

**CITY OF ARCADIA, CALIFORNIA  
ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**FISCAL YEAR ENDED JUNE 30, 2023**



**CITY OF ARCADIA  
ARCADIA, CALIFORNIA**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by:**

**ADMINISTRATIVE SERVICES DEPARTMENT**

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**City of Arcadia**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended June 30, 2023**

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December 27, 2023

To the Honorable Mayor, Members of the Governing Council and Citizens of the City of Arcadia:

The Annual Comprehensive Financial Report (ACFR) of the City of Arcadia for the fiscal year ended June 30, 2023, is hereby submitted as mandated by applicable statutes. These statutes require that the City of Arcadia annually issue a report on its financial position and activity, and that an independent firm of certified public accountants audit this report. Responsibilities for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. The information in this report is intended to present the reader with a comprehensive view of the City's financial position and the results of its operations for the fiscal year ending June 30, 2023, along with additional disclosures and financial information designed to enable the reader to gain an understanding of the City's financial activities.

Moss, Levy & Hartzheim LLP, Certified Public Accountants, have issued an unmodified opinion on the City of Arcadia financial statements for the fiscal year ended June 30, 2023. The independent auditor concluded, based upon the audit that the City of Arcadia's financial statements for the fiscal year ended June 30, 2023, are fairly presented in conformity with accounting principles generally accepted in the United States of America. The auditor's report is presented as the first component of the financial section of this report. Generally Accepted Accounting Principles (GAAP) in the United States of America also require that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's discussion and analysis (MD&A). This information can be found following the independent auditor's report.

## **PROFILE OF THE GOVERNMENT**

The City of Arcadia, incorporated in 1903, is located approximately 20 miles northeast of downtown Los Angeles in the San Gabriel Valley, at the base of the San Gabriel Mountains. It is the site of the Santa Anita Park Racetrack and home to the Los Angeles County Arboretum and Botanic Garden. Arcadia is known as the "Community of Homes" with over 56,700 residents. The City is a charter city with council/manager form of government. The City is governed by a City Council of five members elected at-large, who selects the City Manager. The City provides a full range of services, including Police and Fire protection, Administrative Services, Public Works, Development Services, Recreation and Community Services, and Library and Museum Services. The City also operates and maintains its own water utility and offers a transit program that provides fixed route and door-to-door transportation services for residents.

## **LOCAL ECONOMY**

The City of Arcadia has a thriving and successful regional shopping center in the Shops at Santa Anita (formerly Westfield Santa Anita), and a diverse local economy with a mix of commercial, retail, office, service, and industrial uses. There is also the world-famous Santa Anita Park Racetrack, a growing medical office sector near the USC Arcadia Hospital (formerly Methodist Hospital), and the Metro A Line (formerly the Gold Line) Light Rail that goes eastbound as far as the City of Azusa, and south to Long Beach. Passangers are able to transfer at Downtown Los Angeles, where other light rail lines and subway connections are available to traverse throughout Metropolitan Los Angeles. The varying micro economies provide a balance to the City's revenue base which consists of property tax, sales tax, hotel tax, utility user tax, and various user fees that have placed the City in a proper position to continue its high service levels throughout the fiscal year. This diversified base has also created a well-balanced labor pool to support the retail, health care, hospitality, and service-based industries located within the community.

The City continues to be a welcoming environment for all businesses with our “See Arcadia. Above & Beyond” business friendly mission. A marketing campaign to brand the City’s nimble and dedicated staff, a vibrant local economy, and a business-friendly approach committed to going above and beyond one’s expectations. City highlights include Santa Anita Park, Shops at Santa Anita, a resurgent historic downtown district, access to quality transit options, and world-renowned Asian cuisine. Arcadia’s high quality of life, great schools, and cultural amenities continue to attract new residents, visitors, as well as new businesses due to the friendly zoning code that was adopted in 2016. Since then, the City has continued to directly support small businesses in the aftermath of the pandemic, by leveraging American Rescue Plan Act (ARPA) monies to fund our Small Business Permit Assistance and Small Business Grant Programs, a collective \$1 million dollars to directly benefit our businesses to make improvements and enhancements to their storefronts or overall business operations. Furthermore, the City has partnered with the Shops at Santa Anita on the ‘Merry and Bright’ holiday gift card program, now in its third year, providing up to a \$75 gift card to participants who spend a minimum dollar amount at the Shops and other businesses located within Arcadia. The City continues its focus on finding creative solutions for new businesses, providing resources and assistance to existing businesses, and fostering a business-friendly environment throughout the City.

## **FISCAL YEAR 2022-23 ACTUALS**

For the fiscal year ending June 30, 2023, the General Fund resulted in an operating surplus of \$13.3 million. Total revenue was at \$88.5 million, which increased by \$1.7 million, or 2.0%, in comparison to the prior fiscal year. When comparing actuals to budget, total actuals came in higher than the adopted budget with a variance of \$11.7 million, or 15.2%. The overall increase of actuals to budgeted amounts are largely attributed to unexpected increases in tax revenues. Sales Tax (\$5.0 million), Transient Occupancy Tax (\$1.0 million), and Utility Users Tax (\$2.1 million) all came in significantly above expectations as overall tax revenues exceeded the budget by \$8.5 million. The City has continued to experience increased economic activity and continues to see strength in the spending within the City and by our residents. The higher inflation rates that have caused prices to increase have also contributed to increased tax receipts.

General Fund expenditure was \$74.5 million. It is \$11.9 million or 19% more compared to the prior fiscal year, but \$6.0 million lower in comparison to the year’s adopted budget. The favorable budget variance could be attributed to the underspending in these two categories: \$2.7 million in personnel costs, and \$3.3 million for operating expenses. Personnel savings was due to higher-than-expected employee vacancies. Key operating budget savings came from vehicle purchases, where were delayed primarily due to continued supply chain constraints. For the departmental budget comparisons, some City departments ended the fiscal year with a negative budget variance. The City Attorney was due to higher-than-expected legal expenses and General City was due to higher vacation payoff costs resulting from employee departures.

More details on the financials of General Fund and other City Funds are available in the Management’s Discussion and Analysis (MD&A).

## **FISCAL YEAR 2023-24 BUDGET**

All governmental funds have legally adopted budgets. Budgets are developed in accordance with U.S. GAAP. The City Council approves each fiscal year’s budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period are also approved by the Council. Interfund budget changes are approved by the City Manager. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. At the fiscal year-end, all unencumbered operating budget appropriations lapse with the exception of continuing appropriations.

The FY 2023-24 Operating Budget acknowledges the potential for a slowing economic environment, influenced by factors such as inflation, supply chain issues, and concerns about higher Federal Reserve overnight rates. While certain revenue streams could be susceptible to a recession, recent economic data suggests that others, like property tax and vehicle license fees, may experience modest growth. Encouraging indicators such as a low unemployment rate, rising wages, and consistent consumer spending habits provide optimism that an economic slowdown may be postponed; however, it is important to acknowledge challenges in the broader economic landscape, including the increased reliance on credit card usage for consumer spending and a decline in savings, which can contribute to a slower economy.

Summarized in the table below is the General Fund Operating Budget for: Fiscal Year 2022-23 Year Ending Estimates, Fiscal Year 2023-24 Proposed Budget for Adoption, and a Fiscal Year 2024-25 Preliminary Budget Outlook. Please note that Fiscal Year 2024-25 is not proposed for adoption at this time and is merely presented as a forecasting tool, since the City adopts its Operating Budget annually.

	<b>FY 22-23 Estimates</b>	<b>FY 23-24 Budget</b>	<b>FY 24-25 Budget</b>
Beginning Fund Balance	\$ 14,801,500	\$ 14,845,400	\$ 17,950,800
Estimated Revenues	\$ 83,823,200	\$ 84,831,700	\$ 86,559,600
Transfers In	5,881,400	6,091,200	9,422,600
Expenses & Uses	(75,038,200)	(81,017,500)	(85,801,200)
Revenue over Expenses	\$ 14,666,400	\$ 9,905,400	\$ 10,181,000
Transfer to Equipment Replacement Fund	(2,400,000)	(3,400,000)	(3,400,000)
Transfer to Capital Improvement Fund	(2,400,000)	(3,400,000)	(3,400,000)
Subtotal Operating Balance	9,866,400	3,105,400	3,381,000
Additional Transfer to Equipment Replacement Fund	(9,822,500)	-	-
Net Change to Fund Balance	43,900	3,105,400	3,381,000
<b>Ending Fund Balance</b>	<b>\$ 14,845,400</b>	<b>\$ 17,950,800</b>	<b>\$ 21,331,800</b>

As shown in the table above, the City's General Fund Operating Ending Fund Balance will increase to \$24.7 million due to the projected surpluses of \$9.87 million in Fiscal Year 2022-23. The Council has approved an additional transfer of \$9.8 million of the surplus to provide funding for some upcoming equipment purchases, the estimated ending fund balance will be \$14.8 million for Fiscal Year 2022-23. The City would still transfer a portion of the Operating Fund Balance into the City's Emergency Reserve to reach the City's adopted Reserve Policy level equivalent to 20% of annual operating expenditures. Currently, that Emergency Reserve balance is at \$14.4 million. Given the annual operating expenditures proposed in the budget, \$15.3 million should be held in the City's Emergency Reserve Fund; therefore, a transfer of \$0.9 million is expected from the Operating Fund Balance at the conclusion of the Fiscal Year. Inclusive of other designated fund balances, such as the Self Insurance Medical Fund, Capital Improvement and Equipment Replacement Fund, the City's Reserve balances total \$45.6 million as of this writing.

## **FY 2023-24 Proposed Revenues**

	<b>FY 22-23 Estimates</b>	<b>FY 23-24 Budget</b>	<b>Changes</b>	
			\$	%
Taxes	\$ 58,782,100	\$ 59,314,700	\$ 532,600	0.90%
License & Permits	5,680,500	5,754,900	74,400	1.29%
Fines & Penalties	545,200	502,200	(43,000)	-8.56%
Use Money & Property	1,523,300	1,939,100	415,800	21.44%
Revenue from Other Agencies	8,734,500	8,953,500	219,000	2.45%
Charge Current Services	4,858,600	4,336,500	(522,100)	-12.04%
Library	76,000	82,500	6,500	7.88%
Recreation	1,367,500	1,558,300	190,800	12.24%
Other Revenue	2,255,500	2,390,000	134,500	5.63%
<b>Total Revenue</b>	<b>\$ 83,823,200</b>	<b>\$ 84,831,700</b>	<b>\$ 1,008,500</b>	<b>1.19%</b>

The largest revenue source to the City's General Fund is from Taxes. The key revenues under this group are Property Tax, Sales Tax, Utility Users' Tax, Motor Vehicle License Fees, and Transient Occupancy Tax. Their projected receipts are shown in the table below.

	FY 22-23		FY 23-24		Difference	
	Estimates	Proposed Budget		\$	%	
Sales and Use Tax	\$ 24,181,100	\$ 24,422,900	\$ 241,800		1.00%	
Property Tax	19,045,200	19,524,300	479,100		2.52%	
Utility Users' Tax	8,683,900	8,423,000	(260,900)		-3.00%	
Motor Vehicle License Fees	8,640,000	8,856,000	216,000		2.50%	
Transient Occupancy Tax	4,395,800	4,461,700	65,900		1.50%	

**Sales and Transaction Use Tax:** For Sales and Transaction Use Tax, the total projection for the upcoming Fiscal Year is \$24.4 million, reflecting a 1.0% increase compared to the previous year's revenues. While sales tax could be highly affected by a recession, recent data indicates that these revenue streams may still experience growth, albeit at a slower pace. This projection takes a conservative approach, considering the potential for a slower economy in the latter half of FY 2023-24.

**Property Tax:** Arcadia's status as a desirable community coupled with its highly regarded public school district contributes to the City's expectation of ongoing growth in home valuation. Forecasts indicate that home sales in California will likely reflect higher price points due to supply scarcity. Conservative revenue projections are planned for next FY 2023-24, with continued growth in Property Tax receipts, estimated at approximately 2.5%, or around \$479,100, for FY 2023-24. This is a much lower growth rate than the previous decade previous years, where low interest rates led to a very active market.

**Utility Users' Tax:** The projected revenue from the Utility Users' Tax (UUT) is \$8.4 million, representing a 3.0% decrease compared to the Year Ending Estimate for FY 2022-23. There was an unusually high demand in electricity and gas resulting from unprecedented cold and wet conditions this past winter, which is not expected to become the norm. Prices in these categories are generally rising, so the reduction in revenues will not perfectly track with the demand returning to normal levels.

**Transient Occupancy Tax ("TOT"):** The TOT revenue projection for FY 2023-24 represents a 1.5% increase compared to the previous year, resulting in expected revenue of \$4.5 million and a conservative growth estimate for this revenue category that has been very strong coming out of the pandemic.

**Motor Vehicle License Fees ("MVLF"):** The Motor Vehicle License Fees ("MVLF") tax is projected to increase by 2.5%, generating \$8.9 million in revenue next Fiscal Year. In recent years, the demand for automobiles has outpaced supply, resulting in significantly higher prices for both new and used vehicles, producing more MVLF revenue, which is expected to continue into the next Fiscal Year.

### Fiscal Year 2023-24 Proposed Expenses

The proposed FY 2023-24 Operating Budget sets total operating expenditure at \$79.0 million, representing a 3.1% increase compared to the previous year's Revised Budget of \$76.6 million. It is important to highlight that the FY 2023-24 Operating Budget remains largely unchanged, apart from contractual increases from multi-year service agreements and the salary and benefits impacts of the final year of a three-year labor agreement.

Furthermore, the budget allocates increased "prefunding" of long-term benefit accounts, including the City's Retiree Medical Benefit (Other Post Employee Benefit liabilities) and the Advance Discretionary Payment to CalPERS, with the aim of achieving a higher funding status. These two-line items amount to \$2.9 million, representing an increase of approximately \$1.2 million compared to the previous year.

More details on the City's budget are available on the City's website.

## **Proposed New Programs**

New programs and expenditures are presented from various departments to respond to emerging operational needs as well as to respond to direction received from the City Council. New programs proposed for the FY 2023-24 Budget total \$1,003,900 and are described in the following section.

**Administrative Services Department: Accountant (\$113,100):** The Accountant position is being added to address workload with revenue interface and receivables reconciliation, increased controller billings from inspections and false alarms (billing volume has risen from 1,400 to approximately 3,400 per year), grant compliance, and audit requirements. Given the increased workload in Finance and the upcoming implementation of a new Enterprise Resource Planning (ERP) system, it is essential to introduce a new Accountant position to provide support throughout the ERP implementation phase.

**Administrative Services Department: Full-Time Administrative Assistant (Conversion Cost \$54,600):** The Human Resources Division currently has a part-time Administrative Assistant position with many of their tasks being distributed among the rest of the team for completion each day. The existing level of administrative support is insufficient when compared to the needs of the Department and its customers, requiring higher level staff members to work inefficiently and perform duties that can be handled by an Administrative Assistant. Expanding this position to correspond with the Department's workload allows the team to provide a higher level of support to all City departments and external customers.

**City Manager Office: Arcadia Community Survey (\$30,000):** The City will be conducting a community survey that gathers input from a representative sample of Arcadia residents. The budget covers the creation and administration of surveys through mailed invitations for both paper and digital formats, analysis and presentation of summary results, benchmark data, geographic breakdowns as well as the ability to include custom questions and track trends over time. This survey will provide vital data to understand satisfaction levels with City services and the overall quality of life in the community; survey materials will be translated into simplified Chinese to encourage participation from all residents. It is expected that this survey will provide a benchmark for future community surveys to track progress over time.

**Development Services: EnerGov Phase 2 – e-Reviews for Plan-Check and Business License Module (\$82,330):** This software will streamline the submission and review process for structural building plans by enabling online accessibility, file viewing, and permit issuance. This transition brings significant advantages to applicants as they can conveniently review comments online and electronically resubmit plans without the need for printing or in-person submissions, saving and reducing turnaround times. For implementation, each department will need to upgrade their computer monitors and work environment to facilitate efficient viewing of the structural plans.

**Development Services: Downtown Lighting and Image Improvements (American Rescue Plan Act Funding \$150,000):** Federal ARPA grant funds will be used to implement the following substantial improvements in the Downtown commercial district:

1. Enhance Tree Lighting and Electrical Infrastructure - \$75,000. Replace the aging up-lights, tree-mounted power boxes, and electrical conduit for the 68 palm trees in Downtown Arcadia, which were originally installed as part of the Downtown 2000 Beautification Project in the 1990s and have reached the end of their lifecycle.
2. Installation of Over-the-Street Banners - \$25,000. Install a new permanent Over-the-Street Banner system on First Ave, spanning between Huntington Drive and Alta Street. This installation will serve as a dedicated space for the Downtown Arcadia Improvement Association (“DAIA”) and other community organizations to showcase banners and promote events, eliminating the need for temporary setups.
3. Streetscape Infrastructure Refresh - \$50,000. Allocate funds for miscellaneous improvements to refresh, repair, or replace elements of the existing streetscape infrastructure from the Downtown 2000 Project. This may include improvements to planters, lighting fixtures, and signage, helping revitalize the streetscape and maintaining a welcoming environment for businesses, residents, and visitors alike.

**Fire Department: Basic Life Support (“BLS”) Peak Hours Ambulance (General Fund \$179,740 / Equipment Replacement Fund \$731,600):** The "BLS Peak Hours Ambulance," aims to address the increased demand for medical

services during peak hours in the City. Currently, the Fire Department's two Rescue Ambulances are often unavailable due to high call volumes and longer hospital bed wait times. To ensure timely response to additional medical incidents, the Fire Department will introduce a Basic Life Support (BLS) ambulance to provide coverage for incidents that currently require assistance from neighboring jurisdictions, reducing the need for automatic aid responses. This will enable the Fire Department to maximize cost recovery generated by medical transport and minimize response times for incidents requiring an ambulance from outside the city.

The program proposes staffing two BLS ambulance operators for 12-hour shifts, from the hours of 8:00 a.m. to 8:00 p.m., seven days a week. Included in the program cost is the purchase of one new Rescue Ambulance, which totals \$731,600 (\$634,800 for the vehicle and \$96,800 for upfitting costs) budgeted in the Equipment Replacement Fund. Some of these costs will be recovered through additional billings for the transportation of patients that were previously handled by other agencies supporting the City when necessary.

**Fire Department: Administrative/Training Fire Captain Converted to Full-Time Position (\$248,270):** This program establishes a permanent Administrative/Training Fire Captain position. The Training Captain position was started as a temporary position last Fiscal Year to address unusually high turnover in the Department. It has proven to be crucial in providing essential training to both probationary members and in-service personnel. By transitioning to a permanent position, the incumbent will also take on additional administrative duties to assist the Fire Department's command staff with various projects. It is anticipated that this position will dedicate over 400 hours to training Department members and will help minimize the impact of training on the community by reducing the amount of time crews spend out of service.

**Fire Department: Addition of one Fire Prevention Specialist to the Fire Prevention Bureau (General Fund \$99,900 / AQMD \$54,000):** The construction of multiple projects with increased density has led to a significant rise in the number of annual inspections by 137% since 2004. Furthermore, the complexity of new builds necessitates enhanced technical expertise within the annual inspection program. The introduction of a new Fire Prevention Specialist will play a vital role in ensuring that the City maintains an adequate level of fire and life safety. This request also includes the acquisition of one (1) new all-electric vehicle and the installation of a charging station, which will be fully funded using the allocated AQMD grant funding source in the amount of \$54,000.

**Library & Museum: Third Party Notification System for Items Outstanding (\$10,000):**

By implementing an SMS alert and messaging system, electronic communication with patrons will be significantly improved. This technology reduces the reliance on emails that may get blocked by third-party carriers, ensuring that patrons receive essential notifications without any disruptions. Additionally, this system would help reach patrons who prefer to receive updates through text messages, providing them with convenient and reliable means of staying informed about their library account and materials.

**Police Department: License to Carry a Concealed Weapon ("CCW") Psychological Testing (\$25,500):** The Chief of Police has the authority to mandate that CCW applicants undergo psychological testing conducted by an authorized psychologist selected by the Department. If the City requires such testing, it must use the same firm that is used for its police officers. This testing is an integral part of the evaluation process to determine the applicant's eligibility for a CCW license. The Department has established a contract with a licensed police department psychologist to administer the psychological tests, with the CCW applicant only being charged a maximum of \$150 for the psychological test, per state law. Consequently, the City will be covering the remaining cost of the tests.

**Public Works Services: Project Manager Position (General Fund \$76,200 / Other Funds \$76,200):** With a dedicated Project Manager, the PWSD will primarily focus on complex construction management for the City's capital projects, with an emphasis on the construction phases of each project. This role will focus on overseeing all aspects of project development and construction and possess advanced knowledge in engineering and architectural design principles, practices, and procedures as well as expertise in estimating and project accounting.

**Parks and Recreation: Arcadia branded items to sell at the Gift Shop (\$7,500):** The Arcadia Gift Shop will feature a variety of items such as t-shirts, sweatshirts, hats, cups, bags, and more, all branded with Arcadia designs. The gift shop will utilize existing staff members and volunteers with start-up costs estimated at \$7,500 and annual revenue projected to be around \$9,000.

## **Capital Improvement and Equipment Replacement Funds**

In recent years, the City has successfully accumulated funds in the Capital Improvement and Equipment Replacement Funds to save for significant purchases that occur intermittently. The balance of each fund has grown through financial prudence and by transferring excess funds from the General Fund at the end of each fiscal year. Specifically, the goal is to transfer at least the 10-year average expenditure from each account from the General Fund. This proactive approach to funding is crucial in preventing failure of the City's infrastructure system and ensuring staff has the necessary tools and equipment to carry out their essential duties. To establish a sustainable fund balance for future purchases and projects, the FY 2023-24 Budget will transfer of \$6.8 million from the General Fund, with \$3.4 million allocated to the Capital Improvement Fund and \$3.4 million to the Equipment Replacement Fund.

The FY 2023-24 Capital Improvement Plan entails 41 projects, with a total expenditure of \$15.8 million. Of this amount, \$6.2 million will be funded from the Capital Improvement Fund.

The Capital Improvement Fund primarily supports crucial maintenance initiatives such as pavement rehabilitation, building repairs, and parks maintenance. The following table provides a summary of some major proposed projects scheduled for the year.

