



Comprehensive Annual Financial Report

City of Sierra Madre, California

For the Fiscal Year Ended

June 30, 2013

Comprehensive Annual Financial Report

City of Sierra Madre, California

For the Fiscal Year Ended June 30, 2013



Prepared By the Administrative Services Department

Karin Schnaider, Finance Director

City of Sierra Madre
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Sierra Madre, CA 91024

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January 16, 2014

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 with great pleasure that we present to you the City of Sierra Madre's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2013. The report complies with the financial reporting model developed by the Governmental Accounting Standards Board (GASB) statement 34, and contains the City's Other Post Employment Benefit obligation as required by GASB statement 45. 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 is presented in compliance with GASB No. 44 and 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 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, 2013, 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 unqualified opinion that the City of Sierra Madre's financial statements for the fiscal year ended June 30, 2013, 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 Administrative Services Department with any questions or comments concerning this report.

History

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 64 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. In 2007, the City received the All-America City Award.

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 within a \$20 million budget that funds 64 full-time employees assigned to nine operating departments. 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. Personnel are hired to begin, perform, and complete a task which in some measurable fashion improves the safety and wellbeing of the citizens they serve. Translated to a City's finances, that means that almost all departments (other than those supporting infrastructure like Gas Tax, Water, and Sewer funds), have a ratio of personnel costs to non-personnel costs of almost 8 to 1. Simply stated, City staff provides City services.

Government services are primarily funded by property taxes, local taxes, and user fees. Since 2008, the City has either had flat or declining revenues such as the loss of Tax Increment Revenues from the Community Redevelopment Agency. Added to the difficulty in maintaining a balanced budget is that insurance, pension, and other cost drivers have increased 3-5% annually; outpacing revenues by an average of more than 2% year over year. These impact the City's purchasing power making it difficult to maintain the same level of services. This is true in all departments/funds.

In the City's Statement of Activities and Changes in Net Assets: total revenues increased by \$844,000, or 5.52 percent; and total expenses decreased by \$1.2 million, or 6.83 percent. The total net assets decreased by \$401,000, but all but \$1,000 was due to the increase in the JPIA liability. In other words, the City had a slight increase in total revenues, but total citywide expenditures decreased by double the increase in total revenues in order for the City to remain neutral financially. Overall it should be noted that the City's finances are segregated into more than 90 independent funds that must be self-balancing. So while some funds added to reserves, many others are still utilizing reserves to fund operational or capital needs for the City.

The City's General Fund budget for FY 2012-2013 was balanced after more than \$900,000 in staffing and other reductions beginning in FY 2011-2012 and then an additional \$400,000 reduction after the State's elimination of Redevelopment Agencies. By July 1, 2012, the City had downgraded five positions, laid-off two full-time positions, and eliminated 21,500 part time hours (10 FTE) from the budget permanently. All of which required a complete reorganization of every department (except Public Works which had under gone this process at the beginning of the FY 2011-2012 budget in the earlier \$900,000 reductions).

Going forward, the City's three largest funds are still facing years where incoming revenues will not keep pace with the costs of providing services. In the General Fund, the City Council committed \$600,000 from the FY 2012-2013 revenues to balance the budget shortfall projected in the biennial budget of FY 2013-2015. In the Water and Sewer Funds, the City Council initiated a rate study and Proposition 218 process to have the rates increased to meet the operational, capital, and debt payments needed to provide residents with services.

The City's General Fund continues to be financially reliant on the Utility User Tax (UUT). The UUT has grown to over 30% of the General Fund's revenue as a result of a voter approved increase in the UUT rate in 2008. The City Council has placed a UUT ballot measure before the voters at the April 2014 election, to extend the current sunset until 2022. Should the ballot measure fail, the City's General Fund is estimated to have over \$1 million (on-going) shortfall beginning in FY 2016-2017; or more than a 12% loss. This is in addition to inflationary cost increases that continue to outpace incoming revenues.

Major Accomplishments for the Year:

- Completed the Fair Labor Standards Act (FLSA) Audit and implemented internal controls
- Implemented Citywide reorganization for a savings of \$250,000
- Instituted City's first-ever Human Resources (HR) Department
- Implemented online agendas and staff reports through a Document Management System interfaced with the City's website
- Successfully addressed the financial impacts of the elimination of the Community Redevelopment Agency and maintained a balanced General Fund budget despite the loss of over \$400,000 in annual revenues
- Maintained the General Fund reserves over 50% of operating revenues for five years.
- Received the CSMFO award for Excellence in Budgeting
- Negotiated and implemented first comprehensive Memorandum of Understanding with Police Association; which included sharing costs of employee retirement benefits
- Negotiated three year Memorandum of Understanding with Classified Employee Association which included sharing costs of employee retirement benefits

- Achieved State certification of the City's Housing Element
- Kensington Assisted Living facility began construction Presented top priority capital maintenance and replacement needs for City's infrastructure; especially regarding water.
- Continued progress with the General Plan Update; scheduled for Planning Commission review Formed a City Council Water Ad Hoc Committee and released a Request for Proposal for a new water and sewer rate study.
- Applied for Local and Federal grants for financial assistance to maintain and improve the water infrastructure.
- Tennis Court resurfacing at Sierra Vista Park and Memorial Park
- Replacement and upgrade of maintenance equipment at the Sierra Madre Aquatic Center
- Expanded the Family Movie series in Kersting Court with additional summer dates
- Offered Friday programs in Kersting Court for youth that frequent the area after school
- Instituted a new fee schedule for the Paramedic Subscription Program
- Retained volunteer firefighters with the continued membership in the Volunteer Length of Service Award
- The Fire Department updated preplans for the schools, churches, commercial zones, and the City's interface zone.
- Continued cooperation with the Sierra Madre Citizen Emergency Response Team (CERT) Program.
- Established the priorities for replacement and repairs the City's water main infrastructure
- Replacement of the Heating Ventilation and Air Conditioning units at the Library.
- Established the top infrastructure priorities
- Completed the City's emergency connection to the Metropolitan Water District (MWD) Upper Feeder on East Grandview, working with San Gabriel Valley Municipal Water District and MWD.
- Rehabilitated Well 6 improving pumping efficiency and production
- Removed sediment and scarified settling basins to improve groundwater infiltration
- Continue implementation of Sewer Master Plan.
- Continue Water meter replacement program
- Implementation of a plan to arrest the overdraft/decline of the East Raymond Basin
- Continue street improvement program
- Continue implementation of NPDES Municipal Permit requirements.
- Instituted Electronic Parking Citation Writers which automatically downloads the information for processing
- Reinstated the Police Blotter, posting on the City's website and on Facebook
- Achieved compliance with the State Housing Element mandates for the 2008-2014 planning period, and implemented a successful second unit amnesty permit to account for a balance of Sierra Madre's RHNA requirements.
- Adopted amendments to R-1 single-family residential development standards, to address problematic development standards and to minimize impacts of bulk, mass, and scale of homes.
- Award of contract to update Public Facilities Fee Impact Study (development impact fees) to update methodology and fees to be charged to development.
- Award a contract for the 2014-2021 Housing Element Update and achieve Housing Element compliance within the 2013 deadline period.
- Use the resources from the Downtown Market Demand Study to attract desirable businesses for downtown.
- Continue work on developing a downtown marketing/branding program.

Other Financial Information

Budgetary Control

The City Council is required to adopt an annual budget by June 30, prior to the beginning of the biennial budget cycle. The budgets are adopted on a basis that does not differ materially from Generally Accepted Accounting Principles (GAAP). An appropriated annual budget is legally adopted for the General and Special Revenue Governmental Funds. Annual appropriated budgets are not adopted for Debt Service Funds because bond indentures are used as the method for adequate budgetary control.

Capital Projects Funds do not have annual appropriated budgets. Instead, control over projects is maintained by means of a project-length capital improvement budget. This project-length budget authorizes total expenditures over the duration of a construction project, rather than year by year. Additionally, planned expenditures for the capital projects and purchases for the current budget cycle are reflected within the operating budgets of the appropriate fund whose resources are used to fund the project.

The City Manager maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the City Council. The level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amount) is the department level and within a single fund. The City Manager may authorize transfers of appropriations within a department so long as it is within a single fund. A department manager may move funds within a single fund between divisions and categories (personnel and non-personnel) without City Manager approval. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are each considered to be a single department. Supplemental appropriations during the year must be approved by the City Council. These appropriations, representing amendments to the budget during the year, could be significant in relationship to the original budget as adopted (see Budget Amendment Procedures).

The City uses an "encumbrance system." Under this procedure, commitments such as purchase orders and contracts at year-end are recorded as reserved fund balance. In order to be an encumbered appropriation, there must be either an approved purchase order or contract in force as of June 30. All unencumbered appropriations lapse at fiscal year-end.

Fund Balance Policy

In June 2011, the City Council adopted GASB 54, fund balance policy. This Fund Balance Policy establishes the procedures for reporting unrestricted fund balance in the City of Sierra Madre financial statements. Certain commitments and assignments of fund balance will help ensure that there will be adequate financial resources to protect the City against unforeseen circumstances and events such as revenue shortfalls and unanticipated expenditures.

Fund balance is essentially the difference between the assets and liabilities reported in a governmental fund. There are five separate components of fund balance, each of which identifies the extent to which the City is bound to honor constraints on the specific purposes for which amounts can be spent.

- Components of fund balance –
 - Nonspendable (inherently nonspendable)
 - not in spendable form or requirement to maintain intact
 - Restricted fund balance (externally enforceable limitations on use)
 - Outside parties
 - Constitutional provisions or enabling legislation
 - Committed fund balance (self-imposed limitations)
 - Formal action by the end of the fiscal period
 - Highest level of decision making

- Assigned fund balance (limitation resulting from intended use)
 - Less formal action
 - Highest level of decision making or designated body/official
- Unassigned fund balance (residual net resources)
 - (+) only in the General Fund

The City Council adopted a financial policy to accumulate undesignated General Fund reserves equal to 50% of operating revenues. The Internal Services should establish cost allocations equal to 120% of operating expenditures so as to plan for vehicle replacement, infrastructure maintenance and enhancements, technology upgrades and replacements, and increases in insurance premiums. In FY 2011-2012, the City Council adopted its first deferred maintenance policy for City Infrastructure, equal to set-aside of 25% of annual depreciation and for City vehicles, equal to set-aside of 50% of annual depreciation. This policy was successfully implemented in all funds, except the Water and Sewer funds.

Debt Administration

The City's General Fund does not have any general obligation bonds as of June 30, 2013.

The City's General Fund, Sewer Fund, and Internal Services-Fleet Fund have a combined 10 year Master Lease with a combined outstanding balance of \$913,544 as of June 30, 2013.

The City's Water Fund has two Water Revenue Bonds and one interest free loan as of June 30, 2013:

1. Water Revenue Bonds (1998 Series) with an outstanding balance of \$2,635,000
2. Water Revenue Bonds (2003 Series) with an outstanding balance of \$6,750,000
3. San Gabriel Valley Water District ten-year interest free loan with an outstanding balance of \$1,165,500

The City's Successor Agency (former Community Redevelopment Agency) has a Tax Increment Revenue Refunding Bond (1998 Series) with an outstanding balance of \$2,315,000 as of June 30, 2013.

The City made all required debt obligations in a timely manner in FY 2012-2013. Please refer to Note 7 of the Financials.

Risk Management

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 City has coverage for property, automotive, earthquake, flood, pollution and crime insurance. The City of Sierra Madre also participates in the workers' compensation pool administered by the Authority. The City has deductibles ranging from \$5,000 to \$100,000 dependent on the policy coverage agreement.

Each member pays a primary deposit to cover estimated losses for a fiscal year (claims year). After the close of a fiscal year, outstanding claims are valued. A prospective deposit computation is then made for each open claims year. Claims are pooled separately between public safety and non-public safety.

Long-term Financial Planning

The City updates a five-year Capital Improvement Program (CIP) during the biennial budget process. The City listed approximately \$475,000 in budgeted projects for FY 2012-2013; of these projects, about 45% were either started or completed in this budget cycle. The CIP includes improvements to wells, streets, sidewalks, and buildings. Funding for this year's capital projects came primarily from the City's Internal Services Funds and various grants. The five year CIP also lists infrastructure needs particularly in the area of Water and Sewer

that exceed \$50 million; these projects do not have an identified funding source, but remain on the list as the City seeks Federal, State, and County assistance.

Cash Management Policies and Practices

Cash not immediately needed to finance City operations during the year was invested in the State of California's Local Agency Investment Fund (LAIF). The investment program is managed in accordance with the Investment Policy approved by the City Council. It is the objective of staff to attain a greater percentage of invested funds, while maintaining the necessary reserves needed to fund City services. However, it should be noted that all investment decisions are made by considering safety first, liquidity second, and yield third.

Pension Benefits

The City provides pension benefits for all full-time and PERs eligible employees through a statewide plan managed by the California Public Employees Retirement System (CalPERS). The City has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payments to CalPERS. Additional information on the plan can be found in Note 11 in the notes to the financial statements.

The City provides post-employment health benefits to its eligible employees in accordance with agreements reached with the various employee bargaining groups. The City pays for retirees' health care premiums in these plans up to the contribution limits established in the agreements with each respective bargaining unit. These payments are financed on a pay-as-you-go basis. As of June 30, 2013, the City was providing benefits to 16 retirees.

Beginning with the annual financial report for fiscal year ending June 30, 2010, the City has also included information pertinent to the unfunded actuarially accrued liability resulting from this post-employment benefit in conformity with the requirements of Government Accounting Standards Board Statement No. 45. In 2011, the City Council authorized staff to initiate a pre-funding agreement with CalPERS CERBT OPEB Trust Fund for the City's unfunded liability. The City Council chose a 10 year amortization policy and made a payment of \$174,176 in FY 2012-2013. Additional information on the plan can be found in Note 13 in the notes to the financial statements.

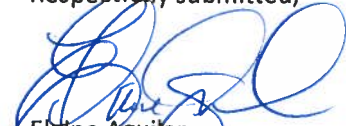
Independent Audit

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

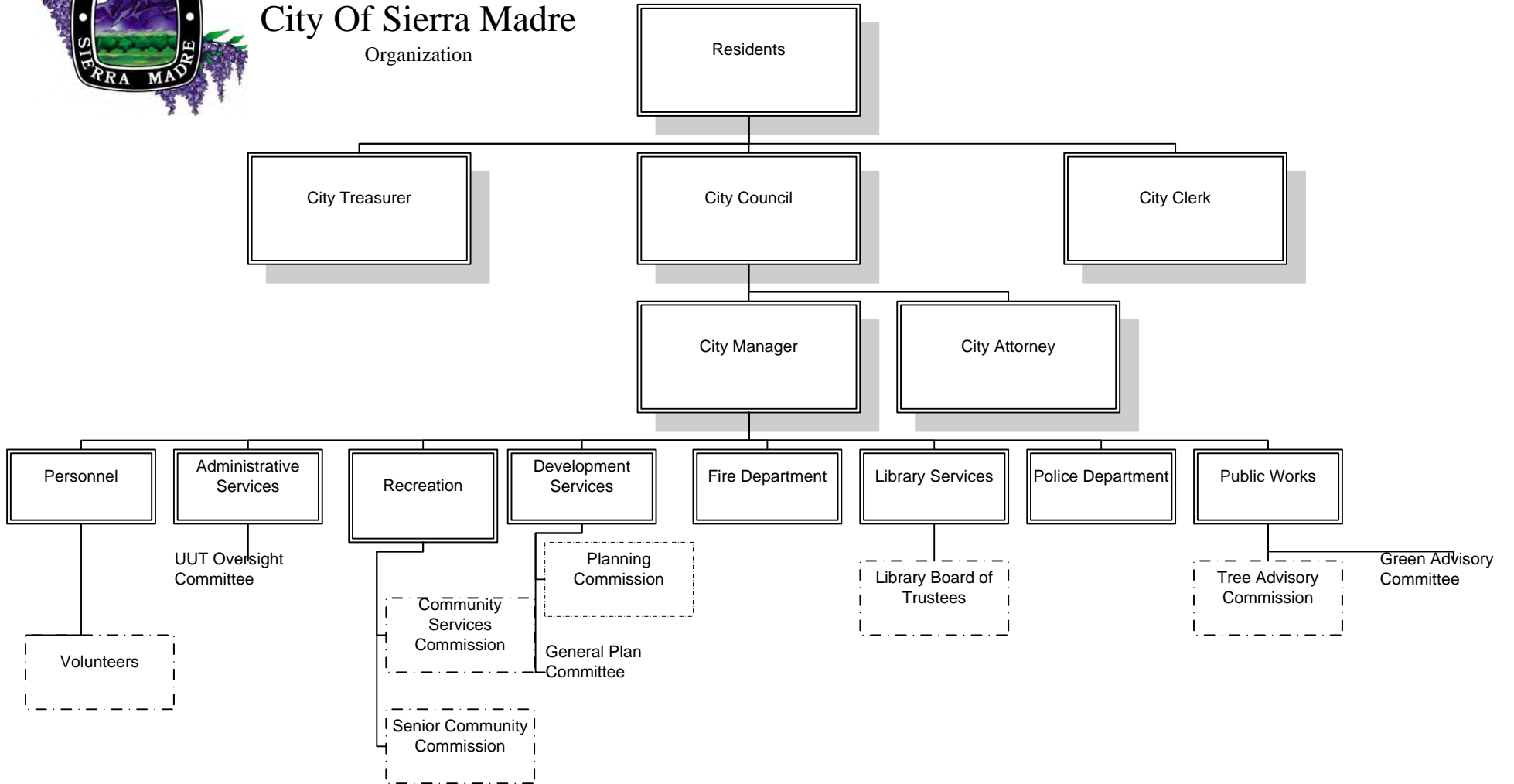


Karin Schnaider
Finance Director



City Of Sierra Madre

Organization



City of Sierra Madre, California

Village of the Foothills

Comprehensive Annual Financial Report



For the Year Ending June 30, 2013

Sierra Madre, California

City Council and Elected Officials

Nancy Walsh
John Harabedian
John Capoccia
Chris Koerber
Josh Moran

Nancy Shollenberger
Richard Mays

Mayor
Mayor Pro Tempore
Council Member
Council Member
Council Member

City Clerk
City Treasurer

Executive Management

Elaine Aguilar
Terri Highsmith
Karin Schnaider
Elisa Weaver
Danny Castro
Steve Heydorff
Carolyn Thomas
Larry Giannone
Bruce Inman

City Manager
City Attorney
Finance Director
Human Resources Director
Development Services Director
Fire Chief
Director of Library Services
Police Chief
Public Works Director

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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, 2013, 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

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Kirk A. Franks, CPA
Matthew B. Wilson, CPA, MSA, CGMA
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MEMBERS

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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, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2014, 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.

A handwritten signature in cursive script that reads "Rogers Anderson Maloney & Scott, LLP". The signature is written in black ink and is positioned above the typed name of the firm.

San Bernardino, CA
January 16, 2014

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City of Sierra Madre, California

Village of the Foothills



Management's Discussion and Analysis For the Year Ending June 30, 2013

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CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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, 2013. This is the seventh year the report complies with the new financial reporting model developed by the Governmental Accounting Standards Board (GASB) Statement 34. This financial reporting model changed the format of the City's financial statements. It improved financial reporting by adding significant additional information not previously available in local government financial statements. The implementation of GASB 34 has enabled the City Council and residents of Sierra Madre to become more aware of the benefits and information contained in the financial reporting model. In addition to the fund-by-fund financial information currently presented in the City's financial statements, government-wide financial statements are also included. These include a Statement of Net Position that provides the total net equity of the City, including infrastructure, and the Statement of Activities that shows the cost of providing government services. These statements have been prepared using the accrual basis of accounting versus the modified accrual method used in the fund financial statements. Reconciliation reports are provided as a key to understanding the changes between the two reporting methods (found on pages 24 and 26). The reporting model also includes an emphasis on the City's major funds as shown in the Governmental Fund Statements.

These statements, combined with other information, are further analyzed in the narrative section called Management's Discussion and Analysis (MDA). The MDA provides financial highlights and interprets the reports by analyzing trends and by explaining changes, fluctuations, and variances in the financial data. In addition, the MDA is intended to disclose significant events or decisions that affect the financial condition of the City. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage the readers to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal in the City's biennial budget and the accompanying basic financial statements. Comparative data on the government-wide financial statements are only presented in the MD&A.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to present fairly the financial position of the City. All disclosures necessary to enable an understanding of the City's financial activities have been included.

FINANCIAL HIGHLIGHTS

- The City's governmental activities net position decreased \$1,344, or 0.001 percent; and net position of the business-type activities decreased by \$399,978 or 1.9 percent.
- During the year, the City's General Fund reserves increased by \$825,093; and total government funds reserves increased \$1,173,213 or 13.42 percent.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

- In the City's proprietary funds, the Water Fund decreased fund equity by \$104,993; the Sewer Fund decreased \$299,578, Non-Major Enterprise Funds increased \$4,593; and Total Internal Service Funds decreased \$1,241,305.

OVERVIEW OF FINANCIAL STATEMENTS

The City is required to present its financial statements in accordance with Generally Accepted Accounting Principles (GAAP) which includes complying with the Governmental Accounting Standards Board (GASB) pronouncements. In 2004, the City was required to implement GASB Statement No. 34 (GASB 34) which required the City to add new financial reports with a new format to the existing published Financial Report. The new financial reporting format includes the Government-wide Financial Statements, which are comprised of the Statement of Net Position and the Statement of Activities (explained below), and the original reporting format, which is the Fund Financial Statements (explained below), combined into a single unified format. These two statements combined with the notes to the financial statements comprise the City's basic financial statements. This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. This report also contains certain supplementary information to the basic financial statements.

Government-wide Financial Statements

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*.

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. This longer-term view is intended to illustrate the City's ability to continue functioning as a viable entity well beyond the next fiscal year's operations. The statements are prepared using the accrual basis of accounting.

The accrual basis of accounting 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. For example, grant revenue may have been earned as of fiscal year end, but may not be received until several months subsequent to fiscal year end. Under the accrual basis of accounting, this revenue would be recognized as a resource available to the City as of fiscal year end, even though the actual cash is not received for several months. An example related to expenditures would be the City's accrued interest liability. This liability is recognized as a usage of the City's resources as of fiscal year end, even though the actual cash payment will occur over an extended period of time. The accrual basis of accounting is similar to that used by most private sector companies.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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, furniture and fixtures, etc.) as well as the recognition of various long-term liabilities (e.g., bonds payable, accrued employee benefits, claims and judgments payable, etc.).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes, intergovernmental, and use of money and property 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 statement of net position presents information on all of the City's assets and liabilities, with the excess of assets over liabilities reported as net position. This statement includes changes in "capitalized and depreciated" capital assets. The purpose behind the statement of net position is that, over time, increases or decreases in the net position are one potential useful indicator of whether the financial position of the City is improving or deteriorating.

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

Both the governmental activities and the business-type activities are presented on the accrual basis of accounting, which considers money available when earned and considers money spent when a liability is incurred. The accrual basis of accounting focuses on measuring economic resources that are available to the City regardless of timing of the availability of those resources. Proprietary funds, discussed below, also follow the accrual basis of accounting.

The *government-wide* financial statements can be found on pages 20 through 22 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements provide detailed information about the most significant funds and other funds – not the City as a whole. Some funds are required by state law and by bond covenants. In addition, in order to meet legal responsibilities for using certain taxes, grants, and other resources, prudent fiscal management requires the

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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 24 and 26 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 and Moderate Income Housing Asset Capital Projects Fund, of which are considered to be major funds. Major funds determination is based on guidelines established by GASB 34. Data for the other 48 governmental funds are combined into a single, aggregated presentation.

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 68 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. With the dissolution of Redevelopment (AB1x26), the City no longer reports any component units.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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 27 through 29 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 Other Enterprise Funds. Enterprise funds are used to report the same functions presented as Business-Type activities in the government-wide financial statements.

Internal Service funds by contrast are an accounting mechanism used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for Vehicle/Equipment Replacement and Maintenance, Facilities Maintenance, City Administration, and Information Technology (IT), Personnel/Risk Management (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 30 through 31. 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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 32 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 budget comparison schedules for the General Fund and each major special revenue fund and progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 66 through 68 of this report.

THE CITY AS A WHOLE

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business.

The Statement of Net Position and the Statement of Activities

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 and liabilities of the City using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report the City's net position and changes in them. Net position is the difference between assets and liabilities, 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 is 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, interest income, 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.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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 and its liabilities, may serve over time as one potential useful indicator of a government's financial position (Table 1). Net position includes the City's capital assets, cash balances, amounts receivable from other entities, and other similar resources offset by payments due to vendors, interest payable, long-term debt, and other similar obligations. By far the largest portion of the City's net position (94%) reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt, used to acquire those assets. The City uses these assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. In the case of the City, total assets exceeded total liabilities by \$216,089,050 at the close of the most recent fiscal year. This year, the City's net position, including both the governmental activities and business-type activities, decreased by \$401,322.

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

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|----------------------------------|----------------------------|------------|-----------------------------|-----------|------------|------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| <u>Assets:</u> | | | | | | |
| Current and Other Assets | \$ 11,376 | \$ 13,327 | \$ 5,615 | \$ 5,325 | \$ 16,991 | \$ 18,652 |
| Non-Current Assets | 1,894 | 1,980 | 290 | 264 | 2,184 | 2,244 |
| Capital Assets | 186,234 | 184,960 | 27,063 | 26,652 | 213,297 | 211,612 |
| TOTAL ASSETS | 199,504 | 200,267 | 32,968 | 32,241 | 232,472 | 232,508 |
| <u>Liabilities:</u> | | | | | | |
| Current and Other Liabilities | 1,353 | 1,952 | 799 | 1,038 | 2,152 | 2,990 |
| Non-Current Liabilities | 957 | 3,074 | 10,921 | 10,355 | 11,878 | 13,429 |
| TOTAL LIABILITIES | 2,310 | 5,026 | 11,720 | 11,393 | 14,030 | 16,419 |
| <u>Net Position:</u> | | | | | | |
| Net investment in capital assets | 185,544 | 184,344 | 15,665 | 15,804 | 201,209 | 200,148 |
| Restricted | 10,779 | 9,997 | 1,146 | 1,149 | 11,925 | 11,146 |
| Unrestricted | 871 | 900 | 4,437 | 3,895 | 5,308 | 4,795 |
| TOTAL NET POSITION | \$ 197,194 | \$ 195,241 | \$ 21,248 | \$ 20,848 | \$ 218,442 | \$ 216,089 |

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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 \$844,000, or 5.52 percent; and total expenses decreased by \$1.2 million, or 6.83 percent.

TABLE 2
 CHANGES IN NET POSITION
 (In Thousands)

| | GOVERNMENTAL ACTIVITIES | | BUSINESS-TYPE ACTIVITIES | | TOTAL | |
|---|----------------------------|---------------|-----------------------------|--------------|---------------|---------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | \$ 2,013 | \$ 2,512 | \$ 4,091 | \$ 4,526 | \$ 6,104 | \$ 7,038 |
| Operating Grants and Contributions | 1,332 | 992 | - | - | 1,332 | 992 |
| Capital Grants and Contributions | 51 | - | - | 317 | 51 | 317 |
| General Revenues: | | | | | | |
| Taxes | 7,774 | 7,740 | - | - | 7,774 | 7,740 |
| Investment Income | 16 | 22 | 3 | - | 19 | 22 |
| Other Sources | - | 15 | - | - | - | 15 |
| TOTAL REVENUES | 11,186 | 11,281 | 4,094 | 4,843 | 15,280 | 16,124 |
| Expenses: | | | | | | |
| General Government | 1,756 | 2,351 | - | - | 1,756 | 2,351 |
| Public Safety | 5,244 | 5,241 | - | - | 5,244 | 5,241 |
| Public Works | 2,669 | 1,311 | - | - | 2,669 | 1,311 |
| Development | 998 | 874 | - | - | 998 | 874 |
| Culture and Recreation | 1,695 | 1,450 | - | - | 1,695 | 1,450 |
| Interest Expense | 95 | 8 | - | - | 95 | 8 |
| Water | - | - | 3,807 | 3,980 | 3,807 | 3,980 |
| Sewer | - | - | 927 | 1,023 | 927 | 1,023 |
| Recreation Services | - | - | 307 | 116 | 307 | 116 |
| Strike Team | - | - | 169 | 112 | 169 | 112 |
| Filming | - | - | 70 | 59 | 70 | 59 |
| TOTAL EXPENSES | 12,457 | 11,235 | 5,280 | 5,290 | 17,737 | 16,525 |
| Excess (deficiency) in net position before transfers and extraordinary item | (1,271) | 46 | (1,186) | (447) | (2,457) | (401) |
| Transfers | (164) | (47) | 164 | 47 | - | - |
| Extraordinary Gain | 1,499 | - | - | - | 1,499 | - |
| Increase (decrease) in net position | 64 | (1) | (1,022) | (400) | (958) | (401) |
| Net position, beginning of year, as restated | 197,130 | 195,242 | 22,270 | 21,248 | 219,400 | 216,490 |
| Net position, end of year | \$ 197,194 | \$ 195,241 | \$ 21,248 | \$ 20,848 | \$ 218,442 | \$ 216,089 |

CITY OF SIERRA MADRE

**Management’s Discussion and Analysis
For the year ended June 30, 2013**

Governmental Activities: The following (Table 3) presents the cost of each of the City’s six 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, 2013

| | Total Cost of Services | Total Program Revenues | Net Cost of Services |
|------------------------|---------------------------|---------------------------|-------------------------|
| General Government | \$ 2,351 | \$ 955 | \$ (1,396) |
| Public Safety | 5,241 | 773 | (4,468) |
| Public Works | 1,311 | 649 | (662) |
| Development | 874 | 629 | (245) |
| Culture and Recreation | 1,450 | 498 | (951) |
| Interest Expense | 8 | - | (8) |
| | <u>\$ 11,235</u> | <u>\$ 3,504</u> | <u>\$ (7,730)</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 BALANCE
(In Thousands)

| | REVENUES | | EXPENDITURES | | TRANSFERS & EXTRAORDINARY GAINS/(LOSSES) | | TOTAL CHANGE IN FUND BALANCE | |
|-----------------------------|------------------|------------------|------------------|------------------|--|---------------|---------------------------------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| General Fund | \$ 7,979 | \$ 8,801 | \$ 7,140 | \$ 6,927 | \$ (1,250) | \$ (1,049) | \$ (411) | \$ 825 |
| Low/Mod Income Housing Fund | - | - | - | 493 | 2,176 | - | 2,176 | (493) |
| CRA Funds | 657 | - | 1,902 | - | (3,262) | - | (4,507) | - |
| Other Governmental Funds | 2,546 | 2,413 | 3,670 | 2,620 | 1,078 | 1,048 | (46) | 841 |
| TOTAL | <u>\$ 11,182</u> | <u>\$ 11,214</u> | <u>\$ 12,712</u> | <u>\$ 10,040</u> | <u>\$ (1,258)</u> | <u>\$ (1)</u> | <u>\$ (2,788)</u> | <u>\$ 1,173</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 \$825,093 in FY 2012-2013. General Fund revenues increased by approximately \$821,000, or 10.3 percent; expenditures decreased by approximately \$213,000, or 2.9 percent; and net transfers out decreased by approximately \$202,000, or 16.2 percent. Other governmental funds increased total fund balance by \$840,745 in FY 2012-2013, primarily from the delay of street improvements that began July 2013.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

At June 30, 2013, the fund balance for the General Fund was \$5,935,537; however the City Council has committed and assigned certain amounts adjusting the unassigned fund balance to \$900,121.

