



Comprehensive Annual Financial Report

City of Sierra Madre, California

For the Fiscal Year Ended

June 30, 2017

Comprehensive Annual Financial Report

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City of Sierra Madre, California

For the Fiscal Year Ended June 30, 2017



Prepared by the Finance Department

Marcie Medina, Finance Director/Assistant City Manager

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

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January 31, 2017

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

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

It is our pleasure to present the City of Sierra Madre's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2017. This report has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as set forth in the pronouncements of the Governmental Accounting Standards Board (GASB). GASB has the primary responsibility for determining accounting and financial reporting standards for state and local government entities.

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

The City of Sierra Madre's financial statements have been audited by *Rogers, Anderson, Malody & Scott, LLP*, Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Sierra Madre for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City of Sierra Madre's financial statements for the fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report. GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Sierra Madre's MD&A can be found immediately following the report of the independent auditors.

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

City Profile

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

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

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

The City provides a full range of municipal services including: police and fire services, the construction and maintenance of streets and related infrastructure, recreational activities and other community services, a public library, municipal utilities such as water and sewer. Volunteers are an integral part the City organization and community service clubs.

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

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

Economic Condition and Outlook

The City is a full service municipality operating with a \$24 million budget that funds 63 full-time employees assigned to nine operating departments and includes its own water and sewer utilities. The City's primary goal is to provide services to its residents and businesses. As in all service industries, personnel expense is the primary business cost. For more than a decade the City of Sierra Madre had maintained expenditures under the available resources, but this has not always been easy. Like most governments since the recent recession, Sierra Madre has received relatively flat revenues despite increases in insurance, pension, and other cost drivers. In order to provide a balanced budget, the City expenditures have had to be re-benchmarked lower each budget year to remain aligned with incoming revenues. In addition to the impacts of the five year recession, in FY 2011-2012, the State dissolved redevelopment and the General Fund was faced with absorbing most of these costs.

The City faced yet another challenge in FY 2015-2016. The Utility User Tax (UUT) rate decreased by 2% on July 1, 2015 due to the 2008 UUT sunset clause. The 2008 initiative called for a reduction of the UUT rate from 10% to 8% on July 1, 2015 and another reduction from 8% to 6% on July 1, 2016. The UUT is the City's second largest General Fund revenue source. (Property Taxes are the largest General Fund revenue source.) In April 2016, the voters approved a new UUT measure to increase the UUT back to 10% effective July 1, 2016 without a sunset clause. This increase provides for ongoing services but does not provide additional revenues for the increasing costs of operations.

Over the years, various cost reductions were achieved by staff reorganizations, staff reductions, and service level reductions. This resulted in the delay of some projects and programs. In FY 2016-2017, the City continued cost reductions but also focused on increasing or maintaining its revenues.

Over the last decade, the Los Angeles and California housing economy experienced the 2004 housing boom and the 2008 housing market crash. During the economic downturn, unlike most of Los Angeles County, Sierra Madre's housing market, while not experiencing great gains did not have negative growth. The City experienced a net taxable increase in value of 5.2% for the 2016-17 tax roll, which is slightly less than the countywide 6 % increase.

The median sale price of a single family home in Sierra Madre for 2017 was \$1,060,000. This represents a \$130,000 (14%) increase in median sale price from 2016. Los Angeles County (as a whole) has a median sale price of \$585,000, a \$68,000 (13%) increase from last year.

Major Accomplishments for the Year:

- Fully staffed Sierra Madre Police Department.
- Improved community communication with social media, Nixle, E-Newsletter Village View.
- Negotiated Field Use Memorandum of Understanding with local youth sports organizations.
- Zero based budget process and reorganization resulted in reduction of budget expenditures by \$1 million.
- Completed the Library Facility Master Plan.
- Increased programming in the Library and the Senior Center.
- Negotiated a field use agreement between community sports organizations.
- Continue the reduction of water consumption across all City-owned Parks and Facilities water accounts for a total of over 30%.
- Utilized recently completed ADA audit to prioritize and address access deficiencies at various sidewalk locations and pathway around Sierra Vista Park playground area.
- Coordination of the CDBG funding program to make ADA improvements to playground surfaces at Memorial and Sierra Vista Park.
- Continued water conservation programs, including monitoring and enforcement of City-adopted and state regulations.
- Resumed groundwater production.
- Replaced 1,500' of water main on N. Michillinda Ave.
- Completed Water System Master Plan including a hydraulic model to highlight water system deficiencies and priorities system improvement.

Relevant Financial Policies

On June 13, 2017, the City Council adopted the Budget, which includes a comprehensive set of financial policies and procedures. It is established that the budget should be adopted on an annual basis prior to the beginning of the budget cycle. The budgets are adopted on a basis that does not materially differ from Generally Accepted Accounting Principles (GAAP).

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

Independent Audit

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

Acknowledgements

The preparation and publication of this report is made possible through the dedication of the entire Finance Department staff and the many departments that assist in its preparation. This report would also not have been

possible without the City Council's leadership in conducting the financial operations and corresponding financial disclosures of the City in an open, public and transparent manner.

Respectfully submitted,



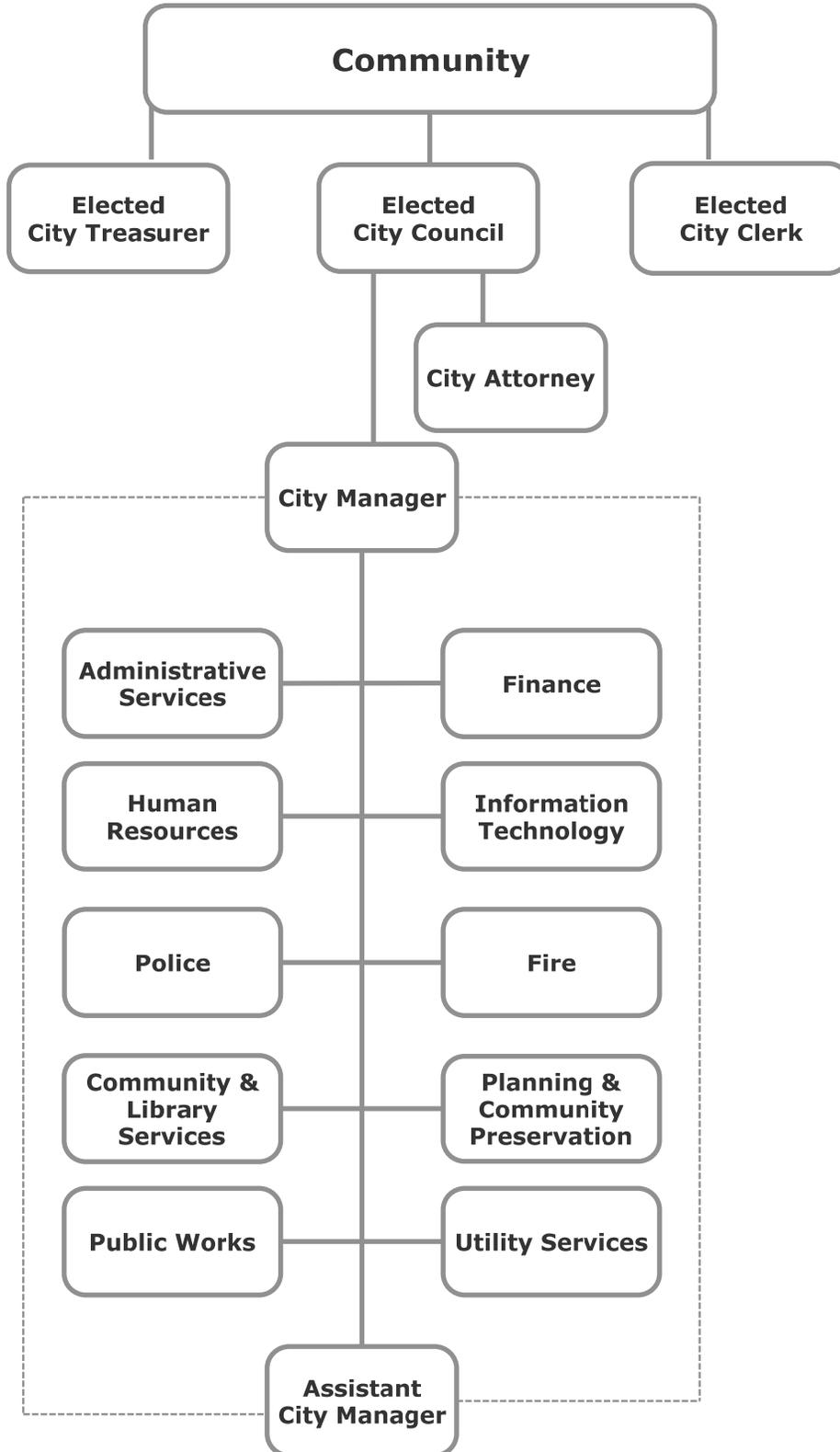
Gabriel Engeland
City Manager



Marcie Medina
Finance Director/Assistant City Manager



CITY OF SIERRA MADRE ORGANIZATIONAL CHART

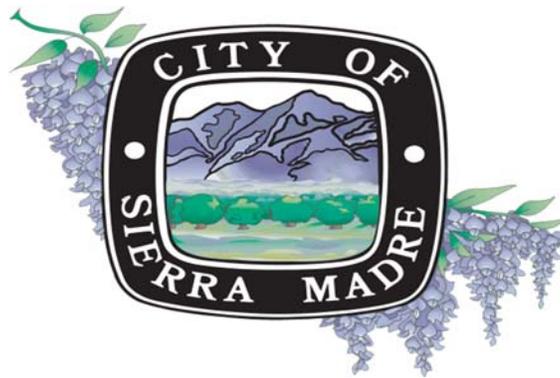


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City of Sierra Madre, California

Village of the Foothills

Comprehensive Annual Financial Report



For the Year Ending June 30, 2017

Sierra Madre, California

City Council and Elected Officials

Rachelle Arizmendi
Denise Delmar
John Capoccia
Gene Goss
John Harabedian

Melinda Carrillo
Michael Amerio

Mayor
Mayor Pro Tempore
Council Member
Council Member
Council Member

City Clerk
City Treasurer

Executive Management

Gabriel L. Engeland
Marcie Medina
Teresa Highsmith
Vincent Gonzalez
Steve Heydorff
Ryan Baker
Joe Ortiz
Jose Reynoso
Chris Cimino

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

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INDEPENDENT AUDITOR'S REPORT

PARTNERS

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Terry P. Shea, CPA
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Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jay H. Zercher, CPA (Partner Emeritus)
Phillip H. Waller, CPA (Partner Emeritus)

MANAGERS / STAFF

Jenny Liu, CPA, MST
Seong-Hyea Lee, CPA, MBA
Charles De Simoni, CPA
Gardenya Duran, CPA
Brianna Schultz, CPA
Lisa Dongxue Guo, CPA, MSA

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Sierra Madre, California (the City), as of and for the year ended June 30, 2017, 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.



MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sierra Madre, California, as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City 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 30, 2018, on our consideration of the City of Sierra Madre, California's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Sierra Madre, California's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
January 30, 2018

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City of Sierra Madre, California

Village of the Foothills



Management's Discussion and Analysis For the Year Ending June 30, 2017

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CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

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, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i-iv of this report.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at June 30, 2017 by \$210,370,771 (net position). Of this amount, \$197,397,589 is net investment in capital assets, \$6,268,840 is restricted for various programs, and \$6,704,342 represents unrestricted net position.
- The City's governmental activities net position increased \$2,034,995 for fiscal year ended June 30, 2017 or 1.1 percent. Net position of the business-type activities increased by \$192,883, or 1.0 percent.
- During the year, the City's General Fund fund balance increased by \$769,642, or 11.6 percent, and total governmental funds balance increased \$1,467,638, or 11.9 percent.
- In the City's proprietary funds: The Water Fund net position increased by \$564,616 or 3.8 percent. This is mainly the result of the doubling of the excess water penalties. The Sewer Fund decreased \$460,193 or 11.4 percent. The Sewer Fund has been using up available funds as it was planned at the time of the last sewer rate study. Non-Major Enterprise Funds increased by \$88,460 or 33.1 percent mainly due to the build-up of funds in the Aquatics Fund, and total Internal Service Funds increased by \$1,058,733 or 26.1 percent which is due to the build-up of proper reserves in the Personnel and Risk Management Fund.

OVERVIEW OF FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City of Sierra Madre's basic financial statements. The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) the notes to the basic financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

Government-Wide Financial Statements

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

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

The statement of net position presents information on all the City of Sierra Madre's assets, liabilities, and deferred inflows/outflows of resources. The difference between assets plus deferred outflows of resources, and liabilities and deferred inflows of resources is reported as net position. This statement includes changes in capitalized and depreciated

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

capital assets. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The *government-wide* financial statements can be found on pages 16 through 18 of this report.

Fund Financial Statements

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

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.

The City maintains 43 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds are provided in

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

the form of combining statements in the Supplementary Information.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget. This comparison can be found on page 69 of this report.

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

Proprietary funds: When the City charges customers' fees to cover the cost of the services it provides, these services are generally reported in proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds. In the fund financial statements section, proprietary funds provide similar information to that contained in the business-type activities in the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

Enterprise refers to the fund type while *business-type* refers to the activity type. The City uses enterprise funds to account for its Water Utility and Sewer Utility, both of which are major funds; and various smaller self-supporting community operations, which are shown in aggregate titled Non-Major Enterprise Funds. Enterprise funds are used to report the same functions presented as Business-Type activities in the government-wide financial statements.

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

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

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 27 through 28. These activities are excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary information and compliance; Schedule of the City's

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

Proportionate Share of the Plan's Net Pension Liability and Related Ratios; Schedule of Plan Contributions; and OPEB Schedule of Funding Progress. Required supplementary information can be found on pages 69 through 72 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds, internal service funds, and fiduciary funds are presented immediately following the required supplementary information captioned supplementary schedules. Combining and individual fund statements and schedules can be found on pages 73 through 128 of this report.

THE CITY AS A WHOLE

Government-Wide Financial Statements

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

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

Government-Wide Financial Analysis

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

Net Position: Net Position, the difference between a government's assets plus deferred outflows of resources and liabilities and deferred inflows of resources, may serve over time as one potential useful indicator of a government's financial position (Table 1). Net Position includes the City's capital assets, cash balances, amounts receivable from other entities, and other similar resources offset by payments due to vendors, interest payable, long-term debt, and other similar obligations. By far the largest portion of the City's net position (95%) reflects its investment in capital assets (e.g. land, buildings, utility plant, machinery, equipment, and infrastructure), net of any related outstanding debt, used to acquire those assets. The City uses these assets to provide services to citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

In the case of the City, total assets and deferred outflows of resources exceeded total liabilities and deferred inflows of resources by \$210,370,771 at the close of the most recent fiscal year as compared to the net position of \$208,142,893 in fiscal year 2015-2016.

Table 1
Condensed Statement of Net Position
June 30, 2016 and 2017
(in thousands)

	Governmental activities		Business-type activities		Total	
	2016	2017	2016	2017	2016	2017
Assets						
Current and other assets	\$ 17,395	\$ 18,505	\$ 5,395	\$ 6,158	\$ 22,790	\$ 24,663
Noncurrent assets	1,887	1,802	-	-	1,887	1,802
Capital assets, net	181,704	180,793	25,900	25,329	207,604	206,122
Total assets	200,986	201,100	31,295	31,487	232,281	232,587
Deferred outflows of resources	921	2,982	245	654	1,166	3,636
Liabilities						
Current and other liabilities	2,143	1,520	1,804	2,422	3,947	3,942
Noncurrent liabilities	9,866	11,271	10,291	10,150	20,157	21,421
Total liabilities	12,009	12,791	12,095	12,572	24,104	25,363
Deferred inflows of resources	1,043	401	157	88	1,200	489
Net position:						
Net investment in capital assets	181,328	180,505	16,825	16,892	198,153	197,397
Restricted	5,795	5,120	1,149	1,149	6,944	6,269
Unrestricted	1,732	5,265	1,314	1,440	3,046	6,705
Total net position	\$ 188,855	\$ 190,890	\$ 19,288	\$ 19,481	\$ 208,143	\$ 210,371

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

Statement of Activities and Changes in Net Position: Program expenses by function, general revenues by major source, excess and/or deficiency of revenues over expenses before contributions to fund principal, special, and extraordinary items, changes in and total net position are presented in the Statement of Activities (Table 2). Total revenues increased by approximately \$2.0 million, or 11.1 percent; and total expenses decreased by \$287 thousand, or 2.0 percent.

Table 2
Condensed Statement of Activities
For the years ended June 30, 2016 and 2017
(in thousands)

	Governmental activities		Business-type activities		Total	
	2016	2017	2016	2017	2016	2017
<i>Revenues:</i>						
Program revenues						
Charges for services	\$ 2,351	\$ 2,377	\$ 5,606	\$ 6,338	\$ 7,957	\$ 8,715
Operating grants and contributions	1,022	1,369	-	62	1,022	1,431
Capital grants and contributions	-	-	46	-	46	-
General revenues						
Taxes	8,487	9,331	-	-	8,487	9,331
Investment income	38	86	11	8	49	94
Total revenues	<u>11,898</u>	<u>13,163</u>	<u>5,663</u>	<u>6,408</u>	<u>17,561</u>	<u>19,571</u>
<i>Expenses:</i>						
General government	1,792	1,710	-	-	1,792	1,710
Public safety	5,755	5,116	-	-	5,755	5,116
Public works	1,402	1,961	-	-	1,402	1,961
Development services	1,412	1,130	-	-	1,412	1,130
Culture and recreation	1,280	1,078	-	-	1,280	1,078
Interest	17	14	-	-	17	14
Water	-	-	4,388	4,763	4,388	4,763
Sewer	-	-	1,172	1,371	1,172	1,371
Recreation services	-	-	260	23	260	23
Strike Team	-	-	108	126	108	126
Filming	-	-	44	51	44	51
Total expenses	<u>11,658</u>	<u>11,009</u>	<u>5,972</u>	<u>6,334</u>	<u>17,630</u>	<u>17,343</u>
Change in net position						
before transfers	240	2,154	(309)	74	(69)	2,228
Transfers	(64)	(119)	64	119	-	-
Change in net position	176	2,035	(245)	193	(69)	2,228
Net position, beginning, restated	<u>188,679</u>	<u>188,855</u>	<u>19,533</u>	<u>19,288</u>	<u>208,212</u>	<u>208,143</u>
Net position, ending	<u>\$ 188,855</u>	<u>\$ 190,890</u>	<u>\$ 19,288</u>	<u>\$ 19,481</u>	<u>\$ 208,143</u>	<u>\$ 210,371</u>

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

Governmental Activities: The following (Table 3) presents the cost of each of the City's largest programs – general government, public safety, public works, community development, culture and recreation, and interest on long-term debt – and in addition, each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

Table 3
Net Cost of Governmental Activities
For the year ended June 30, 2017
(in thousands)

	Total cost of services	Total program revenues	Net cost of services
General government	\$ 1,710	\$ 601	\$ (1,109)
Public safety	5,116	808	(4,308)
Public works	1,961	1,838	(123)
Development services	1,130	40	(1,090)
Culture and recreation	1,078	459	(619)
Totals	<u>\$ 10,995</u>	<u>\$ 3,746</u>	<u>\$ (7,249)</u>

THE CITY'S FUNDS

Financial Analysis of the Government's Funds

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

Table 4
Condensed Statement of Revenues, Expenditures and Changes in Fund Balance
For the years ended June 30, 2016 and 2017
(in thousands)

	Revenues		Expenditures		Transfers		Net change in fund balance	
	2016	2017	2016	2017	2016	2017	2016	2017
General Fund	\$ 9,441	\$ 11,108	\$ 8,072	\$ 10,377	\$ (2,166)	\$ 38	\$ (797)	\$ 769
Other governmental funds	2,445	2,033	3,433	1,200	2,128	(135)	1,140	698
Totals	<u>\$ 11,886</u>	<u>\$ 13,141</u>	<u>\$ 11,505</u>	<u>\$ 11,577</u>	<u>\$ (38)</u>	<u>\$ (97)</u>	<u>\$ 343</u>	<u>\$ 1,467</u>

CITY OF SIERRA MADRE
Management’s Discussion and Analysis
For the year ended June 30, 2017

Governmental Funds: Based on the audited Statement of Revenues, Expenditures and Changes in Fund Balance, the total fund balance of the City’s General Fund increased by approximately \$770 thousand in FY 2016-2017. General Fund revenues increased by approximately \$1.7 million, or 17.7 percent; expenditures increased by approximately \$2.3 million, or 28.6 percent; and net transfers out decreased by approximately \$2.2 million, which was due to the collapsing of subsidized operations to the General Fund. In prior years Recreation Classes, the Paramedic Program and Development Services were reported in separate funds supported by a subsidy from the General Fund. For FY 2016-2017 the subsidized operations were accounted for in the General Fund, increasing Revenues and Expenditures in the General Fund and eliminating the Transfer Out for the subsidized amount. Other governmental funds increased total fund balance by approximately \$700 thousand in FY 2016-2017.

At June 30, 2017, the fund balance for the General Fund was \$7,428,117. The City adopted an operating reserve as follows:

Table 4-a
Fund balances for General Fund

	<u>Amount</u>
General Fund - fund balance for the year ending June 30, 2016	\$ 6,658,475
Total revenues	11,108,537
Total expenditures	10,376,959
Transfers	<u>38,064</u>
General Fund - fund balance for the year ending June 30, 2017	<u>\$ 7,428,117</u>
<i>Unassigned reserves</i>	
50% of operating revenues - cash flow reserve policy	\$ 5,554,269
<i>Unassigned reserves</i>	1,873,848

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

- Fluctuations in assigned reserves (50% of annual operating revenues per the City’s fund balance policy); and
- Year End operating surpluses/deficits.

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

Business-Type Funds: As shown in the Statement of Revenues, Expenses, and Changes in Net Position, the Enterprise Funds had a total change in net position increase of \$192,883 or 1.0 percent for the current year. The Water fund had an increase in net position of \$564,616, or 3.8 percent; and the Sewer Fund had a decrease in net position of \$460,193, or 11.4 percent. At the close of FY 2016-2017, the total net change in net position of the City's Internal Service Funds was an increase of \$1,058,733. The increase was mainly due to an increase in service charges for the Personnel and Risk Management Fund, in order to build up reserves.

Table 5
Statement of Revenues, Expenses and Changes in Net Position
For the years ended June 30, 2016 and 2017
(in thousands)

	Revenues		Expenses		Contributions and transfers		Net change in fund balance	
	2016	2017	2016	2017	2016	2017	2016	2017
Water	\$4,553	\$5,311	\$4,389	\$4,763	\$ 16	\$ 16	\$ 180	\$ 564
Sewer	841	870	1,172	1,372	-	42	(331)	(460)
Other Enterprise funds	269	226	411	198	48	60	(94)	88
Totals	\$5,663	\$6,407	\$5,972	\$6,333	\$ 64	\$ 118	\$ (245)	\$ 192
Governmental Activities -								
Internal Service Funds	\$4,425	\$4,598	\$4,000	\$3,518	\$ (26)	\$ (22)	\$ 399	\$1,058

Capital Assets and Debt Administration

Capital Assets

The City of Sierra Madre investment in capital assets for its governmental and business-type activities as of June 30, 2017, amounts to \$206,122,495 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery, equipment, vehicles, park facilities, roads, highways, bridges, sewer lines, and the water distribution system.

Table 6
Capital assets (net of depreciation)
June 30, 2016 and 2017
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Land	\$ 162,276	\$ 162,276	\$ 1,483	\$ 1,483	\$ 163,759	\$ 163,759
Trees	1,206	1,206	-	-	1,206	1,206
Construction in progress	-	93	-	-	-	93
Structures and improvements	5,910	5,801	238	221	6,148	6,022
Machinery and equipment	1,550	1,542	290	241	1,840	1,783
Infrastructure	10,762	9,875	23,888	23,384	34,650	33,259
Total	\$ 181,704	\$ 180,793	\$ 25,899	\$ 25,329	\$ 207,603	\$ 206,122

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

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

- Water pipelines replacement projects at a cost of \$259,831.

