

# Comprehensive Annual Financial Report



City of Sierra Madre, California  
For the Fiscal Year Ended  
June 30, 2015

# Comprehensive Annual Financial Report

## City of Sierra Madre, California

For the Fiscal Year Ended June 30, 2015



**Prepared By the Administrative Services Department**

Marcie Medina, Finance Director

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

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February 12, 2016

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

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

It is our pleasure to present the City of Sierra Madre's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2015. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has the primary responsibility for determining accounting and financial reporting standards for state and local government entities.

This Financial Report is organized into three sections:

1. **Introductory Section** – The introductory section, includes the table of contents, letter of transmittal, a list of the City's elected officials and City administrative personnel and an organization chart.
2. **Financial Section** – The financial section includes the independent auditor's opinion, management's discussion and analysis (MD&A), the basic financial statements, notes to the basic financial statements, and required supplemental information.
3. **Statistical Section** – The statistical section provides schedules designed to reflect financial trends, revenue capacity, debt capacity, demographic and economic information.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). As the cost of internal controls should not exceed anticipated benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Sierra Madre's financial statements have been audited by *Rogers, Anderson, Malody & Scott, LLP*, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sierra Madre for the fiscal year ended June 30, 2015, 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, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sierra Madre's MD&A can be found immediately following the report of the independent auditors.

While traditionally addressed to the governing body of the City, this report is also intended to provide relevant financial information to the citizens of the City of Sierra Madre, City staff, creditors, investors and other concerned readers. We encourage all readers to contact the Finance Department with any questions or comments concerning this report.

### ***City Profile***

The City of Sierra Madre is located in Southern California and is part of the San Gabriel Valley within Los Angeles County. More specifically, Sierra Madre is located 12 miles northeast of the City of Los Angeles nestled against the foothills with Pasadena to the West and Arcadia to the South and East. The City was incorporated in 1907, under the laws of the State of California. Sierra Madre operates under all the rights and privileges applicable to a general law city under a Council-Manager form of Government.

Under the council-manager form of government, the five-member elected at-large governing body, the City Council, is responsible for establishing policy, passing local ordinances, voting appropriations, and developing an overall vision for the City of Sierra Madre. Under such a government, the Mayor performs primarily ceremonial duties and is the presiding officer of the City Council. Selection of the Mayor and Mayor Pro-Tem is done annually in April through a Council nomination and vote.

The City Council then appoints a City Manager to oversee the daily operations of the government and implement the policies established by the governing body. The City Manager serves the governing body, often with an employment agreement or contract that specifies his or her duties and responsibilities.

The City of Sierra Madre is a full-service city with approximately 61 full time employees consisting of nine departments, including a full Police Department and a hybrid paid-volunteer Fire Department. Volunteers are an integral part the City organization and community service clubs.

The City has a population of approximately 11,000 residents. The City has roughly 4,400 parcels and provides water and/or sewer utility services to about 3,800 customers.

The Sierra Madre Financing Authority was established in 1972. The purpose of the Authority is to act as a vehicle for various financing activities of the City and the Successor Agency. The bylaws of the Authority establish the City Council as the governing body. This entity is blended into the City's combined financial statements.

### ***Economic Condition and Outlook***

The City is a full service municipality operating with a \$23 million budget that funds 61 full-time employees assigned to nine operating departments and includes its own water and sewer utilities. The City's primary goal is to provide services to its residents and businesses. As in all service industries, personnel expense is the primary business cost. For more than a decade the City of Sierra Madre had maintained expenditures under the available resources, but this has not always been easy. Like most governments since the recent recession, Sierra Madre has received relatively flat revenues despite increases in insurance, pension, and other cost drivers. In order to provide a balanced budget, the City expenditures have had to be re-benchmarked lower each budget year to remain aligned

with incoming revenues. In addition to the impacts of the five year recession, in FY 2011-2012, the State dissolved redevelopment and the General Fund was faced with absorbing most of these costs.

For FY 2013-2014 the City further reduced its staffing through attrition, resulting in a decrease of an additional two full-time employees. In addition, filling vacant positions was delayed to further increase cost savings. This resulted in the delay of some projects and programs. In FY 2014-2015, the City continued cost reductions by conducting a staff reorganization with savings of about \$180,000. The City also capped management benefits, reduced library contracts, community events and senior programming in order to incur cost savings.

Over the last decade, the Los Angeles and California housing economy experienced the 2004 housing boom and the 2008 housing market crash. During the last seven years, unlike most of Los Angeles County, Sierra Madre's housing market, while not experiencing great gains has not had a negative growth.

The median sale price of a single family home in Sierra Madre for 2015 was \$821,500. This represents a \$34,500 (4.4%) increase in median sale price from 2014. Los Angeles County (as a whole) has a median sale price of \$500,000, a \$40,000 (8.7%) increase from last year. Consumer Price Indexes (CPI) for the last year has increased by 1.525%; lower than the two (2) percent of Proposition 13. Therefore, it is likely that Los Angeles Assessor's office will be applying a countywide adjustment of less than 1.6 percent to next year's tax rolls.

The UUT is the City's second largest General Fund revenue source. (Property Taxes are the largest General Fund revenue source.) In 2008, the voters approved an increase in the UUT from 6% to 12% over a three year period. However, the UUT rate never exceeded 10%, pursuant to formal City Council action. The 2008 initiative called for a sunset (or decrease) of the UUT rate, and the City realized the first loss of revenue from this sunset clause on July 1, 2015 when the UUT was reduced from 10% to 8%; on July 1, 2016, the UUT will be further reduced to 6% where it will remain unless changed by voter action. The resulting total estimated loss in General Fund revenue is approximately \$1 million. It is important to keep in mind that the 2008 UUT increase was used to help pay for the cost of increases in pay for the Police Association members, and for the continuation of the Paramedic Program. Going forward to today, the City continues to pay the increased wages and maintains the Paramedic Program, but the additional UUT revenue will no longer be received. To summarize, the resulting loss of revenue is estimated to be \$1 million.

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

- Designed a Drought Resistant Landscaping Plan for the Civic Center in partnership with the Sierra Madre Garden Club, FormLA, Sierra Madre Community Foundation, and Sierra Madre Girl Scout Troop 2991.
- Implemented an extensive community outreach program in light of the sunset of the UUT.
- Implemented online payments for utility billing.
- Capped health care benefits for employees estimated saving of \$125,000 over five year period.
- Designed a new City website.
- Created a new branding logo.
- Tied for first place for website/social media transparency in LA County.
- Updated the Publicity Policy to allow non-profits to post on City social media in electronic mailings.
- Completed the 2014 Senior Master Plan Scorecard.
- Created an addendum to the YMCA Lease Agreement at the Community Recreation Center to expand enrichment and fitness based programming at the facility in 2015.
- Expand daily programming at the Hart Park House Senior Center to include enrichment based services, such as, memory enhancement, case management, technology education, dance classes and monthly special activities.
- Expanded the Compost Giveaway event with annual dates in spring and fall.
- Extended the transportation contract with First Transit and modified service hours of the Gateway Coach fixed route and Dial-A-Ride programs to better serve the community.
- Partnered with the Downtown Repertory Theater to provide Shakespeare in the Park for the 2015 summer session.

- Secured title sponsors to cover the Fourth of July parade entry costs, allowing the elimination of registration costs for parade entries.
- Installed new park signage at Memorial Park and the Hart Park House Senior Center.
- Partnered with Athens Services and identified locations for dog waste stations at all City parks.
- Worked with a local scout to refurbish the wood picnic benches at Sierra Vista Park and Memorial Park for Eagle Scout project.
- Partnered with the Rotary Club of Sierra Madre and introduced the first World Day event which focused on conservation and education on water resources in 2015.
- Increased sponsorship levels for the Concert in the Park series, increasing the number of concerts for the summer season.
- Renewed lease for Aquatics Center increasing lease payments to the City by \$1,000 per month.
- Acquired a grant from Los Angeles County Department of Health Services for the purchase of electronic Patient Care Reporting (ePCR) equipment.
- Entered into agreement with Monrovia and Arcadia for the service of Battalion Chief Coverage.
- Completed and instituted a new Fire Policy Manual that is distributed online to all members and Department.
- Established a four-week training program for newly hired Fire recruits.
- Established an Earthquake Awareness Fair to provide residents with the necessary safety information in the event of an earthquake.
- Implemented City-wide reorganization for a savings of \$180,000.
- Began hosting annual employee benefit fair and health screenings.
- Began implementation of updated integrated Library System.
- Created and installed Digital Storyboards both in the Library and Richardson House to display local history photographs and artifacts.
- Formed Library Facilities Master Plan Committee to assess library structure and develop Library Facility Master Plan document; RFP for a Library Facility Condition Assessment is underway.
- Re-opened Local History Room to the public; created study space and increased public access to the Local History Collection.
- Draft EIR for the General Plan was reviewed by the Planning Commission at a public hearing and presented to the public for the 45 day comment period.
- Adopted "Water Meter" Building Moratorium.
- Adopted Demolition Moratorium and Ordinance.
- Granted Local Historic Landmark status to the Bulmer Farmhouse at 390 Olive Tree Lane.
- Adopted amendments to R-1 single –family residential standards, to address problematic development standards and to minimize impacts of bulk, mass, and scale of homes.
- Implemented the "Volunteers on Patrol" program.
- Instituted the Community Service Officer program providing additional personnel paid by the State Cops Grant.
- Updated legacy Police radio system to a new county wide ICIS system.
- Updated Police Records and Communications Software.
- Increased police volunteers for 18-20.
- Received new portable radios for police personnel under a county wide grant.
- Trained volunteers to direct traffic at community events.

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

On June 23, 2015, the City Council adopted the Budget, which includes a comprehensive set of financial policies and procedures. It is established that the budget should be adopted on an annual basis prior to the beginning of the budget cycle. The budgets are adopted on a basis that does not materially differ from Generally Accepted Accounting Principles (GAAP).

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

***Independent Audit***

The City requires an annual audit by independent certified public accountants. The accounting firm of *Rogers, Anderson, Malody & Scott, LLP*, Certified Public Accountants, conducted this year's audit. The auditor's report on the basic financial statements, which include the government-wide and fund financial statements, is located in the financial section of this report.

***Acknowledgements***

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

Respectfully submitted,

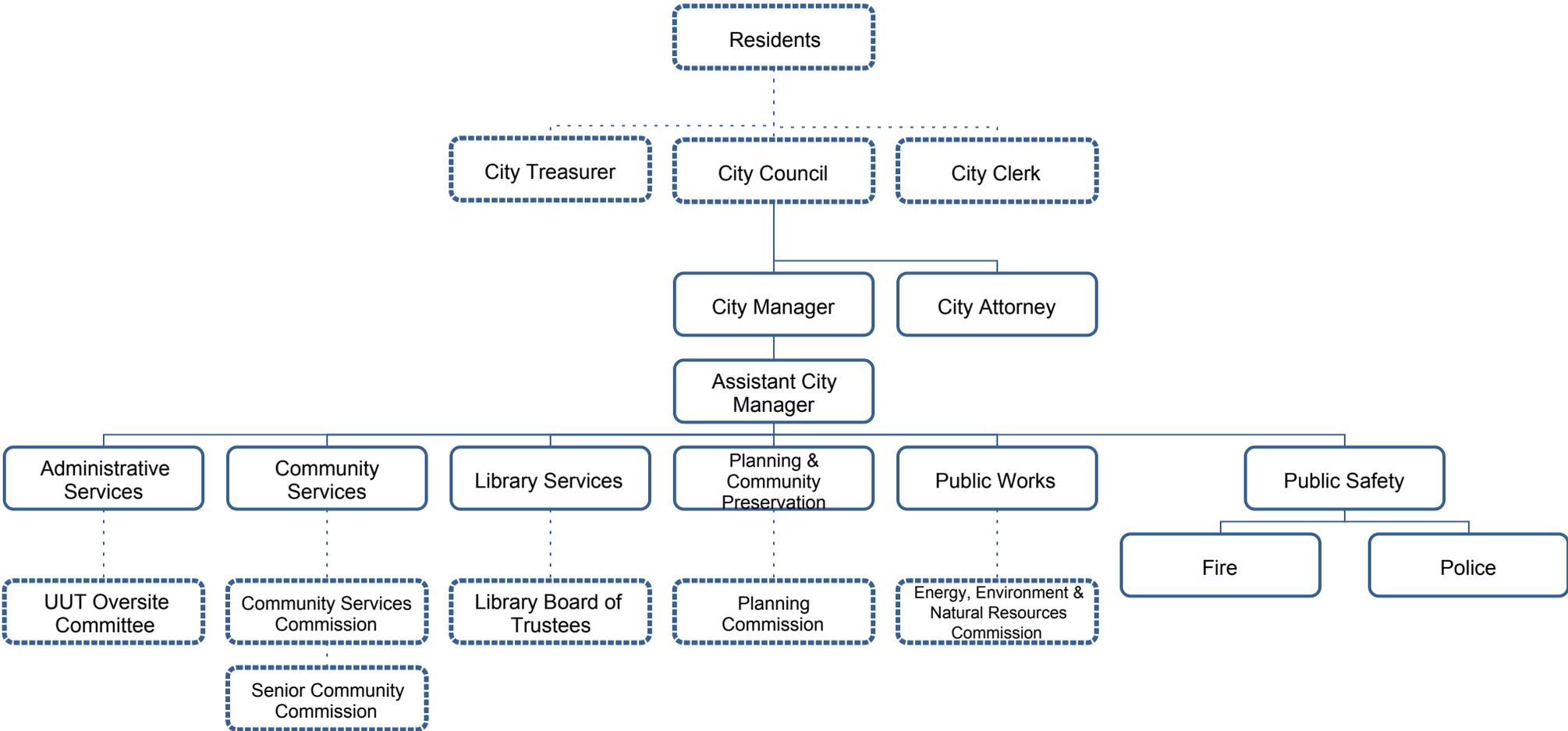


Elaine Aguilar  
City Manager



Marcie Medina  
Finance Director

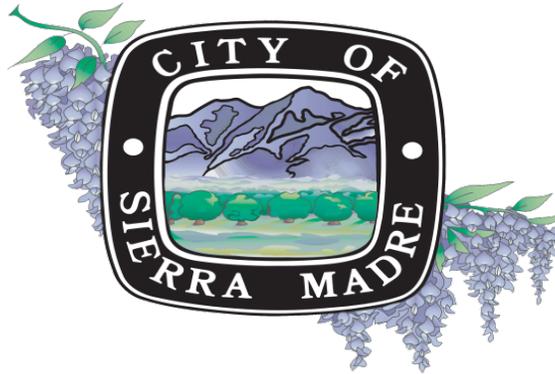
# City of Sierra Madre Organizational Chart



# City of Sierra Madre, California

*Village of the Foothills*

## Comprehensive Annual Financial Report



For the Year Ending June 30, 2015

Sierra Madre, California

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

John Capoccia

Gene Goss

Rachelle Arizmendi

Denise Delmar

John Harabedian

Nancy Shollenberger

Richard Mays

Mayor

Mayor Pro Tempore

Council Member

Council Member

Council Member

City Clerk

City Treasurer

### **Executive Management**

Elaine Aguilar

Elisa Cox

Terri Highsmith

Marcie Medina

Vincent Gonzalez

Steve Heydorff

Antoinette Buckner

Larry Giannone

Bruce Inman

City Manager

Assistant City Manager

City Attorney

Finance Director

Planning and Community Preservation Director

Fire Chief

Interim Director of Library Services

Director of Public Safety

Public Works Director

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

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

## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sierra Madre, California (the City), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

#### PARTNERS

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

#### DIRECTORS

Bradferd A. Welebir, CPA, MBA

#### MANAGERS / STAFF

Jenny Liu, CPA, MST  
Seong-Hyea Lee, CPA, MBA  
Charles De Simoni, CPA  
Nathan Statham, CPA, MBA  
Brigitta Bartha, CPA  
Gardenya Duran, CPA  
Juan Romero, CPA  
Ivan Gonzales, CPA, MSA  
Brianna Pascoe, CPA  
Daniel Hernandez, CPA, MBA  
Ryan Smith, CPA

#### MEMBERS

American Institute of  
Certified Public Accountants

*PCPS The AICPA Alliance  
for CPA Firms*

*Governmental Audit  
Quality Center*

California Society of  
Certified Public Accountants

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sierra Madre, California, as of June 30, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

#### *Change in Accounting Principle*

As discussed in Note 1 of the financial statements, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

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

The combining and individual nonmajor fund financial statements and nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the nonmajor fund budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2016, on our consideration of the City of Sierra Madre, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sierra Madre, California's internal control over financial reporting and compliance.

*Rogers, Anderson, Malody & Scott, LLP*

San Bernardino, California  
February 12, 2016

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Management's Discussion and Analysis For the Year Ending June 30, 2015**

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**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2015**

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the City of Sierra Madre ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2015. 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**

- The City implemented the Government Accounting Standards Board Statement No. 68, "Accounting and Financial Reporting for Pensions." (GASB68) and Governmental Accounting Standards Board Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date— an amendment of GASB Statement 68" (GASB71), which resolves transition issues in GASB 68. As a result of the implementation of these standards, the City recorded a net pension liability in the amount of \$ 9,021,416 and deferred outflows and inflows of resources in the amount of \$1,170,525 and \$2,192,514, respectively. GASB 68 also resulted in net position and fund balances restatements due to the change in accounting principle.
- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2015 by \$ 208,491,190 (net position). Of this amount, \$198,531,086 is net investment in capital assets, \$7,201,339 is restricted for various programs and \$2,758,765 represents unrestricted net position.
- The City's governmental activities net position decreased \$8,503,952. This was due to prior period adjustments, changes in accounting principles, and current change in net position for fiscal year ended June 30, 2015 of \$65,091 or 0 percent. Net position of the business-type activities decreased by \$1,354,460 also due to prior period adjustments, changes in accounting principles, and current change in net position of \$1,685, or 0 percent. Additional information on prior period reinstatements can be found in the notes to the basic financial statements.
- During the year, the City's General Fund reserves increased by \$1,008,334, or 15.6 percent, and total governmental funds reserves increased \$840,632, or 7.5 percent.
- In the City's proprietary funds: The Water Fund net position decreased by \$825,816 due to prior period adjustments, changes in accounting principles, and current change in net position of \$22,010 or .1 percent; the Sewer Fund decreased \$653,986, the current change in net position was a decrease of \$145,667 or 3.2 percent and the additional decrease was due to changes in accounting principles; Non-Major Enterprise Funds increased \$125,342; and total Internal Service Funds decreased \$1,825,266. Additional information on prior period adjustments and changes in accounting principles can be found in the notes to the basic financial statements.

**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

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support the basic financial statements themselves.

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of Sierra Madre's finances, in a manner similar to the private sector business. These statements are designed to provide information about the activities of the City as a whole and present a longer-term view of the City's finances. The statements are prepared using the accrual basis of accounting which considers money available when earned and considers money spent when a liability is incurred. As such, this basis of accounting focuses on measuring economic resources that are available to the City regardless of the timing of the availability of those resources. The accrual basis of accounting is similar to that used by most private sector companies.

Accordingly, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Additionally, these statements reflect the capitalization and depreciation of infrastructure and other capital assets (e.g., buildings, vehicles, and equipment, etc.) as well as the recognition of various long-term liabilities (e.g., bonds payable, accrued employee benefits, claims and judgments payable, etc.).

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

The statement of activities presents information showing how the City of Sierra Madre's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

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

The government-wide financial statements include the City and its component units. As stated in Note 1.a. of the notes to the financial statements, the inclusion of an organization within the scope of the reporting entity of the City of Sierra Madre, as either blended or separately shown, is based on the provisions of GASB Statement No. 14 *the Financial Reporting Entity*.

The *government-wide* financial statements can be found on pages 23 through 25 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

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responsibilities for using certain taxes, grants, and other resources, prudent fiscal management requires the establishment of other funds to help control and manage money. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

**Governmental funds:** Most of the City's basic services are reported in governmental funds, which focus on how money flows in and out of those funds and the balances left at year-end that are available for spending. The governmental fund financial statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs. The differences between the results in the governmental fund financial statements and those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement (see pages 23 through 25, 27 and 29 of this report).

The City maintains 48 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund and the Low & Moderate Income Housing Asset Fund, of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is 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 96 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 30 through 32 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.

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Internal Service funds by contrast are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for Vehicle/Equipment Replacement and Maintenance, Facilities Maintenance, City Administration, and Information Technology (IT), Personnel/Risk Management (previously Workers Compensation and Self Insurance funds), and General Plan/Housing Update. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

Internal Service funds are presented as proprietary funds because both enterprise and internal service funds follow the accrual basis of accounting. However, because these services predominantly involve governmental rather than business-type activities, this fund type has been included within Governmental Activities in the government-wide financial statements.

***Fiduciary funds:*** The City is the trustee, or fiduciary, for certain funds held as a conduit or clearinghouse, established to account for assets (usually cash) received for and paid to other funds, individuals, or organizations. The assets thus received are usually held very briefly. The City has Agency Funds to account for the payment of various employee benefits and deductions including, but not limited to, health and dental insurance premiums, federal and state withholding taxes and various other items that are withheld from regular compensation. The City has a Private Purpose Trust Fund for recording the financial activities of the Successor Agency as it relates to the dissolution of the Community Redevelopment Agency.

The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position found on pages 33 through 34. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**Notes to the Financial Statements**

The notes provide additional information that is essential to obtain a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 37 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 OPEB Schedule of Funding Progress. Required supplementary information can be found on pages 87 through 96 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information captioned supplementary schedules. Combining and individual fund statements and schedules can be found on pages 98 through 174 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.

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**The Statement of Net Position and the Statement of Activities**

As noted earlier, the Statement of Net Position and the Statement of Activities report information about the City as a whole and about its activities. These statements include all assets, liabilities and deferred outflows/inflows of resources of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies.

These two statements report the City's net position and changes in them. Net position is the difference between assets, liabilities and deferred outflows/inflows of resources, which is one way to measure the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the City's property tax base and the condition of the City's infrastructure, such as City wells and reservoirs construction/replacements, street maintenance/repairs, and building maintenance/ improvements.

In the Statement of Net Position and the Statement of Activities, City activities are separated as follows:

**Governmental activities** – The majority of the City's basic services are reported in this category, including Administrative Services, Police, Fire, Public Works, Planning and Development Services, Parks and Recreation, and the Library. Revenues such as property taxes, sales taxes, utility user taxes, franchise fees, and other state and federal funds finance these activities.

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

**Government-wide Financial Analysis**

Our analysis focuses on the City's net position (Table 1) and the changes in net position (Table 2) as a result of the City's activities. Comparative total data for the prior year has been presented. An analysis of the significant increases/decreases from the prior year is provided after each table.

**Net Position:** Net Position, the difference between a government's assets 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 (95%) 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 \$208,491,190 at the close of the most recent fiscal year as compared to the net position of \$218,349,602 in fiscal year 2013-14.

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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2015	2014	2015	2014	2015
<u>Assets:</u>						
Current and Other Assets	\$ 15,191	\$ 16,418	\$ 5,572	\$ 5,671	\$ 20,763	\$ 22,089
Non-Current Assets	2,105	2,042	-	-	2,105	2,042
Capital Assets	183,566	182,322	26,239	26,355	209,805	208,677
TOTAL ASSETS	200,862	200,782	31,811	32,026	232,673	232,808
<u>Deferred Outflows of Resources:</u>	-	1,018	-	152	-	1,170
<u>Liabilities:</u>						
Current and Other Liabilities	1,676	1,522	887	1,746	2,563	3,268
Non-Current Liabilities	2,003	9,692	9,757	10,335	11,760	20,027
TOTAL LIABILITIES	3,679	11,214	10,644	12,081	14,323	23,295
<u>Deferred Inflows of Resources:</u>	-	1,907	-	285	-	2,192
<u>Net Position:</u>						
Net investment in capital assets	183,026	181,862	15,964	16,669	198,990	198,531
Restricted	13,952	6,052	1,150	1,149	15,102	7,201
Unrestricted	205	765	4,053	1,994	4,258	2,759
TOTAL NET POSITION	\$ 197,183	\$ 188,679	\$ 21,167	\$ 19,812	\$ 218,350	\$ 208,491

**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 \$3 million, or 1.5 percent; and total expenses increased by \$2.7 million, or 18.3 percent.

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TABLE 2  
 CHANGES IN NET POSITION  
 (In Thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2015	2014	2015	2014	2015
<u>Revenues:</u>						
Program Revenues:						
Charges for Services	\$ 3,526	\$ 2,374	\$ 4,979	\$ 5,498	\$ 8,505	\$ 7,872
Operating Grants and Contributions	1,237	1,072	-	-	1,237	1,072
Capital Grants and Contributions	-	-	259	243	259	243
General Revenues:						
Taxes	8,217	8,435	-	-	8,217	8,435
Investment Income	11	12	7	6	18	18
Other Sources	(854)	-	-	-	(854)	-
<b>TOTAL REVENUES</b>	<b>12,137</b>	<b>11,893</b>	<b>5,245</b>	<b>5,747</b>	<b>17,382</b>	<b>17,640</b>
<u>Expenses:</u>						
General Government	743	1,581	-	-	743	1,581
Public Safety	5,525	5,501	-	-	5,525	5,501
Public Works	1,499	2,256	-	-	1,499	2,256
Development	993	1,089	-	-	993	1,089
Culture and Recreation	1,407	1,326	-	-	1,407	1,326
Interest Expense	24	21	-	-	24	21
Water	-	-	3,542	4,627	3,542	4,627
Sewer	-	-	844	939	844	939
Recreation Services	-	-	132	114	132	114
Strike Team	-	-	93	101	93	101
Filming	-	-	55	18	55	18
<b>TOTAL EXPENSES</b>	<b>10,191</b>	<b>11,774</b>	<b>4,666</b>	<b>5,799</b>	<b>14,857</b>	<b>17,573</b>
Excess (deficiency) in net position before transfers and extraordinary item	1,946	119	579	(52)	2,525	67
Transfers	(4)	(54)	4	54	-	-
Increase (decrease) in net position	1,942	65	583	2	2,525	67
Net position, beginning of year, as restated	195,241	188,614	20,584	19,810	215,825	208,424
<b>Net position, end of year</b>	<b>\$197,183</b>	<b>\$188,679</b>	<b>\$ 21,167</b>	<b>\$19,812</b>	<b>\$ 218,350</b>	<b>\$ 208,491</b>

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**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, culture and recreation, and interest on long-term debt – as well as, each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

TABLE 3  
NET COST OF GOVERNMENTAL ACTIVITIES  
(In Thousands)  
As of June 30, 2015

	Total Cost of Services	Total Program Revenues	Net Cost of Services
General Government	\$ 1,581	\$ 565	\$ (1,016)
Public Safety	5,501	725	(4,776)
Public Works	2,256	926	(1,330)
Development	1,089	886	(203)
Culture and Recreation	1,326	344	(982)
Interest Expense	21	-	(21)
	<u>\$ 11,774</u>	<u>\$ 3,446</u>	<u>\$ (8,328)</u>

**THE CITY'S FUNDS**

**Financial Analysis of the Government's Funds**

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. The following financial analysis is performed only for the governmental (Table 4) and proprietary funds (Table 5). The fiduciary funds are excluded from this analysis as they do not represent resources available to the City.

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

	REVENUES		EXPENDITURES		TRANSFERS & EXTRAORDINARY GAINS/(LOSSES)		TOTAL CHANGE IN FUND BALANCE	
	2014	2015	2014	2015	2014	2015	2014	2015
General Fund	\$ 9,270	\$ 9,216	\$ 7,746	\$ 7,488	\$ (1,028)	\$ (720)	\$ 496	\$ 1,008
Low/Mod Income Housing Fund	-	-	-	-	-	-	-	-
Other Governmental Funds	3,745	2,672	3,644	3,512	621	672	722	(168)
TOTAL	<u>\$13,015</u>	<u>\$11,888</u>	<u>\$11,390</u>	<u>\$11,000</u>	<u>\$ (407)</u>	<u>\$ (48)</u>	<u>\$ 1,218</u>	<u>\$ 840</u>

**Governmental Funds:** Based upon the audited Statement of Revenues, Expenditures and Changes in Fund Balance, the total fund balance of the City's General Fund increased by approximately \$1 million in FY 2014-2015. General Fund revenues decreased by approximately \$54,000, or .5 percent; expenditures decreased by approximately \$258,000, or 3.3 percent; and net transfers out decreased by approximately \$308,000, or 29.9 percent. Other governmental funds decreased total fund balance by about \$168,000 in FY 2014-2015.