### **FY 2023-24 MAJOR CAPITAL IMPROVEMENT PROJECTS**

<b>Project Description</b>	<b>Project Budget</b>	<b>Funding Source</b>
<b>Annual Slurry Seal Program</b>	\$1,320,000	Capital Improvement Fund
<b>Advanced Metering Infrastructure (AMI)/ Meter Replacement Program</b>	\$1,200,000	ARPA Fund
<b>Bonita Park Concession Building Improvement Project</b>	\$1,700,000	Park & Recreation Facilities Fund
<b>Pavement Rehabilitation Program</b>	\$2,255,000	Capital Improvement \$1.05Mil & RMRP (SB1) - \$1.2Mil
<b>City Facilities Exterior Painting</b>	\$300,000	Capital Improvement Fund
<b>Water Main Replacement Program</b>	\$520,000	ARPA Fund
<b>City Facilities Reroof</b>	\$1,500,000	Capital Improvement Fund
<b>Arterial and Pavement Rehabilitation</b>	\$900,000	Prop C

The Equipment Replacement Fund plays a critical role in funding essential equipment such as computers, vehicles, and major office equipment. To ensure the sustainability of the Equipment Fund, an increased annual transfer of \$3.4 million is now necessary to accommodate rising costs from inflation and demand for new equipment.

In the proposed budget, there is a higher number of vehicle replacements planned – specifically, heavy-duty vehicles used by the Public Works Services, Fire, and Police Departments. This year, an increased number of vehicles are budgeted for replacement due to manufacturing backlogs caused by the COVID-19 pandemic, resulting in projected waiting periods of up to 24 months. Consequently, most sedans, particularly Police Patrol vehicles, are being pre-ordered in anticipation of these delays.

The Equipment Replacement Fund encompasses a comprehensive list of 41 equipment purchases, totaling \$5.1 million. Eighty percent (80%) of the \$5.1 million (or \$4.1 million) will be funded by the Equipment Replacement Fund. The table below summarizes some significant equipment purchases for the upcoming period.

#### **FY 2023-24 MAJOR EQUIPMENT REPLACEMENT PURCHASES**

<b>Equipment Replacement Description</b>	<b>Replacement Budget</b>	<b>Funding Source</b>
<b>Street Vehicle Replacements:</b>		
▪ Heavy Duty Stake Bed Truck ▪ ¾ Ton Pickup Truck (2) ▪ CNG Street Sweeper ▪ ¾ Ton Stake Bed Truck ▪ ½ Ton Pickup Truck ▪ Installation of Equipment and Accessories	\$1,460,700	Equipment Replacement
<b>Water Vehicle Replacements:</b>		
• Dump Truck ▪ ¾ Ton Pickup Trucks (3) ▪ Installation of Equipment and Accessories	\$619,900	Water Fund
<b>Fire Department:</b>		
• Rescue Ambulance • Installation of Equipment and Accessories • Communication & Technology Equipment Replacement	\$731,600 \$280,000	Equipment Replacement Equipment Replacement
<b>Police Department:</b>		
• 3 New Patrol Vehicles • 1 New Sedan • 2 Used Sedans • Installation of communications equipment	\$461,500	Equipment Replacement

#### **ECONOMIC OUTLOOK**

The General Fund FY 2023-24 operating budget reflects a cautiously optimistic outlook following the recovery from the economic challenges brought about by the COVID-19 pandemic. Thanks to strong fiscal management and the successful implementation of a Transaction Use Tax in 2019, the City has been able to maintain the high level of services that the community has come to expect. These prudent financial practices have positioned the City favorably, leading to a projected surplus for FY 2023-24, despite the possibility of a moderate or stagnant economic environment that could impact revenue streams.

While concerns about inflation, supply chain disruptions, and a slowing economy persist, the potential impact on the economy remains uncertain. Economic indicators suggest the potential for a recession, but accurately predicting its timing is difficult. Nonetheless, the City is prepared to navigate these challenges, leveraging its financial stability and proactive measures to adapt and thrive in any economic scenario. By maintaining a positive and proactive approach, the City remains well-equipped to overcome uncertainties and continue delivering excellent service to the community.

Considering the aforementioned factors, a budget stress test was conducted to assess the potential financial trajectory of the City in the future. The stress test scenario assumed a recession would occur in the latter half of FY 2023-24,

followed by a slow recovery that would require multiple years to normalize and a rising cost scenario. The results of the stress test reveal a positive outlook, indicating that even in the event of a prolonged recession, the projected annual deficits would range from 0.9% to 5.5%, equivalent to approximately \$640,000 to \$4.9 million. These deficit figures are within manageable limits and can be addressed through short-term cost-saving measures, or if necessary, modest budget reductions without having to utilize operating or emergency reserves. Overall, the stress test showed that the City is well positioned to face any economic challenges that may present themselves.

## **DEBT ADMINISTRATION**

As of June 30, 2023, the City has an outstanding balance of \$4,429,000 for the Series 2021 General Obligation Bonds (Police Station) and \$3,489,000 for the Series 2021 General Obligation Bonds (Measure A). Those 2021 General Obligation Bonds refinanced the outstanding 2011 and 2012 General Obligation Bonds.

On November 12, 2020, the City issued \$90 million dollars of Pension Obligation Bonds to fund contributions towards the City's Unfunded Actuarial Liability (UAL) balance with the California Public Employees Retirement System (CalPERS). A total of \$89.5 million was contributed to ensure the stability and health of the City's retirement funds. These bonds were rated "AAA" by Standards and Poor rating agency. The outstanding balances on these bonds were \$81,576,400 on June 30, 2023.

## **INTERNAL CONTROL**

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. The internal control structure is designed to protect the City's assets from loss, theft, or misuse and to ensure that adequate accounting data is compiled for the preparation of financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

## **BUDGETARY CONTROL**

The City's ordinance requires the adoption of a budget for the following fiscal year before July 1<sup>st</sup> every year. The City's Management presents a two-year operating budget and five-year Capital Improvement and Equipment Plan annually.

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The level of budgetary control (that is, the level at which expenditure cannot legally exceed the appropriated amount) is established at the department level. At the fiscal year-end, all unencumbered operating budget appropriations lapse with the exception of continuing appropriations.

## **MAJOR ACCOMPLISHMENTS**

Substantial progress was made during the past fiscal year toward responding to priorities previously identified by the City Council and staff. Accomplishments by departments include:

### General Government

- Conducted 55 recruitments for part-time and full-time staff.
- Through collaboration with City Departments, continued to improve employment recruitment flyers to showcase Arcadia's work culture and Department's vision when recruiting new talent.
- Increased the City's visibility for employment recruitment through participation in job fairs, events, and social media.
- Completed expansion of citywide data storage system and increase backup system capacity.
- Re-cable PD server room.
- Mapped and expanded internal citywide fiber circuits.
- Upgraded PD Laserfiche server.
- Migrated legacy system to cloud-based: HdL

- Replaced 30% of citywide desktop computers at the end of their equipment life cycle.

## Police Services

- Purchased an Armored Rescue Vehicle to be better able to respond to major emergencies, preserve life, and enhance the safety of citizens and Officers.
- Implemented a Peer Support Program to provide peer support to sworn and civilian personnel in their personal and professional lives, whether that involves a divorce, alcohol, post-traumatic stress or death of a family member.
- Participated in the San Gabriel Valley Council of Government's San Gabriel Valley Care Team as part of Homeless, Mental Health, and Crisis Response Pilot Program.
- Participated in the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT) – a multi-jurisdictional taskforce by actively participating in the Crime Impact Team/Group 25, which will combat burglary and robbery crimes in Arcadia and surrounding cities.
- With the support of the Arcadia Police Foundation, a new K-9 was purchased to replace recently retired K-9 Kota. K-9 Kopper is the Department's new scent discriminate tracking K-9.
- Expanded the Department's GPS Tracking Device Program to increase misdemeanor and felony arrests of suspects committing criminal activities in various regions of the City.
- Completed the second stage of upgrading the Police Dispatch Center's Customer Premise Equipment (CPR) in order to keep abreast with the ever-evolving public safety communication system now called New Generation 911 (NG911), which will transform the outdated system into a digital network that is faster, more efficient, more cost-effective, and safer for the public and law enforcement agencies.
- Completed the new Text-to-911 service offering the public the ability to send a text message to reach 911 emergency call takers from a mobile phone or device.
- Participated in the West San Gabriel Valley Mental Evaluation Team (WSGMET) and collaboration with the Los Angeles County Department of Mental Health to address and combat mental health incidents and provide mental health assistance and resources to homeless persons in Arcadia.
- Expanded homelessness outreach efforts through the activities of APD's Homeless Education & Liaison Program (HELP Team), which aims to improve the quality of life in Arcadia by reaching out to the homeless community and providing information, resources, and motivation with the ultimate goal of finding an alternative to life on the streets.
- Pursued additional homelessness outreach efforts through participation in Los Angeles County's Homeless Outreach Service Team (HOST) program, supported by Measure H funding, to work toward implementing the City's plan to prevent and combat homelessness in Arcadia.
- Increased traffic education, engineering, and DUI/drug enforcement efforts through grant funding awarded by the Office of Traffic Safety.

## Fire Services

- Implemented Part 2 of the fuel modification project in the Very High Fire Hazard Zone and in partnership with the California Conservation Corp.
- Purchased a new engine and fire command vehicle.
- Completed the outfitting of battery-powered vehicle extrication Hurst "e-draulic" rescue tools on Fire Truck 705 and Urban Search and Rescue 106 vehicle. The technology enabled the apparatus to be operated faster and at a higher performance versus hydraulic hoses and power units.
- Updated and adopted the 2022 California Fire Code.
- Marketed, promoted, and expanded the user registration for the Arcadia Community Connect program.
- Researched, evaluated, and purchased a new Self-Contained Breathing Apparatus to comply with the industry standard of a 15-year life span.
- Improved the delivery of Emergency Medical Services by purchasing state-of-the-art mechanical cardiopulmonary resuscitation devices.
- Continued to develop a methodological structure or system to prepare for the development of a comprehensive collection system for CMS by November 2023, to adequately evaluate ground ambulance providers and suppliers' costs as they relate to Medicare payment rates.
- Assigned a temporary Fire Training Captain to assist the Arcadia Fire Department's Training Program for consistent training and evaluation of newly hired and promoted members.

- Trained, mentored, and developed new and current staff members for succession planning. Continued to be proactive in hiring and promotional testing processes to maintain staffing levels and minimize constant staffing personnel expenses.
- Continued to provide Fire Suppression personnel with the most current and advanced firefighting techniques/training to promote fire ground safety.
- Continued to research and apply for Federal, State, and private grant opportunities for firefighter training and the procurement of firefighting equipment. Continue to maintain detailed grant records of current and past awards for compliance and to prepare for audits.
- Upgraded to the newest technology with the replacement of mobile data computers (MDCs) in apparatus and mobile Apple iPad tablets. These technological upgrades also included implementation of the Tablet Command software for regional-wide use. Tablet Command is a mobile incident command and response solution that increases situational awareness, speeds incident response, streamlines incident management and improves firefighter accountability.
- Issued Resolution No. 7487 that proclaimed the termination of a local emergency regarding Novel Coronavirus (COVID19).
- Contracted with a full-time Medical Director, which enhanced the City's medical services that includes providing continuing education requirements to AFD's Emergency Medical Technicians (EMTs) and paramedics; opportunity to sign up for various LA County DHS' medical trial programs; and direct oversight to AFD's narcotics program.
- Implemented a Fire Services Impact fee for new developments and help fund heavily used and costly fire equipment resulting from increased new construction projects.
- Applied for and awarded the GEMT Cost Reporting Program for Fiscal Years 2019 – 2022 when the Medi-Cal reimbursement Program was re-instituted in Fiscal Year 2022.

#### Public Works Services

- Repaired localized potholes and failed pavement, replaced broken curb and gutter as necessary, and installed new ADA-compliant curb ramps on Elevado Ave., Ontare Rd., Old Ranch Rd., Wistaria Ave., Elkins Pl., Volante Dr., and Cortez Rd.
- Replaced the existing 12-inch sewer pipe along Duarte Road between Baldwin Avenue and Holly Avenue with a 16-inch sewer pipe.
- Replaced 104 streetlights in the Altura/Panorama feed point with new isolation transformers.
- Participated in Water Management of stormwater projects with the new Stormwater Joint Power Authority;
- Continued the transitioning the use of Automatic Meter Reading (AMR) meters to Advanced Metering Infrastructure (AMI) meters which will provide water loss prevention, real-time data analysis, and leak detection for residents.
- Rehabilitated Orange Grove Well 1A.
- Replanted trees within the City Right of Way utilizing funding from Los Angeles County Flood Control District (LACFCD).

#### Development Services

- Completed over \$600,000 worth of grant projects to small businesses throughout Arcadia.
- Completed numerous traffic signal upgrades throughout the City, including adding new traffic signals and pedestrian signals to improve traffic flow throughout the City.
- Continue close work with Downtown Arcadia Improvement Association on downtown developments/beautification and special events.
- Issue building permits for a major Hilton Hotel project in the downtown core area.
- Collaborate with the Shops at Santa Anita on new tenancies and efforts to revitalize the center.
- Code Enforcement of important quality of life issues such as unoccupied homes, short term rentals, boarding houses, and other unpermitted uses for residential properties continues to be an important accomplishment in the City.
- Issue building permits for a new 314-unit mixed-use development in Downtown Arcadia.

#### Recreation and Community Services

- Restarted Homeless Stakeholders meetings.
- Entered a city-specific contract for Homeless Case Management & Housing Navigation through Los Angeles Centers for Alcohol and Drug Abuse (LACADA) for 3, full-time case managers.
- Participated in the San Gabriel Valley Council of Government's Grants including the High Acuity team, and Supplemental Services team, and Mobile Crisis team.
- Signed a contract with National Parks Service to accept a Land and Water Conservation Fund grant award of \$2.2 million for the renovation of Newcastle Park.

#### Library and Museum Services Development Services

- Build back community visits to the Library by creating safe spaces, providing positive patron experiences, and seeking community input for current and future services, collections, and programs. Gate count increased by 64,424 in-person visitors; questions increased by 5,097.
- Build back volunteer and intern base as well as in-person programming. Volunteer hours increased by 1,757 and in-person programming and attendance increased by 54 and 3,799, respectively from the previous year.
- Create meaningful connections within the community, its' diverse citizenry, and increase community partnerships in program and service development and delivery to better serve everyone within the community. The Library continues to offer online services, including two-minute tech tips that could be viewed at any time, in addition to in-person programs. The Library did an extensive outreach to market its new Memory Lab and its new equipment to digitize old 8mm, 16mm, and video and audiocassettes. Staff attended a variety of community events as well as class visits to the Library. The Library served as a voter center in November 2022.
- Increase responsiveness to changing technology needs and reduce barriers to access by providing basic, modern, technology and digital literacy classes for the community. Implemented the grant-funded Memory Lab and installed the new public internet equipment to increase the speed from 1 to 10 Gbps.
- Continue to recruit, develop, and retain an innovative, talented, nimble, and diverse workforce to fill vacancies. Thirteen job recruitments took place this past year, filling all but 7 of the multiple vacancies.
- Improve organizational culture, knowledge, skills, and abilities of staff through training, workshops, and professional development. Staff attended the Young Adult Services Association conference as well as a number of online training and webinars for all employees and more in-depth training took place with new hires.
- Continue to provide new training opportunities through cross-training, community engagement, and formal training opportunities. The Aide positions now rotate throughout the organization, thus providing a much more flexible and nimble staff.

### **FUTURE INITIATIVES**

The following program Goals have been established for the immediate future to respond to community and organizational needs, which will ensure that Arcadia remains a highly effective and efficient organization for many years.

#### General Government

- Ensure that all City programs and operations are carried out efficiently, effectively, and in a timely manner.
- Provide oversight of the City's Operating Budget and Capital Improvement Program.
- Provide managerial and administrative support to the City Council. Coordinate City Council meetings, presentations, and events in the community, dignitary visits and public outreach.
- Serve as a resource for the public in terms of providing responses to public information requests, answering questions, and resolving problems.
- Organize special events, community functions, and meetings that have a citywide interest and/or are hosted by the City Council.
- Act as the City's overall Public Information Office. Direct and execute communication and community outreach efforts for the City; manage the City website, the government access television channel, and the City-controlled aspects of local cable television operators.
- Provide staff support to the City Council, City Clerk, City Manager, and City Attorney.
- Oversee the City's legislative advocacy efforts.
  - Administration of the City's legal affairs, including litigation and claims against the City. Provide confidential legal advice to the City Council, City Manager, and City staff.

- Oversee the preparation of both the City's General Budget and Capital Improvement and Equipment Plan for the following fiscal year.
- Continue to seek and execute new monitoring guidelines to ensure that proper controls and safeguards are in place with respect to departmental spending.
- Complete all financial reporting in a proper and timely manner including the City's audited financial statements and various reports and schedules as mandated by County, State, and Federal agencies.
- Continue to review and evaluate the City's investment practices, including the monitoring of contracted investment management services. Endeavor to meet or exceed targeted rates of return on investments.
- Implement a new, state of the art, ERP system that would enhance process efficiencies, automate manual processes, provide robust electronic document storage, and enhance workflow.
- Enhance efficiencies within the Human Resources Division's Records Retention plan, utilizing document imaging computer systems to improve record keeping and information retrieval with respect to various personnel and Workers' Compensation records.
- Continue to collaborate with departments on strategic outreach measures that recruit and retain a diverse and well-qualified workforce.
- Provide continued development opportunities for employees, including technology, leadership, risk management, and best practices.
- Provide mandatory and compliant training within established timeframes.
- Continue to enhance the City's Wellness Program to promote workplace wellness and help employees adopt healthy behaviors.
- Work with each Department and bargaining group on updating and simplifying language in the City's Personnel Rules and Regulations.
- Oversee the completion of a Total Compensation Study.
- Complete contract negotiations with the City's employee bargaining groups to replace the Memorandums of Understanding, which will expire in June 2024.
- Continue to enhance the City's network infrastructure, security, and backup systems.
- Provide recommendations and guidance on the City's IT related projects.
- Continue to provide 24x7 IT service support to users across city departments.
- Continue to initiate training for computer users on cyber-threats.
- Upgrade and replace both Cisco phone server and voice mail server.
- Expand backup storage for both PD and City Hall
- Expand PD server environment.
- Adding backup tape drive for redundant backup
- Implement MDM software on all city mobile devices.
- Update and upgrade city remote locations' server room
- Provide support on new ERP system implementation.

## Police Services

- Implement new objectives in the Operations Division to increase efficiency and provide better service for the community.
- Enhance, and/or establish the Department's policies, procedures, and operational strategies to respond to emergencies and monitor recommended steps from local, state, and federal agencies for implementation with the goal of preserving the safety and well-being of the City, staff, and residents.
- Actively participate in the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a multi-jurisdictional taskforce, to increase proficiency in investigating major crimes related to drug trafficking, gang enforcement, property crimes, and covert operation information development amongst others.
- Build the Police Cadet Program to full capacity, providing for a greater number of potential police officers for the future, and allowing for diversified learning opportunities within the department.
- Explore the potential for collaborative, regionalized police services for the future.
- Maintain participation in the West San Gabriel Valley Mental Evaluation Team (WSGMET), the San Gabriel Valley Council of Government's Care Team Health to address and combat mental health incidents and provide mental health assistance and resources to the community.
- Provide homelessness outreach efforts through the activities of the police department's Homeless Education & Liaison Program (HELP Team), which aims to improve the quality of life in Arcadia by reaching out to the

homeless community and providing information, resources, and motivation with the goal of finding an alternative to life on the streets.

- Grow and develop traffic education, engineering, and enforcement efforts. Continue to enhance D.U.I. enforcement through grant funding for checkpoints and special operations.
- Continue the growth of the Business Watch Program managed by the Community Affairs Office to help increase safety awareness and enlist the active participation of business owners in cooperation with law enforcement to reduce crime in the community.
- Expand the Automated License Plate Readers (ALPRs) program via a strategic build-out plan to combat criminal activity, enhance productivity, and improve officer safety.
- With the continued support of the Arcadia Police Foundation, further expand the K-9 Program to support daily law enforcement operations and enhance the effectiveness of patrol duties such as handler protection, searching techniques, human tracking, and narcotics detection; ultimately increasing officer safety, apprehension of suspects, location of missing persons, and safety for the community.
- Support the mission and objectives of the Arcadia Police Foundation to address the complexities of policing in the 21st century. The foundation will continue to promote partnerships between the police department and the public, mobilize community support, and enhance community understanding of law enforcement initiatives and collaboration with the Los Angeles County Department of Mental Health.
- Establish participating in the Taskforce for Regional Auto Theft Prevention (TRAP) Program and dedicate police resources to help deter crime in the City, specifically, Auto Theft.
- Utilize and expand the social media team to increase interactions and timely sharing of information via various social media platforms with members of the community.

## Fire Services

- Hire a new full-time Fire Prevention Specialist within the Fire Prevention Bureau to effectively conduct fire inspections, as residential and commercial inspections continually increase over the years.
- Purchase an all-electric vehicle with charging station resulting from staff expansion within the Fire Prevention Bureau.
- Implement a new electronic plan review process, in coordination with other City departments.
- Extend the Administrative/Training Captain to a full-time capacity as a direct response to several vacancies experienced by the Department, to provide invaluable training both to the Department's probationary members and in-service personnel and other administrative responsibilities to support the Fire Department's command staff on various projects.
- Develop a Physical Wellness Program with a local college for the Department members to maintain high level of job performance.
- Implement the *Basic Life Support ("BLS") Peak Hours* Ambulance Program, which entails the hiring of new part-time Ambulance Operators ("AOs") and the purchase of one Type II BLS ambulance which is a smaller, lighter and more economical BLS Type II ambulance and will be operated primarily by Ambulance Operators ("AOs"). The BLS Peak Hours Program will enable AOs to transport patients requiring only BLS level of care; maximize the Department's ability to recover costs generated by medical transports that are sometimes provided by other fire agencies when Arcadia transport units are tied up; and lower response times for an ambulance requiring an out-of-city resource.
- Purchase a new Type I Road Rescue Ultramedic Type I ambulance to replace the current 2015 rescue ambulance. This new ambulance has a heavier duty chassis to help support additional usage and mileage.
- After the GEMT Cost Reporting Program had sunset, continue to participate as a funding entity in the state's PP GEMT IGT Program (or the Public Provider Ground Emergency Medical Transportation Intergovernmental Transfer Program), enabling the City of Arcadia to receive higher cost recovery from the state for all its Medi-Cal transports.
- Complete the Centers for Medicare and Medicaid Services' (CMS) mandatory Medicare Ground Ambulance Data Collection system, as part of the Bipartisan Budget Act of 2018, with data to be used in assessing CMS' current payment rates and inform future reimbursement rates.
- Initiate the update of the Fire stations' alerting systems according to industry standards that include digital mapping devices, resource deployment, and unit identifiers. This is a multi-year project.
- Purchase two (2) battery-powered, positive pressure ventilation fans to Fire stations which are used to remove smoke from buildings.