Additional information on the City of Sierra Madre's capital assets can be found in Note 5 on pages 44 through 45 of this report.

Debt Administration

At the end of FY 2016-2017, the City had total long-term debt outstanding of \$7,715,000 (of which \$470,000 is due in FY 2017-2018) 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 \$582,751 (of which \$145,688 is due in FY 2017-2018) at June 30, 2017.

In 2010, the City entered into a 10-year Master Lease with the Municipal Finance Corporation. The Citywide debt as of June 30, 2017 was \$427,155 (of which \$135,991 is due in FY 2017-2018). Additional information on the City's long-term debt can be found in Note 6 of the Financial Statements (pages 46 through 50).

Economic Condition and Budget Outlook

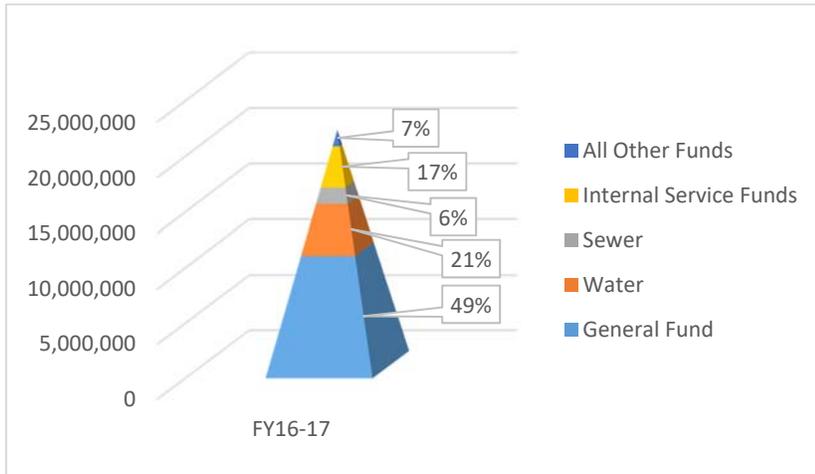
The City is a full service municipality operating with a \$24 million budget that funds 70 full-time employees assigned to nine operating departments and includes its own water and sewer utilities. For more than a decade the City of Sierra Madre had maintained expenditures under the available resources, but this has not always been easy. Like most governments since the recent recession, Sierra Madre has received relatively flat revenues despite increases in insurance, pension, and other cost drivers. In order to provide a balanced budget, the City expenditures have had to be re-benchmarked lower each budget year to remain aligned with incoming revenues. In addition to the impacts of the five year recession, in FY 2011-2012, the State dissolved redevelopment and the General Fund was faced with absorbing most of these costs. In FY 2015-2016, the City faced another challenge. The City's Utility User's Tax rate decreased by 2% to 8% effective July 1, 2015 due to a sunset clause in the 2008 UUT measure. The UUT is the City's second largest General Fund revenue source. A new UUT measure was approved on April 2016 which increase the UUT rate back to 10% with no sunset clause effective July 1, 2016.

Over the years cost reductions were achieved by conducting staff reorganization, staff reductions, and service level reductions. This resulted in delay in projects and services, and reduction of programs. In FY 2016-17, the City continued cost reductions, but also focused on increase and maintenance of its revenues.

General Fund

The City's largest fund is the General fund and its revenues are approximately \$11 million. It provides the resources necessary to sustain the day-to-day activities and services to the community. All nine departments receive support from the General Fund, either directly or indirectly in the form of subsidies (recorded as Transfers Out in the financials) or cost allocation (overhead). The General Fund supports more than half of the City's total personnel costs and supports 49% of the City's operations (see chart below).

CITY OF SIERRA MADRE
Management’s Discussion and Analysis
For the year ended June 30, 2017



The City of Sierra Madre, with a population of approximately 11,000, is primarily a residential community. Its small size and quiet neighborhoods provide a small town atmosphere the residents are proud to maintain. This, however, does not lend itself to a commercial base; thus, the City receives its significant support from property tax and utility user tax (UUT). At fiscal year ending June 30, 2004, Property Tax and VLF/Property Tax backfill constituted over 58% of the City’s General Fund resources, UUT was 17%, Franchise Fees were 6%, and all other revenues combined were 19%. Today that same ratio has changed to reflect: 53% Property Tax and VLF/Property Tax Backfill; 25% Utility User Tax and 21% other sources which includes Franchise fee, Sales Tax, and Business Licenses.

Over the last decade, the Los Angeles and California housing economy experienced the 2004 housing boom and the 2008 housing market crash. During the economic downturn, unlike most of Los Angeles County, Sierra Madre’s housing market, while not experiencing great gains did not have negative growth. In fiscal year ending June 30, 2017, the City’s property tax revenue was \$5,859,439. This amount includes, property tax in-lieu of VLF and the former redevelopment agency residual taxes. The increase of \$378,916 over FY 2015-2016 was due to increase in property values as well as an increase of the former Redevelopment residual taxes.

The median sale price of a single family home in Sierra Madre for 2017 was \$1,060,000. This represents a \$130,000 (14%) increase in median sale price from 2016. Los Angeles County (as a whole) has a median sale price of \$585,000, a \$68,000 (13%) increase from last year.

Water Fund

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

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

CITY OF SIERRA MADRE
Management's Discussion and Analysis
For the year ended June 30, 2017

In FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. The new rates have been in effect since March 2014. The rate study estimates that the fund balance would be trending upward. However, the rate study did not take into account the additional water conservation due to the drought and City and State mandated water conservation, and the full cost of purchased water. Another factor in the fund balance not increasing as estimated was the cost of maintenance and improvements.

The City has initiated a new water rate study in order to take into account the various factors mentioned above and provide a new rate that will provide for the funding necessary for the operation. The study is expected to be completed in FY 2017-2018.

Sewer Fund

The City Sewer fund utility is the City's third largest fund. As a proprietary fund, the fund must collect fees for the services (sewer discharge) that it provides and should be self-funding. Similar to the Water fund, following the rate increase in 2003, the Sewer fund was unable to implement rate increase because of changes to State law. In 2008, the City considered a rate proposal for the Sewer fund, but instead focused on rate increases in the Water Fund because there was greater fiscal need there. Because the Sewer Fund was unable to meet its operational, capital and debt needs, in FY 2013-2014, the City initiated a new rate study and a Proposition 218 process to increase the rates. The new rates have been in effect since March 2014. A new rate study is underway and is expected to be completed in FY 2017-2018.

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, 2017

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CITY OF SIERRA MADRE
Statement of Net Position
June 30, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Current assets:			
Cash and investments	\$ 16,975,266	\$ 4,005,835	\$ 20,981,101
Restricted cash and investments with fiscal agents - debt service	-	1,149,456	1,149,456
Receivables:			
Accounts	144,839	703,931	848,770
Taxes	528,099	-	528,099
Interest	45,690	-	45,690
Due from other governments	148,681	-	148,681
Prepays	662,566	298,449	961,015
Total current assets	<u>18,505,141</u>	<u>6,157,671</u>	<u>24,662,812</u>
Noncurrent assets:			
Net other post-employment benefit (OPEB) asset			
	301,454	-	301,454
Land held for resale	1,500,000	-	1,500,000
Capital assets:			
Non-depreciable assets	163,574,660	1,483,250	165,057,910
Depreciable assets-net	<u>17,218,782</u>	<u>23,845,803</u>	<u>41,064,585</u>
Total noncurrent assets	<u>182,594,896</u>	<u>25,329,053</u>	<u>207,923,949</u>
Total assets	<u>201,100,037</u>	<u>31,486,724</u>	<u>232,586,761</u>
Deferred Outflows of Resources:			
Pension related	<u>2,981,555</u>	<u>654,487</u>	<u>3,636,042</u>
Liabilities:			
Current liabilities:			
Accounts payable	675,441	1,585,753	2,261,194
Accrued payroll and related liabilities	112,189	18,467	130,656
Interest payable	4,447	64,787	69,234
Deposits and retentions	<u>287,883</u>	<u>54,511</u>	<u>342,394</u>
Total current liabilities	<u>1,079,960</u>	<u>1,723,518</u>	<u>2,803,478</u>
Noncurrent liabilities:			
Due within one year	440,075	698,358	1,138,433
Due in more than one year	1,159,807	7,930,460	9,090,267
Net Pension Liability	<u>10,111,515</u>	<u>2,219,601</u>	<u>12,331,116</u>
Total liabilities	<u>12,791,357</u>	<u>12,571,937</u>	<u>25,363,294</u>
Deferred Inflows of Resources:			
Pension related	<u>400,765</u>	<u>87,973</u>	<u>488,738</u>
Net Position:			
Net investment in capital assets	180,505,323	16,892,266	197,397,589
Restricted:			
Public safety	186,260	-	186,260
Public works	1,784,867	-	1,784,867
Development services	3,137,788	-	3,137,788
Debt service	10,469	1,149,456	1,159,925
Unrestricted	<u>5,264,763</u>	<u>1,439,579</u>	<u>6,704,342</u>
Total net position	<u>\$ 190,889,470</u>	<u>\$ 19,481,301</u>	<u>\$ 210,370,771</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Activities
For the year ended June 30, 2017

Functions/programs	Expenses	Program Revenues			Total
		Charges for services	Operating grants and contributions	Capital grants and contributions	
Primary government:					
Governmental activities:					
General government	\$ 1,710,653	\$ 601,465	\$ -	\$ -	\$ 601,465
Public safety	5,115,933	505,233	302,556	-	807,789
Public works	1,961,343	974,426	863,155	-	1,837,581
Development services	1,129,817	40,441	-	-	40,441
Culture and recreation	1,078,262	255,491	203,148	-	458,639
Interest on long-term debt	13,909	-	-	-	-
Total governmental activities	<u>11,009,917</u>	<u>2,377,056</u>	<u>1,368,859</u>	<u>-</u>	<u>3,745,915</u>
Business-type activities:					
Water	4,763,179	5,249,123	62,166	-	5,311,289
Sewer	1,371,492	863,675	-	-	863,675
Recreation services	22,697	95,292	-	-	95,292
Special services	125,547	64,874	-	-	64,874
Film services	50,618	64,638	-	-	64,638
Total business-type activities	<u>6,333,533</u>	<u>6,337,602</u>	<u>62,166</u>	<u>-</u>	<u>6,399,768</u>
Total primary government	<u>\$ 17,343,450</u>	<u>\$ 8,714,658</u>	<u>\$ 1,431,025</u>	<u>\$ -</u>	<u>\$ 10,145,683</u>

General revenues:

Taxes:

Property taxes

Utility user taxes

Other taxes

Unrestricted sales taxes - shared state revenue

Investment earnings

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning of year

Net position, end of year

See accompanying notes to the basic financial statements.

Net (expense) revenue and changes in net position		
Governmental Activities	Business-type Activities	Total
\$ (1,109,188)	\$ -	\$ (1,109,188)
(4,308,144)	-	(4,308,144)
(123,762)	-	(123,762)
(1,089,376)	-	(1,089,376)
(619,623)	-	(619,623)
(13,909)	-	(13,909)
<u>(7,264,002)</u>	<u>-</u>	<u>(7,264,002)</u>
-	548,110	548,110
-	(507,817)	(507,817)
-	72,595	72,595
-	(60,673)	(60,673)
-	14,020	14,020
<u>-</u>	<u>66,235</u>	<u>66,235</u>
<u>(7,264,002)</u>	<u>66,235</u>	<u>(7,197,767)</u>
6,075,078	-	6,075,078
2,524,060	-	2,524,060
418,929	-	418,929
314,300	-	314,300
85,587	7,691	93,278
(118,957)	118,957	-
<u>9,298,997</u>	<u>126,648</u>	<u>9,425,645</u>
2,034,995	192,883	2,227,878
<u>188,854,475</u>	<u>19,288,418</u>	<u>208,142,893</u>
<u>\$ 190,889,470</u>	<u>\$ 19,481,301</u>	<u>\$ 210,370,771</u>

CITY OF SIERRA MADRE
Balance Sheet
Governmental funds
June 30, 2017

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 7,165,689	\$ 5,030,821	\$ 12,196,510
Receivables:			
Accounts	77,492	61,463	138,955
Taxes	452,309	75,790	528,099
Interest	45,690	-	45,690
Due from other agencies	-	148,681	148,681
Due from other funds	207,762	-	207,762
Land held for resale	-	1,500,000	1,500,000
Total assets	<u>\$ 7,948,942</u>	<u>\$ 6,816,755</u>	<u>\$ 14,765,697</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable	\$ 208,680	\$ 191,012	\$ 399,692
Accrued payroll and related liabilities	84,565	2,831	87,396
Due to other funds	-	207,762	207,762
Deposits and retentions	<u>227,580</u>	<u>60,303</u>	<u>287,883</u>
Total liabilities	<u>520,825</u>	<u>461,908</u>	<u>982,733</u>
Fund balances:			
Restricted	-	5,119,384	5,119,384
Committed	-	1,391,394	1,391,394
Unassigned	<u>7,428,117</u>	<u>(155,931)</u>	<u>7,272,186</u>
Total fund balances	<u>7,428,117</u>	<u>6,354,847</u>	<u>13,782,964</u>
 Total liabilities and fund balances	 <u>\$ 7,948,942</u>	 <u>\$ 6,816,755</u>	 <u>\$ 14,765,697</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Reconciliation of the Governmental Funds Balance Sheet
Fund Balances to the Governmental-wide Statement of Net Position
June 30, 2017

Total fund balances - total governmental funds \$ 13,782,964

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 179,638,519

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

Net other post-employment benefits (OPEB) asset 301,454

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

(3,853)

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 (249,661)

Compensated absences (804,459)

Net Pension Liability and pension related deferred outflows and inflows of resources (6,887,859)

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

5,112,365

Net position of governmental activities \$ 190,889,470

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2017

	<u>General Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 5,859,439	\$ 215,639	\$ 6,075,078
Other taxes	3,257,288	-	3,257,288
Charges for services	594,221	96,196	690,417
Intergovernmental	4,811	1,169,656	1,174,467
Licenses and permits	1,146,479	78,054	1,224,533
Fines and forfeitures	167,318	-	167,318
Investment income	37,818	25,376	63,194
Miscellaneous	41,163	448,018	489,181
Total revenues	<u>11,108,537</u>	<u>2,032,939</u>	<u>13,141,476</u>
Expenditures:			
Current:			
General government	2,391,482	-	2,391,482
Public safety	5,284,450	91,503	5,375,953
Public works	557,860	689,273	1,247,133
Development	1,263,376	92,501	1,355,877
Culture and recreation	879,791	235,634	1,115,425
Debt Service:			
Principal	-	75,964	75,964
Interest	-	15,082	15,082
Total expenditures	<u>10,376,959</u>	<u>1,199,957</u>	<u>11,576,916</u>
Excess (deficiency) of revenues over (under) expenditures	<u>731,578</u>	<u>832,982</u>	<u>1,564,560</u>
Other financing sources (uses):			
Transfers in	115,227	131,686	246,913
Transfers out	<u>(77,163)</u>	<u>(266,672)</u>	<u>(343,835)</u>
Total other financing sources (uses)	<u>38,064</u>	<u>(134,986)</u>	<u>(96,922)</u>
Net change in fund balances	769,642	697,996	1,467,638
Fund balances, beginning of year	<u>6,658,475</u>	<u>5,656,851</u>	<u>12,315,326</u>
Fund balances, end of year	<u>\$ 7,428,117</u>	<u>\$ 6,354,847</u>	<u>\$ 13,782,964</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the year ended June 30, 2017**

Net change in fund balances - total governmental funds \$ 1,467,638

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

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

Depreciation expense	(1,249,745)
Capital outlay	232,952

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	75,964
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Internal service funds are used by management to charge the costs of self-insurance and capital replacements to individual funds. The net revenue of internal service funds is reported with governmental activities.

	1,058,733
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Some expenses reported on the Statement of Activities and Changes in Net Position do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Net change in accrued interest	1,173
Net change in compensated absences	(370,213)
Net change in OPEB	(85,098)
Net change in pension liability	903,591

Change in net position of governmental activities \$ 2,034,995

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Net Position
Proprietary Funds
June 30, 2017

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Assets:					
Current assets:					
Cash and investments	\$ 2,411,064	\$ 1,214,584	\$ 380,187	\$ 4,005,835	\$ 4,778,756
Restricted cash and investments with fiscal agents - debt service	1,149,456	-	-	1,149,456	-
Accounts receivable	597,796	106,135	-	703,931	5,884
Prepays	297,074	-	1,375	298,449	662,566
Total current assets	<u>4,455,390</u>	<u>1,320,719</u>	<u>381,562</u>	<u>6,157,671</u>	<u>5,447,206</u>
Noncurrent assets:					
Capital assets:					
Non-depreciable assets	1,483,250	-	-	1,483,250	-
Depreciable assets-net	20,453,032	3,392,771	-	23,845,803	1,154,923
Total noncurrent assets	<u>21,936,282</u>	<u>3,392,771</u>	<u>-</u>	<u>25,329,053</u>	<u>1,154,923</u>
Total assets	<u>26,391,672</u>	<u>4,713,490</u>	<u>381,562</u>	<u>31,486,724</u>	<u>6,602,129</u>
Deferred Outflows of Resources:					
Pension related	<u>363,604</u>	<u>290,883</u>	<u>-</u>	<u>654,487</u>	<u>254,523</u>
Liabilities:					
Current liabilities:					
Accounts payable	1,434,583	136,588	14,582	1,585,753	275,749
Accrued payroll and related liabilities	9,888	6,785	1,794	18,467	24,793
Interest payable	62,641	2,146	-	64,787	594
Deposits and retentions	30,882	19,392	4,237	54,511	-
Claims payable - current	-	-	-	-	163,005
Compensated absences - current	20,364	17,585	457	38,406	24,450
Capital lease payable - current	-	44,264	-	44,264	12,244
Loan payable - current	145,688	-	-	145,688	-
Bonds payable - current	470,000	-	-	470,000	-
Total current liabilities	<u>2,174,046</u>	<u>226,760</u>	<u>21,070</u>	<u>2,421,876</u>	<u>500,835</u>
Noncurrent liabilities:					
Claims payable	-	-	-	-	222,046
Compensated absences	81,454	70,341	1,830	153,625	97,802
Net Pension Liability	1,233,112	986,489	-	2,219,601	863,178
Capital lease payable	-	94,772	-	94,772	26,214
Loan payable	437,063	-	-	437,063	-
Bonds payable	7,245,000	-	-	7,245,000	-
Total noncurrent liabilities	<u>8,996,629</u>	<u>1,151,602</u>	<u>1,830</u>	<u>10,150,061</u>	<u>1,209,240</u>
Total liabilities	<u>11,170,675</u>	<u>1,378,362</u>	<u>22,900</u>	<u>12,571,937</u>	<u>1,710,075</u>
Deferred Inflows of Resources:					
Pension related	<u>48,874</u>	<u>39,099</u>	<u>-</u>	<u>87,973</u>	<u>34,212</u>
Net Position:					
Net investment in capital assets	13,638,531	3,253,735	-	16,892,266	1,116,465
Restricted for debt service	1,149,456	-	-	1,149,456	-
Unrestricted	747,740	333,177	358,662	1,439,579	3,995,900
Total net position	<u>\$ 15,535,727</u>	<u>\$ 3,586,912</u>	<u>\$ 358,662</u>	<u>\$ 19,481,301</u>	<u>\$ 5,112,365</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the year ended June 30, 2017

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Operating revenues:					
Charges for services	\$ 5,249,123	\$ 863,143	\$ 188,195	\$ 6,300,461	\$ 4,545,322
Licenses and permits	-	532	36,609	37,141	25,588
Miscellaneous	-	-	-	-	5,151
Total operating revenues	<u>5,249,123</u>	<u>863,675</u>	<u>224,804</u>	<u>6,337,602</u>	<u>4,576,061</u>
Operating expenses:					
Personnel services	569,834	686,971	116,144	1,372,949	1,106,469
Contractual services	272,933	12,967	26,570	312,470	654,561
Materials and supplies	694,348	13,361	13,317	721,026	297,032
Utilities	445,531	-	22,697	468,228	443,968
Maintenance and operation	585,266	391,173	13,034	989,473	73,886
Administrative Charges	1,156,488	53,100	7,100	1,216,688	720,667
Depreciation	625,030	206,177	-	831,207	218,966
Total operating expenses	<u>4,349,430</u>	<u>1,363,749</u>	<u>198,862</u>	<u>5,912,041</u>	<u>3,515,549</u>
Operating income (loss)	<u>899,693</u>	<u>(500,074)</u>	<u>25,942</u>	<u>425,561</u>	<u>1,060,512</u>
Nonoperating revenues (expenses):					
Operating grant	62,166	-	-	62,166	-
Investment income	-	5,831	1,860	7,691	22,393
Loss on disposal of property	(18,741)	-	-	(18,741)	-
Interest expense	(395,007)	(7,744)	-	(402,751)	(2,137)
Total nonoperating revenues (expenses)	<u>(351,582)</u>	<u>(1,913)</u>	<u>1,860</u>	<u>(351,635)</u>	<u>20,256</u>
Income (loss) before transfers	<u>548,111</u>	<u>(501,987)</u>	<u>27,802</u>	<u>73,926</u>	<u>1,080,768</u>
Transfers:					
Transfers in	16,505	41,794	60,658	118,957	-
Transfers out	-	-	-	-	(22,035)
Total transfers	<u>16,505</u>	<u>41,794</u>	<u>60,658</u>	<u>118,957</u>	<u>(22,035)</u>
Change in net position	564,616	(460,193)	88,460	192,883	1,058,733
Net position, beginning of year	<u>14,971,111</u>	<u>4,047,105</u>	<u>270,202</u>	<u>19,288,418</u>	<u>4,053,632</u>
Net position, end of year	<u>\$ 15,535,727</u>	<u>\$ 3,586,912</u>	<u>\$ 358,662</u>	<u>\$ 19,481,301</u>	<u>\$ 5,112,365</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2017

	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	\$ 4,993,695	\$ 852,770	\$ 224,804	\$ 6,071,269	\$ -
Receipts from interfund services provided	-	-	-	-	4,599,806
Payments to suppliers	(2,701,444)	(333,402)	(81,900)	(3,116,746)	(2,776,333)
Payments to employees	(625,806)	(578,187)	(115,438)	(1,319,431)	(2,082,242)
Net cash provided (used) by operating activities	<u>1,666,445</u>	<u>(58,819)</u>	<u>27,466</u>	<u>1,635,092</u>	<u>(258,769)</u>
Cash flows from non-capital financing activities:					
Operating grant revenue	62,166	-	-	62,166	-
Transfers from other funds	16,505	41,794	60,658	118,957	-
Transfers to other funds	-	-	-	-	(22,035)
Net cash provided (used) by non-capital financing activities	<u>78,671</u>	<u>41,794</u>	<u>60,658</u>	<u>181,123</u>	<u>(22,035)</u>
Cash flows from capital and related financing activities:					
Acquisition and construction of capital assets	(279,740)	-	-	(279,740)	(325,249)
Principal paid	(595,687)	(42,305)	-	(637,992)	(11,702)
Interest paid	(398,841)	(8,397)	-	(407,238)	(2,317)
Net cash provided (used) by capital and related financing activities	<u>(1,274,268)</u>	<u>(50,702)</u>	<u>-</u>	<u>(1,324,970)</u>	<u>(339,268)</u>
Cash flows from investing activities:					
Investment income	-	5,831	1,860	7,691	22,393
Net cash provided (used) by investing activities	<u>-</u>	<u>5,831</u>	<u>1,860</u>	<u>7,691</u>	<u>22,393</u>
Net increase (decrease) in cash and cash equivalents	470,848	(61,896)	89,984	498,936	(597,679)
Cash and investments:					
Beginning of year	<u>3,089,672</u>	<u>1,276,480</u>	<u>290,203</u>	<u>4,656,355</u>	<u>5,376,435</u>
End of year	<u>\$ 3,560,520</u>	<u>\$ 1,214,584</u>	<u>\$ 380,187</u>	<u>\$ 5,155,291</u>	<u>\$ 4,778,756</u>
Cash and investments, end of year include:					
Cash and investments	\$ 2,411,064	\$ 1,214,584	\$ 380,187	\$ 4,005,835	\$ 4,778,756
Restricted cash and investments with fiscal agents	<u>1,149,456</u>	<u>-</u>	<u>-</u>	<u>1,149,456</u>	<u>-</u>
Total	<u>\$ 3,560,520</u>	<u>\$ 1,214,584</u>	<u>\$ 380,187</u>	<u>\$ 5,155,291</u>	<u>\$ 4,778,756</u>

See accompanying notes to basic financial statements.