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At June 30, 2015, the fund balance for the General Fund was \$7,454,668; however the City Council has committed and assigned certain amounts adjusting the unassigned fund balance to \$1,021,355.

TABLE 4-a

FUND BALANCES FOR GENERAL FUND

General Fund Reserves for the Year Ending June 30, 2014	\$	6,446,334
Total Revenue		9,216,556
Total Expenditures		7,487,915
Net Budgeted Transfers, In/(Out)		(720,307)
General Fund Reserves for the Year Ending June 30, 2015	\$	<u>7,454,668</u>
<i>Nonspendable</i>		
	\$	19,535
<i>Committed Reserves</i>		
IT Master Plan		25,000
Website Redesign		25,000
CAJPIA Retrospective Claims		125,000
Integrated Library System		25,000
NPDES		213,500
Public Safety/City Hall Roofs		160,000
Exterior Library Paint		35,000
Street Resurfacing or Replacement		404,000
Ambulance Purchase		184,000
City Parking Lot Maintenance		45,000
Emergency Management & Response		39,000
<i>Assigned Reserves</i>		
50% of operating revenues for cashflows - reserve policy		4,608,278
Subsequent year's budget appropriation of fund balances		525,000
<i>Unassigned Reserves</i>		1,021,355

The unassigned General Fund reserves were accumulated over time. The total unassigned General Fund reserves increased mainly as a result of a reduction of expenditures that do not occur on an annual basis, such as election expenses and additional funding of OPEB. The unassigned General fund reserves are the result of:

- Fluctuations in assigned reserves (50% of annual operating revenues per the City's fund balance policy);
- Council authorized changes in committed reserves (setting aside funds for designated purposes); and
- Year End operating surpluses/deficits.

The City of Sierra Madre has appropriated \$525,000 of unassigned surplus funds for spending in the 2015-16 fiscal year budget. This action was taken as an additional measure to mitigate the impact of the 2% sunset of the Utility User's Tax on July 1, 2015. The \$525,000 was the projected surplus for FY 2014-2015. The Historical trends of the General Fund reserves can be seen in the Statistical Section located at the end of the financials.

**Business-Type Funds:** As shown in the Statement of Revenues, Expenses, and Changes in Net Position, the Enterprise Funds had a total change in net position of \$1,685, or 0.00 percent for the current year. The Water fund had an increase in net position of approximately \$22,000, or .14 percent; and the Sewer Fund had a decrease in net position of approximately \$146,000, or 3.22 percent. At the close of FY 2014-2015, the total net change in net position of the City's Internal Service Funds was a decrease of \$1,077,808. The decrease was mainly due to retirement of capital assets, buildings and streets, with the street replacements capitalized as general assets.

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

	REVENUES		EXPENSES		CONTRIBUTIONS & TRANSFERS		TOTAL CHANGE IN NET POSITION	
	2014	2015	2014	2015	2014	2015	2014	2015
Water	\$ 4,110	\$ 4,621	\$ 3,542	\$ 4,613	\$ -	\$ 14	\$ 568	\$ 22
Sewer	745	808	844	954	-	-	(99)	(146)
Other Enterprise Funds	389	318	279	233	4	40	114	125
<b>TOTAL</b>	<b>\$5,244</b>	<b>\$5,747</b>	<b>\$4,665</b>	<b>\$5,800</b>	<b>\$ 4</b>	<b>\$ 54</b>	<b>\$ 583</b>	<b>\$ 1</b>
Governmental Activities- Internal Service Funds	\$ 3,986	\$ 4,325	\$ 4,513	\$ 5,396	\$ 1,090	\$ (6)	\$ 563	\$(1,077)

**Capital Assets and Debt Administration**

**Capital Assets**

The City of Sierra Madre investment in capital assets for its governmental and business-type activities as of June 30, 2015, amounts to \$208,676,561 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, sewer lines, and the water distribution system.

TABLE 6  
CAPITAL ASSETS (net of depreciation)  
(In Thousands)

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2014	2015	2014	2015	2014	2015
Land	\$ 162,276	\$ 162,276	\$ 1,483	\$ 1,483	\$ 163,759	\$ 163,759
Trees	1,206	1,206	-	-	1,206	1,206
Structures and improvements	6,444	5,650	271	254	6,715	5,904
Machinery and equipment	1,720	1,524	405	362	2,125	1,886
Infrastructure	11,919	11,666	24,080	24,255	35,999	35,921
<b>TOTAL</b>	<b>\$ 183,565</b>	<b>\$ 182,322</b>	<b>\$ 26,239</b>	<b>\$ 26,354</b>	<b>\$ 209,804</b>	<b>\$ 208,676</b>

Major capital asset events during the fiscal year included the following:

- Street replacement projects at a cost of \$337,587.
- Water pipelines replacement projects at a cost of \$704,536.
- Sewer pipelines replacement projects at a cost of \$212,657.

Additional information on the City of Sierra Madre's capital assets can be found in Note 5 on pages 52 through 53 of this report.

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**Debt Administration**

At the end of FY 2014-2015, the City had total long-term debt outstanding of \$8,590,000 (of which \$425,000 is due in FY 2015-2016) for the Water Revenue Bonds. In addition, the Water Fund has an interest free loan from the San Gabriel Valley Municipal Water District, with an outstanding balance of \$874,125 (of which \$145,688 is due in FY 2015-2016) at June 30, 2015.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide debt as of June 30, 2015 was \$681,349 (of which \$124,221 is due in FY 2015-2016). Additional information on the City's long-term debt can be found in Note 6 of the Financial Statements (pages 54 through 58).

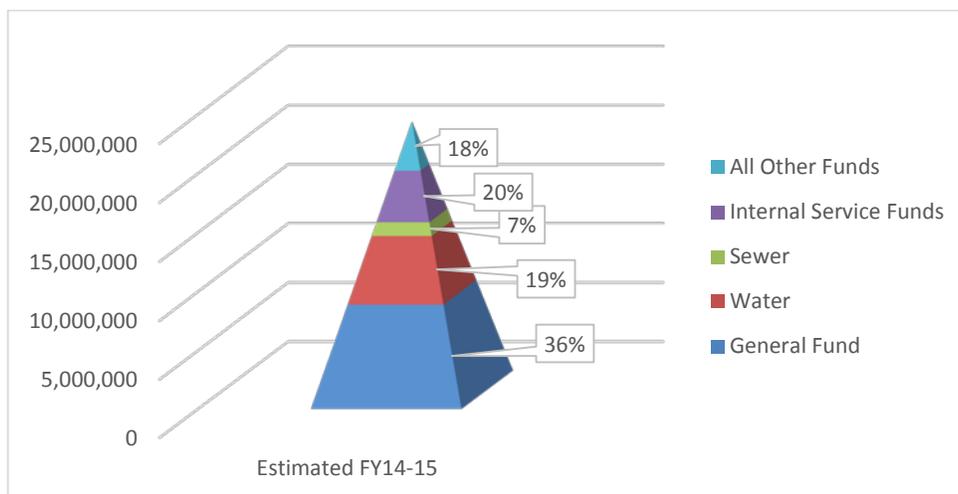
**Economic Condition and Budget Outlook**

The City is a full service municipality operating with a \$23 million budget that funds 61 full-time employees assigned to nine operating departments and includes its own water and sewer utilities. For more than a decade the City of Sierra Madre had maintained expenditures under the available resources, but this has not always been easy. Like most governments since the recent recession, Sierra Madre has received relatively flat revenues despite increases in insurance, pension, and other cost drivers. In order to provide a balanced budget, the City expenditures have had to be re-benchmarked lower each budget year to remain aligned with incoming revenues. In addition to the impacts of the five year recession, in FY 2011-2012, the State dissolved redevelopment and the General Fund was faced with absorbing most of these costs.

For FY 2013-2014 the City further reduced its staffing through attrition, resulting in a decrease of an additional two full-time employees. In addition, filling vacant positions was delayed to further increase cost savings. This resulted in the delay of some projects and programs. In FY 2014-2015, the City continued cost reductions by conducting a staff reorganization with savings of about \$180,000. The City also capped management benefits, reduced library contracts, community events and senior programming in order to incur cost savings.

**General Fund**

The City's largest fund is the General fund and its revenues are approximately \$9 million. It provides the resources necessary to sustain the day-to-day activities and services to the community. All nine departments receive support from the General Fund, either directly or indirectly in the form of subsidies (recorded as Transfers Out in the financials) or cost allocation (overhead). The General Fund supports more than half of the City's total personnel costs and supports 36% of the City's operations (see chart below).



**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2015**

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The City of Sierra Madre, with a population of approximately 11,000, is primarily a residential community. Its small size and quiet neighborhoods provide a small town atmosphere the residents are proud to maintain. This, however, does not lend itself to a commercial base; thus, the City receives its significant support from property tax and utility user tax (UUT). At fiscal year ending June 30, 2004, Property Tax and VLF/Property Tax backfill constituted over 58% of the City's General Fund resources, UUT was 17%, Franchise Fees were 6%, and all other revenues combined were 19%. Today that same ratio has changed to reflect: 55% Property Tax and VLF/Property Tax Backfill; 27% Utility User Tax and 18% other sources which includes Franchise fee, Sales Tax, and Business Licenses.

Over the last decade, the Los Angeles and California housing economy experienced the 2004 housing boom and the 2008 housing market crash. During the last seven years, unlike most of Los Angeles County, Sierra Madre's housing market, while not experiencing great gains has not had a negative growth. In fiscal year ending June 30, 2015, the City property tax revenue was \$5,082,813. This amount includes, property tax in-lieu of VLF and the former redevelopment agency residual taxes. The decrease of \$111,100 over FY 2013-2014 was the due to a decrease of the former Redevelopment residual taxes by \$241,471.

The median sale price of a single family home in Sierra Madre for 2015 was \$821,500. This represents a \$34,500 (4.4%) increase in median sale price from 2014. Los Angeles County (as a whole) has a median sale price of \$500,000, a \$40,000 (8.7%) increase from last year. Consumer Price Indexes (CPI) for the last year has increased by 1.525%; lower than the two (2) percent of Proposition 13. Therefore, it is likely that Los Angeles Assessor's office will be applying a countywide adjustment of less than 1.6 percent to next year's tax rolls.

Since 2008, the voter increase in the Utility User Tax (UUT) has resulted in making this funding source an important resource to meet the City's needs. The increased UUT revenues were linked to increases in public safety services, the Paramedic Program and public safety salaries, through a 2008 voter advisory measure. As a result, the UUT has provided the necessary funding to allow for salary increases to the Police Association and to continue to deliver Paramedic Services to the community.

The City's legal maximum taxable rate was 12% for FY 2011-2012 through FY 2013-2014. However, pursuant to formal City Council action, the UUT rate never exceeded 10%. On July 1, 2015, the City's taxable rate is 8% due to a sunset clause in the 2008 UUT ordinance which was not extended in April 2012 or in April 2014 by the voters. Without an extension to the 2008 UUT ordinance, the UUT collection rate will be diminishing to 6% on July 1, 2016. This resulting loss of revenue is estimated to be \$1 million.

**Water Fund**

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

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

In FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. The new rates have been in effect since March 2014. The rate study estimates that the fund balance would be trending upward. However, the rate study did not take into account the additional water conservation due to

**CITY OF SIERRA MADRE**  
**Management's Discussion and Analysis**  
**For the year ended June 30, 2015**

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the drought and City and State mandated water conservation, and the full cost of purchased water. Another factor in the fund balance not increasing as estimated was the cost of maintenance and improvements.

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

**Sewer Fund**

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

**Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City of Sierra Madre's finances and to show the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at the City of Sierra Madre, 232 West Sierra Madre Boulevard, Sierra Madre, California, 91024.

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Basic Financial Statements For the Year Ending June 30, 2015**

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**CITY OF SIERRA MADRE**

**Statement of Net Position**

**June 30, 2015**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
<b>Current assets:</b>			
Cash and investments	\$ 15,895,807	\$ 3,594,985	\$ 19,490,792
Restricted cash and investments with fiscal agents	-	1,149,456	1,149,456
<b>Receivables:</b>			
Accounts	147,800	629,671	777,471
Taxes	325,803	-	325,803
Interest	5,145	-	5,145
Due from other governments	11,992	-	11,992
Prepays	31,872	297,074	328,946
Total current assets	<u>16,418,419</u>	<u>5,671,186</u>	<u>22,089,605</u>
<b>Noncurrent assets:</b>			
<b>Net other post-employment benefits (OPEB) asset</b>			
	358,844	-	358,844
Land held for resale	1,682,998	-	1,682,998
<b>Capital assets:</b>			
Non-depreciable assets	163,482,159	1,483,250	164,965,409
Depreciable assets-net	18,839,951	24,871,201	43,711,152
Total noncurrent assets	<u>184,363,952</u>	<u>26,354,451</u>	<u>210,718,403</u>
Total assets	<u>200,782,371</u>	<u>32,025,637</u>	<u>232,808,008</u>
<b>Deferred Outflows of Resources:</b>			
Pension related	1,018,357	152,168	1,170,525
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts payable	498,662	926,653	1,425,315
Accrued payroll and related liabilities	357,893	73,311	431,204
Interest payable	7,093	73,543	80,636
Deposits and retentions	258,026	39,617	297,643
Claims payable - current	197,000	-	197,000
Compensated absences - current	119,252	21,775	141,027
Capital lease payable - current	83,788	40,433	124,221
Loan payable - current	-	145,688	145,688
Bonds payable - current	-	425,000	425,000
Total current liabilities	<u>1,521,714</u>	<u>1,746,020</u>	<u>3,267,734</u>
<b>Noncurrent liabilities:</b>			
Claims payable	980,851	-	980,851
Compensated absences	487,161	87,101	574,262
Net Pension Liability	7,848,631	1,172,785	9,021,416
Capital lease payable	375,786	181,342	557,128
Loan payable	-	728,438	728,438
Bonds payable	-	8,165,000	8,165,000
Total noncurrent liabilities	<u>9,692,429</u>	<u>10,334,666</u>	<u>20,027,095</u>
Total liabilities	<u>11,214,143</u>	<u>12,080,686</u>	<u>23,294,829</u>
<b>Deferred Inflows of Resources:</b>			
Pension related	1,907,487	285,027	2,192,514
<b>Net Position:</b>			
Net investment in capital assets	181,862,536	16,668,550	198,531,086
Restricted	6,051,883	1,149,456	7,201,339
Unrestricted	764,679	1,994,086	2,758,765
Total net position	<u>\$ 188,679,098</u>	<u>\$ 19,812,092</u>	<u>\$ 208,491,190</u>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**

**Statement of Activities**

**For the year ended June 30, 2015**

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 1,581,532	\$ 564,721	\$ -	\$ -	\$ 564,721
Public safety	5,500,997	471,066	253,647	-	724,713
Public works	2,255,560	302,828	623,389	-	926,217
Development services	1,089,493	886,329	-	-	886,329
Culture and recreation	1,325,706	149,146	194,945	-	344,091
Interest on long-term debt	20,580	-	-	-	-
<b>Total governmental activities</b>	<b>11,773,868</b>	<b>2,374,090</b>	<b>1,071,981</b>	<b>-</b>	<b>3,446,071</b>
Business-type activities:					
Water	4,626,949	4,373,849	-	242,500	4,616,349
Sewer	939,202	806,429	-	-	806,429
Recreation services	113,608	212,948	-	-	212,948
Special services	101,219	69,275	-	-	69,275
Film services	18,035	35,254	-	-	35,254
<b>Total business-type activities</b>	<b>5,799,013</b>	<b>5,497,755</b>	<b>-</b>	<b>242,500</b>	<b>5,740,255</b>
<b>Total primary government</b>	<b>\$ 17,572,881</b>	<b>\$ 7,871,845</b>	<b>\$ 1,071,981</b>	<b>\$ 242,500</b>	<b>\$ 9,186,326</b>

General revenues:

Taxes:

Property taxes

Sales taxes

Utility user taxes

Other taxes

Investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year, as restated

Net position, end of year

See accompanying notes to basic financial statements.

Net (expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
\$ (1,016,811)	\$ -	\$ (1,016,811)
(4,776,284)	-	(4,776,284)
(1,329,343)	-	(1,329,343)
(203,164)	-	(203,164)
(981,615)	-	(981,615)
(20,580)	-	(20,580)
<u>(8,327,797)</u>	<u>-</u>	<u>(8,327,797)</u>
-	(10,600)	(10,600)
-	(132,773)	(132,773)
-	99,340	99,340
-	(31,944)	(31,944)
-	17,219	17,219
<u>-</u>	<u>(58,758)</u>	<u>(58,758)</u>
<u>(8,327,797)</u>	<u>(58,758)</u>	<u>(8,386,555)</u>
5,264,471	-	5,264,471
330,053	-	330,053
2,467,813	-	2,467,813
372,694	-	372,694
11,875	6,425	18,300
(54,018)	54,018	-
<u>8,392,888</u>	<u>60,443</u>	<u>8,453,331</u>
65,091	1,685	66,776
<u>188,614,007</u>	<u>19,810,407</u>	<u>208,424,414</u>
<u>\$ 188,679,098</u>	<u>\$ 19,812,092</u>	<u>\$ 208,491,190</u>

**CITY OF SIERRA MADRE**

**Balance Sheet**

**Governmental Funds**

**June 30, 2015**

	<u>General Fund</u>	<u>Low &amp; Moderate Income Housing Asset Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Cash and investments	\$ 7,088,189	\$ 2,506	\$ 3,674,929	\$ 10,765,624
Receivables:				
Accounts	122,449	-	21,679	144,128
Taxes	287,556	-	38,247	325,803
Interest	5,145	-	-	5,145
Due from other agencies	-	-	11,992	11,992
Due from other funds	287,922	-	-	287,922
Prepaid	19,535	-	-	19,535
Land held for resale	-	1,682,998	-	1,682,998
<b>Total assets</b>	<b><u>\$ 7,810,796</u></b>	<b><u>\$ 1,685,504</u></b>	<b><u>\$ 3,746,847</u></b>	<b><u>\$ 13,243,147</u></b>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 97,741	\$ -	\$ 335,948	\$ 433,689
Accrued payroll and related liabilities	232,436	-	58,604	291,040
Due to other funds	-	-	287,922	287,922
Deposits and retentions	25,951	2,500	229,575	258,026
<b>Total liabilities</b>	<b><u>356,128</u></b>	<b><u>2,500</u></b>	<b><u>912,049</u></b>	<b><u>1,270,677</u></b>
Fund balances:				
Nonspendable	19,535	-	-	19,535
Restricted	-	1,683,004	2,430,438	4,113,442
Committed	1,280,500	-	661,036	1,941,536
Assigned	5,133,278	-	-	5,133,278
Unassigned	1,021,355	-	(256,676)	764,679
<b>Total fund balances</b>	<b><u>7,454,668</u></b>	<b><u>1,683,004</u></b>	<b><u>2,834,798</u></b>	<b><u>11,972,470</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 7,810,796</u></b>	<b><u>\$ 1,685,504</u></b>	<b><u>\$ 3,746,847</u></b>	<b><u>\$ 13,243,147</u></b>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2015**

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**Total fund balances - total governmental funds** \$ 11,972,470

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 1,202,699

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

Net other post-employment benefits (OPEB) asset 358,844

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

(6,146)

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the Statement of Net Position:

Capital lease payable (398,230)

Compensated absences (483,139)

Net Pension Liability and pension related deferred outflows and inflows of resources (7,833,855)

Internal service funds are used by management to charge the costs of certain activities, such as facilities management, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.

183,866,455

**Net position of governmental activities** \$ 188,679,098

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**

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

**Governmental Funds**

**For the year ended June 30, 2015**

	General Fund	Low & Moderate Income Housing Asset Fund	Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 5,082,813	\$ -	\$ 181,658	\$ 5,264,471
Other taxes	3,170,560	-	-	3,170,560
Charges for services	212,175	-	659,062	871,237
Intergovernmental	6,511	-	1,067,386	1,073,897
Licenses and permits	408,778	-	610,193	1,018,971
Fines and forfeitures	223,072	-	-	223,072
Investment income	1,114	3	4,280	5,397
Miscellaneous	111,533	-	149,277	260,810
Total revenues	<u>9,216,556</u>	<u>3</u>	<u>2,671,856</u>	<u>11,888,415</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	1,605,329	-	67,606	1,672,935
Public safety	4,436,205	-	946,191	5,382,396
Public works	509,413	-	1,161,417	1,670,830
Development	-	-	1,019,712	1,019,712
Culture and recreation	936,968	-	226,015	1,162,983
<b>Debt Service:</b>				
Principal	-	-	69,391	69,391
Interest	-	-	21,651	21,651
Total expenditures	<u>7,487,915</u>	<u>-</u>	<u>3,511,983</u>	<u>10,999,898</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,728,641</u>	<u>3</u>	<u>(840,127)</u>	<u>888,517</u>
<b>Other financing sources (uses):</b>				
Transfers in	131,445	-	810,076	941,521
Transfers out	(851,752)	-	(137,654)	(989,406)
Total other financing sources (uses)	<u>(720,307)</u>	<u>-</u>	<u>672,422</u>	<u>(47,885)</u>
Net change in fund balances	1,008,334	3	(167,705)	840,632
Fund balances, beginning of year, as restated	<u>6,446,334</u>	<u>1,683,001</u>	<u>3,002,503</u>	<u>11,131,838</u>
Fund balances, end of year	<u>\$ 7,454,668</u>	<u>\$ 1,683,004</u>	<u>\$ 2,834,798</u>	<u>\$ 11,972,470</u>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities  
For the year ended June 30, 2015**

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**Net change in fund balances - total governmental funds** \$ 840,632

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Position, the costs of those assets meeting the City's capitalization policy are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period:

Depreciation expense	(102,074)
Capital outlay	390,223

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	69,391
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Revenues in the Statement of Activities and Changes in Net Position that do not provide current financial resources are not reported as revenues in the funds. (1,916)

Internal service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The net revenue of internal service funds is reported with governmental activities. (1,077,808)

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

Net change in accrued interest	1,071
Net change in compensated absences	(86,615)
Net change in OPEB	(63,736)
Net change in pension liability	95,923

**Change in net position of governmental activities** \$ 65,091

**CITY OF SIERRA MADRE**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2015**

	Business-type Activities				
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>Assets:</b>					
Current assets:					
Cash and investments	\$ 1,911,502	\$ 1,296,160	\$ 387,323	\$ 3,594,985	\$ 5,130,183
Restricted cash and investments with fiscal agents	1,149,456	-	-	1,149,456	-
Accounts receivable	547,784	81,887	-	629,671	3,672
Prepays	297,074	-	-	297,074	12,337
Total current assets	<u>3,905,816</u>	<u>1,378,047</u>	<u>387,323</u>	<u>5,671,186</u>	<u>5,146,192</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,483,250	-	-	1,483,250	162,275,945
Depreciable assets-net	21,065,702	3,805,499	-	24,871,201	18,843,466
Total noncurrent assets	<u>22,548,952</u>	<u>3,805,499</u>	<u>-</u>	<u>26,354,451</u>	<u>181,119,411</u>
Total assets	<u>26,454,768</u>	<u>5,183,546</u>	<u>387,323</u>	<u>32,025,637</u>	<u>186,265,603</u>
Deferred Outflows of Resources:					
Pension related	<u>93,642</u>	<u>58,526</u>	<u>-</u>	<u>152,168</u>	<u>105,346</u>
<b>Liabilities:</b>					
Current liabilities:					
Accounts payable	917,081	390	9,182	926,653	64,973
Accrued payroll and related liabilities	42,012	26,275	5,024	73,311	66,853
Interest payable	70,120	3,423	-	73,543	947
Deposits and retentions	23,082	10,118	6,417	39,617	-
Claims payable - current	-	-	-	-	197,000
Compensated absences - current	13,020	8,235	520	21,775	24,655
Capital lease payable - current	-	40,433	-	40,433	11,184
Loan payable - current	145,688	-	-	145,688	-
Bonds payable - current	425,000	-	-	425,000	-
Total current liabilities	<u>1,636,003</u>	<u>88,874</u>	<u>21,143</u>	<u>1,746,020</u>	<u>365,612</u>
Noncurrent liabilities:					
Claims payable	-	-	-	-	980,851
Compensated absences	52,078	32,942	2,081	87,101	98,619
Net Pension Liability	721,714	451,071	-	1,172,785	811,926
Capital lease payable	-	181,342	-	181,342	50,160
Loan payable	728,438	-	-	728,438	-
Bonds payable	8,165,000	-	-	8,165,000	-
Total noncurrent liabilities	<u>9,667,230</u>	<u>665,355</u>	<u>2,081</u>	<u>10,334,666</u>	<u>1,941,556</u>
Total liabilities	<u>11,303,233</u>	<u>754,229</u>	<u>23,224</u>	<u>12,080,686</u>	<u>2,307,168</u>
Deferred Inflows of Resources:					
Pension related	<u>175,401</u>	<u>109,626</u>	<u>-</u>	<u>285,027</u>	<u>197,326</u>
<b>Net Position:</b>					
Net investment in capital assets	13,084,826	3,583,724	-	16,668,550	181,058,067
Restricted for debt service	1,149,456	-	-	1,149,456	-
Unrestricted	835,494	794,493	364,099	1,994,086	2,808,388
Total net position	<u>\$ 15,069,776</u>	<u>\$ 4,378,217</u>	<u>\$ 364,099</u>	<u>\$ 19,812,092</u>	<u>\$ 183,866,455</u>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**

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

**Proprietary Funds**

**For the year ended June 30, 2015**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services	\$ 4,373,849	\$ 806,077	\$ 301,769	\$ 5,481,695	\$ 4,305,871
Licenses and permits	-	352	15,708	16,060	10,859
Miscellaneous	-	-	-	-	1,360
Total operating revenues	<u>4,373,849</u>	<u>806,429</u>	<u>317,477</u>	<u>5,497,755</u>	<u>4,318,090</u>
Operating expenses:					
Personnel services	683,350	449,594	116,659	1,249,603	1,352,243
Contractual services	292,146	77,761	60,337	430,244	586,885
Materials and supplies	704,512	8,764	4,030	717,306	251,235
Utilities	352,834	-	35,560	388,394	367,231
Maintenance and operation	541,480	-	16,276	557,756	58,619
Administrative Charges	983,360	215,319	-	1,198,679	966,982
Depreciation	563,938	176,303	-	740,241	1,716,058
Total operating expenses	<u>4,121,620</u>	<u>927,741</u>	<u>232,862</u>	<u>5,282,223</u>	<u>5,299,253</u>
Operating income (loss)	252,229	(121,312)	84,615	215,532	(981,163)
Nonoperating revenues (expenses):					
Grant	242,500	-	-	242,500	-
Investment Income	4,270	1,674	481	6,425	6,478
Loss on disposal of property	(52,749)	(14,568)	-	(67,317)	(93,820)
Interest expense	(438,012)	(11,461)	-	(449,473)	(3,170)
Total nonoperating revenues (expenses)	<u>(243,991)</u>	<u>(24,355)</u>	<u>481</u>	<u>(267,865)</u>	<u>(90,512)</u>
Income (loss) before transfers	8,238	(145,667)	85,096	(52,333)	(1,071,675)
Transfers:					
Transfers in	13,772	-	40,246	54,018	11,897
Transfers out	-	-	-	-	(18,030)
Total transfers	<u>13,772</u>	<u>-</u>	<u>40,246</u>	<u>54,018</u>	<u>(6,133)</u>
Change in net position	22,010	(145,667)	125,342	1,685	(1,077,808)
Net position, beginning of year, as restated	<u>15,047,766</u>	<u>4,523,884</u>	<u>238,757</u>	<u>19,810,407</u>	<u>184,944,263</u>
Net position, end of year	<u>\$ 15,069,776</u>	<u>\$ 4,378,217</u>	<u>\$ 364,099</u>	<u>\$ 19,812,092</u>	<u>\$ 183,866,455</u>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the year ended June 30, 2015**

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 4,326,717	\$ 805,451	\$ 317,477	\$ 5,449,645	\$ -
Receipts from interfund services provided	-	-	-	-	4,314,418
Payments to suppliers	(2,374,494)	(303,822)	(108,671)	(2,786,987)	(1,151,872)
Payments to employees	(678,994)	(445,596)	(119,286)	(1,243,876)	(1,521,711)
Net cash provided (used) by operating activities	1,273,229	56,033	89,520	1,418,782	1,640,835
<b>Cash flows from non-capital financing activities:</b>					
Transfers from other funds	13,772	-	40,246	54,018	11,897
Transfers to other funds	-	-	-	-	(18,030)
Net cash provided (used) by non-capital financing activities	13,772	-	40,246	54,018	(6,133)
<b>Cash flows from capital and related financing activities:</b>					
Grant revenue	242,500	-	-	242,500	-
Acquisition and construction of capital assets	(710,180)	(212,657)	-	(922,837)	(2,304)
Principal paid	(550,686)	(38,644)	-	(589,330)	(10,689)
Interest paid	(441,470)	(12,057)	-	(453,527)	(3,335)
Net cash provided (used) by capital and related financing activities	(1,459,836)	(263,358)	-	(1,723,194)	(16,328)
<b>Cash flows from investing activities:</b>					
Investment income	4,270	1,674	481	6,425	6,479
Net cash provided (used) by investing activities	4,270	1,674	481	6,425	6,479
Net increase (decrease) in cash and cash equivalents	(168,565)	(205,651)	130,247	(243,969)	1,624,853
<b>Cash and investments:</b>					
Beginning of year	3,229,523	1,501,811	257,076	4,988,410	3,505,330
End of year	\$ 3,060,958	\$ 1,296,160	\$ 387,323	\$ 4,744,441	\$ 5,130,183
Cash and investments, end of year include:					
Cash and investments	\$ 1,911,502	\$ 1,296,160	\$ 387,323	\$ 3,594,985	\$ 5,130,183
Restricted cash and investments with fiscal agents	1,149,456	-	-	1,149,456	-
Total	\$ 3,060,958	\$ 1,296,160	\$ 387,323	\$ 4,744,441	\$ 5,130,183
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ 252,229	\$ (121,312)	\$ 84,615	\$ 215,532	\$ (981,163)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	563,938	176,303	-	740,241	1,716,058
Actuarial pension expense	76,668	47,918	-	124,586	86,252
Pension contributions subsequent to measurement date	(86,506)	(54,066)	-	(140,572)	(97,321)
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(47,132)	(978)	-	(48,110)	(3,672)
(Increase) decrease in prepaid expenses	-	-	1,650	1,650	1,088,013
Increase (decrease) in accounts payable	490,363	(12,096)	5,567	483,834	(8,933)
Increase (decrease) in accrued liabilities	5,349	3,175	(440)	8,084	11,655
Increase (decrease) in deposits payable	9,475	10,118	315	19,908	(180,206)
Increase (decrease) in compensated absences	8,845	6,971	(2,187)	13,629	10,152
Total adjustments	1,021,000	177,345	4,905	1,203,250	2,621,998
Net cash provided (used) by operating activities	\$ 1,273,229	\$ 56,033	\$ 89,520	\$ 1,418,782	\$ 1,640,835

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2015**

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	Private-purpose Trust Fund <u>Redevelopment Obligation Retirement Fund</u>
<b>Assets:</b>	
Cash and investments	\$ 463,182
Restricted cash and investments with fiscal agents	<u>401,575</u>
Total assets	<u>864,757</u>
<b>Liabilities:</b>	
Accounts payable	4,418
Accrued payroll and related liabilities	5,308
Interest payable	14,339
Compensated absences	5,386
Bonds payable - current	315,000
Bonds payable - noncurrent	<u>1,415,000</u>
Total liabilities	<u>1,759,451</u>
<b>Net Position (Deficit):</b>	
Unrestricted	<u>(894,694)</u>
Total net position (deficit)	<u>\$ (894,694)</u>

See accompanying notes to basic financial statements.