- Purchase of a new Utility Fire Truck for the Fire Department to support daily operations supporting Fire personnel and their safety equipment and to support single-person or team deployments during wildland firefighting or for strike team responses.
- Build, deliver, and place in service new engine and command vehicle.
- Upgrade Self-Contained Breathing Apparatus (SCBA) compressor and update respiratory protection policy to remain in compliance with California Department of Occupational Safety and Health Act (Cal/OSHA) and National Institute for Occupational Safety and Health (NIOSH).
- Develop and enhance community outreach and engagement projects through different programs such as Fire Explorer Program and Sidewalk CPR training, and partnership with the Arcadia Unified School District programs such as AVID (Advancement Via Individual Determination).
- Build, deliver, and place in service the grant funded Polaris side-by-side utility terrain vehicle.
- Replace and upgrade to Build, deliver, and place in service the grant funded Polaris side-by-side utility terrain vehicle.
- Replace and upgrade to battery-powered LED emergency lighting for incident use.

#### Public Works Services

- Rehabilitate Orange Grove Well 5.
- Drill and equip a new municipal water supply well in the Main San Gabriel Basin to serve as a source of supply for the City's distribution system.
- Design and construct a new CNG Station at the Public Works Yard.
- Construct new bleachers and shade canopies at Hugo Reid Park, Longden Avenue Park, and Bonita Park.
- Design and construct the Newcastle Park Improvement Project.
- Continue replanting trees within the City Right of Way utilizing funding from Los Angeles County Flood Control District (LACFCD).
- Complete a feasibility study to identify the most cost-effective treatment/mitigation to place the Chapman Water Facility back on-line.
- Rehabilitate Chapman Reservoir.
- Replace the aged Baldwin Booster Pump D and Motor Control Center.

#### Development Services

- Complete major improvement project for South Baldwin Avenue.
- Entitle a new hotel project, a major assisted living project, and several large mixed-use projects throughout the City.
- Complete new economic development marketing and branding efforts, district identify improvements, etc.
- Assist USC Arcadia Hospital and the Arcadia Unified School District with major master planning efforts.
- Upgrade permit tracking and issuance software to provide superior quality of service, included new E-review software and a new Business License module.
- Draft new inclusionary housing ordinance and multiple re-zonings to facilitate affordable housing.
- Review municipal transit services to determine if modifications or upgrades are needed.

#### Recreation and Community Services

- Work on procuring grants from the San Gabriel Valley Council of Government's Grant for Homelessness.
- Continue to work on homelessness in the community as directed by the City Council.
- Begin the Newcastle Park renovation project utilizing funds from the Land and Water Conservation Fund grant
- Adopt a new Five-Year Homeless Plan
- Complete an updated Tiny & Transitional Shelter Report

#### Library and Museum Services Development Services

##### Library:

- Continue to attract, develop, and train an innovative, talented, nimble, and diverse workforce. Improve organizational culture, knowledge, skills, and abilities of staff through training, workshops, and

professional development opportunities. Continue to provide new training opportunities through cross-training, community engagement, and formal training opportunities. Continue to fill vacancies (Principal Librarian, Library Services Manager, 8 Aide positions, part-time Librarian and part-time Technician) and implement a robust training program to ensure success of new employees.

- Continue to develop a strong intern and volunteer program to assist with collections, programs, services, and advocacy.
- Continue to provide strong informational, technological, community, and reading literacy programs to continue to help our community be active lifelong learners. (1000 Books Before Kindergarten, Smart Investing, Sustainable Living)
- Help to stimulate civic and community involvement by safeguarding access to information and ideas through the support of intellectual freedom, equitable access, privacy, and diverse perspectives and viewpoints. Continue to provide Arcadia residents local, state, and federal government information, programs, and services to encourage a better informed and involved citizenry. Serve as a voter site within the community. (March 2024)
- Utilize, update, and maintain appropriate technology and equipment to meet organizational and community needs. Replace seven-year-old 3D printer. Replace 15 seven-year-old public computers with new computers and Windows 11 software.
- Build back a strong volunteer and intern base to assist with library services. Continue to engage the teens through the Teen Advisory Group, the Middle School Advisory Group, and adults through adult programs. Start up the English Conversation Class for adults with volunteer tutors.
- Continue a strong marketing, publicity, and social media presence, informing the community of the wide variety of services, programs, and collections available in-person and remotely at the Library and Museum. Seek input from the community for better services, collections, and programs.
- Continue Passport Services as an ongoing, separate, cost-recovery service for the community.
- Maintain and refresh the facility, grounds, and furnishings to ensure an attractive, safe, and inviting environment for people visiting the Library.
- Install slanted shelving for better access to the adult graphic novel collection.
- Provide a robust and diverse collection of books and resources that meet the needs of Arcadia residents as well as a variety of programs and services that attract hard-to-reach populations as well as inspiring life-long learning for all ages.
- Work with the Friends of the Library to provide a sustainable and containable space for donations within the confines of the Friends designated areas in the basement.
- A grant from the CA State Library was approved for a Family Restroom and the process for an RFP and bidding has been prepared for FY 2023-2024. Continue work on this project with rebidding in 2024.

#### Museum

- Provide hands-on experience and opportunities to emerging museum professionals with internships.
- Continue to develop a strong intern and volunteer program to assist with collections, programs, services, and advocacy.
- Continue to provide strong educational programs for all ages that develop a lifelong love of learning about local history and to Continue to bring in repeat and new visitors alike throughout the year.
- Continue to provide the “why” and “so what” of local history and how it fits in with history nationally and internationally.
- Continue to ethically accession, deaccession, and maintain proper documentation, indexing, storage, and care for the artifact collections following museum management best standards and practices.
- Continue to look for ways to store and share collections in the most compact and accessible configurations to maximize the limited space available.
- Systematically refresh permanent and temporary exhibit spaces and take advantage of technology to offer new interactive and hands-on experiences for the public.
- Continue to bring in repeat and new visitors throughout the year.
- Continue to collaborate with community groups, schools, and individuals to develop temporary exhibits that meet the current interests of the community.

- Continue the Continuum of Excellence towards accreditation by the American Alliance of Museums by working on the required five core documents. Engage in the American Association of State and Local History's StEPs (Standards and Excellence Program for History Organizations) program. This year, the focus will continue to be on collections, interns, volunteers, visitors, and audience.
- Work to update the Museum's Long- Range Plan.
- Continue to develop a strong collaboration with the Friends of the Museum.

## AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Arcadia for its annual comprehensive financial report for the fiscal year ended June 30, 2022. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's Annual Comprehensive Financial Report was prepared through the combined efforts of City staff. Special recognition is due to the Financial Services Division staff for their effort to ensure timely and accurate reporting. We would also like to thank the City Council for their continued support and interest in planning and conducting their financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

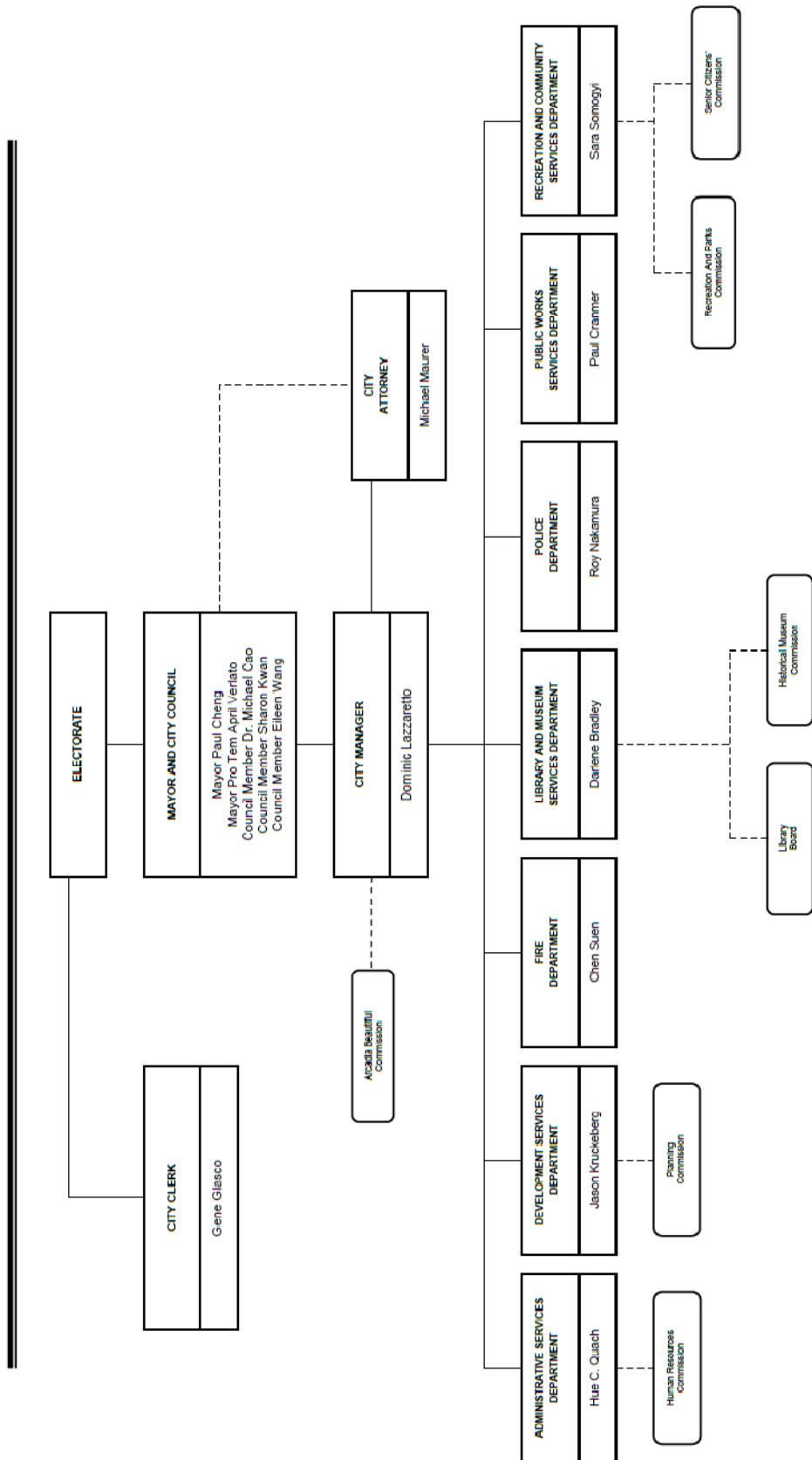


Hue C. Quach  
Administrative Services Director



Henry Chen  
Financial Services Manager/City Treasurer

# City of Arcadia





## *CITY OF ARCADIA*

### *Elected Positions and Administration Personnel*

*June 30, 2023*

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#### CITY COUNCIL MEMBERS

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		<u>Term Expires</u>
Paul P Cheng	Mayor	2024
April A Verlato	Mayor Pro-Tempore	2024
Dr. Michael Cao	Council Member	2026
Sharon Kwan	Council Member	2026
Eileen Wang	Council Member	2026

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#### CITY CLERK

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	<u>Term Expires</u>
Gene Glasco	2024

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#### ADMINISTRATIVE PERSONNEL CITY OFFICIALS

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Dominic Lazzaretto	City Manager
Micharl Maurer	City Attorney
Jason Kruckeberg	Assistant City Manager/Development Services Director
Darlene Bradley	Library and Museum Services Director
Paul Cranmer	Public Works Services Director
Roy Nakamura	Police Chief
Hue C. Quach	Administrative Services Director
Sara Somogyi	Recreation and Community Services Director
Chen Suen	Fire Chief



Government Finance Officers Association

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Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Arcadia  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

**PARTNERS**

CRAIG A HARTZHEIM, CPA  
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**INDEPENDENT AUDITOR'S REPORT**

To the Honorable Mayor and Members of the City Council  
of the City of Arcadia  
Arcadia, California

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Arcadia, California (the "City") as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, as of June 30, 2023, and the respective changes in financial position, and where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, for the fiscal year ended June 30, 2023, the City adopted new accounting guidance, GASB Statement No. 96 Subscription-based information technology arrangements (SBITAs). Our opinions are not modified with respect to this matter.

***Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Schedules of the General and Major Special Revenue Funds, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Pension Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions on pages 5 through 26 and 101 through 112 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Major Capital Project Fund and Debt Service Funds Budgetary Schedules, Combining and Individual Nonmajor Governmental and Enterprise Fund Financial Statements, and Nonmajor Governmental Budgetary Comparison Schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 Major Capital Project Fund and Debt Service Funds Budgetary Schedules, Combining and Individual Nonmajor Governmental and Enterprise Fund Financial Statements, and Nonmajor Governmental Budgetary Comparison Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 20, 2023, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the City's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 20, 2023

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**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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As management of the City of Arcadia (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains Required Supplementary Information (RSI) and other supplementary information in addition to 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's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities, and deferred outflows and inflows of resources, with the net difference reported as *net position*. 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 government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, 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 fund, debt service, capital projects, and special revenue funds. The City's business-type activities include water utility, sewer maintenance, golf course, and transit operations.

**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. All the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental Funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains seven major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for

**City of Arcadia**  
**Management's Discussion and Analysis**  
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the General, Measure W, Parks and Recreation, Capital Outlay, America Rescue Plan Act, General Obligation and Pension Obligation Funds. Data from the twenty-seven other governmental funds are combined into one single, aggregated presentation. Individual fund data for each of these *non-major* governmental funds is provided in the form of *combining statements* later in this report.

The City adopts an annual appropriated budget for each of its governmental funds except for budgets except for the IRS Task Force Special Revenue Fund, Santa Anita Grade Separation Special Revenue Fund, Library State Grant Special Revenue Fund, CA OES HSGP Special Revenue, and Emergency Response Special Revenue Fund. A budgetary comparison statement has been provided for each governmental fund to demonstrate compliance with this budget.

**Proprietary Funds.** The City maintains only one category of a *proprietary fund*, the enterprise funds. As indicated earlier, these funds include the water utility, sewer maintenance, golf course, and transit system funds.

**Fiduciary Funds.** The City maintains a fund to account for the successor agency private-purpose trust fund created on February 1, 2012, to account for the transferred assets and liabilities from the former Arcadia Redevelopment Agency.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 57 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 comparison schedules for the General Fund and each major special revenue fund and schedules of progress in funding its obligation to provide pensions and other post-employment benefits to its employees. Required supplementary information can be found starting on page 101 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information. The combining statements and schedules can be found beginning on page 122 of this report. The following analysis of the Government-Wide financial statements includes a comparison between current and prior fiscal years' year-end balances and operations.

### **Governmental Activities**

The Statement of Net Position may serve, over time, as a useful indicator of a government's financial position. Total Net Position of the City's Governmental Activities was \$23.9 million for the fiscal year ending June 30, 2023, an improvement of \$26.8 million from last year. The increase in the Net Position was primarily due to a significant increase in tax revenues, favorable investment returns, and less payroll expenditures due to numerous open positions.

The largest portion of the net position is the net investment in capital assets (e.g., land, infrastructure, buildings and equipment, net of accumulated depreciation and related debt) of \$55.7 million. The restricted net position of \$31.5 million represents resources that are subject to external restrictions on how they may be used. The unrestricted net position shows a negative (\$63.4) million. The reason for the large negative unrestricted fund balance is primarily due to the recording of the City's pension liability and OPEB liabilities on the Statement of Net Position. The pension and OPEB liabilities reduced the unrestricted net position to a negative position. However, these are very long-term liabilities that will be paid incrementally for many years to come.

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**Management's Discussion and Analysis**  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (Continued)**

More information on the pension and post-employment benefits liability is available in Notes 9 and 10 of Notes to the Basic Financial Statements.

**City of Arcadia Statement of Net Position**  
**Governmental Activities**

<b>Governmental Activities</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
Current and other assets	\$ 127,479,051	\$ 104,378,751	\$ 23,100,300	22.13%
Noncurrent assets	838,371	1,088,484	(250,113)	0.00%
Capital assets (net of accumulated depreciation)	64,138,932	64,130,313	8,619	0.01%
<b>Total assets</b>	<b>192,456,354</b>	<b>169,597,548</b>	<b>22,858,806</b>	<b>13.48%</b>
Deferred outflows of resources	45,528,035	13,692,359	31,835,676	232.51%
Current liabilities	29,518,774	28,628,458	890,316	3.11%
Noncurrent liabilities	176,962,563	113,264,062	63,698,501	56.24%
<b>Total liabilities</b>	<b>206,481,337</b>	<b>141,892,520</b>	<b>64,588,817</b>	<b>45.52%</b>
Deferred inflows of resources	7,651,561	44,310,280	(36,658,719)	-82.73%
Net investment in capital assets	55,695,486	54,984,585	710,901	1.29%
Restricted	31,540,862	25,479,121	6,061,741	23.79%
Unrestricted	(63,384,857)	(83,376,599)	19,991,742	-23.98%
<b>Total net position</b>	<b>\$ 23,851,491</b>	<b>\$ (2,912,893)</b>	<b>\$ 26,764,384</b>	<b>-918.82%</b>

**City of Arcadia**  
**Management's Discussion and Analysis**  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (Continued)**

**City of Arcadia Statement of Activities**  
**Governmental Activities**

<b>Governmental Activities</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Program revenues:</b>				
Charges for services	\$ 11,234,990	\$ 11,853,255	\$ (618,265)	-5.22%
Operating contributions and grants	9,298,444	8,147,751	1,150,693	14.12%
Capital contributions and grants	2,214,893	1,430,019	784,874	54.89%
<b>General revenues:</b>				
Sales taxes	25,217,042	23,378,015	1,839,027	7.87%
Property taxes	21,641,066	21,365,282	275,784	1.29%
Franchise fees	1,227,708	1,049,291	178,417	17.00%
Utilities user taxes	9,637,119	8,429,763	1,207,356	14.32%
Transient occupancy taxes	4,891,525	4,128,326	763,199	18.49%
Motor vehicle license taxes	8,640,006	8,316,576	323,430	3.89%
Non-regulatory business license taxes	1,312,779	1,195,992	116,787	9.76%
Other taxes	2,037,907	1,953,404	84,503	4.33%
Investment earnings	3,192,593	(1,441,136)	4,633,729	-321.53%
Miscellaneous	7,373,004	8,823,621	(1,450,617)	-16.44%
<b>Total revenues</b>	<b>107,919,076</b>	<b>98,630,159</b>	<b>9,288,917</b>	<b>9.42%</b>
<b>Expenses:</b>				
General government	12,004,055	10,803,452	1,200,603	11.11%
Public safety	41,795,701	29,066,389	12,729,312	43.79%
Public works services	8,844,599	8,647,033	197,566	2.28%
Community development	7,505,977	7,777,990	(272,013)	-3.50%
Library	4,423,335	4,277,054	146,281	3.42%
Recreation and community services	3,991,588	4,305,064	(313,476)	-7.28%
Interest on long-term debt	1,994,126	2,097,318	(103,192)	-4.92%
<b>Total expenses</b>	<b>80,559,381</b>	<b>66,974,300</b>	<b>13,585,081</b>	<b>20.28%</b>
<b>Increase (Decrease) in Net Position before Transfers</b>	<b>27,359,695</b>	<b>31,655,859</b>	<b>(4,296,164)</b>	
<b>Transfers</b>	<b>(595,311)</b>	<b>(1,221,450)</b>	<b>626,139</b>	<b>-51.26%</b>
<b>Increase (Decrease) in net position</b>	<b>26,764,384</b>	<b>30,434,409</b>	<b>(3,670,025)</b>	
<b>Net position – Beginning of fiscal year</b>	<b>(2,912,893)</b>	<b>(33,347,302)</b>		
<b>Net position – End of fiscal year</b>	<b>\$ 23,851,491</b>	<b>\$ (2,912,893)</b>		

**City of Arcadia**  
**Management's Discussion and Analysis**  
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## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

### **Governmental Activities (Continued)**

Revenue of Governmental Activities was \$107.9 million for the fiscal year ended June 30, 2023, an increase of \$9.3 million in comparison to the prior fiscal year. Further analysis on each revenue category is as follows:

- Charges for Services decreased by (\$0.6) million or 5.2%, compared to the prior fiscal year. The decrease is primarily due to recognition of lease revenues in the prior fiscal year, which caused a one-time increase of \$1.3 million. This was offset by an increase (\$0.6 million) in recreation charges due to increased classes, camps, and events.
- Operating Contributions and Grants increased by \$1.2 million or 14.1%, primarily due to the recognition of \$0.9 million in America Rescue Plan (ARPA) funds that were spent in the fiscal year. Public works spent \$0.3 million on replacement water meters, \$0.5 million on small business aid, and \$0.1 in homeless services.
- Capital Contribution and Grants increased by \$0.8 million or 54.9%, primarily due to more work being completed for projects funded by Los Angeles County Metropolitan Transportation Authority (MTA) for transit and pedestrian mobility enhancement.
- Sales Tax increased by \$1.8 million, or 7.9%, primarily attributed to the continued strong increase in commercial activity as residents and visitors continued their strong spending despite price increases. There was an adjustment due to the timing of the receipts in the prior fiscal year that accounted for \$1.5 million of the increase when compared with the receipts this fiscal year.
- Property Tax revenue increased by \$0.3 million or 1.3%, due to the continued growth in property value assessment.
- Franchise fees increased \$0.2 million or 17% due to increases in prices for electric, gas, and cable services. Gas and electrical services continue to see strong price increases, which translates to an increase in franchise fees for the City. Cable services fees rebounded from several years of decreases due to both increased subscribers and prices. It remains to be seen if this trend will continue but it is a welcome change.
- Utility Users Tax (UUT) increased by \$1.2 million or 14.3%, compared to the prior fiscal year. The increases in UUT were mainly attributable to increases in prices for gas and electricity services, both increased by roughly the same amount. UUT from the telecom category continues their trend of decreasing receipts as revenues fell roughly 10%. Customers continue to reduce landlines services and wireless competition contributed to lower wireless package pricing.
- Transient Occupancy Tax (TOT) increased by \$0.8 million or 18.5%. The travel industry remained strong as people resumed traveling following the pandemic. Surveys conducted by the travel industry indicate that travel continues to be a priority and people expect to continue to travel more, not less, even due to the disruptions and higher costs experienced last year.