CITY OF SIERRA MADRE
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2017

	Business-type Activities				Governmental Activities Internal Service Funds
	Enterprise Funds				
	Water	Sewer	Non-Major Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	<u>\$ 899,693</u>	<u>\$ (500,074)</u>	<u>\$ 25,942</u>	<u>\$ 425,561</u>	<u>\$ 1,060,512</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	625,030	206,177	-	831,207	218,966
Changes in assets and liabilities:					
(Increase) decrease in accounts receivable	(255,428)	(10,905)	-	(266,333)	23,745
(Increase) decrease in prepaid expenses	-	-	734	734	(614,816)
(Increase) decrease in deferred outflows	(216,486)	(192,805)	-	(409,291)	(148,272)
Increase (decrease) in accounts payable	451,131	127,925	6,264	585,320	28,597
Increase (decrease) in accrued liabilities	(422)	(1,151)	109	(1,464)	4,386
Increase (decrease) in deposits payable	1,991	9,274	(6,180)	5,085	(900,657)
Increase (decrease) in deferred inflows	(45,526)	(23,834)	-	(69,360)	(33,965)
Increase (decrease) in compensated absences	25,085	41,242	597	66,924	(857)
Increase (decrease) in net pension liability	<u>181,377</u>	<u>285,332</u>	<u>-</u>	<u>466,709</u>	<u>103,592</u>
Total adjustments	<u>766,752</u>	<u>441,255</u>	<u>1,524</u>	<u>1,209,531</u>	<u>(1,319,281)</u>
Net cash provided (used) by operating activities	<u>\$ 1,666,445</u>	<u>\$ (58,819)</u>	<u>\$ 27,466</u>	<u>\$ 1,635,092</u>	<u>\$ (258,769)</u>

Noncash non-capital financing activities, capital and related financing activities and investing activities:

None

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2017

	Private-Purpose Trust Fund
	Redevelopment Obligation Retirement Fund
Assets:	
Cash and investments	\$ 579,026
Restricted cash and investments with fiscal agents	<u>401,575</u>
Total assets	<u>980,601</u>
Liabilities:	
Accrued payroll and related liabilities	228
Interest payable	7,604
Compensated absences - current	512
Compensated absences - noncurrent	2,050
Bonds payable - current	345,000
Bonds payable - noncurrent	<u>740,000</u>
Total liabilities	<u>1,095,394</u>
Net Position (Deficit):	
Unrestricted	<u>(114,793)</u>
Total net position (deficit)	<u>\$ (114,793)</u>

See accompanying notes to the basic financial statements.

CITY OF SIERRA MADRE
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended June 30, 2017

	Private-Purpose Trust Fund Redevelopment Obligation Retirement Fund
Additions:	
Property taxes	\$ 567,950
Investment income	3,637
Total additions	<u>571,587</u>
Deductions:	
General and administration	82,329
Interest expense	<u>59,683</u>
Total deductions	<u>142,012</u>
Change in net position	429,575
Net position (deficit), beginning of year	<u>(544,368)</u>
Net position (deficit), ending of year	<u>\$ (114,793)</u>

See accompanying notes to the basic financial statements.

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City of Sierra Madre, California

Village of the Foothills



Notes to Basic Financial Statements For the Year Ending June 30, 2017

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Reporting Entity

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

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

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

Blended Component Units

The Sierra Madre Public Financing Authority (Authority):

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

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

A. Financial Reporting Entity, (continued)

Organizations Other Than Component Units

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

B. Basis of Accounting and Measurement Focus

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

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

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

Government-Wide Financial Statements

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

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

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

Certain eliminations have been made as prescribed by generally accepted accounting principles in regard to interfund activities. All internal balances in the Statement of Net Position have been eliminated except those representing internal balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

Governmental Fund Financial Statements

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

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

Property taxes, sales taxes, franchise taxes, and other taxes associated with the current fiscal year are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 180 days of year-end). All other revenue items are considered to measurable and available only when cash is received by the government.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

General Fund – Accounts for all financial resources of the general government except those required to be accounted for in another fund.

Proprietary Fund Financial Statements

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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

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

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

The City reports the following major enterprise funds:

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

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

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

Fiduciary Fund Financial Statements

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

C. Cash, Cash Equivalents, and Investments

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

In accordance with generally accepted accounting principles, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotation are readily available or exceed cost. However, if the liquidity needs of the City were to require that investments be sold at a loss subsequent to year-end, the decline in value would be recorded as a loss at year-end.

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

In accordance with generally accepted accounting principles, certain disclosure requirements, if applicable, are provided for deposit and investment risk in the following areas:

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

D. Land Held for Resale

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

E. Prepaid Expenses

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Property Taxes

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

The following dates relate to property tax levies and collections:

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

G. Capital Assets

Capital assets are valued at historical cost or estimated historical cost if actual historical cost was not available. Donated assets are valued at acquisition value on the date of acquisition. The City's capitalization policy is \$5,000 and above for various capital assets and \$25,000 for improvements and infrastructure. Capital assets are depreciated on a straight-line basis over their estimated useful lives as follows:

Roadways pavement AC	25 years
Street appurtenances bridges	40 years
Park structures	25 years
Wastewater manholes	60 years
Pipelines	60 years
Spreading basins	50 years
Pump stations	60 years
Meters	30 years
Pipelines	50 years
Pressure reducing stations	40 years
Fire hydrants	50 years
Wells	50 years
Reservoirs	75 years
General buildings	50 years
Vehicles and equipment	10 years

H. Claims Payable

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

I. Compensated Absences

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J. Net Position and Fund Balances

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

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

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

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

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

Fund Financial Statements – Generally accepted accounting principles require the City to report the governmental fund balances in the following categories:

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

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

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

Assigned - comprises amounts intended to be used by the government for specific purposes. Assignments may be established either by the City Council or by a designee of the City (the City Council has delegated this authority to the City Manager), and are subject to neither the restricted nor committed levels of constraints.

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

J. Net Position and Fund Balances, (continued)

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.

When an expense is incurred for the purposes for which both restricted and unrestricted net position are available, the City's policy is to first apply restricted net position and then unrestricted.

K. Use of Estimates

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

L. Deferred Outflows/Inflows of Resources

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

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

M. Implementation of New Pronouncements

The following GASB Statements were implemented in the current financial statements:

GASB Statement No. 77, *Tax Abatement Disclosures*. This Statement will enhance the comparability of financial statements among governments by requiring certain disclosures related to tax abatement agreements. Application of this Statement was effective for the City's fiscal year ended June 30, 2017. The City currently has no such agreements.

N. Pensions

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

N. Pensions, (continued)

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

Valuation Date (VD)	June 30, 2015
Measurement Date (MD)	June 30, 2016
Measurement Period (MP)	July 1, 2015 to June 30, 2016

2. CASH AND INVESTMENTS

Cash and investments as of June 30, 2017 are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 20,981,101
Cash and investments with fiscal agent - restricted	1,149,456
Statement of Fiduciary Net Position:	
Cash and investments	579,026
Cash and investments with fiscal agent - restricted	<u>401,575</u>
 Total cash and investments	 <u><u>\$ 23,111,158</u></u>

Cash and investments as of June 30, 2017 consist of the following:

Petty cash	\$ 2,020
Deposits with financial institutions	1,328,922
Investments	<u>21,780,216</u>
 Total cash and investments	 <u><u>\$ 23,111,158</u></u>

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

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, (continued)

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

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

Investment Types Authorized by State Law	Authorized by investment policy	Maximum maturity*	Maximum percentage of portfolio*	Maximum investment in one issuer*
Local Agency Bonds	Yes	5 years	None	None
US Treasury Obligations	Yes	5 years	None	None
US Agency Securities	Yes	5 years	None	None
Bankers' acceptances	Yes	180 days	40%	None
Commercial paper	Yes	270 days	25%	10%
Negotiable certificates of deposit	Yes	5 years	30%	None
Repurchase agreements	Yes	1 year	None	None
Reverse repurchase agreements	No	92 days	20%	None
Medium-term notes	No	5 years	30%	None
Money market mutual funds	No	N/A	20%	10%
Mortgage pass-through securities	No	5 years	20%	None
County pooled investment funds	No	N/A	None	None
Local Agency Investment Funds (LAIF)	Yes	N/A	None	None
JPA Pools (other investment pools)	No	N/A	None	None

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, (continued)

Investments Authorized by Debt Agreements

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

Authorized investment type	Maximum maturity	Maximum percentage of portfolio	Maximum investment in one issuer
US Treasury Obligations	None	None	None
US Agency Securities	None	None	None
Money market funds	None	None	None
Certificates of deposit secured by collateral	None	None	None
Interest-bearing deposit accounts	None	None	None
Investment agreements	None	None	None
Commercial paper	None	None	None
Municipal bonds or notes	None	None	None
State bonds or notes	None	None	None
Bankers' acceptances	1 year	None	None
Repurchase agreements	30 days	None	None

Concentration of Credit

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2017, there were no investments in any one issuer (other than US Treasury securities and external investment pools) that represents 5% or more of total City investments.

Interest Rate Risk

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, (continued)

Interest Rate Risk, (continued)

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

Investment type	Total	Investment maturities (in months)		
		12 or less	13 -24	25 - 60
State investment pool	\$ 13,667,262	\$ 13,667,262	\$ -	\$ -
US Treasury Notes	4,917,286	547,745	2,184,017	2,185,524
FHLMC	1,644,638	1,644,638	-	-
Held by fiscal agent:				
Federated US Treasury obligations	1,551,030	1,551,030	-	-
Total	\$ 21,780,216	\$ 17,410,675	\$ 2,184,017	\$ 2,185,524

Credit Risk

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

Investment type	Total	Minimum legal rating	Ratings as of year-end	
			AAA	Not rated
State investment pool	\$ 13,667,262	N/A	\$ -	\$ 13,667,262
US Treasury Notes	4,917,286	N/A	4,917,286	-
FHLMC	1,644,638	N/A	1,644,638	-
Held by fiscal agent:				
Federated US Treasury obligations	1,551,030	N/A	1,551,030	-
Total	\$ 21,780,216		\$ 8,112,954	\$ 13,667,262

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

2. CASH AND INVESTMENTS, (continued)

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2017, none of the City's deposits with financial institutions in excess of federal depository insurance limits were held in uncollateralized accounts.

Investment in State Investment Pool

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

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investment type	Total	Fair value measurement		
		Level 1	Level 2	Level 3
US Treasury Notes	\$ 4,917,286	\$ -	\$ 4,917,286	\$ -
FHLMC	1,644,638	-	1,644,638	-
Sub-total	6,561,924	\$ -	\$ 6,561,924	\$ -
Investments measured at Net Asset Value:				
Federated US Treasury obligations	1,551,030			
Investments not subject to fair value:				
State investment pool	13,667,262			
Total	\$ 21,780,216			

Level 2 investments are valued using a *Continuous Fixed Income Evaluated Pricing* service.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

3. INTERFUND BALANCES AND TRANSFERS

A. Due To/Due From

At June 30, 2017, the City had the following short-term interfund receivables and payables:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Non-major Governmental Funds	<u>\$ 207,762</u>

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

B. Transfers

At June 30, 2017, the City had the following transfers:

<u>Transfers out</u>	<u>Transfers in</u>	<u>Amount</u>
Non-major Governmental Funds	Non-major Governmental Funds	\$ 109,651
Non-major Governmental Funds	Sewer	41,794
General Fund	Non-major Enterprise Funds	60,658
	Water Fund	16,505
Non-major Governmental Funds	General Fund	115,227
Internal Service Funds	Non-major Governmental Funds	<u>22,035</u>
		<u>\$ 365,870</u>

Significant transfers were to close out several funds.

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, 2017:

<u>Description</u>	<u>Deficit balance</u>
Non-major Governmental Funds:	
Open Space	<u>\$ 155,931</u>

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

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

B. Excess of Expenditures over Appropriations

The following funds reported expenditures in excess of appropriations:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
Governmental Funds:			
Lighting District #1	\$ 1,900	\$ 14,472	\$ (12,572)
Lighting District Zone A	1,400	4,302	(2,902)
Lighting District Zone B	8,500	20,394	(11,894)
Senior Center	15,100	20,422	(5,322)
SM Community Foundation	40,700	46,802	(6,102)

The City did not adopt budgets for the following funds: FMAG-Santa Anita Fire, LA County Tree Mitigation Grant, Fane/Winwood Assessment District, Development Impact Fees, Development Fees Art in Public Places, DUI Enforcement, Narcotics Enforcement, Fire Department Donations, Community Arts Commission, Dog Park, Recreation Department Donations, YAC-Youth Activity Center, Local Historical Society and the Low & Moderate Income Housing Asset.

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

5. CAPITAL ASSETS

A. Governmental Activities

A summary of changes in the governmental activities capital assets at June 30, 2017 is as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 162,275,945	\$ -	\$ -	\$ 162,275,945
Trees	1,206,214	-	-	1,206,214
Construction in Progress	-	92,501	-	92,501
Total capital assets, not being depreciated	163,482,159	92,501	-	163,574,660
Capital assets, being depreciated:				
Structures and improvements	11,967,939	140,452	-	12,108,391
Machinery and equipment	3,674,403	325,248	-	3,999,651
Infrastructure	22,623,648	-	-	22,623,648
Total capital assets, being depreciated	38,265,990	465,700	-	38,731,690
Less accumulated depreciation				
Structures and improvements	(6,057,768)	(249,063)	-	(6,306,831)
Machinery and equipment	(2,124,281)	(333,313)	-	(2,457,594)
Infrastructure	(11,862,148)	(886,335)	-	(12,748,483)
Total accumulated depreciation	(20,044,197)	(1,468,711)	-	(21,512,908)
Total capital assets being depreciated	18,221,793	(1,003,011)	-	17,218,782
Governmental activities, capital assets, net	\$ 181,703,952	\$ (910,510)	\$ -	\$ 180,793,442

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

Governmental activities:	
General government	\$ 111,775
Public safety	218,830
Public works	965,204
Culture and recreation	172,902
Total	\$ 1,468,711

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

5. CAPITAL ASSETS, (continued)

B. Business-type Activities

A summary of changes in the business-type activities capital assets at June 30, 2017 is as follows:

Business-type activities:	Beginning balance	Additions	Deletions	Ending balance
Capital assets, not being depreciated:				
Land	\$ 1,483,250	\$ -	\$ -	\$ 1,483,250
Total capital assets, not being depreciated	<u>1,483,250</u>	<u>-</u>	<u>-</u>	<u>1,483,250</u>
Capital assets, being depreciated:				
Structures and improvements	821,290	-	-	821,290
Machinery and equipment	1,206,758	19,909	(52,000)	1,174,667
Infrastructure	<u>42,662,285</u>	<u>259,831</u>	<u>(65,337)</u>	<u>42,856,779</u>
Total capital assets, being depreciated	<u>44,690,333</u>	<u>279,740</u>	<u>(117,337)</u>	<u>44,852,736</u>
Structures and improvements	(583,711)	(16,970)	-	(600,681)
Machinery and equipment	(916,839)	(69,538)	52,000	(934,377)
Infrastructure	<u>(18,773,772)</u>	<u>(744,699)</u>	<u>46,596</u>	<u>(19,471,875)</u>
Total accumulated depreciation	<u>(20,274,322)</u>	<u>(831,207)</u>	<u>98,596</u>	<u>(21,006,933)</u>
Total capital assets being depreciated	<u>24,416,011</u>	<u>(551,467)</u>	<u>(18,741)</u>	<u>23,845,803</u>
Business-type activities, capital assets, net	<u>\$ 25,899,261</u>	<u>\$ (551,467)</u>	<u>\$ (18,741)</u>	<u>\$ 25,329,053</u>

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

Business-type activities:	
Water	\$ 625,030
Sewer	<u>206,177</u>
Total	<u>\$ 831,207</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

6. LONG-TERM DEBT

A. Governmental Activities

A summary of changes in the governmental activities long-term liabilities at June 30, 2017 is as follows:

Governmental activities:	Beginning balance	Additions	Deletions	Ending balance	Due within one year	Due more than one year
Capital lease	\$ 375,785	\$ -	\$ (87,666)	\$ 288,119	\$ 91,727	\$ 196,392
Claims payable	1,285,708	-	(900,657)	385,051	163,005	222,046
Compensated absences	557,357	595,043	(225,688)	926,712	185,343	741,369
Net pension liability	<u>8,551,034</u>	<u>1,560,481</u>	<u>-</u>	<u>10,111,515</u>	<u>-</u>	<u>10,111,515</u>
Total	<u>\$ 10,769,884</u>	<u>\$ 2,155,524</u>	<u>\$ (1,214,011)</u>	<u>\$ 11,711,397</u>	<u>\$ 440,075</u>	<u>\$ 11,271,322</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 \$288,119 at June 30, 2017.

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

Future minimum lease payments for the year ending June 30,	Governmental activities
2018	\$ 105,067
2019	105,066
2020	<u>105,066</u>
Subtotal	315,199
Less: amount representing interest	<u>(27,080)</u>
Present value of future lease payments	<u>\$ 288,119</u>

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

Assets:	
Machinery and equipment	\$ 856,714
Less: accumulated depreciation	<u>(539,706)</u>
Total	<u>\$ 317,008</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

6. LONG-TERM DEBT, (continued)

B. Business-type Activities

A summary of changes in the Business-type Activities long-term liabilities at June 30, 2017 is as follows:

Business-type activities:	Beginning balance	Additions	Deletions	Ending balance	Due within one year	Due more than one year
Water Revenue Refunding						
Bonds, Series 1998A	\$ 1,415,000	\$ -	\$ (450,000)	\$ 965,000	\$ 470,000	\$ 495,000
Water Revenue Parity						
Bonds, Series 2003	6,750,000	-	-	6,750,000	-	6,750,000
Loan payable to SGVMWD	728,438	-	(145,687)	582,751	145,688	437,063
Capital lease	181,341	-	(42,305)	139,036	44,264	94,772
Compensated absences	126,374	86,012	(20,355)	192,031	38,406	153,625
Net pension liability	<u>1,752,892</u>	<u>466,709</u>	<u>-</u>	<u>2,219,601</u>	<u>-</u>	<u>2,219,601</u>
Total	<u>\$ 10,954,045</u>	<u>\$ 552,721</u>	<u>\$ (658,347)</u>	<u>\$ 10,848,419</u>	<u>\$ 698,358</u>	<u>\$ 10,150,061</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 until 2019, when the debt is due to be repaid. During the current fiscal year, the Water Fund had gross revenues of \$5,311,289 and made debt service payments on the bonds totaling \$509,500.

The outstanding balance of the Water Revenue Refunding Bonds, Series 1998A was \$965,000 at June 30, 2017.

Annual debt service requirements on these bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2018	\$ 470,000	\$ 36,500	\$ 506,500
2019	<u>495,000</u>	<u>12,375</u>	<u>507,375</u>
Totals	<u>\$ 965,000</u>	<u>\$ 48,875</u>	<u>\$ 1,013,875</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

6. LONG-TERM DEBT, (continued)

B. Business-type Activities, (continued)

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

In August 2003, the City entered into an installment agreement with a component unit of the City, the Sierra Madre Financing Authority, to issue bonds totaling \$6,750,000. The purpose of the Water Revenue Refunding Bonds was to finance certain improvements to the water production, treatment and distribution system of the City. These bonds mature annually through November 1, 2018 in amounts ranging from \$310,000 to \$625,000. The interest on the bonds is payable semi-annually on each May 1 and November 1, as of November 1, 2003. The interest rates of the bonds range from 5.14% to 5.25%. The bonds are subject to special mandatory redemption, mandatory sinking fund redemption and redemption from optional prepayment of installment payments prior to maturity. The bonds are secured by and payable solely from revenues of the City's Water Enterprise Fund until 2034, when the debt is due to be repaid. During the current fiscal year, the Water Fund had gross revenues of \$5,311,289 and made debt service payments on the bonds totaling \$339,345.

The outstanding balance of the Water Revenue Parity Bonds, Series 2003 was \$6,750,000 at June 30, 2017.

Annual debt service requirements on these bonds are as follows:

Year ending			
June 30,	Principal	Interest	Total
2018	\$ -	\$ 339,345	\$ 339,345
2019	-	339,345	339,345
2020	310,000	331,595	641,595
2021	325,000	315,720	640,720
2022	340,000	299,095	639,095
2023-2027	1,995,000	1,213,600	3,208,600
2028-2032	2,560,000	645,940	3,205,940
2033-2034	1,220,000	62,558	1,282,558
Totals	<u>\$ 6,750,000</u>	<u>\$ 3,547,198</u>	<u>\$ 10,297,198</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

6. LONG-TERM DEBT, (continued)

B. Business-type Activities, (continued)

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

The City has identified equipment needed to help assure a reliable water supply, by replacing its Mira Monte Reservoir and Booster Station ("Reservoir Project"). Therefore, the City entered into a loan agreement with the San Gabriel Valley Municipal Water District to fund a portion of the reservoir cost in the amount of \$1,456,875. Proceeds of the loan were disbursed to the City during the duration of the Reservoir Project on a reimbursement basis. Payments are due in annual installments of \$145,688 for ten years. Notice of Completion was March 15, 2009 and was approved by City Council on April 28, 2009. The SGVMWD has extended the first payment terms until July 1, 2012. The outstanding balance of the loan payable to San Gabriel Valley Municipal Water District was \$582,751 at June 30, 2017.

Annual debt service requirements on this loan are as follows:

Year ending June 30,	Principal	Interest	Total
2018	\$ 145,688	\$ -	\$ 145,688
2019	145,688	-	145,688
2020	145,688	-	145,688
2021	<u>145,687</u>	<u>-</u>	<u>145,687</u>
Totals	<u>\$ 582,751</u>	<u>\$ -</u>	<u>\$ 582,751</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 \$139,036 at June 30, 2017.

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

Future minimum lease payments for the year ending June 30,	Business-type activities
2018	\$ 50,701
2019	50,702
2020	<u>50,702</u>
Subtotal	152,105
Less: amount representing interest	<u>(13,069)</u>
Present value of future lease payments	<u>\$ 139,036</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

6. LONG-TERM DEBT, (continued)

B. Business-type Activities, (continued)

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

Assets:	
Machinery and equipment	\$ 401,418
Less: accumulated depreciation	<u>(256,461)</u>
Total	<u>\$ 144,957</u>

7. NET POSITION AND FUND BALANCES

A. Fund Balance Classifications

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

	General Fund	Non-Major Governmental Funds	Total
	<u> </u>	<u> </u>	<u> </u>
Restricted for:			
Land held for resale	\$ -	\$ 1,500,000	\$ 1,500,000
Public works	-	884,963	884,963
Community development	-	1,415,641	1,415,641
Public safety	-	186,260	186,260
Community services	-	222,147	222,147
Streets projects	-	899,904	899,904
Debt service	-	10,469	10,469
Committed to:			-
Capital projects	-	880,985	880,985
Community services	-	59,109	59,109
Tree maintenance	-	11,741	11,741
Donor restrictions	-	439,559	439,559
Unassigned	<u>7,428,117</u>	<u>(155,931)</u>	<u>7,272,186</u>
Total fund balance	<u>\$ 7,428,117</u>	<u>\$ 6,354,847</u>	<u>\$ 13,782,964</u>

The City Council has adopted a minimum fund balance policy. The policy requires 50% of General Fund revenues be set aside. As of June 30, 2017, the amount set aside was \$5,554,269.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

8. RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Below is the detail of how the City addresses these risks.

California Joint Powers Insurance Authority

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

The City of Sierra Madre is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 116 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

B. Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Retrospective adjustments are scheduled to continue indefinitely on coverage years 2012-13 and prior, until all claims incurred during those coverage years are closed, on a pool-wide basis. This subsequent cost re-allocation among members, based on actual claim. 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 funds or additional deposits required. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment.