FUND BALANCES FOR GENERAL FUND

| | | |
|---|----|--------------------|
| General Fund Reserves for the Year Ending June 30, 2012 | \$ | 5,110,444 |
| Total Revenue | | 8,800,831 |
| Total Expenditures | | 6,927,244 |
| Net Budgeted Transfers, In/(Out) | | <u>(1,048,494)</u> |
| General Fund Reserves for the Year Ending June 30, 2013 | \$ | 5,935,537 |
| <i>Committed Reserves</i> | | |
| FY 2013-2015 Budget Carryover | \$ | 600,000 |
| Document Management | | 15,000 |
| PW Bridge Maintenance | | 20,000 |
| <i>Assigned Reserves</i> | | |
| 50% of operating revenues-reserve policy | | 4,400,416 |
| <i>Unassigned Reserves</i> | | 900,121 |

The unassigned General Fund reserves were accumulated over time, at the rate of approximately \$200,000 annually, between 2009 and 2013. The total unassigned General Fund reserves, as of June 30, 2012, was \$870,761. At the close of FY 2013-2014, unassigned fund balance had an increase by less than \$30,000. The unassigned General fund reserves are the result of:

- Un-obligating reserves for items such as the Windstorm and the Santa Anita fire;
- 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

In FY 2013-2014, the City Council further allocated General Fund reserves to fund for NPDES/Storm Water compliance, and the Civic Center roofs, and painting of the Library, a total of \$314,000 in unassigned reserves remains. Historical trends of the General Fund reserves can be seen in the Statistical Section located at the end of the financials (page 144-145).

Business-Type Funds: As shown in the Statement of Activities and Changes in Net Position, the Enterprise Funds had a total change in net position of \$399,978, or 1.9 percent. The Water fund had a decrease in net position of approximately \$105,000, or 0.7 percent; and the Sewer Fund had a decrease in net position of approximately \$299,000, or 5.5 percent. At the close of FY 2012-2013, the total net position of the City's Internal Service Funds decreased by \$1,241,305.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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

| | REVENUES | | EXPENDITURES | | CONTRIBUTIONS & TRANSFERS | | TOTAL CHANGE IN NET POSITION | |
|--------------------------|----------------|----------------|----------------|----------------|---------------------------|--------------|------------------------------|-----------------|
| | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 | 2012 | 2013 |
| Water | \$ 3,038 | \$ 3,875 | \$ 3,807 | \$ 3,980 | \$ - | \$ - | \$ (769) | \$ (105) |
| Sewer | 668 | 723 | 927 | 1,022 | - | - | (259) | (299) |
| Other Enterprise Funds | 387 | 244 | 545 | 287 | 164 | 47 | 6 | 4 |
| TOTAL | \$4,093 | \$4,842 | \$5,279 | \$5,289 | \$ 164 | \$ 47 | \$(1,022) | \$ (400) |
| Governmental Activities- | | | | | | | | |
| Internal Service Funds | \$ 4,359 | \$ 3,940 | \$ 4,672 | \$ 5,135 | \$ 7 | \$ (46) | \$ (306) | \$(1,241) |

Capital Assets and Debt Administration

Capital Assets

By the close of FY 2012-2013, the City has decreased approximately \$1.27 million to the governmental fund capital assets current net value; of which, the City recorded \$1.3 million in net depreciation and \$26,000 increase vehicle and equipment.

The City has decreased approximately \$412,000 in the business-type activities capital assets current net value at June 30, 2013. The City Water department began construction in the third quarter of FY 2012-2013 on the interconnection to San Gabriel Valley Municipal Water District (SGVMWD). The construction concluded in the first quarter of FY 2013-2014. At June 30, 2013, the City recorded \$316,960 in Construction in Progress for Domestic Water Network-Pipelines. The business-type capital assets recorded \$728,948 in depreciation for the fiscal year.

Table 6 outlines these major changes without depreciation to the Net Capital Assets. See Note 6 for more information (pages 47 through 49).

TABLE 6
CHANGE IN CAPITAL ASSETS
As of June 30, 2013

| | Current Replacement Cost | Original Estimated Cost | Accumulated Depreciation | Current Net Value |
|---|--------------------------|-------------------------|--------------------------|-------------------|
| New Vehicle Purchases for 12-13 | \$ 26,758 | \$ 26,758 | \$ - | \$ 26,758 |
| Salvaged Vehicles for 12-13 | (41,380) | (35,641) | 35,641 | - |
| <u>Change in Vehicle and Equipment</u> | \$ (14,622) | \$ (8,883) | \$ 35,641 | \$ 26,758 |
| Work in Progress fo the Interconnection to SGVMWD | | | | |
| Domestic Water Network-Pipelines (Water) | \$ 316,960 | \$ 316,960 | \$ - | \$ 316,960 |
| <u>Change in Work in Progress</u> | \$ 316,960 | \$ 316,960 | \$ - | \$ 316,960 |
| Total Change in Capital Assets | \$ 302,338 | \$ 308,077 | \$ 35,641 | \$ 343,718 |

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

Debt Administration

At the end of FY 2012-2013, the City had total long-term debt outstanding of \$9,385,000 (of which \$390,000 is due in FY 2013-2014) 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 \$1,165,500 (of which \$145,688 is due in FY 2013-2014) at June 30, 2013.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide debt as of June 30, 2013 was \$913,544 (of which \$113,471 is due in FY 2012-2013). Additional information on the City's long-term debt can be found in Note 7 of the Financial Statements (pages 49 through 53).

Economic Condition and Budget Outlook

The City is a full service municipality operating with a \$20 million budget that funds 68 full-time employees assigned to eight 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 rebenchmarked 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.

At the start of FY 2012-2013, the City experienced its first layoffs in a decade. The City, while sheltered from severe drops in revenues, was experiencing its fourth straight year of flat revenues. To balance FY 2011-2012, the City reduced the General Fund budget by \$900,000 mostly in Police and Public Works. In January 2012, the State legislation passed AB1x26 eliminating Redevelopment Agency. To balance FY 2012-2013, the General Fund needed to reduce another \$400,000. This was done by reducing staffing with positions being eliminated, leaving several positions frozen or vacant, and contracting out services to reduce costs and subsidies.

When financial resources are reduced, due to the economy and State take-a-ways, the City must respond by reducing services, which means reducing staff. In fact, since 2008, the City has reduced staffing by almost ten (10) Full-Time-Equivalent (FTE) employees. In FY 2012-2013, City reduced five (5) full time positions and more than 10,000 part-time hours (of which 1 full time position and 15,000 part-time hours were reduced in Recreation primarily from contracting out Aquatics and Youth programming). This use of outside contracted services has also been utilized to save costs in Public Works for grounds maintenance in FY 2011-2012 and most recently in the Development Services Department when Building & Safety Services were contracted.

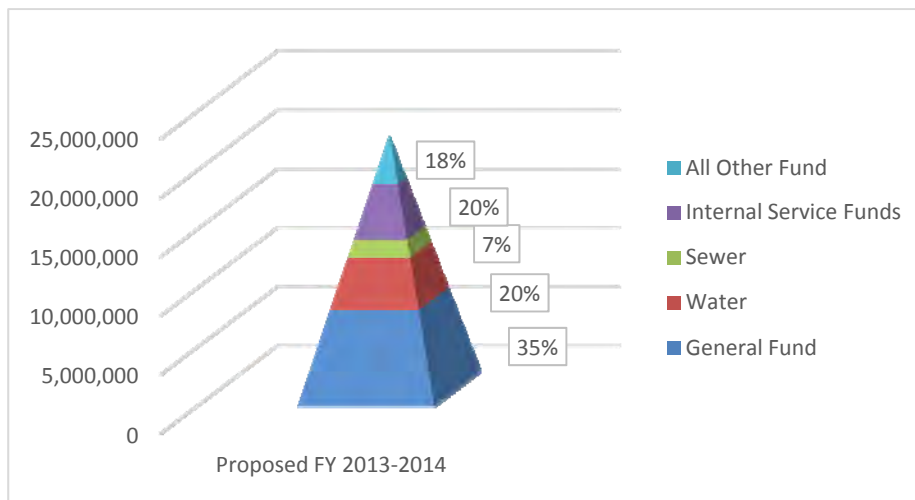
Upon developing the FY 2013-2015 biennial budget, the City needed to absorb additional personnel, contract, and insurance costs that left the General Fund, Water Fund and Sewer Fund with potential deficits into the next five years. To balance the FY 2013-2015 budget in the General Fund, the City froze vacant positions starting in October 2012. This was in addition to the layoffs that had occurred at July 1, 2012. The City Council committed \$600,000 from FY 2012-2013 to be used to offset the deficit expected during the next two fiscal years. In addition, the City's FY 2013-2014 budget includes a reduction of two (2) full-time positions while maintaining one temporary full-time position in Development Services (an Assistant Planner) and refunding

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

frozen position in the Police Department (Captain). The FY 2013-2015 budgets include further reductions in part-time hours from FY 2012-2013. The net effect is a reduction of 2 FTE. In addition, the three (3) frozen full-time positions will continue to be unfilled in the next biennial budget, one (1) in the Police Department, one (1) in General Maintenance, and one (1) in Water/Sewer Utilities.

General Fund

The City's largest fund is the General fund and has approximately \$8.8 million of revenues. 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 more than 38% of the City's total operations when including subsidies.



The General Fund expenditures make up 35% of the Total Citywide Expenses. It also subsidizes approximately another 5% within the Other Fund category.

The City of Sierra Madre, with a population of approximately 11,000, is primarily a residential community. Its small size and quiet neighborhoods lends itself to the 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: 53% Property Tax and VLF/Property Tax Backfill; 31% Utility User Tax and 16% other sources which include Franchise fee, Sales Tax, and Business Licenses. Nearly 12 years later, the City is still collecting less in Sales Tax than it did pre-recession.

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 six years, unlike most of Los Angeles County, City's housing market, while not experiencing great gains has not had a negative growth. During the housing boom the City's property tax collection grew from \$2.1 million to \$3.1 million between 2004 and 2008. Since the housing recession and subsequent "Proposition 8" reductions and property tax re-assessments, the City's Property Tax income has only increased \$86,000, or less than 2.6%, in total over the last five years (2009-2012).

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

In fiscal year ending June 30, 2013, the City property tax revenue (less the AB1x26 Redevelopment dissolution) was \$3,535,000. The increase of \$118,000 over FY 2011-2012 was the highest gain during all five prior years combined. If the \$204,000 from AB1x26 Redevelopment revenues, also call RPPTF, is added back in, the General Fund had a gain in property tax of \$322,000 in FY 2012-2013.

The median sale price of a single family home in Sierra Madre for 2012 was \$732,000. This represents a \$72,000 (10%) increase in median sale price from 2011, but is still \$50,000 lower than the 2005 peak of \$782,000. Los Angeles County (as a whole) has a median sale price of \$327,000, a \$6000 drop from last year. FY 2013-2014 marks the first full Proposition 13 increase (2 percent) applied since the 2007 recession began; however, it is going to be short lived. Consumer Price Indexes (CPI) for the last 12 months have averaged between 1.3 percent and 1.5 percent; 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 1.5 percent to next year's tax rolls. Sierra Madre is estimating a 5.5% increase in FY 2013-2014 property tax revenue, but only a 2.5% increase in property tax revenues for FY 2014-2015. These revenue increases are larger than the CPI, primarily from the fact that Sierra Madre's median sale price is so much larger than Los Angeles County that turnover in properties tends to be the primary driver in revenue increases.

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 is 12% for FY 2011-2012 through FY 2013-2014. The City Council directed that the tax collection rate be set at 10% since 2010 (water and sewer collection rate is 9%). On July 1, 2014, the City's taxable rate is 10% due to a sunset clause in the 2008 UUT ordinance which was not extended in April 2012 by the voters. Without an extension to the 2008 UUT ordinance, the UUT collection rate will diminish to 8% on July 1, 2015 and diminish again by 2% down to 6% on July 1, 2016. This loss is estimated to be \$265,000 per 1% loss in tax rate and be an aggregate loss of over \$1 million; or 12 percent; of the City's General Fund total revenues by 2016. As expenditure increases are growing faster than revenues by nearly 2 percent annually, the potential budget cuts may possibly exceed 20 percent when compounding 2013-2016 projected budgets and when factoring in the loss of the 4% in UUT tax rate. Add this to the 12% cuts taken in the last two years, revenues remaining flat but service costs increasing, a balanced City budget would require an almost 30% reduction in services since 2010.

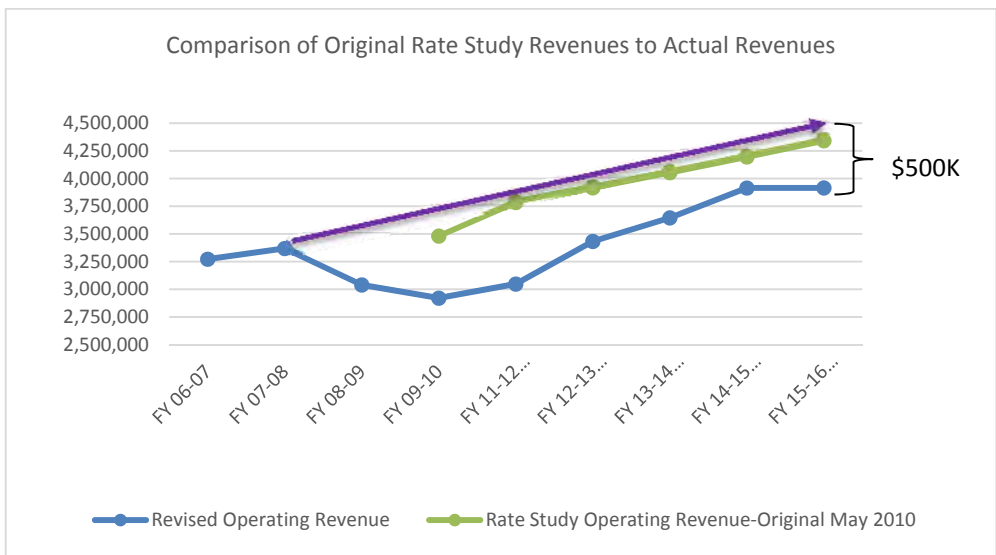
In November 2013, the City Council placed a ballot measure on the City's April 2014 general election to extend the UUT revenues with a future sunset proposed in 2022. To learn more about this ballot measure, please see the City's website www.cityofsierramadre.com.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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. However, this is the fourth consecutive year where the revenues collected are not sufficient to meet the operational costs and debt payments of the water fund. There are two primary drivers as to why the water fund continues to run at a deficit. First, the previous rate study was before the economic recession and revenues have never reached the original estimations. Second, the Water infrastructure has required additional capital maintenance than was originally estimated.

The City Water fund is in year two of a four year rate increase during FY 2012-2013. 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.) However, revenue projections proposed under the current rate structure have also not met expectations. The water fund revenue is driven by fixed components in the meter charge and consumer components in the water consumption charges. Similar to other commodities, water consumption is down 15% since 2008, the period used to set the trend in the current rates. In FY 2013-2014, the City passed a mandatory conservation ordinance with a goal of conserving 20% over FY 2012-2013. With a need to conserve water to restore the underground aquifer, conservation is expected to cause another decrease in the revenues.



The City has two more years of 7.75% rate increases set to take affect each July through 2015; however, at the current revalued trends, the FY 2014-2015 revenue collections will be short of the revenues of 2010 rate study.

The second factor is capital 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.

In FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. Information on the rate study can be found on the City's website www.cityofsierramadre.com.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2013

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. The City Sewer fund last increased its rates in 2002. 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. Today, the Sewer fund is unable to meet its operational, capital and debt needs at the current rates. In FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. Information on the rate study can be found on the City's website www.cityofsierramadre.com.

Contacting the City's Financial Management

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

City of Sierra Madre, California

Village of the Foothills



Basic Financial Statements For the Year Ending June 30, 2013

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CITY OF SIERRA MADRE

Statement of Net Position

June 30, 2013

| | Primary Government | | |
|---|----------------------------|--------------------------|-----------------------|
| | Governmental Activities | Business-type Activities | Total |
| Assets: | | | |
| Current assets: | | | |
| Cash and investments | \$ 12,739,893 | \$ 3,442,506 | \$ 16,182,399 |
| Restricted cash and investments with fiscal agents | - | 1,149,456 | 1,149,456 |
| Receivables: | | | |
| Accounts | 95,319 | 735,049 | 830,368 |
| Taxes | 475,504 | - | 475,504 |
| Grants | 2,383 | - | 2,383 |
| Interest | 4,398 | - | 4,398 |
| Internal balances | 2,245 | (2,245) | - |
| Due from other governments | 7,081 | - | 7,081 |
| Total current assets | 13,326,823 | 5,324,766 | 18,651,589 |
| Noncurrent assets: | | | |
| Deferred charges | - | 263,983 | 263,983 |
| Net other post-employment benefits (OPEB) asset | 296,796 | - | 296,796 |
| Land held for resale | 1,682,998 | - | 1,682,998 |
| Capital assets: | | | |
| Non-depreciable assets | 163,482,159 | 1,800,210 | 165,282,369 |
| Depreciable-net | 21,478,098 | 24,851,722 | 46,329,820 |
| Total noncurrent assets | 186,940,051 | 26,915,915 | 213,855,966 |
| Total assets | 200,266,874 | 32,240,681 | 232,507,555 |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | 857,008 | 285,453 | 1,142,461 |
| Accrued payroll and related liabilities | 252,241 | 58,474 | 310,715 |
| Interest payable | 9,510 | 81,480 | 90,990 |
| Deposits and retentions | 76,395 | 13,128 | 89,523 |
| Claims payable - current | 544,325 | - | 544,325 |
| Compensated absences - current | 135,868 | 26,539 | 162,407 |
| Capital lease payable - current | 76,537 | 36,934 | 113,471 |
| Note payable - current | - | 145,688 | 145,688 |
| Bonds payable - current | - | 390,000 | 390,000 |
| Total current liabilities | 1,951,884 | 1,037,696 | 2,989,580 |
| Noncurrent liabilities: | | | |
| Claims payable | 2,126,821 | - | 2,126,821 |
| Compensated absences | 407,603 | 79,616 | 487,219 |
| Capital lease payable | 539,654 | 260,419 | 800,073 |
| Note payable | - | 1,019,812 | 1,019,812 |
| Bonds payable | - | 8,995,000 | 8,995,000 |
| Total noncurrent liabilities | 3,074,078 | 10,354,847 | 13,428,925 |
| Total liabilities | 5,025,962 | 11,392,543 | 16,418,505 |
| Net Position: | | | |
| Net investment in capital assets | 184,344,066 | 15,804,079 | 200,148,145 |
| Restricted | 10,341,052 | 1,149,456 | 11,490,508 |
| Unrestricted | 555,794 | 3,894,603 | 4,450,397 |
| Total net position | \$ 195,240,912 | \$ 20,848,138 | \$ 216,089,050 |

See accompanying notes to basic financial statements.



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CITY OF SIERRA MADRE

Statement of Activities and Changes in Net Position

For the year ended June 30, 2013

| Functions/programs | Expenses | Program Revenues | | | Total |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|---------------------|
| | | Charges for services | Operating grants and contributions | Capital grants and contributions | |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| General government | \$ 2,350,968 | \$ 857,437 | \$ 97,482 | \$ - | \$ 954,919 |
| Public safety | 5,240,506 | 673,291 | 100,000 | - | 773,291 |
| Public works | 1,311,100 | 128,736 | 520,070 | - | 648,806 |
| Development services | 874,469 | 629,080 | - | - | 629,080 |
| Culture and recreation | 1,449,653 | 223,906 | 274,687 | - | 498,593 |
| Interest on long-term debt | 8,241 | - | - | - | - |
| Total governmental activities | 11,234,937 | 2,512,450 | 992,239 | - | 3,504,689 |
| Business-type activities: | | | | | |
| Water | 3,980,084 | 3,558,161 | - | 316,930 | 3,875,091 |
| Sewer | 1,022,868 | 723,290 | - | - | 723,290 |
| Recreation services | 115,980 | 98,022 | - | - | 98,022 |
| Special services | 112,482 | 83,325 | - | - | 83,325 |
| Film services | 58,589 | 62,925 | - | - | 62,925 |
| Total business-type activities | 5,290,003 | 4,525,723 | - | 316,930 | 4,842,653 |
| Total primary government | \$ 16,524,940 | \$ 7,038,173 | \$ 992,239 | \$ 316,930 | \$ 8,347,342 |

General revenues:

Taxes:

Property taxes

Sales taxes

Utility user taxes

Other taxes

Investment earnings

Gain on sale of capital assets

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 |
| \$ (1,396,049) | \$ - | \$ (1,396,049) |
| (4,467,215) | - | (4,467,215) |
| (662,294) | - | (662,294) |
| (245,389) | - | (245,389) |
| (951,060) | - | (951,060) |
| (8,241) | - | (8,241) |
| <u>(7,730,248)</u> | <u>-</u> | <u>(7,730,248)</u> |
| - | (104,993) | (104,993) |
| - | (299,578) | (299,578) |
| - | (17,958) | (17,958) |
| - | (29,157) | (29,157) |
| - | 4,336 | 4,336 |
| <u>-</u> | <u>(447,350)</u> | <u>(447,350)</u> |
| <u>(7,730,248)</u> | <u>(447,350)</u> | <u>(8,177,598)</u> |
| 4,014,766 | - | 4,014,766 |
| 263,556 | - | 263,556 |
| 2,522,994 | - | 2,522,994 |
| 937,990 | - | 937,990 |
| 21,761 | - | 21,761 |
| 15,209 | - | 15,209 |
| (47,372) | 47,372 | - |
| <u>7,728,904</u> | <u>47,372</u> | <u>7,776,276</u> |
| (1,344) | (399,978) | (401,322) |
| <u>195,242,256</u> | <u>21,248,116</u> | <u>216,490,372</u> |
| <u>\$ 195,240,912</u> | <u>\$ 20,848,138</u> | <u>\$ 216,089,050</u> |

CITY OF SIERRA MADRE

Balance Sheet

Governmental Funds

June 30, 2013

| | General Fund | Low & Moderate Income Housing Asset Fund | Non-Major Governmental Funds | Total Governmental Funds |
|---|---------------------|--|------------------------------------|--------------------------------|
| Assets: | | | | |
| Cash and investments | \$ 5,290,615 | \$ 492,625 | \$ 2,902,964 | \$ 8,686,204 |
| Receivables: | | | | |
| Accounts | 76,168 | - | 19,151 | 95,319 |
| Taxes | 445,415 | - | 30,089 | 475,504 |
| Grants | - | - | 2,383 | 2,383 |
| Interest | 4,398 | - | - | 4,398 |
| Due from other agencies | 7,081 | - | - | 7,081 |
| Due from other funds | 361,088 | - | - | 361,088 |
| Land held for resale | - | 1,682,998 | - | 1,682,998 |
| Total assets | <u>\$ 6,184,765</u> | <u>\$ 2,175,623</u> | <u>\$ 2,954,587</u> | <u>\$ 11,314,975</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 65,382 | \$ 492,625 | \$ 169,448 | \$ 727,455 |
| Accrued payroll and related liabilities | 166,789 | - | 41,440 | 208,229 |
| Due to other funds | - | - | 358,843 | 358,843 |
| Deposits and retentions | 17,057 | - | 59,338 | 76,395 |
| Deferred revenue | - | - | 30,426 | 30,426 |
| Total liabilities | <u>249,228</u> | <u>492,625</u> | <u>659,495</u> | <u>1,401,348</u> |
| Fund balances: | | | | |
| Restricted | - | 1,682,998 | - | 1,682,998 |
| Committed | 635,000 | - | 1,658,115 | 2,293,115 |
| Assigned | 4,400,416 | - | 981,304 | 5,381,720 |
| Unassigned | 900,121 | - | (344,327) | 555,794 |
| Total fund balances | <u>5,935,537</u> | <u>1,682,998</u> | <u>2,295,092</u> | <u>9,913,627</u> |
| Total liabilities and fund balances | <u>\$ 6,184,765</u> | <u>\$ 2,175,623</u> | <u>\$ 2,954,587</u> | <u>\$ 11,314,975</u> |

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, 2013

Total fund balances - total governmental funds \$ 9,913,627

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 849,505

Long-term assets that are not available for current use. Amounts are not reported in the governmental funds. 296,796

Accrued interest payable of the current portion of interest due on long-term debt has not been reported in governmental funds. (8,241)

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 (533,942)

Compensated absences (436,191)

Revenues that are measurable but not available. Amounts are recorded as deferred revenue under the modified accrual basis of accounting. 30,426

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. 185,128,932

Net position of governmental activities \$ 195,240,912

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, 2013

| | General Fund | Low & Moderate Income Housing Asset Fund | Non-Major Governmental Funds | Total Governmental Funds |
|--|---------------------|--|------------------------------------|--------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 3,738,570 | \$ - | \$ 164,112 | \$ 3,902,682 |
| Other taxes | 3,724,541 | - | - | 3,724,541 |
| Charges for services | 248,621 | - | 648,660 | 897,281 |
| Intergovernmental | 525 | - | 1,064,563 | 1,065,088 |
| Licenses and permits | 720,821 | - | 411,136 | 1,131,957 |
| Fines and forfeitures | 328,707 | - | - | 328,707 |
| Miscellaneous | 39,046 | - | 124,267 | 163,313 |
| Total revenues | <u>8,800,831</u> | <u>-</u> | <u>2,412,738</u> | <u>11,213,569</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,293,264 | 492,625 | 135,389 | 1,921,278 |
| Public safety | 4,248,094 | - | 826,363 | 5,074,457 |
| Public works | 349,343 | - | 444,822 | 794,165 |
| Development | - | - | 842,273 | 842,273 |
| Culture and recreation | 1,004,753 | - | 279,682 | 1,284,435 |
| Debt Service: | | | | |
| Principal | - | - | 63,385 | 63,385 |
| Interest | - | - | 27,656 | 27,656 |
| Capital outlay | 31,790 | - | - | 31,790 |
| Total expenditures | <u>6,927,244</u> | <u>492,625</u> | <u>2,619,570</u> | <u>10,039,439</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,873,587</u> | <u>(492,625)</u> | <u>(206,832)</u> | <u>1,174,130</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 144,690 | - | 1,232,042 | 1,376,732 |
| Transfers out | (1,193,184) | - | (184,465) | (1,377,649) |
| Total other financing sources (uses) | <u>(1,048,494)</u> | <u>-</u> | <u>1,047,577</u> | <u>(917)</u> |
| Net change in fund balances | 825,093 | (492,625) | 840,745 | 1,173,213 |
| Fund balances, beginning of year | <u>5,110,444</u> | <u>2,175,623</u> | <u>1,454,347</u> | <u>8,740,414</u> |
| Fund balances, end of year | <u>\$ 5,935,537</u> | <u>\$ 1,682,998</u> | <u>\$ 2,295,092</u> | <u>\$ 9,913,627</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 and Changes in Net Position For the year ended June 30, 2013

Net change in fund balances - total governmental funds \$ 1,173,213

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 | (85,673) |
| Capital outlay | 26,758 |

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 | 63,385 |
|--------------------|--------|

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.

| | |
|--|--------|
| | 30,426 |
|--|--------|

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.

| | |
|--|-------------|
| | (1,241,305) |
|--|-------------|

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 | 19,415 |
| Net change in compensated absences | (72,985) |
| Net change in OPEB | 85,422 |

Change in net position of governmental activities \$ (1,344)