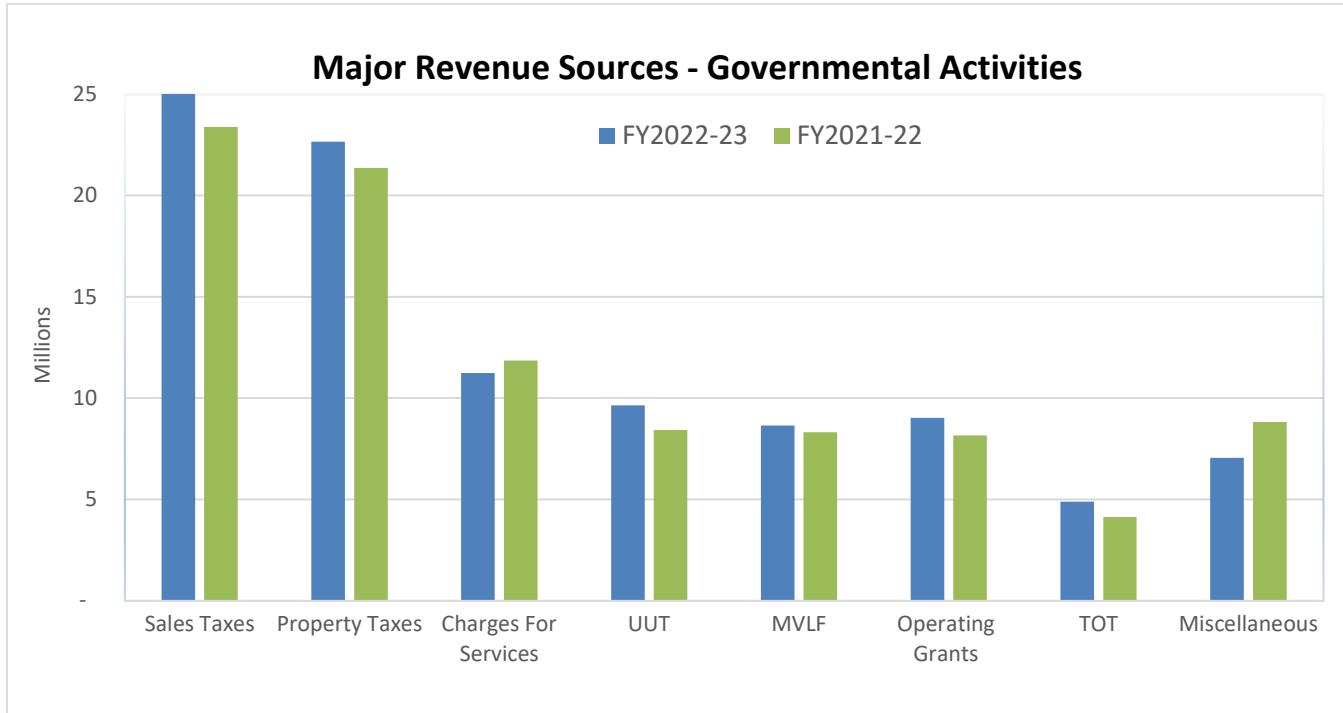
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## GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

### Governmental Activities (Continued)

- Motor Vehicle License Fees (MVLF) increased by \$0.3 million or 3.9%. MVLF increase was attributable to legislation passed in fiscal year 2004-05, which tied its growth to the City's annual property tax valuation. The City continues to reap the benefits of this change as the annual growth in property values continues to increase at a healthy annual rate.
- Business License Tax increased by \$0.1 million or 9.8% from increased business activity and entrepreneurs feeling confident regarding the economic outlook continued to start new businesses.
- Other Taxes category increased by \$0.1 million or 4.3%, primarily from solid waste assessments and collections from Measure W.
- Investment Earnings increased by \$4.6 million, due to the aggressive interest rate hikes by the Federal Reserve to combat the inflationary environment coming out of the COVID-19 pandemic. The City's portfolio benefits from this increase in rates by earning a much higher interest income as compared to the prior fiscal year. A portion of the increase is also because in the prior fiscal year, the City was required to mark a portion of our investment to market value at the end of the fiscal year and recognize the decrease in value. Though this decrease in market value will not have a permanent impact on the City's financial position as we tend to hold our investments until maturity.
- Miscellaneous Revenue decreased by \$1.5 million due to the City receiving one-time settlement monies from some lawsuits in the prior fiscal year.



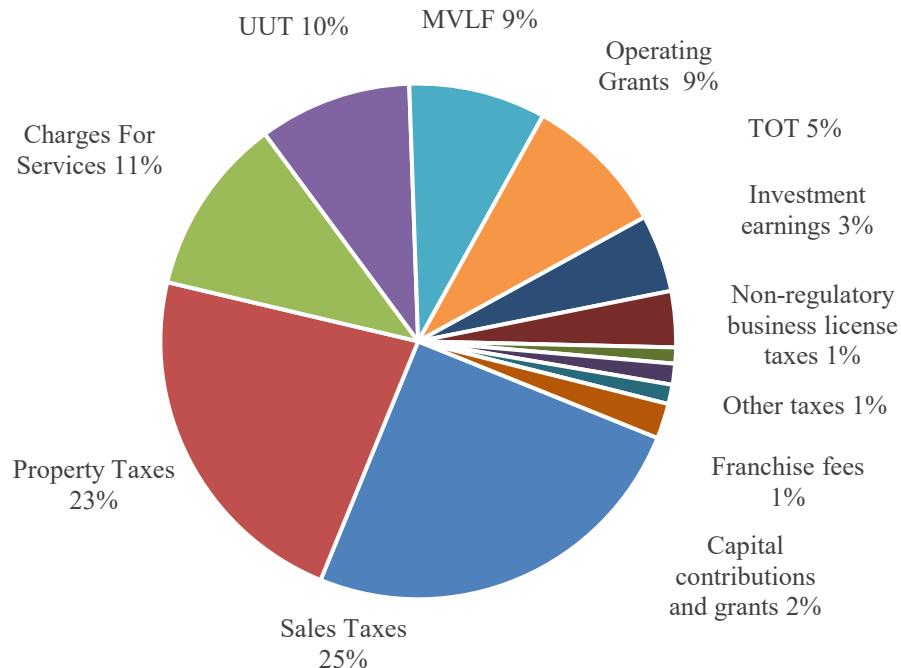
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

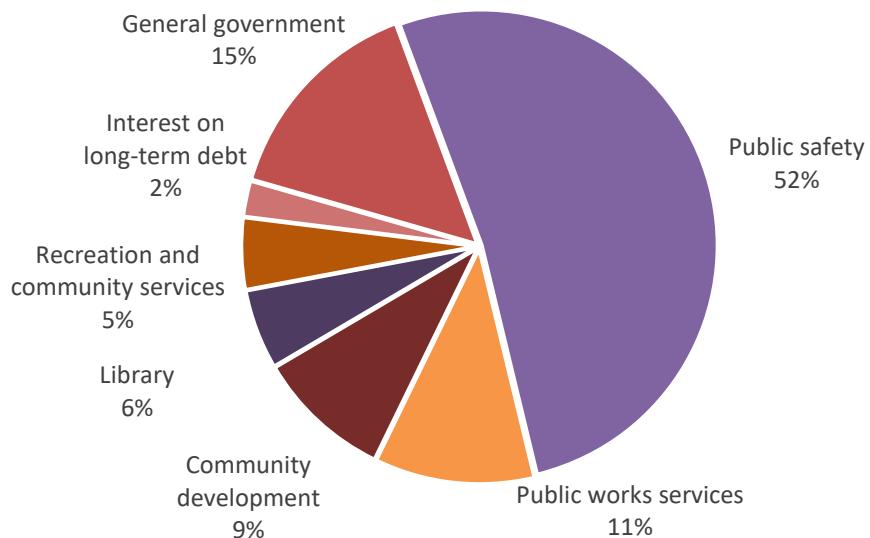
**Governmental Activities (Continued)**

**Major Revenue Sources - Governmental Activities**



Expenses for the fiscal year totaled \$80.6 million, a \$13.6 million or 20.3% increase from the prior fiscal year. Detail analysis on the increase by department is as follows:

**Expenditures by Department - Governmental Activities**



**City of Arcadia**  
**Management's Discussion and Analysis**  
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## **GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

### **Governmental Activities (Continued)**

- General Government costs increased \$1.2 million or 11.1% as compared to the prior fiscal year. The expenditure increased \$1.0 million for increased contributions to OPEB and PERS. Worker's Compensation and General Liability expenditure increased \$1.5 million due to higher claims and administration costs. These increases were offset by a decrease of \$1.3 million in the pension liability expense from GASB Statement No. 68.
- The cost for Public Safety increased by \$12.7 million, or 43.8%, primarily as the result of the change in pension expenses of \$9.0 million when the GASB Statement No. 68 entries were made according to the annual valuation report. The PERS contribution, including POB expenditures, increased pension costs by \$4.8 million. The increases were offset by a \$0.5 million reduction in strike team overtime because of a more normal fire season due to the wet winter that the State experienced. Some additional reductions were due to smaller capital spending during the fiscal year.
- Public Works Services costs increased \$0.2, or 2.3% million as compared to the prior fiscal year driven primarily by increases in personnel and pension costs.
- Community Development Services saw a decrease of \$0.3 million, or 3.5% in expenses. The decrease was primarily due to less capital expenditure during the fiscal year.
- The Library expenses increased by \$0.1 million, or 3.4% in comparison to the prior fiscal year, primarily due to the increase in salaries and benefits.
- Recreation and Community Services expenditure decreased by \$0.3 million, or 7.3%. The overall increase is primarily attributed to increased staffing and programs offset by a reduction in capital expenditure.
- Long-term Debt Service decreased by \$0.1 million due to the regular reduction of outstanding balances as the City makes our annual debt service payments.

### **Business-Type Activities**

Business-Type Activities have a total net position of \$57.7 million, of which \$43.2 million or 74.9% of the net position is net investment in capital assets (e.g., water treatment infrastructure, buses, and equipment, net of accumulated depreciation and related debt). These assets are used to provide water, sewer, and transit services to the community; consequently, these assets are not available for future spending. The unrestricted net position totaled \$14.4 million, representing 25.1% of total net position.

**City of Arcadia**  
**Management's Discussion and Analysis**  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Business-Type Activities (Continued)**

**City of Arcadia Statement of Net Position**  
**Business-type Activities**

<b>Governmental Activities</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
Current and other assets	\$ 22,345,877	\$ 25,250,176	\$ (2,904,299)	-11.50%
Capital assets (net of accumulated depreciation)	43,342,825	44,444,938	(1,102,113)	-2.48%
Total assets	65,688,702	69,695,114	(4,006,412)	-5.75%
Deferred outflows of resources	2,824,841	739,196	2,085,645	282.15%
Current liabilities	3,117,679	4,213,048	(1,095,369)	-26.00%
Noncurrent liabilities	7,340,109	2,422,709	4,917,400	202.97%
Total liabilities	10,457,788	6,635,757	3,822,031	57.60%
Deferred inflows of resources	307,931	3,342,504	(3,034,573)	-90.79%
Net investment in capital assets	43,223,078	44,444,938	(1,221,860)	-2.75%
Unrestricted	14,424,746	16,011,111	(1,586,365)	-9.91%
<b>Total net position</b>	<b>\$ 57,647,824</b>	<b>\$ 60,456,049</b>	<b>\$ (2,808,225)</b>	<b>-4.65%</b>

The net position decreased by \$2.8 million, comprising of \$4.1 million of loss from the Water operation, \$1.0 million of operating surplus for Sewer, and \$0.3 million of operating loss incurred by non-major enterprise funds. Water sales decreased despite increased rates due to a reduction in demand because of the extremely wet winter that the State experienced this year. The City conducted a cost study to determine the appropriate rates for the next 5 years and this is the third year of the new rate structure. The new rate structures will help ensure that the City can continue to invest in water infrastructure while maintaining current service levels. Operating results for the Water fund swung to a loss of \$4.1 million primarily due to expenses from the change in actuarial liability of the pension plan from CalPERS. For the Sewer fund, positive operating results increased from \$2.1 million income to \$1.0 million income due to the same pension adjustment that the City is required to book. The Transit Fund experienced a minor loss due to the non-cash depreciation charge and the Golf Par 3 Fund had another very successful year as people continued to play golf even as pandemic restrictions were largely removed.

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Business-Type Activities (Continued)**

**City of Arcadia Statement of Activities**  
**Business-type Activities**

Business-Type Activities	June 30, 2023	June 30, 2022	\$ Change	% Change
<b>Program revenues:</b>				
Charges for services				
Water	\$ 14,411,322	\$ 16,469,592	(2,058,270)	-12.50%
Sewer	2,658,717	2,606,646	52,071	2.00%
Transit	6,895	6,954	(59)	-0.85%
Golf	1,953,192	1,912,574	40,618	2.12%
Operating contributions and grants				
Water	(3,825)	9,548	(13,373)	0.00%
Transit	1,818,076	684,490	1,133,586	165.61%
<b>General revenues:</b>				
Gain on disposal of assets	4,483	7,709	(3,226)	-41.85%
Investment earnings	466,084	(289,306)	755,390	-261.10%
Miscellaneous	1,168,041	945	1,167,096	123502.22%
<b>Total revenues</b>	<b>22,482,985</b>	<b>21,409,152</b>	<b>1,073,833</b>	<b>5.02%</b>
<b>Expenses:</b>				
Water	19,978,775	14,539,080	5,439,695	37.41%
Sewer	1,821,291	523,704	1,297,587	247.77%
Transit	2,872,170	2,364,783	507,387	21.46%
Golf	1,214,285	1,280,311	(66,026)	-5.16%
<b>Total expenses</b>	<b>25,886,521</b>	<b>18,707,878</b>	<b>7,178,643</b>	<b>38.37%</b>
<b>Increase (Decrease) in Net Position before Transfers</b>	<b>(3,403,536)</b>	<b>2,701,274</b>	<b>(6,104,810)</b>	
<b>Transfers</b>	<b>595,311</b>	<b>1,221,450</b>	<b>(626,139)</b>	<b>-51.26%</b>
<b>Increase (Decrease) in net position</b>	<b>(2,808,225)</b>	<b>3,922,724</b>	<b>(6,730,949)</b>	
<b>Net position – Beginning of fiscal year</b>	<b>60,456,049</b>	<b>56,533,325</b>		
<b>Net position – End of fiscal year</b>	<b>\$ 57,647,824</b>	<b>\$ 60,456,049</b>		

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

The City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. This section provides an analysis and discussion of individual funds and fund types presented in the fund financial statements.

**City of Arcadia**  
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## **FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

### **Governmental Funds**

Analyses on the fluctuations of Governmental Funds are as follows:

- The City's governmental funds reported combined ending fund balances of \$107.3 million vs. \$84.1 million from the prior fiscal year, an increase of \$23.2 million. Approximately \$25.8 million, or 24%, of the combined ending fund balances are categorized as Unassigned Fund Balance. This means that those funds have not been obligated and are available for any purpose. The Restricted Fund Balance of \$31.7 million are funds restricted for special purposes or reserves for the debt services payments of City's Pension and General Obligation Bonds. The Assigned Fund Balance of \$45.6 million is a combined balance of these funds: Emergency Reserve, Equipment Replacement, Capital Improvement Projects, and Self-insurance of General Liability and Workers' Compensation. The non-spendable fund balance of \$1.36 million represents prepaid items and inventory.
- The General Fund's net fund balance increased by \$13.2 million to \$61.7 million. The fiscal year ending revenue was \$88.5 million and expenditures were at \$74.5 million. The operating surplus, when combined with transfers resulted in a net increase in fund balance of \$13.2 million. The Transfers Out consisted of a \$2.4 million transfer to Capital Outlay to replenish and maintain a positive fund balance for future projects. In addition, \$0.8 million was transferred to the Lighting District Assessment Fund as the City's share of street lighting expenses. The Transfers In include funds from the Gas Tax Fund, Solid Waste Fund, and Traffic Safety Funds for related and qualifying expenses. More analysis of its revenue and expenditure is available in the section of General Fund Financial and Budgetary Highlights.
- The Parks and Recreation Fund had a net fund balance of \$8.5 million, an increase of \$0.7 million from last fiscal year. Park Development fees are collected on new residential development projects and those fees are restricted for the use of eligible park projects.
- Measure W Fund had a net fund balance of \$1.9 million, an increase of \$0.9 million from the prior fiscal year. This is primarily due to the receipt of taxes from Measure W, which provides funds to capture, treat, and recycle stormwater.
- America Rescue Plan Act Fund had a net fund balance of \$0. The monies in this fund came from the America Rescue Plan Act of the federal government, which distributed two tranches of aid to local governments. The City received a total of \$8.7 million during fiscal years 2020-21 and 2021-22. This aid is to assist local governments recover from the devastating effects of the COVID-19 pandemic. As the aid dollars are spent on eligible projects, the revenue for this fund will be recognized. The City recognized \$0.9 million in the current fiscal year on various projects such as water meter replacement and aid to local small businesses.
- At the end of the fiscal year, the Capital Outlay Fund had a fund balance of \$12.0 million, an increase of \$1.7 million from the prior fiscal year. Historically, pari-mutuel revenues received from Santa Anita Racetrack provided adequate funding for yearly capital improvement projects. However, this revenue source has been decreasing over the years due to less horse racing interest and the changing format for wagering. The current annual pari-mutuel revenue level has not kept up with the demands and cost of capital improvements. Due to the shrinking revenue stream, the annual General Fund operating budget includes a transfer of \$2.4 million to help replenish this fund.
- The General Obligation Bond Fund had a net fund balance of \$0.9 million, a decrease of \$0.1 million from the prior fiscal year. This is primarily due to the receipt of property taxes authorized by the citizens of Arcadia when these bonds were issued and the annual debt service requirements.

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**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (Continued)**

**Governmental Funds (Continued)**

- The Pension Obligation Fund was created to track the issuance and proceeds from the City's 2020 Pension Obligation Bonds. The fund collects contributions from the various funds and departments of the City in order to fund the annual debt service requirements of the bonds.
- The Non-major Governmental Fund group had an aggregated fund balance of \$22.4 million, an increase of \$6.8 million. Operations in the Narcotic Seizure, Solid Waste, Prop A, Measure R, Prop C, TDA Article 3, and Emergency Response funds have all resulted in a surplus. All other funds with decreased fund balances were due to higher spending than the current fiscal year's allocations.

**City of Arcadia**  
**Statements of Revenues, Expenditures, and Changes in Fund Balances**  
**Government Funds**

<b>Governmental Funds</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues:</b>				
Taxes	\$ 64,717,374	\$ 61,828,424	\$ 2,888,950	4.67%
Licenses and permits	5,835,661	5,255,958	579,703	11.03%
Fines and forfeitures	770,905	584,429	186,476	31.91%
Use of money and property	3,535,430	(158,833)	3,694,263	-2325.88%
Intergovernmental	19,912,519	17,914,946	1,997,573	11.15%
Charges for services	6,866,661	6,630,726	235,935	3.56%
Other revenues	12,215,260	8,526,178	3,689,082	43.27%
<b>Total revenues</b>	<b>113,853,810</b>	<b>100,581,828</b>	<b>13,271,982</b>	<b>13.20%</b>
<b>Expenditures:</b>				
General government	11,827,814	8,778,651	3,049,163	34.73%
Public safety	45,553,648	38,778,735	6,774,913	17.47%
Public works services	8,295,328	7,464,330	830,998	11.13%
Community development	9,441,977	8,510,135	931,842	10.95%
Library	4,537,253	4,065,186	472,067	11.61%
Recreation and community services	3,821,446	3,970,106	(148,660)	-3.74%
Debt service	6,933,616	6,740,989	192,627	2.86%
<b>Total expenses</b>	<b>90,411,082</b>	<b>78,308,132</b>	<b>12,102,950</b>	<b>15.46%</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>23,442,728</b>	<b>22,273,696</b>	<b>(1,169,032)</b>	
<b>Other Financing Sources (uses)</b>	<b>(231,948)</b>	<b>(1,109,154)</b>	<b>(877,206)</b>	<b>79.09%</b>
<b>Net change in fund balance</b>	<b>23,210,780</b>	<b>21,164,542</b>	<b>(2,046,238)</b>	
<b>Fund balance – Beginning of fiscal year</b>	<b>84,090,949</b>	<b>62,926,407</b>		
<b>Fund balance – End of fiscal year</b>	<b>\$ 107,301,729</b>	<b>\$ 84,090,949</b>		

**City of Arcadia**  
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**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (Continued)**

**Governmental Funds (Continued)**

Revenues of the total Governmental Funds were \$113.9 million with an increase of \$13.3 million, or 13.2%, from the prior fiscal year. Analysis of Governmental Funds are as follows:

- Taxes increased by \$2.9 million, or 4.7%. This increase culminates from the mixed tax receipts as described hereafter. Sales Tax has taken over as the City's largest tax revenue after the passage of Measure A. Sales Tax increased by \$1.8 million, or 7.9%, primarily attributed to the strong increase in commercial activity and increase in prices coming out of the COVID-19 pandemic. Property Tax is now the City's second largest tax revenue with an increase of \$0.3 million or 1.3%. The property tax growth is credited to continuing rise of property values and homes sales that are reassessed at market versus being under Prop 13 assessment. Transient Occupancy Tax increased by \$0.8 million or 18.5% in comparison to the previous fiscal year. Travel continues to show strong growth despite price increases and disruptions during the summer. This increased activity contributed to the large growth in TOT. Franchise fees increased by 17% primarily due to costs increases of the underlying services as compared to the prior fiscal year. Franchise fee increases in gas and electric utilities were offset by decreases in telecommunications. Utility User Tax had an increase of \$1.2 million due to increased receipts from electrical and gas customers but was slightly offset by the continuing reduction of the tax on telecommunication services.
- Licenses and Permits increased by \$0.6 million, or 11% primarily due to development fees and business licenses. There has been a general increase in development activities in the City and increases in new business openings contributed to an increase in revenues.
- Fines and Forfeitures increased by \$0.2 million, or 31.9% due to the number of parking citations issued and an increase in the fines associated with each citation.
- Use of Money and Property increased by \$3.7 million, or 2325.9% mainly due to the increase in interest income from the aggressive rate actions by the Federal Reserve to combat inflation.
- Intergovernmental Revenue increased by \$2.0 million, or 11.3%. The increase was due to recognition of ARPA revenues (\$0.8 million), grant revenues (\$1.0 million) from street improvement projects, and increases in various transportation and gas taxes.
- Charges for Services remained essentially flat as compared to the prior fiscal year. Decreases in the strike team and police services reimbursement were offset by increases from GEMT ambulance charges.
- Other Revenues increased by \$3.7 million, or 43.27% due to the receipt of insurance reimbursement (\$2.8 million) for the flooding at Wilderness Park and a settlement with Monsanto (\$1.2 million) for pollution remediation of the City's water supplies.