**CITY OF SIERRA MADRE**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the year ended June 30, 2015**

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	Private-purpose Trust Fund
	Redevelopment Obligation Retirement Fund
Additions:	
Property taxes	\$ 738,195
Investment income	594
Total additions	<u>738,789</u>
Deductions:	
General and administration	186,253
Interest expense	92,672
Total deductions	<u>278,925</u>
Change in net position	459,864
Net position (deficit), beginning of year	<u>(1,354,558)</u>
Net position (deficit), ending of year	<u>\$ (894,694)</u>

See accompanying notes to basic financial statements.

# **City of Sierra Madre, California**

*Village of the Foothills*



## **Notes to Basic Financial Statements For the Year Ending June 30, 2015**

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**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. Financial Reporting Entity**

The City was incorporated on February 2, 1907, under the general laws of the State of California. The City operates under a Council-Manager form of government and provides the following services: police protection, fire suppression and prevention, emergency medical response, recreation programs, senior services, local transportation, planning and permit processing, water utility, public library, streets, parks, sewer and storm drain utility, and general government and administrative services.

As required by GAAP, these basic financial statements present the City (the primary government) and its component unit for which the City is considered to be financially accountable. The component unit discussed below is included in the City's reporting entity because of the significance of its operational or financial relationship with the City. The entity is legally separate; however, the City of Sierra Madre elected officials have a continuing oversight responsibility over the Authority.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

Blended Component Units

**The Sierra Madre Public Financing Authority (Authority):**

The Authority is a joint powers authority organized pursuant to Government Code Section 6500 of the State of California. The Authority exists pursuant to a Joint Exercise of Powers Agreement dated November 1972, between the City and the Agency. Its purpose is facilitating the issuance of debt instruments, loans, and other financing to the City or Agency for the construction of public improvements. It has no separate existence and has acted as a conduit between the issuer (the Agency and/or the City) and the underwriters. It was established as a vehicle to reduce local borrowing costs and promote greater use of existing and new financial instruments and mechanisms. City Council members, in concurrent sessions, serve as the governing board of the Authority. Financial activity of the Authority has been blended into the City's CAFR into various governmental and business-type activities and funds of the City as applicable.

Separate financial statements are not prepared for the Sierra Madre Public Financing Authority.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Organizations Other Than Component Units

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

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

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

Financial reporting is based upon all Governmental Accounting Standards Board pronouncements.

Government-Wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City’s assets and liabilities, including capital assets (as well as infrastructure assets) and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses reported for specific functions.

Certain types of transactions are reported as program revenues for the City in three categories: (1) charges for services, (2) operating grants and contributions and (3) capital grants and contributions. Program revenues are netted with program expenses in the Statement of Activities to present the net cost of each program.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities. All internal balances in the Statement of Net Position have been eliminated except those representing internal balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period, generally 60 days after year-end. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

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

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Proprietary Fund Financial Statements

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

Proprietary funds are accounted for using the "*economic resources*" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period when they are earned; expenses are recognized when they are incurred. Unbilled service receivables are recorded as accounts receivable and as revenue when earned.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The City reports the following major enterprise funds:

*Water Fund* – Accounts for the operations of the City’s water utility operations.

*Sewer and Storm Drain Fund* – Accounts for the operations of the City’s sewer system and storm drain operations.

Additionally, the City also reports *Internal Service Funds*. These funds account for the administrative services, insurance coverage and facilities, fleet and electronic equipment maintenance services, all which are provided to other departments on a cost-reimbursement basis. A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Net Position. The City maintains two fiduciary fund types: a private-purpose trust fund and agency funds. Fiduciary fund types are accounted for according to the nature of the fund. The private-purpose trust fund uses the “*economic resources*” measurement focus and the accrual basis of accounting. It is used to report trust arrangements under which principal and income benefit individuals, private organizations, and other governments. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds do not have a measurement focus.

**C. Cash, Cash Equivalents and Investments**

The City pools its available cash for investment purposes. The City has defined cash and cash equivalents to include cash on hand, demand deposits, cash with fiscal agent, as well as short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments. Additionally, each fund’s equity in the City’s investment pool is treated as a cash equivalent, because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

In accordance with GASB Statement Number 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotation are readily available or exceed cost. However, if the liquidity needs of the City were to require that investments be sold at a loss subsequent to year-end, the decline in value would be recorded as a loss at year-end.

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in Structured Notes and Asset-Backed Securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-Backed Securities are subject to market risk as to change in interest rates.

In accordance with GASB Statement No. 40, Deposit and Investment Disclosures (an amendment of GASB No. 3), certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**D. Land Held for Resale**

Land Held for Resale in the Capital Projects Fund is an inventory of land owned by the City's Housing Fund for low-moderate housing needs, which will be sold or leased to developers. The land is recorded at the lower of acquisition cost or market. Fund balances are reserved in amounts equal to the carrying value of land held for resale, because such assets are not available to finance the City's current operations.

**E. Prepaid Expenses**

Certain payments to vendors such as insurance premiums, prepaid rents, and deposits for real property acquisitions reflect costs applicable to future periods and are recorded as prepaid and other assets in both government-wide and fund financial statements. These costs will be recognized in the period when services are received or when the City receives title to the real property.

**F. Property Taxes**

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

The following dates relate to property tax levies and collections:

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**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. The City's capitalization policy is \$5,000 and above for fixed assets; \$10,000 and above for building improvements; \$20,000 and above for buildings; and \$50,000 and above for infrastructure assets. Capital assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Roadways Pavement AC	25 years
Street Appurtenances Bridges	40 years
Park Structures	25 years
Wastewater Manholes	60 years
Pipelines	60 years
Spreading Basins	50 years
Pump Stations	60 years
Meters	30 years
Pipelines	50 years
Pressure Reducing Stations	40 years
Fire Hydrants	50 years
Wells	50 years
Reservoirs	75 years
General Fixed Assets Buildings	50 years
Vehicles & Equipment	10 years

**H. Claims Payable**

The City records a liability to reflect an estimate of ultimate uninsured losses for both general liability claims (including property damage claims) and workers' compensation claims.

**I. Compensated Absences**

All vested vacation and compensatory leave time is recognized as an expense and as a liability in the proprietary type funds at the time the liability vests. Governmental fund types recognize the vested vacation and compensatory time as expenditure in the current year to the extent that it is paid during the year. Accrued vacation and compensatory time relating to governmental funds is only included as a liability in the statement of net position as those amounts are payable from future resources and within the respective balance sheets for amounts relating to proprietary fund types. For governmental funds, compensated absences are primarily liquated by the City's General Fund.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**J. Net Position and Fund Balances**

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

*Net Investment in Capital Assets* - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvements.

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

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

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

**Fund Financial Statements** – In March 2009, GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Statement is designed to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. GASB 54 became effective in the fiscal year ending June 30, 2011, and requires the City to report the governmental fund balances in the following categories:

*Nonspendable* - reflects amounts that are not in a spendable form, examples of which include inventory, prepaid items, and other items legally or contractually required to remain intact, such as the principal of a permanent endowment.

*Restricted* - includes amounts that can be spent only for the specific purposes stipulated by external resource providers or through enabling legislation.

*Committed* - includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Committed fund balance may be redirected by the City to other purposes, as long as, the original constraints are removed or modified in the same manner in which they were imposed, that is, by the same formal action of the highest level of decision-making authority.

*Assigned* - comprises amounts intended to be used by the government for specific purposes. Assignments may be established either by the City or by a designee of the City, and are subject to neither the restricted nor committed levels of constraints.

*Unassigned* - is the residual classification for the general fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose.

When expenditures are incurred for purposes for which restricted, committed, assigned, or unassigned fund balances are available, the City's policy is to apply restricted fund balance first, committed second, then assigned fund balance, and finally unassigned fund balance.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**K. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

**L. Deferred Outflows/Inflows of Resources**

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

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

**M. Implementation of New Pronouncements**

Effective July 1, 2014, the City adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. GASB 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability. Governments will report in their financial statements a net pension liability that represents the difference between the total pension liability and the pension plans' fiduciary net position. This statement also enhances accountability and transparency through new note disclosures and required supplementary information. As a result of the implementation of GASB 68, the beginning net position as of July 1, 2014 was restated per Note 7.B of the financial statements.

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension liability. This Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation. The provisions of this statement were applied simultaneously with the provisions of GASB Statement 68.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**N. Pensions**

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

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report the following timeframes are used.

Valuation Date (VD)	June 30, 2013
Measurement Date (MD)	June 30, 2014
Measurement Period (MP)	July 1, 2013 to June 30, 2014

**2. CASH AND INVESTMENTS**

Cash and investments as of June 30, 2015 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 19,490,792
Cash and investments with fiscal agent -restricted	1,149,456
Statement of Fiduciary Assets and Liabilities:	
Cash and investments	463,182
Cash and investments with fiscal agent -restricted	<u>401,575</u>
 Total cash and investments	 <u><u>\$ 21,505,005</u></u>

Cash and investments as of June 30, 2015 consist of the following:

Petty cash	\$ 2,016
Deposits with financial institutions	12,672,915
Investments	<u>8,830,074</u>
 Total cash and investments	 <u><u>\$ 21,505,005</u></u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

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

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

Investment Types Authorized by State Law	Authorized by Investment Policy	Maximum Maturity*	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer*
Local Agency Bonds	No	5 years	None	None
US Treasury Obligations	Yes	5 years	None	None
US Agency Securities	Yes	5 years	None	None
Bankers' Acceptances	No	180 days	40%	30%
Commercial Paper	No	270 days	25%	10%
Negotiable Certificates of Deposit	Yes	5 years	30%	None
Repurchase Agreements	No	1 year	None	None
Reverse Repurchase Agreements	No	92 days	20% of base value	None
Medium-Term Notes	No	5 years	30%	None
Money Market Mutual Funds	Yes	N/A	20%	10%
Mortgage Pass-Through Securities	No	5 years	20%	None
Bank/Time Deposits	Yes	360 days	None	None
County Pooled Investment Funds	Yes	N/A	None	\$ 5,000,000
Local Agency Investment Funds (LAIF)	Yes	N/A	None	\$50,000,000
JPA Pools (other investment pools)	No	N/A	None	None
Passbook Accounts	Yes	N/A	None	None

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Money Market Funds	None	None	None
Certificates of Deposit Secured by Collat	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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates which will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing, or coming close to maturity evenly over time, as necessary to provide cash flow and liquidity needed for operations.

Information about the sensitivity of the fair values of the City's investments (including investments held by fiscal agent) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investment by maturity:

Investment Type	Total	Investment Maturities (in months)		
		12 or less	13 -24	25 - 60
State investment pool	\$7,279,043	\$7,279,043	\$ -	\$ -
Held by fiscal agent:				
Federated treasury obligations	1,551,031	1,551,031	-	-
Total	\$8,830,074	\$8,830,074	\$ -	\$ -

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy or debt agreements, and the actual rating as of year end for each investment type.

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End	
			AAA	Not Rated
State investment pool	\$ 7,279,043	N/A	\$ -	\$ 7,279,043
Held by fiscal agent:				
Federated treasury obligations	<u>1,551,031</u>	N/A	<u>1,551,031</u>	<u>-</u>
Total	<u>\$ 8,830,074</u>		<u>\$ 1,551,031</u>	<u>\$ 7,279,043</u>

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, 2015, there were no investments in any one issuer (other than US Treasury securities and external investment pools) that represents 5% or more of total City investments.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2015, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

Investment in State Investment Pool

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

**3. INTERFUND BALANCES AND TRANSFERS**

**A. Due To/Due From**

At June 30, 2015, the City had the following short-term interfund receivables and payables:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	<u>\$ 287,922</u>

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

**B. Transfers**

At June 30, 2015, the City had the following transfers:

<u>Transfers out</u>	<u>Transfers in</u>	
General Fund	Non-Major Governmental Funds	\$ 797,734
	Non-Major Enterprise Funds	40,246
	Water Fund	<u>13,772</u>
		<u>851,752 (A)</u>
Non-Major Governmental Funds	General Fund	<u>131,445</u>
Non-Major Governmental Funds	Non-Major Governmental Funds	<u>(5,688)</u>
Non-Major Governmental Funds	Internal Service Fund	<u>11,897</u>
Internal Service Fund	Non-Major Governmental Funds	<u>18,030</u>
	Total	<u>\$ 1,007,436</u>

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**A. Fund Deficits**

The following funds reported deficits in fund balance/net position at June 30, 2015:

	<u>Deficit Balances</u>
Non-Major Governmental Funds:	
Open Space	\$ 255,697
Friends of the Library	979

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

**B. Excess of Expenditures over Appropriations**

The following funds reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Non-Major Governmental Funds:			
LSTA Teen Docent Grant	\$ -	\$ 1,272	\$ (1,272)
Parking Maintenance District	23,712	26,168	(2,456)
Santa Anita/Arno Assessment	-	2,060	(2,060)
Sewer Assessment District	814	816	(2)
Development Fees	982,273	1,083,318	(101,045)
Development Fees Art in Public Places	-	4,000	(4,000)
Police Department Donations	2,093	7,517	(5,424)
Fire Department Donations	6,000	10,041	(4,041)
SM Community Foundation	-	1,416	(1,416)

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**5. CAPITAL ASSETS**

**A. Governmental Activities**

A summary of changes in the governmental activities capital assets at June 30, 2015 is as follows:

	Beginning Balance	Adjustments	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 162,275,945	\$ -	\$ -	\$ -	\$ 162,275,945
Trees	1,206,214	-	-	-	1,206,214
<b>Total capital assets, not being depreciated</b>	<b>163,482,159</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163,482,159</b>
Capital assets, being depreciated:					
Structures and improvements	12,111,663	-	-	(143,723)	11,967,940
Machinery and equipment	3,400,520	-	60,694	(148,815)	3,312,399
Infrastructure	21,599,141	885,838	337,587	(198,920)	22,623,646
<b>Total capital assets, being depreciated</b>	<b>37,111,324</b>	<b>885,838</b>	<b>398,281</b>	<b>(491,458)</b>	<b>37,903,985</b>
Less accumulated depreciation					
Structures and Improvements	(5,667,309)	-	(746,474)	96,294	(6,317,489)
Machinery and Equipment	(1,680,190)	-	(253,334)	145,024	(1,788,500)
Infrastructure	(9,680,158)	(610,128)	(818,323)	150,564	(10,958,045)
<b>Total Accumulated Depreciation</b>	<b>(17,027,657)</b>	<b>(610,128)</b>	<b>(1,818,131)</b>	<b>391,882</b>	<b>(19,064,034)</b>
<b>Total capital assets being depreciated, net</b>	<b>20,083,667</b>	<b>275,710</b>	<b>(1,419,850)</b>	<b>(99,576)</b>	<b>18,839,951</b>
<b>Governmental activities, capital assets, net</b>	<b>\$ 183,565,826</b>	<b>\$ 275,710</b>	<b>\$ (1,419,850)</b>	<b>\$ (99,576)</b>	<b>\$ 182,322,110</b>

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

<b>Governmental activities:</b>	
General government	\$ 93,796
Public safety	171,237
Public works	1,390,375
Culture and recreation	162,723
<b>Total</b>	<b>\$ 1,818,131</b>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**B. Business-type Activities**

A summary of changes in the business-type activities capital assets at June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Business-type activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Total capital assets, not being depreciated	1,483,250	-	-	1,483,250
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,158,515	5,641	-	1,164,156
Infrastructure	41,694,950	917,193	(203,142)	42,409,001
Total capital assets, being depreciated	43,674,755	922,834	(203,142)	44,394,447
Less accumulated depreciation				
Structures and improvements	(550,265)	(16,426)	-	(566,691)
Machinery and equipment	(754,052)	(48,426)	-	(802,478)
Infrastructure	(17,614,516)	(675,389)	135,828	(18,154,077)
Total Accumulated Depreciation	(18,918,833)	(740,241)	135,828	(19,523,246)
Total capital assets being depreciated, net	24,755,922	182,593	(67,314)	24,871,201
Business-type activities, capital assets, net	\$ 26,239,172	\$ 182,593	\$ (67,314)	\$ 26,354,451

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

<b>Business-type activities:</b>	
Sewer	\$ 176,303
Water	563,938
Total	<u>\$ 740,241</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

**6. LONG-TERM DEBT**

**A. Governmental Activities**

A summary of changes in the governmental activities long-term liabilities at June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
<b>Governmental activities:</b>						
Capital Lease	\$ 539,654	\$ -	\$ (80,080)	\$ 459,574	\$ 83,788	\$ 375,786
Claims Payable	1,358,057	-	(180,206)	1,177,851	197,000	980,851
Compensated Absences	509,646	606,413	(509,646)	606,413	119,252	487,161
Net Pension Liability	-	7,848,631	-	7,848,631	-	7,848,631
Total governmental activities	<u>\$ 2,407,357</u>	<u>\$ 8,455,044</u>	<u>\$ (769,932)</u>	<u>\$10,092,469</u>	<u>\$ 400,040</u>	<u>\$ 9,692,429</u>

Capital Lease

In January 2010, the City entered into a capital lease agreement to fund certain current and future major equipment purchases in the general and fleet funds. The outstanding balance of the capital lease payable was \$459,574 at June 30, 2015.

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

Amount of future lease payments for the year ending June 30,	Governmental Activities
2016	\$ 105,066
2017	105,067
2018	105,067
2019	105,067
2020	105,066
Subtotal	525,333
Less: amount representing interest	(65,759)
Present value of future lease payments	<u>\$ 459,574</u>

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

Assets:	
Machinery and equipment	\$ 856,714
Less: accumulated depreciation	(340,874)
Total	<u>\$ 515,840</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**B. Business-type Activities**

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
<b>Business-type activities:</b>						
Water Revenue Refunding						
Bonds, Series 1998A	\$ 2,245,000	\$ -	\$ (405,000)	\$ 1,840,000	\$ 425,000	\$ 1,415,000
Water Revenue Parity						
Bonds, Series 2003	6,750,000	-	-	6,750,000	-	6,750,000
Loan Payable to SGVMWD	1,019,812	-	(145,686)	874,126	145,688	728,438
Capital Lease	260,419	-	(38,644)	221,775	40,433	181,342
Compensated Absences	95,247	108,876	(95,247)	108,876	21,775	87,101
Net Pension Liability	-	1,172,785	-	1,172,785	-	1,172,785
Total business-type activities	<u>\$ 10,370,478</u>	<u>\$ 1,281,661</u>	<u>\$ (684,577)</u>	<u>\$ 10,967,562</u>	<u>\$ 632,896</u>	<u>\$ 10,334,666</u>

**Sierra Madre Water Revenue Refunding Bonds, Series 1998A-Original issue \$6,740,000**

In May 1998, the City entered into an installment agreement with a component unit of the City, the Sierra Madre Financing Authority, to issue bonds totaling \$6,740,000. The purpose of the Water Revenue Refunding Bonds was to assist the City in prepayment of its City Loan Agreement, dated November 1, 1988, by and between the City and the Authority. These bonds mature annually through November 1, 2018 in amounts ranging from \$200,000 to \$495,000 as of November 1, 1999. The interest on the bonds is payable semi-annually on each May 1 and November 1, as of November 1, 1998. The interest rates of the bonds range from 3.65% to 5.00%. The bonds are secured by and payable solely from revenues of the City's Water Enterprise Fund. The outstanding balance of the Water Revenue Refunding Bonds, Series 1998A was \$1,840,000 at June 30, 2015.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2016	\$ 425,000	\$ 81,375	\$ 506,375
2017	450,000	59,500	509,500
2018	470,000	36,500	506,500
2019	495,000	12,375	507,375
	<u>\$ 1,840,000</u>	<u>\$ 189,750</u>	<u>\$ 2,029,750</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Sierra Madre Water Revenue Parity Bonds, Series 2003 -Original issue \$6,750,000

In August 2003, the City entered into an installment agreement with a component unit of the City, the Sierra Madre Financing Authority, to issue bonds totaling \$6,750,000. The purpose of the Water Revenue Refunding Bonds was to finance certain improvements to the water production, treatment and distribution system of the City. These bonds mature annually through November 1, 2018 in amounts ranging from \$310,000 to \$625,000. The interest on the bonds is payable semi-annually on each May 1 and November 1, as of November 1, 2003. The interest rates of the bonds range from 5.14% to 5.25%. The bonds are secured by and payable solely from revenues of the City's Water Enterprise Fund. The bonds are subject to special mandatory redemption, mandatory sinking fund redemption and redemption from optional prepayment of installment payments prior to maturity. The outstanding balance of the Water Revenue Parity Bonds, Series 2003 was \$6,750,000 at June 30, 2015.

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2016	\$ -	\$ 339,345	\$ 339,345
2017	-	339,345	339,345
2018	-	339,345	339,345
2019	-	339,345	339,345
2020	310,000	331,595	641,595
2021-2025	1,800,000	1,403,225	3,203,225
2026-2030	2,315,000	890,935	3,205,935
2031-2034	2,325,000	242,753	2,567,753
	<u>\$ 6,750,000</u>	<u>\$ 4,225,888</u>	<u>\$ 10,975,888</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

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

The City has identified equipment needed to help assure a reliable water supply, by replacing its Mira Monte Reservoir and Booster Station ("Reservoir Project"). Therefore, the City entered into a loan agreement with the San Gabriel Valley Municipal Water District to fund a portion of the reservoir cost in the amount of \$1,456,875. Proceeds of the loan were disbursed to the City during the duration of the Reservoir Project on a reimbursement basis. Payments are due in annual installments of \$145,688 for ten years. Notice of Completion was March 15, 2009 and was approved by City Council on April 28, 2009. The SGVMWD has extended the first payment terms until July 1, 2012. The outstanding balance of the loan payable to San Gabriel Valley Municipal Water District was \$874,126 at June 30, 2015.

Annual debt service requirements on this loan are as follows:

Year Ending June 30,	Principal	Interest	Totals
2016	\$ 145,688	\$ -	\$ 145,688
2017	145,688	-	145,688
2018	145,688	-	145,688
2019	145,688	-	145,688
2020	145,687	-	145,687
2021	145,687	-	145,687
	<u>\$ 874,126</u>	<u>\$ -</u>	<u>\$ 874,126</u>

Capital Lease

In January 2010, the City entered into a capital lease agreement to fund certain current and future major equipment purchases in the sewer fund. The balance of the capital lease payable was \$221,775 at June 30, 2015.

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

Amount of future lease payments for the year ending June 30,	Business-type Activities
2016	\$ 50,701
2017	50,701
2018	50,702
2019	50,702
2020	50,702
Subtotal	253,508
Less: amount representing interest	(31,733)
Present value of future lease payments	<u>\$ 221,775</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

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

Assets:	
Machinery and equipment	\$401,418
Less: accumulated depreciation	<u>(140,496)</u>
Total	<u><u>\$ 260,922</u></u>

**7. NET POSITION AND FUND BALANCES**

**A. Fund Balance Classifications**

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

	General Fund	Low & Moderate Income Housing Fund	Non-Major Governmental Funds
Nonspendable	\$ 19,535	\$ -	\$ -
Restricted for:			
Land held for resale	-	1,682,998	-
Public Works	-	-	581,368
Community Development	-	6	1,405,010
Public Safety	-	-	44,316
Community Services	-	-	130,699
Street Projects	-	-	262,277
Debt Service	-	-	6,768
Committed to:			
IT Master Plan	25,000	-	-
Website Redesign	25,000	-	-
CAJPIA Retrospective Claims	125,000	-	-
Integrated Library System	25,000	-	-
NPDES	213,500	-	-
Public Safety/City Hall Roofs	160,000	-	-
Exterior Library Paint	35,000	-	-
Street Resurfacing or Replacement	404,000	-	-
Ambulance Purchase	184,000	-	-
City Parking Lot Maintenance	45,000	-	-
Emergency Management & Response	39,000	-	100,153
Community Services	-	-	65,000
Tree Maintenance	-	-	71,725
Donor Restrictions	-	-	424,158
Assigned to:			
Fund Balance Policy for Cash Flows	4,608,278	-	-
Subsequent year's budget appropriation	525,000	-	-
Unassigned	<u>1,021,355</u>	<u>-</u>	<u>(256,676)</u>
Total fund balance	<u><u>\$ 7,454,668</u></u>	<u><u>\$ 1,683,004</u></u>	<u><u>\$ 2,834,798</u></u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Fund Financial Statements

The fund balances of the Gas Tax Fund and the Traffic Congestion Relief Fund have been restated to comply with the findings per the audit report issued by the State Controller's Office on the Special Gas Tax Street Improvement Fund for fiscal years July 1, 2010 through June 30, 2012 and Traffic Congestion Relief Fund for fiscal years July 1, 2004 through June 30, 2011. The adjustment is between two non-major governmental funds and has no impact on total non-governmental funds or government-wide statements.