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Net Position
Proprietary Funds
June 30, 2013

| | Business-type Activities | | | | Governmental Activities Internal Service Funds |
|---|--------------------------|---------------------|----------------------------------|------------------------------|--|
| | Enterprise Funds | | | | |
| | Water | Sewer | Non-Major Enterprise Funds | Total Enterprise Funds | |
| Assets: | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 1,789,415 | \$ 1,522,383 | \$ 130,708 | \$ 3,442,506 | \$ 4,053,689 |
| Restricted cash and investments with fiscal agents | 1,149,456 | - | - | 1,149,456 | - |
| Accounts receivable | 648,098 | 64,669 | 22,282 | 735,049 | - |
| Total current assets | <u>3,586,969</u> | <u>1,587,052</u> | <u>152,990</u> | <u>5,327,011</u> | <u>4,053,689</u> |
| Noncurrent assets: | | | | | |
| Deferred charges | 263,983 | - | - | 263,983 | - |
| Capital assets: | | | | | |
| Non-depreciable assets | 1,800,210 | - | - | 1,800,210 | 162,275,946 |
| Depreciable-net | 20,929,859 | 3,921,863 | - | 24,851,722 | 21,834,806 |
| Total noncurrent assets | <u>22,994,052</u> | <u>3,921,863</u> | <u>-</u> | <u>26,915,915</u> | <u>184,110,752</u> |
| Total assets | <u>26,581,021</u> | <u>5,508,915</u> | <u>152,990</u> | <u>32,242,926</u> | <u>188,164,441</u> |
| Liabilities: | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 258,579 | 18,106 | 8,768 | 285,453 | 129,553 |
| Accrued payroll and related liabilities | 33,700 | 17,846 | 6,928 | 58,474 | 44,012 |
| Intergovernmental payable | - | - | 2,245 | 2,245 | - |
| Interest payable | 76,891 | 4,589 | - | 81,480 | 1,269 |
| Deposits and retentions | 6,960 | - | 6,168 | 13,128 | - |
| Claims payable - current | - | - | - | - | 544,325 |
| Compensated absences - current | 15,699 | 9,950 | 890 | 26,539 | 26,730 |
| Capital lease payable - current | - | 36,934 | - | 36,934 | 10,216 |
| Note payable - current | 145,688 | - | - | 145,688 | - |
| Bonds payable - current | 390,000 | - | - | 390,000 | - |
| Total current liabilities | <u>927,517</u> | <u>87,425</u> | <u>24,999</u> | <u>1,039,941</u> | <u>756,105</u> |
| Noncurrent liabilities: | | | | | |
| Claims payable | - | - | - | - | 2,126,821 |
| Compensated absences | 47,098 | 29,846 | 2,672 | 79,616 | 80,550 |
| Capital lease payable | - | 260,419 | - | 260,419 | 72,033 |
| Note payable | 1,019,812 | - | - | 1,019,812 | - |
| Bonds payable | 8,995,000 | - | - | 8,995,000 | - |
| Total noncurrent liabilities | <u>10,061,910</u> | <u>290,265</u> | <u>2,672</u> | <u>10,354,847</u> | <u>2,279,404</u> |
| Total liabilities | <u>10,989,427</u> | <u>377,690</u> | <u>27,671</u> | <u>11,394,788</u> | <u>3,035,509</u> |
| Net Position: | | | | | |
| Net investment in capital assets | 12,179,569 | 3,624,510 | - | 15,804,079 | 184,028,503 |
| Restricted for debt service | 1,149,456 | - | - | 1,149,456 | - |
| Unrestricted | 2,262,569 | 1,506,715 | 125,319 | 3,894,603 | 1,100,429 |
| Total net position | <u>\$ 15,591,594</u> | <u>\$ 5,131,225</u> | <u>\$ 125,319</u> | <u>\$ 20,848,138</u> | <u>\$ 185,128,932</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, 2013

| | Business-type Activities | | | | Governmental Activities Internal Service Funds |
|--|--------------------------|---------------------|----------------------------------|------------------------------|--|
| | Enterprise Funds | | | | |
| | Water | Sewer | Non-Major Enterprise Funds | Total Enterprise Funds | |
| Operating revenues: | | | | | |
| Charges for services | \$ 3,554,363 | \$ 718,271 | \$ 217,797 | \$ 4,490,431 | \$ 3,884,575 |
| Licenses and permits | 3,798 | 5,019 | 26,475 | 35,292 | 15,857 |
| Miscellaneous | - | - | - | - | 2,800 |
| Total operating revenues | <u>3,558,161</u> | <u>723,290</u> | <u>244,272</u> | <u>4,525,723</u> | <u>3,903,232</u> |
| Operating expenses: | | | | | |
| Personnel services | 798,077 | 493,419 | 124,489 | 1,415,985 | 1,204,271 |
| Contractual services | 274,258 | 109,634 | 76,969 | 460,861 | 648,450 |
| Materials and supplies | 189,568 | 7,797 | 14,163 | 211,528 | 264,689 |
| Insurance, claims and charges | 120,712 | - | - | 120,712 | 1,219,302 |
| Utilities | 460,491 | - | 28,873 | 489,364 | 376,656 |
| Maintenance and operation | 1,082,065 | 230,596 | 42,557 | 1,355,218 | 205,826 |
| Depreciation | 552,115 | 176,833 | - | 728,948 | 1,214,589 |
| Total operating expenses | <u>3,477,286</u> | <u>1,018,279</u> | <u>287,051</u> | <u>4,782,616</u> | <u>5,133,783</u> |
| Operating income (loss) | 80,875 | (294,989) | (42,779) | (256,893) | (1,230,551) |
| Nonoperating revenues (expenses): | | | | | |
| Use of money and property | - | - | - | - | 15,209 |
| Grant | 316,930 | - | - | 316,930 | - |
| Investment Income | - | - | - | - | 21,761 |
| Interest expense | (477,178) | (4,589) | - | (481,767) | (1,269) |
| Amortization expense | (25,620) | - | - | (25,620) | - |
| Total nonoperating revenues (expenses) | <u>(185,868)</u> | <u>(4,589)</u> | <u>-</u> | <u>(190,457)</u> | <u>35,701</u> |
| Income (loss) before transfers | (104,993) | (299,578) | (42,779) | (447,350) | (1,194,850) |
| Transfers: | | | | | |
| Transfers in | - | - | 47,372 | 47,372 | - |
| Transfers out | - | - | - | - | (46,455) |
| Total transfers | <u>-</u> | <u>-</u> | <u>47,372</u> | <u>47,372</u> | <u>(46,455)</u> |
| Change in net position | (104,993) | (299,578) | 4,593 | (399,978) | (1,241,305) |
| Net position, beginning of year, as restated | <u>15,696,587</u> | <u>5,430,803</u> | <u>120,726</u> | <u>21,248,116</u> | <u>186,370,237</u> |
| Net position, end of year | <u>\$ 15,591,594</u> | <u>\$ 5,131,225</u> | <u>\$ 125,319</u> | <u>\$ 20,848,138</u> | <u>\$ 185,128,932</u> |

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2013

| | Business-type Activities | | | | Governmental Activities Internal Service Funds |
|---|--------------------------|--------------|----------------------------------|------------------------------|---|
| | Enterprise Funds | | | | |
| | Water | Sewer | Non-Major Enterprise Funds | Total Enterprise Funds | |
| Cash flows from operating activities: | | | | | |
| Receipts from customers and users | \$ 3,181,440 | \$ 717,873 | \$ 226,736 | \$ 4,126,049 | \$ - |
| Receipts from interfund services provided | - | - | - | - | 3,903,232 |
| Payments to suppliers | (1,917,470) | (337,626) | (156,477) | (2,411,573) | (2,777,007) |
| Payments to employees | (785,522) | (487,733) | (129,895) | (1,403,150) | (778,569) |
| Net cash provided (used) by operating activities | 478,448 | (107,486) | (59,636) | 311,326 | 347,656 |
| Cash flows from non-capital financing activities: | | | | | |
| Transfers from other funds | - | - | 47,372 | 47,372 | - |
| Transfers to other funds | - | - | - | - | (46,455) |
| Net cash provided (used) by non-capital financing activities | - | - | 47,372 | 47,372 | (46,455) |
| Cash flows from capital and related financing activities: | | | | | |
| Proceeds from sales of capital assets | - | - | - | - | 15,209 |
| Grant revenue | 316,930 | - | - | 316,930 | - |
| Acquisition and construction of capital assets | (316,960) | - | - | (316,960) | - |
| Principal paid | (515,688) | (35,300) | - | (550,988) | (9,765) |
| Interest paid | (480,345) | (15,402) | - | (495,747) | (4,260) |
| Net cash provided (used) by capital and related financing activities | (996,063) | (50,702) | - | (1,046,765) | 1,184 |
| Cash flows from investing activities: | | | | | |
| Investment income | - | - | - | - | 21,761 |
| Net increase (decrease) in cash and cash equivalents | (517,615) | (158,188) | (12,264) | (688,067) | 324,146 |
| Cash and investments: | | | | | |
| Beginning of year | 3,456,486 | 1,680,571 | 142,972 | 5,280,029 | 3,729,543 |
| End of year | \$ 2,938,871 | \$ 1,522,383 | \$ 130,708 | \$ 4,591,962 | \$ 4,053,689 |
| Cash and investments, end of year include: | | | | | |
| Cash and investments | \$ 1,789,415 | \$ 1,522,383 | \$ 130,708 | \$ 3,442,506 | \$ 4,053,689 |
| Restricted cash and investments with fiscal agents | 1,149,456 | - | - | 1,149,456 | - |
| Total | \$ 2,938,871 | \$ 1,522,383 | \$ 130,708 | \$ 4,591,962 | \$ 4,053,689 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ 80,875 | \$ (294,989) | \$ (42,779) | \$ (256,893) | \$ (1,230,551) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Depreciation | 552,115 | 176,833 | - | 728,948 | 1,214,589 |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in accounts receivable | (376,721) | (5,417) | (19,781) | (401,919) | - |
| (Increase) decrease in prepaid expenses | - | - | 1,501 | 1,501 | 1,928 |
| Increase (decrease) in accounts payable | 206,628 | 10,401 | 5,636 | 222,665 | (64,012) |
| Increase (decrease) in accrued liabilities | 5,517 | 100 | (1,214) | 4,403 | 7,228 |
| Increase (decrease) in intergovernmental payable | - | - | 2,245 | 2,245 | - |
| Increase (decrease) in deposits payable | 2,996 | - | (1,052) | 1,944 | 402,230 |
| Increase (decrease) in compensated absences | 7,038 | 5,586 | (4,192) | 8,432 | 16,244 |
| Total adjustments | 397,573 | 187,503 | (16,857) | 568,219 | 1,578,207 |
| Net cash provided (used) by operating activities | \$ 478,448 | \$ (107,486) | \$ (59,636) | \$ 311,326 | \$ 347,656 |

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

| | Private-purpose Trust Fund Redevelopment Obligation Retirement Fund | Agency Funds |
|---|---|------------------|
| Assets: | | |
| Cash and investments | \$ 936,409 | \$ 31,233 |
| Restricted cash and investments with fiscal agents | 401,575 | - |
| Total assets | <u>1,337,984</u> | <u>\$ 31,233</u> |
| Liabilities: | | |
| Accounts payable | 549,237 | \$ 23,941 |
| Accrued payroll and related liabilities | 4,958 | 4,096 |
| Interest payable | 18,104 | - |
| Deposits and retentions | - | 3,196 |
| Compensated absences | 7,870 | - |
| Bonds payable - current | 285,000 | - |
| Bonds payable - noncurrent | 2,030,000 | - |
| Total liabilities | <u>2,895,169</u> | <u>\$ 31,233</u> |
| Net Position (Deficit): | | |
| Unrestricted | (1,557,185) | |
| Total net position (deficit) | <u>\$ (1,557,185)</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, 2013

| | Private-purpose Trust Fund |
|--|---|
| | Redevelopment Obligation Retirement Fund |
| <p>Additions:</p> <p>Property taxes</p> <p>Total additions</p> | <p><u>\$ 555,072</u></p> <p><u>555,072</u></p> |
| <p>Deductions:</p> <p>General and administration</p> <p>Interest expense</p> <p>Payments to affected taxing entities</p> <p>Total deductions</p> | <p>211,065</p> <p>120,187</p> <p><u>547,192</u></p> <p><u>878,444</u></p> |
| <p>Change in net assets</p> | <p>(323,372)</p> |
| <p>Net position (deficit), beginning of year</p> | <p><u>(1,233,813)</u></p> |
| <p>Net position (deficit), ending of year</p> | <p><u>\$ (1,557,185)</u></p> |

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, 2013

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

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. Prior year financial statements of the Sierra Madre Community Redevelopment Agency are available at the City Hall, 232 West Sierra Madre Boulevard, Sierra Madre, CA 91024; however, due to the Agency's dissolution, separate financial statements will not be issued for the fiscal year ended June 30, 2013.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

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, 2013

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 recorded when received in cash, except for those revenues subject to accrual (generally 60 days after year-end), are recognized when due. The primary revenue sources which have been treated as susceptible to accrual by the City are property taxes, sales taxes, franchise taxes, inter-governmental revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Deferred revenues arise when potential revenues do not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the government has a legal claim to resources, the deferred revenue is removed and revenue is recognized.

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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Proprietary Fund Financial Statements

Proprietary fund financial statement 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 fund 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, 2013

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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. 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.

D. 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.

E. 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, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Capital Assets

In June 1999, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 34 which requires the inclusion of infrastructure capital assets in local governments' basic financial statements. In accordance with GASB No. 34, the City has included all capital assets as of June 30, 2013 in its statement of net position.

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 |

G. 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.

H. 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 liquidated by the City's General Fund.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

I. Deferred Charges

For governmental fund types, bond premiums and discounts, as well as issuance costs are recognized during the current period. Bond proceeds are reported as other financing sources net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

For proprietary fund types, bond premiums and discounts, as well as issuance costs are deferred and amortized over the life of the bonds using an effective interest method. Bonds payable are reported net of the applicable premium or discount. Issuance costs are reported as deferred charges.

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. The City has no nonspendable fund balance at June 30, 2013.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

K. Net Position and Fund Balances, (continued)

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.

L. 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.

M. Implementation of New Pronouncements

The City implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement is designed to improve financial reporting by standardizing the presentation of deferred outflows of resources and deferred inflows of resources and their effects on the government's net position.

Deferred outflows of resources are transactions that result in the consumption of net position in one period that are applicable to future periods and are not considered assets as described by the statement. Deferred outflows of resources are required to be presented separately after assets on the statement of net position.

Deferred inflows of resources are transactions that result in the acquisition of net position in one period that are applicable to future periods and are not considered to be liabilities as described by the statement. Deferred outflows of resources are required to be presented separately after liabilities on the statement of net position.

The Statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. In the current fiscal year, the City had no transactions that would be classified as deferred inflows or outflows of resources.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2013 are classified in the accompanying financial statements as follows:

| | |
|--|--------------------------|
| Statement of Net Assets: | |
| Cash and investments | \$ 16,182,399 |
| Cash and investments with fiscal agent -restricted | 1,149,456 |
| Statement of Fiduciary Assets and Liabilities: | |
| Cash and investments | 967,642 |
| Cash and investments with fiscal agent -restricted | <u>401,575</u> |
| Total cash and investments | <u>\$ 18,701,072</u> |

Cash and investments as of June 30, 2013 consist of the following:

| | |
|--------------------------------------|--------------------------|
| Petty cash | \$ 2,271 |
| Deposits with financial institutions | 9,903,344 |
| Investments | <u>8,795,457</u> |
| Total cash and investments | <u>\$ 18,701,072</u> |

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

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

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, (continued)

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

| 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, 2013

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 Collatera | 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 |

Disclosures Relating to 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 | \$ 7,244,426 | \$ 7,244,426 | \$ - | \$ - |
| Held by fiscal agent: | | | | |
| Federated treasury obligation | 1,551,031 | 1,551,031 | - | - |
| Total | \$ 8,795,457 | \$ 8,795,457 | \$ - | \$ - |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

2. CASH AND INVESTMENTS, (continued)

Disclosures Relating to 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 yearend for each investment type.

| Investment Type | Total | Minimum Legal Rating | Ratings as of Year End | |
|-------------------------------|---------------------|----------------------------|------------------------|---------------------|
| | | | AAA | Not Rated |
| State investment pool | \$ 7,244,426 | N/A | \$ - | \$ 7,244,426 |
| Held by fiscal agent: | | | | |
| Federated treasury obligation | 1,551,031 | N/A | 1,551,031 | - |
| Total | \$ 8,795,457 | | \$ 1,551,031 | \$ 7,244,426 |

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, 2013, 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, 2013, 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, 2013

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, 2013, 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 | \$ 358,843 |
| | Non-Major Enterprise Funds | 2,245 |
| | Total | <u>\$ 361,088</u> |

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

B. Transfers

At June 30, 2013, the City had the following transfers:

| <u>Transfers out</u> | <u>Transfers in</u> | |
|------------------------------|------------------------------|----------------------|
| General Fund | Non-Major Governmental Funds | \$ 1,145,812 |
| | Non-Major Enterprise Funds | 47,372 |
| | | <u>1,193,184 (A)</u> |
| Non-Major Governmental Funds | General Fund | 144,690 |
| | Non-Major Governmental Funds | 39,775 |
| | | <u>184,465</u> |
| Internal Service Fund | Non-Major Governmental Funds | 46,455 |
| | Total | <u>\$ 1,424,104</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, 2013

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, 2013:

| | <u>Deficit Balances</u> |
|---|-------------------------|
| Non-Major Governmental Funds: | |
| Local History Grant | \$ 259 |
| Parking Maintenance Assessment District | 320 |
| Emergency Medical Services | 6,500 |
| Open Space | 337,248 |

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> |
|--|-----------------------|---------------------|-----------------|
| Major Governmental Fund: | | | |
| Low and Moderate Income Housing Asset Fund | \$ - | \$ 492,625 | \$ (492,625) |
| Non-Major Governmental Funds: | | | |
| Fane/Winwood Lane Assessment District | 2,410 | 2,561 | (151) |
| Parking Maintenance District | 16,960 | 22,670 | (5,710) |
| Development Fees | 763,875 | 975,539 | (211,664) |
| Police Department Donations | 2,000 | 2,486 | (486) |
| State COPS Grant | 9,500 | 48,559 | (39,059) |
| Emergency Medical Services | 747,985 | 774,876 | (26,891) |
| YAC-Youth Activity Center | 7,250 | 17,303 | (10,053) |
| Environmental | 64,656 | 81,089 | (16,433) |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

5. DEFERRED CHARGES

The Authority incurred bond issuance costs in connection with the issuance of the Sierra Madre Financing Authority (Authority) Water Revenue Refunding Bonds, Series 1998A and the Water Revenue Parity Bonds, Series 2003. The issuance costs are being amortized over the life of the Bonds, using the effective interest method. The following is a summary of bond issuance costs at June 30, 2013:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|----------------------|-----------|-------------|-------------------|
| Water Revenue Parity Bonds, Series 2003 | \$ 289,603 | \$ - | \$ (25,620) | \$ 263,983 |

6. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the governmental activities capital assets at June 30, 2013 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|---|----------------------|----------------|-----------|-------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 162,275,945 | \$ - | \$ - | \$ 162,275,945 |
| Trees | 1,206,214 | - | - | 1,206,214 |
| Total capital assets, not being depreciated | 163,482,159 | - | - | 163,482,159 |
| Capital assets, being depreciated: | | | | |
| Structures and improvements | 12,111,663 | - | - | 12,111,663 |
| Machinery and equipment | 3,310,386 | 26,758 | (13,229) | 3,323,915 |
| Infrastructure | 22,393,589 | - | - | 22,393,589 |
| Total capital assets, being depreciated | 37,815,638 | 26,758 | (13,229) | 37,829,167 |
| Less accumulated depreciation | (15,064,036) | (1,300,262) | 13,229 | (16,351,069) |
| Total capital assets being depreciated, net | 22,751,602 | (1,273,504) | - | 21,478,098 |
| Governmental activities, capital assets, net | \$ 186,233,761 | \$ (1,273,504) | \$ - | \$ 184,960,257 |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. CAPITAL ASSETS, (continued)

A. Governmental Activities

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

| | |
|---------------------------------|--------------------------------|
| Governmental activities: | |
| General government | \$ 85,673 |
| Public safety | 97,214 |
| Public works | 1,068,972 |
| Culture and recreation | <u>48,403</u> |
| Total | <u><u>\$ 1,300,262</u></u> |

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2013 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance |
|--|---------------------------------|--------------------------------|-----------------------------|---------------------------------|
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 1,483,250 | \$ - | \$ - | \$ 1,483,250 |
| Construction in progress | <u>-</u> | <u>316,960</u> | <u>-</u> | <u>316,960</u> |
| Total capital assets, not being depreciated | <u>1,483,250</u> | <u>316,960</u> | <u>-</u> | <u>1,800,210</u> |
| Capital assets, being depreciated: | | | | |
| Structures and improvements | 821,290 | - | - | 821,290 |
| Machinery and equipment | 1,127,685 | - | (22,412) | 1,105,273 |
| Infrastructure | <u>41,119,138</u> | <u>-</u> | <u>-</u> | <u>41,119,138</u> |
| Total capital assets, being depreciated | <u>43,068,113</u> | <u>-</u> | <u>(22,412)</u> | <u>43,045,701</u> |
| Less accumulated depreciation | <u>(17,487,443)</u> | <u>(728,948)</u> | <u>22,412</u> | <u>(18,193,979)</u> |
| Total capital assets being depreciated, net | <u>25,580,670</u> | <u>(728,948)</u> | <u>-</u> | <u>24,851,722</u> |
| Business-type activities, capital assets, net | <u><u>\$ 27,063,920</u></u> | <u><u>\$ (411,988)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 26,651,932</u></u> |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

6. CAPITAL ASSETS, (continued)

B. Business-type Activities, (continued)

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

| | |
|----------------------------------|------------------------------|
| Business-type activities: | |
| Sewer | \$ 176,833 |
| Water | <u>552,115</u> |
| Total | <u><u>\$ 728,948</u></u> |

7. LONG-TERM DEBT

A. Governmental Activities

A summary of changes in the governmental activities long-term liabilities at June 30, 2013 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due within one year | Due more than one year |
|---------------------------------|----------------------------|--------------------------|----------------------------|----------------------------|--------------------------|---------------------------|
| Governmental activities: | | | | | | |
| Capital Lease | \$ 689,341 | \$ - | \$ (73,150) | \$ 616,191 | \$ 76,537 | \$ 539,654 |
| Compensated Absences | <u>454,242</u> | <u>369,781</u> | <u>(280,552)</u> | <u>543,471</u> | <u>135,868</u> | <u>407,603</u> |
| Total governmental activities | <u><u>\$ 1,143,583</u></u> | <u><u>\$ 369,781</u></u> | <u><u>\$ (353,702)</u></u> | <u><u>\$ 1,159,662</u></u> | <u><u>\$ 212,405</u></u> | <u><u>\$ 947,257</u></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 \$616,191 at June 30, 2013.

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 |
|---|----------------------------|
| 2014 | \$ 105,066 |
| 2015 | 105,066 |
| 2016 | 105,066 |
| 2017 | 105,066 |
| 2018 | 105,066 |
| 2019-2020 | <u>210,135</u> |
| Subtotal | 735,465 |
| Less: amount representing interest | <u>(119,274)</u> |
| Present value of future lease payments | <u><u>\$ 616,191</u></u> |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, (continued)

A. Governmental Activities, (continued)

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

| | |
|--------------------------------|-------------------|
| Assets: | |
| Machinery and equipment | \$ 856,714 |
| Less: accumulated depreciation | (169,531) |
| Total | <u>\$ 687,183</u> |

B. Business-type Activities

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2013 is as follows:

| | Beginning Balance | Additions | Deletions | Ending Balance | Due within one year | Due more than one year |
|--|----------------------|------------------|---------------------|----------------------|------------------------|---------------------------|
| Business-type activities: | | | | | | |
| Water Revenue Refunding Bonds, Series 1998A | \$ 3,005,000 | \$ - | \$ (370,000) | \$ 2,635,000 | \$ 390,000 | \$ 2,245,000 |
| Water Revenue Parity Bonds, Series 2003 | 6,750,000 | - | - | 6,750,000 | - | 6,750,000 |
| Loan Payable to SGVMWD | 1,311,188 | - | (145,688) | 1,165,500 | 145,688 | 1,019,812 |
| Capital Lease | 332,653 | - | (35,300) | 297,353 | 36,934 | 260,419 |
| Compensated Absences | 97,723 | 76,523 | (68,091) | 106,155 | 26,539 | 79,616 |
| Total business-type activities | <u>\$ 11,496,564</u> | <u>\$ 76,523</u> | <u>\$ (619,079)</u> | <u>\$ 10,954,008</u> | <u>\$ 599,161</u> | <u>\$ 10,354,847</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 \$2,635,000 at June 30, 2013.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. LONG-TERM DEBT, (continued)

B. Business-type Activities, (continued)

Annual debt service requirements on these bonds are as follows:

| Year Ending June 30, | Principal | Interest | Totals |
|-------------------------|---------------------|-------------------|---------------------|
| 2014 | \$ 390,000 | \$ 122,000 | \$ 512,000 |
| 2015 | 405,000 | 102,125 | 507,125 |
| 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>\$ 2,635,000</u> | <u>\$ 413,875</u> | <u>\$ 3,048,875</u> |

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, 2013.

Annual debt service requirements on these bonds are as follows:

| Year Ending June 30, | Principal | Interest | Totals |
|-------------------------|---------------------|---------------------|----------------------|
| 2014 | \$ - | \$ 339,345 | \$ 339,345 |
| 2015 | - | 339,345 | 339,345 |
| 2016 | - | 339,345 | 339,345 |
| 2017 | - | 339,345 | 339,345 |
| 2018 | - | 339,345 | 339,345 |
| 2019-2023 | 1,335,000 | 1,567,350 | 2,902,350 |
| 2024-2028 | 2,095,000 | 1,111,350 | 3,206,350 |
| 2029-2033 | 2,695,000 | 513,323 | 3,208,323 |
| 2034 | 625,000 | 15,830 | 640,830 |
| | <u>\$ 6,750,000</u> | <u>\$ 4,904,578</u> | <u>\$ 11,654,578</u> |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. 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 \$1,165,500 at June 30, 2013.

Annual debt service requirements on this loan are as follows:

| Year Ending June 30, | Principal | Interest | Totals |
|-------------------------|---------------------|-------------|---------------------|
| 2014 | \$ 145,688 | \$ - | \$ 145,688 |
| 2015 | 145,688 | - | 145,688 |
| 2016 | 145,688 | - | 145,688 |
| 2017 | 145,688 | - | 145,688 |
| 2018 | 145,688 | - | 145,688 |
| 2019-2021 | 437,060 | - | 437,060 |
| | <u>\$ 1,165,500</u> | <u>\$ -</u> | <u>\$ 1,165,500</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 \$297,353 at June 30, 2013.

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 |
|---|-----------------------------|
| 2014 | \$ 50,701 |
| 2015 | 50,701 |
| 2016 | 50,701 |
| 2017 | 50,701 |
| 2018 | 50,701 |
| 2019-2020 | 101,406 |
| Subtotal | 354,911 |
| Less: amount representing interest | (57,558) |
| Present value of future lease payments | <u>\$ 297,353</u> |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

7. 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>(60,213)</u> |
| Total | <u><u>\$ 341,205</u></u> |

8. 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 | Housing Fund | Non-Major Governmental Funds |
|-----------------------------------|-----------------------------|-----------------------------|------------------------------------|
| | <u> </u> | <u> </u> | <u> </u> |
| Restricted for: | | | |
| Land held for resale | \$ - | \$ 1,682,998 | \$ - |
| Committed to: | | | |
| FY 2013/2015 Budget Carryover | 600,000 | - | - |
| Document Management | 15,000 | - | - |
| PW Bridge Maintenance | 20,000 | - | - |
| Emergency Management & Response | - | - | 104,530 |
| City Infrastructure per Ordinance | - | - | 114,827 |
| Community Service Officer Program | - | - | 162,295 |
| Memorial Park Restroom | - | - | 65,000 |
| FY 2012/2013 Street Project | - | - | 1,064,995 |
| City Hall Generator | - | - | 74,468 |
| Tree Maintenance | - | - | 72,000 |
| Assigned to: | | | |
| Fund Balance Policy | 4,400,416 | - | - |
| Grantor/Donor Restrictions | - | - | 981,304 |
| Unassigned | <u>900,121</u> | <u>-</u> | <u>(344,327)</u> |
| Total fund balance | <u><u>\$ 5,935,537</u></u> | <u><u>\$ 1,682,998</u></u> | <u><u>\$ 2,295,092</u></u> |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

8. NET POSITION AND FUND BALANCES, (continued)

B. Prior Period Adjustment

Fund Financial Statements

The net position of the Personnel and Risk Management Fund (internal service fund) has been restated to correct errors relating to reversing accounts payable liability in prior year, and recording of retrospective deposit liabilities to the California Joint Powers Insurance Authority from fiscal year 2010.

| | |
|--|-------------------------------------|
| | Personnel and Risk Management |
| <i>Proprietary Fund:</i> | |
| Net position, beginning of year | \$ 1,246,740 |
| Prior period adjustment | (1,952,179) |
| Net position, beginning of year, as restated | <u>\$ (705,439)</u> |

Government-wide Financial Statements

The prior period adjustment noted above has the following effect on the government-wide net position:

| | Governmental Activities | Business-type Activities | Total |
|--|----------------------------|-----------------------------|-----------------------|
| Net position, beginning of year | \$ 197,194,435 | \$ 21,248,116 | \$ 218,442,551 |
| Prior period adjustment | (1,952,179) | - | (1,952,179) |
| Net position, beginning of year, as restated | <u>\$ 195,242,256</u> | <u>\$ 21,248,116</u> | <u>\$ 216,490,372</u> |

9. 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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

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.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

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

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.

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

C. Purchased Insurance, (continued)

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.

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 2012-13.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

9. SELF-INSURANCE JOINT POWERS AUTHORITY, (continued)

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 have been deferred from payment until July 1, 2013. Workers' Compensation program retrospective balances owed to the pool have been deferred from payment until July 1, 2015. Members with credit retrospective balances in either pooled program will automatically receive 25% of the balance as a credit against other charges on the annual invoice due July 1, 2012. Until December 31, 2012, members that owe retrospective balances to the liability pool can 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, 2014 to take advantage of the early repayment incentive program for the workers' compensation pool.

During the current fiscal year, the retrospective computations were completed and 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, 2013, the City has a retrospective deposit balance for the Liability Program of \$2,431,273, and \$42,873 for the Workers' Compensation Program. The retrospective deposit payables are reported as claims payable on the Statement of Net Position.

10. DEFERRED COMPENSATION PLAN

The City has made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The amount held by trustees for the employees at June 30, 2013 was \$2,069,278 and in accordance with GASB 32 is not recorded in the books of the City.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

11. RETIREMENT PLAN

A. Defined Benefit Pension Plan

Plan Description

The City of Sierra Madre contributes to the California Public Employees Retirement System (PERS), a cost-sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement, disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and City ordinance. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, CA 95814.

Funding Policy

Plan participants are required to contribute 8% for miscellaneous and 9% for safety employees of their annual covered salary. The City, as the employer, makes 6% of the above required employee contributions (miscellaneous and safety) on their behalf and for their accounts, except for Police Officers Association employees, for whom the City contributes 4% for safety and 5% for miscellaneous (non-safety) association members. Employees pay the remainder of the required participant contributions. Non-police association members pay 2% for miscellaneous and 3% for safety, and police association members pay 3% for miscellaneous (non-safety) and 5% for safety.

The City is required to contribute at an actuarially determined rate of 18.991% and 32.173% of annual covered payroll for miscellaneous and safety employees, respectively. The contribution requirements of plan members and the City are established and may be amended by PERS.

Annual Pension Cost

For 2013, the City's annual pension cost of \$1,201,467 for PERS was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, ranging from 3.55% to 14.45% depending on age, service, and type of employment; and (c) 3.25% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 3.00%. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value).

Three Year Trend Information for PERs (City)

| Fiscal Year Ended | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|----------------------|---------------------------------|-------------------------------------|---------------------------|
| 06/30/2011 | \$ 1,419,853 | 100% | \$ - |
| 06/30/2012 | 1,295,736 | 100% | - |
| 06/30/2013 | 1,201,467 | 100% | - |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

11. RETIREMENT PLAN, (continued)

B. 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, 2013, the City's payroll covered by the plan was \$1,630,545. 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, 2013

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 \$112 per month for 2012.