The Governmental Funds reported \$90.4 million of expenditures, an increase of \$12.1 million, or 15.5%, from the prior fiscal year. Further analysis on the variance is as follows:

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## **FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (Continued)**

### **Governmental Funds (Continued)**

- Personnel costs increased by \$0.8 million, mainly attributable to increased staffing as the City was able to fill many of the vacancies that had remained from the prior fiscal years. The increase in salaries and pension costs was offset by a decrease in strike team overtime.
- Operating costs increased by \$3.0 million in comparison to the prior fiscal year. The increase was mostly due to spending related to the America Rescue Plan, workers' compensation claims, plan check services, election costs, and increases in utilities.
- Capital expenditures increased by \$1.5 million in comparison to the prior fiscal year. The increase was mostly due to the purchase of SCBA gear for the fire department and street and traffic improvement projects. The City was also able to accelerate replacement of water meters due to funding from the America Rescue Plan.
- The bulk of the increase was due to how the City accounted for the debt service of the POB, which was charged to each individual department whereas in prior fiscal years, the amount was just transferred to the debt service fund. The amount all the departments contributed matched the debt service of roughly \$5.7 million.

### **Proprietary Funds**

As noted earlier, total Net Position may serve, over time, as a useful indicator of a government's financial position. In the case of the Proprietary Funds, assets exceeded liabilities by \$57.7 million and it comprises of \$44.1 million of fund balance in Water Utility Fund, \$11.7 million of fund surplus in Sewer Maintenance Fund, (\$0.1) million of fund balance for the Transit System Fund and \$2.0 million of fund surplus in the Golf fund. As it is the City's policy to always transfer sufficient resources from Prop C and Measure R to fund transit operation, the fund balance in the Transit System Fund only comprises of net capital investment and liability balances.

## **GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS**

The General Fund is the primary operating fund of the City. The fund balance reported an increase of \$13.2 million to \$61.7 million at the fiscal year ending June 30, 2023. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures: unassigned fund balance represents 35.9% of total General Fund expenditures, while total fund balance represents 82.9% of that same amount. The City has implemented an emergency reserve policy to maintain its operating fund balance at 20% of the General Fund expenditures, and it is more than fully funded.

Revenues of the General Fund totaled \$88.5 million for the fiscal year ending June 30, 2023, which is \$1.7 million, or 2.0%, more than the prior fiscal year's revenue total. Key elements of this increase are as follows:

Tax revenue had an increase of \$3.0 million that greatly exceeded our budgetary expectations. What drove the growth was mainly due to the increase of sales tax revenues, utility users' tax, and transient occupancy tax. Property Tax is now the 2<sup>nd</sup> largest tax revenue with an increase of \$0.3 million or 1.3%. The property tax growth is credited to continuing rise of property values and homes sales that are reassessed at market versus being under Prop 13 assessment. Sales Tax has an increase of \$1.8 million or 7.9%. The increase is primarily due to increased retail activities and related inflationary pricing on all purchases. Transient Occupancy Tax increased by \$0.8 million or 18.5% in comparison to the previous fiscal year. The travel and leisure industry has experienced tremendous growth from the pent-up demand during the pandemic. The utility users' tax increased by \$1.2 million or 14.32%. The large increase can be attributed to the increase of the price of gas and electricity, since the tax is based on a percentage of the cost.

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**GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS (Continued)**

- Licenses and permits came in matching our budgetary expectations. The growth in this area came primarily from increases in development fees and business licenses.
- Fines and Forfeitures collected by the City increased by \$0.1 million or 31.6% due to the number of citations written and the cost of the fees for each citation.
- Use of Money and Property decreased by \$2.2 million, or 481.9% mainly due to the increase in interest income from the City's investment portfolio. The Federal Reserve aggressively raised rates aggressively to combat inflation which significantly increases the interest income from the City's investment holdings.
- Intergovernmental revenues increased due to Motor vehicle license fees (MVLF). MVLF is tied to the City's property assessed value and benefited from the strong real estate market during the fiscal year. MVLF increased by \$0.4 million, or 4.8% for Fiscal Year 2022-23.
- Charges for services had an increase of \$0.2 million or 3.8% primarily due to increased GEMT ambulance collections (\$0.8 million) which were offset by decreases in strike team reimbursements (\$0.4 million), police and fire services (\$0.2 million).
- The decrease shown for the Other Revenue category was due to the receipt of a one-time settlement (\$5.6 million) in the prior year with Dow Chemical offset by increased cost reimbursements from other funds (\$0.8 million).

<b>General Fund Revenues</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>\$ Change</b>	<b>% Change</b>
<b>Revenues:</b>				
Taxes	\$ 61,209,302	\$ 58,228,338	\$ 2,980,964	5.12%
Licenses and permits	5,713,730	5,109,461	604,269	11.83%
Fines and forfeitures	586,351	445,489	140,862	31.62%
Use of money and property	2,637,399	453,217	2,184,182	481.93%
Intergovernmental	8,866,988	8,460,942	406,046	4.80%
Charges for services	6,044,899	5,864,391	180,508	3.08%
Other revenues	3,448,477	8,333,649	(4,885,172)	-58.62%
<b>Total revenues</b>	<b>\$ 88,507,146</b>	<b>\$ 86,895,487</b>	<b>\$ 1,611,659</b>	<b>1.85%</b>

General Fund expenditures increased by \$11.9 million, or 19%, to \$74.5 million. The increases were due to each department being charged for their share of the POB debt service (\$5.7 million), additional discretionary contributions to OPEB and PERS (\$1.0 million) and increase claims and administrative expenses (\$1.2), personnel and overtime (\$1.0 million). The rest of the increase was primarily due to capital outlay and contract services.

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**GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS (Continued)**

**City of Arcadia**  
**General Fund Budgetary Comparison Schedule**

	Final Budget	Actual Amounts	\$ Variance with Final Budget	% Variance with Final Budget
<b>REVENUES:</b>				
Taxes	\$ 52,687,800	\$ 61,209,302	\$ 8,521,502	16.17%
Licenses and permits	5,478,000	5,713,730	235,730	4.30%
Fines and forfeitures	413,500	586,351	172,851	41.80%
Use of money and property	1,359,200	2,637,399	1,278,199	94.04%
Intergovernmental	8,757,700	8,866,988	109,288	1.25%
Charges for services	5,014,900	6,044,899	1,029,999	20.54%
Other revenues	3,154,500	3,448,477	293,977	9.32%
<b>Total revenues</b>	<b>76,865,600</b>	<b>88,507,146</b>	<b>11,641,546</b>	<b>15.15%</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City council	305,118	264,076	41,042	13.45%
City manager	1,132,350	938,068	194,282	17.16%
City clerk	513,627	410,014	103,613	20.17%
City attorney	693,927	807,513	(113,586)	-16.37%
General city	3,938,200	4,100,143	(161,943)	-4.11%
Administrative services	5,649,645	4,916,694	732,951	12.97%
Public safety:				
Police	26,558,052	24,632,705	1,925,347	7.25%
Fire	21,746,147	20,517,261	1,228,886	5.65%
Public works services	5,608,765	4,796,793	811,972	14.48%
Community development	5,647,541	5,016,366	631,175	11.18%
Library	5,103,204	4,527,372	575,832	11.28%
Recreation and community services	3,523,540	3,387,809	135,731	3.85%
Debt service:				
Principal retirement	58,100	182,983	(124,883)	-214.94%
<b>Total expenditures</b>	<b>80,478,216</b>	<b>74,497,797</b>	<b>5,980,419</b>	<b>7.43%</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>OVER (UNDER) EXPENDITURES</b>	<b>\$ (3,612,616)</b>	<b>\$ 14,009,349</b>	<b>\$ 17,621,965</b>	

The adopted General Fund budget projected revenues of \$76.9 million for the fiscal year ending June 30, 2023. The actual total General Fund revenues were \$88.5 million, a difference of \$11.6 million over budget. Key elements of the budget variance are as follows:

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**GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS (Continued)**

- Tax collection in total exceeded budget by \$8.5 million or 16.2%. The property tax collection was \$0.3 million higher than expected. Sales Tax collection greatly exceeded expectations \$5.0 million due to continued higher than expected economic activity and inflationary effects on prices. TOT collected was \$1.0 million over expectation from the strong travel and leisure activities post pandemic. Utility Users tax revenues were \$2.1 above expectations, due to increased utility prices.
- License and Permits came slightly above budget as plan check fees and business license revenue exceeded expectations. The increases were offset by lower-than-expected building permit revenue.
- Fines and Forfeitures exceeded budget by \$0.2 million or 41.8% due to the number of parking citations issued.
- Use of Money and Property was over budget by \$1.3 million or 94%. Investment earnings were helped by the aggressive action by the Federal Reserve to control inflation.
- Intergovernmental revenues, including the Motor Vehicle License Fees (MVLF), came in as budgeted. As the growth on Motor Vehicle License Fees is tied to the property assessed value, the continued growth of property valuations has also resulted in a positive variance (\$30K) for this category. Offsetting the increase in MVLF was a shortfall from the budget of the Prop A maintenance funds of \$40K.
- Charges for Services had a positive variance of \$1.0 million or 20.5% primarily due to increased GEMT ambulance charges (\$1.0 million).
- The collection of other revenues was higher than expected primarily due to receipt of opioid settlement monies and grant monies from the State Housing and Community Development Department LEAP program.

The City's General Fund expenditures were \$6.0 million, or 7.4%, less than the final adopted budget. Key elements of the budget variance are as follows:

- Personnel costs had a savings of \$2.7 million compared to the budget due to higher-than-expected vacancies. Even though the City has been able to fill many of the open positions, recruiting continues to be a challenge. This is especially true for public safety, which had budget savings of \$1.5 million due to vacancies.
- The remaining favorable variance of \$3.3 million in the operating expense were mainly attributable to lower-than-expected capital outlays. Expenditure was lower than expected (\$3.4 million) due to delays in purchasing vehicles that were unavailable because of supply chain issues. Supplies were \$0.4 million above budget and contract services were \$0.3 million under budget.
- Some City departments ended the fiscal year with a negative budget variance. City Attorney was due to higher-than-expected legal costs and General City was negative due to higher vacation payoff costs.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets as of June 30, 2023, amounted to \$107.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, park improvements, roadways, sewers, storm drains, vehicles, computer equipment, furniture, other equipment, and construction in progress.

Among the purchases made this fiscal year, the City replaced the fire department's SCBA gear, which provides oxygen to firefighters when they're responding to a fire. The City also purchased one PD Bearcat vehicle, heavy duty truck for public works, and a new CNG dump truck. The City completed several miscellaneous traffic signal and crosswalk improvements as well as pedestrian linkage improvements at the Metro A Line station. The Sewer department completed a main replacement on Duarte Road.

**City of Arcadia**  
**Capital Assets**

	<b>Governmental Activities</b>		<b>Business – Type Activities</b>		<b>Total</b>	
	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>	<b>June 30, 2022</b>
<b>Non-depreciable assets:</b>						
Land	\$ 4,335,769	\$ 4,335,769	\$ 192,436	\$ 192,436	\$ 4,528,205	\$ 4,528,205
Water rights	-	-	5,602,000	5,602,000	5,602,000	5,602,000
Construction in progress	1,860,200	3,607,916	2,198,310	2,298,994	4,058,510	5,906,910
<b>Total non-depreciable assets</b>	<b>6,195,969</b>	<b>7,943,685</b>	<b>7,992,746</b>	<b>8,093,430</b>	<b>14,188,715</b>	<b>16,037,115</b>
<b>Depreciable assets:</b>						
Buildings and improvements	60,563,944	60,499,943	-	-	60,563,944	60,499,943
Water treatment system	-	-	73,371,721	73,363,554	73,371,721	73,363,554
Sewer system	-	-	13,275,844	12,302,242	13,275,844	12,302,242
Automotive equipment	13,886,617	13,737,670	5,347,163	5,090,494	19,233,780	18,828,164
Furniture and equipment	13,750,936	12,525,525	860,581	889,751	14,611,517	13,415,276
Infrastructure	98,973,658	95,501,765	-	-	98,973,658	95,501,765
Subscription-based information technology arrangements	363,363	-	-	-	363,363	-
<b>Total depreciable assets</b>	<b>187,538,518</b>	<b>182,264,903</b>	<b>92,855,309</b>	<b>91,646,041</b>	<b>280,393,827</b>	<b>273,910,944</b>
<b>Less accumulated depreciation:</b>	<b>(129,595,555)</b>	<b>(126,078,275)</b>	<b>(57,605,230)</b>	<b>(55,294,533)</b>	<b>(187,200,785)</b>	<b>(181,372,808)</b>
<b>Total depreciable assets, net</b>	<b>57,942,963</b>	<b>56,186,628</b>	<b>35,250,079</b>	<b>36,351,508</b>	<b>93,193,042</b>	<b>92,538,136</b>
<b>Total capital assets, net</b>	<b>\$ 64,138,932</b>	<b>\$ 64,130,313</b>	<b>\$ 43,242,825</b>	<b>\$ 44,444,938</b>	<b>\$ 107,381,757</b>	<b>\$ 108,575,251</b>

Additional information on the City's capital assets can be found in the Notes to the Basic Financial Statements in Note 5 beginning on page 75 of this report.

**Long-term debt.** At the end of the current fiscal year, City of Arcadia had a total outstanding debt of \$193.8 million, an increase of \$70 million from the prior fiscal year. The increase is primarily due to the annual actuarial valuation adjustment that CalPERS performs annually. The annual valuation estimates the City's pension liability, taking into account actuarial changes, investments performance, and contributions to the City's plan with CalPERS.

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

**City of Arcadia**  
**Long-Term Liabilities**

Citywide	June 30, 2023	June 30, 2022	\$ Change
Lease obligations	\$ -	\$ 58,028	\$ (58,028)
Claims and judgements payable	9,499,827	7,959,696	1,540,131
Compensated absences	2,944,562	3,113,858	(169,296)
OPEB liability	12,783,478	12,242,677	540,801
Net pension liability	77,242,610	4,643,809	72,598,801
2020 Pension Obligation Bonds	83,390,000	87,265,000	(3,875,000)
2021 General Obligation Bonds	4,429,000	4,985,000	(556,000)
2021 General Obligation Bonds	3,489,000	3,867,000	(378,000)
<b>Total</b>	<b>\$ 193,778,477</b>	<b>\$ 124,135,068</b>	<b>69,643,409</b>

In addition to pension, GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for postemployment benefits other than pensions (OPEB). More details on the changes in long-term debt are available in the Notes to the Basic Financial Statements in Note 6 beginning on page 77 of this report.

As part of the City's long-term financial planning, the City engaged with outside consultants to work with the City's Citizen Financial Advisory Committee (CFAC) develop recommendation to address the City's rising pension costs and unfunded accrued liabilities. After conducting numerous meetings and study sessions, a comprehensive management plan to address the City's rising pension costs was adopted by the Council on February 18, 2020. A part of the comprehensive plan was a recommendation to issue pension obligation bonds to pay down the City's unfunded accrued liabilities. On November 12, 2020, the City issued \$90 million in Pension Obligation Bonds (POB). This prepayment is expected to save the City significant future interest costs related to their unfunded accrual liabilities.

State statutes limit the amount of general obligation debt a governmental entity may issue to 15% of its total assessed valuation. The current debt limit for the City of Arcadia is in excess of \$1 billion.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS**

The General Fund FY 2023-24 operating budget reflects a cautiously optimistic outlook following the recovery from the economic challenges brought about by the COVID-19 pandemic. Thanks to strong fiscal management and the successful implementation of a Transaction Use Tax in 2019, the City has been able to maintain the high level of services that the community has come to expect. These prudent financial practices have positioned the City favorably, leading to a projected surplus for FY 2023-24, despite the possibility of a moderate or stagnant economic environment that could impact revenue streams.

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)**

While concerns about inflation, supply chain disruptions, and a slowing economy persist, the potential impact on the economy remains uncertain. Economic indicators suggest the potential for a recession, but accurately predicting its timing is difficult. Nonetheless, the City is prepared to navigate these challenges, leveraging its financial stability and proactive measures to adapt and thrive in any economic scenario. By maintaining a positive and proactive approach, the City remains well-equipped to overcome uncertainties and continue delivering excellent service to the community.

Considering the aforementioned factors, a budget stress test was conducted to assess the potential financial trajectory of the City in the future. The stress test scenario assumed a recession would occur in the latter half of FY 2023-24, followed by a slow recovery that would require multiple years to normalize and a rising cost scenario. The results of the stress test reveal a positive outlook, indicating that even in the event of a prolonged recession, the projected annual deficits would range from 0.9% to 5.5%, equivalent to approximately \$640,000 to \$4.9 million. These deficit figures are within manageable limits and can be addressed through short-term cost-saving measures, or if necessary, modest budget reductions without having to utilize operating or emergency reserves. Overall, the stress test showed that the City is well positioned to face any economic challenges that may present themselves.

**City of Arcadia**  
**3-Year General Fund Operating Outlook**

	<b>FY22-23 Estimated</b>	<b>FY23-24 Adopted</b>	<b>FY24-25 Projected</b>
Beginning Fund Balance	\$ 14,801,500	\$ 14,845,400	\$17,950,800
Revenues and Sources	89,704,600	90,922,900	95,982,200
Expenditures and Uses	(75,038,200)	(81,017,500)	(85,801,200)
Net Operating Income	14,666,400	9,905,400	10,181,000
Transfer to Equipment Replacement	(2,400,000)	(3,400,000)	(3,400,000)
Transfer to Capital Equipment	(2,400,000)	(3,400,000)	(3,400,000)
Additional Transfer to Equipment Fund	(9,822,500)	-	-
Subtotal Operating Balance	43,900	3,105,400	3,381,000
Ending Fund Balance	\$ 14,845,400	\$ 17,950,800	21,331,800

Despite the improved outlook, the City continues to face long-term financial challenges:

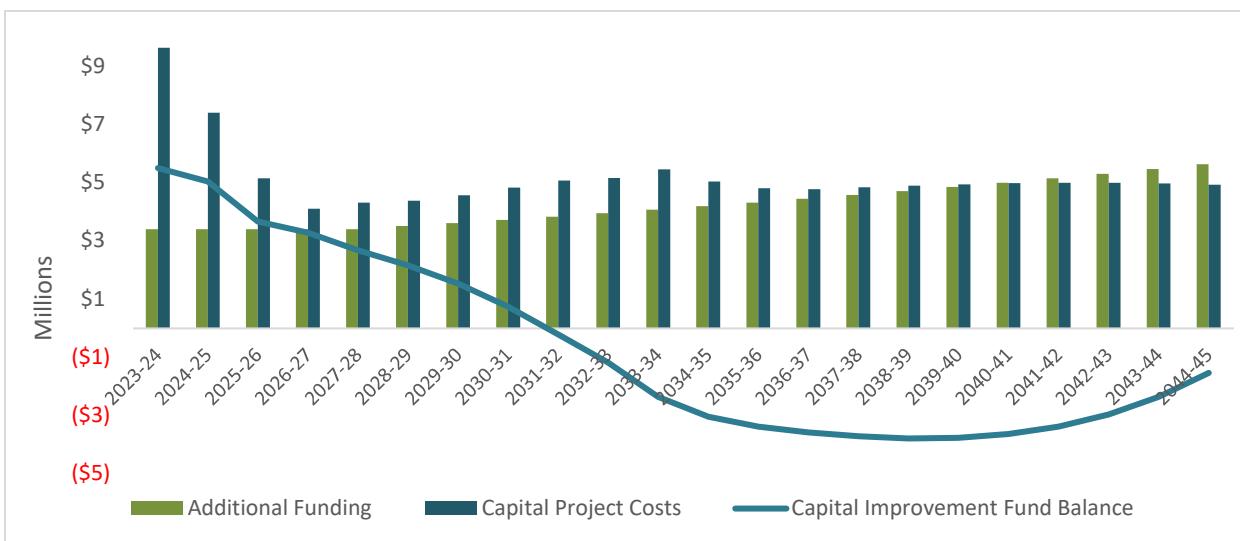
- **CalPERS Challenges:** In November 2021, the City issued \$90 million of pension obligation bonds and \$89.5 million of the proceeds were used to pay down the City's Unfunded Actuarial Liabilities (UAL). This will significantly lower the City's future contributions to CalPERS. This will create a cushion for the City to be able to absorb future cost increases. In Fiscal Year 2022-23, CalPERS' investments return was 5.8%. Though this was a positive return, it is still below their long-term expected return of 6.8%. This is a reminder that CalPERS takes a long-range view of returns and that year to year, the investment results will fluctuate. Going forward, a minimum 6.8% return will continue to be a challenge as any result less than expected will have a significant impact on the future financial health of all the cities. Any less than expected return performance would translate to escalating pension costs, adding an additional burden on Arcadia in the long run. The City will need to be judicious in managing our finances to ensure that this issue will not impact on our ability to provide the high level of service that the residents have come to expect.