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 general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

8. RISK MANAGEMENT, (continued)

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

Liability, (continued)

For 2016-17 the Authority pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled restrictions: (a) \$2.5 million annual aggregate deductible in the \$3 million in excess of \$2 million layer, and (b) \$3 million annual aggregate deductible in the \$5 million in excess of \$10 million layer. There is a third annual aggregate deductible in the amount of \$2.5 million in the \$5 million in excess of \$5 million layer, however it is fully covered under a separate policy and therefore not retained by the Authority.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence. Costs of covered claims for subsidence losses have a sub-limit of \$30 million per occurrence.

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2016-17 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

Employer's Liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

C. Purchased Insurance

Pollution Legal Liability Insurance

The City of Sierra Madre participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Sierra Madre. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2014 through July 1, 2017. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

8. RISK MANAGEMENT, (continued)

C. Purchased Insurance, (continued)

Property Insurance

The City of Sierra Madre participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Sierra Madre property is currently insured according to a schedule of covered property submitted by the City of Sierra Madre to the Authority. City of Sierra Madre property currently has all-risk property insurance protection in the amount of \$76,424,449. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance

The City of Sierra Madre purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Sierra Madre property currently has earthquake protection in the amount of \$34,896,081. 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 2016-17.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

8. RISK MANAGEMENT, (continued)

E. Claims Liability

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

As of June 30, 2017, the City paid off its retrospective deposit balance for the Liability Program. The current claims liability for both programs of \$385,051 is reported as claims payable current liabilities on the Statement of Net Position.

9. DEFERRED COMPENSATION PLAN

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

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN

A. General Information About the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City of Sierra Madre sponsors five rate plans (two miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and the City of Sierra Madre resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

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

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

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CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

The Plans' provisions and benefits in effect at June 30, 2017 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.5%	1.0% to 2.5%
Required employer contribution rates	10.808%	6.930%

	Safety	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50-55	50 - 57
Monthly benefits, as a % of eligible compensation	2.4% to 3%	2.0% to 2.7%
Required employer contribution rates	19.334%	12.821%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer contributions to the Plan for the fiscal year ended June 30, 2017 were \$1,272,198. The actual employer payments of \$1,175,439 made to CalPERS by the City of Sierra Madre during the measurement period ended June 30, 2016 differed from the City of Sierra Madre's proportionate share of the employer's contributions of \$1,092,631 by \$82,808, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability

The City of Sierra Madre’s net pension liability for the (each) Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation date	June 30, 2015
Measurement date	June 30, 2016
Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value of Assets
Actuarial assumptions:	
Discount rate	7.65%
Inflation	2.75%
Salary increases (1)	3.3% - 14.2%
Investment rate of return (2)	7.65%
Mortality rate table (3)	Derived using CALPERS' membership data for all Funds
Post retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

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

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

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

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS’ website at www.calpers.ca.gov.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability, (continued)

Change of Assumptions

There were no changes of assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website, at www.calpers.ca.gov.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the PERF asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

B. Net Pension Liability, (continued)

Discount Rate, (continued)

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2015.

Asset class	Current target allocation	Real return years 1 - 10 ¹	Real return years 11+ ²
Global equity	51.0%	5.25%	5.71%
Global fixed income	20.0%	0.99%	2.43%
Inflation sensitive	6.0%	0.45%	3.36%
Private equity	10.0%	6.83%	6.95%
Real estate	10.0%	4.50%	5.13%
Infrastructure and forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)
Total	100%		

¹ An expected inflation of 2.5% used for this period

² An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position

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

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

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

C. Proportionate Share of Net Pension Liability

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

	Increase (decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2015 (VD*)	\$ 41,278,501	\$ 31,134,571	\$ 10,143,930
Balance at: 6/30/2016 (MD*)	42,664,790	30,333,674	12,331,116
Net Changes during 2015-16	1,386,289	(800,897)	2,187,186

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

The Local Government's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The Local Government's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website, at www.calpers.ca.gov. The Local Government's proportionate share of the net pension liability for the Plan as of the June 30, 2015 and 2016 measurement dates was as follows:

	Misc	Safety	Total
Proportion - June 30, 2015	0.21298%	0.10438%	0.14779%
Proportion - June 30, 2016	0.20243%	0.10231%	0.14251%
Change - increase/(decrease)	<u>-0.01055%</u>	<u>-0.00207%</u>	<u>-0.00528%</u>

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

The following presents the City of Sierra Madre's proportionate share of the net pension liability for each Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount rate -1%	Current discount rate	Discount rate +1%
	6.65%	7.65%	8.65%
Employer's Net Pension Liability - Misc	\$ 10,209,810	\$ 7,032,108	\$ 4,405,895
Employer's Net Pension Liability - Safety	7,886,521	5,299,008	3,174,924
Employer's Net Pension Liability - Total	<u>\$ 18,096,331</u>	<u>\$ 12,331,116</u>	<u>\$ 7,580,819</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

Subsequent Events

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

Recognition of Gains and Losses

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

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

The EARSL for the Plan for the 2015-2016 measurement period is 3.7 years, which was obtained by dividing the total service years of 475,689 (the sum of remaining service lifetimes of the active employees) by 127,009 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

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

As of the start of the measurement period (July 1, 2015), the net pension liability for the plan was \$10,143,930. For the measurement period ending June 30, 2016 (the measurement date), the City of Sierra Madre incurred a pension expense of \$951,700 for the Plan.

As of June 30, 2017, the City of Sierra Madre has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual experience	\$ -	\$ 27,397
Changes of assumptions	-	400,488
Differences between projected and actual investment earnings	2,028,069	-
Differences between employer's contributions and proportionate share of contributions	82,849	30,645
Change in employer's proportion	252,926	30,208
Pension contributions made subsequent to measurement date	1,272,198	-
Totals	<u>\$ 3,636,042</u>	<u>\$ 488,738</u>

These amounts above are net of outflows and inflows recognized in the 2015-2016 measurement period expense. The \$1,272,198 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal year ending June 30:	Misc	Safety	Total
2018	\$ 244,544	\$ (32,427)	\$ 212,117
2019	207,682	2,687	210,369
2020	489,207	436,871	926,078
2021	279,546	246,996	526,542
2022	-	-	-
Thereafter	-	-	-
	<u>\$ 1,220,979</u>	<u>\$ 654,127</u>	<u>\$ 1,875,106</u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

10. DEFINED BENEFIT PENSION PLAN, (continued)

E. Payable to the Pension Plan

At June 30, 2017, the City of Sierra Madre reported a payable of \$10,153 for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

11. DEFINED CONTRIBUTION PENSION PLAN

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

For the year ended June 30, 2017, the City's payroll covered by the plan was \$587,749. 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, 2017

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 \$128 per month for 2017.

- \$134.40 for CEA (and other non-POA) retirees, calculated as 5% times 21 (years in CalPERS medical) times \$128.
- \$108.80 for the POA retirees, calculated as 5% times 17 years times \$128.

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 \$414.79 per month in 2017.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

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 City's plan does not publish an annual report, but 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	\$ 148,349
Interest on net OPEB asset	(19,405)
Adjustment to annual required contribution	<u>21,127</u>
Annual OPEB cost (expense)	150,071
Contributions made:	
Payments of behalf of retirees	(64,973)
Contributions to OPEB trust	<u>-</u>
Change in OPEB obligation (asset)	85,098
Net OPEB obligation (asset), beginning of year	<u>(386,552)</u>
Net OPEB obligation (asset), end of year	<u><u>\$ (301,454)</u></u>

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

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 2017 and the preceding two years were as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>Annual contribution</u>	<u>% of annual OPEB cost contributed</u>	<u>Net OPEB obligation/(asset)</u>
6/30/2015	\$ 120,073	\$ 56,337	46.9%	\$ (358,844)
6/30/2016	127,906	155,614	121.7%	(386,552)
6/30/2017	150,071	64,973	43.3%	(301,454)

Funded Status and Funding Progress

As of July 1, 2015, the most recent actuarial date, the funded status of the plan was as follows:

Actuarial accrued liability (AAL)	\$ 1,777,953
Actuarial value of plan assets	<u>1,363,276</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 414,677</u>
Funded ratio (actuarial value of plan assets/AAL)	76.7%
Covered payroll (active plan members)	\$ 3,980,400
UAAL as a percentage of covered payroll	10.4%

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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

13. OTHER POST EMPLOYMENT EMPLOYEE BENEFITS, (continued)

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.

The ARC for the plan for the current fiscal year ended June 30, 2017, was determined as part of the July 1, 2015 actuarial valuation. The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost, Level Percent of Pay Method. The asset valuation method used is the market value of assets. The actuarial assumptions included 1) a 6.73% 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 20-year period, commencing with the fiscal year ending July 1, 2016. The remaining amortization period at June 30, 2017 is 19 years.

14. SUCCESSOR AGENCY

Successor Agency Long-Term Debt

The debt of the Successor Agency as of June 30, 2017 is as follows:

<u>Successor Agency</u>	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>	<u>Due within one year</u>	<u>Due more than one year</u>
Refunding Bond, Series 1998A	\$ 1,415,000	\$ -	\$ (330,000)	\$ 1,085,000	\$ 345,000	\$ 740,000
Compensated absences	5,636	1,798	(4,872)	2,562	512	2,050
Total	<u>\$ 1,420,636</u>	<u>\$ 1,798</u>	<u>\$ (334,872)</u>	<u>\$ 1,087,562</u>	<u>\$ 345,512</u>	<u>\$ 742,050</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.

CITY OF SIERRA MADRE
Notes to Basic Financial Statements
For the year ended June 30, 2017

14. SUCCESSOR AGENCY, (continued)

Successor Agency Long-Term Debt, (continued)

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

The bonds are special obligations of the Authority secured by and payable solely as of the tax rate of the Tax Increment Revenue Refunding Bonds, Series 1998A ranging from 3.8% to 5.0%. The bonds are subject to mandatory sinking redemption and redemption from optional loan prepayments prior to maturity. The outstanding balance of the Tax Increment Revenue Refunding Bonds, Series 1998A was \$1,085,000 at June 30, 2017.

Annual debt service requirements on these bonds are as follows:

Year ending June 30,	Principal	Interest	Total
2018	\$ 345,000	\$ 45,625	\$ 390,625
2019	360,000	28,000	388,000
2020	<u>380,000</u>	<u>9,500</u>	<u>389,500</u>
Totals	<u>\$ 1,085,000</u>	<u>\$ 83,125</u>	<u>\$ 1,168,125</u>

15. PENSION PLAN CHANGES

On December 21, 2016, the California Public Employees’ Retirement System (CalPERS) Board of Administration voted to lower the CalPERS discount rate from 7.5 percent to 7.0 percent over the next three years. The discount rate will be changed as follows:

Fiscal year 2017-2018	7.375%
Fiscal year 2018-2019	7.25%
Fiscal year 2019-2020	7.00%

Lowering the discount rate, also known as the assumed rate of return, means employers that contract with CalPERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities.

City of Sierra Madre, California

Village of the Foothills



Required Supplementary Information For the Year Ending June 30, 2017

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CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2017

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.

CITY OF SIERRA MADRE
Required Supplementary Information
General Fund Budgetary Comparison Schedule
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,684,800	\$ 5,774,600	\$ 5,859,439	\$ 84,839
Other taxes	3,318,600	3,284,000	3,257,288	(26,712)
Charges for services	515,000	510,500	594,221	83,721
Intergovernmental	1,000	500	4,811	4,311
Licenses and permits	903,800	920,300	1,146,479	226,179
Fines and forfeitures	227,100	186,100	167,318	(18,782)
Investment income	-	15,000	37,818	22,818
Miscellaneous	10,700	30,600	41,163	10,563
Total revenues	<u>10,661,000</u>	<u>10,721,600</u>	<u>11,108,537</u>	<u>386,937</u>
Expenditures:				
Current:				
General government:				
Administrative Services	2,198,100	2,201,100	2,181,917	19,183
Elected and Appointed	278,500	223,600	209,565	14,035
Total general government	<u>2,476,600</u>	<u>2,424,700</u>	<u>2,391,482</u>	<u>33,218</u>
Public safety:				
Police	3,639,700	3,639,700	3,493,016	146,684
Fire	1,864,900	1,888,500	1,791,434	97,066
Total public safety	<u>5,504,600</u>	<u>5,528,200</u>	<u>5,284,450</u>	<u>243,750</u>
Public works	731,200	807,200	557,860	249,340
Development	1,127,200	1,343,700	1,263,376	80,324
Culture and recreation:				
Community Services	201,800	201,800	204,346	(2,546)
Library Services	740,300	740,300	675,445	64,855
Total culture and recreation	<u>942,100</u>	<u>942,100</u>	<u>879,791</u>	<u>62,309</u>
Total expenditures	<u>10,781,700</u>	<u>11,045,900</u>	<u>10,376,959</u>	<u>668,941</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(120,700)</u>	<u>(324,300)</u>	<u>731,578</u>	<u>1,055,878</u>
Other financing sources (uses):				
Transfers in	100,000	100,000	115,227	15,227
Transfers out	(33,900)	(33,900)	(77,163)	(43,263)
Total other financing sources (uses)	<u>66,100</u>	<u>66,100</u>	<u>38,064</u>	<u>(28,036)</u>
Net change to fund balance	(54,600)	(258,200)	769,642	1,027,842
Fund balance, beginning of year	<u>6,658,475</u>	<u>6,658,475</u>	<u>6,658,475</u>	<u>-</u>
Fund balance, end of year	<u>\$ 6,603,875</u>	<u>\$ 6,400,275</u>	<u>\$ 7,428,117</u>	<u>\$ 1,027,842</u>

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2017

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

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

	<u>Measurement date</u>		
	<u>6/30/2014</u>	<u>6/30/2015</u>	<u>6/30/2016</u>
Employer's Proportion of the Collective Net Pension Liability ¹	0.14780%	0.14779%	0.14251%
Employer's Proportionate Share of the Collective Net Pension Liability	\$ 9,021,417	\$ 10,143,930	\$ 12,331,116
Employer's covered-employee Payroll	\$ 4,841,779	\$ 4,869,024	\$ 5,243,636
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of the Employer's Covered-employee Payroll	186.32%	208.34%	235.16%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	77.90%	75.43%	71.10%

¹Proportion of the collective net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool

* = Only three years of data is available

CITY OF SIERRA MADRE
Required Supplementary Information
For the year ended June 30, 2017

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

*Schedule of Plan Contributions – Last 10 Years**

	Fiscal year		
	2015	2016	2017
Actuarially Determined Contribution	\$ 1,004,211	\$ 1,175,439	\$ 1,272,198
Contributions in Relation to the Actuarially Determined Contribution	<u>(1,004,211)</u>	<u>(1,175,439)</u>	<u>(1,272,198)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 4,841,779	\$ 4,869,024	\$ 5,243,636
Contributions as a Percentage of Covered Payroll	20.74%	24.14%	24.26%

Notes to Schedule:

Change in Benefit Terms: None

Change in Assumptions: None

* = Only three years of data is available.

2. OTHER POST EMPLOYMENT BENEFITS

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/2011	\$ 361,594	\$ 1,162,355	\$ 800,761	31.11%	\$ 3,879,418	20.64%
7/1/2013	896,496	1,181,306	284,810	75.89%	3,688,531	7.72%
7/1/2015	1,363,276	1,777,953	414,677	76.68%	3,980,400	10.42%

Schedule of Contributions

Fiscal year	Contribution
6/30/2015	\$ 56,337
6/30/2016	155,614
6/30/2017	64,973

City of Sierra Madre, California

Village of the Foothills



Supplementary Information For the Year Ending June 30, 2017

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CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Governmental Funds by Fund Type
June 30, 2017

	Special Revenue Funds	Capital Projects Funds	Citywide Debt Service Fund	Total Non-Major Governmental Funds
Assets:				
Cash and investments	\$ 4,136,843	\$ 883,509	\$ 10,469	\$ 5,030,821
Receivables:				
Accounts	61,463	-	-	61,463
Taxes	75,790	-	-	75,790
Due from other agencies	148,681	-	-	148,681
Land held for resale	-	1,500,000	-	1,500,000
Total assets	<u>\$ 4,422,777</u>	<u>\$ 2,383,509</u>	<u>\$ 10,469</u>	<u>\$ 6,816,755</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ 191,012	\$ -	\$ -	\$ 191,012
Accrued payroll and related liabilities	2,831	-	-	2,831
Due to other funds	207,762	-	-	207,762
Deposits and retentions	57,803	2,500	-	60,303
Total liabilities	<u>459,408</u>	<u>2,500</u>	<u>-</u>	<u>461,908</u>
Fund balances (deficit):				
Restricted	3,608,891	1,500,024	10,469	5,119,384
Committed	510,409	880,985	-	1,391,394
Assigned	-	-	-	-
Unassigned	(155,931)	-	-	(155,931)
Total fund balances	<u>3,963,369</u>	<u>2,381,009</u>	<u>10,469</u>	<u>6,354,847</u>
Total liabilities and fund balances	<u>\$ 4,422,777</u>	<u>\$ 2,383,509</u>	<u>\$ 10,469</u>	<u>\$ 6,816,755</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Governmental Funds by Fund Type
For the year ended June 30, 2017

	Special Revenue Funds	Capital Projects Funds	City-wide Debt Service Fund	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ 215,639	\$ -	\$ -	\$ 215,639
Charges for services	4,196	-	92,000	96,196
Intergovernmental	1,169,656	-	-	1,169,656
Licenses and permits	78,054	-	-	78,054
Investment income	20,971	4,405	-	25,376
Miscellaneous	448,018	-	-	448,018
Total revenues	<u>1,936,534</u>	<u>4,405</u>	<u>92,000</u>	<u>2,032,939</u>
Expenditures:				
Current:				
General government	-	-	-	-
Public safety	91,503	-	-	91,503
Public works	689,273	-	-	689,273
Development	-	92,501	-	92,501
Culture and recreation	235,634	-	-	235,634
Debt Service:				
Principal	-	-	75,964	75,964
Interest	-	-	15,082	15,082
Total expenditures	<u>1,016,410</u>	<u>92,501</u>	<u>91,046</u>	<u>1,199,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>920,124</u>	<u>(88,096)</u>	<u>954</u>	<u>832,982</u>
Other financing sources (uses):				
Transfers in	22,035	109,651	-	131,686
Transfers out	(266,672)	-	-	(266,672)
Total other financing sources (uses)	<u>(244,637)</u>	<u>109,651</u>	<u>-</u>	<u>(134,986)</u>
Net change to fund balances	675,487	21,555	954	697,996
Fund balances, beginning of year	<u>3,287,882</u>	<u>2,359,454</u>	<u>9,515</u>	<u>5,656,851</u>
Fund balances, end of year	<u>\$ 3,963,369</u>	<u>\$ 2,381,009</u>	<u>\$ 10,469</u>	<u>\$ 6,354,847</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2017

	Grant Funds	Assessment Funds	Other Special Revenue Funds	Total Special Revenue Funds
Assets:				
Cash and investments	\$ -	\$ 712,807	\$ 3,424,036	\$ 4,136,843
Receivables:				
Accounts	-	-	61,463	61,463
Taxes	-	13,757	62,033	75,790
Due from other agencies	11,992	-	136,689	148,681
Total assets	<u>\$ 11,992</u>	<u>\$ 726,564</u>	<u>\$ 3,684,221</u>	<u>\$ 4,422,777</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ 2,379	\$ 188,633	\$ 191,012
Accrued payroll and related liabilities	-	107	2,724	2,831
Due to other funds	11,992	135	195,635	207,762
Deposits and retentions	-	-	57,803	57,803
Total liabilities	<u>11,992</u>	<u>2,621</u>	<u>444,795</u>	<u>459,408</u>
Fund balances (deficit):				
Restricted	-	723,943	2,884,948	3,608,891
Committed	-	-	510,409	510,409
Unassigned	-	-	(155,931)	(155,931)
Total fund balances	<u>-</u>	<u>723,943</u>	<u>3,239,426</u>	<u>3,963,369</u>
Total liabilities and fund balances	<u>\$ 11,992</u>	<u>\$ 726,564</u>	<u>\$ 3,684,221</u>	<u>\$ 4,422,777</u>

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CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds
For the year ended June 30, 2017

	<u>Grant Funds</u>	<u>Assessment Funds</u>	<u>Other Special Revenue Funds</u>	<u>Total Special Revenue Funds</u>
Revenues:				
Property taxes	\$ -	\$ 215,639	\$ -	\$ 215,639
Charges for services	-	-	4,196	4,196
Intergovernmental	-	-	1,169,656	1,169,656
Licenses and permits	-	-	78,054	78,054
Investment income	-	3,758	17,213	20,971
Miscellaneous	-	-	448,018	448,018
Total revenues	<u>-</u>	<u>219,397</u>	<u>1,717,137</u>	<u>1,936,534</u>
Expenditures:				
Current:				
Public safety	-	-	91,503	91,503
Public works	-	76,251	613,022	689,273
Culture and recreation	-	-	235,634	235,634
Total expenditures	<u>-</u>	<u>76,251</u>	<u>940,159</u>	<u>1,016,410</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>143,146</u>	<u>776,978</u>	<u>920,124</u>
Other financing sources (uses):				
Transfers in	-	22,035	-	22,035
Transfers out	<u>(100,153)</u>	<u>(41,794)</u>	<u>(124,725)</u>	<u>(266,672)</u>
Total other financing sources (uses)	<u>(100,153)</u>	<u>(19,759)</u>	<u>(124,725)</u>	<u>(244,637)</u>
Net change to fund balances	(100,153)	123,387	652,253	675,487
Fund balances, beginning of year	<u>100,153</u>	<u>600,556</u>	<u>2,587,173</u>	<u>3,287,882</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ 723,943</u>	<u>\$ 3,239,426</u>	<u>\$ 3,963,369</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Grants
June 30, 2017

	FMAG-Santa Anita Fire	LA County Tree Mitigation Grant	Total Special Revenue-Grant Funds
Assets:			
Cash and investments	\$ -	\$ -	\$ -
Due from other agencies	-	11,992	11,992
Total assets	<u>\$ -</u>	<u>\$ 11,992</u>	<u>\$ 11,992</u>
Liabilities and Fund Balances:			
Liabilities:			
Due to other funds	\$ -	\$ 11,992	\$ 11,992
Total liabilities	<u>-</u>	<u>11,992</u>	<u>11,992</u>
Fund balances:			
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 11,992</u>	<u>\$ 11,992</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds – Grants
For the year ended June 30, 2017

	FMAG-Santa Anita Fire	LA County Tree Mitigation Grant	Total Special Revenue-Grant Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Current:			
Culture and recreation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	<u>(100,153)</u>	<u>-</u>	<u>(100,153)</u>
Total other financing sources (uses)	<u>(100,153)</u>	<u>-</u>	<u>(100,153)</u>
Net change to fund balances	(100,153)	-	(100,153)
Fund balances, beginning of year	<u>100,153</u>	<u>-</u>	<u>100,153</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Assessments
June 30, 2017

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Assets:				
Cash and investments	\$ 20,665	\$ -	\$ 11,734	\$ 201,397
Taxes receivable	646	135	-	3,927
Total assets	<u>\$ 21,311</u>	<u>\$ 135</u>	<u>\$ 11,734</u>	<u>\$ 205,324</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 140
Accrued payroll and related liabilities	-	-	107	-
Due to other funds	-	135	-	-
Total liabilities	<u>-</u>	<u>135</u>	<u>107</u>	<u>140</u>
Fund balances:				
Restricted	21,311	-	11,627	205,184
Total fund balances	<u>21,311</u>	<u>-</u>	<u>11,627</u>	<u>205,184</u>
Total liabilities and fund balances	<u>\$ 21,311</u>	<u>\$ 135</u>	<u>\$ 11,734</u>	<u>\$ 205,324</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 211,587	\$ 232,213	\$ 963	\$ -	\$ 34,248	\$ 712,807
8,613	418	18	-	-	13,757
<u>\$ 220,200</u>	<u>\$ 232,631</u>	<u>\$ 981</u>	<u>\$ -</u>	<u>\$ 34,248</u>	<u>\$ 726,564</u>
\$ 240	\$ 1,018	\$ 981	\$ -	\$ -	\$ 2,379
-	-	-	-	-	107
-	-	-	-	-	135
<u>240</u>	<u>1,018</u>	<u>981</u>	<u>-</u>	<u>-</u>	<u>2,621</u>
219,960	231,613	-	-	34,248	723,943
<u>219,960</u>	<u>231,613</u>	<u>-</u>	<u>-</u>	<u>34,248</u>	<u>723,943</u>
<u>\$ 220,200</u>	<u>\$ 232,631</u>	<u>\$ 981</u>	<u>\$ -</u>	<u>\$ 34,248</u>	<u>\$ 726,564</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
Non-Major Special Revenue Funds – Assessments
For the year ended June 30, 2017