- \$86.40 for CEA (and other non-POA) retirees, calculated as 5% times 16 (years in CalPERS medical) times \$108.
- \$64.80 for the POA retirees, calculated as 5% times 12 years times \$108.

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 \$429.22 per month in 2012.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

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 | \$ 174,156 |
| Interest on net OPEB obligation | (15,853) |
| Adjustment to annual required contribution | 36,517 |
| Annual OPEB cost (expense) | <u>194,820</u> |
| Contributions made | <u>(280,242)</u> |
| Increase in OPEB obligation (asset) | (85,422) |
| Net OPEB obligation (asset), beginning of year | <u>(211,374)</u> |
| Net OPEB obligation (asset), end of year | <u><u>\$ (296,796)</u></u> |

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

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 2013 and the preceding two years were as follows:

| Fiscal Year Ended | Annual OPEB Cost | Annual Contribution | % of Annual OPEB Cost Contributed | Net OPEB Obligation |
|----------------------|---------------------|------------------------|---|------------------------|
| 06/30/2011 | \$ 181,897 | \$ 399,697 | 219.7% | \$ (104,230) |
| 06/30/2012 | 172,391 | 279,535 | 162.2% | (211,374) |
| 06/30/2013 | 194,820 | 280,242 | 143.8% | (296,796) |

Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial date, the funded status of the plan was as follows:

| | |
|---|--------------------------|
| Actuarial accrued liability (AAL) | \$ 1,162,355 |
| Actuarial value of plan assets | <u>361,594</u> |
| Unfunded actuarial accrued liability (UAAL) | <u><u>\$ 800,761</u></u> |
| Funded ratio (actuarial value of plan assets / AAL) | 31.1% |
| Covered payroll (active plan members) | \$ 3,879,418 |
| UAAL as a percentage of covered payroll | 20.6% |

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, 2013

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, 2013, was determined as part of the July 1, 2011 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, 2013 is 7 years.

14. SUCCESSOR AGENCY

Successor Agency Long-Term Debt

The debt of the Successor Agency as of June 30, 2013 is as follows:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending Balance</u> | <u>Due within one year</u> | <u>Due more than one year</u> |
|--------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|-----------------------------------|
| Successor agency: | | | | | | |
| Refunding Bond | | | | | | |
| Series 1998A | \$ 2,585,000 | \$ - | \$ (270,000) | \$ 2,315,000 | \$ 285,000 | \$ 2,030,000 |
| Compensated Absences | 9,834 | 7,872 | (9,836) | 7,870 | 1,968 | 5,902 |
| Total successor agency | <u>\$ 2,594,834</u> | <u>\$ 7,872</u> | <u>\$ (279,836)</u> | <u>\$ 2,322,870</u> | <u>\$ 286,968</u> | <u>\$ 2,035,902</u> |

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

In May 1998, the Sierra Madre Financing Authority issued the Tax Increment Revenue Refunding Bonds, Series 1998A on behalf of the Sierra Madre Community Redevelopment Agency in prepayment of its Agency Loan Agreement dated November 1, 1988, by and between the Agency and the Authority. These bonds mature annually through November 1, 2019 in the amounts ranging from \$155,000 to \$380,000 as of November 1, 1998. The interest on the bonds is payable semi-annually on May 1 and November 1, as of November 1, 1999. The bonds are special obligations of the Authority secured by and payable solely as of the tax rate of the Tax Increment Revenue Refunding Bonds, Series 1998A ranging from 3.8% to 5.0%. The bonds are subject to mandatory sinking redemption and redemption from optional loan prepayments prior to maturity. The outstanding balance of the Tax Increment Revenue Refunding Bonds, Series 1998A was \$2,315,000 at June 30, 2013.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2013

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 |
|-------------------------|---------------------|-------------------|---------------------|
| 2014 | \$ 285,000 | \$ 108,625 | \$ 393,625 |
| 2015 | 300,000 | 94,000 | 394,000 |
| 2016 | 315,000 | 78,625 | 393,625 |
| 2017 | 330,000 | 62,500 | 392,500 |
| 2018 | 345,000 | 45,625 | 390,625 |
| 2019-2020 | 740,000 | 37,500 | 777,500 |
| | <u>\$ 2,315,000</u> | <u>\$ 426,875</u> | <u>\$ 2,741,875</u> |

City of Sierra Madre, California

Village of the Foothills



Required Supplementary Information For the Year Ending June 30, 2013

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CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2013

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

SCHEDULES OF FUNDING PROGRESS

Miscellaneous Employees

(Most recent information available)

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) (a) | Accrued Liabilities (AL) (b) | Unfunded Liabilities (UL) (b-a) | Funded Ratio (AVA/AL) (a/b) | Annual Covered Payroll (c) | UL as a % of Payroll [(b-a)/c] |
|--------------------------------|--|---------------------------------------|--|--------------------------------------|-------------------------------------|--------------------------------------|
| 06/30/2009 | 1,493,431 | 1,834,425 | 340,994 | 81.4% | 355,150 | 96.0% |
| 06/30/2010 | 1,603,482 | 1,972,911 | 369,429 | 81.3% | 352,637 | 104.8% |
| 06/30/2011 | 1,724,200 | 2,135,350 | 411,150 | 80.7% | 350,122 | 117.4% |

Safety Employees

(Most recent information available)

| Actuarial Valuation Date | Actuarial Value of Assets (AVA) (a) | Accrued Liabilities (AL) (b) | Unfunded Liabilities (UL) (b-a) | Funded Ratio (AVA/AL) (a/b) | Annual Covered Payroll (c) | UL as a % of Payroll [(b-a)/c] |
|--------------------------------|--|---------------------------------------|--|--------------------------------------|-------------------------------------|--------------------------------------|
| 06/30/2009 | 1,520,081 | 1,802,882 | 282,801 | 84.3% | 221,600 | 127.6% |
| 06/30/2010 | 1,628,915 | 1,915,096 | 286,181 | 85.1% | 224,562 | 127.4% |
| 06/30/2011 | 1,759,287 | 2,061,924 | 302,637 | 85.3% | 225,026 | 134.5% |

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 Accrued 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) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|--|
| 01/01/2010 | \$ - | \$ 1,456,106 | \$ 1,456,106 | 0.0% | \$ 4,641,533 | 31.4% |
| 07/01/2011 | 361,594 | 1,162,355 | 800,761 | 31.1% | 3,879,418 | 20.6% |

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2013

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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|---------------------|---------------------|---------------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 3,428,424 | \$ 3,428,424 | \$ 3,738,570 | \$ 310,146 |
| Other taxes | 2,877,258 | 2,877,258 | 3,724,541 | 847,283 |
| Charges for services | 164,391 | 164,391 | 248,621 | 84,230 |
| Intergovernmental | 914,759 | 914,759 | 525 | (914,234) |
| Licenses and permits | 628,676 | 628,676 | 720,821 | 92,145 |
| Fines and forfeitures | 169,418 | 169,418 | 328,707 | 159,289 |
| Investment income | 52,281 | 52,281 | - | (52,281) |
| Miscellaneous | 27,902 | 27,902 | 39,046 | 11,144 |
| Total revenues | <u>8,263,109</u> | <u>8,263,109</u> | <u>8,800,831</u> | <u>537,722</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,342,140 | 1,342,140 | 1,293,264 | 48,876 |
| Public safety | 4,453,514 | 4,453,514 | 4,248,094 | 205,420 |
| Public works | 355,790 | 355,790 | 349,343 | 6,447 |
| Culture and recreation | 1,148,533 | 1,148,533 | 1,004,753 | 143,780 |
| Capital outlay | - | - | 31,790 | (31,790) |
| Total expenditures | <u>7,299,977</u> | <u>7,299,977</u> | <u>6,927,244</u> | <u>372,733</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>963,132</u> | <u>963,132</u> | <u>1,873,587</u> | <u>910,455</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 101,000 | 101,000 | 144,690 | 43,690 |
| Transfers out | (958,601) | (958,601) | (1,193,184) | (234,583) |
| Total other financing sources (uses) | <u>(857,601)</u> | <u>(857,601)</u> | <u>(1,048,494)</u> | <u>(190,893)</u> |
| Net change to fund balance | 105,531 | 105,531 | 825,093 | 719,562 |
| Fund balance, beginning of year | <u>5,110,444</u> | <u>5,110,444</u> | <u>5,110,444</u> | <u>-</u> |
| Fund balance, end of year | <u>\$ 5,215,975</u> | <u>\$ 5,215,975</u> | <u>\$ 5,935,537</u> | <u>\$ 719,562</u> |

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City of Sierra Madre, California

Village of the Foothills



Supplementary Information For the Year Ending June 30, 2013

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CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Governmental Funds by Fund Type
June 30, 2013

| | Special Revenue Funds | Capital Projects Funds | Citywide Debt Service Fund | Total Non-Major Governmental Funds |
|--|--------------------------|---------------------------|-------------------------------|--|
| Assets: | | | | |
| Cash and investments | \$ 2,886,655 | \$ 9,550 | \$ 6,759 | \$ 2,902,964 |
| Receivables: | | | | |
| Accounts | 19,151 | - | - | 19,151 |
| Taxes | 30,089 | - | - | 30,089 |
| Grants | 2,383 | - | - | 2,383 |
| Total assets | <u>\$ 2,938,278</u> | <u>\$ 9,550</u> | <u>\$ 6,759</u> | <u>\$ 2,954,587</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 164,503 | \$ 4,945 | \$ - | \$ 169,448 |
| Accrued payroll and related liabilities | 41,440 | - | - | 41,440 |
| Due to other funds | 358,843 | - | - | 358,843 |
| Deposits and retentions | 59,338 | - | - | 59,338 |
| Deferred revenue | 30,426 | - | - | 30,426 |
| Total liabilities | <u>654,550</u> | <u>4,945</u> | <u>-</u> | <u>659,495</u> |
| Fund balances: | | | | |
| Committed | 1,658,115 | - | - | 1,658,115 |
| Assigned | 969,940 | 4,605 | 6,759 | 981,304 |
| Unassigned | (344,327) | - | - | (344,327) |
| Total fund balances | <u>2,283,728</u> | <u>4,605</u> | <u>6,759</u> | <u>2,295,092</u> |
| Total liabilities and fund balances | <u>\$ 2,938,278</u> | <u>\$ 9,550</u> | <u>\$ 6,759</u> | <u>\$ 2,954,587</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, 2013

| | Special Revenue Funds | Capital Projects Funds | Citywide Debt Service Fund | Total Non-Major Governmental Funds |
|--|--------------------------|---------------------------|-------------------------------|--|
| Revenues: | | | | |
| Property taxes | \$ 164,112 | \$ - | \$ - | \$ 164,112 |
| Charges for services | 557,619 | - | 91,041 | 648,660 |
| Intergovernmental | 1,064,563 | - | - | 1,064,563 |
| Licenses and permits | 411,136 | - | - | 411,136 |
| Miscellaneous | 124,222 | 45 | - | 124,267 |
| Total revenues | <u>2,321,652</u> | <u>45</u> | <u>91,041</u> | <u>2,412,738</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 135,389 | - | - | 135,389 |
| Public safety | 826,363 | - | - | 826,363 |
| Public works | 405,047 | 39,775 | - | 444,822 |
| Development | 842,273 | - | - | 842,273 |
| Culture and recreation | 279,637 | 45 | - | 279,682 |
| Debt Service: | | | | |
| Principal | - | - | 63,385 | 63,385 |
| Interest | - | - | 27,656 | 27,656 |
| Total expenditures | <u>2,488,709</u> | <u>39,820</u> | <u>91,041</u> | <u>2,619,570</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(167,057)</u> | <u>(39,775)</u> | <u>-</u> | <u>(206,832)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 1,192,267 | 39,775 | - | 1,232,042 |
| Transfers out | (184,465) | - | - | (184,465) |
| Total other financing sources (uses) | <u>1,007,802</u> | <u>39,775</u> | <u>-</u> | <u>1,047,577</u> |
| Net change to fund balances | 840,745 | - | - | 840,745 |
| Fund balances, beginning of year | <u>1,442,983</u> | <u>4,605</u> | <u>6,759</u> | <u>1,454,347</u> |
| Fund balances, end of year | <u>\$ 2,283,728</u> | <u>\$ 4,605</u> | <u>\$ 6,759</u> | <u>\$ 2,295,092</u> |

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2013

| | <u>Grant Funds</u> | <u>Assessment Funds</u> | <u>Other Special Revenue Funds</u> | <u>Total Special Revenue Funds</u> |
|--|--------------------|-----------------------------|--|--|
| Assets: | | | | |
| Cash and investments | \$ 150,855 | \$ 208,036 | \$ 2,527,764 | \$ 2,886,655 |
| Receivables: | | | | |
| Accounts | - | - | 19,151 | 19,151 |
| Taxes | - | 10,877 | 19,212 | 30,089 |
| Grants | 2,383 | - | - | 2,383 |
| Total assets | <u>\$ 153,238</u> | <u>\$ 218,913</u> | <u>\$ 2,566,127</u> | <u>\$ 2,938,278</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 3,180 | \$ 3,928 | \$ 157,395 | \$ 164,503 |
| Accrued payroll and related liabilities | 1,081 | - | 40,359 | 41,440 |
| Due to other funds | 2,383 | - | 356,460 | 358,843 |
| Deposits and retentions | - | - | 59,338 | 59,338 |
| Deferred revenue | 30,426 | - | - | 30,426 |
| Total liabilities | <u>37,070</u> | <u>3,928</u> | <u>613,552</u> | <u>654,550</u> |
| Fund balances: | | | | |
| Committed | 104,530 | - | 1,553,585 | 1,658,115 |
| Assigned | 11,897 | 215,305 | 742,738 | 969,940 |
| Unassigned | (259) | (320) | (343,748) | (344,327) |
| Total fund balances | <u>116,168</u> | <u>214,985</u> | <u>1,952,575</u> | <u>2,283,728</u> |
| Total liabilities and fund balances | <u>\$ 153,238</u> | <u>\$ 218,913</u> | <u>\$ 2,566,127</u> | <u>\$ 2,938,278</u> |

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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, 2013

| | <u>Grant Funds</u> | <u>Assessment Funds</u> | <u>Other Special Revenue Funds</u> | <u>Total Special Revenue Funds</u> |
|---|--------------------|-------------------------|------------------------------------|------------------------------------|
| Revenues: | | | | |
| Property taxes | \$ - | \$ 164,112 | \$ - | \$ 164,112 |
| Charges for services | - | - | 557,619 | 557,619 |
| Intergovernmental | 15,294 | - | 1,049,269 | 1,064,563 |
| Licenses and permits | - | - | 411,136 | 411,136 |
| Miscellaneous | 17,150 | - | 107,072 | 124,222 |
| Total revenues | <u>32,444</u> | <u>164,112</u> | <u>2,125,096</u> | <u>2,321,652</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 2,123 | - | 133,266 | 135,389 |
| Public safety | - | - | 826,363 | 826,363 |
| Public works | - | 82,927 | 322,120 | 405,047 |
| Development | - | - | 842,273 | 842,273 |
| Culture and recreation | 15,553 | - | 264,084 | 279,637 |
| Total expenditures | <u>17,676</u> | <u>82,927</u> | <u>2,388,106</u> | <u>2,488,709</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>14,768</u> | <u>81,185</u> | <u>(263,010)</u> | <u>(167,057)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 4,109 | 46,455 | 1,141,703 | 1,192,267 |
| Transfers out | - | - | (184,465) | (184,465) |
| Total other financing sources (uses) | <u>4,109</u> | <u>46,455</u> | <u>957,238</u> | <u>1,007,802</u> |
| Net change to fund balances | 18,877 | 127,640 | 694,228 | 840,745 |
| Fund balances, beginning of year | <u>97,291</u> | <u>87,345</u> | <u>1,258,347</u> | <u>1,442,983</u> |
| Fund balances, end of year | <u>\$ 116,168</u> | <u>\$ 214,985</u> | <u>\$ 1,952,575</u> | <u>\$ 2,283,728</u> |

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds-Grants
June 30, 2013

| | Homeland Security | FMAG-Santa Anita Fire | Homeland Security-Fire | Federal Transit Authority |
|---------------------------------------|----------------------|--------------------------|---------------------------|------------------------------|
| Assets: | | | | |
| Cash and investments | \$ - | \$ 100,153 | \$ - | \$ 11,897 |
| Grants receivable | 2,383 | - | - | - |
| Total assets | <u>\$ 2,383</u> | <u>\$ 100,153</u> | <u>\$ -</u> | <u>\$ 11,897</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| related liabilities | - | - | - | - |
| Due to other funds | 2,383 | - | - | - |
| Deferred revenue | - | - | - | - |
| Total liabilities | <u>2,383</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Committed | - | 100,153 | - | - |
| Assigned | - | - | - | 11,897 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>-</u> | <u>100,153</u> | <u>-</u> | <u>11,897</u> |
| Total liabilities and fund balances | <u>\$ 2,383</u> | <u>\$ 100,153</u> | <u>\$ -</u> | <u>\$ 11,897</u> |

| <u>2011 Windstorm</u> | <u>Local History State Grant</u> | <u>Total Special Revenue-Grant Funds</u> |
|-----------------------|--------------------------------------|--|
| \$ 4,377 | \$ 34,428 | \$ 150,855 |
| - | - | 2,383 |
| <u>\$ 4,377</u> | <u>\$ 34,428</u> | <u>\$ 153,238</u> |
| \$ - | \$ 3,180 | \$ 3,180 |
| - | 1,081 | 1,081 |
| - | - | 2,383 |
| - | 30,426 | 30,426 |
| <u>-</u> | <u>34,687</u> | <u>37,070</u> |
| 4,377 | - | 104,530 |
| - | - | 11,897 |
| - | (259) | (259) |
| <u>4,377</u> | <u>(259)</u> | <u>116,168</u> |
| <u>\$ 4,377</u> | <u>\$ 34,428</u> | <u>\$ 153,238</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, 2013

| | <u>Homeland Security</u> | <u>FMAG-Santa Anita Fire</u> | <u>Homeland Security-Fire</u> | <u>Federal Transit Authority</u> |
|--|------------------------------|----------------------------------|-----------------------------------|--------------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - |
| Miscellaneous | - | 10,650 | - | - |
| Total revenues | <u>-</u> | <u>10,650</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Culture and recreation | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>10,650</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | 4,109 | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>4,109</u> | <u>-</u> |
| Net change to fund balances | - | 10,650 | 4,109 | - |
| Fund balances, beginning of year | <u>-</u> | <u>89,503</u> | <u>(4,109)</u> | <u>11,897</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 100,153</u> | <u>\$ -</u> | <u>\$ 11,897</u> |

| <u>2011 Windstorm</u> | <u>Local History Grant</u> | <u>Total Special Revenue-Grant Funds</u> |
|-----------------------|--------------------------------|--|
| \$ - | \$ 15,294 | \$ 15,294 |
| <u>6,500</u> | <u>-</u> | <u>17,150</u> |
| <u>6,500</u> | <u>15,294</u> | <u>32,444</u> |
| | | |
| 2,123 | - | 2,123 |
| <u>-</u> | <u>15,553</u> | <u>15,553</u> |
| <u>2,123</u> | <u>15,553</u> | <u>17,676</u> |
| | | |
| <u>4,377</u> | <u>(259)</u> | <u>14,768</u> |
| | | |
| <u>-</u> | <u>-</u> | <u>4,109</u> |
| <u>-</u> | <u>-</u> | <u>4,109</u> |
| | | |
| 4,377 | (259) | 18,877 |
| | | |
| <u>-</u> | <u>-</u> | <u>97,291</u> |
| <u>\$ 4,377</u> | <u>\$ (259)</u> | <u>\$ 116,168</u> |

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds-Assessments
June 30, 2013

| | Bonita Sewer Assessment District | Central Business Assessment District | Fane/Winwood Assessment District | Lighting District #1 |
|---------------------------------------|--|---|--|-------------------------|
| Assets: | | | | |
| Cash and investments | \$ 11,283 | \$ 1,739 | \$ 18,248 | \$ 65,837 |
| Taxes receivable | - | 45 | - | 3,282 |
| Total assets | <u>\$ 11,283</u> | <u>\$ 1,784</u> | <u>\$ 18,248</u> | <u>\$ 69,119</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 1,740 | \$ 109 | \$ - |
| Total liabilities | <u>-</u> | <u>1,740</u> | <u>109</u> | <u>-</u> |
| Fund balances: | | | | |
| Assigned | 11,283 | 44 | 18,139 | 69,119 |
| Unassigned | - | - | - | - |
| Total fund balances | <u>11,283</u> | <u>44</u> | <u>18,139</u> | <u>69,119</u> |
| Total liabilities and fund balances | <u>\$ 11,283</u> | <u>\$ 1,784</u> | <u>\$ 18,248</u> | <u>\$ 69,119</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 |
|-----------------------------|-----------------------------|------------------------------------|--|---------------------------------|---------------------|---|
| \$ 28,414 | \$ 59,342 | \$ 518 | \$ - | \$ 16,061 | \$ 6,594 | \$ 208,036 |
| 5,326 | 1,677 | 252 | - | 295 | - | 10,877 |
| <u>\$ 33,740</u> | <u>\$ 61,019</u> | <u>\$ 770</u> | <u>\$ -</u> | <u>\$ 16,356</u> | <u>\$ 6,594</u> | <u>\$ 218,913</u> |
| \$ 239 | \$ 750 | \$ 1,090 | \$ - | \$ - | \$ - | \$ 3,928 |
| <u>239</u> | <u>750</u> | <u>1,090</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>3,928</u> |
| 33,501 | 60,269 | - | - | 16,356 | 6,594 | 215,305 |
| - | - | (320) | - | - | - | (320) |
| <u>33,501</u> | <u>60,269</u> | <u>(320)</u> | <u>-</u> | <u>16,356</u> | <u>6,594</u> | <u>214,985</u> |
| <u>\$ 33,740</u> | <u>\$ 61,019</u> | <u>\$ 770</u> | <u>\$ -</u> | <u>\$ 16,356</u> | <u>\$ 6,594</u> | <u>\$ 218,913</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, 2013

| | Bonita Sewer Assessment District | Central Business Assessment District | Fane/Winwood Assessment District | Lighting District #1 |
|--|--|---|--|-------------------------|
| Revenues: | | | | |
| Property taxes | \$ 10,290 | \$ 5,397 | \$ 1,702 | \$ 32,046 |
| Total revenues | <u>10,290</u> | <u>5,397</u> | <u>1,702</u> | <u>32,046</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 4,650 | 26,710 | 2,561 | 6,242 |
| Total expenditures | <u>4,650</u> | <u>26,710</u> | <u>2,561</u> | <u>6,242</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>5,640</u> | <u>(21,313)</u> | <u>(859)</u> | <u>25,804</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | 31,652 | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>31,652</u> | <u>-</u> | <u>-</u> |
| Net change to fund balances | 5,640 | 10,339 | (859) | 25,804 |
| Fund balances, beginning of year | <u>5,643</u> | <u>(10,295)</u> | <u>18,998</u> | <u>43,315</u> |
| Fund balances, end of year | <u>\$ 11,283</u> | <u>\$ 44</u> | <u>\$ 18,139</u> | <u>\$ 69,119</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 |
|-----------------------------|-----------------------------|------------------------------------|--|---------------------------------|---------------------|---|
| \$ 34,278 | \$ 57,273 | \$ 8,780 | \$ - | \$ 7,752 | \$ 6,594 | \$ 164,112 |
| <u>34,278</u> | <u>57,273</u> | <u>8,780</u> | <u>-</u> | <u>7,752</u> | <u>6,594</u> | <u>164,112</u> |
| 5,031 | 14,711 | 22,670 | 278 | 74 | - | 82,927 |
| <u>5,031</u> | <u>14,711</u> | <u>22,670</u> | <u>278</u> | <u>74</u> | <u>-</u> | <u>82,927</u> |
| 29,247 | 42,562 | (13,890) | (278) | 7,678 | 6,594 | 81,185 |
| - | - | 13,253 | 1,550 | - | - | 46,455 |
| <u>-</u> | <u>-</u> | <u>13,253</u> | <u>1,550</u> | <u>-</u> | <u>-</u> | <u>46,455</u> |
| 29,247 | 42,562 | (637) | 1,272 | 7,678 | 6,594 | 127,640 |
| 4,254 | 17,707 | 317 | (1,272) | 8,678 | - | 87,345 |
| <u>\$ 33,501</u> | <u>\$ 60,269</u> | <u>\$ (320)</u> | <u>\$ -</u> | <u>\$ 16,356</u> | <u>\$ 6,594</u> | <u>\$ 214,985</u> |

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds-Other
June 30, 2013

| | Development Fees | Development Impact Fees | DUI Enforcement | Narcotics Enforcement |
|--|---------------------|----------------------------|--------------------|--------------------------|
| Assets: | | | | |
| Cash and investments | \$ 143,772 | \$ 425,554 | \$ 3,786 | \$ 448 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Total assets | \$ 143,772 | \$ 425,554 | \$ 3,786 | \$ 448 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 119,545 | \$ - | \$ - | \$ - |
| Accrued payroll and related liabilities | 15,669 | - | - | - |
| Due to other funds | - | - | - | - |
| Deposits and retentions | 8,558 | 50,780 | - | - |
| Total liabilities | 143,772 | 50,780 | - | - |
| Fund balances: | | | | |
| Committed | - | 114,827 | - | - |
| Assigned | - | 259,947 | 3,786 | 448 |
| Unassigned | - | - | - | - |
| Total fund balances | - | 374,774 | 3,786 | 448 |
| Total liabilities and fund balances | \$ 143,772 | \$ 425,554 | \$ 3,786 | \$ 448 |

| Police Department Donations | Public Safety Augmentation Fund | State COPS Grant | Emergency Medical Services | Fire Department Donations | Community Arts Commission | Dog Park |
|-----------------------------------|---------------------------------------|---------------------|----------------------------------|---------------------------------|---------------------------------|-----------------|
| \$ 21,796 | \$ - | \$ 163,204 | \$ 29,961 | \$ 18,835 | \$ 6,043 | \$ 9,005 |
| - | - | - | - | - | - | - |
| - | 19,212 | - | - | - | - | - |
| <u>\$ 21,796</u> | <u>\$ 19,212</u> | <u>\$ 163,204</u> | <u>\$ 29,961</u> | <u>\$ 18,835</u> | <u>\$ 6,043</u> | <u>\$ 9,005</u> |
| \$ - | \$ - | \$ - | \$ 17,450 | \$ - | \$ - | \$ - |
| - | - | 909 | 19,011 | - | - | - |
| - | 19,212 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>-</u> | <u>19,212</u> | <u>909</u> | <u>36,461</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | 162,295 | - | - | - | - |
| 21,796 | - | - | - | 18,835 | 6,043 | 9,005 |
| - | - | - | (6,500) | - | - | - |
| <u>21,796</u> | <u>-</u> | <u>162,295</u> | <u>(6,500)</u> | <u>18,835</u> | <u>6,043</u> | <u>9,005</u> |
| <u>\$ 21,796</u> | <u>\$ 19,212</u> | <u>\$ 163,204</u> | <u>\$ 29,961</u> | <u>\$ 18,835</u> | <u>\$ 6,043</u> | <u>\$ 9,005</u> |

(continued)

CITY OF SIERRA MADRE

Combining Balance Sheet

Non-Major Special Revenue Funds-Other, Continued

June 30, 2013

| | Recreation Department Donations | Local Transportation Prop A | Open Space | Senior Center |
|--|---------------------------------------|-----------------------------------|------------------|-------------------|
| Assets: | | | | |
| Cash and investments | \$ 44,972 | \$ 40,020 | \$ - | \$ 165,381 |
| Receivables: | | | | |
| Accounts | - | - | - | - |
| Taxes | - | - | - | - |
| Total assets | \$ 44,972 | \$ 40,020 | \$ - | \$ 165,381 |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 11,588 | \$ - | \$ 1,254 |
| Accrued payroll and related liabilities | - | - | - | - |
| Due to other funds | - | - | 337,248 | - |
| Deposits and retentions | - | - | - | - |
| Total liabilities | - | 11,588 | 337,248 | 1,254 |
| Fund balances: | | | | |
| Committed | - | - | - | 65,000 |
| Assigned | 44,972 | 28,432 | - | 99,127 |
| Unassigned | - | - | (337,248) | - |
| Total fund balances | 44,972 | 28,432 | (337,248) | 164,127 |
| Total liabilities and fund balances | \$ 44,972 | \$ 40,020 | \$ - | \$ 165,381 |

| SM Community Foundation | YAC-Youth Activity Center | Local Transit Prop C | CA Beverage Container Grant | CDBG-Community Development Block Grant | Clean Air Fund (AQMD) |
|-------------------------|---------------------------|----------------------|-----------------------------|--|-----------------------|
| \$ 39,512 | \$ 83,194 | \$ 108,771 | \$ 17,931 | \$ - | \$ 74,468 |
| - | - | - | - | - | - |
| <u>\$ 39,512</u> | <u>\$ 83,194</u> | <u>\$ 108,771</u> | <u>\$ 17,931</u> | <u>\$ -</u> | <u>\$ 74,468</u> |
| \$ 383 | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>383</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| - | - | 108,771 | - | - | 74,468 |
| 39,129 | 83,194 | - | 17,931 | - | - |
| - | - | - | - | - | - |
| <u>39,129</u> | <u>83,194</u> | <u>108,771</u> | <u>17,931</u> | <u>-</u> | <u>74,468</u> |
| <u>\$ 39,512</u> | <u>\$ 83,194</u> | <u>\$ 108,771</u> | <u>\$ 17,931</u> | <u>\$ -</u> | <u>\$ 74,468</u> |

(continued)