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2023**

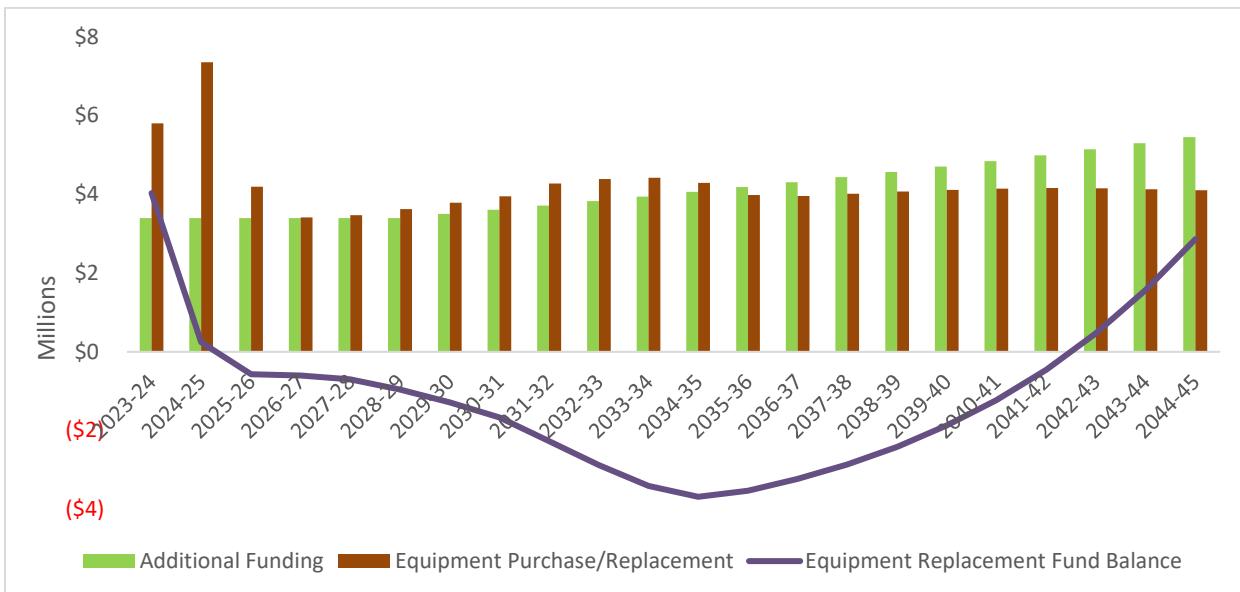
**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)**

- **Capital Outlay and Equipment Replacement Funds:** The adopted budget reflects transfers of \$3.4 million to the Capital Outlay and \$3.4 million to the Equipment Replacement Funds. This reflects an increase of \$1.0 million for each fund. The fact the City can increase these transfers is a luxury few cities can afford and a testament to the restraint the organization has shown to keep costs low relative to service levels. As shown by the two graphs below, **ONLY** with consistently **increasing** funding to both funds will it allow for City to continue funding projects to maintain or improve city infrastructures and purchases of major equipment for daily operations. Unfortunately, the funding is not certain as it is strictly dependent on surpluses generated from the General Fund budget.

**CAPITAL OUTLAY FUND BALANCE PROJECTIONS**



**EQUIPMENT REPLACEMENT FUND BALANCE PROJECTIONS**



**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2023**

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**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)**

It is also important to note that current projections do not include nearly \$56.9 million in unfunded capital improvement projects, which include a citywide Parks Master Plan, downtown parking lot development, right-of-way and streetscape improvements, and parking lot resurfacing projects. Additionally, the recent change in state law also requires the City to implement an enhanced watershed management program to eliminate pollutant discharge into our local supply, and the costs are estimated to range from \$122 million to \$354 million. Although part of the costs will be offset by a parcel tax approved in November of 2018, the City is likely to be responsible for the remaining costs.

- Post-employment Benefits (OPEB): City's actuarial accrued liability (AAL) was estimated to be \$12.7 million based on the most recent valuation report dated June 30, 2021, which is \$0.5 million more than the valuation prepared last fiscal year. The increase is primarily due to unfavorable investment returns. The Accrued Actuarial Liability for the City's OPEB liability is expected to continue to grow. It is essential for the City to continue to fund the trust established exclusively for this benefit. The City Council has appropriated an additional \$1.87 contribution to the trust fund in the upcoming fiscal year.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the financial position of the City of Arcadia. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Administrative Services Department, 240 West Huntington Drive, Arcadia, CA 91007.

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**BASIC  
FINANCIAL STATEMENTS**

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# **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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**City of Arcadia**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets:			
Cash and investments	\$ 115,426,073	\$ 18,306,619	\$ 133,732,692
Cash and investments with fiscal agent	9,744	-	9,744
Accounts receivable	2,906,331	3,851,132	6,757,463
Interest receivable	654,584	94,299	748,883
Due from other governments	6,755,148	54,107	6,809,255
Prepaid items	48,134	169,558	217,692
Internal balances	173,863	(173,863)	-
Inventories	1,257,836	44,025	1,301,861
Lease receivable	247,338	-	247,338
Total current assets	<u>127,479,051</u>	<u>22,345,877</u>	<u>149,824,928</u>
Noncurrent assets:			
Lease receivable, non-current	838,371	-	838,371
Capital assets:			
Nondepreciable	6,195,969	7,992,746	14,188,715
Depreciable, net	<u>57,942,963</u>	<u>35,250,079</u>	<u>93,193,042</u>
Total capital assets	<u>64,138,932</u>	<u>43,242,825</u>	<u>107,381,757</u>
Total noncurrent assets	<u>64,977,303</u>	<u>43,242,825</u>	<u>108,220,128</u>
<b>Total assets</b>	<u>192,456,354</u>	<u>65,588,702</u>	<u>258,045,056</u>
Deferred outflows of resources:			
Deferred outflows related to net pension liability	39,919,146	2,746,814	42,665,960
Deferred outflows related to OPEB	<u>5,608,889</u>	<u>78,027</u>	<u>5,686,916</u>
<b>Total deferred outflows of resources</b>	<u>45,528,035</u>	<u>2,824,841</u>	<u>48,352,876</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current liabilities:			
Accounts payable	2,282,116	2,629,230	4,911,346
Accrued salaries payable	1,739,593	129,935	1,869,528
Interest payable	204,175	3,601	207,776
Unearned revenue	8,307,067	-	8,307,067
Deposits	7,276,096	130,792	7,406,888
Retentions payable	77,257	19,747	97,004
Long-term debt - due within one year	<u>9,632,470</u>	<u>204,374</u>	<u>9,836,844</u>
Total current liabilities	<u>29,518,774</u>	<u>3,117,679</u>	<u>32,636,453</u>
Noncurrent liabilities:			
Long-term debt - due in more than one year	92,544,727	1,731,857	94,276,584
Net pension liability	<u>71,915,595</u>	<u>5,327,015</u>	<u>77,242,610</u>
Net OPEB liability	<u>12,502,241</u>	<u>281,237</u>	<u>12,783,478</u>
Total noncurrent liabilities	<u>176,962,563</u>	<u>7,340,109</u>	<u>184,302,672</u>
<b>Total liabilities</b>	<u>206,481,337</u>	<u>10,457,788</u>	<u>216,939,125</u>
Deferred inflows of resources:			
Deferred gain on bond refunding	209,781	-	209,781
Deferred inflows related to net pension liability	3,468,993	241,706	3,710,699
Deferred inflows related to OPEB	2,943,986	66,225	3,010,211
Leases	<u>1,028,801</u>	<u>-</u>	<u>1,028,801</u>
<b>Total deferred inflows of resources</b>	<u>7,651,561</u>	<u>307,931</u>	<u>7,959,492</u>
<b>NET POSITION</b>			
Net investment in capital assets	<u>55,695,486</u>	<u>43,223,078</u>	<u>98,918,564</u>
Restricted for:			
Capital projects	1,871,212	-	1,871,212
Debt service	698,160	-	698,160
Community purposes	12,325,825	-	12,325,825
Public safety	931,362	-	931,362
Transportation /streets	<u>15,714,303</u>	<u>-</u>	<u>15,714,303</u>
Total restricted	<u>31,540,862</u>	<u>-</u>	<u>31,540,862</u>
Unrestricted	<u>(63,384,857)</u>	<u>14,424,746</u>	<u>(48,960,111)</u>
<b>Total net position</b>	<u>\$ 23,851,491</u>	<u>\$ 57,647,824</u>	<u>\$ 81,499,315</u>

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

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<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program Revenues</b>				<b>Totals</b>
		<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>		
<b>Primary Government:</b>						
<b>Governmental activities:</b>						
General government	\$ 12,004,055	\$ 5,421	\$ 65,007	\$ -	\$ 70,428	
Public safety	41,795,701	5,459,010	205,046	-	5,664,056	
Public works services	8,844,599	4,683	360,125	155,568	520,376	
Community development	7,505,977	3,800,881	8,257,913	2,059,325	14,118,119	
Library	4,423,335	106,988	234,314	-	341,302	
Recreation and community services	3,991,588	1,858,007	176,039	-	2,034,046	
Interest on long-term debt	1,994,126	-	-	-	-	
Total governmental activities	<u>80,559,381</u>	<u>11,234,990</u>	<u>9,298,444</u>	<u>2,214,893</u>	<u>22,748,327</u>	
<b>Business-type activities:</b>						
Water	19,978,775	14,411,322	(3,825)	-	14,407,497	
Sewer	1,821,291	2,658,717	-	-	2,658,717	
Transit	2,872,170	6,895	1,818,076	-	1,824,971	
Arcadia PAR 3 Golf Course	1,214,285	1,953,192	-	-	1,953,192	
Total business-type activities	<u>25,886,521</u>	<u>19,030,126</u>	<u>1,814,251</u>	<u>-</u>	<u>20,844,377</u>	
<b>Total primary government</b>	<b><u>\$ 106,445,902</u></b>	<b><u>\$ 30,265,116</u></b>	<b><u>\$ 11,112,695</u></b>	<b><u>\$ 2,214,893</u></b>	<b><u>\$ 43,592,704</u></b>	

(Continued)

**City of Arcadia**  
**Statement of Activities (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

<b>Functions/Programs</b>	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>Primary Government:</b>			
<b>Governmental activities:</b>			
General government	\$ (11,933,627)	\$ -	\$ (11,933,627)
Public safety	(36,131,645)	-	(36,131,645)
Public works services	(8,324,223)	-	(8,324,223)
Community development	6,612,142	-	6,612,142
Library	(4,082,033)	-	(4,082,033)
Recreation and community services	(1,957,542)	-	(1,957,542)
Interest on long-term debt	(1,994,126)	-	(1,994,126)
Total governmental activities	<u>(57,811,054)</u>	<u>-</u>	<u>(57,811,054)</u>
<b>Business-type activities:</b>			
Water	-	(5,571,278)	(5,571,278)
Sewer	-	837,426	837,426
Transit	-	(1,047,199)	(1,047,199)
Arcadia PAR 3 Golf Course	<u>-</u>	<u>738,907</u>	<u>738,907</u>
Total business-type activities	<u>-</u>	<u>(5,042,144)</u>	<u>(5,042,144)</u>
<b>Total primary government</b>	<b><u>(57,811,054)</u></b>	<b><u>(5,042,144)</u></b>	<b><u>(62,853,198)</u></b>
<b>General Revenues:</b>			
Taxes and fees:			
Property taxes	21,641,066	-	21,641,066
Sales taxes	25,217,042	-	25,217,042
Franchise fees	1,227,708	-	1,227,708
Utilities user taxes	9,637,119	-	9,637,119
Transient occupancy taxes	4,891,525	-	4,891,525
Non-regulatory business license taxes	1,312,779	-	1,312,779
Other taxes	<u>2,037,907</u>	<u>-</u>	<u>2,037,907</u>
Total taxes and fees	65,965,146	-	65,965,146
Motor vehicle license taxes	8,640,006	-	8,640,006
Investment earnings	3,192,593	466,084	3,658,677
Gain on disposal of assets	-	4,483	4,483
Miscellaneous	7,373,004	1,168,041	8,541,045
<b>Transfers</b>	<b><u>(595,311)</u></b>	<b><u>595,311</u></b>	<b><u>-</u></b>
<b>Total general revenues and transfers</b>	<b><u>84,575,438</u></b>	<b><u>2,233,919</u></b>	<b><u>86,809,357</u></b>
<b>Change in net position</b>	<b><u>26,764,384</u></b>	<b><u>(2,808,225)</u></b>	<b><u>23,956,159</u></b>
<b>Net position (deficit) - beginning of fiscal year</b>	<b><u>(2,912,893)</u></b>	<b><u>60,456,049</u></b>	<b><u>57,543,156</u></b>
<b>Net position - end of fiscal year</b>	<b><u>\$ 23,851,491</u></b>	<b><u>\$ 57,647,824</u></b>	<b><u>\$ 81,499,315</u></b>

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# **FUND FINANCIAL STATEMENTS**

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*Governmental Funds Financial Statements*

*Proprietary Funds Financial Statements*

*Fiduciary Funds Financial Statements*

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# **GOVERNMENTAL FUNDS**

## **FINANCIAL STATEMENTS**

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**General Fund** - established to account for resources traditionally associated with governments which are not required legally or by sound financial management to be accounted for in another fund.

**Parks and Recreation Special Revenue Fund** - established to account for the development of new park sites and playground facilities. Financing is provided by state and federal reimbursement programs in conjunction with fees charged to residential and commercial developers.

**Measure W Safe, Clean Water Program Fund** – established to be used on projects for capturing, treating, and recycling stormwater.

**American Rescue Plan Fund** - established to be used to support the City's response to and recovery from the COVID-19 public health emergency.

**Capital Outlay Capital Projects Fund** - established to account for acquisition of capital items and construction of capital projects as determined by City Council. Financing is provided by the City's share of proceeds from the Santa Anita Race Track as allowed by the State.

**General Obligation Bonds Debt Service Fund** - established to accumulate monies for payment of principal and interest on General Obligation Bonds. Debt service is financed through voter approved indebtedness assessed against property owners.

**Pension Obligation Bonds Debt Service Fund** – established to accumulate monies for payment of principal and interest on Pension Obligation Bonds. Debt service is from any source of legally available funds of the City.

**City of Arcadia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	Major Funds				
	General	Parks and Recreation	Measure W	American	Capital Outlay
			Safe, Clean Water Program	Rescue Plan Act	
<b>ASSETS</b>					
Cash and investments	\$ 58,402,289	\$ 8,488,034	\$ 4,148,659	\$ 8,057,039	\$ 12,202,551
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	2,720,828	-	-	-	21,165
Interest receivable	395,363	48,637	23,772	-	69,921
Due from other funds	1,212,566	-	-	-	-
Due from other governments	6,005,703	-	-	-	-
Prepaid items and deposits	44,806	-	-	3,328	-
Inventories	1,257,836	-	-	-	-
Lease receivable	1,085,709	-	-	-	-
<b>Total assets</b>	<b><u>\$ 71,125,100</u></b>	<b><u>\$ 8,536,671</u></b>	<b><u>\$ 4,172,431</u></b>	<b><u>\$ 8,060,367</u></b>	<b><u>\$ 12,293,637</u></b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,306,882	\$ 18,730	\$ -	\$ 218,576	\$ 316,070
Accrued salaries payable	1,712,272	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue	465,276	-	-	7,841,791	-
Deposits	4,935,669	-	2,301,219	-	-
Retentions payable	-	-	-	-	12,973
<b>Total liabilities</b>	<b><u>8,420,099</u></b>	<b><u>18,730</u></b>	<b><u>2,301,219</u></b>	<b><u>8,060,367</u></b>	<b><u>329,043</u></b>
<b>Deferred Inflow of Resources:</b>					
Unavailable revenue	-	-	-	-	-
Leases	1,028,801	-	-	-	-
<b>Total deferred inflow of resources</b>	<b><u>1,028,801</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>					
Nonspendable	1,359,550	-	-	-	-
Restricted	-	8,517,941	1,871,212	-	-
Committed	-	-	-	-	-
Assigned	33,627,562	-	-	-	11,964,594
Unassigned	26,689,088	-	-	-	-
<b>Total fund balances</b>	<b><u>61,676,200</u></b>	<b><u>8,517,941</u></b>	<b><u>1,871,212</u></b>	<b><u>-</u></b>	<b><u>11,964,594</u></b>
<b>Total liabilities, deferred inflow of resources, and fund balances</b>	<b><u>\$ 71,125,100</u></b>	<b><u>\$ 8,536,671</u></b>	<b><u>\$ 4,172,431</u></b>	<b><u>\$ 8,060,367</u></b>	<b><u>\$ 12,293,637</u></b>

See Accompanying Notes to the Basic Financial Statements.

	General Obligation Bonds	Pension Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
\$ 873,916	\$ -	\$ 23,253,585	\$ 115,426,073	
6,794	2,950	-	9,744	
-	-	164,338	2,906,331	
4,607	-	112,284	654,584	
-	-	-	1,212,566	
17,018	-	732,427	6,755,148	
-	-	-	48,134	
-	-	-	1,257,836	
-	-	-	1,085,709	
<b>\$ 902,335</b>	<b>\$ 2,950</b>	<b>\$ 24,262,634</b>	<b>\$ 129,356,125</b>	
\$ -	\$ -	\$ 421,858	\$ 2,282,116	
-	-	27,321	1,739,593	
-	3,140	1,035,563	1,038,703	
-	-	-	8,307,067	
-	-	39,208	7,276,096	
-	-	64,284	77,257	
<b>-</b>	<b>3,140</b>	<b>1,588,234</b>	<b>20,720,832</b>	
-	-	304,763	304,763	
-	-	-	1,028,801	
-	-	304,763	1,333,564	
-	-	-	1,359,550	
902,335	-	20,443,251	31,734,739	
-	-	2,787,804	2,787,804	
-	-	-	45,592,156	
-	(190)	(861,418)	25,827,480	
<b>902,335</b>	<b>(190)</b>	<b>22,369,637</b>	<b>107,301,729</b>	
<b>\$ 902,335</b>	<b>\$ 2,950</b>	<b>\$ 24,262,634</b>	<b>\$ 129,356,125</b>	

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**City of Arcadia**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2023**

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<b>Total Fund Balances - Total Governmental Funds</b>	<u>\$ 107,301,729</u>
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Amounts reported for governmental activities in the statement of net position were different because:

Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the governmental funds.

	<u>64,138,932</u>
--	-------------------

Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.

	<u>(204,175)</u>
--	------------------

Long-term liabilities were not due and payable in the current period. Therefore, they are not reported in the governmental funds:

Long-term liabilities - due within one year	(9,632,470)
Long-term liabilities - due in more than one year	(92,544,727)
Net pension liability	(71,915,595)
Net OPEB liability	<u>(12,502,241)</u>
	<u>(186,595,033)</u>

Deferred outflows and inflows of resources relating to bonds, pensions, and OPEB: In governmental funds, deferred outflows and inflows of resources relating to bonds, pensions, and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to bonds, pensions, and OPEB are reported.

Deferred gain on bonds refunding	(209,781)
Deferred outflows related to net pension liability	39,919,146
Deferred inflows related to net pension liability	(3,468,993)
Deferred outflows related to OPEB	5,608,889
Deferred inflows related to OPEB	<u>(2,943,986)</u>
	<u>38,905,275</u>

In governmental funds, revenue is recognized only to the extent that it is "available" meaning it will be collected soon enough after the end of the period to finance expenditures of that period. Receivables for revenues that are earned but unavailable are deferred until the period in which the revenues become available. In the government-wide statements, revenue is recognized when earned, regardless of availability. The amount of unavailable revenues that are recognized in the government-wide statements is:

	<u>304,763</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 23,851,491</u>

**City of Arcadia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	Major Funds				
	General	Parks and Recreation	Measure W Safe, Clean Water Program	American Rescue Plan Act	Capital Outlay
<b>REVENUES:</b>					
Taxes	\$ 61,209,302	\$ -	\$ 1,019,768	\$ -	\$ 362,339
Licenses and permits	5,713,730	-	-	-	-
Fines and forfeitures	586,351	-	-	-	-
Use of money and property	2,637,399	185,933	84,700	-	250,581
Intergovernmental	8,866,988	-	-	896,095	155,568
Charges for services	6,044,899	550,784	-	-	-
Other revenues	3,448,477	-	-	-	-
<b>Total revenues</b>	<b>88,507,146</b>	<b>736,717</b>	<b>1,104,468</b>	<b>896,095</b>	<b>768,488</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
City council	264,076	-	-	-	-
City manager	938,068	-	-	-	-
City clerk	410,014	-	-	-	-
City attorney	807,513	-	-	-	-
General city	4,100,143	-	-	329,165	51,139
Administrative services	4,916,694	-	-	-	-
Public safety:					
Police	24,632,705	-	-	-	19,685
Fire	20,517,261	-	-	7,900	110,050
Public works services	4,796,793	-	220,830	-	1,279,009
Community development	5,016,366	-	-	524,001	655
Library	4,527,372	-	-	5,174	4,707
Recreation and community services	3,387,809	45,765	-	29,855	14,203
Debt service:					
Principal retirement	182,983	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>74,497,797</b>	<b>45,765</b>	<b>220,830</b>	<b>896,095</b>	<b>1,479,448</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>					
	14,009,349	690,952	883,638	-	(710,960)
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	2,092,259	-	-	-	2,400,000
Transfers out	(3,217,771)	-	-	-	-
SBITA proceeds	363,363	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(762,149)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,400,000</b>
<b>Net changes in fund balances</b>	<b>13,247,200</b>	<b>690,952</b>	<b>883,638</b>	<b>-</b>	<b>1,689,040</b>
<b>FUND BALANCES:</b>					
Beginning of fiscal year	48,429,000	7,826,989	987,574	-	10,275,554
End of fiscal year	<b>\$ 61,676,200</b>	<b>\$ 8,517,941</b>	<b>\$ 1,871,212</b>	<b>\$ -</b>	<b>\$ 11,964,594</b>

See Accompanying Notes to the Basic Financial Statements.