	Bonita Sewer Assessment District	Central Business Assessment District	Fane/Winwood Assessment District	Lighting District #1
Revenues:				
Property taxes	\$ 10,290	\$ 5,474	\$ -	\$ 49,225
Investment income	103	-	59	1,004
Total revenues	<u>10,393</u>	<u>5,474</u>	<u>59</u>	<u>50,229</u>
Expenditures:				
Current:				
Public works	-	8,850	752	14,472
Total expenditures	<u>-</u>	<u>8,850</u>	<u>752</u>	<u>14,472</u>
Excess (deficiency) of revenues over (under) expenditures	<u>10,393</u>	<u>(3,376)</u>	<u>(693)</u>	<u>35,757</u>
Other financing sources (uses):				
Transfers in	-	3,376	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,376</u>	<u>-</u>	<u>-</u>
Net change to fund balances	10,393	-	(693)	35,757
Fund balances, beginning of year	<u>10,918</u>	<u>-</u>	<u>12,320</u>	<u>169,427</u>
Fund balances, end of year	<u>\$ 21,311</u>	<u>\$ -</u>	<u>\$ 11,627</u>	<u>\$ 205,184</u>

Lighting District Zone A	Lighting District Zone B	Parking Maintenance District	Sewer Assessment District	Sierra Madre CFD	Total Special Revenue- Assessment Funds
\$ 60,591	\$ 67,946	\$ 8,822	\$ 6,446	\$ 6,845	\$ 215,639
1,053	1,161	-	208	170	3,758
<u>61,644</u>	<u>69,107</u>	<u>8,822</u>	<u>6,654</u>	<u>7,015</u>	<u>219,397</u>
4,302	20,394	27,481	-	-	76,251
<u>4,302</u>	<u>20,394</u>	<u>27,481</u>	<u>-</u>	<u>-</u>	<u>76,251</u>
57,342	48,713	(18,659)	6,654	7,015	143,146
-	-	18,659	-	-	22,035
-	-	-	(41,794)	-	(41,794)
-	-	18,659	(41,794)	-	(19,759)
57,342	48,713	-	(35,140)	7,015	123,387
162,618	182,900	-	35,140	27,233	600,556
<u>\$ 219,960</u>	<u>\$ 231,613</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,248</u>	<u>\$ 723,943</u>

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other
June 30, 2017

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Narcotics Enforcement	Police Department Donations
Assets:					
Cash and investments	\$ 1,408,187	\$ 58,210	\$ 7,066	\$ -	\$ 6,332
Receivables:					
Accounts	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Total assets	<u>\$ 1,408,187</u>	<u>\$ 58,210</u>	<u>\$ 7,066</u>	<u>\$ -</u>	<u>\$ 6,332</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Deposits and retentions	50,780	-	-	-	-
Total liabilities	<u>50,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):					
Restricted	1,357,407	58,210	7,066	-	-
Committed	-	-	-	-	6,332
Unassigned	-	-	-	-	-
Total fund balances	<u>1,357,407</u>	<u>58,210</u>	<u>7,066</u>	<u>-</u>	<u>6,332</u>
Total liabilities and fund balances	<u>\$ 1,408,187</u>	<u>\$ 58,210</u>	<u>\$ 7,066</u>	<u>\$ -</u>	<u>\$ 6,332</u>

Public Safety Augmentation Fund	State COPS Grant	Fire Department Donations	Community Arts Commission	Dog Park	Recreation Department Donations	Local Transportation Prop A
\$ -	\$ 122,363	\$ 23,340	\$ 6,204	\$ -	\$ 45,418	\$ 235,118
-	-	-	-	-	-	-
22,617	39,416	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 22,617</u>	<u>\$ 161,779</u>	<u>\$ 23,340</u>	<u>\$ 6,204</u>	<u>\$ -</u>	<u>\$ 45,418</u>	<u>\$ 235,118</u>
\$ -	\$ -	\$ 12,840	\$ -	\$ -	\$ -	\$ 12,798
-	876	-	-	-	-	173
4,326	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>4,326</u>	<u>876</u>	<u>12,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,971</u>
18,291	160,903	-	-	-	-	222,147
-	-	10,500	6,204	-	45,418	-
-	-	-	-	-	-	-
<u>18,291</u>	<u>160,903</u>	<u>10,500</u>	<u>6,204</u>	<u>-</u>	<u>45,418</u>	<u>222,147</u>
<u>\$ 22,617</u>	<u>\$ 161,779</u>	<u>\$ 23,340</u>	<u>\$ 6,204</u>	<u>\$ -</u>	<u>\$ 45,418</u>	<u>\$ 235,118</u>

(continued)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2017

	<u>Open Space</u>	<u>Senior Center</u>	<u>SM Community Foundation</u>	<u>YAC-Youth Activity Center</u>	<u>Local Transit Prop C</u>
Assets:					
Cash and investments	\$ -	\$ 146,406	\$ 44,667	\$ 59,109	\$ 370,294
Receivables:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 146,406</u>	<u>\$ 44,667</u>	<u>\$ 59,109</u>	<u>\$ 370,294</u>
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 585	\$ 6,377	\$ -	\$ -
Accrued payroll and related liabilities	-	-	-	-	-
Due to other funds	155,931	-	-	-	-
Deposits and retentions	-	-	-	-	-
Total liabilities	<u>155,931</u>	<u>585</u>	<u>6,377</u>	<u>-</u>	<u>-</u>
Fund balances (deficit):					
Restricted	-	-	-	-	370,294
Committed	-	145,821	38,290	59,109	-
Unassigned	(155,931)	-	-	-	-
Total fund balances	<u>(155,931)</u>	<u>145,821</u>	<u>38,290</u>	<u>59,109</u>	<u>370,294</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 146,406</u>	<u>\$ 44,667</u>	<u>\$ 59,109</u>	<u>\$ 370,294</u>

CA Beverage Container Grant	Community Development Block Grant	Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Bikeway/Side walk TDA	Measure R
\$ 38,232	\$ 8,203	\$ 119,213	\$ -	\$ 10,525	\$ -	\$ 334,498
-	-	3,575	21,790	-	6,306	-
-	-	-	-	-	-	-
-	136,689	-	-	-	-	-
<u>\$ 38,232</u>	<u>\$ 144,892</u>	<u>\$ 122,788</u>	<u>\$ 21,790</u>	<u>\$ 10,525</u>	<u>\$ 6,306</u>	<u>\$ 334,498</u>
\$ -	\$ 137,869	\$ -	\$ -	\$ 7,886	\$ -	\$ -
-	-	-	598	1,077	-	-
-	-	-	9,451	-	6,306	-
-	7,023	-	-	-	-	-
-	144,892	-	10,049	8,963	6,306	-
38,232	-	122,788	-	1,562	-	334,498
-	-	-	11,741	-	-	-
-	-	-	-	-	-	-
<u>38,232</u>	<u>-</u>	<u>122,788</u>	<u>11,741</u>	<u>1,562</u>	<u>-</u>	<u>334,498</u>
<u>\$ 38,232</u>	<u>\$ 144,892</u>	<u>\$ 122,788</u>	<u>\$ 21,790</u>	<u>\$ 10,525</u>	<u>\$ 6,306</u>	<u>\$ 334,498</u>

(continued)

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CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Special Revenue Funds – Other, Continued
June 30, 2017

	LACMTA	Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
Assets:					
Cash and investments	\$ 193,550	\$ 186,928	\$ -	\$ 173	\$ 3,424,036
Receivables:					
Accounts	-	-	29,792	-	61,463
Taxes	-	-	-	-	62,033
Due from other agencies	-	-	-	-	136,689
Total assets	\$ 193,550	\$ 186,928	\$ 29,792	\$ 173	\$ 3,684,221
Liabilities and Fund Balances:					
Liabilities:					
Accounts payable	\$ -	\$ 107	\$ 10,171	\$ -	\$ 188,633
Accrued payroll and related liabilities	-	-	-	-	2,724
Due to other funds	-	-	19,621	-	195,635
Deposits and retentions	-	-	-	-	57,803
Total liabilities	-	107	29,792	-	444,795
Fund balances (deficit):					
Restricted	193,550	-	-	-	2,884,948
Committed	-	186,821	-	173	510,409
Unassigned	-	-	-	-	(155,931)
Total fund balances	193,550	186,821	-	173	3,239,426
Total liabilities and fund balances	\$ 193,550	\$ 186,928	\$ 29,792	\$ 173	\$ 3,684,221

(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, 2017

	Development Impact Fees	Development Fees Art in Public Places	DUI Enforcement	Narcotics Enforcement	Police Department Donations
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Investment income	7,009	290	34	-	32
Miscellaneous	-	-	-	-	254
Total revenues	<u>7,009</u>	<u>290</u>	<u>34</u>	<u>-</u>	<u>286</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	2,124
Public works	-	-	-	-	-
Development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,009</u>	<u>290</u>	<u>34</u>	<u>-</u>	<u>(1,838)</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(449)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(449)</u>	<u>-</u>
Net change to fund balances	7,009	290	34	(449)	(1,838)
Fund balances, beginning of year	<u>1,350,398</u>	<u>57,920</u>	<u>7,032</u>	<u>449</u>	<u>8,170</u>
Fund balances, end of year	<u>\$ 1,357,407</u>	<u>\$ 58,210</u>	<u>\$ 7,066</u>	<u>\$ -</u>	<u>\$ 6,332</u>

Public Safety Augmentation Fund	State COPS Grant	Fire Department Donations	Community Arts Commission	Dog Park	Recreation Department Donations	Local Transportation Prop A
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,196
115,227	180,713	-	-	-	-	203,148
1,805	-	-	-	-	-	-
(274)	609	117	31	-	226	1,195
-	-	2,565	-	-	-	-
<u>116,758</u>	<u>181,322</u>	<u>2,682</u>	<u>31</u>	<u>-</u>	<u>226</u>	<u>208,539</u>
-	-	-	-	-	-	-
-	75,331	14,048	-	-	-	-
-	-	-	-	-	-	17,523
-	-	-	-	-	-	-
-	-	-	-	-	-	147,863
<u>-</u>	<u>75,331</u>	<u>14,048</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,386</u>
<u>116,758</u>	<u>105,991</u>	<u>(11,366)</u>	<u>31</u>	<u>-</u>	<u>226</u>	<u>43,153</u>
-	-	-	-	-	-	-
<u>(115,227)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,049)</u>	<u>-</u>	<u>-</u>
<u>(115,227)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,049)</u>	<u>-</u>	<u>-</u>
1,531	105,991	(11,366)	31	(9,049)	226	43,153
<u>16,760</u>	<u>54,912</u>	<u>21,866</u>	<u>6,173</u>	<u>9,049</u>	<u>45,192</u>	<u>178,994</u>
<u>\$ 18,291</u>	<u>\$ 160,903</u>	<u>\$ 10,500</u>	<u>\$ 6,204</u>	<u>\$ -</u>	<u>\$ 45,418</u>	<u>\$ 222,147</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, 2017

	Open Space	Senior Center	SM Community Foundation	YAC-Youth Activity Center	Local Transit Prop C
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	168,478
Licenses and permits	-	-	-	-	-
Investment income	497	728	223	294	1,854
Miscellaneous	49,578	29,866	61,324	-	-
Total revenues	<u>50,075</u>	<u>30,594</u>	<u>61,547</u>	<u>294</u>	<u>170,332</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	45,240	-	18,369
Development	-	-	-	-	-
Culture and recreation	-	20,422	1,562	-	-
Total expenditures	<u>-</u>	<u>20,422</u>	<u>46,802</u>	<u>-</u>	<u>18,369</u>
Excess (deficiency) of revenues over (under) expenditures	<u>50,075</u>	<u>10,172</u>	<u>14,745</u>	<u>294</u>	<u>151,963</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balances	50,075	10,172	14,745	294	151,963
Fund balances, beginning of year	<u>(206,006)</u>	<u>135,649</u>	<u>23,545</u>	<u>58,815</u>	<u>218,331</u>
Fund balances, end of year	<u>\$ (155,931)</u>	<u>\$ 145,821</u>	<u>\$ 38,290</u>	<u>\$ 59,109</u>	<u>\$ 370,294</u>

CA Beverage Container Grant	Community Development Block Grant	Clean Air Fund (AQMD)	Environmental Fund	Gas Tax Fund	Bikeway/Side walk TDA	Measure R
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,000	136,689	14,064	-	213,621	6,306	126,410
-	-	-	76,249	-	-	-
191	-	593	-	-	-	1,667
-	-	-	-	34	-	-
<u>5,191</u>	<u>136,689</u>	<u>14,657</u>	<u>76,249</u>	<u>213,655</u>	<u>6,306</u>	<u>128,077</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	136,689	-	113,475	216,871	6,306	58,549
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>136,689</u>	<u>-</u>	<u>113,475</u>	<u>216,871</u>	<u>6,306</u>	<u>58,549</u>
<u>5,191</u>	<u>-</u>	<u>14,657</u>	<u>(37,226)</u>	<u>(3,216)</u>	<u>-</u>	<u>69,528</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
5,191	-	14,657	(37,226)	(3,216)	-	69,528
<u>33,041</u>	<u>-</u>	<u>108,131</u>	<u>48,967</u>	<u>4,778</u>	<u>-</u>	<u>264,970</u>
<u>\$ 38,232</u>	<u>\$ -</u>	<u>\$ 122,788</u>	<u>\$ 11,741</u>	<u>\$ 1,562</u>	<u>\$ -</u>	<u>\$ 334,498</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, 2017

	LACMTA	Library Gift and Memorial	Friends of the Library	Local Historical Society	Total Other Special Revenue Funds
Revenues:					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 4,196
Intergovernmental	-	-	-	-	1,169,656
Licenses and permits	-	-	-	-	78,054
Investment income	964	931	-	2	17,213
Miscellaneous	192,586	55,862	55,949	-	448,018
Total revenues	<u>193,550</u>	<u>56,793</u>	<u>55,949</u>	<u>2</u>	<u>1,717,137</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	91,503
Public works	-	-	-	-	613,022
Development	-	-	-	-	-
Culture and recreation	-	9,838	55,949	-	235,634
Total expenditures	<u>-</u>	<u>9,838</u>	<u>55,949</u>	<u>-</u>	<u>940,159</u>
Excess (deficiency) of revenues over (under) expenditures	<u>193,550</u>	<u>46,955</u>	<u>-</u>	<u>2</u>	<u>776,978</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(124,725)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(124,725)</u>
Net change to fund balances	193,550	46,955	-	2	652,253
Fund balances, beginning of year	<u>-</u>	<u>139,866</u>	<u>-</u>	<u>171</u>	<u>2,587,173</u>
Fund balances, end of year	<u>\$ 193,550</u>	<u>\$ 186,821</u>	<u>\$ -</u>	<u>\$ 173</u>	<u>\$ 3,239,426</u>

(concluded)

CITY OF SIERRA MADRE
Combining Balance Sheet
Non-Major Capital Project Funds
June 30, 2017

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Assets:			
Cash and investments	\$ 2,524	\$ 880,985	\$ 883,509
Land held for resale	1,500,000	-	1,500,000
Total assets	<u>\$ 1,502,524</u>	<u>\$ 880,985</u>	<u>\$ 2,383,509</u>
Liabilities and Fund Balances:			
Liabilities:			
Deposits and retentions	\$ 2,500	\$ -	\$ 2,500
Total liabilities	<u>2,500</u>	<u>-</u>	<u>2,500</u>
Fund balances:			
Restricted	1,500,024	-	1,500,024
Committed	-	880,985	880,985
Total fund balances	<u>1,500,024</u>	<u>880,985</u>	<u>2,381,009</u>
Total liabilities and fund balances	<u>\$ 1,502,524</u>	<u>\$ 880,985</u>	<u>\$ 2,383,509</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, 2017