CITY OF SIERRA MADRE

Combining Balance Sheet

Non-Major Special Revenue Funds-Other, Continued

June 30, 2013

| | Environmental Fund | Gas Tax Fund | Measure R | Senior Excursions |
|--|-----------------------|-------------------|-------------------|----------------------|
| Assets: | | | | |
| Cash and investments | \$ 71,515 | \$ 256,741 | \$ 707,948 | \$ - |
| Receivables: | | | | |
| Accounts | 18,903 | - | - | - |
| Taxes | - | - | - | - |
| Total assets | <u>\$ 90,418</u> | <u>\$ 256,741</u> | <u>\$ 707,948</u> | <u>\$ -</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 95 | \$ 4,701 | \$ - | \$ - |
| Accrued payroll and related liabilities | 1,006 | 3,764 | - | - |
| Due to other funds | - | - | - | - |
| Deposits and retentions | - | - | - | - |
| Total liabilities | <u>1,101</u> | <u>8,465</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | |
| Committed | 72,000 | 248,276 | 707,948 | - |
| Assigned | 17,317 | - | - | - |
| Unassigned | - | - | - | - |
| Total fund balances | <u>89,317</u> | <u>248,276</u> | <u>707,948</u> | <u>-</u> |
| Total liabilities and fund balances | <u>\$ 90,418</u> | <u>\$ 256,741</u> | <u>\$ 707,948</u> | <u>\$ -</u> |

| California Library Foundation | Library Gift and Memorial | Friends of the Library | Total Other Special Revenue Funds |
|-------------------------------------|------------------------------|---------------------------|---|
| \$ - | \$ 94,907 | \$ - | \$ 2,527,764 |
| - | - | 248 | 19,151 |
| - | - | - | 19,212 |
| <u>\$ -</u> | <u>\$ 94,907</u> | <u>\$ 248</u> | <u>\$ 2,566,127</u> |
| \$ - | \$ 2,131 | \$ 248 | \$ 157,395 |
| - | - | - | 40,359 |
| - | - | - | 356,460 |
| - | - | - | 59,338 |
| <u>-</u> | <u>2,131</u> | <u>248</u> | <u>613,552</u> |
| - | - | - | 1,553,585 |
| - | 92,776 | - | 742,738 |
| - | - | - | (343,748) |
| <u>-</u> | <u>92,776</u> | <u>-</u> | <u>1,952,575</u> |
| <u>\$ -</u> | <u>\$ 94,907</u> | <u>\$ 248</u> | <u>\$ 2,566,127</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, 2013

| | Development Fees | Development Impact Fees | DUI Enforcement | Narcotics Enforcement |
|--|---------------------|----------------------------|--------------------|--------------------------|
| Revenues: | | | | |
| Charges for services | \$ 277,377 | \$ - | \$ - | \$ - |
| Intergovernmental | - | - | 3,087 | - |
| Licenses and permits | 56,096 | 259,947 | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>333,473</u> | <u>259,947</u> | <u>3,087</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 133,266 | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | - | - |
| Development | 842,273 | - | - | - |
| Culture and recreation | - | - | - | - |
| Total expenditures | <u>975,539</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(642,066)</u> | <u>259,947</u> | <u>3,087</u> | <u>-</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 639,316 | - | - | - |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>639,316</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change to fund balances | (2,750) | 259,947 | 3,087 | - |
| Fund balances, beginning of year | <u>2,750</u> | <u>114,827</u> | <u>699</u> | <u>448</u> |
| Fund balances, end of year | <u>\$ -</u> | <u>\$ 374,774</u> | <u>\$ 3,786</u> | <u>\$ 448</u> |

| Police Department Donations | Public Safety Augmentation Fund | State COPS Grant | Emergency Medical Services | Fire Department Dontations | Community Arts Commission | Dog Park |
|-----------------------------------|---------------------------------------|---------------------|----------------------------------|----------------------------------|---------------------------------|-----------------|
| \$ - | \$ - | \$ - | \$ 268,522 | \$ - | \$ - | \$ - |
| - | 112,083 | 100,000 | - | - | - | - |
| - | - | - | - | - | - | - |
| 10,875 | - | - | - | 11,516 | - | - |
| <u>10,875</u> | <u>112,083</u> | <u>100,000</u> | <u>268,522</u> | <u>11,516</u> | <u>-</u> | <u>-</u> |
| - | - | - | - | - | - | - |
| 2,486 | - | 48,559 | 774,876 | 442 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>2,486</u> | <u>-</u> | <u>48,559</u> | <u>774,876</u> | <u>442</u> | <u>-</u> | <u>-</u> |
| <u>8,389</u> | <u>112,083</u> | <u>51,441</u> | <u>(506,354)</u> | <u>11,074</u> | <u>-</u> | <u>-</u> |
| - | - | - | 502,387 | - | - | - |
| - | (122,715) | - | - | - | - | - |
| - | (122,715) | - | 502,387 | - | - | - |
| 8,389 | (10,632) | 51,441 | (3,967) | 11,074 | - | - |
| <u>13,407</u> | <u>10,632</u> | <u>110,854</u> | <u>(2,533)</u> | <u>7,761</u> | <u>6,043</u> | <u>9,005</u> |
| <u>\$ 21,796</u> | <u>\$ -</u> | <u>\$ 162,295</u> | <u>\$ (6,500)</u> | <u>\$ 18,835</u> | <u>\$ 6,043</u> | <u>\$ 9,005</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, 2013

| | Recreation Department Donations | Local Transportation Prop A | Open Space | Senior Center |
|--|---------------------------------------|-----------------------------------|---------------------|-------------------|
| Revenues: | | | | |
| Charges for services | \$ - | \$ 11,312 | \$ - | \$ - |
| Intergovernmental | - | 171,507 | - | - |
| Licenses and permits | - | - | - | - |
| Miscellaneous | 1,287 | - | 49,578 | 16,537 |
| Total revenues | <u>1,287</u> | <u>182,819</u> | <u>49,578</u> | <u>16,537</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | - | - | - | - |
| Development | - | - | - | - |
| Culture and recreation | 329 | 154,469 | 10,000 | 2,785 |
| Total expenditures | <u>329</u> | <u>154,469</u> | <u>10,000</u> | <u>2,785</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>958</u> | <u>28,350</u> | <u>39,578</u> | <u>13,752</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 | 958 | 28,350 | 39,578 | 13,752 |
| Fund balances, beginning of year | <u>44,014</u> | <u>82</u> | <u>(376,826)</u> | <u>150,375</u> |
| Fund balances, end of year | <u>\$ 44,972</u> | <u>\$ 28,432</u> | <u>\$ (337,248)</u> | <u>\$ 164,127</u> |

| SM Community Foundation | YAC-Youth Activity Center | Local Transit Prop C | CA Beverage Container Grant | CDBG-Community Development Block Grant | Clean Air Fund (AQMD) |
|-------------------------|---------------------------|----------------------|-----------------------------|--|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | 142,617 | - | 30,873 | 17,053 |
| - | - | - | - | - | - |
| 3,711 | 6,640 | - | - | - | - |
| <u>3,711</u> | <u>6,640</u> | <u>142,617</u> | <u>-</u> | <u>30,873</u> | <u>17,053</u> |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | 2,500 | 120 | 8,899 | - |
| - | - | - | - | - | - |
| 4,534 | 17,303 | 35,875 | - | - | - |
| <u>4,534</u> | <u>17,303</u> | <u>38,375</u> | <u>120</u> | <u>8,899</u> | <u>-</u> |
| <u>(823)</u> | <u>(10,663)</u> | <u>104,242</u> | <u>(120)</u> | <u>21,974</u> | <u>17,053</u> |
| - | - | - | - | - | - |
| - | - | - | - | (21,974) | - |
| - | - | - | - | (21,974) | - |
| (823) | (10,663) | 104,242 | (120) | - | 17,053 |
| 39,952 | 93,857 | 4,529 | 18,051 | - | 57,415 |
| <u>\$ 39,129</u> | <u>\$ 83,194</u> | <u>\$ 108,771</u> | <u>\$ 17,931</u> | <u>\$ -</u> | <u>\$ 74,468</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, 2013

| | Environmental Fund | Gas Tax Fund | Measure R | Senior Excursions |
|--|-----------------------|-------------------|-------------------|----------------------|
| Revenues: | | | | |
| Charges for services | \$ 408 | \$ - | \$ - | \$ - |
| Intergovernmental | - | 365,482 | 106,567 | - |
| Licenses and permits | 95,093 | - | - | - |
| Miscellaneous | - | - | - | - |
| Total revenues | <u>95,501</u> | <u>365,482</u> | <u>106,567</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | - | - | - | - |
| Public works | 81,089 | 229,512 | - | - |
| Development | - | - | - | - |
| Culture and recreation | - | - | - | 7,294 |
| Total expenditures | <u>81,089</u> | <u>229,512</u> | <u>-</u> | <u>7,294</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>14,412</u> | <u>135,970</u> | <u>106,567</u> | <u>(7,294)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | - | (39,776) | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>(39,776)</u> | <u>-</u> | <u>-</u> |
| Net change to fund balances | 14,412 | 96,194 | 106,567 | (7,294) |
| Fund balances, beginning of year | <u>74,905</u> | <u>152,082</u> | <u>601,381</u> | <u>7,294</u> |
| Fund balances, end of year | <u>\$ 89,317</u> | <u>\$ 248,276</u> | <u>\$ 707,948</u> | <u>\$ -</u> |

| California Library Foundation | Library Gift and Memorial | Friends of the Library | Total Other Special Revenue Funds |
|-------------------------------------|------------------------------|---------------------------|---|
| \$ - | \$ - | \$ - | \$ 557,619 |
| - | - | - | 1,049,269 |
| - | - | - | 411,136 |
| - | 6,680 | 248 | 107,072 |
| <u>-</u> | <u>6,680</u> | <u>248</u> | <u>2,125,096</u> |
| - | - | - | 133,266 |
| - | - | - | 826,363 |
| - | - | - | 322,120 |
| - | - | - | 842,273 |
| 14,965 | 16,282 | 248 | 264,084 |
| <u>14,965</u> | <u>16,282</u> | <u>248</u> | <u>2,388,106</u> |
| <u>(14,965)</u> | <u>(9,602)</u> | <u>-</u> | <u>(263,010)</u> |
| - | - | - | 1,141,703 |
| - | - | - | (184,465) |
| - | - | - | 957,238 |
| (14,965) | (9,602) | - | 694,228 |
| 14,965 | 102,378 | - | 1,258,347 |
| <u>\$ -</u> | <u>\$ 92,776</u> | <u>\$ -</u> | <u>\$ 1,952,575</u> |

(concluded)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2013

| | <u>AM Radio Tower</u> | <u>Street Improvement Projects</u> | <u>Hart Park House Refurbishment</u> | <u>Total Capital Project Funds</u> |
|---------------------------------------|-----------------------|--|--|--|
| Assets: | | | | |
| Cash and investments | \$ 4,605 | \$ 4,945 | \$ - | \$ 9,550 |
| Total assets | <u>\$ 4,605</u> | <u>\$ 4,945</u> | <u>\$ -</u> | <u>\$ 9,550</u> |
| Liabilities and Fund Balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ 4,945 | \$ - | \$ 4,945 |
| Total liabilities | <u>-</u> | <u>4,945</u> | <u>-</u> | <u>4,945</u> |
| Fund balances: | | | | |
| Assigned | <u>4,605</u> | <u>-</u> | <u>-</u> | <u>4,605</u> |
| Total fund balances | <u>4,605</u> | <u>-</u> | <u>-</u> | <u>4,605</u> |
| Total liabilities and fund balances | <u>\$ 4,605</u> | <u>\$ 4,945</u> | <u>\$ -</u> | <u>\$ 9,550</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, 2013

| | <u>AM Radio Tower</u> | <u>Street Improvement Projects</u> | <u>Hart Park House Refurbishment</u> | <u>Total Capital Project Funds</u> |
|--|-----------------------|--|--|--|
| Revenues: | | | | |
| Miscellaneous | \$ - | \$ - | \$ 45 | \$ 45 |
| Total revenues | <u>-</u> | <u>-</u> | <u>45</u> | <u>45</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | 39,775 | - | 39,775 |
| Culture and recreation | <u>-</u> | <u>-</u> | <u>45</u> | <u>45</u> |
| Total expenditures | <u>-</u> | <u>39,775</u> | <u>45</u> | <u>39,820</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>(39,775)</u> | <u>-</u> | <u>(39,775)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>-</u> | <u>39,775</u> | <u>-</u> | <u>39,775</u> |
| Total other financing sources (uses) | <u>-</u> | <u>39,775</u> | <u>-</u> | <u>39,775</u> |
| Net change to fund balance | - | - | - | - |
| Fund balances, beginning of year | <u>4,605</u> | <u>-</u> | <u>-</u> | <u>4,605</u> |
| Fund Balances, end of year | <u>\$ 4,605</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,605</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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|------------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ - | \$ - | \$ 10,290 | \$ 10,290 |
| Total revenues | <u>-</u> | <u>-</u> | <u>10,290</u> | <u>10,290</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 4,650 | 4,650 | 4,650 | - |
| Total expenditures | <u>4,650</u> | <u>4,650</u> | <u>4,650</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,650)</u> | <u>(4,650)</u> | <u>5,640</u> | <u>10,290</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 4,651 | 4,651 | - | (4,651) |
| Total other financing sources (uses) | <u>4,651</u> | <u>4,651</u> | <u>-</u> | <u>(4,651)</u> |
| Net change to fund balances | 1 | 1 | 5,640 | 5,639 |
| Fund balances, beginning of year | <u>5,643</u> | <u>5,643</u> | <u>5,643</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 5,644</u> | <u>\$ 5,644</u> | <u>\$ 11,283</u> | <u>\$ 5,639</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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|--------------------|-----------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 5,700 | \$ 5,700 | \$ 5,397 | \$ (303) |
| Total revenues | <u>5,700</u> | <u>5,700</u> | <u>5,397</u> | <u>(303)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 28,784 | 28,784 | 26,710 | 2,074 |
| Total expenditures | <u>28,784</u> | <u>28,784</u> | <u>26,710</u> | <u>2,074</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(23,084)</u> | <u>(23,084)</u> | <u>(21,313)</u> | <u>1,771</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 23,084 | 23,084 | 31,652 | 8,568 |
| Total other financing sources (uses) | <u>23,084</u> | <u>23,084</u> | <u>31,652</u> | <u>8,568</u> |
| Net change to fund balances | - | - | 10,339 | 10,339 |
| Fund balances, beginning of year | <u>(10,295)</u> | <u>(10,295)</u> | <u>(10,295)</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ (10,295)</u> | <u>\$ (10,295)</u> | <u>\$ 44</u> | <u>\$ 10,339</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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 1,500 | \$ 1,500 | \$ 1,702 | \$ 202 |
| Total revenues | <u>1,500</u> | <u>1,500</u> | <u>1,702</u> | <u>202</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 2,410 | 2,410 | 2,561 | (151) |
| Total expenditures | <u>2,410</u> | <u>2,410</u> | <u>2,561</u> | <u>(151)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(910)</u> | <u>(910)</u> | <u>(859)</u> | <u>51</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 910 | 910 | - | (910) |
| Total other financing sources (uses) | <u>910</u> | <u>910</u> | <u>-</u> | <u>(910)</u> |
| Net change to fund balances | - | - | (859) | (859) |
| Fund balances, beginning of year | <u>18,998</u> | <u>18,998</u> | <u>18,998</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 18,998</u> | <u>\$ 18,998</u> | <u>\$ 18,139</u> | <u>\$ (859)</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, 2013

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Property taxes | <u>\$ 16,106</u> | <u>\$ 16,106</u> | <u>\$ 32,046</u> | <u>\$ 15,940</u> |
| Total revenues | <u>16,106</u> | <u>16,106</u> | <u>32,046</u> | <u>15,940</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | <u>16,106</u> | <u>16,106</u> | <u>6,242</u> | <u>9,864</u> |
| Total expenditures | <u>16,106</u> | <u>16,106</u> | <u>6,242</u> | <u>9,864</u> |
| Net change to fund balances | <u>-</u> | <u>-</u> | <u>25,804</u> | <u>25,804</u> |
| Fund balances, beginning of year | <u>43,315</u> | <u>43,315</u> | <u>43,315</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 43,315</u> | <u>\$ 43,315</u> | <u>\$ 69,119</u> | <u>\$ 25,804</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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|------------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 847 | \$ 847 | \$ 34,278 | \$ 33,431 |
| Total revenues | <u>847</u> | <u>847</u> | <u>34,278</u> | <u>33,431</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 8,262 | 8,262 | 5,031 | 3,231 |
| Total expenditures | <u>8,262</u> | <u>8,262</u> | <u>5,031</u> | <u>3,231</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(7,415)</u> | <u>(7,415)</u> | <u>29,247</u> | <u>36,662</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 7,415 | 7,415 | - | (7,415) |
| Total other financing sources (uses) | <u>7,415</u> | <u>7,415</u> | <u>-</u> | <u>(7,415)</u> |
| Net change to fund balances | - | - | 29,247 | 29,247 |
| Fund balances, beginning of year | <u>4,254</u> | <u>4,254</u> | <u>4,254</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 4,254</u> | <u>\$ 4,254</u> | <u>\$ 33,501</u> | <u>\$ 29,247</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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 6,062 | \$ 6,062 | \$ 57,273 | \$ 51,211 |
| Total revenues | <u>6,062</u> | <u>6,062</u> | <u>57,273</u> | <u>51,211</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 22,861 | 22,861 | 14,711 | 8,150 |
| Total expenditures | <u>22,861</u> | <u>22,861</u> | <u>14,711</u> | <u>8,150</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(16,799)</u> | <u>(16,799)</u> | <u>42,562</u> | <u>59,361</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 16,799 | 16,799 | - | (16,799) |
| Total other financing sources (uses) | <u>16,799</u> | <u>16,799</u> | <u>-</u> | <u>(16,799)</u> |
| Net change to fund balances | - | - | 42,562 | 42,562 |
| Fund balances, beginning of year | <u>17,707</u> | <u>17,707</u> | <u>17,707</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 17,707</u> | <u>\$ 17,707</u> | <u>\$ 60,269</u> | <u>\$ 42,562</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|-----------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 9,000 | \$ 9,000 | \$ 8,780 | \$ (220) |
| Total revenues | <u>9,000</u> | <u>9,000</u> | <u>8,780</u> | <u>(220)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 16,960 | 16,960 | 22,670 | (5,710) |
| Total expenditures | <u>16,960</u> | <u>16,960</u> | <u>22,670</u> | <u>(5,710)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(7,960)</u> | <u>(7,960)</u> | <u>(13,890)</u> | <u>(5,930)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 7,960 | 7,960 | 13,253 | 5,293 |
| Total other financing sources (uses) | <u>7,960</u> | <u>7,960</u> | <u>13,253</u> | <u>5,293</u> |
| Net change to fund balances | - | - | (637) | (637) |
| Fund balances, beginning of year | <u>317</u> | <u>317</u> | <u>317</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 317</u> | <u>\$ 317</u> | <u>\$ (320)</u> | <u>\$ (637)</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, 2013**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|----------------|---|
| Revenues: | | | | |
| Property taxes | <u>\$ 3,800</u> | <u>\$ 3,800</u> | <u>\$ -</u> | <u>\$ (3,800)</u> |
| Total revenues | <u>3,800</u> | <u>3,800</u> | <u>-</u> | <u>(3,800)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | <u>3,800</u> | <u>3,800</u> | <u>278</u> | <u>3,522</u> |
| Total expenditures | <u>3,800</u> | <u>3,800</u> | <u>278</u> | <u>3,522</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>(278)</u> | <u>(278)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>-</u> | <u>-</u> | <u>1,550</u> | <u>1,550</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>1,550</u> | <u>1,550</u> |
| Net change to fund balances | <u>-</u> | <u>-</u> | <u>1,272</u> | <u>1,272</u> |
| Fund balances, beginning of year | <u>(1,272)</u> | <u>(1,272)</u> | <u>(1,272)</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ (1,272)</u> | <u>\$ (1,272)</u> | <u>\$ -</u> | <u>\$ 1,272</u> |

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, 2013

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|-----------------|------------------|----------------------------------|
| Revenues: | | | | |
| Property taxes | \$ 2,476 | \$ 2,476 | \$ 7,752 | \$ 5,276 |
| Total revenues | <u>2,476</u> | <u>2,476</u> | <u>7,752</u> | <u>5,276</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 94 | 94 | 74 | 20 |
| Total expenditures | <u>94</u> | <u>94</u> | <u>74</u> | <u>20</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>2,382</u> | <u>2,382</u> | <u>7,678</u> | <u>5,296</u> |
| Other financing sources (uses): | | | | |
| Transfers in | 4,424 | 4,424 | - | (4,424) |
| Transfers out | (6,900) | (6,900) | - | 6,900 |
| Total other financing sources (uses) | <u>(2,476)</u> | <u>(2,476)</u> | <u>-</u> | <u>2,476</u> |
| Net change to fund balances | (94) | (94) | 7,678 | 7,772 |
| Fund balances, beginning of year | <u>8,678</u> | <u>8,678</u> | <u>8,678</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 8,584</u> | <u>\$ 8,584</u> | <u>\$ 16,356</u> | <u>\$ 7,772</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, 2013**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|------------------|---|
| Revenues: | | | | |
| Charges for services | \$ 100,000 | \$ 100,000 | \$ 277,377 | \$ 177,377 |
| Licenses and permits | <u>358,596</u> | <u>358,596</u> | <u>56,096</u> | <u>(302,500)</u> |
| Total revenues | <u>458,596</u> | <u>458,596</u> | <u>333,473</u> | <u>(125,123)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 133,266 | (133,266) |
| Development | <u>763,875</u> | <u>763,875</u> | <u>842,273</u> | <u>(78,398)</u> |
| Total expenditures | <u>763,875</u> | <u>763,875</u> | <u>975,539</u> | <u>(211,664)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(305,279)</u> | <u>(305,279)</u> | <u>(642,066)</u> | <u>(336,787)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>305,279</u> | <u>305,279</u> | <u>639,316</u> | <u>334,037</u> |
| Total other financing sources (uses) | <u>305,279</u> | <u>305,279</u> | <u>639,316</u> | <u>334,037</u> |
| Net change to fund balances | - | - | (2,750) | (2,750) |
| Fund balances, beginning of year | <u>2,750</u> | <u>2,750</u> | <u>2,750</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 2,750</u> | <u>\$ 2,750</u> | <u>\$ -</u> | <u>\$ (2,750)</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-----------------|-----------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 1,500 | \$ 1,500 | \$ 3,087 | \$ 1,587 |
| Total revenues | <u>1,500</u> | <u>1,500</u> | <u>3,087</u> | <u>1,587</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 1,500 | 1,500 | - | 1,500 |
| Total expenditures | <u>1,500</u> | <u>1,500</u> | <u>-</u> | <u>1,500</u> |
| Net change to fund balances | - | - | 3,087 | 3,087 |
| Fund balances, beginning of year | <u>699</u> | <u>699</u> | <u>699</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 699</u> | <u>\$ 699</u> | <u>\$ 3,786</u> | <u>\$ 3,087</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Miscellaneous | \$ 2,000 | \$ 2,000 | \$ 10,875 | \$ 8,875 |
| Total revenues | <u>2,000</u> | <u>2,000</u> | <u>10,875</u> | <u>8,875</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 2,000 | 2,000 | 2,486 | (486) |
| Total expenditures | <u>2,000</u> | <u>2,000</u> | <u>2,486</u> | <u>(486)</u> |
| Net change to fund balances | - | - | 8,389 | 8,389 |
| Fund balances, beginning of year | <u>13,407</u> | <u>13,407</u> | <u>13,407</u> | - |
| Fund balances, end of year | <u>\$ 13,407</u> | <u>\$ 13,407</u> | <u>\$ 21,796</u> | <u>\$ 8,389</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|--|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 101,000 | \$ 101,000 | \$ 112,083 | \$ 11,083 |
| Total revenues | <u>101,000</u> | <u>101,000</u> | <u>112,083</u> | <u>11,083</u> |
| Expenditures: | | | | |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>101,000</u> | <u>101,000</u> | <u>112,083</u> | <u>11,083</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>(101,000)</u> | <u>(101,000)</u> | <u>(122,715)</u> | <u>(21,715)</u> |
| Total other financing sources (uses) | <u>(101,000)</u> | <u>(101,000)</u> | <u>(122,715)</u> | <u>(21,715)</u> |
| Net change to fund balances | - | - | (10,632) | (10,632) |
| Fund balances, beginning of year | <u>10,632</u> | <u>10,632</u> | <u>10,632</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 10,632</u> | <u>\$ 10,632</u> | <u>\$ -</u> | <u>\$ (10,632)</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 9,500 | \$ 9,500 | \$ 100,000 | \$ 90,500 |
| Total revenues | <u>9,500</u> | <u>9,500</u> | <u>100,000</u> | <u>90,500</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 9,500 | 9,500 | 48,559 | (39,059) |
| Total expenditures | <u>9,500</u> | <u>9,500</u> | <u>48,559</u> | <u>(39,059)</u> |
| Net change to fund balances | - | - | 51,441 | 51,441 |
| Fund balances, beginning of year | <u>110,854</u> | <u>110,854</u> | <u>110,854</u> | - |
| Fund balances, end of year | <u>\$ 110,854</u> | <u>\$ 110,854</u> | <u>\$ 162,295</u> | <u>\$ 51,441</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, 2013**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Charges for services | <u>\$ 241,932</u> | <u>\$ 241,932</u> | <u>\$ 268,522</u> | <u>\$ 26,590</u> |
| Total revenues | <u>241,932</u> | <u>241,932</u> | <u>268,522</u> | <u>26,590</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | <u>747,985</u> | <u>747,985</u> | <u>774,876</u> | <u>(26,891)</u> |
| Total expenditures | <u>747,985</u> | <u>747,985</u> | <u>774,876</u> | <u>(26,891)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(506,053)</u> | <u>(506,053)</u> | <u>(506,354)</u> | <u>(301)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | <u>522,945</u> | <u>522,945</u> | <u>502,387</u> | <u>(20,558)</u> |
| Total other financing sources (uses) | <u>522,945</u> | <u>522,945</u> | <u>502,387</u> | <u>(20,558)</u> |
| Net change to fund balances | 16,892 | 16,892 | (3,967) | (20,859) |
| Fund balances, beginning of year | <u>(2,533)</u> | <u>(2,533)</u> | <u>(2,533)</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 14,359</u> | <u>\$ 14,359</u> | <u>\$ (6,500)</u> | <u>\$ (20,859)</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-----------------|------------------|----------------------------------|
| Revenues: | | | | |
| Miscellaneous | \$ 2,000 | \$ 2,000 | \$ 11,516 | \$ 9,516 |
| Total revenues | <u>2,000</u> | <u>2,000</u> | <u>11,516</u> | <u>9,516</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | 2,000 | 2,000 | 442 | 1,558 |
| Total expenditures | <u>2,000</u> | <u>2,000</u> | <u>442</u> | <u>1,558</u> |
| Net change to fund balances | - | - | 11,074 | 11,074 |
| Fund balances, beginning of year | <u>7,761</u> | <u>7,761</u> | <u>7,761</u> | - |
| Fund balances, end of year | <u>\$ 7,761</u> | <u>\$ 7,761</u> | <u>\$ 18,835</u> | <u>\$ 11,074</u> |

CITY OF SIERRA MADRE

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

Dog Park Special Revenue Fund

For the year ending June 30, 2013

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|----------------------------------|----------------------------|-------------------------|-----------------|---|
| Revenues: | | | | |
| Licenses and permits | <u>\$ 1,383</u> | <u>\$ 1,383</u> | <u>\$ -</u> | <u>\$ (1,383)</u> |
| Total revenues | <u>1,383</u> | <u>1,383</u> | <u>-</u> | <u>(1,383)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | <u>1,383</u> | <u>1,383</u> | <u>-</u> | <u>1,383</u> |
| Total expenditures | <u>1,383</u> | <u>1,383</u> | <u>-</u> | <u>1,383</u> |
| Net change to fund balances | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, beginning of year | <u>9,005</u> | <u>9,005</u> | <u>9,005</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 9,005</u> | <u>\$ 9,005</u> | <u>\$ 9,005</u> | <u>\$ -</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-----------------|------------------|----------------------------------|
| Revenues: | | | | |
| Charges for services | \$ 4,000 | \$ 4,000 | \$ 11,312 | \$ 7,312 |
| Intergovernmental | 154,295 | 154,295 | 171,507 | 17,212 |
| Total revenues | <u>158,295</u> | <u>158,295</u> | <u>182,819</u> | <u>24,524</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 158,295 | 158,295 | 154,469 | 3,826 |
| Total expenditures | <u>158,295</u> | <u>158,295</u> | <u>154,469</u> | <u>3,826</u> |
| Net change to fund balances | - | - | 28,350 | 28,350 |
| Fund balances, beginning of year | <u>82</u> | <u>82</u> | <u>82</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 82</u> | <u>\$ 82</u> | <u>\$ 28,432</u> | <u>\$ 28,350</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| Revenues: | | | | |
| Miscellaneous | \$ 65,000 | \$ 65,000 | \$ 49,578 | \$ (15,422) |
| Total revenues | <u>65,000</u> | <u>65,000</u> | <u>49,578</u> | <u>(15,422)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 10,000 | 10,000 | 10,000 | - |
| Total expenditures | <u>10,000</u> | <u>10,000</u> | <u>10,000</u> | <u>-</u> |
| Net change to fund balances | 55,000 | 55,000 | 39,578 | (15,422) |
| Fund balances, beginning of year | <u>(376,826)</u> | <u>(376,826)</u> | <u>(376,826)</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ (321,826)</u> | <u>\$ (321,826)</u> | <u>\$ (337,248)</u> | <u>\$ (15,422)</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| Revenues: | | | | |
| Miscellaneous | \$ 20,000 | \$ 20,000 | \$ 16,537 | \$ (3,463) |
| Total revenues | <u>20,000</u> | <u>20,000</u> | <u>16,537</u> | <u>(3,463)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 20,000 | 20,000 | 2,785 | 17,215 |
| Total expenditures | <u>20,000</u> | <u>20,000</u> | <u>2,785</u> | <u>17,215</u> |
| Net change to fund balances | - | - | 13,752 | 13,752 |
| Fund balances, beginning of year | <u>150,375</u> | <u>150,375</u> | <u>150,375</u> | - |
| Fund balances, end of year | <u>\$ 150,375</u> | <u>\$ 150,375</u> | <u>\$ 164,127</u> | <u>\$ 13,752</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Miscellaneous | \$ 7,250 | \$ 7,250 | \$ 6,640 | \$ (610) |
| Total revenues | <u>7,250</u> | <u>7,250</u> | <u>6,640</u> | <u>(610)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Culture and recreation | 7,250 | 7,250 | 17,303 | (10,053) |
| Total expenditures | <u>7,250</u> | <u>7,250</u> | <u>17,303</u> | <u>(10,053)</u> |
| Net change to fund balances | - | - | (10,663) | (10,663) |
| Fund balances, beginning of year | <u>93,857</u> | <u>93,857</u> | <u>93,857</u> | - |
| Fund balances, end of year | <u>\$ 93,857</u> | <u>\$ 93,857</u> | <u>\$ 83,194</u> | <u>\$ (10,663)</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|------------------|-------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 126,716 | \$ 126,716 | \$ 142,617 | \$ 15,901 |
| Total revenues | <u>126,716</u> | <u>126,716</u> | <u>142,617</u> | <u>15,901</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | - | - | 2,500 | (2,500) |
| Culture and recreation | <u>76,835</u> | <u>76,835</u> | <u>35,875</u> | <u>40,960</u> |
| Total expenditures | <u>76,835</u> | <u>76,835</u> | <u>38,375</u> | <u>38,460</u> |
| Net change to fund balances | 49,881 | 49,881 | 104,242 | 54,361 |
| Fund balances, beginning of year | <u>4,529</u> | <u>4,529</u> | <u>4,529</u> | - |
| Fund balances, end of year | <u>\$ 54,410</u> | <u>\$ 54,410</u> | <u>\$ 108,771</u> | <u>\$ 54,361</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 5,423 | \$ 5,423 | \$ - | \$ (5,423) |
| Total revenues | <u>5,423</u> | <u>5,423</u> | <u>-</u> | <u>(5,423)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 5,423 | 5,423 | 120 | 5,303 |
| Total expenditures | <u>5,423</u> | <u>5,423</u> | <u>120</u> | <u>5,303</u> |
| Net change to fund balances | - | - | (120) | (120) |
| Fund balances, beginning of year | <u>18,051</u> | <u>18,051</u> | <u>18,051</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 18,051</u> | <u>\$ 18,051</u> | <u>\$ 17,931</u> | <u>\$ (120)</u> |