General Obligation Bonds	Pension Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
\$ 861,944	\$ -	\$ 1,264,021	\$ 64,717,374
-	-	121,931	5,835,661
-	-	184,554	770,905
18,657	-	358,160	3,535,430
-	-	9,993,868	19,912,519
-	-	270,978	6,866,661
-	5,746,303	3,020,480	12,215,260
<u>880,601</u>	<u>5,746,303</u>	<u>15,213,992</u>	<u>113,853,810</u>
-	-	-	264,076
-	-	-	938,068
-	-	-	410,014
-	-	-	807,513
2,300	1,500	7,202	4,491,449
-	-	-	4,916,694
-	-	187,564	24,839,954
-	-	78,483	20,713,694
-	-	1,998,696	8,295,328
-	-	3,900,955	9,441,977
-	-	-	4,537,253
-	-	343,814	3,821,446
934,000	3,790,700	-	4,907,683
<u>70,330</u>	<u>1,955,603</u>	<u>-</u>	<u>2,025,933</u>
<u>1,006,630</u>	<u>5,747,803</u>	<u>6,516,714</u>	<u>90,411,082</u>
<u>(126,029)</u>	<u>(1,500)</u>	<u>8,697,278</u>	<u>23,442,728</u>
-	-	817,771	5,310,030
-	-	(2,687,570)	(5,905,341)
-	-	-	363,363
-	-	(1,869,799)	(231,948)
(126,029)	(1,500)	6,827,479	23,210,780
1,028,364	1,310	15,542,158	84,090,949
<u>\$ 902,335</u>	<u>\$ (190)</u>	<u>\$ 22,369,637</u>	<u>\$ 107,301,729</u>

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances to the Government-Wide Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

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**Net Change in Fund Balances - Total Governmental Funds** \$ 23,210,780

Amounts reported for governmental activities in the Statement of Activities were different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the statement of activities, the cost of those assets was allocated over the estimated useful lives as depreciation expense. The following was the amount of capital assets recorded in the current period:

General government	442,986
Public safety	1,812,680
Public works services	286,334
Community development	1,634,465
Library	119,389
Recreation and community services	21,289
<b>Total</b>	<b>4,317,143</b>

In governmental funds, the entire proceeds from disposal of capital assets are reported as revenue. In the statement of activities, only the resulting gain or loss is reported. The difference between the proceeds from disposal of capital assets and the resulting gain or loss is:

(12,283)

Depreciation expense on capital assets was reported in the statement of activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds.

(4,296,241)

Compensated absences was reported in the statement of activities, but it did not require the use of current financial resources. Therefore, compensated absences was not reported as an expenditure in the governmental funds. The differences between paid and earned for the period was:

169,296

Claims and judgments payable was reported in the Statement of Activities, but it did not require the use of current financial resources. Therefore, claims and judgments payable was not reported as an expenditure in the governmental funds. The differences between claims incurred and paid for the period was:

(1,540,131)

Long-term Net OPEB liability was reported in the Statement of Activities, but it did not require the use of current financial resources. Therefore, OPEB was not reported as an expenditure in the governmental funds. The differences between accrual-basis OPEB costs and actual employer contributions was:

1,792,070

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums and discounts when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Proceeds from SBITAs	(363,363)
Repayment of long-term debt	4,907,683
Amortization of deferred gain on bond refunding	25,919
<b>Total</b>	<b>4,570,239</b>

Some expenses are reported in the Statement of Activities, but they did not require the use of current financial resources. Therefore, these expenses were not reported as an expenditure in the governmental funds.

Accrued interest change for the current period	5,888
<b>Total</b>	<b>5,888</b>

In governmental funds, pension costs are recognized when employer contributions are made. In the Statement of Activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:

(1,746,842)

Unavailable revenue is not recognized as revenue in the governmental funds in current fiscal year since the revenue is not available to fund current fiscal year expenditures.

294,465

**Change in Net Position of Governmental Activities** \$ 26,764,384

See Accompanying Notes to the Basic Financial Statements.

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# **PROPRIETARY FUNDS**

## **FINANCIAL STATEMENTS**

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***Water Utility Enterprise Fund*** - established to account for the operation of the City's water utility, a self-supporting activity which renders services on a user charge basis to residents and businesses located in Arcadia.

***Sewer Maintenance Enterprise Fund*** - established to account for maintenance of the City's sewer system. Financing is provided by fees charged to residential and commercial developers.

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**City of Arcadia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2023**

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Nonmajor Enterprise Funds	Total
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>				
Current assets:				
Cash and investments	\$ 10,422,466	\$ 5,922,633	\$ 1,961,520	\$ 18,306,619
Accounts receivable	3,254,054	595,559	1,519	3,851,132
Interest receivable	60,370	33,929	-	94,299
Prepaid items	168,298	-	1,260	169,558
Due from other governments	-	-	54,107	54,107
Inventories	-	-	44,025	44,025
Total current assets	<u>13,905,188</u>	<u>6,552,121</u>	<u>2,062,431</u>	<u>22,519,740</u>
Capital assets:				
Nondepreciable	7,992,746	-	-	7,992,746
Depreciable, net	28,669,714	6,103,940	476,425	35,250,079
Total capital assets	<u>36,662,460</u>	<u>6,103,940</u>	<u>476,425</u>	<u>43,242,825</u>
<b>Total assets</b>	<b><u>50,567,648</u></b>	<b><u>12,656,061</u></b>	<b><u>2,538,856</u></b>	<b><u>65,762,565</u></b>
Deferred outflows of resources:				
Deferred outflows related to net pension liability	2,066,167	551,599	129,048	2,746,814
Deferred outflows related to OPEB	78,027	-	-	78,027
<b>Total deferred outflows of resources</b>	<b><u>2,144,194</u></b>	<b><u>551,599</u></b>	<b><u>129,048</u></b>	<b><u>2,824,841</u></b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>				
Current liabilities:				
Accounts payable	2,334,146	16,545	278,539	2,629,230
Retentions payable	14,565	5,182	-	19,747
Accrued salaries payable	100,159	23,847	5,929	129,935
Interest payable	2,662	758	181	3,601
Due to other funds	-	-	173,863	173,863
Compensated absences payable - due within one year	119,474	-	-	119,474
Pension obligation bonds payable - due within one year	62,800	17,900	4,200	84,900
Deposits	130,792	-	-	130,792
Total current liabilities	<u>2,764,598</u>	<u>64,232</u>	<u>462,712</u>	<u>3,291,542</u>
Noncurrent liabilities:				
Net pension liabilities	4,007,008	1,069,740	250,267	5,327,015
Net OPEB liabilities	281,237	-	-	281,237
Compensated absences payable - due in more than one year	3,157	-	-	3,157
Pension obligation bonds payable - due in more than one year	1,277,900	363,800	87,000	1,728,700
Total noncurrent liabilities	<u>5,569,302</u>	<u>1,433,540</u>	<u>337,267</u>	<u>7,340,109</u>
<b>Total liabilities</b>	<b><u>8,333,900</u></b>	<b><u>1,497,772</u></b>	<b><u>799,979</u></b>	<b><u>10,631,651</u></b>
Deferred inflows of resources:				
Deferred inflows related to net pension liability	181,812	48,538	11,356	241,706
Deferred inflows related to OPEB	66,225	-	-	66,225
<b>Total deferred inflows of resources</b>	<b><u>248,037</u></b>	<b><u>48,538</u></b>	<b><u>11,356</u></b>	<b><u>307,931</u></b>
<b>NET POSITION</b>				
Net investment in capital assets	36,647,895	6,098,758	476,425	43,223,078
Unrestricted	<u>7,482,010</u>	<u>5,562,592</u>	<u>1,380,144</u>	<u>14,424,746</u>
<b>Total net position</b>	<b><u>\$ 44,129,905</u></b>	<b><u>\$ 11,661,350</u></b>	<b><u>\$ 1,856,569</u></b>	<b><u>\$ 57,647,824</u></b>

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2023**

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Nonmajor Enterprise Funds	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 14,411,322	\$ 2,658,717	\$ 1,960,087	\$ 19,030,126
Other	1,168,041	-	-	1,168,041
<b>Total operating revenues</b>	<b>15,579,363</b>	<b>2,658,717</b>	<b>1,960,087</b>	<b>20,198,167</b>
<b>OPERATING EXPENSES:</b>				
Administration and general	3,094,826	1,245,354	460,335	4,800,515
Power, supplies, and pumping	15,047,502	169,913	-	15,217,415
Merchandise and food	-	-	84,619	84,619
Supplies and maintenance	-	-	298,165	298,165
Contract costs	200,235	98,947	2,765,597	3,064,779
Depreciation	1,604,102	297,937	475,555	2,377,594
<b>Total operating expenses</b>	<b>19,946,665</b>	<b>1,812,151</b>	<b>4,084,271</b>	<b>25,843,087</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(4,367,302)</b>	<b>846,566</b>	<b>(2,124,184)</b>	<b>(5,644,920)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	327,728	138,356	-	466,084
Federal and state grants	(3,825)	-	1,818,076	1,814,251
Gain (loss) on disposal of capital assets	7,218	-	(2,735)	4,483
Interest and fiscal charges	(32,110)	(9,140)	(2,184)	(43,434)
<b>Total nonoperating revenues (expenses)</b>	<b>299,011</b>	<b>129,216</b>	<b>1,813,157</b>	<b>2,241,384</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(4,068,291)</b>	<b>975,782</b>	<b>(311,027)</b>	<b>(3,403,536)</b>
<b>TRANSFERS:</b>				
Transfers in	-	-	595,311	595,311
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>595,311</b>	<b>595,311</b>
<b>Changes in net position</b>	<b>(4,068,291)</b>	<b>975,782</b>	<b>284,284</b>	<b>(2,808,225)</b>
<b>NET POSITION:</b>				
Beginning of fiscal year	48,198,196	10,685,568	1,572,285	60,456,049
End of fiscal year	<u>\$ 44,129,905</u>	<u>\$ 11,661,350</u>	<u>\$ 1,856,569</u>	<u>\$ 57,647,824</u>

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2023**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Nonmajor Enterprise Funds	Total
Cash received from customers	\$ 14,920,506	\$ 2,690,446	\$ 1,772,350	\$ 19,383,302
Cash payments to suppliers for goods and services	(15,925,201)	(946,590)	(3,491,962)	(20,363,753)
Cash payments to employees for services	(3,150,220)	(828,283)	(197,395)	(4,175,898)
Cash received for other operating activities	1,168,041	-	-	1,168,041
<b>Net cash provided by (used in) operating activities</b>	<b>(2,986,874)</b>	<b>915,573</b>	<b>(1,917,007)</b>	<b>(3,988,308)</b>

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:**

Cash received from (paid) to other governments	(3,621)	193	1,779,098	1,775,670
Due to other funds	-	-	173,863	173,863
Payments for pension obligation bonds	(62,400)	(17,700)	(4,200)	(84,300)
Payments of interest on pension obligation bonds	(32,143)	(9,149)	(2,186)	(43,478)
Transfers in	-	-	595,311	595,311
<b>Net cash provided (used) by noncapital financing activities</b>	<b>(98,164)</b>	<b>(26,656)</b>	<b>2,541,886</b>	<b>2,417,066</b>

**CASH FLOWS FROM CAPITAL AND RELATED  
FINANCING ACTIVITIES:**

Proceeds from sale of capital assets	7,218	-	-	7,218
Acquisition of capital assets	(174,044)	(987,634)	(16,538)	(1,178,216)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(166,826)</b>	<b>(987,634)</b>	<b>(16,538)</b>	<b>(1,170,998)</b>

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest received	288,017	113,547	-	401,564
<b>Net cash provided by investing activities</b>	<b>288,017</b>	<b>113,547</b>	<b>-</b>	<b>401,564</b>

**NET INCREASE (DECREASE) IN CASH AND  
CASH EQUIVALENTS**

<b>CASH AND CASH EQUIVALENTS - Beginning of fiscal year</b>	<b>13,386,313</b>	<b>5,907,803</b>	<b>1,353,179</b>	<b>20,647,295</b>
<b>CASH AND CASH EQUIVALENTS - End of fiscal year</b>	<b>\$ 10,422,466</b>	<b>\$ 5,922,633</b>	<b>\$ 1,961,520</b>	<b>\$ 18,306,619</b>

**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET  
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:**

Operating income (loss)	\$ (4,367,302)	\$ 846,566	\$ (2,124,184)	\$ (5,644,920)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,604,102	297,937	475,555	2,377,594
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	455,296	31,729	22,219	509,244
Prepaid items	183	-	3,714	3,897
Inventories	-	-	(20,280)	(20,280)
Accounts payable	(673,700)	(238,822)	(38,871)	(951,393)
Retention payable	14,565	(10,731)	-	3,834
Accrued salaries payable	(2,184)	(2,623)	(1,040)	(5,847)
Deposits	53,888	-	(209,956)	(156,068)
Net pension liabilities	3,783,390	1,009,657	233,894	5,026,941
Deferred outflow of resources - pension	(1,569,221)	(418,076)	(92,662)	(2,079,959)
Deferred inflow of resources - pension	(2,232,149)	(600,064)	(165,396)	(2,997,609)
Net OPEB liability	(345)	-	-	(345)
Deferred outflow of resources - OPEB	(5,686)	-	-	(5,686)
Deferred inflow of resources - OPEB	(36,964)	-	-	(36,964)
Compensated absences	(10,747)	-	-	(10,747)
<b>Total adjustments</b>	<b>1,380,428</b>	<b>69,007</b>	<b>207,177</b>	<b>1,656,612</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,986,874)</b>	<b>\$ 915,573</b>	<b>\$ (1,917,007)</b>	<b>\$ (3,988,308)</b>

See Accompanying Notes to the Basic Financial Statements.

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## **FIDUCIARY FUND**

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***Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund*** - established to account for activities of the Successor Agency to the Arcadia Redevelopment Agency.

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**City of Arcadia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**June 30, 2023**

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Successor Agency  
 to the Arcadia  
 Redevelopment  
 Agency  
 Private-Purpose  
 Trust Fund

---

**ASSETS**

Current assets:

Cash and investments	\$ 4,098,372
Cash and investments with fiscal agent	2
Interest receivable	<u>35,178</u>
Total current assets	<u>4,133,552</u>
<b>Total assets</b>	<b><u>4,133,552</u></b>

**LIABILITIES**

Current liabilities:

Interest payable	57,067
Bonds payable - due within one year	<u>1,580,000</u>
Total current liabilities	<u>1,637,067</u>

Noncurrent liabilities:

Bonds payable - due in more than one year	<u>7,760,000</u>
Total noncurrent liabilities	<u>7,760,000</u>
<b>Total liabilities</b>	<b><u>9,397,067</u></b>

**NET POSITION (DEFICIT)**

Held in trust	<u>\$ (5,263,515)</u>
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**City of Arcadia**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2023**

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	Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund
<b>ADDITIONS:</b>	
Redevelopment Property Tax Trust Fund	\$ 1,765,802
Use of money and property	<u>92,042</u>
<b>Total additions</b>	<b><u>1,857,844</u></b>
<b>DEDUCTIONS:</b>	
Enforceable obligations	171,204
Administration	<u>7,886</u>
<b>Total deductions</b>	<b><u>179,090</u></b>
<b>Change in net position</b>	<b>1,678,754</b>
<b>NET POSITION (DEFICIT):</b>	
Beginning of fiscal year	<u>(6,942,269)</u>
End of fiscal year	<b><u>\$ (5,263,515)</u></b>

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## **NOTES TO THE BASIC FINANCIAL STATEMENTS**

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**City of Arcadia**  
**Notes to the Basic Financial Statements**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies**

The basic financial statements of the City of Arcadia, California (the “City”) have been prepared in conformity with accounting principles generally accepted in the United States (“U.S. GAAP”) 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 following is a summary of the significant policies:

**A. Financial Reporting Entity**

The City was incorporated on August 15, 1903 as a charter city under the laws of the State of California and enjoys all the rights and privileges allowed by its charter. The City is governed by an elected five-member council.

Component units are legally separate entities that meet any one of the following tests:

1. The City appoints the voting majority of the board and:
  - is able to impose its will on the component unit and/or
  - is in a relationship of financial benefit or burden with the component unit.
2. The component unit is fiscally dependent upon the City.
3. The financial statements of the City would be misleading if data from the component unit were omitted.

The City had no blended or discretely presented component units.

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

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses, as appropriate. City resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

In accordance with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, the statement of net position reports separate sections for Deferred Outflows of Resources and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent a consumption of net assets that applies to future periods.

**Deferred Inflows of Resources** represent an acquisition of net assets that applies to future periods.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

***Government-Wide Financial Statements***

The Government-Wide 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. Fiduciary activities of the City are not included in these statements.

Certain types of transactions are reported as program revenues for the City in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made in regards to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the statement of activities, transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due from/to other funds
- Transfers in/out

***Governmental Fund Financial Statements***

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 fund balances. 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.

An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. “Available” means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the City, “available” means collectible within the current period or within 60 days after fiscal year end.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

***Governmental Fund Financial Statements (Continued)***

Non-exchange transactions, in which the City receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the fiscal year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the City must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the City on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

The City reports the following major governmental funds:

- General Fund – This fund was established to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- Parks and Recreation Special Revenue Fund – This fund was established to account for the development of new park sites and playground facilities. Financing is provided by state and federal reimbursement programs in conjunction with fees charged to residential and commercial developers.
- Measure W Safe, Clean Water Program Fund – This fund was established to be used on projects for capturing, treating, and recycling stormwater.
- American Rescue Plan Fund – This fund was established to be used to support City's response to and recovery from the COVID-19 public health emergency.
- Capital Outlay Capital Projects Fund – This fund was established to account for acquisition of capital items and construction of capital projects as determined by City Council. Financing is provided by the City's share of proceeds from the Santa Anita Race Track as allowed by the State.
- General Obligation Bonds Debt Service Fund – This fund was established to accumulate monies for payment of principal and interest on General Obligation Bonds. Debt service is financed through voter approved indebtedness assessed against property owners.
- Pension Obligation Bonds Debt Service Fund – This fund was established to accumulate monies for payment of principal and interest on Pension Obligation Bonds. Debt service is from any source of legally available funds of the City.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**B. Basis of Accounting and Measurement Focus (Continued)**

**Proprietary Fund Financial Statements**

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 in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

- Water Utility Enterprise Fund – This fund was established to account for the operation of the City's water utility, a self-supporting activity which renders services on a user charge basis to residents and businesses located within the City.
- Sewer Maintenance Enterprise Fund – This fund was established to account for the maintenance of the City's sewer system. Financing is provided by fees charged to residential and commercial developers.

**Fiduciary Fund Financial Statements**

The fiduciary fund is reported using the accrual basis of accounting.

The City reports the following fiduciary fund:

- Successor Agency to the Arcadia Redevelopment Agency Fund – This private-purpose trust fund was established to account for the activities of the Successor Agency to the Arcadia Redevelopment Agency.

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

The City considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition as cash and cash equivalents. All cash and investments of proprietary funds are held in the City's investment pool. These cash pools have the general characteristics of a demand deposit account, therefore, all cash and investments in the proprietary funds are considered cash and cash equivalents for statement of cash flow purposes.

Investments are stated at fair value (quoted market price or best available estimate thereof).

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**D. Cash and Investments with Fiscal Agent**

Cash and investments with fiscal agents are restricted for the redemption of bonded debt and for acquisition and construction of capital projects.

**E. Interfund Transactions**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “due from/to other funds” (i.e., current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

**F. Inventories and Prepaid Items**

Inventories within the various fund types consist of materials and supplies which are valued at cost on a first-in, first-out basis. Reported expenditures reflect the consumption method of recognizing inventory-related expenditures. A nonspendable fund balance has been reported in the governmental funds to show that inventories do not constitute “*available spendable resources*”, even though they are a component of current assets.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**G. Lease Receivable**

The City’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the City may receive variable lease payments that are dependent upon the lessee’s revenue. The variable payments are recorded as an inflow of resources in the period the payment is received.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

**H. Capital Assets**

In the government-wide financial statements, capital assets are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated capital assets are valued at their acquisition value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$50,000; all other capital assets are set at \$5,000.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***H. Capital Assets (Continued)***

The City defines infrastructure assets as the basic physical assets that allow the City to function. The assets include streets, storm drains, park lands, and buildings. Each major infrastructure system can be divided into subsystems. For example, the street system can be subdivided into pavement, curbs and gutters, sidewalks, medians, streetlights, landscaping, and land. These subsystems are not delineated in the basic financial statements. The appropriate operating department maintains information regarding the subsystems. For all infrastructure systems, the City elected to use the “depreciation method”.

Interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method.

The lives used for depreciation purposes are as follows:

Hydrants	30 years
Pipes	40-75 years
Wells	25-40 years
Booster pumps	25 years
Reservoirs	60 years
Chlorination equipment	20 years
Telemetry system	30 years
Meters	20 years
Auto equipment	4-15 years
Office furniture and equipment	3-20 years
Infrastructure:	
Streets	30-50 years
Sewers	40-100 years
Traffic signals	20 years
Street lights	30 years
Bridges	40-50 years

In the fund financial statements, the governmental fund financial statements do not present capital assets. Consequently, capital assets are presented as reconciling items in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

***I. Interest Payable***

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities. In the fund financial statements, only proprietary and fiduciary fund types recognize the interest payable when the liability is incurred.

***J. Unearned Revenue***

Unearned revenue is recognized for transactions for which revenue has not yet been earned. Typical transactions recorded as unearned revenues are prepaid charges for services.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**K. Compensated Absences**

City employees have vested interest in varying levels of vacation and sick leave based on their length of employment. Vacation leave is payable to employees at the time a vacation is taken or upon termination of employment. Vacation leave cannot be accrued for more than 65 pay periods at the accrual rate. Sick leave is payable only when an employee is unable to work due to personal or family illness. Sick leave may be accrued up to a maximum of 1,500 hours for general employees, 2,000 hours for public works employees, 1,500 for civilian police, 1,600 hours for sworn police, and 2,100 hours for fire employees. Unused sick leave does not vest and is forfeited upon termination. The amount of compensated absences is accrued when incurred in the government-wide financial statements and proprietary funds. Compensated absences are primarily liquidated by the General Fund and proprietary funds.

**L. Long-Term Liabilities**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the appropriate activities. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, the governmental fund financial statements do not present long-term liabilities. Consequently, long term debt is shown as a reconciling item in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

**M. Claims and Judgments**

When it is probable that a claim or judgment liability has been incurred at fiscal year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss, net of any insurance coverage. The City is self-insured and has insurance coverage in excess of the self-insured amounts as a member of the California Insurance Pool Authority (“CIPA”).

**N. Property Taxes**

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool with the County and are then allocated to the cities based on complex formulas. Accordingly, the City accrues only those taxes which are received from the County of Los Angeles (the “County”) within sixty (60) days after fiscal year-end.

The following are key dates pertaining to property taxes:

Lien Date:	January 1
Levy Date:	July 1
Due Date:	November 1 and February 1
Collection Date:	December 10 and April 10

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**O. Net Position**

In the government-wide financial statements and proprietary fund financial statements, net position is classified as follows:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**P. Fund Balances**

In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Nonspendable fund balances are items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, or items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds.

Restricted – Restricted fund balances encompass the portion of net fund resources subject to externally enforceable legal restrictions. This includes externally imposed restrictions by creditors, such as through debt covenants, grantors, contributors, laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation.