	Gas Tax Fund	Traffic Congestion Relief Fund	Non-major Governmental Funds
<i>Governmental Funds:</i>			
Fund balance, beginning of year	\$ 16,230	\$ (44,667)	\$ 3,002,503
Prior period adjustment	(44,667)	44,667	-
Fund balance, beginning of year, as restated	<u>\$ (28,437)</u>	<u>\$ -</u>	<u>\$ 3,002,503</u>

The fund balance for the Water Fund has been restated to adjust for pre-purchased water held in the Main Basin cyclic storage. The prepaid water was purchased in 2009, the balance at June 30, 2015 was \$297,074. The Water fund balance was also adjusted for purchased water in the fiscal year ended June 30, 2014. The City received the billing for this water purchase, calendar year 2014, in the fall on 2015. \$331,589 of the calendar 2014 bill was attributed to FY 2014 water purchases.

The fund balance for the facilities internal service fund was restated to adjust capital assets beginning balances to actual for prior year misclassifications of capital assets and disposals.

As discussed in Note 10, the City implemented GASB Statement No. 68 effective July 1, 2014. GASB 68, among other provisions, requires governments providing defined pensions to recognize their long-term obligations for pension benefits as a liability. Governments will report in their financial statements a net pension liability. As a result of the implementation of GASB 68 and prior period adjustments, the effect on beginning net position is as follows:

	Water	Sewer and Storm Drain	Governmental Activities Internal Service Funds
<i>Proprietary Funds:</i>			
Net Position, beginning of year	\$ 15,895,592	\$ 5,032,203	\$ 185,691,721
Prior period adjustment	(34,515)	-	167,517
Change in accounting principle	(813,311)	(508,319)	(914,975)
Net position, beginning of year, as restated	<u>\$ 15,047,766</u>	<u>\$ 4,523,884</u>	<u>\$ 184,944,263</u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**B. Change in Accounting Principle/Prior Period Adjustment, (continued)**

Government-wide Financial Statements

The city also had a prior period adjustment to governmental capital assets for capital assets entries for the prior year that have no effect on fund financial statements but an effect on the government-wide statements. The prior period adjustments and the change in accounting principle have the following effect on the government-wide net position:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Net position, beginning of year	\$ 197,183,050	\$ 21,166,552	\$ 218,349,602
Prior period adjustment	275,710	(34,515)	241,195
Change in accounting principle	<u>(8,844,753)</u>	<u>(1,321,630)</u>	<u>(10,166,383)</u>
Net position, beginning of year, as restated	<u>\$ 188,614,007</u>	<u>\$ 19,810,407</u>	<u>\$ 208,424,414</u>

**8. SELF-INSURANCE JOINT POWERS AUTHORITY**

**A. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The City of Sierra Madre is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

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

Each member pays an annual contribution to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost re-allocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
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**8. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)**

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

Liability

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. The \$2.5 million annual aggregate deductible is fully covered under a separate policy; as such no portion of it is retained by the Authority. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3.0 million annual aggregate deductible is fully retained by the Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence. Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
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**8. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)**

**C. Purchased Insurance**

Pollution Legal Liability Insurance

The City of Sierra Madre participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Sierra Madre. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2011 through July 1, 2014. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance

The City of Sierra Madre participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Sierra Madre property is currently insured according to a schedule of covered property submitted by the City of Sierra Madre to the Authority. City of Sierra Madre property currently has all-risk property insurance protection in the amount of \$57,365,882. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Sierra Madre purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Sierra Madre property currently has earthquake protection in the amount of \$29,256,981. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Crime Insurance

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

Special Event Tenant User Liability Insurance

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**8. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)**

**D. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2014-15.

**E. Retrospective Payments**

Retrospective deposits and refunds are cost allocation adjustments to prior coverage periods. Some claims take many years to resolve and over time their estimated value changes. The retrospective adjustments are calculated annually and take into consideration all the changes in claim values that occurred during the most recent year.

Beginning in 2010, the Authority began a transition from the retrospective funding model to a prospective one. With significant consideration being given to the current economic challenges facing local governments, the Executive Committee took action at its meeting on March 24, 2010, to temporarily defer payment on retrospective deposits owed to the Authority by members. Liability program retrospective balances owed to the pool were deferred from payment until July 1, 2013. Workers' Compensation program retrospective balances owed to the pool were deferred from payment until July 1, 2015. Members with credit retrospective balances in either pooled program automatically received 25% of the balance as a credit against other charges on the annual invoice due July 1, 2012. Until December 31, 2012, members that owed retrospective balances to the liability pool could take advantage of the early repayment incentive program for the liability pool. Members that owe retrospective balances to the workers' compensation pool have until December 31, 2015 to take advantage of the early repayment incentive program for the workers' compensation pool.

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

As of June 30, 2015, the City has a retrospective deposit balance for the Liability Program of \$782,588 and \$198,263 for the Workers' Compensation Program. The retrospective deposit payables are reported as claims payable on the Statement of Net Position.

**9. DEFERRED COMPENSATION PLAN**

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**10. DEFINED BENEFIT PENSION PLAN**

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

Plan Descriptions

The City of Sierra Madre contributes to the California Public Employees Retirement System (CalPERS), a cost-sharing multiple-employer public employee defined benefit pension plan. A full description of the pension plans regarding number of employees covered, benefit provisions, assumptions (for funding, but not account purposes), and membership information are listed in the June 30, 2013 Annual Actuarial Valuation Report. Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. The actuarial valuation report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits Provided

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

The Plans operate 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 Plans' 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.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

The Plans' provisions and benefits in effect at June 30, 2014 (measurement date) are summarized as follows:

	<b>Miscellaneous</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	2.5 % @ 55	2% @ 62
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50 - 55	52 - 67
Retirement age	2.0% to 2.5%	1.0% to 2.5%
Monthly benefits, as a % of eligible compensation	8%	8%
Required employee contribution rates	19.725%	19.725%
Required employer contribution rates		
	<b>Safety</b>	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date	3% @ 55	2.7% @ 57
Benefit formula	5 years service	5 years service
Benefit vesting schedule	monthly for life	monthly for life
Benefit payments	50-55	50 - 57
Retirement age	2.4% to 3%	2.0% to 2.7%
Monthly benefits, as a % of eligible compensation	9%	11.715%
Required employee contribution rates	32.798%	12.250%
Required employer contribution rates		

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the measurement period ended June 30, 2014 (the measurement date), the average active employee contribution rate for the respective miscellaneous, safety plans and PEPRA safety plans is 8, 9 and 11.715 percent of annual pay, and the employer's contribution rate is 19.725, 32.798 and 12.250 percent of annual payroll. Employer contribution rates may change if plan contracts are amended. Employer Contributions for the measurement period ended June 30, 2014 for the respective miscellaneous and safety plans are \$461,100 and \$523,181. Employer Paid Member Contributions for the measurement period ended June 30, 2014 for the plans are \$127,711, or an average rate of 6.87 percent of annual payroll. The actual employer payments of \$984,281 made to CalPERS by the City of Sierra Madre during the measurement period ended June 30, 2014 differed from the City of Sierra Madre's proportionate share of the employer's contributions of \$877,778 by \$106,503, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

**B. Net Pension Liability**

The City of Sierra Madre's net pension liability for the (each) Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ended June 30, 2014 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2013	June 30, 2013
Measurement Date	June 30, 2014	June 30, 2014
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Asset Valuation Method	Market Value of Assets	Market Value of Assets
Actuarial Assumptions:		
Discount Rate	7.50%	7.50%
Inflation	2.75%	2.75%
Salary Increases (1)	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return (2)	7.50%	7.50%
Mortality Rate Table (3)	Derived using CALPERS' membership data for all Funds	
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter	

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

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

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

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50 percent for the Plan (each Plan). To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan. Refer to the sensitivity of the net pension liability to changes in the discount rate section of this note, which provides information on the sensitivity of the net pension liability to changes in the discount rate.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10<sup>1</sup></u>	<u>Real Return Years 11+<sup>2</sup></u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	(0.55%)	(1.05%)
 Total	 <u>100%</u>		

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

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

Pension Plan Fiduciary Net Position

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

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

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

Miscellaneous

	Increase (Decrease)		
	Plan Total	Plan Fiduciary	Plan Net Pension
	Pension Liability	Net Position	Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 21,043,485	\$ 15,138,982	\$ 5,904,503
Balance at: 6/30/2014 (MD)	\$ 22,295,775	\$ 17,655,460	\$ 4,640,315
Net Changes during 2013-14	\$ 1,252,290	\$ 2,516,478	\$ (1,264,188)

Safety

	Increase (Decrease)		
	Plan Total	Plan Fiduciary	Plan Net Pension
	Pension Liability	Net Position	Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 17,657,251	\$ 12,285,375	\$ 5,371,876
Balance at: 6/30/2014 (MD)	\$ 18,513,882	\$ 14,134,286	\$ 4,379,596
Net Changes during 2013-14	\$ 856,631	\$ 1,848,911	\$ (992,280)

PEPRA Safety Police

	Increase (Decrease)		
	Plan Total	Plan Fiduciary	Plan Net Pension
	Pension Liability	Net Position	Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 7,475	\$ 5,547	\$ 1,928
Balance at: 6/30/2014 (MD)	\$ 7,838	\$ 6,381	\$ 1,457
Net Changes during 2013-14	\$ 363	\$ 834	\$ (471)

PEPRA Safety Fire

	Increase (Decrease)		
	Plan Total	Plan Fiduciary	Plan Net Pension
	Pension Liability	Net Position	Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2013 (VD)	\$ 256	\$ 190	\$ 66
Balance at: 6/30/2014 (MD)	\$ 268	\$ 219	\$ 49
Net Changes during 2013-14	\$ 12	\$ 29	\$ (17)

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

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

The City of Sierra Madre's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The City of Sierra Madre'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 under Forms and Publications, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The City of Sierra Madre's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>PEPRA Safety Police</u>	<u>PEPRA Safety Fire</u>
Proportionate Share - June 30, 2013	0.18020%	0.11228%	0.00004%	0.00000%
Proportionate Share - June 30, 2014	0.18775%	0.11676%	0.00004%	0.00000%
Change - Increase (Decrease)	0.00756%	0.00448%	(0.00000%)	(0.00000%)

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

The following presents the City of Sierra Madre's proportionate share of the net pension liability for each Plan as of the measurement date, calculated using the discount rate of 7.50 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	<b>Discount Rate - 1% (6.50%)</b>	<b>Current Discount Rate (7.50%)</b>	<b>Discount Rate + 1% (8.50%)</b>
Miscellaneous Plan's Net Pension Liability	\$ 7,598,134	\$ 4,640,315	\$ 2,185,607
Safety Plan's Net Pension Liability	\$ 6,859,484	\$ 4,379,596	\$ 2,336,275
PEPRA Safety Police Plan's Net Pension Liability	\$ 2,506	\$ 1,457	\$ 592
PEPRA Safety Fire Plan's Net Pension Liability	\$ 85	\$ 49	\$ 20



**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
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**10. DEFINED BENEFIT PENSION PLAN, (continued)**

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

**Miscellaneous Plan**

As of the start of the measurement period (July 1, 2013), the net pension liability for the plan is \$5,904,503 (the net pension liability of the aggregate plan as of June 30, 2013 is \$3,276,668,431).

For the measurement period ending June 30, 2014 (the measurement date), the City of Sierra Madre incurred a pension expense of \$518,993 for the Plan (the pension expense for the aggregate plan for the measurement period is \$239,824,465). A complete breakdown of the pension expense is as follows:

Miscellaneous Plan

Description	Risk Pool	Employer's	Percentage of
	Amounts	Share	Employer's Share
Service Cost	\$ 338,829,351	\$ 478,445	0.1412%
Interest on the Total Pension Liability	921,162,366	1,566,479	0.1701%
Recognized Differences between Expected and Actual Experience	-	-	N/A
Recognized Changes of Assumptions	-	-	N/A
Employee Contributions	(159,834,203)	(200,464)	0.1254%
Employer Paid Member Contributions	-	106,984	N/A
Projected Earnings on Pension Plan Investments	(678,133,636)	(1,128,423)	0.1664%
Recognized Differences between Projected and Actual Earnings on Plan Investments	(182,199,413)	(303,182)	0.1664%
Other Changes in Fiduciary Net Position	-	-	N/A
Recognized Portion of Adjustment due to Differences in Proportions	-	3,452	N/A
Recognized Difference Between Contributions and Proportionate Share of Contributions	-	(4,298)	N/A
<b>Subtotal: Employer's Share of Expense Components</b>	<u>\$ 239,824,465</u>	518,993	
Changes of Benefit Terms		-	
<b>Employer's Proportionate Share of Pension Expense</b>		<u><b>\$ 518,993</b></u>	

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

**Safety Plan**

As of the start of the measurement period (July 1, 2013), the net pension liability for the plan is \$5,371,876 (the net pension liability of the aggregate plan as of June 30, 2013 is \$4,784,321,560).

For the measurement period ending June 30, 2014 (the measurement date), the City of Sierra Madre incurred a pension expense of \$433,828 for the Plan (the pension expense for the aggregate plan for the measurement period is \$351,644,102). A complete breakdown of the pension expense is as follows:

<b>Description</b>	<b>Risk Pool Amounts</b>	<b>Employer's Share</b>	<b>Percentage of Employer's Share</b>
Service Cost	\$ 369,638,880	\$ 499,450	0.1351%
Interest on the Total Pension Liability	1,251,259,652	1,307,390	0.1045%
Recognized Differences between Expected and Actual Experience	-	-	N/A
Recognized Changes of Assumptions	-	-	N/A
Employee Contributions	(131,938,305)	(273,116)	0.2070%
Employer Paid Member Contributions	-	20,727	N/A
Projected Earnings on Pension Plan Investments	(897,207,655)	(909,837)	0.1014%
Recognized Differences between Projected and Actual Earnings on Plan Investments	(240,108,470)	(243,488)	0.1014%
Other Changes in Fiduciary Net Position	-	-	N/A
Recognized Portion of Adjustment due to Differences in Proportions	-	377	N/A
Recognized Difference Between Contributions and Proportionate Share of Contributions	-	32,325	N/A
<b>Subtotal: Employer's Share of Expense</b>			
<b>Components</b>	<u>\$ 351,644,102</u>	433,828	
Changes of Benefit Terms		-	
<b>Employer's Proportionate Share of Pension Expense</b>		<u><u>\$ 433,828</u></u>	

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

**PEPRA Safety Police Plan**

As of the start of the measurement period (July 1, 2013), the net pension liability for the plan is \$1,928 (the net pension liability of the aggregate plan as of June 30, 2013 is \$4,784,321,560).

For the measurement period ending June 30, 2014 (the measurement date), the City of Sierra Madre incurred a pension expense of \$1,718 for the Plan (the pension expense for the aggregate plan for the measurement period is \$351,644,102). A complete breakdown of the pension expense is as follows:

<b>Description</b>	<b>Risk Pool Amounts</b>	<b>Employer's Share</b>	<b>Percentage of Employer's Share</b>
Service Cost	\$ 369,638,880	\$ 15,286	0.0041%
Interest on the Total Pension Liability	1,251,259,652	553	0.0000%
Recognized Differences between Expected and Actual Experience	-	-	N/A
Recognized Changes of Assumptions	-	-	N/A
Employee Contributions	(131,938,305)	(13,040)	0.0099%
Projected Earnings on Pension Plan Investments	(897,207,655)	(411)	0.0000%
Recognized Differences between Projected and Actual Earnings on Plan Investments	(240,108,470)	(110)	0.0000%
Other Changes in Fiduciary Net Position	-	-	N/A
Recognized Portion of Adjustment due to Differences in Proportions	-	(560)	N/A
<b>Subtotal: Employer's Share of Expense Components</b>	<b>\$ 351,644,102</b>	<b>1,718</b>	
Changes of Benefit Terms		-	
<b>Employer's Proportionate Share of Pension Expense</b>		<b>\$ 1,718</b>	

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

**PEPRA Safety Fire Plan**

As of the start of the measurement period (July 1, 2013), the net pension liability for the plan is \$66 (the net pension liability of the aggregate plan as of June 30, 2013 is \$4,784,321,560).

For the measurement period ending June 30, 2014 (the measurement date), the City of Sierra Madre incurred a pension expense of \$3,813 for the Plan (the pension expense for the aggregate plan for the measurement period is \$351,644,102). A complete breakdown of the pension expense is as follows:

<b>Description</b>	<b>Risk Pool Amounts</b>	<b>Employer's Share</b>	<b>Percentage of Employer's Share</b>
Service Cost	\$ 369,638,880	\$ 7,456	0.0020%
Interest on the Total Pension Liability	1,251,259,652	19	0.0000%
Recognized Differences between Expected and Actual Experience	-	-	N/A
Recognized Changes of Assumptions	-	-	N/A
Employee Contributions	(131,938,305)	(2,283)	0.0017%
Projected Earnings on Pension Plan Investments	(897,207,655)	(14)	0.0000%
Recognized Differences between Projected and Actual Earnings on Plan Investments	(240,108,470)	(4)	0.0000%
Other Changes in Fiduciary Net Position	-	-	N/A
Recognized Portion of Adjustment due to Differences in Proportions	-	(1,361)	N/A
<b>Subtotal: Employer's Share of Expense Components</b>	<b>\$ 351,644,102</b>	<b>3,813</b>	
Changes of Benefit Terms		-	
<b>Employer's Proportionate Share of Pension Expense</b>		<b>\$ 3,813</b>	

Note: Plan administrative expenses are not displayed in the above pension expense table. Since the expected investment return of 7.50 percent is net of administrative expenses, administrative expenses are excluded from the above table, but implicitly included as part of investment earnings.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

As of June 30, 2015, the City of Sierra Madre has deferred outflows and deferred inflows of resources related to pensions as follows:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between Expected and Actual Experience	\$ -	\$ -
Changes of Assumptions	-	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(2,187,136)
Adjustment due to Differences in Proportions	10,722	(5,378)
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	78,476	-
Pension Contributions Subsequent to Measurement Date	1,081,327	-
<b>Total</b>	<b>\$ 1,170,525</b>	<b>\$ (2,192,514)</b>

These amounts above are net of outflows and inflows recognized in the 2013-14 measurement period expense. The \$1,081,327 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<b>Measurement Period Ended June 30:</b>	<b>Deferred Outflows/(Inflows) of Resources</b>
2015	\$ (516,849)
2016	(516,849)
2017	(522,834)
2018	(546,784)
2019	-
Thereafter	-

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

**E. Payable to the Pension Plan**

At June 30, 2015, the City of Sierra Madre reported a payable of \$49,791 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2015.

**11. DEFINED CONTRIBUTION PENSION PLAN**

The City provides pension benefits for all of its part-time employees through a defined contribution plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The plan is administered as part of the Accumulation Program for Part-time and Limited-service Employees (The APPLE Plan) all part-time employees are eligible to participate from the date of employment. Federal legislation requires contributions of at least 7.5% to a retirement plan; the employee pays the entire 7.5% of the contribution. The contributions for each employee (and interest earned by the accounts) are fully vested immediately. The 457(b) pension plan for part-time employees was implemented in response to the Omnibus Reconciliation Act of 1990 (OBRA 90) that required all part-time employees working for governmental agencies to include these employees in Social Security (Old Age Security and Disability Insurance - OASDI) or a qualified alternative to Social Security covered under section IRC 3121.

For the year ended June 30, 2015, the City's payroll covered by the plan was \$580,499. The employees contributed 100% of the contributions.

**12. COMMITMENTS AND CONTINGENCIES**

**A. Grant Audits**

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

**B. Litigation**

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

**C. Compliance with Laws and Regulations**

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

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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**13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS**

Plan Description

The City administers a single-employer defined benefit plan which provides medical benefits to eligible retirees and their spouses. Medical coverage is currently provided through CalPERS as permitted under the Public Employees' Medical and Hospital Care Act (PEMHCA). This coverage requires the employee to satisfy the requirements for retirement under CalPERS. CalPERS retirement requires attainment of age 50 with 5 years of State or public City service or approved disability retirement.

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

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

The (direct) contribution provided by the City on behalf of active employees is \$122 per month for 2015.

- \$122.00 for CEA (and other non-POA) retirees, calculated as 5% times 20 (years in CalPERS medical) times \$122.
- \$97.60 for the POA retirees, calculated as 5% times 16 years times \$122.

As noted, this amount will increase until the contributions for retirees are equal to that for active employees.

In addition to the benefits described above, the City also provides the following monthly subsidy toward retiree (single coverage) medical premiums until the retiree reaches age 65.

- For CEA (and other non-POA) employees hired before October 15th 1995 and POA employees hired on or before December 22, 2011 who meet the requirements for CalPERS retirement (including industrial disability retirement), 5% times the number of years worked for the City times the lesser of the actual premium and the lowest cost HMO premium in the Los Angeles area region.
- For CEA (and other non-POA) employees hired on or after October 15th, 1995 and POA employees hired after December 22, 2011 who retire (including disability retirement) at age 60 or older with at least 30 years of service with the City, 100% of the actual premium or the lowest cost HMO premium in the LA area region, whichever is less.

The lowest cost HMO plan premium in the LA area region was \$458.74 per month in 2015.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The City voluntarily prefunds its annual contribution requirement (i.e. to set aside funds in advance of when medical premiums become due). Amounts that are prefunded are deposited into a prefunding account with CalPERS' California Employer's Retiree Benefit Trust Program ("CERBT"), the prefunding plan under Government Code Section 22940 for prefunding health care coverage for annuitants. CERBT is a trust fund that is intended to perform an essential governmental function within the "meaning of Section 115 of the Internal Revenue Code as an agent multiple-employer plan as defined in Governmental Accounting Standards Board (GASB) Statement No. 43 consisting of an aggregation of single-employer plans with pooled administrative and investment functions. Assets held in this trust are considered to be assets held in a fiduciary capacity on behalf of City employees and these assets accordingly have been excluded from the City's reported assets. The CalPERS CERBT publishes GASB 43 compliant Financial Statements, Notes, and Required Supplementary Information which may be obtained from its executive office at 400 "Q" Street, Sacramento, California 95811.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation (asset) for these benefits:

Annual required contribution	\$ 53,739
Interest on net OPEB obligation	(31,550)
Adjustment to annual required contribution	97,884
Annual OPEB cost (expense)	<u>120,073</u>
Contributions made	<u>(56,337)</u>
Decrease in OPEB obligation (asset)	63,736
Net OPEB obligation (asset), beginning of year	<u>(422,580)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ (358,844)</u></u>

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

Annual OPEB Cost and Net OPEB Obligation, (continued)

The City's annual OPEB cost, percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation (asset) for 2015 and the preceding three years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation/(Asset)
6/30/2013	194,820	280,242	143.8%	(296,796)
6/30/2014	216,235	342,019	158.2%	(422,580)
6/30/2015	120,073	56,337	46.9%	(358,844)

Funded Status and Funding Progress

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

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

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

Actuarial Methods and Assumptions, (continued)

The ARC for the plan for the current fiscal year ended June 30, 2015, was determined as part of the July 1, 2013 actuarial valuation. The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost, Level Percent of Pay Method. The actuarial assumptions included 1) a 7.5% investment rate of return, which is the assumed rate of the expected long-term investment returns on plan assets calculated based on the funded level of the plan at the valuation date, 2) an annual healthcare cost trend rate of 10% initially, reduced by decrements of 0.5% per year to an ultimate rate of 4.5% in the tenth year and 3) a 3.25% annual increase in salaries. The actuarial value of assets is set equal to the reported market value of assets. The UAAL is being amortized as a level percentage of payroll over a closed 10-year period, commencing with the fiscal year ending June 30, 2010. The remaining amortization period at June 30, 2015 is 5 years.

**14. SUCCESSOR AGENCY**

**Successor Agency Long-Term Debt**

The debt of the Successor Agency as of June 30, 2015 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due within one year	Due more than one year
<b>Successor agency:</b>						
Refunding Bond						
Series 1998A	\$ 2,030,000	\$ -	\$ (300,000)	\$ 1,730,000	\$ 315,000	\$ 1,415,000
Compensated Absences	7,037	2,234	(3,885)	5,386	1,077	4,309
<b>Total successor agency</b>	<b>\$ 2,037,037</b>	<b>\$ 2,234</b>	<b>\$ (303,885)</b>	<b>\$ 1,735,386</b>	<b>\$ 316,077</b>	<b>\$ 1,419,309</b>

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

In May 1998, the Sierra Madre Financing Authority issued the Tax Increment Revenue Refunding Bonds, Series 1998A on behalf of the Sierra Madre Community Redevelopment Agency in prepayment of its Agency Loan Agreement dated November 1, 1988, by and between the Agency and the Authority. These bonds mature annually through November 1, 2019 in the amounts ranging from \$155,000 to \$380,000 as of November 1, 1998. The interest on the bonds is payable semi-annually on May 1 and November 1, as of November 1, 1999. The bonds are special obligations of the Authority secured by and payable solely as of the tax rate of the Tax Increment Revenue Refunding Bonds, Series 1998A ranging from 3.8% to 5.0%. The bonds are subject to mandatory sinking redemption and redemption from optional loan prepayments prior to maturity. The outstanding balance of the Tax Increment Revenue Refunding Bonds, Series 1998A was \$1,730,000 at June 30, 2015.

**CITY OF SIERRA MADRE**  
**Notes to Basic Financial Statements**  
**For the year ended June 30, 2015**

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

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

Annual debt service requirements on these bonds are as follows:

Year Ending June 30,	Principal	Interest	Totals
2016	\$ 315,000	\$ 78,625	\$ 393,625
2017	330,000	62,500	392,500
2018	345,000	45,625	390,625
2019	360,000	28,000	388,000
2020	380,000	9,500	389,500
	<u>\$ 1,730,000</u>	<u>\$ 224,250</u>	<u>\$ 1,954,250</u>

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Required Supplementary Information For the Year Ending June 30, 2015**

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**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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

***Schedule of the Local Government's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years\****

***Miscellaneous Plan***

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<b>Measurement Date</b>	<b>6/30/2014</b>
Plan's Proportion of the Net Pension Liability <sup>1</sup>	0.07457%
Plan's Proportionate Share of the Net Pension Liability	\$ 4,640,315
Plan's Covered-Employee Payroll <sup>2</sup>	\$ 2,550,076
Plan's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	181.97%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	79.19%
Plan's Proportionate Share of Aggregate Employer Contributions <sup>3,4</sup>	\$ 477,433

<sup>1</sup> Proportion of the 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.

<sup>2</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

<sup>3</sup> The term Fiduciary Net Position (FNP) as used in this line denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all employers' additional side fund contributions made during the measurement period.

<sup>4</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of Fiduciary Net Position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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

***Miscellaneous Plan***

---

<b>Measurement Period</b>	<b>2013-14</b>
Actuarially Determined Contribution	\$ 477,964
Contributions in Relation to the Actuarially Determined Contribution	(477,964)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered-Employee Payroll	 \$ 2,550,076
 Contributions as a Percentage of Covered-Employee Payroll	 18.74%

<sup>1</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

***Notes to Schedule:***

Change in Benefit Terms: None

Change in Assumptions: None

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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***Schedule of the Local Government's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years\****

***Safety Plan***

---

<b>Measurement Date</b>	<b>6/30/2014</b>
Plan's Proportion of the Net Pension Liability <sup>1</sup>	0.07038%
Plan's Proportionate Share of the Net Pension Liability	\$ 4,379,596
Plan's Covered-Employee Payroll <sup>2</sup>	\$ 1,773,489
Plan's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	246.95%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	76.34%
Plan's Proportionate Share of Aggregate Employer Contributions <sup>3,4</sup>	\$ 400,158

<sup>1</sup> Proportion of the 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.

<sup>2</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

<sup>3</sup> The term Fiduciary Net Position (FNP) as used in this line denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all employers' additional side fund contributions made during the measurement period.