CITY OF SIERRA MADRE

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

CDBG-Community Development Block Grants Special Revenue Fund

For the year ending June 30, 2013

| | Original Total Budget | Final Total Budget | Fiscal Activity | Variance with Final Budget |
|--|--------------------------|-----------------------|--------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 35,350 | \$ 35,350 | \$ 30,873 | \$ (4,477) |
| Total revenues | <u>35,350</u> | <u>35,350</u> | <u>30,873</u> | <u>(4,477)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 35,350 | 35,350 | 8,899 | 26,451 |
| Total expenditures | <u>35,350</u> | <u>35,350</u> | <u>8,899</u> | <u>26,451</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>21,974</u> | <u>21,974</u> |
| Other financing sources (uses): | | | | |
| Transfers out | - | - | (21,974) | (21,974) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(21,974)</u> | <u>(21,974)</u> |
| Net change to fund balances | - | - | - | - |
| Fund balances, beginning of year | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund balances, 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****Clear Air (AQMD) Special Revenue Fund****For the year ending June 30, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|------------------|------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 12,674 | \$ 12,674 | \$ 17,053 | \$ 4,379 |
| Total revenues | <u>12,674</u> | <u>12,674</u> | <u>17,053</u> | <u>4,379</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 12,674 | 12,674 | - | 12,674 |
| Total expenditures | <u>12,674</u> | <u>12,674</u> | <u>-</u> | <u>12,674</u> |
| Net change to fund balances | - | - | 17,053 | 17,053 |
| Fund balances, beginning of year | <u>57,415</u> | <u>57,415</u> | <u>57,415</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 57,415</u> | <u>\$ 57,415</u> | <u>\$ 74,468</u> | <u>\$ 17,053</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-----------------|-----------|----------------------------------|
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ 408 | \$ 408 |
| Licenses and permits | 66,000 | 66,000 | 95,093 | 29,093 |
| Total revenues | 66,000 | 66,000 | 95,501 | 29,501 |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 64,656 | 64,656 | 81,089 | (16,433) |
| Total expenditures | 64,656 | 64,656 | 81,089 | (16,433) |
| Net change to fund balances | 1,344 | 1,344 | 14,412 | 13,068 |
| Fund balances, beginning of year | 74,905 | 74,905 | 74,905 | - |
| Fund balances, end of year | \$ 76,249 | \$ 76,249 | \$ 89,317 | \$ 13,068 |

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, 2013**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Budget</u> |
|--|----------------------------|-------------------------|-------------------|---|
| Revenues: | | | | |
| Intergovernmental | <u>\$ 297,116</u> | <u>\$ 297,116</u> | <u>\$ 365,482</u> | <u>\$ 68,366</u> |
| Total revenues | <u>297,116</u> | <u>297,116</u> | <u>365,482</u> | <u>68,366</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | <u>295,498</u> | <u>295,498</u> | <u>229,512</u> | <u>65,986</u> |
| Total expenditures | <u>295,498</u> | <u>295,498</u> | <u>229,512</u> | <u>65,986</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,618</u> | <u>1,618</u> | <u>135,970</u> | <u>134,352</u> |
| Other financing sources (uses): | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>(39,776)</u> | <u>(39,776)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>(39,776)</u> | <u>(39,776)</u> |
| Net change to fund balances | 1,618 | 1,618 | 96,194 | 94,576 |
| Fund balances, beginning of year | <u>152,082</u> | <u>152,082</u> | <u>152,082</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 153,700</u> | <u>\$ 153,700</u> | <u>\$ 248,276</u> | <u>\$ 94,576</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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|--------------------|-------------------|-------------------|----------------------------------|
| Revenues: | | | | |
| Intergovernmental | \$ 160,000 | \$ 160,000 | \$ 106,567 | \$ (53,433) |
| Total revenues | <u>160,000</u> | <u>160,000</u> | <u>106,567</u> | <u>(53,433)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public works | 594,000 | 594,000 | - | 594,000 |
| Total expenditures | <u>594,000</u> | <u>594,000</u> | <u>-</u> | <u>594,000</u> |
| Net change to fund balances | (434,000) | (434,000) | 106,567 | 540,567 |
| Fund balances, beginning of year | <u>601,381</u> | <u>601,381</u> | <u>601,381</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 167,381</u> | <u>\$ 167,381</u> | <u>\$ 707,948</u> | <u>\$ 540,567</u> |

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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, 2013**

| | Original Budget | Final Budget | Actual | Variance with Final Budget |
|----------------------------------|---------------------|---------------------|---------------------|----------------------------------|
| Revenues: | | | | |
| Investment income | \$ 78,046 | \$ 78,046 | \$ - | \$ (78,046) |
| Total revenues | <u>78,046</u> | <u>78,046</u> | <u>-</u> | <u>(78,046)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government | - | - | 492,625 | (492,625) |
| Total expenditures | <u>-</u> | <u>-</u> | <u>492,625</u> | <u>(492,625)</u> |
| Net change to fund balances | 78,046 | 78,046 | (492,625) | (570,671) |
| Fund balances, beginning of year | <u>2,175,623</u> | <u>2,175,623</u> | <u>2,175,623</u> | <u>-</u> |
| Fund balances, end of year | <u>\$ 2,253,669</u> | <u>\$ 2,253,669</u> | <u>\$ 1,682,998</u> | <u>\$ (570,671)</u> |

CITY OF SIERRA MADRE
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2013

| | Special Strike Team Services | Aquatics | Recreation Classes |
|---|---------------------------------|------------------|--------------------|
| Assets: | | | |
| Current assets: | | | |
| Cash and investments | \$ 47,426 | \$ 20 | \$ 4,454 |
| Accounts receivable | - | 22,282 | - |
| Total current assets | <u>47,426</u> | <u>22,302</u> | <u>4,454</u> |
| Total assets | <u>47,426</u> | <u>22,302</u> | <u>4,454</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | - | 1,229 | 963 |
| Accrued payroll and related liabilities | 199 | - | 628 |
| Intergovernmental payable | - | 2,245 | - |
| Deposits and retentions | - | - | - |
| Compensated absences - current | - | - | 445 |
| Total current liabilities | <u>199</u> | <u>3,474</u> | <u>2,036</u> |
| Noncurrent liabilities: | | | |
| Compensated absences | - | - | 1,336 |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>1,336</u> |
| Total liabilities | <u>199</u> | <u>3,474</u> | <u>3,372</u> |
| Net Position: | | | |
| Unrestricted | 47,227 | 18,828 | 1,082 |
| Total net position | <u>\$ 47,227</u> | <u>\$ 18,828</u> | <u>\$ 1,082</u> |

| Special Events | Filming | Total Non-Major Enterprise Funds |
|----------------|------------------|-------------------------------------|
| \$ 10,971 | \$ 67,837 | \$ 130,708 |
| - | - | 22,282 |
| <u>10,971</u> | <u>67,837</u> | <u>152,990</u> |
| <u>10,971</u> | <u>67,837</u> | <u>152,990</u> |
| 6,576 | - | 8,768 |
| 2,036 | 4,065 | 6,928 |
| - | - | 2,245 |
| - | 6,168 | 6,168 |
| 445 | - | 890 |
| <u>9,057</u> | <u>10,233</u> | <u>24,999</u> |
| 1,336 | - | 2,672 |
| <u>1,336</u> | <u>-</u> | <u>2,672</u> |
| <u>10,393</u> | <u>10,233</u> | <u>27,671</u> |
| 578 | 57,604 | 125,319 |
| <u>\$ 578</u> | <u>\$ 57,604</u> | <u>\$ 125,319</u> |

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Non-Major Enterprise Funds
For the year ended June 30, 2013

| | Special Strike Team Services | Aquatics | Recreation Classes |
|---------------------------------|---------------------------------|------------------|--------------------|
| Operating revenues: | | | |
| Charges for services | \$ - | \$ 28,873 | \$ 69,149 |
| Licenses and permits | - | - | - |
| Total operating revenues | <u>-</u> | <u>28,873</u> | <u>69,149</u> |
| Operating expenses: | | | |
| Personnel services | 6,376 | - | 16,411 |
| Contractual services | - | - | 46,841 |
| Materials and supplies | - | - | - |
| Utilities | - | 28,873 | - |
| Maintenance and operation | - | - | 17,479 |
| Total operating expenses | <u>6,376</u> | <u>28,873</u> | <u>80,731</u> |
| Income (loss) before transfers | (6,376) | - | (11,582) |
| Transfers: | | | |
| Transfers in | - | - | 14,679 |
| Total transfers | <u>-</u> | <u>-</u> | <u>14,679</u> |
| Change in net position | (6,376) | - | 3,097 |
| Net position, beginning of year | <u>53,603</u> | <u>18,828</u> | <u>(2,015)</u> |
| Net position, end of year | <u>\$ 47,227</u> | <u>\$ 18,828</u> | <u>\$ 1,082</u> |

| <u>Special Events</u> | <u>Filming</u> | <u>Total Non-Major Enterprise Funds</u> |
|-----------------------|------------------|---|
| \$ 83,325 | \$ 36,450 | \$ 217,797 |
| - | 26,475 | 26,475 |
| <u>83,325</u> | <u>62,925</u> | <u>244,272</u> |
| 53,026 | 48,676 | 124,489 |
| 30,128 | - | 76,969 |
| 14,163 | - | 14,163 |
| - | - | 28,873 |
| <u>15,165</u> | <u>9,913</u> | <u>42,557</u> |
| <u>112,482</u> | <u>58,589</u> | <u>287,051</u> |
| (29,157) | 4,336 | (42,779) |
| 32,693 | - | 47,372 |
| <u>32,693</u> | <u>-</u> | <u>47,372</u> |
| 3,536 | 4,336 | 4,593 |
| <u>(2,958)</u> | <u>53,268</u> | <u>120,726</u> |
| <u>\$ 578</u> | <u>\$ 57,604</u> | <u>\$ 125,319</u> |

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2013

| | Special Strike Team Services | Aquatics | Recreation Classes |
|---|---------------------------------|-------------|-----------------------|
| Cash flows from operating activities: | | | |
| Receipts from customers and users | \$ - | \$ 11,337 | \$ 69,149 |
| Payments to suppliers | - | (29,286) | (63,911) |
| Payments to employees | (7,052) | (1,133) | (18,190) |
| Net cash provided (used) by operating activities | (7,052) | (19,082) | (12,952) |
| Cash flows from non-capital financing activities: | | | |
| Transfers from other funds | - | - | 14,679 |
| Net cash provided (used) by non-capital financing activities | - | - | 14,679 |
| Net increase (decrease) in cash and cash equivalents | (7,052) | (19,082) | 1,727 |
| Cash and investments: | | | |
| Beginning of year | 54,478 | 19,102 | 2,727 |
| End of year | \$ 47,426 | \$ 20 | \$ 4,454 |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ (6,376) | \$ - | \$ (11,582) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in accounts receivable | - | (19,781) | - |
| (Increase) decrease in prepaid expenses | - | - | - |
| Increase (decrease) in accounts payable | - | (413) | 409 |
| Increase (decrease) in accrued liabilities | (676) | (1,133) | (873) |
| Increase (decrease) in intergovernmental payable | - | 2,245 | - |
| Increase (decrease) in deposits payable | - | - | - |
| Increase (decrease) in compensated absences | - | - | (906) |
| Total adjustments | (676) | (19,082) | (1,370) |
| Net cash provided (used) by operating activities | \$ (7,052) | \$ (19,082) | \$ (12,952) |

| <u>Special Events</u> | <u>Filming</u> | <u>Total Non-Major Enterprise Funds</u> |
|-----------------------|------------------|---|
| \$ 83,325 | \$ 62,925 | \$ 226,736 |
| (52,315) | (10,965) | (156,477) |
| <u>(56,679)</u> | <u>(46,841)</u> | <u>(129,895)</u> |
| (25,669) | 5,119 | (59,636) |
| <u>32,693</u> | <u>-</u> | <u>47,372</u> |
| <u>32,693</u> | <u>-</u> | <u>47,372</u> |
| 7,024 | 5,119 | (12,264) |
| <u>3,947</u> | <u>62,718</u> | <u>142,972</u> |
| <u>\$ 10,971</u> | <u>\$ 67,837</u> | <u>\$ 130,708</u> |
| <u>\$ (29,157)</u> | <u>\$ 4,336</u> | <u>\$ (42,779)</u> |
| - | - | (19,781) |
| 1,501 | - | 1,501 |
| 5,640 | - | 5,636 |
| (925) | 2,393 | (1,214) |
| - | - | 2,245 |
| - | (1,052) | (1,052) |
| <u>(2,728)</u> | <u>(558)</u> | <u>(4,192)</u> |
| <u>3,488</u> | <u>783</u> | <u>(16,857)</u> |
| <u>\$ (25,669)</u> | <u>\$ 5,119</u> | <u>\$ (59,636)</u> |

CITY OF SIERRA MADRE
Combining Statement of Net Position
Internal Service Funds
June 30, 2013

| | Fleet | Facilities Management | Administration |
|---|---------------------|--------------------------|-------------------|
| Assets: | | | |
| Current assets: | | | |
| Cash and investments | \$ 519,067 | \$ 1,089,256 | \$ 452,618 |
| Total current assets | <u>519,067</u> | <u>1,089,256</u> | <u>452,618</u> |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Non-depreciable assets | - | 162,275,946 | - |
| Depreciable-net | 784,751 | 20,638,630 | 411,425 |
| Total noncurrent assets | <u>784,751</u> | <u>182,914,576</u> | <u>411,425</u> |
| Total assets | <u>1,303,818</u> | <u>184,003,832</u> | <u>864,043</u> |
| Liabilities: | | | |
| Current liabilities: | | | |
| Accounts payable | 4,245 | 31,468 | 4,574 |
| Accrued payroll and related liabilities | 3,291 | 5,860 | 16,630 |
| Interest payable | 1,269 | - | - |
| Claims payable - current | - | - | - |
| Compensated absences - current | 4,313 | 4,492 | 10,538 |
| Capital lease payable - current | 10,216 | - | - |
| Total current liabilities | <u>23,334</u> | <u>41,820</u> | <u>31,742</u> |
| Noncurrent liabilities: | | | |
| Claims payable | - | - | - |
| Compensated absences | 12,939 | 13,475 | 31,977 |
| Capital lease payable | 72,033 | - | - |
| Total noncurrent liabilities | <u>84,972</u> | <u>13,475</u> | <u>31,977</u> |
| Total liabilities | <u>108,306</u> | <u>55,295</u> | <u>63,719</u> |
| Net Position: | | | |
| Net investment in capital assets | 702,502 | 182,914,576 | 411,425 |
| Unrestricted | 493,010 | 1,033,961 | 388,899 |
| Total net position | <u>\$ 1,195,512</u> | <u>\$ 183,948,537</u> | <u>\$ 800,324</u> |

| Technology | Personnel and Risk Management | General Plan and Housing Update | Total Internal Service Funds |
|-------------------|-------------------------------------|------------------------------------|---------------------------------|
| \$ 423,762 | \$ 1,339,105 | \$ 229,881 | \$ 4,053,689 |
| <u>423,762</u> | <u>1,339,105</u> | <u>229,881</u> | <u>4,053,689</u> |
| - | - | - | 162,275,946 |
| - | - | - | 21,834,806 |
| - | - | - | 184,110,752 |
| <u>423,762</u> | <u>1,339,105</u> | <u>229,881</u> | <u>188,164,441</u> |
| 10,719 | 78,547 | - | 129,553 |
| 5,224 | 13,007 | - | 44,012 |
| - | - | - | 1,269 |
| - | 544,325 | - | 544,325 |
| 1,017 | 6,370 | - | 26,730 |
| - | - | - | 10,216 |
| <u>16,960</u> | <u>642,249</u> | <u>-</u> | <u>756,105</u> |
| - | 2,126,821 | - | 2,126,821 |
| 3,049 | 19,110 | - | 80,550 |
| - | - | - | 72,033 |
| <u>3,049</u> | <u>2,145,931</u> | <u>-</u> | <u>2,279,404</u> |
| <u>20,009</u> | <u>2,788,180</u> | <u>-</u> | <u>3,035,509</u> |
| - | - | - | 184,028,503 |
| 403,753 | (1,449,075) | 229,881 | 1,100,429 |
| <u>\$ 403,753</u> | <u>\$ (1,449,075)</u> | <u>\$ 229,881</u> | <u>\$ 185,128,932</u> |

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2013

| | Fleet | Facilities Management | Administration |
|--|---------------------|--------------------------|-------------------|
| Operating revenues: | | | |
| Charges for services | \$ 527,582 | \$ 819,570 | \$ 817,796 |
| Licenses and permits | - | - | - |
| Miscellaneous | - | - | 2,800 |
| Total operating revenues | <u>527,582</u> | <u>819,570</u> | <u>820,596</u> |
| Operating expenses: | | | |
| Personnel services | 86,857 | 159,875 | 441,648 |
| Contractual services | 27,637 | 114,067 | 60,783 |
| Materials and supplies | 61,570 | 33,396 | 51,355 |
| Insurance, claims and charges | - | - | 30,602 |
| Utilities | 118,494 | 258,162 | - |
| Maintenance and operation | 54,426 | 69,625 | - |
| Depreciation | 97,214 | 1,068,972 | 48,403 |
| Total operating expenses | <u>446,198</u> | <u>1,704,097</u> | <u>632,791</u> |
| Operating income (losses) | 81,384 | (884,527) | 187,805 |
| Nonoperating revenues (expenses): | | | |
| Use of money and property | 15,209 | - | - |
| Investment income | - | - | 21,761 |
| Interest expense | (1,269) | - | - |
| Total nonoperating revenues (expenses) | <u>13,940</u> | <u>-</u> | <u>21,761</u> |
| Income (loss) before transfers | 95,324 | (884,527) | 209,566 |
| Transfers: | | | |
| Transfer out | - | (46,455) | - |
| Total transfers | <u>-</u> | <u>(46,455)</u> | <u>-</u> |
| Change in net position | 95,324 | (930,982) | 209,566 |
| Net position, beginning of year, as restated | <u>1,100,188</u> | <u>184,879,519</u> | <u>590,758</u> |
| Net position, end of year | <u>\$ 1,195,512</u> | <u>\$ 183,948,537</u> | <u>\$ 800,324</u> |

| <u>Technology</u> | <u>Personnel and Risk Management</u> | <u>General Plan and Housing Update</u> | <u>Total Internal Service Funds</u> |
|-------------------|--|--|---|
| \$ 563,710 | \$ 1,155,917 | \$ - | \$ 3,884,575 |
| 15,857 | - | - | 15,857 |
| - | - | - | 2,800 |
| <u>579,567</u> | <u>1,155,917</u> | <u>-</u> | <u>3,903,232</u> |
| 148,835 | 367,056 | - | 1,204,271 |
| 146,669 | 271,465 | 27,829 | 648,450 |
| 101,669 | 12,332 | 4,367 | 264,689 |
| - | 1,188,700 | - | 1,219,302 |
| - | - | - | 376,656 |
| 21,775 | 60,000 | - | 205,826 |
| - | - | - | 1,214,589 |
| <u>418,948</u> | <u>1,899,553</u> | <u>32,196</u> | <u>5,133,783</u> |
| 160,619 | (743,636) | (32,196) | (1,230,551) |
| - | - | - | 15,209 |
| - | - | - | 21,761 |
| - | - | - | (1,269) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>35,701</u> |
| 160,619 | (743,636) | (32,196) | (1,194,850) |
| - | - | - | (46,455) |
| <u>-</u> | <u>-</u> | <u>-</u> | <u>(46,455)</u> |
| 160,619 | (743,636) | (32,196) | (1,241,305) |
| 243,134 | (705,439) | 262,077 | 186,370,237 |
| <u>\$ 403,753</u> | <u>\$ (1,449,075)</u> | <u>\$ 229,881</u> | <u>\$ 185,128,932</u> |

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2013

| | Fleet | Facilities Management | Administration |
|---|-------------------|--------------------------|-------------------|
| Cash flows from operating activities: | | | |
| Receipts from interfund services provided | \$ 527,582 | \$ 819,570 | \$ 820,596 |
| Other operating receipts | - | - | - |
| Payments to suppliers | (262,373) | (537,528) | (186,248) |
| Payments to employees | (85,282) | (155,096) | (445,764) |
| Net cash provided (used) by operating activities | <u>179,927</u> | <u>126,946</u> | <u>188,584</u> |
| Cash flows from non-capital financing activities: | | | |
| Transfers to other funds | - | (46,455) | - |
| Net cash provided (used) by non-capital financing activities | <u>-</u> | <u>(46,455)</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | |
| Proceeds from sales of capital assets | 15,209 | - | - |
| Principal paid | (9,765) | - | - |
| Interest paid | (4,260) | - | - |
| Net cash provided (used) by capital and related financing activities | <u>1,184</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities: | | | |
| Investment income | - | - | 21,761 |
| Net cash provided (used) by investing activities | <u>-</u> | <u>-</u> | <u>21,761</u> |
| Net increase (decrease) in cash and cash equivalents | 181,111 | 80,491 | 210,345 |
| Cash and investments: | | | |
| Beginning of year | <u>337,956</u> | <u>1,008,765</u> | <u>242,273</u> |
| End of year | <u>\$ 519,067</u> | <u>\$ 1,089,256</u> | <u>\$ 452,618</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | |
| Operating income (loss) | \$ 81,384 | \$ (884,527) | \$ 187,805 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | |
| Depreciation | 97,214 | 1,068,972 | 48,403 |
| Changes in assets and liabilities: | | | |
| (Increase) decrease in prepaid expenses | - | - | 439 |
| Increase (decrease) in accounts payable | (246) | (62,278) | (43,947) |
| Increase (decrease) in accrued liabilities | 13 | 566 | (4,385) |
| Increase (decrease) in claims payable | - | - | - |
| Increase (decrease) in compensated absences | 1,562 | 4,213 | 269 |
| Total adjustments | <u>98,543</u> | <u>1,011,473</u> | <u>779</u> |
| Net cash provided (used) by operating activities | <u>\$ 179,927</u> | <u>\$ 126,946</u> | <u>\$ 188,584</u> |

| <u>Technology</u> | <u>Personnel and Risk Management</u> | <u>General Plan and Housing Update</u> | <u>Total Internal Service Funds</u> |
|-------------------|--|--|---|
| \$ 579,567 | \$ 1,155,917 | \$ - | \$ 3,903,232 |
| - | - | - | - |
| (301,164) | (1,451,681) | (38,013) | (2,777,007) |
| (149,395) | 56,968 | - | (778,569) |
| <u>129,008</u> | <u>(238,796)</u> | <u>(38,013)</u> | <u>347,656</u> |
| - | - | - | (46,455) |
| - | - | - | (46,455) |
| - | - | - | 15,209 |
| - | - | - | (9,765) |
| - | - | - | (4,260) |
| - | - | - | 1,184 |
| - | - | - | 21,761 |
| - | - | - | 21,761 |
| 129,008 | (238,796) | (38,013) | 324,146 |
| <u>294,754</u> | <u>1,577,901</u> | <u>267,894</u> | <u>3,729,543</u> |
| <u>\$ 423,762</u> | <u>\$ 1,339,105</u> | <u>\$ 229,881</u> | <u>\$ 4,053,689</u> |
| <u>\$ 160,619</u> | <u>\$ (743,636)</u> | <u>\$ (32,196)</u> | <u>\$ (1,230,551)</u> |
| - | - | - | 1,214,589 |
| - | 1,489 | - | 1,928 |
| (31,051) | 79,327 | (5,817) | (64,012) |
| 1,453 | 9,581 | - | 7,228 |
| - | 402,230 | - | 402,230 |
| (2,013) | 12,213 | - | 16,244 |
| <u>(31,611)</u> | <u>504,840</u> | <u>(5,817)</u> | <u>1,578,207</u> |
| <u>\$ 129,008</u> | <u>\$ (238,796)</u> | <u>\$ (38,013)</u> | <u>\$ 347,656</u> |

CITY OF SIERRA MADRE
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

| | <u>Deposit Trust</u> | <u>Flexible Spending Account</u> | <u>Medical Insurance</u> | <u>Total Agency Funds</u> |
|---|----------------------|--------------------------------------|------------------------------|-------------------------------|
| Assets: | | | | |
| Cash and investments | \$ 3,196 | \$ 4,096 | \$ 23,941 | \$ 31,233 |
| Total assets | <u>\$ 3,196</u> | <u>\$ 4,096</u> | <u>\$ 23,941</u> | <u>\$ 31,233</u> |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ 23,941 | \$ 23,941 |
| Accrued payroll and related liabilities | - | 4,096 | - | 4,096 |
| Deposits and retentions | 3,196 | - | - | 3,196 |
| Total liabilities | <u>\$ 3,196</u> | <u>\$ 4,096</u> | <u>\$ 23,941</u> | <u>\$ 31,233</u> |

CITY OF SIERRA MADRE
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the year ended June 30, 2013

| | Balance at June 30, 2012 | Additions | Deletions | Balance at June 30, 2013 |
|---|-----------------------------|---------------------|-----------------------|-----------------------------|
| Deposit Trust | | | | |
| Assets: | | | | |
| Cash and investments | \$ 459 | \$ 2,737 | \$ - | \$ 3,196 |
| Total assets | <u>\$ 459</u> | <u>\$ 2,737</u> | <u>\$ -</u> | <u>\$ 3,196</u> |
| Liabilities: | | | | |
| Deposits and retentions | \$ 459 | \$ 2,737 | \$ - | \$ 3,196 |
| Total liabilities | <u>\$ 459</u> | <u>\$ 2,737</u> | <u>\$ -</u> | <u>\$ 3,196</u> |
| Flexible Spending Account | | | | |
| Assets: | | | | |
| Cash and investments | \$ 4,096 | \$ 39,318 | \$ (39,318) | \$ 4,096 |
| Total assets | <u>\$ 4,096</u> | <u>\$ 39,318</u> | <u>\$ (39,318)</u> | <u>\$ 4,096</u> |
| Liabilities: | | | | |
| Accrued payroll and related liabilities | \$ 4,096 | \$ 39,318 | \$ (39,318) | \$ 4,096 |
| Total liabilities | <u>\$ 4,096</u> | <u>\$ 39,318</u> | <u>\$ (39,318)</u> | <u>\$ 4,096</u> |
| Medical Insurance | | | | |
| Assets: | | | | |
| Cash and investments | \$ - | \$ 4,070,144 | \$ (4,046,203) | \$ 23,941 |
| Total assets | <u>\$ -</u> | <u>\$ 4,070,144</u> | <u>\$ (4,046,203)</u> | <u>\$ 23,941</u> |
| Liabilities: | | | | |
| Accounts payable | \$ (673) | \$ 9,065,638 | \$ (9,041,024) | \$ 23,941 |
| Accrued payroll and related liabilities | 673 | - | (673) | - |
| Total liabilities | <u>\$ -</u> | <u>\$ 9,065,638</u> | <u>\$ (9,041,697)</u> | <u>\$ 23,941</u> |

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City of Sierra Madre, California

Village of the Foothills



**Statistical Section
For the Year Ending
June 30, 2013**

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

| | Fiscal Year Ended June 30, | | | |
|--|-----------------------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 |
| Governmental activities: | | | | |
| 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 | 2,671,257 | 2,189,681 | 3,873,992 | 5,880,289 |
| Total governmental activities net position | \$ 195,641,848 | \$ 197,090,590 | \$ 197,707,547 | \$ 198,103,665 |
| Business-Type activities: | | | | |
| Net investment in capital assets | \$ 16,586,449 | \$ 14,818,105 | \$ 15,133,429 | \$ 16,526,965 |
| Restricted | - | - | - | - |
| Unrestricted | (897,008) | 8,030,762 | 6,734,062 | 6,338,095 |
| Total business-type activities net position | \$ 15,689,441 | \$ 22,848,867 | \$ 21,867,491 | \$ 22,865,060 |
| Primary government: | | | | |
| 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 | 1,774,249 | 10,220,443 | 10,608,054 | 12,218,384 |
| Total primary government net position | \$ 211,331,289 | \$ 219,939,457 | \$ 219,575,038 | \$ 220,968,725 |

The City of Sierra Madre implemented GASB 34 for the fiscal year ended June 30, 2005. Information prior to implementation of GASB 34 is not available.

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

*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

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

CITY OF SIERRA MADRE

Changes in Net Position

(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | |
|---|-----------------------------------|-----------------------|------------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 |
| Expenses: | | | | |
| 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> |
| Program revenues: | | | | |
| 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> |
| Net revenue/(expense): | | | | |
| 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> |

The City of Sierra Madre implemented GASB 34 for the fiscal year ended June 30, 2005. Information prior to implementation of GASB 34 is not available.

