343	101,643	90,944	80,245	69,545	
451,387	408,398	783,648	744,588	705,528	
12,553,926	12,347,088	12,140,250	11,933,412	11,726,574	
93,316	84,833	76,349	67,866	59,383	
93,353	84,866	76,380	67,893	59,406	
5,127,521	5,033,771	4,922,200	4,784,529	4,601,102	
60,152	58,924	87,673	202,175	584,119	
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	
54,158	882,988	846,597	810,207	773,816	
45,756	13,039	448,910	504,459	446,451	
1,089,507	1,051,061	1,625,563	1,680,739	1,650,546	
-	-	-	-	-	
210,851	149,613	112,223	72,802	57,583	
-	-	-	10,474	4,573	
-	-	-	-	22,636	
-	-	-	-	25,101	
\$ 206,427,024	\$ 207,583,346	\$ 209,798,576	\$ 209,814,675	\$ 213,095,690	

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