<sup>4</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of Fiduciary Net Position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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

**Safety Plan**

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<b>Measurement Period</b>	<b>2013-14</b>
Actuarially Determined Contribution	\$ 509,077
Contributions in Relation to the Actuarially Determined Contribution	(509,077)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 1,773,489
Contributions as a Percentage of Covered-Employee Payroll	28.70%

<sup>1</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

**Notes to Schedule:**

Change in Benefit Terms: None

Change in Assumptions: None

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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***Schedule of the Local Government's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years\****

***PEPRA Safety Fire Plan***

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<b>Measurement Date</b>	<b>6/30/2014</b>
Plan's Proportion of the Net Pension Liability <sup>1</sup>	0.00000%
Plan's Proportionate Share of the Net Pension Liability	\$ 49
Plan's Covered-Employee Payroll <sup>2</sup>	\$ 28,408
Plan's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	0.17%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	81.72%
Plan's Proportionate Share of Aggregate Employer Contributions <sup>3,4</sup>	\$ 6

<sup>1</sup> Proportion of the 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.

<sup>2</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

<sup>3</sup> The term Fiduciary Net Position (FNP) as used in this line denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all employers' additional side fund contributions made during the measurement period.

<sup>4</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of Fiduciary Net Position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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

***PEPRA Safety Fire Plan***

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<b>Measurement Period</b>	<b>2013-14</b>
Actuarially Determined Contribution	\$ 2,253
Contributions in Relation to the Actuarially Determined Contribution	(2,253)
Contribution Deficiency (Excess)	<u>\$ -</u>
 Covered-Employee Payroll	 \$ 28,408
 Contributions as a Percentage of Covered-Employee Payroll	 7.93%

<sup>1</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

***Notes to Schedule:***

Change in Benefit Terms: None

Change in Assumptions: None

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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***Schedule of the City of Sierra Madre's Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date Last 10 Years\****

***PEPRA Safety Police Plan***

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<b>Measurement Date</b>	<b>6/30/2014</b>
Plan's Proportion of the Net Pension Liability <sup>1</sup>	0.00002%
Plan's Proportionate Share of the Net Pension Liability	\$ 1,457
Plan's Covered-Employee Payroll <sup>2</sup>	\$ 58,244
Plan's Proportionate Share of the Net Pension Liability as a percentage of its Covered-Employee Payroll	2.50%
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	81.41%
Plan's Proportionate Share of Aggregate Employer Contributions <sup>3,4</sup>	\$ 181

<sup>1</sup> Proportion of the 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.

<sup>2</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

<sup>3</sup> The term Fiduciary Net Position (FNP) as used in this line denotes the aggregate risk pool's FNP at June 30, 2014 less the sum of all employers' additional side fund contributions made during the measurement period.

<sup>4</sup> The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the Measurement Period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of Fiduciary Net Position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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

**PEPRA Safety Police Plan**

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<b>Measurement Period</b>	<b>2013-14</b>
Actuarially Determined Contribution	\$ 12,868
Contributions in Relation to the Actuarially Determined Contribution	(12,868)
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered-Employee Payroll	\$ 58,244
Contributions as a Percentage of Covered-Employee Payroll	22.09%

<sup>1</sup> Covered-Employee Payroll represented above is based on the total payroll of employees that are provided pensions through the pension plan in accordance with GASB 68.

\* Measurement period 2013-14 (fiscal year 2015) was the 1st year of implementation, therefore, only one year is shown.

**Notes to Schedule:**

Change in Benefit Terms: None

Change in Assumptions: None

**2. OTHER POST EMPLOYMENT BENEFITS**

**SCHEDULE OF FUNDING PROGRESS FOR THE CITY'S PLAN**  
(Most recent information available)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
1/1/2010	\$ -	\$ 1,456,106	\$ 1,456,106	0.0%	\$ 4,641,533	31.4%
7/1/2011	361,594	1,162,355	800,761	31.1%	3,879,418	20.6%
7/1/2013	896,496	1,181,306	284,810	75.9%	3,688,531	7.7%

**CITY OF SIERRA MADRE**  
**Required Supplementary Information**  
**For the year ended June 30, 2015**

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**3. BUDGETS AND BUDGETARY ACCOUNTING**

The City adopts an annual budget prepared on the modified accrual basis of accounting for governmental funds. The City Manager or a designee is authorized to transfer budgeted amounts between the accounts of any department. Revisions that alter the total appropriations of any department or fund may be approved by the City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the program level. Reserves for encumbrances are not recorded by the City.

**CITY OF SIERRA MADRE**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 4,907,850	\$ 5,222,850	\$ 5,082,813	\$ (140,037)
Other taxes	3,066,495	3,113,595	3,170,560	56,965
Charges for services	199,345	187,345	212,175	24,830
Intergovernmental	3,856	5,856	6,511	655
Licenses and permits	396,097	396,097	408,778	12,681
Fines and forfeitures	220,399	237,399	223,072	(14,327)
Investment income	5,073	10,073	1,114	(8,959)
Miscellaneous	9,022	205,022	111,533	(93,489)
<b>Total revenues</b>	<b>8,808,137</b>	<b>9,378,237</b>	<b>9,216,556</b>	<b>(161,681)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government:</b>				
Administrative Services	1,580,229	1,573,229	1,518,900	54,329
Elected and Appointed	109,523	109,523	86,429	23,094
<b>Total general government</b>	<b>1,689,752</b>	<b>1,682,752</b>	<b>1,605,329</b>	<b>77,423</b>
<b>Public safety:</b>				
Police	3,905,106	3,865,108	3,387,335	477,773
Fire	921,282	1,046,282	1,048,870	(2,588)
<b>Total public safety</b>	<b>4,826,388</b>	<b>4,911,390</b>	<b>4,436,205</b>	<b>475,185</b>
Public works	556,447	476,447	509,413	(32,966)
<b>Culture and recreation:</b>				
Community Services	1,067,865	202,323	199,135	3,188
Library Services	794,080	781,080	737,833	43,247
<b>Total culture and recreation</b>	<b>1,861,945</b>	<b>983,403</b>	<b>936,968</b>	<b>46,435</b>
<b>Total expenditures</b>	<b>8,934,532</b>	<b>8,053,992</b>	<b>7,487,915</b>	<b>566,077</b>
Excess (deficiency) of revenues over (under) expenditures	(126,395)	1,324,245	1,728,641	404,396
<b>Other financing sources (uses):</b>				
Transfers in	99,911	99,911	131,445	31,534
Transfers out	(819,323)	(899,323)	(851,752)	47,571
<b>Total other financing sources (uses)</b>	<b>(719,412)</b>	<b>(799,412)</b>	<b>(720,307)</b>	<b>79,105</b>
Net change to fund balance	(845,807)	524,833	1,008,334	483,501
Fund balance, beginning of year	6,446,334	6,446,334	6,446,334	-
Fund balance, end of year	\$ 5,600,527	\$ 6,971,167	\$ 7,454,668	\$ 483,501

# **City of Sierra Madre, California**

*Village of the Foothills*



## **Supplementary Information For the Year Ending June 30, 2015**

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds by Fund Type**  
**June 30, 2015**

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
<b>Assets:</b>				
Cash and investments	\$ 3,668,161	\$ -	\$ 6,768	\$ 3,674,929
Receivables:				
Accounts	21,679	-	-	21,679
Taxes	38,247	-	-	38,247
Due from other agencies	11,992	-	-	11,992
Total assets	<u>\$ 3,740,079</u>	<u>-</u>	<u>\$ 6,768</u>	<u>\$ 3,746,847</u>
<b>Liabilities and Fund Balances:</b>				
Liabilities:				
Accounts payable	\$ 335,948	\$ -	\$ -	\$ 335,948
Accrued payroll and related liabilities	58,604	-	-	58,604
Due to other funds	287,922	-	-	287,922
Deposits and retentions	229,575	-	-	229,575
Total liabilities	<u>912,049</u>	<u>-</u>	<u>-</u>	<u>912,049</u>
Fund balances:				
Restricted	2,423,670	-	6,768	2,430,438
Committed	661,036	-	-	661,036
Unassigned	(256,676)	-	-	(256,676)
Total fund balances	<u>2,828,030</u>	<u>-</u>	<u>6,768</u>	<u>2,834,798</u>
Total liabilities and fund balances	<u>\$ 3,740,079</u>	<u>\$ -</u>	<u>\$ 6,768</u>	<u>\$ 3,746,847</u>

**CITY OF SIERRA MADRE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

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

**For the year ended June 30, 2015**

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 181,658	\$ -	\$ -	\$ 181,658
Charges for services	568,020	-	91,042	659,062
Intergovernmental	1,067,386	-	-	1,067,386
Licenses and permits	610,193	-	-	610,193
Investment income	4,274	6	-	4,280
Miscellaneous	149,277	-	-	149,277
Total revenues	<u>2,580,808</u>	<u>6</u>	<u>91,042</u>	<u>2,671,856</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	67,606	-	-	67,606
Public safety	946,191	-	-	946,191
Public works	1,161,282	135	-	1,161,417
Development	1,019,712	-	-	1,019,712
Culture and recreation	226,015	-	-	226,015
<b>Debt Service:</b>				
Principal	-	-	69,391	69,391
Interest	-	-	21,651	21,651
Total expenditures	<u>3,420,806</u>	<u>135</u>	<u>91,042</u>	<u>3,511,983</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(839,998)</u>	<u>(129)</u>	<u>-</u>	<u>(840,127)</u>
<b>Other financing sources (uses):</b>				
Transfers in	815,764	(5,688)	-	810,076
Transfers out	(133,172)	(4,482)	-	(137,654)
Total other financing sources (uses)	<u>682,592</u>	<u>(10,170)</u>	<u>-</u>	<u>672,422</u>
Net change to fund balances	(157,406)	(10,299)	-	(167,705)
Fund balances, beginning of year, as restated	<u>2,985,436</u>	<u>10,299</u>	<u>6,768</u>	<u>3,002,503</u>
Fund balances, end of year	<u>\$ 2,828,030</u>	<u>\$ -</u>	<u>\$ 6,768</u>	<u>\$ 2,834,798</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2015**

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
<b>Assets:</b>				
Cash and investments	\$ 100,153	\$ 458,512	\$ 3,109,496	\$ 3,668,161
<b>Receivables:</b>				
Accounts	-	-	21,679	21,679
Taxes	-	3,396	34,851	38,247
Due from other agencies	11,992	-	-	11,992
<b>Total assets</b>	<b><u>\$ 112,145</u></b>	<b><u>\$ 461,908</u></b>	<b><u>\$ 3,166,026</u></b>	<b><u>\$ 3,740,079</u></b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 4,719	\$ 331,229	\$ 335,948
Accrued payroll and related liabilities	-	-	58,604	58,604
Due to other funds	11,992	-	275,930	287,922
Deposits and retentions	-	-	229,575	229,575
<b>Total liabilities</b>	<b><u>11,992</u></b>	<b><u>4,719</u></b>	<b><u>895,338</u></b>	<b><u>912,049</u></b>
<b>Fund balances:</b>				
Restricted	-	457,189	1,966,481	2,423,670
Committed	100,153	-	560,883	661,036
Unassigned	-	-	(256,676)	(256,676)
<b>Total fund balances</b>	<b><u>100,153</u></b>	<b><u>457,189</u></b>	<b><u>2,270,688</u></b>	<b><u>2,828,030</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 112,145</u></b>	<b><u>\$ 461,908</u></b>	<b><u>\$ 3,166,026</u></b>	<b><u>\$ 3,740,079</u></b>

**CITY OF SIERRA MADRE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Non-Major Special Revenue Funds**

**For the year ended June 30, 2015**

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Revenues:				
Property taxes	\$ -	\$ 181,658	\$ -	\$ 181,658
Charges for services	-	-	568,020	568,020
Intergovernmental	1,916	-	1,065,470	1,067,386
Licenses and permits	-	-	610,193	610,193
Investment income	-	585	3,689	4,274
Miscellaneous	-	-	149,277	149,277
Total revenues	<u>1,916</u>	<u>182,243</u>	<u>2,396,649</u>	<u>2,580,808</u>
Expenditures:				
Current:				
General government	-	-	67,606	67,606
Public safety	-	-	946,191	946,191
Public works	-	83,364	1,077,918	1,161,282
Development	-	-	1,019,712	1,019,712
Culture and recreation	1,272	-	224,743	226,015
Total expenditures	<u>1,272</u>	<u>83,364</u>	<u>3,336,170</u>	<u>3,420,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>644</u>	<u>98,879</u>	<u>(939,521)</u>	<u>(839,998)</u>
Other financing sources (uses):				
Transfers in	822	22,101	792,841	815,764
Transfers out	<u>(16,350)</u>	<u>-</u>	<u>(116,822)</u>	<u>(133,172)</u>
Total other financing sources (uses)	<u>(15,528)</u>	<u>22,101</u>	<u>676,019</u>	<u>682,592</u>
Net change to fund balances	(14,884)	120,980	(263,502)	(157,406)
Fund balances, beginning of year, as restated	<u>115,037</u>	<u>336,209</u>	<u>2,534,190</u>	<u>2,985,436</u>
Fund balances, end of year	<u>\$ 100,153</u>	<u>\$ 457,189</u>	<u>\$ 2,270,688</u>	<u>\$ 2,828,030</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds-Grants**  
**June 30, 2015**

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	<u>FMAG-Santa Anita Fire</u>	<u>Federal Transit Authority</u>
Assets:		
Cash and investments	\$ 100,153	\$ -
Due from other agencies	-	-
Total assets	<u>\$ 100,153</u>	<u>\$ -</u>
Liabilities and Fund Balances:		
Liabilities:		
Due to other funds	-	-
Total liabilities	<u>-</u>	<u>-</u>
Fund balances:		
Committed	<u>100,153</u>	<u>-</u>
Total fund balances	<u>100,153</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 100,153</u>	<u>\$ -</u>

<u>2011 Windstorm</u>	<u>LA County Tree Mitigation Grant</u>	<u>Local History State Grant</u>	<u>LSTA Teen Docent Grant</u>	<u>Total Special Revenue-Grant Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 100,153
-	11,992	-	-	11,992
<u>\$ -</u>	<u>\$ 11,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,145</u>
-	11,992	-	-	11,992
-	11,992	-	-	11,992
-	-	-	-	100,153
-	-	-	-	100,153
<u>\$ -</u>	<u>\$ 11,992</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 112,145</u>

**CITY OF SIERRA MADRE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

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

**For the year ended June 30, 2015**

	FMAG-Santa Anita Fire	Federal Transit Authority	2011 Windstorm
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Culture and recreation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	-	(11,897)	(4,377)
Total other financing sources (uses)	<u>-</u>	<u>(11,897)</u>	<u>(4,377)</u>
Net change to fund balances	-	(11,897)	(4,377)
Fund balances, beginning of year	<u>100,153</u>	<u>11,897</u>	<u>4,377</u>
Fund balances, end of year	<u>\$ 100,153</u>	<u>\$ -</u>	<u>\$ -</u>

<u>LA County Tree Mitigation Grant</u>	<u>Local History Grant</u>	<u>LSTA Teen Docent Grant</u>	<u>Total Special Revenue-Grant Funds</u>
\$ -	\$ -	\$ 1,916	\$ 1,916
-	-	1,916	1,916
-	-	1,272	1,272
-	-	1,272	1,272
-	-	644	644
-	822	-	822
-	-	(76)	(16,350)
-	822	(76)	(15,528)
-	822	568	(14,884)
-	(822)	(568)	115,037
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,153</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds-Assessments**  
**June 30, 2015**

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
<b>Assets:</b>				
Cash and investments	\$ 11,241	\$ 407	\$ 13,038	\$ 129,249
Taxes receivable	-	55	-	453
Total assets	<u>\$ 11,241</u>	<u>\$ 462</u>	<u>\$ 13,038</u>	<u>\$ 129,702</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 462	\$ 142	\$ 577
Total liabilities	<u>-</u>	<u>462</u>	<u>142</u>	<u>577</u>
<b>Fund balances:</b>				
Restricted	<u>11,241</u>	<u>-</u>	<u>12,896</u>	<u>129,125</u>
Total fund balances	<u>11,241</u>	<u>-</u>	<u>12,896</u>	<u>129,125</u>
Total liabilities and fund balances	<u>\$ 11,241</u>	<u>\$ 462</u>	<u>\$ 13,038</u>	<u>\$ 129,702</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Santa Anita/Arno Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 117,985	\$ 136,578	\$ 1,244	\$ 171	\$ 28,273	\$ 20,326	\$ 458,512
551	1,546	200	-	591	-	3,396
<u>\$ 118,536</u>	<u>\$ 138,124</u>	<u>\$ 1,444</u>	<u>\$ 171</u>	<u>\$ 28,864</u>	<u>\$ 20,326</u>	<u>\$ 461,908</u>
\$ 331	\$ 1,592	\$ 1,444	\$ 171	\$ -	\$ -	\$ 4,719
<u>331</u>	<u>1,592</u>	<u>1,444</u>	<u>171</u>	<u>-</u>	<u>-</u>	<u>4,719</u>
118,205	136,532	-	-	28,864	20,326	457,189
<u>118,205</u>	<u>136,532</u>	<u>-</u>	<u>-</u>	<u>28,864</u>	<u>20,326</u>	<u>457,189</u>
<u>\$ 118,536</u>	<u>\$ 138,124</u>	<u>\$ 1,444</u>	<u>\$ 171</u>	<u>\$ 28,864</u>	<u>\$ 20,326</u>	<u>\$ 461,908</u>

**CITY OF SIERRA MADRE**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

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

**For the year ended June 30, 2015**

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
<b>Revenues:</b>				
Property taxes	\$ 10,291	\$ 5,356	\$ -	\$ 37,999
Investment income	14	-	17	166
Total revenues	<u>10,305</u>	<u>5,356</u>	<u>17</u>	<u>38,165</u>
<b>Expenditures:</b>				
Current:				
Public works	<u>10,324</u>	<u>6,135</u>	<u>2,542</u>	<u>8,787</u>
Total expenditures	<u>10,324</u>	<u>6,135</u>	<u>2,542</u>	<u>8,787</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19)</u>	<u>(779)</u>	<u>(2,525)</u>	<u>29,378</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	779	-	-
Total other financing sources (uses)	<u>-</u>	<u>779</u>	<u>-</u>	<u>-</u>
Net change to fund balances	(19)	-	(2,525)	29,378
Fund balances, beginning of year	<u>11,260</u>	<u>-</u>	<u>15,421</u>	<u>99,747</u>
Fund balances, end of year	<u>\$ 11,241</u>	<u>\$ -</u>	<u>\$ 12,896</u>	<u>\$ 129,125</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Santa Anita/Arno Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 44,316	\$ 60,898	\$ 8,917	\$ -	\$ 7,037	\$ 6,844	\$ 181,658
151	175	-	-	36	26	585
<u>44,467</u>	<u>61,073</u>	<u>8,917</u>	<u>-</u>	<u>7,073</u>	<u>6,870</u>	<u>182,243</u>
4,452	22,080	26,168	2,060	816	-	83,364
<u>4,452</u>	<u>22,080</u>	<u>26,168</u>	<u>2,060</u>	<u>816</u>	<u>-</u>	<u>83,364</u>
40,015	38,993	(17,251)	(2,060)	6,257	6,870	98,879
-	-	17,251	4,071	-	-	22,101
-	-	<u>17,251</u>	<u>4,071</u>	-	-	<u>22,101</u>
40,015	38,993	-	2,011	6,257	6,870	120,980
78,190	97,539	-	(2,011)	22,607	13,456	336,209
<u>\$ 118,205</u>	<u>\$ 136,532</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,864</u>	<u>\$ 20,326</u>	<u>\$ 457,189</u>

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds-Other**  
**June 30, 2015**

	Development Fees	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement
<b>Assets:</b>				
Cash and investments	\$ 475,487	\$ 1,398,001	\$ 57,789	\$ 7,015
<b>Receivables:</b>				
Accounts	-	-	-	-
Taxes	-	-	-	-
<b>Total assets</b>	<b>\$ 475,487</b>	<b>\$ 1,398,001</b>	<b>\$ 57,789</b>	<b>\$ 7,015</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 270,235	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	26,457	-	-	-
Due to other funds	-	-	-	-
Deposits and retentions	178,795	50,780	-	-
<b>Total liabilities</b>	<b>475,487</b>	<b>50,780</b>	<b>-</b>	<b>-</b>
<b>Fund balances:</b>				
Restricted	-	1,347,221	57,789	7,015
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>1,347,221</b>	<b>57,789</b>	<b>7,015</b>
<b>Total liabilities and fund balances</b>	<b>\$ 475,487</b>	<b>\$ 1,398,001</b>	<b>\$ 57,789</b>	<b>\$ 7,015</b>

<u>Narcotics Enforcement</u>	<u>Police Department Donations</u>	<u>Public Safety Augmentation Fund</u>	<u>State COPS Grant</u>	<u>Emergency Medical Services</u>	<u>Fire Department Donations</u>	<u>Community Arts Commission</u>
\$ 449	\$ 19,312	\$ -	\$ 38,219	\$ 29,700	\$ 24,436	\$ 6,159
-	-	-	-	-	-	-
-	-	20,233	14,618	-	-	-
<u>\$ 449</u>	<u>\$ 19,312</u>	<u>\$ 20,233</u>	<u>\$ 52,837</u>	<u>\$ 29,700</u>	<u>\$ 24,436</u>	<u>\$ 6,159</u>
\$ -	\$ 4,895	\$ -	\$ 10,709	\$ 11,071	\$ -	\$ -
-	-	-	5,276	18,629	-	-
-	-	20,233	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>4,895</u>	<u>20,233</u>	<u>15,985</u>	<u>29,700</u>	<u>-</u>	<u>-</u>
449	-	-	36,852	-	-	-
-	14,417	-	-	-	24,436	6,159
-	-	-	-	-	-	-
<u>449</u>	<u>14,417</u>	<u>-</u>	<u>36,852</u>	<u>-</u>	<u>24,436</u>	<u>6,159</u>
<u>\$ 449</u>	<u>\$ 19,312</u>	<u>\$ 20,233</u>	<u>\$ 52,837</u>	<u>\$ 29,700</u>	<u>\$ 24,436</u>	<u>\$ 6,159</u>

(continued)

**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

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

**June 30, 2015**

	Dog Park	Recreation Department Donations	Local Transportation Prop A	Open Space
<b>Assets:</b>				
Cash and investments	\$ 9,029	\$ 45,090	\$ 142,319	\$ -
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Total assets	<u>\$ 9,029</u>	<u>\$ 45,090</u>	<u>\$ 142,319</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 11,620	\$ -
Accrued payroll and related liabilities	-	-	-	-
Due to other funds	-	-	-	255,697
Deposits and retentions	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>11,620</u>	<u>255,697</u>
<b>Fund balances:</b>				
Restricted	-	-	130,699	-
Committed	9,029	45,090	-	-
Unassigned	-	-	-	(255,697)
Total fund balances	<u>9,029</u>	<u>45,090</u>	<u>130,699</u>	<u>(255,697)</u>
<b>Total liabilities and fund balances</b>	<u>\$ 9,029</u>	<u>\$ 45,090</u>	<u>\$ 142,319</u>	<u>\$ -</u>

Senior Center	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	CA Beverage Container Grant	Clean Air Fund (AQMD)
\$ 198,731	\$ 42,688	\$ 58,681	\$ 51,881	\$ 28,458	\$ 92,109
-	-	-	-	-	3,612
-	-	-	-	-	-
<u>\$ 198,731</u>	<u>\$ 42,688</u>	<u>\$ 58,681</u>	<u>\$ 51,881</u>	<u>\$ 28,458</u>	<u>\$ 95,721</u>
\$ 1,706	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	51,881	28,458	95,721
197,025	42,688	58,681	-	-	-
-	-	-	-	-	-
<u>197,025</u>	<u>42,688</u>	<u>58,681</u>	<u>51,881</u>	<u>28,458</u>	<u>95,721</u>
<u>\$ 198,731</u>	<u>\$ 42,688</u>	<u>\$ 58,681</u>	<u>\$ 51,881</u>	<u>\$ 28,458</u>	<u>\$ 95,721</u>

(continued)

**CITY OF SIERRA MADRE**

**Combining Balance Sheet**

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

**June 30, 2015**

	Environmental Fund	Gas Tax Fund	Measure R	Prop 42 Congestion Mgmt Fund
<b>Assets:</b>				
Cash and investments	\$ 63,714	\$ 16,783	\$ 210,396	\$ -
Receivables:				
Accounts	17,819	-	-	-
Taxes	-	-	-	-
Total assets	<u>\$ 81,533</u>	<u>\$ 16,783</u>	<u>\$ 210,396</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 7,200	\$ 11,149	\$ -	\$ -
Accrued payroll and related liabilities	2,608	5,634	-	-
Due to other funds	-	-	-	-
Deposits and retentions	-	-	-	-
Total liabilities	<u>9,808</u>	<u>16,783</u>	<u>-</u>	<u>-</u>
<b>Fund balances:</b>				
Restricted	-	-	210,396	-
Committed	71,725	-	-	-
Unassigned	-	-	-	-
Total fund balances	<u>71,725</u>	<u>-</u>	<u>210,396</u>	<u>-</u>
<b>Total liabilities and fund balances</b>	<u><b>\$ 81,533</b></u>	<u><b>\$ 16,783</b></u>	<u><b>\$ 210,396</b></u>	<u><b>\$ -</b></u>

<u>Library Gift and Memorial</u>	<u>Friends of the Library</u>	<u>Local Historical Society</u>	<u>Total Other Special Revenue Funds</u>
\$ 91,462	\$ 1,417	\$ 171	\$ 3,109,496
-	248	-	21,679
-	-	-	34,851
<u>\$ 91,462</u>	<u>\$ 1,665</u>	<u>\$ 171</u>	<u>\$ 3,166,026</u>
\$ -	\$ 2,644	\$ -	\$ 331,229
-	-	-	58,604
-	-	-	275,930
-	-	-	229,575
<u>-</u>	<u>2,644</u>	<u>-</u>	<u>895,338</u>
-	-	-	1,966,481
91,462	-	171	560,883
-	(979)	-	(256,676)
<u>91,462</u>	<u>(979)</u>	<u>171</u>	<u>2,270,688</u>
<u>\$ 91,462</u>	<u>\$ 1,665</u>	<u>\$ 171</u>	<u>\$ 3,166,026</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, 2015**

	Development Fees	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement
Revenues:				
Charges for services	\$ 306,630	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	7,006
Licenses and permits	415,942	43,156	61,678	-
Investment income	147	1,792	74	9
Miscellaneous	-	-	-	-
Total revenues	<u>722,719</u>	<u>44,948</u>	<u>61,752</u>	<u>7,015</u>
Expenditures:				
Current:				
General government	67,606	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	1,015,712	-	4,000	-
Culture and recreation	-	-	-	-
Total expenditures	<u>1,083,318</u>	<u>-</u>	<u>4,000</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(360,599)</u>	<u>44,948</u>	<u>57,752</u>	<u>7,015</u>
Other financing sources (uses):				
Transfers in	360,599	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>360,599</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	-	44,948	57,752	7,015
Fund balances, beginning of year, as restated	<u>-</u>	<u>1,302,273</u>	<u>37</u>	<u>-</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 1,347,221</u>	<u>\$ 57,789</u>	<u>\$ 7,015</u>

<u>Narcotics Enforcement</u>	<u>Police Department Donations</u>	<u>Public Safety Augmentation Fund</u>	<u>State COPS Grant</u>	<u>Emergency Medical Services</u>	<u>Fire Department Donations</u>	<u>Community Arts Commission</u>
\$ -	\$ -	\$ -	\$ -	\$ 256,354	\$ -	\$ -
-	-	122,379	120,848	-	-	-
-	-	-	-	-	-	-
-	25	131	49	-	31	8
-	5,575	-	-	-	6,850	-
<u>-</u>	<u>5,600</u>	<u>122,510</u>	<u>120,897</u>	<u>256,354</u>	<u>6,881</u>	<u>8</u>
-	-	-	-	-	-	-
-	7,517	-	240,037	688,596	10,041	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>7,517</u>	<u>-</u>	<u>240,037</u>	<u>688,596</u>	<u>10,041</u>	<u>-</u>
-	(1,917)	122,510	(119,140)	(432,242)	(3,160)	8
-	-	-	-	432,242	-	-
-	-	(122,510)	-	-	-	-
-	-	(122,510)	-	432,242	-	-
-	(1,917)	-	(119,140)	-	(3,160)	8
<u>449</u>	<u>16,334</u>	<u>-</u>	<u>155,992</u>	<u>-</u>	<u>27,596</u>	<u>6,151</u>
<u>\$ 449</u>	<u>\$ 14,417</u>	<u>\$ -</u>	<u>\$ 36,852</u>	<u>\$ -</u>	<u>\$ 24,436</u>	<u>\$ 6,159</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, 2015**