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

*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

| 2010 | 2011 | 2012 | 2013 |
|-----------------------|------------------------|------------------------|-----------------------|
| \$ 7,779,996 | \$ 3,495,144 | \$ 1,756,491 | \$ 2,350,968 |
| 4,380,352 | 5,504,146 | 5,243,664 | 5,240,506 |
| 884,015 | 1,756,538 | 2,669,022 | 1,311,100 |
| 375,842 | 1,738,918 | 998,147 | 874,469 |
| 1,444,584 | 1,392,657 | 1,695,105 | 1,449,653 |
| 156,125 | 181,711 | 95,211 | 8,241 |
| <u>15,020,914</u> | <u>14,069,114</u> | <u>12,457,640</u> | <u>11,234,937</u> |
| 3,399,076 | 3,442,699 | 3,806,990 | 3,980,084 |
| 856,702 | 951,566 | 927,102 | 1,022,868 |
| 493,509 | 503,796 | 306,613 | 115,980 |
| 89,909 | 37,462 | 168,546 | 112,482 |
| 47,529 | 46,681 | 70,275 | 58,589 |
| <u>4,886,725</u> | <u>4,982,204</u> | <u>5,279,526</u> | <u>5,290,003</u> |
| <u>\$ 19,907,639</u> | <u>\$ 19,051,318</u> | <u>\$ 17,737,166</u> | <u>\$ 16,524,940</u> |
| \$ 5,065,422 | \$ 2,390,204 | \$ 2,013,245 | \$ 2,512,450 |
| 757,868 | 957,136 | 1,331,720 | 992,239 |
| 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> |
| 4,173,073 | 4,379,502 | 4,090,554 | 4,525,723 |
| 248,500 | 29,619 | - | 316,930 |
| <u>4,421,573</u> | <u>4,409,121</u> | <u>4,090,554</u> | <u>4,842,653</u> |
| <u>\$ 10,293,091</u> | <u>\$ 8,765,297</u> | <u>\$ 7,486,861</u> | <u>\$ 8,347,342</u> |
| \$ (9,149,396) | \$ (9,712,938) | \$ (9,061,333) | \$ (7,730,248) |
| (465,152) | (573,083) | (1,188,972) | (447,350) |
| <u>\$ (9,614,548)</u> | <u>\$ (10,286,021)</u> | <u>\$ (10,250,305)</u> | <u>\$ (8,177,598)</u> |

CITY OF SIERRA MADRE

Changes in Net Position, (continued)

(accrual basis of accounting)

| | Fiscal Year Ended June 30, | | | |
|---|-----------------------------------|----------------------|----------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 |
| 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) | - | - | - | - |
| 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 | - |
| 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> |

The City of Sierra Madre implemented GASB 34 for the fiscal year ended June 30, 2005. Information prior to implementation of GASB 34 is not available.

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

*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

| 2010 | 2011 | 2012 | 2013 |
|---------------------|-----------------------|---------------------|---------------------|
| \$ 8,905,659 | \$ 8,437,401 | \$ 7,774,266 | \$ 7,739,306 |
| 231,953 | 54,370 | 16,405 | 21,761 |
| - | - | - | - |
| 369,848 | 65,294 | - | 15,209 |
| - | - | 1,499,139 | - |
| <u>(114,988)</u> | <u>(167,071)</u> | <u>(164,500)</u> | <u>(47,372)</u> |
| <u>9,392,472</u> | <u>8,389,994</u> | <u>9,125,310</u> | <u>7,728,904</u> |
| 38,667 | 11,044 | 2,827 | - |
| - | - | - | - |
| <u>114,988</u> | <u>167,071</u> | <u>164,500</u> | <u>47,372</u> |
| <u>153,655</u> | <u>178,115</u> | <u>167,327</u> | <u>47,372</u> |
| <u>\$ 9,546,127</u> | <u>\$ 8,568,109</u> | <u>\$ 9,292,637</u> | <u>\$ 7,776,276</u> |
| \$ 243,076 | \$ (1,322,944) | \$ 63,977 | \$ (1,344) |
| <u>(311,497)</u> | <u>(394,968)</u> | <u>(1,021,645)</u> | <u>(399,978)</u> |
| <u>\$ (68,421)</u> | <u>\$ (1,717,912)</u> | <u>\$ (957,668)</u> | <u>\$ (401,322)</u> |

CITY OF SIERRA MADRE

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

| | Fiscal Year Ended June 30, | | | |
|---|-----------------------------------|----------------------------|----------------------------|-----------------------------|
| | 2006 | 2007 | 2008 | 2009 |
| General fund: | | | | |
| Unreserved ⁽¹⁾ | \$ 2,371,490 | \$ 3,408,285 | \$ 3,841,994 | \$ 3,454,249 |
| Reserved ⁽¹⁾ | - | - | 300,000 | 490,000 |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total General Fund | <u>\$ 2,371,490</u> | <u>\$ 3,408,285</u> | <u>\$ 4,141,994</u> | <u>\$ 3,944,249</u> |
| All other governmental funds: | | | | |
| Reserved: ⁽¹⁾ | | | | |
| 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: ⁽¹⁾ | | | | |
| Special revenue funds | 300,579 | 871,674 | 568,536 | 1,580,312 |
| Non-spendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | - | - |
| Assigned | - | - | - | - |
| Unassigned | - | - | - | - |
| Total all other governmental funds | <u>\$ 5,107,735</u> | <u>\$ 5,511,870</u> | <u>\$ 5,542,539</u> | <u>\$ 6,116,978</u> |
| Total all governmental funds | <u>\$ 7,479,225</u> | <u>\$ 8,920,155</u> | <u>\$ 9,684,533</u> | <u>\$ 10,061,227</u> |

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

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

*Note: Sewer was moved from Government activities to Business-Type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

| 2010 | 2011 | 2012 | 2013 |
|--------------|--------------|--------------|--------------|
| \$ 4,246,065 | \$ - | \$ - | \$ - |
| 890,000 | - | - | - |
| - | 800,000 | 250,000 | 635,000 |
| - | - | 3,989,683 | 4,400,416 |
| - | 4,721,717 | 870,761 | 900,121 |
| \$ 5,136,065 | \$ 5,521,717 | \$ 5,110,444 | \$ 5,935,537 |

| | | | |
|---------------|---------------|--------------|--------------|
| \$ 2,528,671 | \$ - | \$ - | \$ - |
| 1,682,998 | - | - | - |
| 469,927 | - | - | - |
| 2,040,378 | - | - | - |
| - | 401,575 | - | - |
| - | 1,682,998 | 1,682,998 | 1,682,998 |
| - | 5,863,012 | 888,909 | 1,658,115 |
| - | 854,020 | 1,453,098 | 981,304 |
| - | (2,902,573) | (395,035) | (344,327) |
| \$ 6,721,974 | \$ 5,899,032 | \$ 3,629,970 | \$ 3,978,090 |
| \$ 11,858,039 | \$ 11,420,749 | \$ 8,740,414 | \$ 9,913,627 |

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 |
| 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) | - | - | - | - |
| 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> |

The City of Sierra Madre implemented GASB 34 for the fiscal year ended June 30, 2005. Information prior to implementation of GASB 34 is not available.

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

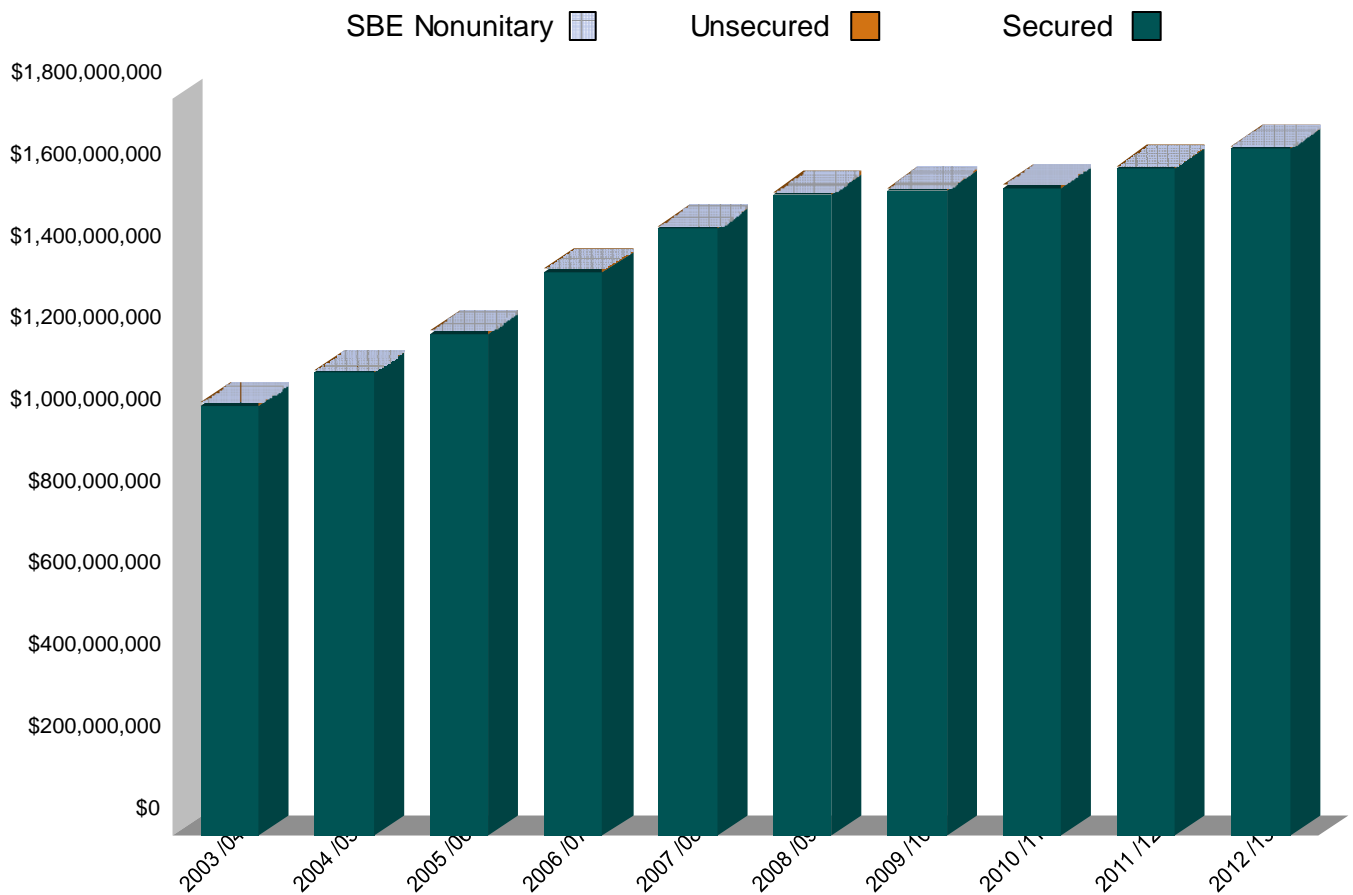
*Note: Sewer was moved from governmental activities to business-type activities in fiscal year ending June 30, 2006.

Fiscal Year Ended June 30,

| 2009 | 2010 | 2011 | 2012 | 2013 |
|----------------------|----------------------|----------------------|---------------------|---------------------|
| \$ 8,198,847 | \$ 8,905,659 | \$ 8,437,444 | \$ 6,744,348 | \$ 7,627,223 |
| 545,968 | 658,809 | 616,947 | 595,203 | 897,281 |
| 3,042,552 | 757,869 | 1,965,972 | 2,249,029 | 1,065,088 |
| 847,977 | 854,492 | 1,221,741 | 1,160,456 | 1,131,957 |
| 189,677 | 189,899 | 235,260 | 237,702 | 328,707 |
| 278,739 | 170,391 | 49,439 | 10,571 | - |
| 188,538 | 153,766 | 316,214 | 184,835 | 163,313 |
| <u>13,292,298</u> | <u>11,690,885</u> | <u>12,843,017</u> | <u>11,182,144</u> | <u>11,213,569</u> |
| 2,664,527 | 3,091,208 | 1,444,497 | 2,107,607 | 1,921,278 |
| 6,698,070 | 4,380,352 | 5,504,146 | 5,081,731 | 5,074,457 |
| 805,897 | 884,016 | 1,756,537 | 2,210,897 | 794,165 |
| 431,174 | 375,842 | 1,132,604 | 1,259,802 | 842,273 |
| 1,231,928 | 1,444,583 | 1,392,657 | 1,540,117 | 1,284,435 |
| 225,000 | 235,000 | 302,998 | 315,581 | 63,385 |
| 171,288 | 160,125 | 181,711 | 101,461 | 27,656 |
| 615,364 | 574,064 | 1,553,968 | 95,735 | 31,790 |
| <u>12,843,248</u> | <u>11,145,190</u> | <u>13,269,118</u> | <u>12,712,931</u> | <u>10,039,439</u> |
| 449,050 | 545,695 | (426,101) | (1,530,787) | 1,174,130 |
| - | - | 65,294 | - | - |
| - | 725,402 | - | - | - |
| 3,869,613 | 1,950,479 | 3,590,490 | 2,839,400 | 1,376,732 |
| (3,789,486) | (1,403,676) | (3,579,472) | (3,011,231) | (1,377,649) |
| <u>80,127</u> | <u>1,272,205</u> | <u>76,312</u> | <u>(171,831)</u> | <u>(917)</u> |
| - | - | - | (1,085,861) | - |
| 529,177 | 1,817,900 | (349,789) | (2,788,479) | 1,173,213 |
| 9,532,050 | 10,040,139 | 11,770,538 | 11,528,893 | 8,740,414 |
| <u>\$ 10,061,227</u> | <u>\$ 11,858,039</u> | <u>\$ 11,420,749</u> | <u>\$ 8,740,414</u> | <u>\$ 9,913,627</u> |

CITY OF SIERRA MADRE
NET TAXABLE ASSESSED VALUE HISTORY
Ten Year Summary of Taxable Property Values

| Lien Year | Secured | Unsecured | SBE Nonunitary | Net Total AV | % Change |
|-----------|-----------------|-------------|----------------|---------------|----------|
| 2003/04 | \$1,053,121,132 | \$5,500,537 | \$0 | 1,058,621,669 | 8.70% |
| 2004/05 | \$1,131,410,893 | \$7,258,551 | \$0 | 1,138,669,444 | 7.56% |
| 2005/06 | \$1,227,432,645 | \$7,336,999 | \$0 | 1,234,769,644 | 8.44% |
| 2006/07 | \$1,378,030,002 | \$7,311,177 | \$0 | 1,385,341,179 | 12.19% |
| 2007/08 | \$1,483,664,282 | \$6,993,385 | \$0 | 1,490,657,667 | 7.60% |
| 2008/09 | \$1,566,226,436 | \$7,021,368 | \$0 | 1,573,247,804 | 5.54% |
| 2009/10 | \$1,577,313,340 | \$6,881,054 | \$0 | 1,584,194,394 | 0.70% |
| 2010/11 | \$1,583,612,942 | \$6,823,278 | \$0 | 1,590,436,220 | 0.39% |
| 2011/12 | \$1,630,651,019 | \$6,990,234 | \$0 | 1,637,641,253 | 2.97% |
| 2012/13 | \$1,679,729,590 | \$6,711,328 | \$0 | 1,686,440,918 | 2.98% |



Data Source: L. A. County Assessor 0/ - 2012/13 Combined Tax Rolls

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

CITY OF SIERRA MADRE
ASSESSED VALUE OF TAXABLE PROPERTY
Ten Year Summary of Taxable Property Values

| Category | 2003/04 | 2004/05 | 2005/06 | 2006/07 | 2007/08 | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Residential | 999,145,746 | 1,073,523,989 | 1,166,416,663 | 1,295,572,193 | 1,391,361,479 | 1,469,859,412 | 1,469,610,878 | 1,482,410,204 | 1,522,225,014 | 1,569,368,492 |
| Commercial | 25,502,034 | 27,757,457 | 28,988,463 | 34,892,478 | 38,120,509 | 44,106,361 | 47,818,195 | 47,606,368 | 47,274,344 | 50,519,744 |
| Industrial | 5,316,160 | 5,415,393 | 5,523,681 | 5,663,629 | 5,776,878 | 7,240,625 | 7,385,414 | 7,447,664 | 7,503,723 | 7,653,776 |
| Govt. Owned | | 337,926 | 144,405 | 498,870 | 508,845 | 519,020 | 156,306 | 155,935 | 157,109 | 542,759 |
| Institutional | 5,902,831 | 3,147,875 | 2,251,162 | 2,296,184 | 2,342,105 | 2,388,942 | 2,436,717 | 2,430,940 | 6,669,589 | 3,943,818 |
| Irrigated | | 3,603,931 | 3,676,009 | | | | | | | |
| Recreational | 947,074 | 964,751 | 984,042 | 579,793 | 591,386 | 603,211 | 615,272 | 613,810 | 618,428 | 1,647,693 |
| Vacant | 14,452,441 | 11,784,290 | 14,485,379 | 33,464,760 | 43,044,306 | 39,531,555 | 47,752,008 | 41,417,109 | 44,660,373 | 44,480,022 |
| SBE Nonunitary | 0 | 0 | 0 | 0 | 0 | 0 | | | | |
| Cross Reference | 1,854,846 | 4,875,281 | 4,962,841 | 5,062,095 | 1,918,774 | 1,977,310 | 1,538,550 | 1,530,912 | 1,542,439 | 1,573,286 |
| Unsecured | 5,500,537 | 7,258,551 | 7,336,999 | 7,311,177 | 6,993,385 | 7,021,368 | 6,881,054 | 6,823,278 | 6,990,234 | 6,711,328 |
| Exempt | [4,425,339] | [4,425,339] | [4,425,339] | [4,268,753] | [4,224,002] | [3,601,786] | [3,605,034] | [3,605,034] | [3,605,034] | [3,605,034] |
| TOTALS | 1,058,621,669 | 1,138,669,444 | 1,234,769,644 | 1,385,341,179 | 1,490,657,667 | 1,573,247,804 | 1,584,194,394 | 1,590,436,220 | 1,637,641,253 | 1,686,440,918 |
| Total Direct Rate | 0.27529 | 0.27615 | 0.28023 | 0.28118 | 0.28220 | 0.28474 | 0.28501 | 0.28519 | 0.28433 | 0.28214 |

Notes:
Exempt values are not included in Total.

In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Data Source: L. A. County Assessor 2003/04 - 2012/13 Combined Tax Rolls

Prepared On 8/26/2013 By NEC

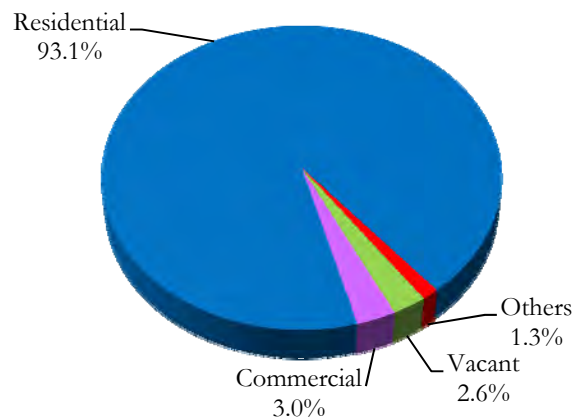
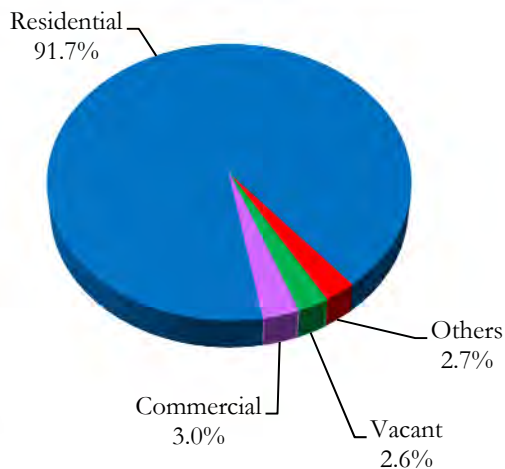
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**CITY OF SIERRA MADRE
2012/13 USE CATEGORY SUMMARY
Basic Property Value Table**

| Category | Parcels | Assessed Value | Net Taxable Value |
|-----------------|--------------|-------------------------|-------------------------|
| Residential | 3,721 | \$1,571,142,044 (91.7%) | \$1,569,369,492 (93.1%) |
| Commercial | 120 | \$51,265,318 (3.0%) | \$50,519,744 (3.0%) |
| Industrial | 22 | \$7,563,776 (0.4%) | \$7,653,776 (0.5%) |
| Vacant | 221 | \$45,314,186 (2.6%) | \$44,480,022 (2.6%) |
| Govt. Owned | 2 | \$542,759 (0.0%) | \$542,759 (0.0%) |
| Institutional | 21 | \$24,150,199 (1.4%) | \$3,943,818 (0.2%) |
| Recreational | 3 | \$1,647,693 (0.1%) | \$1,647,693 (0.1%) |
| Exempt | 96 | \$3,605,034 (0.2%) | \$0 (0.0%) |
| Cross Reference | [2] | \$1,573,286 (0.1%) | \$1,573,286 (0.1%) |
| Unsecured | [258] | \$6,716,328 (0.4%) | \$6,711,328 (0.4%) |
| TOTALS | 4,206 | \$1,713,610,623 | \$1,686,440,918 |

ASSESSED VALUE

NET TAXABLE VALUE

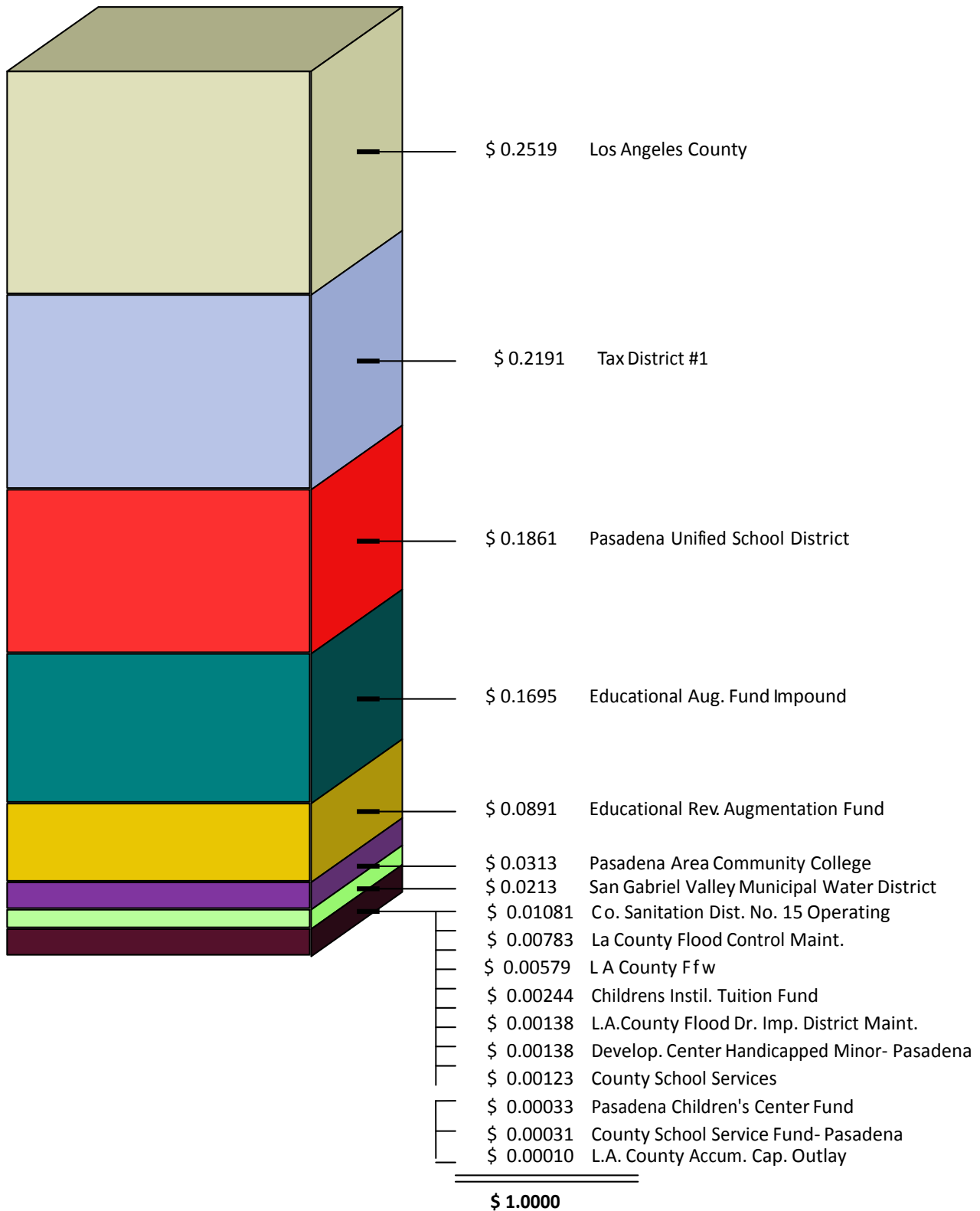


Data Source: L. A. County Assessor 2012/13 Combined Tax Rolls

Prepared On 8/26/2013 By NEC

This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

**CITY OF SIERRA MADRE
2012/13 PROPERTY TAX DOLLAR BREAKDOWN**



ATI (Annual Tax Increment) Ratios for Tax Rate Area 07516, Excluding Redevelopment Factors & Additional Debt Service

Data Source: L. A. County Assessor 2012/13 Annual Tax Increment Tables

Prepared On 8/26/2013 By NEC

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**CITY OF SIERRA MADRE
2012/13 CITY ROLL SUMMARY
Taxable Property Values**

| | Secured | Nonunitary Utilities | Unsecured |
|-------------------------|------------------------|-----------------------------|--------------------|
| Parcels | 4,110 | 0 | 258 |
| TRAs | 9 | 0 | 5 |
| Values | | | |
| Land | 1,051,959,569 | 0 | 0 |
| Improvements | 650,645,910 | 0 | 0 |
| Personal Property | 428,124 | 0 | 4,132,710 |
| Fixtures | 255,658 | 0 | 2,583,618 |
| Aircraft | 0 | 0 | 0 |
| Total Value | \$1,703,289,261 | \$0 | \$6,716,328 |
| Exemptions | | | |
| Real Estate | 23,183,171 | 0 | 0 |
| Personal Property | 353,200 | 0 | 5,000 |
| Fixtures | 23,300 | 0 | 0 |
| Aircraft | 0 | 0 | 0 |
| Homeowners* | 17,152,800 | 0 | 0 |
| Total Exemptions | \$23,559,671 | \$0 | \$5,000 |
| Total Net Value | \$1,679,729,590 | \$0 | \$6,711,328 |

| Combined Values | Total |
|-------------------------|------------------------|
| Total Values | \$1,710,005,589 |
| Total Exemptions | \$23,564,671 |
| Net Total Values | \$1,686,440,918 |

* Note: Homeowner Exemptions are not included in Total Exemptions

Data Source: L. A. County Assessor 2012/13 Combined Tax Rolls
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL, Coren & Cone

Prepared On 8/26/2013 By NEC

CITY OF SIERRA MADRE
2012/13 TOP TEN PROPERTY TAXPAYERS
Top Property Owners Based on Net Values

| Owner | Secured | | | Unsecured | | | Combined | | Primary Use & Primary Agency |
|--|---------|-----------------|-------------|-----------|-------------|-------------|-----------------|-------------|--------------------------------|
| | Parcels | Value | % of Net AV | Parcels | Value | % of Net AV | Value | % of Net AV | |
| 1) CETT MADRE LIMITED | 24 | \$12,031,651 | 0.72% | | | | \$12,031,651 | 0.71% | Vacant TD #1 |
| 2) ONE CARTER LLC | 3 | \$10,970,150 | 0.65% | | | | \$10,970,150 | 0.65% | Vacant TD #1 |
| 3) GINKGO STONEHOUSE II | 4 | \$8,683,817 | 0.52% | | | | \$8,683,817 | 0.51% | Vacant TD #1 |
| 4) CITY OF SIERRA MADRE/SENIOR HOUSING | 4 | \$6,819,930 | 0.41% | | | | \$6,819,930 | 0.40% | Residential TD #1 |
| 5) BARBERA FAMILY LP | 3 | \$4,913,131 | 0.29% | | | | \$4,913,131 | 0.29% | Residential TD #1 |
| 6) WILLIAM L. SULLIVAN FAMILY TRUST | 9 | \$4,267,748 | 0.25% | | | | \$4,267,748 | 0.25% | Residential TD #1 |
| 7) MONTECITO DEVELOPMENT GROUP | 3 | \$4,200,000 | 0.25% | | | | \$4,200,000 | 0.25% | Commercial Successor Agency |
| 8) MB EQUITY LLC | 2 | \$3,996,651 | 0.24% | | | | \$3,996,651 | 0.24% | Residential TD #1 |
| 9) WILLIAM AND MARIE SULLIVAN | 6 | \$3,665,198 | 0.22% | | | | \$3,665,198 | 0.22% | Industrial Successor Agency |
| 10) TIME WARNER NY CABLE (Pending Appeals On Parcels) | 1 | \$1,367,461 | 0.08% | 3 | \$1,997,388 | 29.76% | \$3,364,849 | 0.20% | Unsecured TD #1 |
| Top Ten Total | 59 | \$60,915,737 | 3.63% | 3 | \$1,997,388 | 29.76% | \$62,913,125 | 3.73% | |
| City Total | | \$1,679,729,590 | | | \$6,711,328 | | \$1,686,440,918 | | |

Top Owners last edited on 7/24/13 by nicholecusing sales through 06/30/13

Data Source: L. A. County Assessor 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll
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Prepared On 8/26/2013 By NEC

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CITY OF SIERRA MADRE
2003/04 TOP TEN PROPERTY TAX PAYERS
Top Property Owners Based on Net Values

| Owner | Secured | | | Unsecured | | | Combined | | Primary Use & Primary Agency |
|--|---------|-----------------|-------------|-----------|-------------|-------------|-----------------|-------------|-----------------------------------|
| | Parcels | Value | % of Net AV | Parcels | Value | % of Net AV | Value | % of Net AV | |
| 1) MARANATHA HIGH SCHOOL (Pending Appeals On Parcels) | 6 | \$6,034,319 | 0.57% | | | | \$6,034,319 | 0.57% | Vacant TD #1 |
| 2) BARBERA FAMILY LIMITED PARTNERSHIP | 3 | \$4,251,692 | 0.40% | | | | \$4,251,692 | 0.40% | Residential TD #1 |
| 3) RENAISSANCE PLAZA LLC | 2 | \$2,292,840 | 0.22% | | | | \$2,292,840 | 0.22% | Commercial Successor Agency |
| 4) IVAN V. AND BARBARA R. OVIEDO | 3 | \$2,241,815 | 0.21% | | | | \$2,241,815 | 0.21% | Residential TD #1 |
| 5) DAVID O. HOWARD | 3 | \$1,904,176 | 0.18% | | | | \$1,904,176 | 0.18% | Residential TD #1 |
| 6) DAN A. AND CAROLE J. DOHLEN | 2 | \$1,784,869 | 0.17% | | | | \$1,784,869 | 0.17% | Residential TD #1 |
| 7) JACK PARMETER | 4 | \$1,748,167 | 0.17% | | | | \$1,748,167 | 0.17% | Residential TD #1 |
| 8) FRANK AND SUSAN LIN | 1 | \$1,740,380 | 0.17% | | | | \$1,740,380 | 0.16% | Residential TD #1 |
| 9) SIERRA MADRE SKILLED NURSING FACILITY | 2 | \$1,712,301 | 0.16% | | | | \$1,712,301 | 0.16% | Institutional Successor Agency |
| 10) ERNEST M. CAMACHO | 2 | \$1,698,190 | 0.16% | | | | \$1,698,190 | 0.16% | Residential TD #1 |
| Top Ten Total | 28 | \$25,408,749 | 2.41% | 0 | \$0 | 0.00% | \$25,408,749 | 2.40% | |
| City Total | | \$1,053,121,132 | | | \$5,500,537 | | \$1,058,621,669 | | |

Top Owners last edited on 6/19/13 by maheav using sales through 6/30/04 (Version th.0)

Data Source: L. A. County Assessor 2012/13 Combined Tax Rolls and the SBE Non Unitary Tax Roll
This report is not to be used in support of debt issuance or continuing disclosure statements without the written consent of HdL. Coren & Cone

Prepared On 8/26/2013 By MV

CITY OF SIERRA MADRE
Ratios of Outstanding Debt by Type

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

⁽¹⁾ 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 six years of data for this schedule.