	Low & Moderate Income Housing Asset Fund	Capital Projects Fund	Total Capital Project Funds
Revenues:			
Investment income	\$ 18	\$ 4,387	\$ 4,405
Total revenues	<u>18</u>	<u>4,387</u>	<u>4,405</u>
Expenditures:			
Current:			
Development	-	92,501	92,501
Total expenditures	<u>-</u>	<u>92,501</u>	<u>92,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>18</u>	<u>(88,114)</u>	<u>(88,096)</u>
Other financing sources (uses):			
Transfers in	-	109,651	109,651
Total other financing sources (uses)	<u>-</u>	<u>109,651</u>	<u>109,651</u>
Net change to fund balance	18	21,537	21,555
Fund balances, beginning of year	<u>1,500,006</u>	<u>859,448</u>	<u>2,359,454</u>
Fund Balances, end of year	<u>\$ 1,500,024</u>	<u>\$ 880,985</u>	<u>\$ 2,381,009</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Bonita Sewer Assessment District Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 10,300	\$ 10,300	\$ 10,290	\$ (10)
Investment income	-	-	103	103
Total revenues	<u>10,300</u>	<u>10,300</u>	<u>10,393</u>	<u>93</u>
Expenditures:				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning of year	<u>10,918</u>	<u>10,918</u>	<u>10,918</u>	<u>-</u>
Fund balance, end of year	<u>\$ 21,218</u>	<u>\$ 21,218</u>	<u>\$ 21,311</u>	<u>\$ 93</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Central Business Assessment District Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 5,300	\$ 5,300	\$ 5,474	\$ 174
Total revenues	<u>5,300</u>	<u>5,300</u>	<u>5,474</u>	<u>174</u>
Expenditures:				
Current:				
Public works	15,100	15,100	8,850	6,250
Total expenditures	<u>15,100</u>	<u>15,100</u>	<u>8,850</u>	<u>6,250</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(9,800)</u>	<u>(9,800)</u>	<u>(3,376)</u>	<u>6,424</u>
Other financing sources (uses):				
Transfers in	-	-	3,376	3,376
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,376</u>	<u>3,376</u>
Net change to fund balance	(9,800)	(9,800)	-	9,800
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ (9,800)</u>	<u>\$ (9,800)</u>	<u>\$ -</u>	<u>\$ 9,800</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Lighting District #1 Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 38,000	\$ 38,000	\$ 49,225	\$ 11,225
Investment income	-	-	1,004	1,004
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>50,229</u>	<u>12,229</u>
Expenditures:				
Current:				
Public works	1,900	1,900	14,472	(12,572)
Total expenditures	<u>1,900</u>	<u>1,900</u>	<u>14,472</u>	<u>(12,572)</u>
Net change to fund balance	36,100	36,100	35,757	(343)
Fund balance, beginning of year	<u>169,427</u>	<u>169,427</u>	<u>169,427</u>	<u>-</u>
Fund balance, end of year	<u>\$ 205,527</u>	<u>\$ 205,527</u>	<u>\$ 205,184</u>	<u>\$ (343)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Lighting District Zone A Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 45,000	\$ 45,000	\$ 60,591	\$ 15,591
Investment income	-	-	1,053	1,053
Total revenues	<u>45,000</u>	<u>45,000</u>	<u>61,644</u>	<u>16,644</u>
Expenditures:				
Current:				
Public works	1,400	1,400	4,302	(2,902)
Total expenditures	<u>1,400</u>	<u>1,400</u>	<u>4,302</u>	<u>(2,902)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>43,600</u>	<u>43,600</u>	<u>57,342</u>	<u>13,742</u>
Net change to fund balance	43,600	43,600	57,342	13,742
Fund balance, beginning of year	<u>162,618</u>	<u>162,618</u>	<u>162,618</u>	-
Fund balance, end of year	<u>\$ 206,218</u>	<u>\$ 206,218</u>	<u>\$ 219,960</u>	<u>\$ 13,742</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Lighting District Zone B Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 61,000	\$ 61,000	\$ 67,946	\$ 6,946
Investment income	-	-	1,161	1,161
Total revenues	<u>61,000</u>	<u>61,000</u>	<u>69,107</u>	<u>8,107</u>
Expenditures:				
Current:				
Public works	8,500	8,500	20,394	(11,894)
Total expenditures	<u>8,500</u>	<u>8,500</u>	<u>20,394</u>	<u>(11,894)</u>
Net change to fund balance	52,500	52,500	48,713	(3,787)
Fund balance, beginning of year	<u>182,900</u>	<u>182,900</u>	<u>182,900</u>	<u>-</u>
Fund balance, end of year	<u>\$ 235,400</u>	<u>\$ 235,400</u>	<u>\$ 231,613</u>	<u>\$ (3,787)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Parking Maintenance District Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 8,900	\$ 8,900	\$ 8,822	\$ (78)
Total revenues	<u>8,900</u>	<u>8,900</u>	<u>8,822</u>	<u>(78)</u>
Expenditures:				
Current:				
Public works	28,500	28,500	27,481	1,019
Total expenditures	<u>28,500</u>	<u>28,500</u>	<u>27,481</u>	<u>1,019</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(19,600)</u>	<u>(19,600)</u>	<u>(18,659)</u>	<u>941</u>
Other financing sources (uses):				
Transfers in	19,900	19,900	18,659	(1,241)
Total other financing sources (uses)	<u>19,900</u>	<u>19,900</u>	<u>18,659</u>	<u>(1,241)</u>
Net change to fund balance	300	300	-	(300)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 300</u>	<u>\$ 300</u>	<u>\$ -</u>	<u>\$ (300)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Sewer Assessment District Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 7,000	\$ 7,000	\$ 6,446	\$ (554)
Investment income	-	-	208	208
Total revenues	<u>7,000</u>	<u>7,000</u>	<u>6,654</u>	<u>(346)</u>
Expenditures:				
Current:				
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,000</u>	<u>7,000</u>	<u>6,654</u>	<u>(346)</u>
Other financing sources (uses):				
Transfers out	<u>-</u>	<u>-</u>	<u>(41,794)</u>	<u>(41,794)</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(41,794)</u>	<u>(41,794)</u>
Net change to fund balance	7,000	7,000	(35,140)	(42,140)
Fund balance, beginning of year	<u>35,140</u>	<u>35,140</u>	<u>35,140</u>	<u>-</u>
Fund balance, end of year	<u>\$ 42,140</u>	<u>\$ 42,140</u>	<u>\$ -</u>	<u>\$ (42,140)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Sierra Madre CFD Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 6,800	\$ 6,800	\$ 6,845	\$ 45
Investment income	-	-	170	170
Total revenues	<u>6,800</u>	<u>6,800</u>	<u>7,015</u>	<u>215</u>
Expenditures:				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	6,800	6,800	7,015	215
Fund balance, beginning of year	<u>27,233</u>	<u>27,233</u>	<u>27,233</u>	<u>-</u>
Fund balance, end of year	<u>\$ 34,033</u>	<u>\$ 34,033</u>	<u>\$ 34,248</u>	<u>\$ 215</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Police Department Donations Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 32	\$ 32
Miscellaneous	-	-	254	254
Total revenues	<u>-</u>	<u>-</u>	<u>286</u>	<u>286</u>
Expenditures:				
Current:				
Public safety	-	3,000	2,124	876
Total expenditures	<u>-</u>	<u>3,000</u>	<u>2,124</u>	<u>876</u>
Net change to fund balance	-	(3,000)	(1,838)	1,162
Fund balance, beginning of year	<u>8,170</u>	<u>8,170</u>	<u>8,170</u>	<u>-</u>
Fund balance, end of year	<u>\$ 8,170</u>	<u>\$ 5,170</u>	<u>\$ 6,332</u>	<u>\$ 1,162</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Public Safety Augmentation Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Property taxes	\$ 100,000	\$ 100,000	\$ 115,227	\$ 15,227
Intergovernmental	-	-	1,805	1,805
Investment income	-	-	(274)	(274)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>116,758</u>	<u>16,758</u>
Expenditures:				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>100,000</u>	<u>100,000</u>	<u>116,758</u>	<u>16,758</u>
Other financing sources (uses):				
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>(115,227)</u>	<u>(15,227)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(115,227)</u>	<u>(15,227)</u>
Net change to fund balance	-	-	1,531	1,531
Fund balance, beginning of year	<u>16,760</u>	<u>16,760</u>	<u>16,760</u>	<u>-</u>
Fund balance, end of year	<u>\$ 16,760</u>	<u>\$ 16,760</u>	<u>\$ 18,291</u>	<u>\$ 1,531</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
State COPS Grant Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 100,000	\$ 100,000	180,713	\$ 80,713
Investment income	-	-	609	609
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>181,322</u>	<u>81,322</u>
Expenditures:				
Current:				
Public safety	100,000	100,000	75,331	24,669
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>75,331</u>	<u>24,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>105,991</u>	<u>105,991</u>
Net change to fund balance	-	-	105,991	105,991
Fund balance, beginning of year	<u>54,912</u>	<u>54,912</u>	<u>54,912</u>	<u>-</u>
Fund balance, end of year	<u>\$ 54,912</u>	<u>\$ 54,912</u>	<u>\$ 160,903</u>	<u>\$ 105,991</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Local Transportation Prop A Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 5,000	\$ 5,000	\$ 4,196	\$ (804)
Intergovernmental	204,000	204,000	203,148	(852)
Investment income	-	-	1,195	1,195
Total revenues	<u>209,000</u>	<u>209,000</u>	<u>208,539</u>	<u>(461)</u>
Expenditures:				
Current:				
Public works	178,500	178,500	17,523	160,977
Culture and recreation	-	-	147,863	(147,863)
Total expenditures	<u>178,500</u>	<u>178,500</u>	<u>165,386</u>	<u>13,114</u>
Net change to fund balance	30,500	30,500	43,153	12,653
Fund balance, beginning of year	<u>178,994</u>	<u>178,994</u>	<u>178,994</u>	<u>-</u>
Fund balance, end of year	<u>\$ 209,494</u>	<u>\$ 209,494</u>	<u>\$ 222,147</u>	<u>\$ 12,653</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Open Space Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 497	\$ 497
Miscellaneous	49,600	49,600	49,578	(22)
Total revenues	<u>49,600</u>	<u>49,600</u>	<u>50,075</u>	<u>475</u>
Expenditures:				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	49,600	49,600	50,075	475
Fund balance, beginning of year	<u>(206,006)</u>	<u>(206,006)</u>	<u>(206,006)</u>	<u>-</u>
Fund balance, end of year	<u>\$ (156,406)</u>	<u>\$ (156,406)</u>	<u>\$ (155,931)</u>	<u>\$ 475</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Senior Center Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 1,000	\$ 1,000	\$ -	\$ (1,000)
Investment income	-	-	728	728
Miscellaneous	20,600	20,600	29,866	9,266
Total revenues	<u>21,600</u>	<u>21,600</u>	<u>30,594</u>	<u>8,994</u>
Expenditures:				
Current:				
Culture and recreation	15,100	15,100	20,422	(5,322)
Total expenditures	<u>15,100</u>	<u>15,100</u>	<u>20,422</u>	<u>(5,322)</u>
Net change to fund balance	6,500	6,500	10,172	3,672
Fund balance, beginning of year	<u>135,649</u>	<u>135,649</u>	<u>135,649</u>	<u>-</u>
Fund balance, end of year	<u>\$ 142,149</u>	<u>\$ 142,149</u>	<u>\$ 145,821</u>	<u>\$ 3,672</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
SM Community Foundation Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 223	\$ 223
Miscellaneous	-	-	61,324	61,324
Total revenues	-	-	61,547	61,547
Expenditures:				
Current:				
Public works	40,700	40,700	45,240	(4,540)
Culture and recreation	-	-	1,562	(1,562)
Total expenditures	40,700	40,700	46,802	(6,102)
Net change to fund balance	(40,700)	(40,700)	14,745	55,445
Fund balance, beginning of year	23,545	23,545	23,545	-
Fund balance, end of year	<u>\$ (17,155)</u>	<u>\$ (17,155)</u>	<u>\$ 38,290</u>	<u>\$ 55,445</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Local Transit Prop C Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 169,200	\$ 169,200	\$ 168,478	\$ (722)
Investment income	-	-	1,854	1,854
Total revenues	<u>169,200</u>	<u>169,200</u>	<u>170,332</u>	<u>1,132</u>
Expenditures:				
Current:				
Public works	<u>320,700</u>	<u>320,700</u>	<u>18,369</u>	<u>302,331</u>
Total expenditures	<u>320,700</u>	<u>320,700</u>	<u>18,369</u>	<u>302,331</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(151,500)</u>	<u>(151,500)</u>	<u>151,963</u>	<u>303,463</u>
Net change to fund balance	(151,500)	(151,500)	151,963	303,463
Fund balance, beginning of year	<u>218,331</u>	<u>218,331</u>	<u>218,331</u>	-
Fund balance, end of year	<u>\$ 66,831</u>	<u>\$ 66,831</u>	<u>\$ 370,294</u>	<u>\$ 303,463</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
CA Beverage Container Grant Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Investment income	-	-	191	191
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>5,191</u>	<u>191</u>
Expenditures:				
Current:				
Public works	4,500	4,500	-	4,500
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>
Net change to fund balance	500	500	5,191	4,691
Fund balance, beginning of year	<u>33,041</u>	<u>33,041</u>	<u>33,041</u>	<u>-</u>
Fund balance, end of year	<u>\$ 33,541</u>	<u>\$ 33,541</u>	<u>\$ 38,232</u>	<u>\$ 4,691</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
CDBG Community Development Block Grant Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 136,700	\$ 136,700	\$ 136,689	\$ (11)
Total revenues	<u>136,700</u>	<u>136,700</u>	<u>136,689</u>	<u>(11)</u>
Expenditures:				
Current:				
Public works	136,700	136,700	136,689	11
Total expenditures	<u>136,700</u>	<u>136,700</u>	<u>136,689</u>	<u>11</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Clear Air (AQMD) Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 11,000	\$ 11,000	\$ 14,064	\$ 3,064
Investment income	-	-	593	593
Total revenues	<u>11,000</u>	<u>11,000</u>	<u>14,657</u>	<u>3,657</u>
Expenditures:				
Current:	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change to fund balance	11,000	11,000	14,657	3,657
Fund balance, beginning of year	<u>108,131</u>	<u>108,131</u>	<u>108,131</u>	<u>-</u>
Fund balance, end of year	<u>\$ 119,131</u>	<u>\$ 119,131</u>	<u>\$ 122,788</u>	<u>\$ 3,657</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Environmental Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Licenses and permits	\$ 77,000	\$ 77,000	\$ 76,249	\$ (751)
Total revenues	<u>77,000</u>	<u>77,000</u>	<u>76,249</u>	<u>(751)</u>
Expenditures:				
Current:				
Public works	116,300	166,300	113,475	52,825
Total expenditures	<u>116,300</u>	<u>166,300</u>	<u>113,475</u>	<u>52,825</u>
Net change to fund balance	(39,300)	(89,300)	(37,226)	52,074
Fund balance, beginning of year	<u>48,967</u>	<u>48,967</u>	<u>48,967</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,667</u>	<u>\$ (40,333)</u>	<u>\$ 11,741</u>	<u>\$ 52,074</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Gas Tax Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 234,800	\$ 234,800	\$ 213,621	\$ (21,179)
Investment income	-	-	34	34
Total revenues	<u>234,800</u>	<u>234,800</u>	<u>213,655</u>	<u>(21,145)</u>
Expenditures:				
Current:				
Public works	<u>226,000</u>	<u>226,000</u>	<u>216,871</u>	<u>9,129</u>
Total expenditures	<u>226,000</u>	<u>226,000</u>	<u>216,871</u>	<u>9,129</u>
Net change to fund balance	8,800	8,800	(3,216)	(12,016)
Fund balance, beginning of year	<u>4,778</u>	<u>4,778</u>	<u>4,778</u>	<u>-</u>
Fund balance, end of year	<u>\$ 13,578</u>	<u>\$ 13,578</u>	<u>\$ 1,562</u>	<u>\$ (12,016)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Bikeway/Sidewalk Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 7,300	\$ 7,300	\$ 6,306	\$ (994)
Total revenues	<u>7,300</u>	<u>7,300</u>	<u>6,306</u>	<u>(994)</u>
Expenditures:				
Current:				
Public works	6,700	6,700	6,306	394
Total expenditures	<u>6,700</u>	<u>6,700</u>	<u>6,306</u>	<u>394</u>
Net change to fund balance	600	600	-	(600)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ 600</u>	<u>\$ 600</u>	<u>\$ -</u>	<u>\$ (600)</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Measure R Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 126,900	\$ 126,900	\$ 126,410	\$ (490)
Investment income	-	-	1,667	1,667
Total revenues	<u>126,900</u>	<u>126,900</u>	<u>128,077</u>	<u>1,177</u>
Expenditures:				
Current:				
Public works	452,300	376,300	58,549	317,751
Total expenditures	<u>452,300</u>	<u>376,300</u>	<u>58,549</u>	<u>317,751</u>
Net change to fund balance	(325,400)	(249,400)	69,528	318,928
Fund balance, beginning of year	<u>264,970</u>	<u>264,970</u>	<u>264,970</u>	<u>-</u>
Fund balance, end of year	<u>\$ (60,430)</u>	<u>\$ 15,570</u>	<u>\$ 334,498</u>	<u>\$ 318,928</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
LACMTA Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Intergovernmental	\$ 192,600	\$ 192,600	\$ 192,586	\$ (14)
Investment income	-	-	964	964
Total revenues	<u>192,600</u>	<u>192,600</u>	<u>193,550</u>	<u>950</u>
Expenditures:				
Current:				
Public works	<u>192,600</u>	<u>192,600</u>	-	<u>192,600</u>
Total expenditures	<u>192,600</u>	<u>192,600</u>	-	<u>192,600</u>
Net change to fund balance	-	-	193,550	193,550
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 193,550</u>	<u>\$ 193,550</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Library Gift and Memorial Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 931	\$ 931
Miscellaneous	63,600	63,600	55,862	(7,738)
Total revenues	<u>63,600</u>	<u>63,600</u>	<u>56,793</u>	<u>(6,807)</u>
Expenditures:				
Current:				
Culture and recreation	63,600	63,600	9,838	53,762
Total expenditures	<u>63,600</u>	<u>63,600</u>	<u>9,838</u>	<u>53,762</u>
Net change to fund balance	-	-	46,955	46,955
Fund balance, beginning of year	<u>139,866</u>	<u>139,866</u>	<u>139,866</u>	<u>-</u>
Fund balance, end of year	<u>\$ 139,866</u>	<u>\$ 139,866</u>	<u>\$ 186,821</u>	<u>\$ 46,955</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Friends of the Library Special Revenue Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Miscellaneous	\$ 154,300	\$ 154,300	\$ 55,949	\$ (98,351)
Total revenues	<u>154,300</u>	<u>154,300</u>	<u>55,949</u>	<u>(98,351)</u>
Expenditures:				
Current:				
Culture and recreation	154,300	154,300	55,949	98,351
Total expenditures	<u>154,300</u>	<u>154,300</u>	<u>55,949</u>	<u>98,351</u>
Net change to fund balance	-	-	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Capital Projects Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Investment income	\$ -	\$ -	\$ 4,387	\$ 4,387
Total revenues	<u>-</u>	<u>-</u>	<u>4,387</u>	<u>4,387</u>
Expenditures:				
Current:				
Public safety	122,000	122,000	92,501	29,499
Public Works	<u>617,500</u>	<u>617,500</u>	<u>-</u>	<u>617,500</u>
Total expenditures	<u>739,500</u>	<u>739,500</u>	<u>92,501</u>	<u>646,999</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(739,500)</u>	<u>(739,500)</u>	<u>(88,114)</u>	<u>651,386</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>109,651</u>	<u>109,651</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>109,651</u>	<u>109,651</u>
Net change to fund balance	(739,500)	(739,500)	21,537	761,037
Fund balance, beginning of year	<u>859,448</u>	<u>859,448</u>	<u>859,448</u>	<u>-</u>
Fund balance, end of year	<u>\$ 119,948</u>	<u>\$ 119,948</u>	<u>\$ 880,985</u>	<u>\$ 761,037</u>

CITY OF SIERRA MADRE
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual
Debt Service Fund
For the year ended June 30, 2017

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues:				
Charges for services	\$ 92,000	\$ 92,000	\$ 92,000	\$ -
Total revenues	<u>92,000</u>	<u>92,000</u>	<u>92,000</u>	<u>-</u>
Expenditures:				
Debt service:				
Prinicpal	76,000	76,000	75,964	36
Interest	<u>16,000</u>	<u>16,000</u>	<u>15,082</u>	<u>918</u>
Total expenditures	<u>92,000</u>	<u>92,000</u>	<u>91,046</u>	<u>954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>954</u>	<u>954</u>
Net change to fund balance	-	-	954	954
Fund balance, beginning of year	<u>9,515</u>	<u>9,515</u>	<u>9,515</u>	<u>-</u>
Fund balance, end of year	<u>\$ 9,515</u>	<u>\$ 9,515</u>	<u>\$ 10,469</u>	<u>\$ 954</u>

CITY OF SIERRA MADRE
Combining Statement of Net Position
Non-Major Enterprise Funds
June 30, 2017

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
Assets:					
Current assets:					
Cash and investments	\$ 81,874	\$ 147,943	\$ 5,988	\$ 144,382	\$ 380,187
Prepays	-	-	1,375	-	1,375
Total current assets	<u>81,874</u>	<u>147,943</u>	<u>7,363</u>	<u>144,382</u>	<u>381,562</u>
Total assets	<u>81,874</u>	<u>147,943</u>	<u>7,363</u>	<u>144,382</u>	<u>381,562</u>
Liabilities:					
Current liabilities:					
Accounts payable	-	-	3,966	10,616	14,582
Accrued payroll and related liabilities	-	-	1,110	684	1,794
Deposits and retentions	-	-	-	4,237	4,237
Compensated absences - current	-	-	457	-	457
Total current liabilities	<u>-</u>	<u>-</u>	<u>5,533</u>	<u>15,537</u>	<u>21,070</u>
Noncurrent liabilities:					
Compensated absences	-	-	1,830	-	1,830
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,830</u>	<u>-</u>	<u>1,830</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>7,363</u>	<u>15,537</u>	<u>22,900</u>
Net Position:					
Unrestricted	<u>81,874</u>	<u>147,943</u>	<u>-</u>	<u>128,845</u>	<u>358,662</u>
Total net position	<u>\$ 81,874</u>	<u>\$ 147,943</u>	<u>\$ -</u>	<u>\$ 128,845</u>	<u>\$ 358,662</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, 2017

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
Operating revenues:					
Charges for services	\$ -	\$ 95,292	\$ 64,874	\$ 28,029	\$ 188,195
Licenses and permits	-	-	-	36,609	36,609
Total operating revenues	-	95,292	64,874	64,638	224,804
Operating expenses:					
Personnel services	-	-	68,460	47,684	116,144
Contractual services	-	-	26,570	-	26,570
Materials and supplies	-	-	13,317	-	13,317
Administrative Charges	-	-	7,100	-	7,100
Utilities	-	22,697	-	-	22,697
Maintenance and operation	-	-	10,100	2,934	13,034
Total operating expenses	-	22,697	125,547	50,618	198,862
Operating income (losses)	-	72,595	(60,673)	14,020	25,942
Nonoperating revenues (expenses):					
Investment Income	407	736	-	717	1,860
Total nonoperating revenues (expenses)	407	736	-	717	1,860
Income (loss) before transfers	407	73,331	(60,673)	14,737	27,802
Transfers:					
Transfers in	-	-	60,658	-	60,658
Total transfers	-	-	60,658	-	60,658
Change in net position	407	73,331	(15)	14,737	88,460
Net position, beginning of year	81,467	74,612	15	114,108	270,202
Net position, end of year	\$ 81,874	\$ 147,943	\$ -	\$ 128,845	\$ 358,662

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Non-Major Enterprise Funds
For the year ended June 30, 2017

	Special Strike Team Services	Aquatics	Special Events	Filming	Total Non-Major Enterprise Funds
Cash flows from operating activities:					
Receipts from customers and users	\$ -	\$ 95,292	\$ 64,874	\$ 64,638	\$ 224,804
Payments to suppliers	-	(24,104)	(59,298)	1,502	(81,900)
Payments to employees	-	-	(67,501)	(47,937)	(115,438)
Net cash provided (used) by operating activities	-	71,188	(61,925)	18,203	27,466
Cash flows from non-capital financing activities:					
Interfund borrowings	-	-	60,658	-	60,658
Net cash provided (used) by non-capital financing activities	-	-	60,658	-	60,658
Cash flows from investing activities:					
Investment income	407	736	-	717	1,860
Net cash provided (used) by investing activities	407	736	-	717	1,860
Net increase (decrease) in cash and cash equivalents	407	71,924	(1,267)	18,920	89,984
Cash and investments:					
Beginning of year	81,467	76,019	7,255	125,462	290,203
End of year	\$ 81,874	\$ 147,943	\$ 5,988	\$ 144,382	\$ 380,187
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ -	\$ 72,595	\$ (60,673)	\$ 14,020	\$ 25,942
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in prepaid expenses	-	-	734	-	734
Increase (decrease) in accounts payable	-	(1,407)	(2,945)	10,616	6,264
Increase (decrease) in accrued liabilities	-	-	362	(253)	109
Increase (decrease) in deposits payable	-	-	-	(6,180)	(6,180)
Increase (decrease) in compensated absences	-	-	597	-	597
Total adjustments	-	(1,407)	(1,252)	4,183	1,524
Net cash provided (used) by operating activities	\$ -	\$ 71,188	\$ (61,925)	\$ 18,203	\$ 27,466

CITY OF SIERRA MADRE
Combining Statement of Net Position
Internal Service Funds
June 30, 2017

	Fleet	Facilities Management	Administration	Technology
Assets:				
Current assets:				
Cash and investments	\$ 769,274	\$ 1,707,186	\$ 730,831	\$ 756,557
Accounts Receivable	-	-	-	5,884
Prepays	-	-	-	-
Total current assets	<u>769,274</u>	<u>1,707,186</u>	<u>730,831</u>	<u>762,441</u>
Noncurrent assets:				
Capital assets:				
Non-depreciable assets	-	-	-	-
Depreciable-net	821,597	-	217,813	115,513
Total noncurrent assets	<u>821,597</u>	<u>-</u>	<u>217,813</u>	<u>115,513</u>
Total assets	<u>1,590,871</u>	<u>1,707,186</u>	<u>948,644</u>	<u>877,954</u>
Deferred Outflows of Resources:				
Pension related	-	-	254,523	-
Liabilities:				
Current liabilities:				
Accounts payable	113,690	45,450	21,926	80,534
Accrued payroll and related liabilities	605	2,502	7,850	3,684
Interest payable	594	-	-	-
Claims payable - current	-	-	-	-
Compensated absences - current	1,348	8,420	8,321	53
Capital lease payable - current	12,244	-	-	-
Total current liabilities	<u>128,481</u>	<u>56,372</u>	<u>38,097</u>	<u>84,271</u>
Noncurrent liabilities:				
Claims payable - current	-	-	-	-
Compensated absences	5,394	33,681	33,283	211
Net Pension Liability	-	-	863,178	-
Capital lease payable	26,214	-	-	-
Total noncurrent liabilities	<u>31,608</u>	<u>33,681</u>	<u>896,461</u>	<u>211</u>
Total liabilities	<u>160,089</u>	<u>90,053</u>	<u>934,558</u>	<u>84,482</u>
Deferred Inflows of Resources:				
Pension related	-	-	34,212	-
Net Position:				
Net investment in capital assets	783,139	-	217,813	115,513
Unrestricted	647,643	1,617,133	16,584	677,959
Total net position	<u>\$ 1,430,782</u>	<u>\$ 1,617,133</u>	<u>\$ 234,397</u>	<u>\$ 793,472</u>

Personnel and Risk Management	General Plan and Housing Update	Total Internal Service Funds
\$ 718,470	\$ 96,438	\$ 4,778,756
-	-	5,884
<u>662,566</u>	<u>-</u>	<u>662,566</u>
<u>1,381,036</u>	<u>96,438</u>	<u>5,447,206</u>
-	-	-
<u>-</u>	<u>-</u>	<u>1,154,923</u>
<u>-</u>	<u>-</u>	<u>1,154,923</u>
<u>1,381,036</u>	<u>96,438</u>	<u>6,602,129</u>
<u>-</u>	<u>-</u>	<u>254,523</u>
14,149	-	275,749
10,152	-	24,793
-	-	594
163,005	-	163,005
6,308	-	24,450
<u>-</u>	<u>-</u>	<u>12,244</u>
<u>193,614</u>	<u>-</u>	<u>500,835</u>
222,046	-	222,046
25,233	-	97,802
-	-	863,178
<u>-</u>	<u>-</u>	<u>26,214</u>
<u>247,279</u>	<u>-</u>	<u>1,209,240</u>
<u>440,893</u>	<u>-</u>	<u>1,710,075</u>
<u>-</u>	<u>-</u>	<u>34,212</u>
-	-	1,116,465
<u>940,143</u>	<u>96,438</u>	<u>3,995,900</u>
<u>\$ 940,143</u>	<u>\$ 96,438</u>	<u>\$ 5,112,365</u>

CITY OF SIERRA MADRE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the year ended June 30, 2017

	Fleet	Facilities Management	Administration	Technology
Operating revenues:				
Charges for services	\$ 425,700	\$ 552,600	\$ 718,600	\$ 642,000
Licenses and permits	-	-	-	25,588
Miscellaneous	-	-	-	-
Total operating revenues	<u>425,700</u>	<u>552,600</u>	<u>718,600</u>	<u>667,588</u>
Operating expenses:				
Personnel services	107,383	200,507	413,300	43,111
Contractual services	19,213	104,118	104,060	353,377
Materials and supplies	71,692	43,839	61,936	97,812
Insurance, claims and charges	-	-	-	-
Utilities	78,256	220,328	-	145,384
Maintenance and operation	354	18,399	35,689	9,810
Depreciation	157,728	-	48,403	12,835
Total operating expenses	<u>434,626</u>	<u>587,191</u>	<u>663,388</u>	<u>662,329</u>
Operating income (loss)	<u>(8,926)</u>	<u>(34,591)</u>	<u>55,212</u>	<u>5,259</u>
Nonoperating revenues (expenses):				
Investment income	3,825	8,706	3,639	3,807
Interest expense	<u>(2,137)</u>	-	-	-
Total nonoperating revenues (expenses)	<u>1,688</u>	<u>8,706</u>	<u>3,639</u>	<u>3,807</u>
Income (loss) before transfers and capital contributions	(7,238)	(25,885)	58,851	9,066
Transfers:				
Transfer out	-	<u>(22,035)</u>	-	-
Total transfers	<u>-</u>	<u>(22,035)</u>	<u>-</u>	<u>-</u>
Change in net position	(7,238)	(47,920)	58,851	9,066
Net position, beginning of year	<u>1,438,020</u>	<u>1,665,053</u>	<u>175,546</u>	<u>784,406</u>
Net position, end of year	<u>\$ 1,430,782</u>	<u>\$ 1,617,133</u>	<u>\$ 234,397</u>	<u>\$ 793,472</u>

<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 2,206,422	\$ -	\$ 4,545,322
-	-	25,588
5,151	-	5,151
<u>2,211,573</u>	<u>-</u>	<u>4,576,061</u>
342,168	-	1,106,469
73,793	-	654,561
21,753	-	297,032
720,667	-	720,667
-	-	443,968
9,634	-	73,886
-	-	218,966
<u>1,168,015</u>	<u>-</u>	<u>3,515,549</u>
<u>1,043,558</u>	<u>-</u>	<u>1,060,512</u>
1,936	480	22,393
-	-	(2,137)
<u>1,936</u>	<u>480</u>	<u>20,256</u>
1,045,494	480	1,080,768
-	-	(22,035)
<u>-</u>	<u>-</u>	<u>(22,035)</u>
1,045,494	480	1,058,733
<u>(105,351)</u>	<u>95,958</u>	<u>4,053,632</u>
<u>\$ 940,143</u>	<u>\$ 96,438</u>	<u>\$ 5,112,365</u>