	Dog Park	Recreation Department Donations	Local Transportation Prop A	Open Space
Revenues:				
Charges for services	\$ -	\$ -	\$ 5,036	\$ -
Intergovernmental	-	-	194,945	-
Licenses and permits	-	-	-	-
Investment income	12	58	182	58
Miscellaneous	-	-	-	49,578
Total revenues	<u>12</u>	<u>58</u>	<u>200,163</u>	<u>49,636</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Development	-	-	-	-
Culture and recreation	-	-	145,381	4,748
Total expenditures	<u>-</u>	<u>-</u>	<u>145,381</u>	<u>4,748</u>
Excess (deficiency) of revenues over (under) expenditures	<u>12</u>	<u>58</u>	<u>54,782</u>	<u>44,888</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	12	58	54,782	44,888
Fund balances, beginning of year, as restated	<u>9,017</u>	<u>45,032</u>	<u>75,917</u>	<u>(300,585)</u>
Fund balances, end of year	<u>\$ 9,029</u>	<u>\$ 45,090</u>	<u>\$ 130,699</u>	<u>\$ (255,697)</u>

Senior Center	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C	CA Beverage Container Grant	Clean Air Fund (AQMD)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	161,659	5,000	13,488
-	-	-	-	-	-
255	55	75	67	36	118
33,863	4,691	-	-	-	-
<u>34,118</u>	<u>4,746</u>	<u>75</u>	<u>161,726</u>	<u>5,036</u>	<u>13,606</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	119,578	472	1,200
-	-	-	-	-	-
10,157	1,416	15,000	-	-	-
<u>10,157</u>	<u>1,416</u>	<u>15,000</u>	<u>119,578</u>	<u>472</u>	<u>1,200</u>
23,961	3,330	(14,925)	42,148	4,564	12,406
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
23,961	3,330	(14,925)	42,148	4,564	12,406
173,064	39,358	73,606	9,733	23,894	83,315
<u>\$ 197,025</u>	<u>\$ 42,688</u>	<u>\$ 58,681</u>	<u>\$ 51,881</u>	<u>\$ 28,458</u>	<u>\$ 95,721</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, 2015**

	Environmental Fund	Gas Tax Fund	Measure R	Prop 42 Congestion Mgmt Fund
Revenues:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	318,841	121,304	-
Licenses and permits	89,417	-	-	-
Investment income	83	-	307	-
Miscellaneous	-	-	-	-
Total revenues	<u>89,500</u>	<u>318,841</u>	<u>121,611</u>	<u>-</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	97,198	296,092	563,378	-
Development	-	-	-	-
Culture and recreation	-	-	-	-
Total expenditures	<u>97,198</u>	<u>296,092</u>	<u>563,378</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,698)</u>	<u>22,749</u>	<u>(441,767)</u>	<u>-</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	5,688	-	-
Total other financing sources (uses)	<u>-</u>	<u>5,688</u>	<u>-</u>	<u>-</u>
Net change to fund balances	(7,698)	28,437	(441,767)	-
Fund balances, beginning of year, as restated	<u>79,423</u>	<u>(28,437)</u>	<u>652,163</u>	<u>-</u>
Fund balances, end of year	<u>\$ 71,725</u>	<u>\$ -</u>	<u>\$ 210,396</u>	<u>\$ -</u>

<u>Library Gift and Memorial</u>	<u>Friends of the Library</u>	<u>Library Historical Society</u>	<u>Total Other Special Revenue Funds</u>
\$ -	\$ -	\$ -	\$ 568,020
-	-	-	1,065,470
-	-	-	610,193
117	-	-	3,689
8,803	39,917	-	149,277
<u>8,920</u>	<u>39,917</u>	<u>-</u>	<u>2,396,649</u>
-	-	-	67,606
-	-	-	946,191
-	-	-	1,077,918
-	-	-	1,019,712
7,229	40,812	-	224,743
<u>7,229</u>	<u>40,812</u>	<u>-</u>	<u>3,336,170</u>
<u>1,691</u>	<u>(895)</u>	<u>-</u>	<u>(939,521)</u>
-	-	-	792,841
-	-	-	(116,822)
-	-	-	676,019
1,691	(895)	-	(263,502)
89,771	(84)	171	2,534,190
<u>\$ 91,462</u>	<u>\$ (979)</u>	<u>\$ 171</u>	<u>\$ 2,270,688</u>
			(concluded)

**CITY OF SIERRA MADRE**  
**Combining Balance Sheet**  
**Non-Major Capital Project Funds**  
**June 30, 2015**

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	<u>AM Radio Tower</u>	<u>Street Improvement Projects</u>	<u>Total Capital Project Funds</u>
<b>Assets:</b>			
Cash and investments	\$ -	\$ -	\$ -
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Liabilities and Fund Balances:</b>			
<b>Liabilities:</b>			
Total liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Fund balances:</b>			
Assigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2015**

	<u>AM Radio Tower</u>	<u>Street Improvement Projects</u>	<u>Total Capital Project Funds</u>
<b>Revenues:</b>			
Investment income	\$ 6	\$ -	\$ 6
Total revenues	<u>6</u>	<u>-</u>	<u>6</u>
<b>Expenditures:</b>			
<b>Current:</b>			
Public works	135	-	135
Total expenditures	<u>135</u>	<u>-</u>	<u>135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(129)</u>	<u>-</u>	<u>(129)</u>
<b>Other financing sources (uses):</b>			
Transfers in	-	(5,688)	(5,688)
Transfers out	<u>(4,482)</u>	<u>-</u>	<u>(4,482)</u>
Total other financing sources (uses)	<u>(4,482)</u>	<u>(5,688)</u>	<u>(10,170)</u>
Net change to fund balance	(4,611)	(5,688)	(10,299)
Fund balances, beginning of year	<u>4,611</u>	<u>5,688</u>	<u>10,299</u>
Fund Balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SIERRA MADRE**

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

**LSTA Teen Docent Grant Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 1,916	\$ 1,916
Total revenues	<u>-</u>	<u>-</u>	<u>1,916</u>	<u>1,916</u>
Expenditures:				
Current:				
Culture and recreation	-	-	1,272	(1,272)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,272</u>	<u>(1,272)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>644</u>	<u>644</u>
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	(76)	(76)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(76)</u>	<u>(76)</u>
Net change to fund balance	-	-	568	568
Fund balance, beginning of year	<u>(568)</u>	<u>(568)</u>	<u>(568)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (568)</u>	<u>\$ (568)</u>	<u>\$ -</u>	<u>\$ 568</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Bonita Sewer Assessment District Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 10,480	\$ 10,480	\$ 10,291	\$ (189)
Investment income	-	-	14	14
Total revenues	<u>10,480</u>	<u>10,480</u>	<u>10,305</u>	<u>(175)</u>
Expenditures:				
Current:				
Public works	<u>10,325</u>	<u>10,325</u>	<u>10,324</u>	<u>1</u>
Total expenditures	<u>10,325</u>	<u>10,325</u>	<u>10,324</u>	<u>1</u>
Net change to fund balance	155	155	(19)	(174)
Fund balance, beginning of year	<u>11,260</u>	<u>11,260</u>	<u>11,260</u>	-
Fund balance, end of year	<u>\$ 11,415</u>	<u>\$ 11,415</u>	<u>\$ 11,241</u>	<u>\$ (174)</u>

**CITY OF SIERRA MADRE**

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

**Central Business Assessment District Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,075	\$ 5,075	\$ 5,356	\$ 281
Total revenues	<u>5,075</u>	<u>5,075</u>	<u>5,356</u>	<u>281</u>
Expenditures:				
Current:				
Public works	11,792	11,792	6,135	5,657
Total expenditures	<u>11,792</u>	<u>11,792</u>	<u>6,135</u>	<u>5,657</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(6,717)</u>	<u>(6,717)</u>	<u>(779)</u>	<u>5,938</u>
Other financing sources (uses):				
Transfers in	6,547	6,547	779	(5,768)
Total other financing sources (uses)	<u>6,547</u>	<u>6,547</u>	<u>779</u>	<u>(5,768)</u>
Net change to fund balance	(170)	(170)	-	170
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (170)</u>	<u>\$ (170)</u>	<u>\$ -</u>	<u>\$ 170</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Fane/Winwood Lane Assessment District Special Revenue Fund****For the year ending June 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Property taxes	\$ 964	\$ 964	\$ -	\$ (964)
Investment income	-	-	17	17
Total revenues	<u>964</u>	<u>964</u>	<u>17</u>	<u>(947)</u>
Expenditures:				
Current:				
Public works	<u>3,053</u>	<u>3,053</u>	<u>2,542</u>	<u>511</u>
Total expenditures	<u>3,053</u>	<u>3,053</u>	<u>2,542</u>	<u>511</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,089)</u>	<u>(2,089)</u>	<u>(2,525)</u>	<u>(436)</u>
Other financing sources (uses):				
Transfers in	<u>1,005</u>	<u>1,005</u>	-	<u>(1,005)</u>
Total other financing sources (uses)	<u>1,005</u>	<u>1,005</u>	-	<u>(1,005)</u>
Net change to fund balance	(1,084)	(1,084)	(2,525)	(1,441)
Fund balance, beginning of year	<u>15,421</u>	<u>15,421</u>	<u>15,421</u>	-
Fund balance, end of year	<u>\$ 14,337</u>	<u>\$ 14,337</u>	<u>\$ 12,896</u>	<u>\$ (1,441)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Lighting District #1 Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 18,473	\$ 18,473	\$ 37,999	\$ 19,526
Investment income	-	-	166	166
Total revenues	<u>18,473</u>	<u>18,473</u>	<u>38,165</u>	<u>19,692</u>
Expenditures:				
Current:				
Public works	14,525	14,525	8,787	5,738
Total expenditures	<u>14,525</u>	<u>14,525</u>	<u>8,787</u>	<u>5,738</u>
Net change to fund balance	3,948	3,948	29,378	25,430
Fund balance, beginning of year	<u>99,747</u>	<u>99,747</u>	<u>99,747</u>	<u>-</u>
Fund balance, end of year	<u>\$ 103,695</u>	<u>\$ 103,695</u>	<u>\$ 129,125</u>	<u>\$ 25,430</u>

**CITY OF SIERRA MADRE**

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

**Lighting District Zone A Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 4,771	\$ 4,771	\$ 44,316	\$ 39,545
Investment income	-	-	151	151
Total revenues	<u>4,771</u>	<u>4,771</u>	<u>44,467</u>	<u>39,696</u>
Expenditures:				
Current:				
Public works	6,061	6,061	4,452	1,609
Total expenditures	<u>6,061</u>	<u>6,061</u>	<u>4,452</u>	<u>1,609</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,290)</u>	<u>(1,290)</u>	<u>40,015</u>	<u>41,305</u>
Other financing sources (uses):				
Transfers in	1,192	1,192	-	(1,192)
Total other financing sources (uses)	<u>1,192</u>	<u>1,192</u>	<u>-</u>	<u>(1,192)</u>
Net change to fund balance	(98)	(98)	40,015	40,113
Fund balance, beginning of year	<u>78,190</u>	<u>78,190</u>	<u>78,190</u>	<u>-</u>
Fund balance, end of year	<u>\$ 78,092</u>	<u>\$ 78,092</u>	<u>\$ 118,205</u>	<u>\$ 40,113</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Lighting District Zone B Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 26,898	\$ 26,898	\$ 60,898	\$ 34,000
Investment income	-	-	175	175
Total revenues	<u>26,898</u>	<u>26,898</u>	<u>61,073</u>	<u>34,175</u>
Expenditures:				
Current:				
Public works	<u>25,701</u>	<u>25,701</u>	<u>22,080</u>	<u>3,621</u>
Total expenditures	<u>25,701</u>	<u>25,701</u>	<u>22,080</u>	<u>3,621</u>
Net change to fund balance	1,197	1,197	38,993	37,796
Fund balance, beginning of year	<u>97,539</u>	<u>97,539</u>	<u>97,539</u>	-
Fund balance, end of year	<u>\$ 98,736</u>	<u>\$ 98,736</u>	<u>\$ 136,532</u>	<u>\$ 37,796</u>

**CITY OF SIERRA MADRE**

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

**Parking Maintenance District Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
<b>Revenues:</b>				
Property taxes	\$ 8,337	\$ 8,337	\$ 8,917	\$ 580
Total revenues	<u>8,337</u>	<u>8,337</u>	<u>8,917</u>	<u>580</u>
<b>Expenditures:</b>				
Current:				
Public works	23,712	23,712	26,168	(2,456)
Total expenditures	<u>23,712</u>	<u>23,712</u>	<u>26,168</u>	<u>(2,456)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15,375)</u>	<u>(15,375)</u>	<u>(17,251)</u>	<u>(1,876)</u>
<b>Other financing sources (uses):</b>				
Transfers in	15,375	15,375	17,251	1,876
Total other financing sources (uses)	<u>15,375</u>	<u>15,375</u>	<u>17,251</u>	<u>1,876</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 Balance - Budget and Actual**

**Santa Anita/Arno Maintenance District Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Total revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Current:				
Public works	-	-	2,060	(2,060)
Total expenditures	-	-	2,060	(2,060)
Excess (deficiency) of revenues over (under) expenditures	-	-	(2,060)	(2,060)
Other financing sources (uses):				
Transfers in	-	-	4,071	4,071
Total other financing sources (uses)	-	-	4,071	4,071
Net change to fund balance	-	-	2,011	2,011
Fund balance, beginning of year	(2,011)	(2,011)	(2,011)	-
Fund balance, end of year	\$ (2,011)	\$ (2,011)	\$ -	\$ 2,011

**CITY OF SIERRA MADRE**

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

**Sewer Assessment District Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,150	\$ 8,150	\$ 7,037	\$ (1,113)
Investment income	-	-	36	36
Total revenues	<u>8,150</u>	<u>8,150</u>	<u>7,073</u>	<u>(1,077)</u>
Expenditures:				
Current:				
Public works	814	814	816	(2)
Total expenditures	<u>814</u>	<u>814</u>	<u>816</u>	<u>(2)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,336</u>	<u>7,336</u>	<u>6,257</u>	<u>(1,079)</u>
Other financing sources (uses):				
Transfers out	(7,336)	(7,336)	-	7,336
Total other financing sources (uses)	<u>(7,336)</u>	<u>(7,336)</u>	<u>-</u>	<u>7,336</u>
Net change to fund balance	-	-	6,257	6,257
Fund balance, beginning of year	<u>22,607</u>	<u>22,607</u>	<u>22,607</u>	<u>-</u>
Fund balance, end of year	<u>\$ 22,607</u>	<u>\$ 22,607</u>	<u>\$ 28,864</u>	<u>\$ 6,257</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Sierra Madre CFD Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ -	\$ -	\$ 6,844	\$ 6,844
Investment income	-	-	26	26
Total revenues	<u>-</u>	<u>-</u>	<u>6,870</u>	<u>6,870</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	-	6,870	6,870
Fund balance, beginning of year	<u>13,456</u>	<u>13,456</u>	<u>13,456</u>	<u>-</u>
Fund balance, end of year	<u>\$ 13,456</u>	<u>\$ 13,456</u>	<u>\$ 20,326</u>	<u>\$ 6,870</u>

**CITY OF SIERRA MADRE**

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

**Development Fees Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 121,487	\$ 121,487	\$ 306,630	\$ 185,143
Licenses and permits	423,425	423,425	415,942	(7,483)
Investment income	-	-	147	147
Total revenues	<u>544,912</u>	<u>544,912</u>	<u>722,719</u>	<u>177,807</u>
Expenditures:				
Current:				
General government	-	-	67,606	(67,606)
Development	982,273	982,273	1,015,712	(33,439)
Total expenditures	<u>982,273</u>	<u>982,273</u>	<u>1,083,318</u>	<u>(101,045)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(437,361)</u>	<u>(437,361)</u>	<u>(360,599)</u>	<u>76,762</u>
Other financing sources (uses):				
Transfers in	301,361	301,361	360,599	59,238
Total other financing sources (uses)	<u>301,361</u>	<u>301,361</u>	<u>360,599</u>	<u>59,238</u>
Net change to fund balance	(136,000)	(136,000)	-	136,000
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (136,000)</u>	<u>\$ (136,000)</u>	<u>\$ -</u>	<u>\$ 136,000</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Development Impact Fees Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 7,647	\$ 7,647	\$ 43,156	\$ 35,509
Investment income	125	125	1,792	1,667
Total revenues	<u>7,772</u>	<u>7,772</u>	<u>44,948</u>	<u>37,176</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	7,772	7,772	44,948	37,176
Fund balance, beginning of year	<u>1,302,273</u>	<u>1,302,273</u>	<u>1,302,273</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,310,045</u>	<u>\$ 1,310,045</u>	<u>\$ 1,347,221</u>	<u>\$ 37,176</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Development Fees Art in Public Places Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ -	\$ -	\$ 61,678	\$ 61,678
Investment income	-	-	74	74
Total revenues	<u>-</u>	<u>-</u>	<u>61,752</u>	<u>61,752</u>
Expenditures:				
Current:				
Development	-	-	4,000	(4,000)
Total expenditures	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>(4,000)</u>
Net change to fund balance	-	-	57,752	57,752
Fund balance, beginning of year	<u>37</u>	<u>37</u>	<u>37</u>	<u>-</u>
Fund balance, end of year	<u>\$ 37</u>	<u>\$ 37</u>	<u>\$ 57,789</u>	<u>\$ 57,752</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****DUI Enforcement Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 3,098	\$ 3,098	\$ 7,006	\$ 3,908
Investment income	6	6	9	3
Total revenues	<u>3,104</u>	<u>3,104</u>	<u>7,015</u>	<u>3,911</u>
Expenditures:				
Current:				
Public safety	<u>1,500</u>	<u>1,500</u>	-	<u>1,500</u>
Total expenditures	<u>1,500</u>	<u>1,500</u>	-	<u>1,500</u>
Net change to fund balance	1,604	1,604	7,015	5,411
Fund balance, beginning of year	-	-	-	-
Fund balance, end of year	<u>\$ 1,604</u>	<u>\$ 1,604</u>	<u>\$ 7,015</u>	<u>\$ 5,411</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Police Department Donations Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ 19	\$ 19	\$ 25	\$ 6
Miscellaneous	3,490	3,490	5,575	2,085
Total revenues	<u>3,509</u>	<u>3,509</u>	<u>5,600</u>	<u>2,091</u>
Expenditures:				
Current:				
Public safety	2,093	2,093	7,517	(5,424)
Total expenditures	<u>2,093</u>	<u>2,093</u>	<u>7,517</u>	<u>(5,424)</u>
Net change to fund balance	1,416	1,416	(1,917)	(3,333)
Fund balance, beginning of year	<u>16,334</u>	<u>16,334</u>	<u>16,334</u>	<u>-</u>
Fund balance, end of year	<u>\$ 17,750</u>	<u>\$ 17,750</u>	<u>\$ 14,417</u>	<u>\$ (3,333)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Public Safety Augmentation Special Revenue Fund****For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 99,911	\$ 99,911	\$ 122,379	\$ 22,468
Investment income	-	-	131	131
Total revenues	<u>99,911</u>	<u>99,911</u>	<u>122,510</u>	<u>22,599</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>99,911</u>	<u>99,911</u>	<u>122,510</u>	<u>22,599</u>
Other financing sources (uses):				
Transfers out	<u>(99,911)</u>	<u>(99,911)</u>	<u>(122,510)</u>	<u>(22,599)</u>
Total other financing sources (uses)	<u>(99,911)</u>	<u>(99,911)</u>	<u>(122,510)</u>	<u>(22,599)</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 Balance - Budget and Actual****State COPS Grant Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 120,848	\$ 20,848
Investment income	-	-	49	49
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>120,897</u>	<u>20,897</u>
Expenditures:				
Current:				
Public safety	155,992	255,992	240,037	15,955
Total expenditures	<u>155,992</u>	<u>255,992</u>	<u>240,037</u>	<u>15,955</u>
Net change to fund balance	(55,992)	(155,992)	(119,140)	36,852
Fund balance, beginning of year	<u>155,992</u>	<u>155,992</u>	<u>155,992</u>	<u>-</u>
Fund balance, end of year	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 36,852</u>	<u>\$ 36,852</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Emergency Medical Services Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 281,895	\$ 281,895	\$ 256,354	\$ (25,541)
Total revenues	<u>281,895</u>	<u>281,895</u>	<u>256,354</u>	<u>(25,541)</u>
Expenditures:				
Current:				
Public safety	736,478	736,478	688,596	47,882
Total expenditures	<u>736,478</u>	<u>736,478</u>	<u>688,596</u>	<u>47,882</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(454,583)</u>	<u>(454,583)</u>	<u>(432,242)</u>	<u>22,341</u>
Other financing sources (uses):				
Transfers in	466,583	466,583	432,242	(34,341)
Total other financing sources (uses)	<u>466,583</u>	<u>466,583</u>	<u>432,242</u>	<u>(34,341)</u>
Net change to fund balance	12,000	12,000	-	(12,000)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 12,000</u>	<u>\$ 12,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Fire Department Donations Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 31	\$ 31
Miscellaneous	6,000	6,000	6,850	850
Total revenues	<u>6,000</u>	<u>6,000</u>	<u>6,881</u>	<u>881</u>
Expenditures:				
Current:				
Public safety	6,000	6,000	10,041	(4,041)
Total expenditures	<u>6,000</u>	<u>6,000</u>	<u>10,041</u>	<u>(4,041)</u>
Net change to fund balance	-	-	(3,160)	(3,160)
Fund balance, beginning of year	<u>27,596</u>	<u>27,596</u>	<u>27,596</u>	-
Fund balance, end of year	<u>\$ 27,596</u>	<u>\$ 27,596</u>	<u>\$ 24,436</u>	<u>\$ (3,160)</u>

**CITY OF SIERRA MADRE**

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

**Community Arts Commission Special Revenue Fund**

**For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 8	\$ 8
Total revenues	<u>-</u>	<u>-</u>	<u>8</u>	<u>8</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	-	8	8
Fund balance, beginning of year	<u>6,151</u>	<u>6,151</u>	<u>6,151</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,151</u>	<u>\$ 6,151</u>	<u>\$ 6,159</u>	<u>\$ 8</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Local Transportation Prop A Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 12,000	\$ 12,000	\$ 5,036	\$ (6,964)
Intergovernmental	159,350	159,350	194,945	35,595
Investment income	-	-	182	182
Total revenues	<u>171,350</u>	<u>171,350</u>	<u>200,163</u>	<u>28,813</u>
Expenditures:				
Current:				
Culture and recreation	<u>175,440</u>	<u>175,440</u>	<u>145,381</u>	<u>30,059</u>
Total expenditures	<u>175,440</u>	<u>175,440</u>	<u>145,381</u>	<u>30,059</u>
Net change to fund balance	(4,090)	(4,090)	54,782	58,872
Fund balance, beginning of year	<u>75,917</u>	<u>75,917</u>	<u>75,917</u>	-
Fund balance, end of year	<u>\$ 71,827</u>	<u>\$ 71,827</u>	<u>\$ 130,699</u>	<u>\$ 58,872</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Open Space Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ 490	\$ 490	\$ 58	\$ (432)
Miscellaneous	50,000	50,000	49,578	(422)
Total revenues	<u>50,490</u>	<u>50,490</u>	<u>49,636</u>	<u>(854)</u>
Expenditures:				
Current:				
Culture and recreation	4,750	4,750	4,748	2
Total expenditures	<u>4,750</u>	<u>4,750</u>	<u>4,748</u>	<u>2</u>
Net change to fund balance	45,740	45,740	44,888	(852)
Fund balance, beginning of year	<u>(300,585)</u>	<u>(300,585)</u>	<u>(300,585)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (254,845)</u>	<u>\$ (254,845)</u>	<u>\$ (255,697)</u>	<u>\$ (852)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Senior Center Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 255	\$ 255
Miscellaneous	20,000	20,000	33,863	13,863
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>34,118</u>	<u>14,118</u>
Expenditures:				
Current:				
Culture and recreation	20,000	20,000	10,157	9,843
Total expenditures	<u>20,000</u>	<u>20,000</u>	<u>10,157</u>	<u>9,843</u>
Net change to fund balance	-	-	23,961	23,961
Fund balance, beginning of year	<u>173,064</u>	<u>173,064</u>	<u>173,064</u>	-
Fund balance, end of year	<u>\$ 173,064</u>	<u>\$ 173,064</u>	<u>\$ 197,025</u>	<u>\$ 23,961</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****SM Community Foundation Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 55	\$ 55
Miscellaneous	-	-	4,691	4,691
Total revenues	<u>-</u>	<u>-</u>	<u>4,746</u>	<u>4,746</u>
Expenditures:				
Current:				
Culture and recreation	-	-	1,416	(1,416)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,416</u>	<u>(1,416)</u>
Net change to fund balance	-	-	3,330	3,330
Fund balance, beginning of year	<u>39,358</u>	<u>39,358</u>	<u>39,358</u>	<u>-</u>
Fund balance, end of year	<u>\$ 39,358</u>	<u>\$ 39,358</u>	<u>\$ 42,688</u>	<u>\$ 3,330</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****YAC-Youth Activity Center Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 75	\$ 75
Miscellaneous	7,250	7,250	-	(7,250)
Total revenues	<u>7,250</u>	<u>7,250</u>	<u>75</u>	<u>(7,175)</u>
Expenditures:				
Current:				
Culture and recreation	18,750	18,750	15,000	3,750
Total expenditures	<u>18,750</u>	<u>18,750</u>	<u>15,000</u>	<u>3,750</u>
Net change to fund balance	(11,500)	(11,500)	(14,925)	(3,425)
Fund balance, beginning of year	<u>73,606</u>	<u>73,606</u>	<u>73,606</u>	<u>-</u>
Fund balance, end of year	<u>\$ 62,106</u>	<u>\$ 62,106</u>	<u>\$ 58,681</u>	<u>\$ (3,425)</u>