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

Business-type Activities

| 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 |

CITY OF SIERRA MADRE
Pledged Revenue Coverage

| Fiscal Year Ended June 30, | Governmental Activities | | | |
|-------------------------------|------------------------------|--------------|------------|----------|
| | Tax Increment ⁽¹⁾ | 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 ⁽²⁾ | 1,128,402 | 225,000 | 171,288 | 2.85 |
| 2010 ⁽³⁾ | 697,666 | 235,000 | 160,125 | 1.77 |
| 2011 ⁽⁴⁾ | 1,174,727 | 245,000 | 148,125 | 2.99 |
| 2012 ⁽⁵⁾ | 1,249,669 | 255,000 | 156,042 | 3.04 |
| 2013 ⁽⁶⁾ | 555,072 | 270,000 | 120,187 | 1.42 |

⁽¹⁾ Tax increment figures are net of related pass-through payments.

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

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

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

⁽⁵⁾ 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.

⁽⁶⁾ 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.

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

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 | Operating Expenses | Operating Income | 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 | 2,719,354 | 200,694 | 320,000 | 526,387 | 0.24 |
| 2011 | 3,155,645 | 2,751,540 | 404,105 | 335,000 | 528,267 | 0.47 |
| 2012 | 3,038,056 | 2,760,709 | 277,347 | 350,000 | 492,665 | 0.33 |
| 2013 | 3,558,161 | 2,925,171 | 632,990 | 370,000 | 477,178 | 0.75 |

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

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

**CITY OF SIERRA MADRE
DIRECT & OVERLAPPING PROPERTY TAX RATES
(RATE PER \$100 OF TAXABLE VALUE)
Nine Year Summary**

Fiscal Year Ending June 30,

| Agency | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|---------|
| Basic Levy¹ | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 | 1.00000 |
| Arcadia Unified | 0.03004 | 0.02908 | 0.02746 | 0.02831 | 0.08086 | 0.07911 | 0.07561 | 0.07456 | 0.07691 | 0.07670 |
| County Detention Facilities 1987 Debt | 0.00099 | 0.00092 | 0.00080 | 0.00066 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| La County Flood Control | 0.00046 | 0.00025 | 0.00005 | 0.00005 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Pasadena Ccd Ds 2002, 2006 Sr D | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00225 |
| Pasadena Community College Dist | 0.00681 | 0.00879 | 0.00410 | 0.02080 | 0.01972 | 0.01742 | 0.02300 | 0.01986 | 0.01956 | 0.01830 |
| Pasadena Unified School Dist | 0.08890 | 0.08631 | 0.10991 | 0.11717 | 0.05491 | 0.06375 | 0.10836 | 0.10195 | 0.11120 | 0.11403 |
| San Gabriel Vly Mwd State Water Bond | 0.02200 | 0.02000 | 0.02000 | 0.02000 | 0.02000 | 0.01800 | 0.01800 | 0.01800 | 0.01800 | 0.01800 |
| Sierra Madre Lighting | 0.30902 | 0.30902 | 0.30902 | 0.30902 | 0.30902 | 0.30902 | 0.30902 | 0.30902 | 0.30902 | 0.30902 |
| Total Direct & Overlapping² Tax Rates | 1.45824 | 1.45437 | 1.47134 | 1.49602 | 1.48451 | 1.48730 | 1.53400 | 1.52340 | 1.53470 | 1.53832 |
| City's Share of 1% Levy Per Prop 13³ | 0.21911 | 0.21911 | 0.21911 | 0.21911 | 0.21911 | 0.21911 | 0.21911 | 0.21911 | 0.21911 | 0.21911 |
| General Obligation Debt Rate | | | | | | | | | | |
| Redevelopment Rate⁴ | 1.02345 | 1.02117 | 1.02084 | 1.02072 | 1.02000 | 1.01800 | 1.01800 | 1.01800 | 1.01800 | |
| Total Direct Rate⁵ | 0.27529 | 0.27615 | 0.28023 | 0.28118 | 0.28220 | 0.28474 | 0.28501 | 0.28519 | 0.28433 | 0.28214 |

Notes:

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

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

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

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

⁵ Because basic and debt rates vary by tax rate area individual rates cannot be summed. The Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

Data Source: L. A. County Assessor 2003/04 - 2012/13 Tax Rate Table

Prepared On 8/26/2013 By NEC

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**CITY OF SIERRA MADRE
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2013**

| Overlapping Debt | Gross Bonded Debt Balance | Percent Applicable To City | Net Bonded Debt |
|---|--------------------------------------|---------------------------------------|------------------------|
| 812.51 PASADENA CCD DS 2006 SERIES B | 46,100,000 | 2.677 | 1,234,155 |
| 812.52 PASADENA CCD DS 2006 REFUNDING BOND SERIES C | 5,315,367 | 2.677 | 142,299 |
| 812.53 PASADENA CCD DS 2002, 2006 SER D | 26,505,000 | 2.677 | 709,572 |
| 812.54 PASADENA CCD 2002, 2009 SERIES E (BABS) | 25,295,000 | 2.677 | 677,179 |
| 817.51 ARCADIA UNIFIED DS 1993 SERIES A | 4,600,085 | 0.356 | 16,380 |
| 817.53 ARCADIA UNIFIED DS 1993 SERIES C | 1,160,498 | 0.356 | 4,132 |
| 817.54 ARCADIA UNIFIED DS REF. BONDS 1993 2005 SERIES A | 3,060,000 | 0.356 | 10,896 |
| 817.55 ARCADIA UNIFIED DS 2006 SERIES A | 158,930,423 | 0.356 | 565,920 |
| 909.54 PASADENA USD DS 2004 REF. BONDS | 37,800,000 | 5.501 | 2,079,284 |
| 909.55 PASADENA USD DS 2005 REF. BONDS | 104,680,000 | 5.501 | 5,758,185 |
| 909.56 PASADENA USD DS 2008 SERIES 2009 | 24,680,000 | 5.501 | 1,357,585 |
| 909.57 PASADENA USD 2008 SERIES 2009A-2 BABS | 84,680,000 | 5.501 | 4,658,035 |
| 909.58 PASADENA USD DS 2008 SERIES 2012 | 119,735,000 | 5.501 | 6,586,323 |

3

Total Overlapping Debt

23,799,947

2012/13 Assessed Valuation: \$1,546,722,683 After Deducting \$139,718,235 Incremental Value

| | | |
|----------------------------------|-------------------|--------------|
| Debt To Assess Valuation Ratios: | Direct Debt | 0.00% |
| | Overlapping Debt | 1.54% |
| | Total Debt | 1.54% |

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

**CITY OF SIERRA MADRE
DIRECT & OVERLAPPING DEBT AS OF JUNE 30, 2004**

| Overlapping Debt | | Rate Only Applies to | Gross Bonded Debt Balance | Percent Applicable To City | Net Bonded Debt |
|---|--|-------------------------|------------------------------|-------------------------------|--------------------|
| 001.53 | LA CO DETENTION FACILITIES 1987 DEBT SVC | | 23,470,000 | 0.155 | 46,338 |
| 030.60 | LA CO FLD CTRL STORM DR BONDS NO 4 DS | Land, Impr. | 5,600,000 | 0.164 | 16,415 |
| 030.61 | LA CO FLD CTRL REF BONDS 1993 DEBT SVC | Land, Impr. | 555,000 | 0.164 | 1,372 |
| 812.04 | PASADENA AREA COM COL DIS 2002 SER A DS | | 31,150,000 | 2.738 | 903,265 |
| 817.51 | ARCADIA UNIF SD 1993 SER A DS | | 10,835,712 | 0.381 | 42,236 |
| 817.52 | ARCADIA UNIF SD 1993 SER B DS | | 5,020,000 | 0.381 | 19,087 |
| 817.53 | ARCADIA UNIF DS 1993 SER C DS | | 3,504,263 | 0.381 | 14,178 |
| 909.03 | PASADENA UNIFIED SD 1997 SER D DS | | 70,000,000 | 5.651 | 2,408,442 |
| 909.50 | PASADENA UNIFIED SD 1997 SER A DS | | 40,585,000 | 5.651 | 2,492,959 |
| 909.51 | PASADENA UNIFIED SD 1997 SER B DS | | 42,105,000 | 5.651 | 3,837,001 |
| 909.52 | PASADENA UNIFIED SD 1997 SER C DS | | 65,360,000 | 5.651 | 3,970,583 |
| Total Overlapping Debt | | | | | 13,295,672 |
| 2003/04 Assessed Valuation: \$977,935,202 After Deducting \$80,686,467 Incremental Value. | | | | | |
| Debt To Assessed Valuation Ratios: | | Direct Debt | 0.00% | | |
| | | Overlapping Debt | 1.36% | | |
| | | Total Debt | 1.36% | | |

This report reflects debt which is being repaid through voter-approved property tax indebtedness. It excludes mortgage revenue, tax allocation bonds, interim financing obligations, non-bonded capital lease obligations, and certificates of participation, unless provided by the city.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

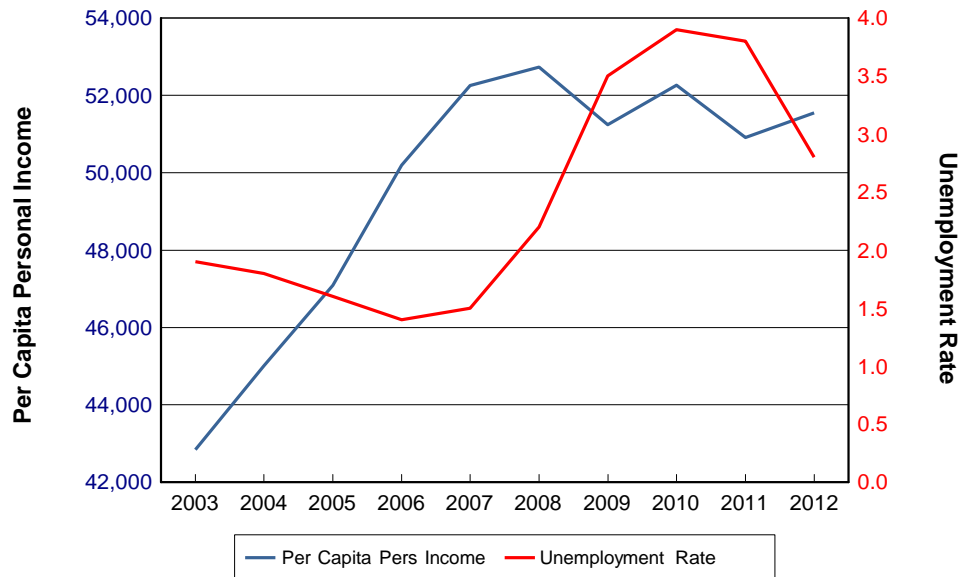
Data Source: HdL Coren & Cone, L. A. County Assessor and Auditor Combined 2003/04 Lien Date Tax Rolls
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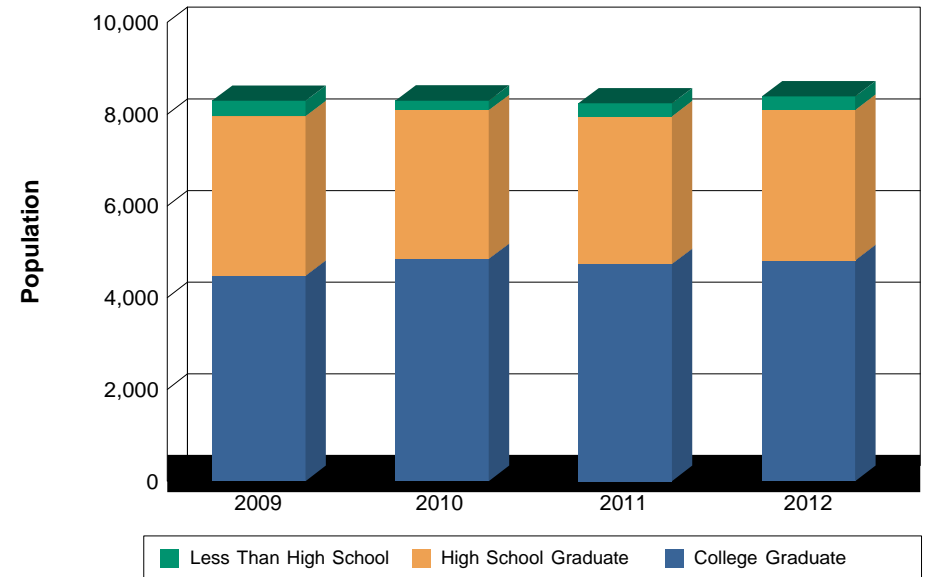
**CITY OF SIERRA MADRE
DEMOGRAPHIC AND ECONOMIC STATISTICS**

| Calendar Year | Population | Personal Income (In Thousands) | Per Capita Personal Income | Unemployment Rate | Median Age | % of Pop 25+ with High School Degree | % of Pop 25+ with Bachelor's Degree |
|---------------|------------|--------------------------------|----------------------------|-------------------|------------|--------------------------------------|-------------------------------------|
| 2002 | 10,846 | \$453,349 | \$41,799 | 1.9% | | | |
| 2003 | 10,952 | \$469,167 | \$42,839 | 1.9% | | | |
| 2004 | 11,032 | \$496,488 | \$45,004 | 1.8% | | | |
| 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% |

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



Notes and Data Sources:

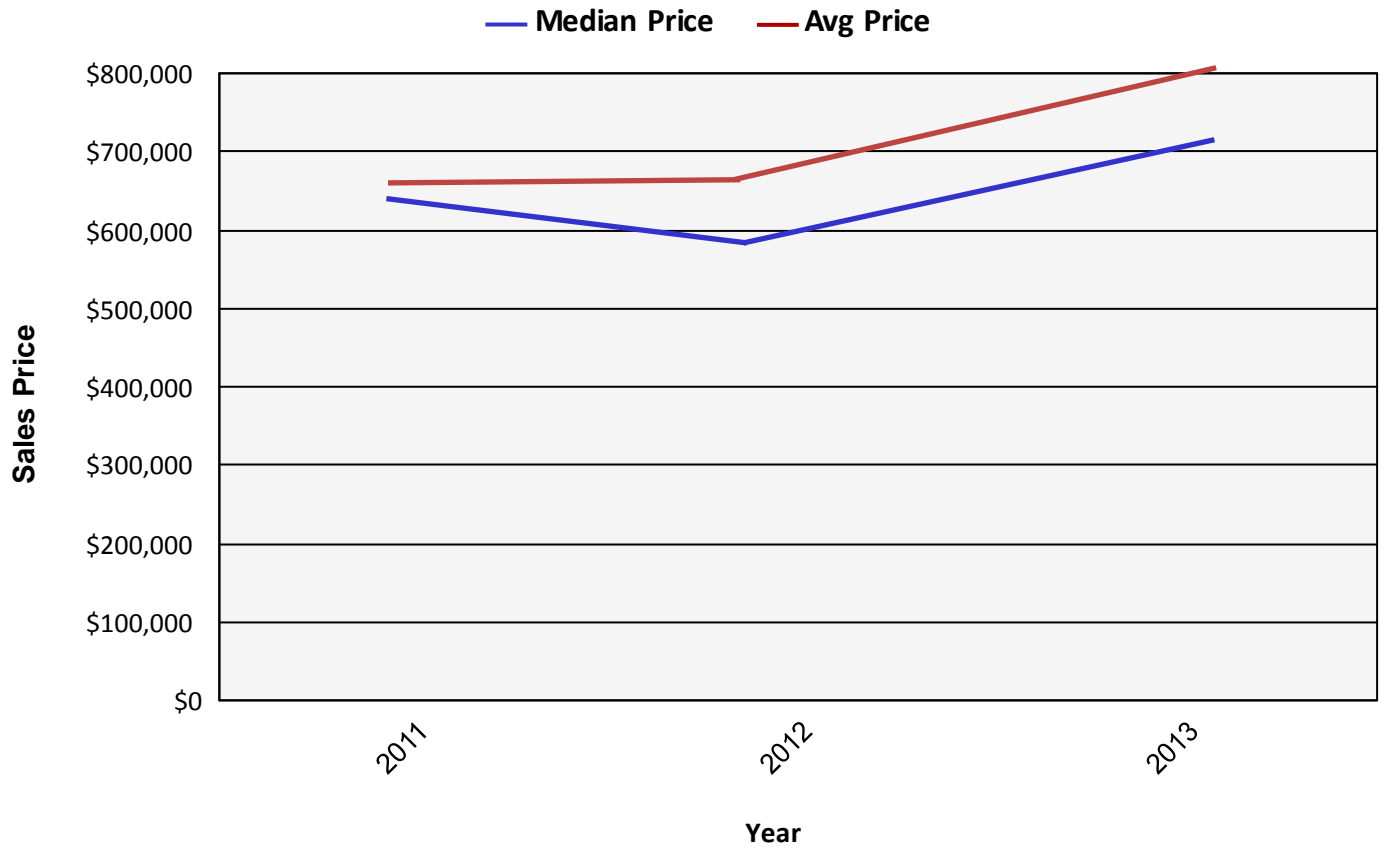
Population: California State Department of Finance. Unemployment Data: California Employment Development Department 2000-2009 Income, Age, and Education Data: ESRI - *Demographic Estimates are based on the last available Census*. Projections are developed by incorporating all of the prior census data released to date. Demographic Data is totaled from Census Block Groups that overlap the City's boundaries 2010 and later - Income, Age and Education Data - US Census Bureau, most recent American Community Survey

CITY OF SIERRA MADRE

SALES VALUE HISTORY

Single Family Residential Full Value Sales (01/01/2011 – 07/31/2013)

| Year | Full Value Sales | Average Price | Median Price | Median % Change |
|------|------------------|---------------|--------------|-----------------|
| 2011 | 110 | \$664,477 | \$634,500 | |
| 2012 | 131 | \$665,069 | \$590,000 | -7.01% |
| 2013 | 99 | \$804,490 | \$715,000 | 21.19% |



*Sales not included in the analysis are quitclaim deeds, trust transfers, timeshares, and partial sales.

Data Source: L. A. County Recorder

Prepared On 8/26/2013 By NEC

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CITY OF SIERRA MADRE
TAXABLE SALES BY CATEGORY
Ten Year Summary (in thousands of dollars)

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|----------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Apparel Stores | \$ 305 | \$ 750 | \$ 942 | \$ 1,025 | \$ 903 | \$ 842 | \$ 635 | \$ 621 | \$ 661 | \$ 382 |
| Eating and Drinking Places | 4,212 | 4,193 | 5,611 | 6,677 | 7,434 | 7,815 | 7,559 | 7,378 | 8,151 | 7,955 |
| Other Retail Stores | 7,497 | 8,274 | 8,058 | 10,583 | 12,083 | 12,104 | 10,388 | 9,889 | 10,367 | 9,842 |
| All Other Outlets | <u>10,548</u> | <u>11,352</u> | <u>12,250</u> | <u>11,761</u> | <u>9,342</u> | <u>10,576</u> | <u>7,726</u> | <u>7,009</u> | <u>7,367</u> | <u>7,269</u> |
| Total | <u>\$ 22,562</u> | <u>\$ 24,569</u> | <u>\$ 26,860</u> | <u>\$ 30,046</u> | <u>\$ 29,762</u> | <u>\$ 31,336</u> | <u>\$ 26,308</u> | <u>\$ 24,897</u> | <u>\$ 26,546</u> | <u>\$ 25,448</u> |

Source: State of California Board of Equalization and The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

**CITY OF SIERRA MADRE
TOP 25 SALES TAX PRODUCERS
Fiscal Year 2012/13**

| Business Name | Business Category |
|------------------------------------|----------------------------|
| Arnolds Frontier Hardware | Hardware Store |
| Berdahl Dental Laboratory Inc. | Light Industrial/Printers |
| Best Buy Chemical & Supply Co. | Non-Store Retailer |
| Bottle Shop | Package Liquor Stores |
| Buccaneer Lounge | Restaurants Liquor |
| Casa Del Rey | Restaurants Beer And Wine |
| Corfu Restaurant | Restaurants Liquor |
| Happys Liquor | Package Liquor Stores |
| Ixora Ltd | Florist Shops |
| Lenora Moss | Florist Shops |
| Lingo Industrial Electronics | Heavy Industrial |
| Lucky Baldwins Delirium Cafe | Restaurants Beer And Wine |
| Moes Unocal | Auto Repair Shops |
| Only Place In Town Inc. | Restaurants Beer And Wine |
| Sierra | Service Stations |
| Sierra Madre Congregational Church | Business Services |
| Sierra Madre Gas Square Inc | Service Station |
| Sierra Madre Ind Honda Serv | Repair Shop/Equip. Rentals |
| Sierra Madre Pizza Co. | Restaurants No Alcohol |
| Sierra Madre Valero, Inc. | Service Stations |
| Starbucks. | Restaurants No Alcohol |
| Taco Fiesta Inc | Restaurants No Alcohol |
| Ugos Fine Foods, Inc. | Restaurants No Alcohol |
| Village Pizzeria | Restaurants No Alcohol |
| Wistaria Restaurant & Bar, Inc | Restaurants Liquor |

Percent of Fiscal Year Total Paid By Top 25 Accounts = 78.23%

* Firms Listed Alphabetically
Period: April 2012 Thru March 2013

Source: Hinderliter, de Llamas & Associates, State Board of Equalization

Printed 06/28/2013

CITY OF SIERRA MADRE
TOP 25 SALES TAX PRODUCERS
Fiscal Year 2003/04

| Business Name | Business Category |
|-----------------------------------|-------------------------------|
| Arnold's Hardware And Gift | Hardware Stores |
| Baldwin Jewelers | Jewelry Stores |
| Bean Town | Restaurants No Alcohol |
| Berdahl Dental Laboratory, Inc | Light Industrial/Printers |
| Bottle Shop | Package Liquor Stores |
| Buccaneer Lounge | Restaurants Liquor |
| Charlotte's Fine Jewelry | Jewelry Stores |
| Corfu | Restaurants No Alcohol |
| Dominos Pizza | Food Stores Non-Grocery |
| Flowers By Nobee | Florist Shops |
| High Quality Auto Service | Service Stations |
| Highlander Jr Market & Liquor | Package Liquor Stores |
| Hollinhurst Printing & Advertisin | Repair Shop/Hand Tool Rentals |
| Howie's Ranch Market | Grocery Stores Liquor |
| Leonora Moss | Florist Shops |
| Level Control Systems Inc | Electrical Equipment |
| Lingo Industrial Electronics | Heavy Industrial |
| Moes Unocal | Auto Repair Shops |
| Only Place In Town, Inc | Restaurants Beer And Wine |
| Sierra Custom Kitchens Baths & De | Home Furnishings |
| Sierra Glass & Mirrors Inc | Paint/Glass/Wallpaper |
| Sierra Madre Brewing Company 2 | Restaurants Beer And Wine |
| Starbucks | Restaurants No Alcohol |
| Village Pizzeria & Deli | Restaurants No Alcohol |
| Weber Design | Personal Service-No Liquor |

Percent of Fiscal Year Total Paid By Top 25 Accounts = 71.83%

* Firms Listed Alphabetically
 Period: April 2003 Thru March 2004

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 |
| General Government | 9 | 8 | 8 | 8 | 8 | 8 | 8 | 9 |
| Public Safety | | | | | | | | |
| Police | | | | | | | | |
| Officers | 17 | 17 | 17 | 17 | 18 | 18 | 18 | 16 |
| Civilians | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 4 |
| Fire | | | | | | | | |
| Full-Time | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 4 |
| Public Works | 20 | 20 | 21 | 21 | 20 | 20 | 20 | 19 |
| Development | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| Culture and Recreation | 9 | 10 | 10 | 10 | 10 | 10 | 10 | 9 |
| Total | 67 | 67 | 68 | 68 | 68 | 68 | 68 | 64 |

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

CITY OF SIERRA MADRE
Operating Indicators by Function

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

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

⁽¹⁾ Aquatics contracted out beginning FY 2012-2013

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

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

| | Fiscal Year Ended June 30, | | | | | | | |
|--------------------------------|----------------------------|--------|--------|---------|---------|---------|---------|--------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
| Library | | | | | | | | |
| Number of: | | | | | | | | |
| Registered borrowers | 13,308 | 13,968 | 10,942 | 10,970 | 11,162 | 11,292 | 11,994 | 13,044 |
| Circulation | 101,461 | 81,879 | 90,985 | 101,513 | 107,535 | 111,384 | 105,121 | 86,829 |
| Reference | 6,947 | 7,208 | 5,823 | 5,707 | 6,682 | 7,781 | 6,705 | 5,663 |
| Book volumes held | 61,150 | 61,515 | 59,037 | 59,540 | 58,956 | 56,415 | 55,845 | 51,681 |
| User's of E-Resources | 14,155 | 15,226 | 14,104 | 12,762 | 14,288 | 13,962 | 13,312 | 13,844 |
| Media | 4,486 | 4,688 | 4,982 | 4,940 | 5,381 | 5,301 | 5,323 | 5,512 |
| Periodicals | 106 | 115 | 115 | 108 | 119 | 115 | 115 | 109 |
| Municipal Utilities | | | | | | | | |
| Number of: | | | | | | | | |
| Number of Customers | | | | | | | | |
| Commercial | n/a | 105 | 106 | 110 | 111 | 110 | 111 | 112 |
| Multi-Unit | n/a | 353 | 353 | 351 | 356 | 354 | 356 | 353 |
| Residential | n/a | 3,136 | 3,184 | 3,198 | 3,312 | 3,284 | 3,255 | 3,280 |
| City | n/a | 75 | 75 | 75 | 75 | 75 | 75 | 63 |
| Water Served (cubic feet) | 947 | 1,051 | 1,146 | 956 | 1,010 | 1,086 | 1,212 | 1,232 |
| Administrative Services | | | | | | | | |
| Number of: | | | | | | | | |
| Number of Customers | | | | | | | | |
| Online Bill Pay (average) | n/a | n/a | n/a | n/a | n/a | n/a | 155 | 131 |
| Business Licenses Issued | n/a | 1,180 | 1,200 | 1,266 | 1,275 | 1,288 | 1,232 | 1,360 |
| Development Services | | | | | | | | |
| Number of: | | | | | | | | |
| Conditional Use Permit | | 18 | 5 | 2 | 7 | 5 | 13 | 5 |
| Minor Conditional Use Permit | | 6 | 8 | 5 | 5 | 3 | 2 | 5 |
| Variance | | 4 | 7 | 4 | 4 | 2 | 4 | 1 |
| Minor Variance | | 8 | 3 | 5 | 5 | - | - | 3 |
| Municipal Code Text Amendment | | 5 | 4 | 1 | 1 | 3 | 2 | 3 |
| Building Permit | | 302 | 242 | 245 | 125 | 242 | 304 | 278 |
| Electrical Permit | | 187 | 123 | 132 | 86 | 57 | 81 | 165 |
| Mechanical Permit | | 111 | 188 | 75 | 22 | 36 | 38 | 110 |
| Plumbing Permit | | 184 | 133 | 104 | 45 | 49 | 59 | 161 |
| Sewer | | 18 | 8 | 9 | 2 | 6 | 13 | 25 |

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

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) | | | |
| Total | | \$ 233,889,449 | \$ 216,622,513 | \$ 216,493,335 |

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

| Fiscal Year Ended June 30, | | | |
|-----------------------------------|-----------------------|-----------------------|-----------------------|
| 2010 | 2011 | 2012 | 2013 |
| \$ 15,364,491 | \$ 14,523,998 | \$ 13,686,599 | \$ 12,858,351 |
| 72,630 | 65,713 | 58,796 | 51,878 |
| 172,614 | 164,767 | 156,919 | 149,072 |
| | 73,317 | 167,586 | 162,738 |
| 1,206,214 | 1,206,214 | 1,206,214 | 1,206,214 |
| 838,654 | 811,157 | 783,660 | 756,163 |
| 2,973,215 | 2,875,733 | 2,778,250 | 2,680,768 |
| 1,225,146 | 1,192,386 | 1,159,626 | 1,126,865 |
| 1,648,780 | 1,594,721 | 1,540,663 | 1,486,605 |
| 14,295 | - | - | - |
| 3,742,074 | 3,559,533 | 3,376,993 | 3,511,413 |
| 349,101 | 332,864 | 316,626 | 300,389 |
| 205,186 | 195,177 | 185,168 | 175,159 |
| 824,424 | 784,209 | 743,993 | 703,777 |
| 14,399,392 | 14,195,770 | 13,992,147 | 13,788,524 |
| 168,365 | 160,152 | 151,939 | 143,726 |
| 168,365 | 160,152 | 151,939 | 143,726 |
| 7,050,994 | 6,825,034 | 6,599,074 | 6,373,114 |
| 1,483,250 | 1,483,250 | 1,483,250 | 1,483,250 |
| 162,275,945 | 162,275,945 | 162,275,946 | 162,275,946 |
| 27,081 | 20,780 | 14,820 | 10,360 |
| 3,841 | 404,918 | 404,918 | 341,205 |
| 270,108 | 794,752 | 740,834 | 686,766 |
| 1,021,846 | 980,860 | 881,965 | 784,751 |
| 369,848 | 484,029 | 459,827 | 411,425 |
| \$ 215,875,857 | \$ 215,165,429 | \$ 213,317,751 | \$ 211,612,185 |