CITY OF SIERRA MADRE
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2017

	Fleet	Facilities Management	Administration	Technology
Cash flows from operating activities:				
Receipts from interfund services provided	\$ 425,700	\$ 552,600	\$ 718,600	\$ 667,681
Payments to suppliers	(60,257)	(376,376)	(196,748)	(702,846)
Payments to employees	(121,105)	(182,537)	(494,191)	(40,300)
Net cash provided (used) by operating activities	<u>244,338</u>	<u>(6,313)</u>	<u>27,661</u>	<u>(75,465)</u>
Cash flows from non-capital financing activities:				
Transfers to other funds	-	(22,035)	-	-
Net cash provided (used) by non-capital financing activities	<u>-</u>	<u>(22,035)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(325,249)	-	-	-
Principal paid	(11,702)	-	-	-
Interest paid	(2,317)	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(339,268)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:				
Investment income	3,825	8,706	3,639	3,807
Net cash provided (used) by investing activities	<u>3,825</u>	<u>8,706</u>	<u>3,639</u>	<u>3,807</u>
Net increase (decrease) in cash and cash equivalents	(91,105)	(19,642)	31,300	(71,658)
Cash and investments:				
Beginning of year	860,379	1,726,828	699,531	828,215
End of year	<u>\$ 769,274</u>	<u>\$ 1,707,186</u>	<u>\$ 730,831</u>	<u>\$ 756,557</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (8,926)	\$ (34,591)	\$ 55,212	\$ 5,259
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	157,728	-	48,403	12,835
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	-	-	-	93
(Increase) decrease in deferred outflow of resources	-	-	(148,272)	-
(Increase) decrease in prepaid expenses	-	-	-	-
Increase (decrease) in accounts payable	109,258	10,308	4,937	(96,463)
Increase (decrease) in accrued liabilities	(798)	(104)	792	2,547
Increase (decrease) in claims payable	-	-	-	-
Increase (decrease) in compensated absences	(12,924)	18,074	(3,038)	264
Increase (decrease) in deferred inflow of resources	-	-	(33,965)	-
Increase (decrease) in net pension liability	-	-	103,592	-
Total adjustments	<u>253,264</u>	<u>28,278</u>	<u>(27,551)</u>	<u>(80,724)</u>
Net cash provided (used) by operating activities	<u>\$ 244,338</u>	<u>\$ (6,313)</u>	<u>\$ 27,661</u>	<u>\$ (75,465)</u>

<u>Personnel and Risk Management</u>	<u>General Plan and Housing Update</u>	<u>Total Internal Service Funds</u>
\$ 2,235,225	\$ -	\$ 4,599,806
(1,440,106)	-	(2,776,333)
<u>(1,244,109)</u>	<u>-</u>	<u>(2,082,242)</u>
(448,990)	-	(258,769)
-	-	(22,035)
-	-	(22,035)
-	-	(325,249)
-	-	(11,702)
<u>-</u>	<u>-</u>	<u>(2,317)</u>
-	-	(339,268)
1,936	480	22,393
<u>1,936</u>	<u>480</u>	<u>22,393</u>
(447,054)	480	(597,679)
<u>1,165,524</u>	<u>95,958</u>	<u>5,376,435</u>
<u>\$ 718,470</u>	<u>\$ 96,438</u>	<u>\$ 4,778,756</u>
<u>\$ 1,043,558</u>	<u>\$ -</u>	<u>\$ 1,060,512</u>
-	-	218,966
23,652	-	23,745
-	-	(148,272)
(614,816)	-	(614,816)
557	-	28,597
1,949	-	4,386
(900,657)	-	(900,657)
(3,233)	-	(857)
-	-	(33,965)
<u>-</u>	<u>-</u>	<u>103,592</u>
(1,492,548)	-	(1,319,281)
<u>\$ (448,990)</u>	<u>\$ -</u>	<u>\$ (258,769)</u>

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City of Sierra Madre, California

Village of the Foothills



**Statistical Section
For the Year Ending
June 30, 2017**

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

Fiscal Year Ended June 30,

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:				
Net investment in capital assets	\$ 188,972,208	\$ 187,749,494	\$ 187,804,691	\$ 186,635,375
Restricted	4,861,347	4,473,882	4,681,595	8,648,585
Unrestricted	<u>3,873,992</u>	<u>5,880,289</u>	<u>5,876,098</u>	<u>1,634,124</u>
Total governmental activities net position	<u>\$ 197,707,547</u>	<u>\$ 198,103,665</u>	<u>\$ 198,362,384</u>	<u>\$ 196,918,084</u>
Business-Type activities:				
Net investment in capital assets	\$ 15,133,429	\$ 16,526,965	\$ 15,741,252	\$ 15,842,534
Restricted	-	-	-	-
Unrestricted	<u>6,734,062</u>	<u>6,338,095</u>	<u>6,822,253</u>	<u>6,324,287</u>
Total business-type activities net position	<u>\$ 21,867,491</u>	<u>\$ 22,865,060</u>	<u>\$ 22,563,505</u>	<u>\$ 22,166,821</u>
Primary government:				
Net investment in capital assets	\$ 204,105,637	\$ 204,276,459	\$ 203,545,943	\$ 202,477,909
Restricted	4,861,347	4,473,882	4,681,595	8,648,585
Unrestricted	<u>10,608,054</u>	<u>12,218,384</u>	<u>12,698,351</u>	<u>7,958,411</u>
Total primary government net position	<u>\$ 219,575,038</u>	<u>\$ 220,968,725</u>	<u>\$ 220,925,889</u>	<u>\$ 219,084,905</u>

Data source: City of Sierra Madre Finance Department

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ 185,544,420	\$ 184,344,066	\$ 183,026,172	\$ 181,862,536	\$ 181,328,167	\$ 180,505,323
10,779,254	10,341,052	13,952,436	6,051,883	5,794,991	5,119,384
870,761	555,794	204,442	764,679	1,731,997	5,264,763
<u>\$ 197,194,435</u>	<u>\$ 195,240,912</u>	<u>\$ 197,183,050</u>	<u>\$ 188,679,098</u>	<u>\$ 188,855,155</u>	<u>\$ 190,889,470</u>
\$ 15,665,079	\$ 15,804,079	\$ 15,963,941	\$ 16,668,550	\$ 16,824,482	\$ 16,892,266
1,145,841	1,149,456	1,149,456	1,149,456	1,149,456	1,149,456
4,437,196	3,894,603	4,053,155	1,994,086	1,313,820	1,439,579
<u>\$ 21,248,116</u>	<u>\$ 20,848,138</u>	<u>\$ 21,166,552</u>	<u>\$ 19,812,092</u>	<u>\$ 19,287,758</u>	<u>\$ 19,481,301</u>
\$ 201,209,499	\$ 200,148,145	\$ 198,990,113	\$ 198,531,086	\$ 198,152,649	\$ 197,397,589
11,925,095	11,490,508	15,101,892	7,201,339	6,944,447	6,268,840
5,307,957	4,450,397	4,257,597	2,758,765	3,045,817	6,704,342
<u>\$ 218,442,551</u>	<u>\$ 216,089,050</u>	<u>\$ 218,349,602</u>	<u>\$ 208,491,190</u>	<u>\$ 208,142,913</u>	<u>\$ 210,370,771</u>

CITY OF SIERRA MADRE

Changes in Net Position

(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
Expenses:				
Governmental activities:				
General government	\$ 6,611,903	\$ 7,851,142	\$ 7,779,996	\$ 3,495,144
Public safety	3,938,272	6,698,070	4,380,352	5,504,146
Public works	917,320	805,897	884,015	1,756,538
Development services	-	431,174	375,842	1,738,918
Culture and recreation	2,006,435	1,231,928	1,444,584	1,392,657
Interest on long-term debt	178,109	167,567	156,125	181,711
Total governmental activities expenses	<u>13,652,039</u>	<u>17,185,778</u>	<u>15,020,914</u>	<u>14,069,114</u>
Business-type activities:				
Water	9,519,066	3,137,904	3,399,076	3,442,699
Sewer	627,238	651,945	856,702	951,566
Recreation services	414,058	445,244	493,509	503,796
Special services	136,705	195,286	89,909	37,462
Film services	65,954	26,561	47,529	46,681
Total business-type activities expenses	<u>10,763,021</u>	<u>4,456,940</u>	<u>4,886,725</u>	<u>4,982,204</u>
Total primary government expenses	<u>\$ 24,415,060</u>	<u>\$ 21,642,718</u>	<u>\$ 19,907,639</u>	<u>\$ 19,051,318</u>
Program revenues:				
Governmental activities:				
Charges for services	\$ 5,486,438	\$ 5,521,416	\$ 5,065,422	\$ 2,390,204
Operating grants and contributions	1,444,440	2,920,814	757,868	957,136
Capital grants and contributions	428,708	121,739	48,228	1,008,836
Total governmental activities program revenues	<u>7,359,586</u>	<u>8,563,969</u>	<u>5,871,518</u>	<u>4,356,176</u>
Business-type activities:				
Charges for services	6,322,222	4,412,306	4,173,073	4,379,502
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	1,043,645	248,500	29,619
Total business-type activities program revenues	<u>6,322,222</u>	<u>5,455,951</u>	<u>4,421,573</u>	<u>4,409,121</u>
Total primary government program revenues	<u>\$ 13,681,808</u>	<u>\$ 14,019,920</u>	<u>\$ 10,293,091</u>	<u>\$ 8,765,297</u>
Net revenue/(expense):				
Governmental activities	\$ (6,292,453)	\$ (8,621,809)	\$ (9,149,396)	\$ (9,712,938)
Business-type activities	<u>(4,440,799)</u>	<u>999,011</u>	<u>(465,152)</u>	<u>(573,083)</u>
Total primary government net revenue/(expense)	<u>\$ (10,733,252)</u>	<u>\$ (7,622,798)</u>	<u>\$ (9,614,548)</u>	<u>\$ (10,286,021)</u>

Data source: City of Sierra Madre Finance Department

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ 1,756,491	\$ 2,350,968	\$ 742,540	\$ 1,581,532	\$ 1,791,927	\$ 1,710,654
5,243,664	5,240,506	5,525,072	5,500,997	5,754,806	5,115,933
2,669,022	1,311,100	1,499,333	2,255,560	1,401,974	1,961,343
998,147	874,469	993,035	1,089,493	1,412,537	1,129,817
1,695,105	1,449,653	1,407,243	1,325,706	1,280,228	1,078,262
95,211	8,241	23,697	20,580	17,322	13,909
<u>12,457,640</u>	<u>11,234,937</u>	<u>10,190,920</u>	<u>11,773,868</u>	<u>11,658,794</u>	<u>11,009,918</u>
3,806,990	3,980,084	3,542,092	4,626,949	4,388,290	4,763,179
927,102	1,022,868	844,486	939,202	1,172,547	1,371,492
306,613	115,980	131,897	113,608	259,594	22,697
168,546	112,482	92,752	101,219	108,211	125,547
70,275	58,589	54,817	18,035	43,620	50,618
<u>5,279,526</u>	<u>5,290,003</u>	<u>4,666,044</u>	<u>5,799,013</u>	<u>5,972,262</u>	<u>6,333,533</u>
<u>\$ 17,737,166</u>	<u>\$ 16,524,940</u>	<u>\$ 14,856,964</u>	<u>\$ 17,572,881</u>	<u>\$ 17,631,056</u>	<u>\$ 17,343,451</u>
\$ 2,013,245	\$ 2,512,450	\$ 3,525,563	\$ 2,374,090	\$ 2,350,878	\$ 2,377,056
1,331,720	992,239	1,237,489	1,071,981	1,022,280	1,368,859
51,342	-	-	-	-	-
<u>3,396,307</u>	<u>3,504,689</u>	<u>4,763,052</u>	<u>3,446,071</u>	<u>3,373,158</u>	<u>3,745,915</u>
4,090,554	4,525,723	4,978,343	5,497,755	5,606,012	6,337,602
-	-	-	-	-	62,166
-	316,930	258,882	242,500	46,234	-
<u>4,090,554</u>	<u>4,842,653</u>	<u>5,237,225</u>	<u>5,740,255</u>	<u>5,652,246</u>	<u>6,399,768</u>
<u>\$ 7,486,861</u>	<u>\$ 8,347,342</u>	<u>\$ 10,000,277</u>	<u>\$ 9,186,326</u>	<u>\$ 9,025,404</u>	<u>\$ 10,145,683</u>
\$ (9,061,333)	\$ (7,730,248)	\$ (5,427,868)	\$ (8,327,797)	\$ (8,285,636)	\$ (7,264,003)
(1,188,972)	(447,350)	571,181	(58,758)	(320,016)	66,235
<u>\$ (10,250,305)</u>	<u>\$ (8,177,598)</u>	<u>\$ (4,856,687)</u>	<u>\$ (8,386,555)</u>	<u>\$ (8,605,652)</u>	<u>\$ (7,197,768)</u>

CITY OF SIERRA MADRE

Changes in Net Position, (continued)

(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
Governmental activities:				
Taxes	\$ 6,493,372	\$ 8,198,847	\$ 8,905,659	\$ 8,437,401
Investment income	521,398	334,793	231,953	54,370
Grants and contributions, not restricted	-	-	-	-
Capital contributions	-	168,991	369,848	65,294
Extraordinary gain/(loss)	-	-	-	-
Loss on disposal of property	-	-	-	-
Transfers	(96,533)	94,135	(114,988)	(167,071)
Total governmental activities	<u>6,918,237</u>	<u>8,796,766</u>	<u>9,392,472</u>	<u>8,389,994</u>
Business-type activities:				
Investment income	222,005	210,854	38,667	11,044
Capital contributions	3,140,885	-	-	-
Transfers	96,533	(94,135)	114,988	167,071
Total business-type activities	<u>3,459,423</u>	<u>116,719</u>	<u>153,655</u>	<u>178,115</u>
Total primary government	<u>\$ 10,377,660</u>	<u>\$ 8,913,485</u>	<u>\$ 9,546,127</u>	<u>\$ 8,568,109</u>
Change in net position:				
Governmental activities	\$ 625,784	\$ 174,957	\$ 243,076	\$ (1,322,944)
Business-type activities	(981,376)	1,115,730	(311,497)	(394,968)
Total primary government	<u>\$ (355,592)</u>	<u>\$ 1,290,687</u>	<u>\$ (68,421)</u>	<u>\$ (1,717,912)</u>

Data source: City of Sierra Madre Finance Department

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ 7,774,266	\$ 7,739,306	\$ 8,217,065	\$ 8,435,031	\$ 8,487,077	\$ 9,332,367
16,405	21,761	11,671	11,875	38,125	85,588
-	-	-	-	-	-
-	15,209	-	-	-	-
1,499,139	-	-	-	-	-
-	-	(854,341)	-	-	-
(164,500)	(47,372)	(4,389)	(54,018)	(63,509)	(118,957)
<u>9,125,310</u>	<u>7,728,904</u>	<u>7,370,006</u>	<u>8,392,888</u>	<u>8,461,693</u>	<u>9,298,998</u>
2,827	-	6,826	6,425	11,201	7,691
-	-	-	-	-	-
164,500	47,372	4,389	54,018	63,509	118,957
<u>167,327</u>	<u>47,372</u>	<u>11,215</u>	<u>60,443</u>	<u>74,710</u>	<u>126,648</u>
<u>\$ 9,292,637</u>	<u>\$ 7,776,276</u>	<u>\$ 7,381,221</u>	<u>\$ 8,453,331</u>	<u>\$ 8,536,403</u>	<u>\$ 9,425,646</u>
\$ 63,977	\$ (1,344)	\$ 1,942,138	\$ 65,091	\$ 176,057	\$ 2,034,995
(1,021,645)	(399,978)	582,396	1,685	(245,306)	192,883
<u>\$ (957,668)</u>	<u>\$ (401,322)</u>	<u>\$ 2,524,534</u>	<u>\$ 66,776</u>	<u>\$ (69,249)</u>	<u>\$ 2,227,878</u>

CITY OF SIERRA MADRE

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

	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
General fund:				
Unreserved ⁽¹⁾	\$ 3,841,994	\$ 3,454,249	\$ 4,246,065	\$ -
Reserved ⁽¹⁾	300,000	490,000	890,000	-
Nonspendable	-	-	-	-
Committed	-	-	-	800,000
Assigned	-	-	-	-
Unassigned	-	-	-	4,721,717
Total General Fund	\$ 4,141,994	\$ 3,944,249	\$ 5,136,065	\$ 5,521,717
All other governmental funds:				
Reserved: ⁽¹⁾				
Debt service funds	\$ 3,178,349	\$ 2,445,701	\$ 2,528,671	\$ -
Land held for resale	1,682,998	1,682,998	1,682,998	-
Capital projects funds	112,656	407,967	469,927	-
Unreserved, reported in: ⁽¹⁾				
Special revenue funds	568,536	1,580,312	2,040,378	-
Non-spendable	-	-	-	401,575
Restricted	-	-	-	1,682,998
Committed	-	-	-	5,863,012
Assigned	-	-	-	854,020
Unassigned	-	-	-	(2,902,573)
Total all other governmental funds	\$ 5,542,539	\$ 6,116,978	\$ 6,721,974	\$ 5,899,032
Total all governmental funds	\$ 9,684,533	\$ 10,061,227	\$ 11,858,039	\$ 11,420,749

⁽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.

Data source: City of Sierra Madre Finance Department

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	2,547	19,535	-	-
250,000	635,000	1,255,290	1,280,500	-	-
3,989,683	4,400,416	4,635,021	5,133,278	4,720,472	-
870,761	900,121	553,476	1,021,355	1,938,003	7,428,117
<u>\$ 5,110,444</u>	<u>\$ 5,935,537</u>	<u>\$ 6,446,334</u>	<u>\$ 7,454,668</u>	<u>\$ 6,658,475</u>	<u>\$ 7,428,117</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,682,998	1,682,998	1,682,998	4,113,442	4,406,441	5,119,384
888,909	1,658,115	2,199,679	661,036	1,457,095	1,391,394
1,453,098	981,304	1,237,371	-	-	-
(395,035)	(344,327)	(348,734)	(256,676)	(206,006)	(155,931)
<u>\$ 3,629,970</u>	<u>\$ 3,978,090</u>	<u>\$ 4,771,314</u>	<u>\$ 4,517,802</u>	<u>\$ 5,657,530</u>	<u>\$ 6,354,847</u>
<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,217,648</u>	<u>\$ 11,972,470</u>	<u>\$ 12,316,005</u>	<u>\$ 13,782,964</u>

CITY OF SIERRA MADRE

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

	Fiscal Year Ended June 30,			
	2008	2009	2010	2011
Revenues:				
Taxes	\$ 6,493,372	\$ 8,198,847	\$ 8,905,659	\$ 8,437,444
Property Taxes	-	-	-	-
Other Taxes	-	-	-	-
Charges for services	578,794	545,968	658,809	616,947
Intergovernmental	1,873,146	3,042,552	757,869	1,965,972
Licenses and permits	987,713	847,977	854,492	1,221,741
Fines and forfeitures	179,912	189,677	189,899	235,260
Investment Income	521,398	278,739	170,391	49,439
Miscellaneous	224,668	188,538	153,766	316,214
Total revenues	<u>10,859,003</u>	<u>13,292,298</u>	<u>11,690,885</u>	<u>12,843,017</u>
Expenditures:				
Current:				
General government	2,407,126	2,664,527	3,091,208	1,444,497
Public safety	3,938,272	6,698,070	4,380,352	5,504,146
Public works	917,320	805,897	884,016	1,756,537
Development	-	431,174	375,842	1,132,604
Culture and recreation	2,006,435	1,231,928	1,444,583	1,392,657
Debt service:				
Principal	215,000	225,000	235,000	302,998
Interest	181,520	171,288	160,125	181,711
Capital outlay	421,953	615,364	574,064	1,553,968
Total expenditures	<u>10,087,626</u>	<u>12,843,248</u>	<u>11,145,190</u>	<u>13,269,118</u>
Excess (deficiency) of revenues over (under) expenditures	<u>771,377</u>	<u>449,050</u>	<u>545,695</u>	<u>(426,101)</u>
Other financing sources (uses):				
Sale of City property	-	-	-	65,294
Equipment Financing	-	-	725,402	-
Transfers in	2,767,157	3,869,613	1,950,479	3,590,490
Transfers out	(2,765,329)	(3,789,486)	(1,403,676)	(3,579,472)
Total other financing sources (uses)	<u>1,828</u>	<u>80,127</u>	<u>1,272,205</u>	<u>76,312</u>
Extraordinary gain (loss)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	773,205	529,177	1,817,900	(349,789)
Fund balances, beginning of year, as restated	<u>8,911,328</u>	<u>9,532,050</u>	<u>10,040,139</u>	<u>11,770,538</u>
Fund balances, end of year	<u>\$ 9,684,533</u>	<u>\$ 10,061,227</u>	<u>\$ 11,858,039</u>	<u>\$ 11,420,749</u>

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

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

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

Data source: City of Sierra Madre Finance Department

Fiscal Year Ended June 30,

2012	2013	2014	2015	2016	2017
\$ 6,758,148	\$ -	\$ -	\$ -	\$ -	\$ -
-	3,902,682	4,391,262	5,264,471	5,677,308	6,075,078
-	3,724,541	3,707,633	3,170,560	2,809,769	3,257,288
595,203	897,281	820,236	871,237	881,477	690,417
2,249,029	1,065,088	1,248,338	1,073,897	1,022,280	1,174,467
1,160,456	1,131,957	2,431,117	1,018,971	837,657	1,224,533
223,902	328,707	240,188	223,072	190,999	167,318
10,571	-	6,636	5,397	25,726	63,194
184,835	163,313	169,853	260,810	440,745	489,181
<u>11,182,144</u>	<u>11,213,569</u>	<u>13,015,263</u>	<u>11,888,415</u>	<u>11,885,961</u>	<u>13,141,476</u>
2,107,607	1,921,278	1,871,441	1,672,935	1,970,283	2,391,482
5,081,731	5,074,457	5,382,934	5,382,396	5,725,286	5,375,953
2,210,897	794,165	1,844,412	1,670,830	1,004,326	1,247,133
1,259,802	842,273	940,335	1,019,712	1,485,372	1,355,877
1,540,117	1,284,435	1,244,718	1,162,983	1,228,487	1,115,425
315,581	63,385	66,321	69,391	72,604	75,964
101,461	27,656	24,721	21,651	18,442	15,082
95,735	31,790	14,833	-	-	-
<u>12,712,931</u>	<u>10,039,439</u>	<u>11,389,715</u>	<u>10,999,898</u>	<u>11,504,800</u>	<u>11,576,916</u>
<u>(1,530,787)</u>	<u>1,174,130</u>	<u>1,625,548</u>	<u>888,517</u>	<u>381,161</u>	<u>1,564,560</u>
-	-	-	-	-	-
-	-	-	-	-	-
2,845,339	1,376,732	881,171	941,521	2,348,798	246,913
(3,017,170)	(1,377,649)	(1,288,508)	(989,406)	(2,386,421)	(343,835)
<u>(171,831)</u>	<u>(917)</u>	<u>(407,337)</u>	<u>(47,885)</u>	<u>(37,623)</u>	<u>(96,922)</u>
<u>(1,085,861)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(2,788,479)	1,173,213	1,218,211	840,632	343,538	1,467,638
<u>11,528,893</u>	<u>8,740,414</u>	<u>9,913,627</u>	<u>11,131,838</u>	<u>11,972,467</u>	<u>12,315,326</u>
<u>\$ 8,740,414</u>	<u>\$ 9,913,627</u>	<u>\$ 11,131,838</u>	<u>\$ 11,972,470</u>	<u>\$ 12,316,005</u>	<u>\$ 13,782,964</u>