**CITY OF SIERRA MADRE**

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

**Local Transit Prop C Special Revenue Fund**

**For the year ending June 30, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 126,716	\$ 126,716	\$ 161,659	\$ 34,943
Investment income	-	-	67	67
Total revenues	<u>126,716</u>	<u>126,716</u>	<u>161,726</u>	<u>35,010</u>
Expenditures:				
Current:				
Public works	128,595	128,595	119,578	9,017
Total expenditures	<u>128,595</u>	<u>128,595</u>	<u>119,578</u>	<u>9,017</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,879)</u>	<u>(1,879)</u>	<u>42,148</u>	<u>44,027</u>
Net change to fund balance	(1,879)	(1,879)	42,148	44,027
Fund balance, beginning of year	<u>9,733</u>	<u>9,733</u>	<u>9,733</u>	<u>-</u>
Fund balance, end of year	<u>\$ 7,854</u>	<u>\$ 7,854</u>	<u>\$ 51,881</u>	<u>\$ 44,027</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****CA Beverage Container Grant Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Investment income	-	-	36	36
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,036</u>	<u>36</u>
Expenditures:				
Current:				
Public works	4,975	4,975	472	4,503
Total expenditures	<u>4,975</u>	<u>4,975</u>	<u>472</u>	<u>4,503</u>
Net change to fund balance	25	25	4,564	4,539
Fund balance, beginning of year	<u>23,894</u>	<u>23,894</u>	<u>23,894</u>	<u>-</u>
Fund balance, end of year	<u>\$ 23,919</u>	<u>\$ 23,919</u>	<u>\$ 28,458</u>	<u>\$ 4,539</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Clear Air (AQMD) Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 12,674	\$ 12,674	\$ 13,488	\$ 814
Investment income	-	-	118	118
Total revenues	<u>12,674</u>	<u>12,674</u>	<u>13,606</u>	<u>932</u>
Expenditures:				
Current:				
Public works	<u>12,610</u>	<u>12,610</u>	<u>1,200</u>	<u>11,410</u>
Total expenditures	<u>12,610</u>	<u>12,610</u>	<u>1,200</u>	<u>11,410</u>
Net change to fund balance	64	64	12,406	12,342
Fund balance, beginning of year	<u>83,315</u>	<u>83,315</u>	<u>83,315</u>	-
Fund balance, end of year	<u>\$ 83,379</u>	<u>\$ 83,379</u>	<u>\$ 95,721</u>	<u>\$ 12,342</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Environmental Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 128,000	\$ 128,000	\$ 89,417	\$ (38,583)
Investment income	-	-	83	83
Total revenues	<u>128,000</u>	<u>128,000</u>	<u>89,500</u>	<u>(38,500)</u>
Expenditures:				
Current:				
Public works	130,818	130,818	97,198	33,620
Total expenditures	<u>130,818</u>	<u>130,818</u>	<u>97,198</u>	<u>33,620</u>
Net change to fund balance	(2,818)	(2,818)	(7,698)	(4,880)
Fund balance, beginning of year	<u>79,423</u>	<u>79,423</u>	<u>79,423</u>	-
Fund balance, end of year	<u>\$ 76,605</u>	<u>\$ 76,605</u>	<u>\$ 71,725</u>	<u>\$ (4,880)</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Gas Tax Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 285,331	\$ 285,331	\$ 318,841	\$ 33,510
Total revenues	<u>285,331</u>	<u>285,331</u>	<u>318,841</u>	<u>33,510</u>
Expenditures:				
Current:				
Public works	428,148	428,148	296,092	132,056
Total expenditures	<u>428,148</u>	<u>428,148</u>	<u>296,092</u>	<u>132,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(142,817)</u>	<u>(142,817)</u>	<u>22,749</u>	<u>165,566</u>
Other financing sources (uses):				
Transfers out	-	-	5,688	5,688
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>5,688</u>	<u>5,688</u>
Net change to fund balance	(142,817)	(142,817)	28,437	171,254
Fund balance, beginning of year	<u>(28,437)</u>	<u>(28,437)</u>	<u>(28,437)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (171,254)</u>	<u>\$ (171,254)</u>	<u>\$ -</u>	<u>\$ 171,254</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Measure R Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 116,000	\$ 114,904	\$ 121,304	\$ 6,400
Investment income	-	-	307	307
Total revenues	<u>116,000</u>	<u>114,904</u>	<u>121,611</u>	<u>6,707</u>
Expenditures:				
Current:				
Public works	<u>650,274</u>	<u>650,274</u>	<u>563,378</u>	<u>86,896</u>
Total expenditures	<u>650,274</u>	<u>650,274</u>	<u>563,378</u>	<u>86,896</u>
Net change to fund balance	(534,274)	(535,370)	(441,767)	93,603
Fund balance, beginning of year	<u>652,163</u>	<u>652,163</u>	<u>652,163</u>	-
Fund balance, end of year	<u>\$ 117,889</u>	<u>\$ 116,793</u>	<u>\$ 210,396</u>	<u>\$ 93,603</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Library Gift and Memorial Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 117	\$ 117
Miscellaneous	65,000	65,000	8,803	(56,197)
Total revenues	<u>65,000</u>	<u>65,000</u>	<u>8,920</u>	<u>(56,080)</u>
Expenditures:				
Current:				
Culture and recreation	65,000	65,000	7,229	57,771
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>7,229</u>	<u>57,771</u>
Net change to fund balance	-	-	1,691	1,691
Fund balance, beginning of year	<u>89,771</u>	<u>89,771</u>	<u>89,771</u>	-
Fund balance, end of year	<u>\$ 89,771</u>	<u>\$ 89,771</u>	<u>\$ 91,462</u>	<u>\$ 1,691</u>

**CITY OF SIERRA MADRE****Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual****Friends of the Library Special Revenue Fund****For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 60,000	\$ 60,000	\$ 39,917	\$ (20,083)
Total revenues	<u>60,000</u>	<u>60,000</u>	<u>39,917</u>	<u>(20,083)</u>
Expenditures:				
Current:				
Culture and recreation	55,000	55,000	40,812	14,188
Total expenditures	<u>55,000</u>	<u>55,000</u>	<u>40,812</u>	<u>14,188</u>
Net change to fund balance	5,000	5,000	(895)	(5,895)
Fund balance, beginning of year	<u>(84)</u>	<u>(84)</u>	<u>(84)</u>	<u>-</u>
Fund balance, end of year	<u>\$ 4,916</u>	<u>\$ 4,916</u>	<u>\$ (979)</u>	<u>\$ (5,895)</u>

**CITY OF SIERRA MADRE**

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

**Library Historical Society Special Revenue Fund**

**For the year ending June 30, 2015**

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	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:				
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>171</u>	<u>171</u>	<u>171</u>	<u>-</u>
Fund balance, end of year	<u>\$ 171</u>	<u>\$ 171</u>	<u>\$ 171</u>	<u>\$ -</u>

**CITY OF SIERRA MADRE**

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

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

**For the year ending June 30, 2015**

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	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 3	\$ 3
Total revenues	<u>-</u>	<u>-</u>	<u>3</u>	<u>3</u>
Expenditures:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	-	-	3	3
Fund balance, beginning of year	<u>1,683,001</u>	<u>1,683,001</u>	<u>1,683,001</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,683,001</u>	<u>\$ 1,683,001</u>	<u>\$ 1,683,004</u>	<u>\$ 3</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Net Position**  
**Non-Major Enterprise Funds**  
**June 30, 2015**

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	<u>Special Strike Team Services</u>	<u>Aquatics</u>	<u>Recreation Classes</u>
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 126,483	\$ 149,121	\$ 6,331
Total current assets	<u>126,483</u>	<u>149,121</u>	<u>6,331</u>
Total assets	<u>126,483</u>	<u>149,121</u>	<u>6,331</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	-	2,058	3,927
Accrued payroll and related liabilities	-	-	1,289
Deposits and retentions	-	-	-
Compensated absences - current	-	-	223
Total current liabilities	<u>-</u>	<u>2,058</u>	<u>5,439</u>
Noncurrent liabilities:			
Compensated absences	-	-	892
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>892</u>
Total liabilities	<u>-</u>	<u>2,058</u>	<u>6,331</u>
<b>Net Position:</b>			
Unrestricted	126,483	147,063	-
Total net position	<u>\$ 126,483</u>	<u>\$ 147,063</u>	<u>\$ -</u>

<u>Special Events</u>	<u>Filming</u>	<u>Total Non-Major Enterprise Funds</u>
\$ 6,109	\$ 99,279	\$ 387,323
6,109	99,279	387,323
6,109	99,279	387,323
1,197	2,000	9,182
3,426	309	5,024
-	6,417	6,417
297	-	520
4,920	8,726	21,143
1,189	-	2,081
1,189	-	2,081
6,109	8,726	23,224
-	90,553	364,099
\$ -	\$ 90,553	\$ 364,099

**CITY OF SIERRA MADRE**  
**Combining Statement of Revenues, Expenses, and Changes in Net Position**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2015**

	Special Strike Team Services	Aquatics	Recreation Classes
Operating revenues:			
Charges for services	\$ 65,212	\$ 107,216	\$ 40,520
Licenses and permits	-	-	-
Total operating revenues	<u>65,212</u>	<u>107,216</u>	<u>40,520</u>
Operating expenses:			
Personnel services	23,447	-	23,078
Contractual services	-	-	31,452
Materials and supplies	-	71	-
Utilities	-	35,560	-
Maintenance and operation	-	-	-
Total operating expenses	<u>23,447</u>	<u>35,631</u>	<u>54,530</u>
Operating income (losses)	41,765	71,585	(14,010)
Nonoperating revenues (expenses):			
Investment Income	162	191	-
Total nonoperating revenues (expenses)	<u>162</u>	<u>191</u>	<u>-</u>
Income (loss) before transfers	<u>41,927</u>	<u>71,776</u>	<u>(14,010)</u>
Transfers:			
Transfers in	-	-	14,010
Total transfers	<u>-</u>	<u>-</u>	<u>14,010</u>
Change in net position	41,927	71,776	-
Net position, beginning of year	<u>84,556</u>	<u>75,287</u>	<u>-</u>
Net position, end of year	<u>\$ 126,483</u>	<u>\$ 147,063</u>	<u>\$ -</u>

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 69,275	\$ 19,546	\$ 301,769
-	15,708	15,708
<u>69,275</u>	<u>35,254</u>	<u>317,477</u>
52,375	17,759	116,659
28,885	-	60,337
3,959	-	4,030
-	-	35,560
<u>16,000</u>	<u>276</u>	<u>16,276</u>
<u>101,219</u>	<u>18,035</u>	<u>232,862</u>
(31,944)	17,219	84,615
-	128	481
<u>-</u>	<u>128</u>	<u>481</u>
<u>(31,944)</u>	<u>17,347</u>	<u>85,096</u>
26,236	-	40,246
<u>26,236</u>	<u>-</u>	<u>40,246</u>
(5,708)	17,347	125,342
<u>5,708</u>	<u>73,206</u>	<u>238,757</u>
<u>\$ -</u>	<u>\$ 90,553</u>	<u>\$ 364,099</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Cash Flows**  
**Non-Major Enterprise Funds**  
**For the year ended June 30, 2015**

	Special Strike Team Services	Aquatics	Recreation Classes
<b>Cash flows from operating activities:</b>			
Receipts from customers and users	\$ 65,212	\$ 107,216	\$ 40,520
Payments to suppliers	-	(34,966)	(27,525)
Payments to employees	(25,326)	-	(24,489)
Net cash provided (used) by operating activities	39,886	72,250	(11,494)
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	-	-	14,010
Net cash provided (used) by non-capital financing activities	-	-	14,010
<b>Cash flows from investing activities:</b>			
Investment income	162	191	-
Net cash provided (used) by investing activities	162	191	-
Net increase (decrease) in cash and cash equivalents	40,048	72,441	2,516
<b>Cash and investments:</b>			
Beginning of year	86,435	76,680	3,815
End of year	\$ 126,483	\$ 149,121	\$ 6,331
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 41,765	\$ 71,585	\$ (14,010)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in prepaid expenses	-	-	-
Increase (decrease) in accounts payable	-	665	3,927
Increase (decrease) in accrued liabilities	(1,879)	-	(132)
Increase (decrease) in deposits payable	-	-	-
Increase (decrease) in compensated absences	-	-	(1,279)
Total adjustments	(1,879)	665	2,516
Net cash provided (used) by operating activities	\$ 39,886	\$ 72,250	\$ (11,494)

Special Events	Filming	Total Non-Major Enterprise Funds
\$ 69,275	\$ 35,254	\$ 317,477
(48,219)	2,039	(108,671)
(51,945)	(17,526)	(119,286)
(30,889)	19,767	89,520
26,236	-	40,246
26,236	-	40,246
-	128	481
-	128	481
(4,653)	19,895	130,247
10,762	79,384	257,076
\$ 6,109	\$ 99,279	\$ 387,323
\$ (31,944)	\$ 17,219	\$ 84,615
1,650	-	1,650
(1,025)	2,000	5,567
1,338	233	(440)
-	315	315
(908)	-	(2,187)
1,055	2,548	4,905
\$ (30,889)	\$ 19,767	\$ 89,520

**CITY OF SIERRA MADRE**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2015**

	Fleet	Facilities Management	Administration
<b>Assets:</b>			
Current assets:			
Cash and investments	\$ 950,563	\$ 1,685,604	\$ 405,392
Accounts Receivable	-	-	-
Prepays	-	-	963
Total current assets	<u>950,563</u>	<u>1,685,604</u>	<u>406,355</u>
Noncurrent assets:			
Capital assets:			
Non-depreciable assets	-	162,275,945	-
Depreciable-net	593,296	17,935,551	314,619
Total noncurrent assets	<u>593,296</u>	<u>180,211,496</u>	<u>314,619</u>
Total assets	<u>1,543,859</u>	<u>181,897,100</u>	<u>720,974</u>
Deferred Outflows of Resources:			
Pension related	<u>11,706</u>	<u>23,409</u>	<u>70,231</u>
<b>Liabilities:</b>			
Current liabilities:			
Accounts payable	5,813	27,779	7,221
Accrued payroll and related liabilities	4,283	9,380	26,505
Interest payable	947	-	-
Claims payable - current	-	-	-
Compensated absences - current	4,289	5,015	8,184
Capital lease payable - current	11,184	-	-
Total current liabilities	<u>26,516</u>	<u>42,174</u>	<u>41,910</u>
Noncurrent liabilities:			
Claims payable	-	-	-
Compensated absences	17,156	20,059	32,736
Net Pension Liability	90,214	180,427	541,285
Capital lease payable	50,160	-	-
Total noncurrent liabilities	<u>157,530</u>	<u>200,486</u>	<u>574,021</u>
Total liabilities	<u>184,046</u>	<u>242,660</u>	<u>615,931</u>
Deferred Inflows of Resources:			
Pension related	<u>21,925</u>	<u>43,850</u>	<u>131,551</u>
<b>Net Position:</b>			
Net investment in capital assets	531,952	180,211,496	314,619
Unrestricted	817,642	1,422,503	(270,896)
Total net position	<u>\$ 1,349,594</u>	<u>\$ 181,633,999</u>	<u>\$ 43,723</u>

Technology	Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 642,027	\$ 1,338,823	\$ 107,774	\$ 5,130,183
3,672	-	-	3,672
8,661	2,713	-	12,337
<u>654,360</u>	<u>1,341,536</u>	<u>107,774</u>	<u>5,146,192</u>
-	-	-	162,275,945
-	-	-	18,843,466
-	-	-	181,119,411
<u>654,360</u>	<u>1,341,536</u>	<u>107,774</u>	<u>186,265,603</u>
-	-	-	105,346
18,028	6,132	-	64,973
5,266	21,419	-	66,853
-	-	-	947
-	197,000	-	197,000
452	6,715	-	24,655
-	-	-	11,184
<u>23,746</u>	<u>231,266</u>	<u>-</u>	<u>365,612</u>
-	980,851	-	980,851
1,807	26,861	-	98,619
-	-	-	811,926
-	-	-	50,160
<u>1,807</u>	<u>1,007,712</u>	<u>-</u>	<u>1,941,556</u>
<u>25,553</u>	<u>1,238,978</u>	<u>-</u>	<u>2,307,168</u>
-	-	-	197,326
-	-	-	181,058,067
628,807	102,558	107,774	2,808,388
<u>\$ 628,807</u>	<u>\$ 102,558</u>	<u>\$ 107,774</u>	<u>\$ 183,866,455</u>

**CITY OF SIERRA MADRE**

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

**Internal Service Funds**

**For the year ended June 30, 2015**

	Fleet	Facilities Management	Administration
Operating revenues:			
Charges for services	\$ 533,360	\$ 917,400	\$ 696,850
Licenses and permits	-	-	-
Miscellaneous	1,360	-	-
Total operating revenues	<u>534,720</u>	<u>917,400</u>	<u>696,850</u>
Operating expenses:			
Personnel services	96,221	187,384	489,989
Contractual services	10,063	90,728	125,426
Materials and supplies	64,973	48,240	45,604
Insurance, claims and charges	-	-	-
Utilities	77,227	290,004	-
Maintenance and operation	1,352	20,879	36,388
Depreciation	115,933	1,551,722	48,403
Total operating expenses	<u>365,769</u>	<u>2,188,957</u>	<u>745,810</u>
Operating income (loss)	168,951	(1,271,557)	(48,960)
Nonoperating revenues (expenses):			
Investment income	1,221	2,187	530
Loss on disposal of property	-	(93,820)	-
Interest expense	(3,170)	-	-
Total nonoperating revenues (expenses)	<u>(1,949)</u>	<u>(91,633)</u>	<u>530</u>
Income (loss) before transfers and capital contributions	167,002	(1,363,190)	(48,430)
Transfers:			
Transfers in	-	11,897	-
Transfer out	-	(18,030)	-
Total transfers	<u>-</u>	<u>(6,133)</u>	<u>-</u>
Change in net position	167,002	(1,369,323)	(48,430)
Net position, beginning of year, as restated	<u>1,182,592</u>	<u>183,003,322</u>	<u>92,153</u>
Net position, end of year	<u>\$ 1,349,594</u>	<u>\$ 181,633,999</u>	<u>\$ 43,723</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 529,900	\$ 1,628,361	\$ -	\$ 4,305,871
10,859	-	-	10,859
-	-	-	1,360
<u>540,759</u>	<u>1,628,361</u>	<u>-</u>	<u>4,318,090</u>
106,549	472,100	-	1,352,243
230,433	60,454	69,781	586,885
64,575	27,843	-	251,235
-	966,982	-	966,982
-	-	-	367,231
-	-	-	58,619
-	-	-	1,716,058
<u>401,557</u>	<u>1,527,379</u>	<u>69,781</u>	<u>5,299,253</u>
139,202	100,982	(69,781)	(981,163)
826	1,576	138	6,478
-	-	-	(93,820)
-	-	-	(3,170)
<u>826</u>	<u>1,576</u>	<u>138</u>	<u>(90,512)</u>
140,028	102,558	(69,643)	(1,071,675)
-	-	-	11,897
-	-	-	(18,030)
-	-	-	(6,133)
140,028	102,558	(69,643)	(1,077,808)
<u>488,779</u>	<u>-</u>	<u>177,417</u>	<u>184,944,263</u>
<u>\$ 628,807</u>	<u>\$ 102,558</u>	<u>\$ 107,774</u>	<u>\$ 183,866,455</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the year ended June 30, 2015**

	Fleet	Facilities Management	Administration
<b>Cash flows from operating activities:</b>			
Receipts from interfund services provided	\$ 534,720	\$ 917,400	\$ 696,850
Payments to suppliers	(161,345)	(449,933)	(212,026)
Payments to employees	(94,183)	(182,948)	(497,834)
Net cash provided (used) by operating activities	<u>279,192</u>	<u>284,519</u>	<u>(13,010)</u>
<b>Cash flows from non-capital financing activities:</b>			
Transfers from other funds	-	11,897	-
Transfers to other funds	-	(18,030)	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(6,133)</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and construction of capital assets	(2,304)	-	-
Principal paid	(10,689)	-	-
Interest paid	(3,335)	-	-
Net cash provided (used) by capital and related financing activities	<u>(16,328)</u>	<u>-</u>	<u>-</u>
<b>Cash flows from investing activities:</b>			
Investment income	1,221	2,188	530
Net cash provided (used) by investing activities	<u>1,221</u>	<u>2,188</u>	<u>530</u>
Net increase (decrease) in cash and cash equivalents	264,085	280,574	(12,480)
<b>Cash and investments:</b>			
Beginning of year	<u>686,478</u>	<u>1,405,030</u>	<u>417,872</u>
End of year	<u>\$ 950,563</u>	<u>\$ 1,685,604</u>	<u>\$ 405,392</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 168,951	\$ (1,271,557)	\$ (48,960)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	115,933	1,551,722	48,403
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
(Increase) decrease in prepaid expenses	-	-	(613)
Increase (decrease) in accounts payable	(7,730)	(82)	(3,995)
Increase (decrease) in accrued liabilities	605	2,022	3,327
Increase (decrease) in claims payable	-	-	-
Increase (decrease) in compensated absences	2,664	4,874	(3,794)
Increase (decrease) in net pensiol liability	(1,231)	(2,460)	(7,378)
Total adjustments	<u>110,241</u>	<u>1,556,076</u>	<u>35,950</u>
Net cash provided (used) by operating activities	<u>\$ 279,192</u>	<u>\$ 284,519</u>	<u>\$ (13,010)</u>

<u>Technology</u>	<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 537,087	\$ 1,628,361	\$ -	\$ 4,314,418
(306,425)	47,638	(69,781)	(1,151,872)
(108,501)	(638,245)	-	(1,521,711)
<u>122,161</u>	<u>1,037,754</u>	<u>(69,781)</u>	<u>1,640,835</u>
-	-	-	11,897
-	-	-	(18,030)
-	-	-	(6,133)
-	-	-	(2,304)
-	-	-	(10,689)
-	-	-	(3,335)
-	-	-	(16,328)
<u>826</u>	<u>1,576</u>	<u>138</u>	<u>6,479</u>
<u>826</u>	<u>1,576</u>	<u>138</u>	<u>6,479</u>
122,987	1,039,330	(69,643)	1,624,853
<u>519,040</u>	<u>299,493</u>	<u>177,417</u>	<u>3,505,330</u>
<u>\$ 642,027</u>	<u>\$ 1,338,823</u>	<u>\$ 107,774</u>	<u>\$ 5,130,183</u>
<u>\$ 139,202</u>	<u>\$ 100,982</u>	<u>\$ (69,781)</u>	<u>\$ (981,163)</u>
-	-	-	1,716,058
(3,672)	-	-	(3,672)
(8,661)	1,097,287	-	1,088,013
(2,756)	5,630	-	(8,933)
(891)	6,592	-	11,655
-	(180,206)	-	(180,206)
(1,061)	7,469	-	10,152
-	-	-	(11,069)
<u>(17,041)</u>	<u>936,772</u>	<u>-</u>	<u>2,621,998</u>
<u>\$ 122,161</u>	<u>\$ 1,037,754</u>	<u>\$ (69,781)</u>	<u>\$ 1,640,835</u>

**CITY OF SIERRA MADRE**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2015**

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

**CITY OF SIERRA MADRE**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the year ended June 30, 2015**

	Balance at June 30, 2014	Additions	Deletions	Balance at June 30, 2015
<b>Deposit Trust</b>				
Assets:				
Cash and investments	\$ 115	\$ -	\$ (115)	\$ -
Total assets	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ (115)</u>	<u>\$ -</u>
Liabilities:				
Deposits and retentions	\$ 115	\$ -	\$ (115)	\$ -
Total liabilities	<u>\$ 115</u>	<u>\$ -</u>	<u>\$ (115)</u>	<u>\$ -</u>
<b>Flexible Spending Account</b>				
Assets:				
Cash and investments	\$ -	\$ 36,077	\$ (36,077)	\$ -
Total assets	<u>\$ -</u>	<u>\$ 36,077</u>	<u>\$ (36,077)</u>	<u>\$ -</u>
Liabilities:				
Accrued payroll and related liabilities	\$ -	\$ 36,077	\$ (36,077)	\$ -
Total liabilities	<u>\$ -</u>	<u>\$ 36,077</u>	<u>\$ (36,077)</u>	<u>\$ -</u>
<b>Medical Insurance</b>				
Assets:				
Cash and investments	\$ 6,703	\$ 3,547,578	\$ (3,554,281)	\$ -
Total assets	<u>\$ 6,703</u>	<u>\$ 3,547,578</u>	<u>\$ (3,554,281)</u>	<u>\$ -</u>
Liabilities:				
Accounts payable	\$ 6,703	\$ 7,721,621	\$ (7,728,324)	\$ -
Total liabilities	<u>\$ 6,703</u>	<u>\$ 7,721,621</u>	<u>\$ (7,728,324)</u>	<u>\$ -</u>

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# **City of Sierra Madre, California**

*Village of the Foothills*



## **Statistical Section For the Year Ending June 30, 2015**

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

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

**Fiscal Year Ended June 30,**

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 187,804,691	\$ 186,635,375	\$ 185,544,420	\$ 184,344,066	\$ 183,193,689	\$ 181,862,536
4,681,595	8,648,585	10,779,254	10,341,052	14,035,399	6,051,883
5,876,098	1,634,124	870,761	555,794	121,479	764,679
<u>\$ 198,362,384</u>	<u>\$ 196,918,084</u>	<u>\$ 197,194,435</u>	<u>\$ 195,240,912</u>	<u>\$ 197,350,567</u>	<u>\$ 188,679,098</u>
\$ 15,741,252	\$ 15,842,534	\$ 15,665,079	\$ 15,804,079	\$ 15,963,970	\$ 16,668,550
-	-	1,145,841	1,149,456	1,149,456	1,149,456
6,822,253	6,324,287	4,437,196	3,894,603	4,053,155	1,994,086
<u>\$ 22,563,505</u>	<u>\$ 22,166,821</u>	<u>\$ 21,248,116</u>	<u>\$ 20,848,138</u>	<u>\$ 21,166,581</u>	<u>\$ 19,812,092</u>
\$ 203,545,943	\$ 202,477,909	\$ 201,209,499	\$ 200,148,145	\$ 199,157,659	\$ 198,531,086
4,681,595	8,648,585	11,925,095	11,490,508	15,184,855	7,201,339
12,698,351	7,958,411	5,307,957	4,450,397	4,174,634	2,758,765
<u>\$ 220,925,889</u>	<u>\$ 219,084,905</u>	<u>\$ 218,442,551</u>	<u>\$ 216,089,050</u>	<u>\$ 218,517,148</u>	<u>\$ 208,491,190</u>

**CITY OF SIERRA MADRE**

**Changes in Net Position**

**(accrual basis of accounting)**

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

**Fiscal Year Ended June 30,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 7,779,996	\$ 3,495,144	\$ 1,756,491	\$ 2,350,968	\$ 742,540	\$ 1,581,532
4,380,352	5,504,146	5,243,664	5,240,506	5,525,072	5,500,997
884,015	1,756,538	2,669,022	1,311,100	2,188,313	2,255,560
375,842	1,738,918	998,147	874,469	993,035	1,089,493
1,444,584	1,392,657	1,695,105	1,449,653	1,405,087	1,325,706
156,125	181,711	95,211	8,241	23,697	20,580
<u>15,020,914</u>	<u>14,069,114</u>	<u>12,457,640</u>	<u>11,234,937</u>	<u>10,877,744</u>	<u>11,773,868</u>
3,399,076	3,442,699	3,806,990	3,980,084	3,542,063	4,626,949
856,702	951,566	927,102	1,022,868	844,486	939,202
493,509	503,796	306,613	115,980	131,897	113,608
89,909	37,462	168,546	112,482	92,752	101,219
47,529	46,681	70,275	58,589	54,817	18,035
<u>4,886,725</u>	<u>4,982,204</u>	<u>5,279,526</u>	<u>5,290,003</u>	<u>4,666,015</u>	<u>5,799,013</u>
<u>\$ 19,907,639</u>	<u>\$ 19,051,318</u>	<u>\$ 17,737,166</u>	<u>\$ 16,524,940</u>	<u>\$ 15,543,759</u>	<u>\$ 17,572,881</u>
\$ 5,065,422	\$ 2,390,204	\$ 2,013,245	\$ 2,512,450	\$ 3,525,563	\$ 2,374,090
757,868	957,136	1,331,720	992,239	1,237,489	1,071,981
48,228	1,008,836	51,342	-	-	-
<u>5,871,518</u>	<u>4,356,176</u>	<u>3,396,307</u>	<u>3,504,689</u>	<u>4,763,052</u>	<u>3,446,071</u>
4,173,073	4,379,502	4,090,554	4,525,723	4,978,343	5,497,755
248,500	29,619	-	316,930	258,882	242,500
<u>4,421,573</u>	<u>4,409,121</u>	<u>4,090,554</u>	<u>4,842,653</u>	<u>5,237,225</u>	<u>5,740,255</u>
<u>\$ 10,293,091</u>	<u>\$ 8,765,297</u>	<u>\$ 7,486,861</u>	<u>\$ 8,347,342</u>	<u>\$ 10,000,277</u>	<u>\$ 9,186,326</u>
\$ (9,149,396)	\$ (9,712,938)	\$ (9,061,333)	\$ (7,730,248)	\$ (6,114,692)	\$ (8,327,797)
(465,152)	(573,083)	(1,188,972)	(447,350)	571,210	(58,758)
<u>\$ (9,614,548)</u>	<u>\$ (10,286,021)</u>	<u>\$ (10,250,305)</u>	<u>\$ (8,177,598)</u>	<u>\$ (5,543,482)</u>	<u>\$ (8,386,555)</u>

**CITY OF SIERRA MADRE**

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

**(accrual basis of accounting)**

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

**Fiscal Year Ended June 30,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 8,905,659	\$ 8,437,401	\$ 7,774,266	\$ 7,739,306	\$ 8,217,065	\$ 8,435,031
231,953	54,370	16,405	21,761	11,671	11,875
-	-	-	-	-	-
369,848	65,294	-	15,209	-	-
-	-	1,499,139	-	-	-
-	-	-	-	(854,341)	-
<u>(114,988)</u>	<u>(167,071)</u>	<u>(164,500)</u>	<u>(47,372)</u>	<u>(4,389)</u>	<u>(54,018)</u>
<u>9,392,472</u>	<u>8,389,994</u>	<u>9,125,310</u>	<u>7,728,904</u>	<u>7,370,006</u>	<u>8,392,888</u>
38,667	11,044	2,827	-	6,826	6,425
-	-	-	-	-	-
-	-	-	-	-	-
<u>114,988</u>	<u>167,071</u>	<u>164,500</u>	<u>47,372</u>	<u>4,389</u>	<u>54,018</u>
<u>153,655</u>	<u>178,115</u>	<u>167,327</u>	<u>47,372</u>	<u>11,215</u>	<u>60,443</u>
<u>\$ 9,546,127</u>	<u>\$ 8,568,109</u>	<u>\$ 9,292,637</u>	<u>\$ 7,776,276</u>	<u>\$ 7,381,221</u>	<u>\$ 8,453,331</u>
\$ 243,076	\$ (1,322,944)	\$ 63,977	\$ (1,344)	\$ 1,255,314	\$ 65,091
<u>(311,497)</u>	<u>(394,968)</u>	<u>(1,021,645)</u>	<u>(399,978)</u>	<u>582,425</u>	<u>1,685</u>
<u>\$ (68,421)</u>	<u>\$ (1,717,912)</u>	<u>\$ (957,668)</u>	<u>\$ (401,322)</u>	<u>\$ 1,837,739</u>	<u>\$ 66,776</u>