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

Category	2008	2009	2010	2011
Residential	\$ 1,391,361,479	\$ 1,469,859,412	\$ 1,469,610,878	\$ 1,482,410,204
Commercial	38,120,509	44,106,361	47,818,195	47,606,368
Industrial	5,776,878	7,240,625	7,385,414	7,447,664
Govt. Owned	508,845	519,020	156,306	155,935
Institutional	2,342,105	2,388,942	2,436,717	2,430,940
Irrigated	-	-	-	-
Recreational	591,386	603,211	615,272	613,810
Vacant	43,044,306	39,531,555	47,752,008	41,417,109
SBE Nonunitary	-	-	-	-
Cross Reference	1,918,774	1,977,310	1,538,550	1,530,912
Unsecured	6,993,385	7,021,368	6,881,054	6,823,278
Total assessed value	\$ 1,490,657,667	\$ 1,573,247,804	\$ 1,584,194,394	\$ 1,590,436,220
Tax-Exempt Property	(4,224,002)	(3,601,786)	(3,605,034)	(3,605,034)
Total taxable assessed value	\$ 1,486,433,665	\$ 1,569,646,018	\$ 1,580,589,360	\$ 1,586,831,186
Total direct rate	0.2822	0.2847	0.2850	0.2852

Data Source: HDL Coren & Cone

2012	2013	2014	2015	2016	2017
\$ 1,522,225,014	\$ 1,569,368,492	\$ 1,657,387,265	\$ 1,750,546,835	\$ 1,849,086,339	\$ 1,958,752,239
47,274,344	50,519,744	52,244,923	53,659,841	57,179,257	60,520,506
7,503,723	7,653,776	7,806,831	7,842,250	11,350,279	11,523,349
157,109	542,759	163,456	164,198	167,478	170,032
6,669,589	3,943,818	4,105,294	6,618,344	6,423,627	17,021,358
-	-	-	-	-	-
618,428	1,647,693	1,680,645	1,688,272	1,722,001	1,748,259
44,660,373	44,480,022	44,785,823	46,880,985	44,273,558	46,173,712
-	-	-	-	-	-
1,542,439	1,573,286	1,604,751	1,792,372	1,968,133	1,998,146
6,990,234	6,711,328	6,183,887	6,657,788	7,011,648	6,843,871
<u>\$ 1,637,641,253</u>	<u>\$ 1,686,440,918</u>	<u>\$ 1,775,962,875</u>	<u>\$ 1,875,850,885</u>	<u>\$ 1,979,182,320</u>	<u>\$ 2,104,751,472</u>
<u>(3,605,034)</u>	<u>(3,605,034)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>	<u>(3,605,138)</u>
<u>\$ 1,634,036,219</u>	<u>\$ 1,682,835,884</u>	<u>\$ 1,772,357,737</u>	<u>\$ 1,872,245,747</u>	<u>\$ 1,975,577,182</u>	<u>\$ 2,101,146,334</u>
0.2843	0.2821	0.2228	0.2231	0.2234	0.2234

CITY OF SIERRA MADRE

Property Tax Rates

Direct and Overlapping Governments

(Rate per \$100 of Taxable Value)

Last Ten Fiscal Years

Agency	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Basic Levy	1.00000	1.00000	1.00000	1.00000
Arcadia Unified	0.08086	0.07911	0.07561	0.07456
County Detention Facilities 1987 Debt	0.00000	0.00000	0.00000	0.00000
La County Flood Control	0.00000	0.00000	0.00000	0.00000
Metropolitan Water District	0.02000	0.01800	0.01800	0.01800
Pasadena Community College Dist	0.01972	0.01742	0.02300	0.01986
Pasadena Unified School Dist	0.05491	0.06375	0.10836	0.10195
Sierra Madre Lighting	0.30902	0.30902	0.30902	0.30902
Total Direct & Overlapping ² Tax Rates	<u>1.48451</u>	<u>1.48730</u>	<u>1.53399</u>	<u>1.52339</u>
City's Share of 1% Levy Per Prop 13 ³	0.21911	0.21911	0.21911	0.21911
Voter Approved City Debt Rate	-	-	-	-
Redevelopment Rate ⁴	1.02000	1.01800	1.01800	1.01800
Total Direct Rate ⁵	0.28220	0.28474	0.28501	0.28519

Data Source: HDL Coren & Cone

2012	2013	2014	2015	2016	2017
1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
0.07691	0.07670	0.07550	0.07653	0.07507	0.07788
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
0.01800	0.01800	0.01800	0.01800	0.01800	0.02300
0.01956	0.02056	0.01899	0.01032	0.00872	0.00885
0.11120	0.11403	0.10351	0.10601	0.11168	0.10673
0.30902	0.30902	0.30902	0.30902	0.30902	0.30902
1.53469	1.53831	1.52502	1.51988	1.52249	1.52548
0.21911	0.21911	0.21911	0.21911	0.21911	0.21911
-	-	-	-	-	-
1.01800	-	-	-	-	-
0.28433	0.28214	0.22284	0.22310	0.22338	0.22428

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

Taxpayer	2008			2017		
	Taxable Assessed Value	% of Net Assessed Value	Rank	Taxable Assessed Value	% of Net Assessed Value	Rank
One Carter LLC	\$ 20,910,000	1.40%	1	\$ 11,639,771	0.55%	3
Stonehouse Homes LLC	16,830,000	1.13%	2			
William L. Sullivan Company Trust	5,408,117	0.36%	3	5,045,899	0.24%	8
Barbera Family Limited Partnership	4,606,796	0.31%	4	5,212,324	0.25%	7
Congregation of the Passion Mater	4,206,313	0.28%	5			
Bethany Church of Sierra Madre	3,992,766	0.27%	6			
Montecito Development Group LLC	3,745,437	0.25%	7	4,238,965	0.20%	9
SME Associates Limited Leasee	3,382,754	0.23%	8			
Zhang Hongmei	2,809,080	0.19%	9			
Stephen M. Gilbreth	2,800,000	0.19%	10			
Cett Madre Limited				12,567,921	0.60%	2
City of Sierra Madre Lessor				7,223,482	0.34%	5
Ginkgo Stonehouse II LLC				9,033,212	0.43%	4
Kensington SM GP LLC				14,153,449	0.67%	1
MB Equity LLC				6,266,095	0.30%	6
Jason and Heather Young				3,909,141	0.19%	10
Top Ten Total	<u>\$ 68,691,263</u>	<u>4.61%</u>		<u>\$79,290,259</u>	<u>3.77%</u>	
City Total	<u>\$1,490,657,667</u>			<u>\$2,104,751,472</u>		

Data Source: HDL Coren & Cone

CITY OF SIERRA MADRE
Total Direct and Overlapping Debt
As of June 30,2017

		<u>Gross Bonded Debt Balance</u>	<u>Percent Applicable to City</u>	<u>Net Bonded Debt</u>
Total Direct Debt				\$ -
Overlapping Debt				
812.53	PASADENA CCD DS 2002, 2006 SERIES D	\$ 5,265,000	2.667	140,414
812.54	PASADENA CCD DS 2002, 2009 SERIES E (BABS)	25,295,000	2.667	674,600
812.55	PASADENA CCD DS 2014 REF SERIES A	16,680,000	2.667	444,844
812.56	PASADENA CCD DS 2016 REF SERIES A	33,390,000	2.667	890,488
817.51	ARCADIA UNIFIED DS 1993 SERIES A	1,571,207	0.356	5,592
817.53	ARCADIA UNIFIED DS 1993 SERIES C	552,222	0.356	1,965
817.55	ARCADIA UNIFIED DS 2006 SERIES A	27,000,000	0.356	96,100
817.57	ARCADIA UNIFIED DS 2006 SERIES B	194,055,000	0.356	690,689
909.56	PASADENA USD DS 2008 SERIES 2009	7,605,000	5.527	420,330
909.58	PASADENA USD DS 2008 SERIES 2012	107,200,000	5.527	5,924,967
909.60	PASADENA USD DS 2014 REF BONDS SERIES B	73,275,000	5.527	4,049,925
909.62	PASADENA USD DS 2016 REF BONDS SERIES A	189,300,000	5.527	<u>10,462,651</u>
Total Overlapping Debt				<u>23,802,565</u>
Total Direct and Overlapping Debt				<u><u>\$ 23,802,565</u></u>

2016/17 Assessed Valuation: \$1,917,545,026 After Deducting \$187,206,446 Incremental Value.

Debt To Assessed Valuation Ratios:

Direct Debt	0.00%
Overlapping Debt	1.24%
Total Debt	1.24%

Data Source: HDL Coren & Cone

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
2008	\$ 69,123	\$ -	\$ 3,760,000	\$ 3,829,123
2009	34,562	-	3,545,000	3,579,562
2010	1,224,674	-	3,320,000	4,544,674
2011	759,254	-	2,840,000	3,599,254
2012	689,341	-	-	689,341
2013	616,191	-	-	616,191
2014	539,654	-	-	539,654
2015	459,574	-	-	459,574
2016	375,785	-	-	375,785
2017	288,119	-	-	288,119

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

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

Data source: City of Sierra Madre Finance Department

Business-type Activities

Master Lease Equipment Financing	Revenue Parity Bonds	Loans	Total	Total Primary Government
\$ -	\$ 11,350,000	\$ 1,456,875	\$ 12,806,875	\$ 16,635,998
-	11,060,000	1,456,875	12,516,875	16,096,437
433,040	10,760,000	1,456,875	12,649,915	17,194,589
366,391	10,105,000	1,456,875	11,928,266	15,527,520
332,653	9,755,000	1,311,188	11,398,841	12,088,182
297,353	9,385,000	1,165,500	10,847,853	11,464,044
260,419	8,995,000	1,019,812	10,275,231	10,814,885
221,775	8,590,000	874,126	9,685,901	10,145,475
181,341	8,165,000	728,440	9,074,781	9,450,566
139,036	7,715,000	582,751	8,436,787	8,724,906

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Fiscal Year Ended June 30,	Governmental Activities			
	Tax Increment ⁽¹⁾	Debt Service		Coverage
		Principal	Interest	
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
2014 ⁽⁶⁾	505,387	300,000	106,188	1.24
2015 ⁽⁶⁾	738,195	300,000	94,000	1.87
2016 ⁽⁶⁾	528,157	315,000	78,625	1.34
2017 ⁽⁶⁾	567,950	330,000	62,500	1.45

- ⁽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.

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

Data source: City of Sierra Madre Finance Department

CITY OF SIERRA MADRE
Pledged Revenue Coverage

Business-type Activities - Water Fund

Fiscal Year Ended June 30,	Operating Revenues	Operation and Maintenance Costs	Net Revenues	Debt Service		Coverage
				Principal	Interest	
2008	\$ 5,031,771	\$ 5,828,036	\$ (796,265)	\$ 290,000	\$ 556,042	(0.94)
2009	3,037,500	2,596,025	441,475	300,000	541,878	0.52
2010	* 2,920,048	1,564,470	1,355,578	320,000	531,845	1.59
2011	* 3,155,645	1,523,156	1,632,489	335,000	515,470	1.92
2012	* 3,038,056	1,907,143	1,130,913	350,000	498,345	1.33
2013	* 3,558,161	2,084,614	1,473,547	370,000	480,345	1.73
2014	* 3,834,017	1,606,098	2,227,919	390,000	461,345	2.62
2015	4,373,849	2,574,322	1,799,527	405,000	441,470	2.13
2016	4,498,726	2,348,112	2,150,614	425,000	420,720	2.54
2017	5,249,123	2,567,912	2,681,211	450,000	398,845	3.16

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

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

CITY OF SIERRA MADRE
Demographic and Economic Statistics

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
2008	11,034	\$ 581,887	\$ 52,736	2.2%			
2009	11,042	565,812	51,242	3.5%	45.7	96.0%	54.0%
2010	11,099	580,056	52,262	3.9%	45.7	97.5%	58.4%
2011	10,963	558,203	50,917	3.8%	46.4	96.6%	57.5%
2012	11,023	568,214	51,548	2.8%	48.2	96.5%	57.4%
2013	11,094	531,369	47,897	2.3%	48	96.4%	57.1%
2014	11,098	545,034	49,111	5.5%	47.3	96.8%	59.1%
2015	11,013	541,092	49,132	4.5%	45.8	97.5%	61.5%
2016	11,013	541,092	49,132	4.5%	45.8	97.5%	61.5%
2017	11,010	541,092	49,132	3.5%	45.8	97.5%	61.5%

Data Source: HDL Coren & Cone, California State Department of Finance, California EDD, US Census

CITY OF SIERRA MADRE
Top 25 Sales Tax Producers
For Fiscal Year Ended June 30, 2017

Business Name	Business Category
Alliance	Service Stations
Bespoke Machinery	Heavy Industrial
Bottle Shop	Convenience Stores/Liquor
Buccaneer Lounge	Casual Dining
Casa Del Rey	Casual Dining
Charlottes Fine Jewelry	Jewelry Stores
Corfu Restaurant	Casual Dining
Faubourg Restaurant	Casual Dining
Frontier Hardware Co	Building Materials
Happy Liquor	Convenience Stores/Liquor
La Aloe	Food Service Equip/Supplies
Lingo Industrial Electronics	Heavy Industrial
Lucky Baldwins Delirium Café	Casual Dining
Moes Automotive Service Center	Auto Repair Shops
Monsieur Crepe	Fast-Casual Restaurants
Nano Café	Casual Dining
Only Place in Town	Casual Dining
Petunia S	Non-Store Retailers
Sierra Madre Valero	Service Stations
Starbucks	Quick-Service Restaurants
Taco Fiesta	Quick-Service Restaurants
Talianko Design Group	Home Furnishings
Village Pizzeria	Fast-Casual Restaurants
Wistaria Restaurant & Bar	Casual Dining
Yui	Fine Dining

Data Source: HDL Coren & Cone

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

	Employees as of June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Government	8	8	8	8	8	9	9	9	9	9
Public Safety										
Police										
Officers	17	17	18	18	18	16	17	16	13	16
Civilians	5	5	5	5	5	4	4	4	5	4
Fire										
Full-Time	3	3	3	3	3	4	4	4	4	4
Public Works	21	21	20	20	20	19	17.5	18	18	19
Development	4	4	4	4	4	3	3.5	4	5	5
Library and Recreation	10	10	10	10	10	9	8	6	6	6
Total	68	68	68	68	68	64	63	61	60	63

Data source: City of Sierra Madre Finance Department

CITY OF SIERRA MADRE
Operating Indicators by Function

	Fiscal year ending June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Police										
Number of:										
Physical Arrests	417	370	467	129	328	399	345	327	214	248
Parking Violations	3,283	3,516	2,812	2,495	2,031	3,266	2,976	2,764	1,797	2,596
Traffic Violations	1,339	1,574	1,740	1,989	1,798	1,435	1,967	571	727	837
Fire										
Number of:										
Calls Answered	851	818	885	940	967	947	863	970	1,036	1,107
Inspections	53	2,040	1,964	1,970	2,002	1,943	2,000	1,739	1,678	2,084
Public Works										
Number of:										
Water Mains Repaired	18	18	25	24	45	30	25	58	550	388
Water service leaks repaired	15	25	28	13	19	19	8	7	19	30
Street resurfacing/repair (SF)	0	0	331,235	0	0	0	69,000	284,790	-	142,500
Sidewalk Repairs (SF)	1,625	1,050	1,950	4,755	3,207	12,000	4,096	4,605	3,000	4,700
Trees planted	47	6	34	28	14	8	63	-	-	-
Trees pruned	470	444	171	24	20	537	514	37	24	38
Trees removed	12	18	18	37	50	20	30	62	75	75
Sewer cleaned/inspected (LF)	186,055	186,055	186,055	155,761	151,659	102,720	143,711	167,168	186,176	146,000
Sewer Manhole inspected (each)	n/a	n/a	n/a	n/a	346	171	104	676	620	433
Sewer lines inspected (LF)	n/a	n/a	n/a	n/a	500	200	330	1,064	1,000	2,045
Meters replaced	111	463	624	479	398	138	129	168	-	172
Valves exercised	350	234	257	829	583	299	406	284	267	3
Pot holes repaired	66	106	106	87	14	100	188	380	575	657
Water Mains Replaced (LF)	n/a	n/a	n/a	150	4,165	n/a	n/a	2,870	1,750	1,200
Recreation and Community Services										
Number of participants:										
Recreation classes	1,518	1,419	1,008	1,658	1,382	2,510	1,730	731	371	271
Aquatic ⁽¹⁾	3,665	3,398	3,720	3,584	3,146	n/a	n/a	n/a	n/a	n/a
Summer pool memberships	7	22	22	10	16	n/a	n/a	n/a	n/a	n/a
Annual Events ⁽²⁾	671	738	708	758	789					
Movie Series	n/a	n/a	n/a	n/a	n/a	1,100	1,050	1,400	1,500	1,700
Concert Series	n/a	n/a	n/a	n/a	n/a	3,600	4,550	4,835	4,400	4,600
Summer Fun in the Park	n/a	n/a	n/a	n/a	n/a	274	320	293	305	265
Huck Finn (campsites)	34	28	37	41	43	40	60	63	63	50
Mt. Wilson Trail Race	335	335	328	319	323	328	350	325	346	337
Window Painting	72	130	119	163	163	89	n/a	n/a	n/a	n/a
Halloween Happenings	131	133	149	153	153	112	n/a	150	157	107
Excursions	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	511	477

⁽¹⁾ Aquatics contracted out beginning FY 2012-2013

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

Data source: City of Sierra Madre Finance Department

CITY OF SIERRA MADRE

Operating Indicators by Function, (continued)

	Fiscal Year Ended June 30,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
Library											
Number of:											
Registered borrowers	10,942	10,970	11,162	11,292	11,994	13,044	11,366	10,530	11,429	11,574	
Circulation	90,985	101,513	107,535	111,384	105,121	86,829	79,673	85,779	113,272	97,829	
Reference	5,823	5,707	6,682	7,781	6,705	5,663	5,795	6,548	6,493	5,237	
Book volumes held	59,037	59,540	58,956	56,415	55,845	51,681	54,663	56,891	47,746	41,680	
User's of E-Resources	14,104	12,762	14,288	13,962	13,312	13,844	14,173	14,798	17,678	16,612	
Media	4,982	4,940	5,381	5,301	5,323	5,512	5,993	6,307	18,238	6,084	
Periodicals	115	108	119	115	115	109	95	98	61	95	
Municipal Utilities											
Number of:											
Number of Customers											
Commercial	106	110	111	110	111	112	70	n/a	n/a	n/a	*
Multi-Unit	353	351	356	354	356	353	212	n/a	n/a	n/a	*
City	75	75	75	75	75	63	40	n/a	n/a	n/a	*
Residential	3,184	3,198	3,312	3,284	3,255	3,280	3,424	3,550	3,489	3,565	
Non-Residential	n/a	n/a	n/a	n/a	n/a	n/a	n/a	204	195	210	*
Water Consumption in Units (000's)	1,146	956	1,010	1,086	1,212	1,232	1,325	821	667	925	
Administrative Services											
Number of:											
Number of Customers											
Online Bill Pay (average)	n/a	n/a	n/a	n/a	155	131	156	211	246	288	
Business Licenses Issued	1,200	1,266	1,275	1,288	1,232	1,360	2,358	1,374	1,276	1,438	
Development Services											
Number of:											
Conditional Use Permit	5	2	7	5	13	5	5	37	5	6	
Minor Conditional Use Permit	8	5	5	3	2	5	10	7	2	5	
Variance	7	4	4	2	4	1	-	1	1	-	
Minor Variance	3	5	5	-	-	3	1	1	2	2	
Municipal Code Text Amendment	4	1	1	3	2	3	1	6	5	7	
Building Permit	242	245	125	242	304	278	249	231	230	274	
Electrical Permit	123	132	86	57	81	165	208	159	174	206	
Mechanical Permit	188	75	22	36	38	110	130	129	100	128	
Plumbing Permit	133	104	45	49	59	161	166	215	194	204	
Sewer	8	9	2	6	13	25	26	3	14	23	

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

CITY OF SIERRA MADRE

Capital Assets - Book Value (excludes construction in progress)

		Fiscal Year Ended June 30,		
		2008	2009	2010
Roadways	Pavement AC (Governmental Funds)	\$ 17,056,270	\$ 16,209,394	\$ 15,364,491
Street Appurtenances	Bridges (Governmental Funds)	86,464	79,547	72,630
Parks	Park Structures (Governmental Funds)	184,980	183,792	172,614
	Trees (Governmental Funds)	1,206,214	1,206,214	1,206,214
Wastewater	Manholes (Sewer)	893,647	866,151	838,654
	Sewer Pipelines (Sewer)	3,168,180	3,070,698	2,973,215
Water Network	Spreading Basins (Water)	1,356,188	1,257,907	1,225,146
	Pump Stations (Water)	1,756,896	1,702,838	1,648,780
	Meters (Water)	71,475	42,885	14,295
	Pipelines (Water)	4,107,154	3,924,614	3,742,074
	Pressure Reducing Stations (Water)	381,575	365,338	349,101
	Fire Hydrants (Water)	225,204	215,195	205,186
	Wells (Water)	904,856	864,640	824,424
	Reservoirs (Water)	12,824,440	14,539,434	14,399,392
Buildings	All			
	Buildings (Water Fund)	201,216	176,577	168,365
	Buildings (Sewer Fund)	201,216	176,577	168,365
	Buildings (Governmental Funds)	7,822,061	7,273,863	7,050,994
Land	All			
	Land (Water Fund)	1,483,250	1,483,250	1,483,250
	Land (Governmental Funds)	162,275,945	162,275,945	162,275,945
General Equipment	All			
	Vehicle & Equipment (Water Fund)	55,804	39,215	27,081
	Vehicle & Equipment (Sewer Fund)	19,203	18,522	3,841
	Vehicle & Equipment (Governmental Funds)			270,108
	Vehicle & Equipment (Government-ISF Fleet)	340,274	520,740	1,021,846
	Accounting Software (Governmental-ISF Administration)			369,848
Total		\$ 216,622,513	\$ 216,493,335	\$ 215,875,857

Data source: City of Sierra Madre Finance Department

Fiscal Year Ended June 30,						
2011	2012	2013	2014	2015	2016	2017
\$ 14,523,998	\$ 13,686,599	\$ 12,858,351	\$ 12,041,539	\$ 11,331,409	\$ 10,731,909	\$ 9,854,028
65,713	58,796	51,878	44,961	38,044	29,591	21,137
164,767	156,919	149,072	141,224	133,376	267,258	392,374
73,317	167,586	162,738	155,976	155,976	-	-
1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214	1,206,214
811,157	783,660	756,163	728,666	701,169	672,551	643,932
2,875,733	2,778,250	2,680,768	2,583,285	2,993,188	2,576,706	2,469,342
1,192,386	1,159,626	1,126,865	1,094,105	1,061,345	1,025,528	989,710
1,594,721	1,540,663	1,486,605	1,432,546	1,378,488	1,322,223	1,265,958
-	-	-	-	-	-	-
3,559,533	3,376,993	3,511,413	3,587,725	3,731,255	4,141,639	4,143,901
332,864	316,626	300,389	284,152	267,915	250,630	233,345
195,177	185,168	175,159	165,149	155,140	144,440	133,741
784,209	743,993	703,777	663,561	623,345	580,356	537,366
14,195,770	13,992,147	13,788,524	13,584,901	13,381,279	13,174,440	12,967,602
160,152	151,939	143,726	135,513	127,300	118,766	110,328
160,152	151,939	143,726	135,513	127,300	118,813	110,284
6,825,034	6,599,074	6,373,114	6,147,154	5,733,392	5,642,913	5,409,185
1,483,250	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250	1,483,250
162,275,945	162,275,946	162,275,946	162,275,946	162,275,946	162,275,946	162,275,946
20,780	14,820	10,360	24,555	30,890	59,040	71,118
404,918	404,918	341,205	336,248	292,587	230,880	169,174
794,752	740,834	686,766	641,723	541,302	501,492	387,136
980,860	881,965	784,751	704,962	591,833	654,076	821,597
484,029	459,827	411,425	363,022	314,619	394,552	333,326
\$ 215,165,429	\$ 213,317,751	\$ 211,612,185	\$ 209,961,890	\$ 208,676,562	\$ 207,603,213	\$ 206,029,994

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