**CITY OF SIERRA MADRE**

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

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

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

**Fiscal Year Ended June 30,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 4,246,065	\$ -	\$ -	\$ -	\$ -	\$ -
890,000	-	-	-	-	-
-	-	-	-	-	19,535
-	800,000	250,000	635,000	1,255,290	1,280,500
-	-	3,989,683	4,400,416	4,635,021	5,133,278
-	4,721,717	870,761	900,121	470,213	1,021,355
<u>\$ 5,136,065</u>	<u>\$ 5,521,717</u>	<u>\$ 5,110,444</u>	<u>\$ 5,935,537</u>	<u>\$ 6,360,524</u>	<u>\$ 7,454,668</u>
\$ 2,528,671	\$ -	\$ -	\$ -	\$ -	\$ -
1,682,998	-	-	-	-	-
469,927	-	-	-	-	-
2,040,378	-	-	-	-	-
-	401,575	-	-	-	-
-	1,682,998	1,682,998	1,682,998	1,682,998	4,113,442
-	5,863,012	888,909	1,658,115	2,199,679	661,036
-	854,020	1,453,098	981,304	1,237,371	-
-	(2,902,573)	(395,035)	(344,327)	(348,734)	(256,676)
<u>\$ 6,721,974</u>	<u>\$ 5,899,032</u>	<u>\$ 3,629,970</u>	<u>\$ 3,978,090</u>	<u>\$ 4,771,314</u>	<u>\$ 4,517,802</u>
<u>\$ 11,858,039</u>	<u>\$ 11,420,749</u>	<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,131,838</u>	<u>\$ 11,972,470</u>

**CITY OF SIERRA MADRE**

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

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

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

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

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

**Fiscal Year Ended June 30,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 8,905,659	\$ 8,437,444	\$ 6,758,148	\$ -	\$ -	\$ -
-	-	-	3,902,682	4,391,262	5,264,471
-	-	-	3,724,541	3,707,633	3,170,560
658,809	616,947	595,203	897,281	820,236	871,237
757,869	1,965,972	2,249,029	1,065,088	1,248,338	1,073,897
854,492	1,221,741	1,160,456	1,131,957	2,431,117	1,018,971
189,899	235,260	223,902	328,707	240,188	223,072
170,391	49,439	10,571	-	6,636	5,397
153,766	316,214	184,835	163,313	169,853	260,810
<u>11,690,885</u>	<u>12,843,017</u>	<u>11,182,144</u>	<u>11,213,569</u>	<u>13,015,263</u>	<u>11,888,415</u>
3,091,208	1,444,497	2,107,607	1,921,278	1,871,441	1,672,935
4,380,352	5,504,146	5,081,731	5,074,457	5,382,934	5,382,396
884,016	1,756,537	2,210,897	794,165	1,844,412	1,670,830
375,842	1,132,604	1,259,802	842,273	940,335	1,019,712
1,444,583	1,392,657	1,540,117	1,284,435	1,244,718	1,162,983
235,000	302,998	315,581	63,385	66,321	69,391
160,125	181,711	101,461	27,656	24,721	21,651
574,064	1,553,968	95,735	31,790	14,833	-
<u>11,145,190</u>	<u>13,269,118</u>	<u>12,712,931</u>	<u>10,039,439</u>	<u>11,389,715</u>	<u>10,999,898</u>
545,695	(426,101)	(1,530,787)	1,174,130	1,625,548	888,517
-	65,294	-	-	-	-
725,402	-	-	-	-	-
1,950,479	3,590,490	2,845,339	1,376,732	881,171	941,521
(1,403,676)	(3,579,472)	(3,017,170)	(1,377,649)	(1,288,508)	(989,406)
<u>1,272,205</u>	<u>76,312</u>	<u>(171,831)</u>	<u>(917)</u>	<u>(407,337)</u>	<u>(47,885)</u>
-	-	(1,085,861)	-	-	-
1,817,900	(349,789)	(2,788,479)	1,173,213	1,218,211	840,632
10,040,139	11,770,538	11,528,893	8,740,414	9,913,627	11,131,838
<u>\$ 11,858,039</u>	<u>\$ 11,420,749</u>	<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,131,838</u>	<u>\$ 11,972,470</u>

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

Category	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Residential	\$ 1,166,416,663	\$ 1,295,572,193	\$ 1,391,361,479	\$ 1,469,859,412
Commercial	28,988,463	34,892,478	38,120,509	44,106,361
Industrial	5,523,681	5,663,629	5,776,878	7,240,625
Govt. Owned	144,405	498,870	508,845	519,020
Institutional	2,251,162	2,296,184	2,342,105	2,388,942
Irrigated	3,676,009	-	-	-
Recreational	984,042	579,793	591,386	603,211
Vacant	14,485,379	33,464,760	43,044,306	39,531,555
SBE Nonunitary	-	-	-	-
Cross Reference	4,962,841	5,062,095	1,918,774	1,977,310
Unsecured	7,336,999	7,311,177	6,993,385	7,021,368
Total assessed value	<u>\$ 1,234,769,644</u>	<u>\$ 1,385,341,179</u>	<u>\$ 1,490,657,667</u>	<u>\$ 1,573,247,804</u>
Tax-Exempt Property	<u>(4,425,339)</u>	<u>(4,268,753)</u>	<u>(4,224,002)</u>	<u>(3,601,786)</u>
Total taxable assessed value	<u>\$ 1,230,344,305</u>	<u>\$ 1,381,072,426</u>	<u>\$ 1,486,433,665</u>	<u>\$ 1,569,646,018</u>
Total direct rate	0.28023	0.28118	0.28220	0.28474

**Fiscal Year Ended June 30,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
\$ 1,469,610,878	\$ 1,482,410,204	\$ 1,522,225,014	\$ 1,569,368,492	\$ 1,657,387,265	\$ 1,750,546,835
47,818,195	47,606,368	47,274,344	50,519,744	52,244,923	53,659,841
7,385,414	7,447,664	7,503,723	7,653,776	7,806,831	7,842,250
156,306	155,935	157,109	542,759	163,456	164,198
2,436,717	2,430,940	6,669,589	3,943,818	4,105,294	6,618,344
-	-	-	-	-	-
615,272	613,810	618,428	1,647,693	1,680,645	1,688,272
47,752,008	41,417,109	44,660,373	44,480,022	44,785,823	46,880,985
-	-	-	-	-	-
1,538,550	1,530,912	1,542,439	1,573,286	1,604,751	1,792,372
6,881,054	6,823,278	6,990,234	6,711,328	6,183,887	6,657,788
<u>\$ 1,584,194,394</u>	<u>\$ 1,590,436,220</u>	<u>\$ 1,637,641,253</u>	<u>\$ 1,686,440,918</u>	<u>\$ 1,775,962,875</u>	<u>\$ 1,875,850,885</u>
(3,605,034)	(3,605,034)	(3,605,034)	(3,605,034)	(3,605,138)	(3,605,138)
<u>\$ 1,580,589,360</u>	<u>\$ 1,586,831,186</u>	<u>\$ 1,634,036,219</u>	<u>\$ 1,682,835,884</u>	<u>\$ 1,772,357,737</u>	<u>\$ 1,872,245,747</u>
0.28501	0.28519	0.28433	0.28214	0.22284	0.22310

**CITY OF SIERRA MADRE**

**Property Tax Rates**

**Direct and Overlapping Governments**

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

**Last Ten Fiscal Years**

Agency	Fiscal Year Ended June 30,			
	2006	2007	2008	2009
Basic Levy	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.02746	0.02831	0.08086	0.07911
County Detention Facilities 1987 Debt	0.00080	0.00066	0.00000	0.00000
La County Flood Control	0.00005	0.00005	0.00000	0.00000
Pasadena Community College Dist	0.00410	0.02080	0.01972	0.01742
Pasadena Unified School Dist	0.10991	0.11717	0.05491	0.06375
San Gabriel Vly Mwd State Water Bond	0.02000	0.02000	0.02000	0.01800
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.47134</b>	<b>1.49601</b>	<b>1.48451</b>	<b>1.48730</b>
City's Share of 1% Levy Per Prop 13 <sup>3</sup>	0.21911	0.21911	0.21911	0.21911
Voter Approved City Debt Rate	-	-	-	-
Redevelopment Rate <sup>4</sup>	1.02084	1.02072	1.02000	1.01800
<b>Total Direct Rate<sup>5</sup></b>	<b>0.28023</b>	<b>0.28118</b>	<b>0.28220</b>	<b>0.28474</b>

Data Source: HDL Coren & Cone, L.A. County Assessor combined 2014/15 Lien Data Tax Rolls

**Fiscal Year Ended June 30,**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07561	0.07456	0.07691	0.07670	0.07550	0.07653
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.02300	0.01986	0.01956	0.02056	0.01899	0.01032
0.10836	0.10195	0.11120	0.11403	0.10351	0.10601
0.01800	0.01800	0.01800	0.01800	0.01800	0.01800
0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
<b>1.53399</b>	<b>1.52339</b>	<b>1.53469</b>	<b>1.53831</b>	<b>1.52502</b>	<b>1.51988</b>
0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
-	-	-	-	-	-
1.01800	1.01800	1.01800	-	-	-
0.28501	0.28519	0.28433	0.28214	0.22284	0.22310

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

Taxpayer	2006			2015		
	Taxable Assesed Value	% of Net Assesed Value	Rank	Taxable Assesed Value	% of Net Assesed Value	Rank
One Carter Llc	\$6,269,910	0.51%	1	\$11,240,352	0.60%	2
Barbera Family Lp	\$4,417,658	0.36%	2	\$5,033,858	0.27%	5
Century-Tci California Lp	\$3,244,247	0.26%	3			
Maranatha High School	\$3,118,572	0.25%	4			
Zhang Hongmei	\$2,700,000	0.22%	5			
Jeffrey M. And Kimberly Stokes	\$2,525,000	0.20%	6			
Renaissance Plaza Llc	\$2,382,202	0.19%	7			
Ivan V. And Barbara R. Oviedo	\$2,329,336	0.19%	8			
San Gabriel Properties Llc	\$2,009,323	0.16%	9			
Sierra Madre Land Co Llc	\$2,000,000	0.16%	10			
Cett Madre Limited				\$12,136,675	0.65%	1
Ginkgo Stonehouse li Llc				\$8,723,239	0.47%	3
City Of Sierra Madre Lessor				\$6,987,610	0.37%	4
William L Sullivan Family Trust				\$4,904,309	0.26%	6
Jason And Heather Young				\$3,775,000	0.20%	7
Kensington Sm Gp Llc				\$3,716,796	0.20%	8
Mb Equity Llc				\$3,619,091	0.19%	9
Marie A Sullivan Trust				\$3,568,880	0.19%	10
Top Ten Total	<u>\$30,996,248</u>	<u>2.51%</u>		<u>\$63,705,810</u>	<u>3.40%</u>	
City Total	<u>\$1,234,769,644</u>			<u>\$1,875,850,885</u>		

Data Source: HDL Coren & Cone, L.A. County Assessor combined 2014/15 Lien Data Tax Rolls

**CITY OF SIERRA MADRE**

**Direct & Overlapping Debt**

**As of June 30,2015**

<b>Direct Debt</b>		<b>Gross Bonded Debt Balance</b>	<b>Percent Applicabel to City</b>	<b>Net Bonded Debt</b>
256.01	REF BOND SERIES 1998A	1,730,000	100.000	\$ 1,730,000
256.01	CAPITAL LEASE1	459,574	100.000	459,574
256.01	CAPITAL LEASE2	221,775	100.000	221,775
256.01	COMPENSATED ABSENCES1	606,413	100.000	606,413
256.01	COMPENSATED ABSENCES2	108,876	100.000	108,876
256.01	LOAN PAYABLE TO SGV MUNI	874,126	100.000	874,126
256.01	WATER REF REF BONDS SERIES	1,840,000	100.000	1,840,000
256.01	WATER REV PARITY BONDS	6,750,000	100.000	6,750,000
<b>Total Direct Debt</b>				<b>12,590,764</b>
<b>Overlapping Debt</b>				
812.51	PASADENA CCD DS 2006 SERIES	25,385,000	2.668	677,192
812.53	PASADENA CCD DS 2002, 2006	24,160,000	2.668	644,513
812.54	PASADENA CCD 2002, 2009	25,295,000	2.668	674,791
812.55	PASADENA CCD DS 2014 REF	16,780,000	2.668	447,638
817.51	ARCADIA UNIFIED DS 1993	3,107,113	0.341	10,610
817.53	ARCADIA UNIFIED DS 1993	856,360	0.341	2,924
817.54	ARCADIA UNIFIED DS REF.	2,400,000	0.341	8,196
817.55	ARCADIA UNIFIED DS 2006	157,065,423	0.341	536,360
817.57	ARCADIA UNIFIED DS 2006	27,000,000	0.341	92,202
909.54	PASADENA USD DS 2004 REF	36,660	5.509	771,538
909.55	PASADENA USD DS 2005 REF	4,585,000	5.509	252,588
909.56	PASADENA USD DS 2008 SERIES	21,890,000	5.509	1,205,924
909.57	PASADENA USD DS 2008 SERIES	84,680,000	5.509	4,665,036
909.58	PASADENA USD DS 2008 SERIES	112,770,000	5.509	6,212,518
909.59	PASADENA USD DS 2014 REF	5,875,000	5.509	323,655
909.60	PASADENA USD DS 2014 REF	92,750,000	5.509	5,109,613
<b>Total Overlapping Debt</b>				<b>21,635,298</b>
<b>Total Direct and Overlapping Debt</b>				<b>\$ 34,226,062</b>

2014/15 Assessed Valuation: \$1,719,014,890 After Deducting \$156,835,995 Incremental Value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.73%
Overlapping Debt	1.26%
Total Debt	1.99%

Data Source: HDL Coren & Cone, L.A. County Assessor combined 2014/15 Lien Data Tax Rolls

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

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Fiscal Year Ended June 30,	Governmental Activities				Total
	Master Lease Equipment Financing	General Obligation Bonds	Tax Increment Bonds <sup>(1)</sup>		
2007	\$ 103,685	\$ -	\$ 3,965,000	\$ 4,068,685	
2008	69,123	-	3,760,000	3,829,123	
2009	34,562	-	3,545,000	3,579,562	
2010	1,224,674	-	3,320,000	4,544,674	
2011	759,254	-	2,840,000	3,599,254	
2012	689,341	-	-	689,341	
2013	616,191	-	-	616,191	
2014	539,654	-	-	539,654	
2015	459,574	-	-	459,574	

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

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

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

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Business-type Activities

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Master Lease Equipment Financing	Revenue Parity Bonds	Loans	Total	Total Primary Government
\$ -	\$ 11,630,000	\$ 1,456,875	\$ 13,086,875	\$ 17,155,560
-	11,350,000	1,456,875	12,806,875	16,635,998
-	11,060,000	1,456,875	12,516,875	16,096,437
433,040	10,760,000	1,456,875	12,649,915	17,194,589
366,391	10,105,000	1,456,875	11,928,266	15,527,520
332,653	9,755,000	1,311,188	11,398,841	12,088,182
297,353	9,385,000	1,165,500	10,847,853	11,464,044
260,419	8,995,000	1,019,812	10,275,231	10,814,885
221,775	8,590,000	874,126	9,685,901	10,145,475

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

Fiscal Year Ended June 30,	Governmental Activities			
	Tax Increment <sup>(1)</sup>	Debt Service		Coverage
		Principal	Interest	
2006	\$ 916,217	\$ 195,000	\$ 200,131	2.32
2007	945,446	205,000	191,129	2.39
2008	1,109,761	215,000	181,520	2.80
2009 <sup>(2)</sup>	1,128,402	225,000	171,288	2.85
2010 <sup>(3)</sup>	697,666	235,000	160,125	1.77
2011 <sup>(4)</sup>	1,174,727	245,000	148,125	2.99
2012 <sup>(5)</sup>	1,249,669	255,000	156,042	3.04
2013 <sup>(6)</sup>	555,072	270,000	120,187	1.42
2014 <sup>(6)</sup>	505,387	300,000	106,188	1.24
2015 <sup>(6)</sup>	738,195	300,000	94,000	1.87

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

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

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

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

<sup>(5)</sup> Due to the dissolution of the Community Redevelopment Agency, the Tax Allocation Bonds were transferred to the Successor Agency. This funding represents both the Private Purpose Trust Fund and former Special Revenue Fund.

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

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

**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	
2006	\$ 3,054,798	\$ 1,782,573	\$ 1,272,225	\$ 270,000	\$ 580,757	1.50
2007	4,727,750	2,508,870	2,218,880	280,000	693,759	2.28
2008	5,031,771	5,828,036	(796,265)	290,000	556,042	(0.94)
2009	3,037,500	2,596,025	441,475	300,000	541,878	0.52
2010	* 2,920,048	1,564,470	1,355,578	320,000	531,845	1.59
2011	* 3,155,645	1,523,156	1,632,489	335,000	515,470	1.92
2012	* 3,038,056	1,907,143	1,130,913	350,000	498,345	1.33
2013	* 3,558,161	2,084,614	1,473,547	370,000	480,345	1.73
2014	* 3,834,017	1,606,098	2,227,919	390,000	461,345	2.62
2015	4,373,849	2,574,322	1,799,527	405,000	441,470	2.13

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

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

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

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Calendar Year	Population	Personal Income (In Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with High
2005	11,068	\$521,226	\$47,093	1.6%			
2006	10,969	\$550,606	\$50,197	1.4%			
2007	10,934	\$571,401	\$52,259	1.5%			
2008	11,034	\$581,887	\$52,736	2.2%			
2009	11,042	\$565,812	\$51,242	3.5%	45.7	96.0%	54.0%
2010	11,099	\$580,056	\$52,262	3.9%	45.7	97.5%	58.4%
2011	10,963	\$558,203	\$50,917	3.8%	46.4	96.6%	57.5%
2012	11,023	\$568,214	\$51,548	2.8%	48.2	96.5%	57.4%
2013	11,094	\$531,369	\$47,897	2.3%	48	96.4%	57.1%
2014	11,098	\$545,034	\$49,111	5.5%	47.3	96.8%	59.1%

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, 2015**

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<b>Business Name</b>	<b>Business Category</b>
Ad Security	Specialty Stores
Arnolds Frontier Hardware	Hardware Stores
Bean Town	Quick-Service Restaurants
Best Buy Chemical & Supply Co	Non-Store Retailers
Bottle Shop	Liquor Stores
Buccaneer Lounge	Casual Dining
Casa Del Rey	Casual Dining
Corfu Restaurant	Casual Dining
Happys Liquor	Liquor Stores
Leonora Moss	Florist Shops
Lingo Industrial Electronics	Heavy Industrial
Lucky Baldwins Delirium Cafe	Casual Dining
Moes Automotive Service Center	Auto Repair Shops
Only Place in Town	Casual Dining
Peppertree Grill	Casual Dining
Sierra Briganti	Casual Dining
Sierra Madre Pizza Co	Quick-Service Restaurants
Sierra Madre Service Station	Service Stations
Sierra Madre Valero	Service Stations
Starbucks	Quick-Service Restaurants
Taco Fiesta	Quick-Service Restaurants
Talianko Design Group Llc	Specialty Stores
Ugos Bakery Deli Cafe	Casual Dining
Village Pizzeria	Fast-Casual Restaurants
Wistaria Restaurant & Bar	Casual Dining

Data Source: HDL Coren & Cone, L.A. County Assessor combined 2014/15 Lien Data Tax Rolls

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

	Employees as of June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	9	8	8	8	8	8	8	9	9	9
Public Safety										
Police										
Officers	17	17	17	17	18	18	18	16	17	16
Civilians	5	5	5	5	5	5	5	4	4	4
Fire										
Full-Time	3	3	3	3	3	3	3	4	4	4
Public Works	20	20	21	21	20	20	20	19	17.5	18
Development	4	4	4	4	4	4	4	3	3.5	4
Library and Recreation	9	10	10	10	10	10	10	9	8	6
Total	67	67	68	68	68	68	68	64	63	61

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

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Number of:										
Physical Arrests	252	580	417	370	467	129	328	399	345	327
Parking Violations	1,625	2,931	3,283	3,516	2,812	2,495	2,031	3,266	2,976	2,764
Traffic Violations	1,255	1,039	1,339	1,574	1,740	1,989	1,798	1,435	1,967	571
<b>Fire</b>										
Number of:										
Calls Answered	688	816	851	818	885	940	967	947	863	970
Inspections	1,406	1,662	53	2,040	1,964	1,970	2,002	1,943	2,000	1,739
<b>Public Works</b>										
Number of:										
Water Mains Repaired	n/a	20	18	18	25	24	45	30	25	58
Water service leaks repaired	n/a	19	15	25	28	13	19	19	8	7
Street resurfacing/repair (SF)	n/a	0	0	0	331,235	0	0	0	69,000	284,790
Sidewalk Repairs (SF)	n/a	1,250	1,625	1,050	1,950	4,755	3,207	12,000	4,096	4,605
Trees planted	29	0	47	6	34	28	14	8	63	-
Trees pruned	706	274	470	444	171	24	20	537	514	37
Trees removed	10	23	12	18	18	37	50	20	30	62
Sewer cleaned/inspected (LF)	90,000	90,000	186,055	186,055	186,055	155,761	151,659	102,720	143,711	167,168
Sewer Manhole inspected (each)	n/a	n/a	n/a	n/a	n/a	n/a	346	171	104	676
Sewer lines inspected (LF)	n/a	n/a	n/a	n/a	n/a	n/a	500	200	330	1,064
Meters replaced	152	105	111	463	624	479	398	138	129	168
Valves exercised	450	137	350	234	257	829	583	299	406	284
Pot holes repaired	n/a	78	66	106	106	87	14	100	188	380
Water Mains Replaced (LF)	n/a	n/a	n/a	n/a	n/a	150	4,165	n/a	n/a	2,870
<b>Recreation and Community Services</b>										
Number of participants:										
Recreation classes	n/a	1,476	1,518	1,419	1,008	1,658	1,382	2,510	1,730	731
Aquatic <sup>(1)</sup>	n/a	2,348	3,665	3,398	3,720	3,584	3,146	n/a	n/a	n/a
Summer pool memberships	n/a	13	7	22	22	10	16	n/a	n/a	n/a
Annual Events <sup>(2)</sup>	n/a	729	671	738	708	758	789			
Movie Series	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1,100	1,050	1,400
Concert Series	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3,600	4,550	4,835
Summer Fun in the Park	n/a	n/a	n/a	n/a	n/a	n/a	n/a	274	320	293
Huck Finn (campsites)	n/a	34	34	28	37	41	43	40	60	63
Oktoberfest	n/a	64	57	59	55	73	70	57	n/a	n/a
Mt. Wilson Trail Race	n/a	355	335	335	328	319	323	328	350	325
Window Painting	n/a	74	72	130	119	163	163	89	n/a	n/a
Halloween Happenings	n/a	154	131	133	149	153	153	112	n/a	150
Whale Watching	n/a	48	42	53	20	47	37	45	25	n/a

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

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

**CITY OF SIERRA MADRE**

**Operating Indicators by Function, (continued)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Library</b>										
Number of:										
Registered borrowers	13,308	13,968	10,942	10,970	11,162	11,292	11,994	13,044	11,366	10,530
Circulation	101,461	81,879	90,985	101,513	107,535	111,384	105,121	86,829	79,673	85,779
Reference	6,947	7,208	5,823	5,707	6,682	7,781	6,705	5,663	5,795	6,548
Book volumes held	61,150	61,515	59,037	59,540	58,956	56,415	55,845	51,681	54,663	56,891
User's of E-Resources	14,155	15,226	14,104	12,762	14,288	13,962	13,312	13,844	14,173	14,798
Media	4,486	4,688	4,982	4,940	5,381	5,301	5,323	5,512	5,993	6,307
Periodicals	106	115	115	108	119	115	115	109	95	98
<b>Municipal Utilities</b>										
Number of:										
Number of Customers										
Commercial	n/a	105	106	110	111	110	111	112	70	n/a *
Multi-Unit	n/a	353	353	351	356	354	356	353	212	n/a *
City	n/a	75	75	75	75	75	75	63	40	n/a *
Residential	n/a	3,136	3,184	3,198	3,312	3,284	3,255	3,280	3,424	3,550
Non-Residential	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	204 *
Water Consumption in Units (000's)	947	1,051	1,146	956	1,010	1,086	1,212	1,232	1325	821
<b>Administrative Services</b>										
Number of:										
Number of Customers										
Online Bill Pay (average)	n/a	n/a	n/a	n/a	n/a	n/a	155	131	156	211
Business Licenses Issued	n/a	1,180	1,200	1,266	1,275	1,288	1,232	1,360	2,358	1,374
<b>Development Services</b>										
Number of:										
Conditional Use Permit		18	5	2	7	5	13	5	5	37
Minor Conditional Use Permit		6	8	5	5	3	2	5	10	7
Variance		4	7	4	4	2	4	1	-	1
Minor Variance		8	3	5	5	-	-	3	1	1
Municipal Code Text Amendment		5	4	1	1	3	2	3	1	6
Building Permit		302	242	245	125	242	304	278	249	231
Electrical Permit		187	123	132	86	57	81	165	208	159
Mechanical Permit		111	188	75	22	36	38	110	130	129
Plumbing Permit		184	133	104	45	49	59	161	166	215
Sewer		18	8	9	2	6	13	25	26	3

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

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

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

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

Fiscal Year Ended June 30,						
2010	2011	2012	2013	2014	2015	
\$ 15,364,491	\$ 14,523,998	\$ 13,686,599	\$ 12,858,351	\$ 12,041,539	\$ 11,331,409	
72,630	65,713	58,796	51,878	44,961	38,044	
172,614	164,767	156,919	149,072	141,224	133,376	
	73,317	167,586	162,738	155,976	155,976	
1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	
838,654	811,157	783,660	756,163	728,666	701,169	
2,973,215	2,875,733	2,778,250	2,680,768	2,583,285	2,993,188	
1,225,146	1,192,386	1,159,626	1,126,865	1,094,105	1,061,345	
1,648,780	1,594,721	1,540,663	1,486,605	1,432,546	1,378,488	
14,295	-	-	-	-	-	
3,742,074	3,559,533	3,376,993	3,511,413	3,587,725	3,731,255	
349,101	332,864	316,626	300,389	284,152	267,915	
205,186	195,177	185,168	175,159	165,149	155,140	
824,424	784,209	743,993	703,777	663,561	623,345	
14,399,392	14,195,770	13,992,147	13,788,524	13,584,901	13,381,279	
168,365	160,152	151,939	143,726	135,513	127,300	
168,365	160,152	151,939	143,726	135,513	127,300	
7,050,994	6,825,034	6,599,074	6,373,114	6,147,154	5,733,392	
1,483,250	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250	
162,275,945	162,275,945	162,275,946	162,275,946	162,275,946	162,275,945	
27,081	20,780	14,820	10,360	24,555	30,890	
3,841	404,918	404,918	341,205	336,248	292,587	
270,108	794,752	740,834	686,766	641,723	541,302	
1,021,846	980,860	881,965	784,751	704,962	591,833	
369,848	484,029	459,827	411,425	363,022	314,619	
<b>\$ 215,875,857</b>	<b>\$ 215,165,429</b>	<b>\$ 213,317,751</b>	<b>\$ 211,612,185</b>	<b>\$ 209,961,890</b>	<b>\$ 208,676,561</b>	

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