Committed – Committed fund balances encompass the portion of net fund resources, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body, and that remain binding unless removed in the same manner. The City Council is considered the highest authority for the City. Adoption of a resolution by the City Council is required to commit resources or to rescind the commitment.

Assigned – Assigned fund balances encompass the portion of net fund resources reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making or by a committee or official designated for that purpose. The City Council has by resolution authorized the City Manager and the Administrative Services Director for that purpose.

Unassigned – This amount is for any portion of the fund balances that do not fall into one of the above categories. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**Q. Spending Policy**

*Government-Wide Financial Statements and the Proprietary Fund Financial Statements*

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the City's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

*Governmental Fund Financial Statements*

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balances first, then unrestricted fund balances as needed.

When expenditures are incurred for purposes where only unrestricted fund balances are available, the City uses the unrestricted resources in the following order, except for instances wherein an ordinance specifies the fund balance:

Committed  
Assigned  
Unassigned

**R. Use of Estimates**

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**S. New Governmental Accounting Standards**

*Implementation Status*

Governmental Accounting Standards Board Statement No. 96 - Subscription-Based Information Technology Arrangements

For the fiscal year ended June 30, 2023, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 96 “Subscription-Based Information Technology Arrangements” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this statement, a government should generally recognize a right-to-use subscription asset and a corresponding subscription liability. This statement had no impact on the opening balances of the City. Please see Note 5 and Note 6 for further information.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***T. Future Accounting Pronouncements***

GASB Statements listed below will be implemented in future financial statements:

Statement No. 99	"Omnibus 2022"	The provisions of this statement are effective in April 2022 except for the provisions related to leases, PPPs, SBITAs, financial guarantees and derivative instruments. The provisions related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022. The provisions related to financial guarantees and derivative instruments are effective for fiscal years beginning after June 15, 2023.
Statement No. 100	"Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62"	The provisions of this statement are effective for fiscal years beginning after June 15, 2023.
Statement No. 101	"Compensated Absences"	The provisions of this statement are effective for fiscal years beginning after December 15, 2023.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments**

The City maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. Certain restricted funds which are held and invested by independent outside custodians through contractual agreements are not pooled. These restricted funds include cash and investments with fiscal agent.

The City had the following cash and investments at June 30, 2023:

	Government-Wide Statement of Net Position			Fiduciary Fund Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total		Total
Cash and investments	\$ 115,426,073	\$ 18,306,619	\$ 133,732,692	\$ 4,098,372	\$ 137,831,064
Cash and investments with fiscal agent	9,744	-	9,744	2	9,746
<b>Total cash and investments</b>	<b>\$ 115,435,817</b>	<b>\$ 18,306,619</b>	<b>\$ 133,742,436</b>	<b>\$ 4,098,374</b>	<b>\$ 137,840,810</b>

The City's cash and investments at June 30, 2023 consists of the following:

Cash and cash equivalents:

Petty cash	\$ 20,187
Demand deposits	<u>6,602,890</u>
Total cash and cash equivalents	<u>6,623,077</u>

Investments:

Local Agency Investment Fund	4,683,044
California Asset Management Program	30,224,413
Certificates of Deposits	2,763,741
U.S. Treasury Notes	21,174,739
U.S. Government Sponsored Enterprise Securities	42,835,156
Supra-National Bonds	461,590
Municipal bonds	4,502,582
Asset Backed Securities/CMO	9,347,861
Corporate Bonds	<u>15,214,861</u>
Total investments	<u>131,207,987</u>

Cash and investments with fiscal agent:

Money Market Funds	<u>9,746</u>
Total cash and investments	<u>\$ 137,840,810</u>

**A. Deposits**

The carrying amounts of the City's demand deposits were \$6,602,890 at June 30, 2023. Bank balances at that date were \$8,162,039, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below. The difference between the carrying amount and bank balances represents outstanding checks, deposits in transit, and other reconciling items.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments (Continued)**

**A. Deposits (Continued)**

The California Government Code requires California banks and savings and loan associations to secure the City's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the City's name.

The fair value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City's deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits. The City may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC"). The City, however, has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

**B. Investments**

Under the provisions of the City's investment policy, and in accordance with California Government Code, the following investments are authorized:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio *	Maximum Investment in One Issuer
United States Treasury Obligations	5 years	No Limit	No Limit
Federal Agency or United States Government-Sponsored Enterprise Obligations.			
Participations, or Other Instruments	5 years	No Limit	No Limit
Repurchase Agreements	30 days	No Limit	5%
Supranational Bonds	5 years	30%	No Limit
Prime Commercial Paper	270 days	25%	10%
Eligible Bankers' Acceptances	180 days	15%	15%
Medium-term notes (Corporate Notes/Bonds)	3 or 5 years**	30%	5%
Asset-Backed Securities	5 years	20%	5%
Negotiable Certificates of deposit (amount limited to FDIC insurance limits)	5 years	No Limit	5%
Non-negotiable Certificates of deposit and savings deposits	5 years	20%	5%
Placement Service Deposits	5 years	20%	5%
Local Agency Investment Fund ("LAIF")	N/A	No Limit	\$75 Million
Money Market Mutual Funds	N/A	20%	No Limit
Local Government Investment Pools	N/A	No Limit	No Limit
Municipal & State Obligations	5 years	20%	5%
N/A - Not Applicable			

\* Excluding amounts held by bond trustees that are not subject to California Government Code restrictions.

\*\* 3 years for "A" rated corporate bonds and 5 years for "AA" rated bonds

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments (Continued)**

**B. Investments (Continued)**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2023, included a portion of the pool funds invested in Structured Notes and Asset-Backed Securities:

**Structured Notes:** debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

**Asset-Backed Securities:** generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2023, the City had \$4,683,044 invested in LAIF, which had invested 2.78% of the pool investment funds in Structured Notes and Asset-Backed Securities.

The City is also participating in California Asset Management Program (CAMP). The CAMP is a permitted investment for all local agencies under California Government Code Section 53601(p). As of June 30, 2023, the City had \$30,224,413 invested in CAMP.

**C. Risk Disclosures**

**Interest Rate Risk** - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2023, the City had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (in Years)				
		Less than 1	1 to 2	2 to 3	3 to 4	4 to 5
Local Agency Investment Fund (LAIF)	\$ 4,683,044	\$ 4,683,044	\$ -	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	30,224,413	30,224,413	-	-	-	-
Certificates of Deposits	2,763,741	-	367,354	1,199,349	955,146	241,892
U.S. Treasury Notes	21,174,739	2,404,879	8,261,747	10,508,113	-	-
Federal Farm Credit Bank	1,912,580	-	-	-	990,060	922,520
Federal Home Loan Bank	26,827,815	5,927,340	11,198,805	4,732,930	2,985,820	1,982,920
Federal Home Loan Mortgage Corporation	10,372,238	992,990	1,974,050	5,908,480	-	1,496,718
Federal Agricultural Mortgage Corp.	993,600	-	-	-	-	993,600
Federal National Mortgage Association	993,700	-	993,700	-	-	-
Federal CMO	1,735,223	-	-	1,360,873	374,350	-
Supra-National Bonds	461,590	-	461,590	-	-	-
Municipal Bonds	4,502,582	328,777	462,800	-	1,837,045	1,873,960
Asset Backed Securities/CMO	9,347,861	38,391	200,845	1,054,530	5,019,535	3,034,560
Corporate Bonds	15,214,861	2,320,224	7,420,806	4,937,947	535,884	-
Held by Fiscal Agent:						
Money Market Funds		9,746	9,746	-	-	-
Total	\$ 131,217,733	\$ 46,929,804	\$ 31,341,697	\$ 29,702,222	\$ 12,697,840	\$ 10,546,170

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments (Continued)**

**C. Risk Disclosures (Continued)**

**Credit Risk** - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (“NRSROs”). It is the City’s policy to limit its investments in these investment types to the top rating issued by Standard & Poor’s and Moody’s Investors Service. At June 30, 2023, the City’s credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities  
with Credit Exposure as a Percentage of Total Investments

Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Local Agency Investment Fund	Not Rated	Not Rated	3.57%
California Asset Management Program	Not Rated	Not Rated	23.02%
Certificates of Deposit	Not Rated	Not Rated	2.11%
United States Treasury Notes	Aaa	AA+	16.14%
Federal Farm Credit Bank	Aaa	AA+	1.46%
Federal Home Loan Bank	Aaa	AA+	20.45%
Federal Home Loan Mortgage Corp.	Aaa	AA+	7.91%
Federal Agricultural Mortgage Corp.	Aaa	AA+	0.76%
Federal National Mortgage Association	Aaa	AA+	0.76%
Federal CMO	Aaa	AA+	1.32%
Supranational Bonds - Inter-American Development Bank	Aaa	AAA	0.35%
Municipal Bonds - Napa Valley Unified School District	Aa3	Not rated	1.40%
Municipal Bonds - San Jose Redevelopment Agency Successor Agency	Not rated	AA	1.43%
Municipal Bonds - NY State Urban Development Corp	Not rated	Not rated	0.25%
Municipal Bonds - NJ Turnpike Authority	A1	AA-	0.07%
Municipal Bonds - Florida State Board of Administration	Aa3	AA	0.28%
Asset Backed Securities - Toyota Lease Owner Trust 2021-A	Aaa	AAA	0.01%
Asset Backed Securities - GM Financial Automobile Leasing Trust 2021-2	Not rated	AAA	0.02%
Asset Backed Securities - Nissan Auto Receivables 2020-B Owner Trust	Aaa	AAA	0.00%
Asset Backed Securities - Toyota Auto Rcvbl 2020-C	Aaa	AAA	0.02%
Asset Backed Securities - Honda Auto Rcvbl 2020-3	Not rated	AAA	0.03%
Asset Backed Securities - BMW Vehicle Owner Trust 2020-A	Not rated	AAA	0.00%
Asset Backed Securities - Carmax Auto Owner Trust 2020-1	Not rated	AAA	0.01%
Asset Backed Securities - Hyundai Auto Receivables Trust 2020-B	Not rated	AAA	0.01%
Asset Backed Securities - Verizon Owner Trust 2020-B	Aaa	Not rated	0.03%
Asset Backed Securities - GM Financial Consumer Auto Receivables Trust 2020-3	Aaa	Not rated	0.03%
Asset Backed Securities - World Omni Auto Receivables Trust 2020-B	Not rated	AAA	0.02%
Asset Backed Securities - Volkswagen Auto Lease Trust 2022-A	Aaa	Not rated	0.07%
Asset Backed Securities - Kubota Credit Owner Trust 2021-1	Aaa	Not rated	0.07%
Asset Backed Securities - Hyundai Auto Receivables Trust 2021-A	Not rated	AAA	0.05%
Asset Backed Securities - Kubota Credit Owner Trust 2021-2	Aaa	Not rated	0.13%
Asset Backed Securities - Honda Auto Receivables 2021-4 Owner Trust	Aaa	Not rated	0.11%
Asset Backed Securities - Carmax Auto Owner Trust 2021-2	Not rated	AAA	0.06%
Asset Backed Securities - Hyundai Auto Receivables Trust 2021-C	Not rated	AAA	0.08%
Asset Backed Securities - Carmax Auto Owner Trust 2021-3	Aaa	AAA	0.14%
Asset Backed Securities - Ford Credit Auto Owner Trust 2022-A	Aaa	Not rated	0.10%
Asset Backed Securities - BMW Vehicle Owner Trust 2022-A	Aaa	AAA	0.10%
Asset Backed Securities - Capital One Prime Auto Rcvbl Trust 2021-1	Aaa	AAA	0.11%
Asset Backed Securities - Discover Card Execution Note Trust 2021-A1	Aaa	AAA	0.10%
Asset Backed Securities - Toyota Auto Receivables 2022-B	Aaa	AAA	0.11%
Asset Backed Securities - GM Financial Consumer Auto Receivables Trust 2021-4	Aaa	AAA	0.07%

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments (Continued)**

**C. Risk Disclosures (Continued)**

Credit Quality Distribution for Securities  
with Credit Exposure as a Percentage of Total Investments

Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Asset Backed Securities - Hyundai Auto Receivables Trust 2022-A	Not rated	AAA	0.10%
Asset Backed Securities - Kubota Credit Owner Trust 2022-1	Aaa	Not rated	0.19%
Asset Backed Securities - World Omni Auto Receivables Trust 2021-D	Not rated	AAA	0.13%
Asset Backed Securities - Ally Auto Receivables Trust 2022-1	Aaa	AAA	0.18%
Asset Backed Securities - Capital One Multi-Asset Execution Trust 2021-A3	Not rated	AAA	0.19%
Asset Backed Securities - GM Financial Consumer Auto Receivables Trust 2022-1	Not rated	AAA	0.08%
Asset Backed Securities - Harley-Davidson Motorcycle Trust 2022-A	Aaa	AAA	0.19%
Asset Backed Securities - Carmax Auto Owner Trust 2022-2	Aaa	AAA	0.15%
Asset Backed Securities - GM Financial Consumer Auto Receivables Trust 2022-2	Aaa	AAA	0.09%
Asset Backed Securities - Capital One Multi-Asset Execution Trust 2022-A1	Not rated	AAA	0.18%
Asset Backed Securities - Carmax Auto Owner Trust 2022-3	Not rated	AAA	0.20%
Asset Backed Securities - Toyota Auto Receivables 2022-C	Not rated	AAA	0.08%
Asset Backed Securities - GM Financial Consumer Auto Receivables Trust 2022-3	Aaa	Not rated	0.11%
Asset Backed Securities - American Express Credit Account Master Trust 2022-2	Not rated	AAA	0.27%
Asset Backed Securities - Capital One Multi-Asset Execution Trust 2022-A2	Not rated	AAA	0.25%
Asset Backed Securities - Ally Auto Receivables Trust 2022-2	Aaa	AAA	0.34%
Asset Backed Securities - Discover Card Execution Note Trust 2022-A2	Aaa	Not rated	0.20%
Asset Backed Securities - Nissan Auto Receivables 2022-B Owner Trust	Aaa	AAA	0.17%
Asset Backed Securities - Hyundai Auto Receivables Trust 2022-C	Not rated	AAA	0.25%
Asset Backed Securities - Discover Card Execution Note Trust 2022-A3	Aaa	AAA	0.22%
Asset Backed Securities - Carmax Auto Owner Trust 2022-4	Not rated	AAA	0.22%
Asset Backed Securities - Mercedes-Benz Auto Receivables Trust 2022-1	Aaa	AAA	0.30%
Asset Backed Securities - Toyota Auto Receivables 2023-A	Not rated	AAA	0.12%
Asset Backed Securities - Toyota Auto Receivables 2022-D	Aaa	Not rated	0.08%
Asset Backed Securities - American Express Credit Account Master Trust 2022-4	Not rated	AAA	0.09%
Asset Backed Securities - Honda Auto Receivables 2023-2 Owner Trust	Aaa	AAA	0.12%
Asset Backed Securities - Nissan Auto Receivables Trust 2023-A	Aaa	Not rated	0.18%
Asset Backed Securities - Harley-Davidson Motorcycle Trust 2023-A	Aaa	Not rated	0.12%
Asset Backed Securities - Ford Credit Auto Owner Trust 2023-A	Not rated	AAA	0.09%
Asset Backed Securities - Toyota Auto Receivables 2023-B	Aaa	Not rated	0.14%
Asset Backed Securities - GM Financial Consumer Auto Receivables Trust 2023-2	Aaa	AAA	0.10%
Asset Backed Securities - Discover Card Execution Note Trust 2023-A1	Aaa	Not rated	0.22%
Asset Backed Securities - American Express Credit Master Trust 2023-1	Not rated	AAA	0.10%
Asset Backed Securities - BA Credit Card Trust 2023-A1	Not rated	AAA	0.09%
Asset Backed Securities - Ford Credit Auto Owner Trust 2023-B	Not rated	AAA	0.10%
Corporate Bonds - Abbott Laboratories	Aa3	AA-	0.13%
Corporate Bonds - Amazon.com	A1	AA	0.27%
Corporate Bonds - American Express	A2	BBB+	0.28%
Corporate Bonds - American Honda	A3	A-	0.29%
Corporate Bonds - Australia & New Zealand Banking Group	Aa3	AA-	0.19%
Corporate Bonds - Bank of America	A1	A-	0.45%
Corporate Bonds - BMW US Capital LLC	A2	A	0.16%
Corporate Bonds - BNY Mellon	A1	A	0.54%
Corporate Bonds - Bristol-Myers Squibb	A2	A+	0.09%

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments (Continued)**

**C. Risk Disclosures (Continued)**

Credit Quality Distribution for Securities  
with Credit Exposure as a Percentage of Total Investments

Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Corporate Bonds - Brown-Forman Corp	A1	A-	0.08%
Corporate Bonds - Burlington Northern Santa Fe LLC	A3	AA-	0.08%
Corporate Bonds - Caterpillar	A2	A	0.35%
Corporate Bonds - Cintas Corp	A3	A-	0.13%
Corporate Bonds - Citigroup	A3	BBB+	0.27%
Corporate Bonds - Citigroup Global Markets Holdings	A2	A	0.74%
Corporate Bonds - Colgate-Palmolive	Aa3	AA-	0.20%
Corporate Bonds - Comcast Corp	A3	A-	0.13%
Corporate Bonds - Cooperative Rabobank UA/NY	Aa2	A+	0.37%
Corporate Bonds - Exxon Mobil	Aa2	AA-	0.09%
Corporate Bonds - General Dynamics	A3	A-	0.12%
Corporate Bonds - Goldman Sachs	A2	BBB+	0.09%
Corporate Bonds - Home Depot	A2	A	0.07%
Corporate Bonds - Honeywell International	A2	A	0.12%
Corporate Bonds - HSBC USA	A1	A-	0.28%
Corporate Bonds - IBM	A3	A-	0.28%
Corporate Bonds - Intel	A2	A	0.15%
Corporate Bonds - John Deere Capital	A2	A	0.23%
Corporate Bonds - JPMorgan Chase	A1	A-	1.11%
Corporate Bonds - Linde Inc	A2	A	0.32%
Corporate Bonds - Lockheed Martin	A3	A-	0.13%
Corporate Bonds - Morgan Stanley	A1	A-	0.27%
Corporate Bonds - National Australia Bank LTD/New York	Aa3	AA-	0.50%
Corporate Bonds - National Rural Utilities Cooperative	A2	A-	0.27%
Corporate Bonds - Nestle Holdings Inc.	Aa3	AA-	0.20%
Corporate Bonds - Paccar Financial Corp	A1	A+	0.28%
Corporate Bonds - Pepsico Inc	A1	A+	0.10%
Corporate Bonds - PNC Bank	A2	A	0.18%
Corporate Bonds - PNC Financial Services Group	A3	A-	0.08%
Corporate Bonds - Roche Holdings Inc	Aa2	AA	0.47%
Corporate Bonds - State Street Corp	A1	A	0.40%
Corporate Bonds - The Hershey Co	A1	A	0.09%
Corporate Bonds - Toyota Motor	A1	A+	0.28%
Corporate Bonds - Truist Financial Corp	A3	A-	0.26%
Corporate Bonds - Unilever	A1	A+	0.17%
Corporate Bonds - UnitedHealth Group	A3	A+	0.06%
Corporate Bonds - Walmart	Aa2	AA	0.11%
Corporate Bonds - Wells Fargo	A1	BBB+	0.14%
			<hr/> 100.00%

**Custodial Credit Risk** - For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Of the City's investments, \$9,746 of securities is held by the investment's counterparty, the trustee for the general obligation and tax allocation bonds, not in the name of the City as of June 30, 2023.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 2 – Cash and Investments (Continued)**

**D. Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The City pooled investments has the following recurring fair value measurements as of June 30, 2023:

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
Certificates of Deposits	\$ 2,763,741	\$ -	\$ 2,763,741	\$ -
U.S. Treasury Notes	21,174,739	21,174,739	-	-
Federal Farm Credit Bank	1,912,580	-	1,912,580	-
Federal Home Loan Bank	26,827,815	-	26,827,815	-
Federal Home Loan Mortgage Corporation	10,372,238	-	10,372,238	-
Federal Agricultural Mortgage Corp.	993,600	-	993,600	-
Federal National Mortgage Association	993,700	-	993,700	-
Federal CMO	1,735,223	-	1,735,223	-
Supra-National Bonds	461,590	-	461,590	-
Municipal Bonds	4,502,582	-	4,502,582	-
Asset Backed Securities	9,347,861	-	9,347,861	-
Corporate Bonds	15,214,861	-	15,214,861	-
Total Investments Measured at Fair Value	96,300,530	\$ 21,174,739	\$ 75,125,791	\$ -
Investments Measured at Amortized Cost				
LAIF	4,683,044			
CAMP	30,224,413			
Total Pooled Investments	\$ 131,207,987			

**Note 3 – Interfund Transactions**

**A. Government-Wide Financial Statements**

**Transfers** - At June 30, 2023, the City had the following transfers for the operation of the Transit System Enterprise Fund and Pension Obligation Bonds Fund:

<b>Transfers In</b>
<b>Transfers Out</b>
Governmental Activities

Business-type Activities
\$ 595,311

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 3 – Interfund Transactions (Continued)**

**B. Fund Financial Statements**

**Due From/To Other Funds** - At June 30, 2023, the City had the following due from/to other funds:

<b>Due to Other Funds</b>		<b>Due from Other Funds</b>
	General Fund	
Pension Obligation Bonds Fund	\$ 3,140	
Nonmajor Governmental Funds		1,035,563
Nonmajor Enterprise Fund		173,863
<b>Total</b>	<b>\$ 1,212,566</b>	

The above interfund balances resulted from temporary reclassifications made at June 30, 2023 to cover cash shortfalls.

**Transfers In/Out** - At June 30, 2023, the City had the following transfers in/out which arise in the normal course of operations:

<b>Transfers Out</b>	<b>Transfers In</b>					<b>Total</b>	
	General Fund	Capital Outlay		Nonmajor Governmental Funds	Nonmajor Enterprise Fund		
		Capital Projects Fund	Fund				
General Fund	\$ -	\$ 2,400,000	\$ 817,771	\$ -	\$ 3,217,771		
Nonmajor Governmental Funds	2,092,259	-	-	595,311	2,687,570		
<b>Total</b>	<b>\$ 2,092,259</b>	<b>\$ 2,400,000</b>	<b>\$ 817,771</b>	<b>\$ 595,311</b>	<b>\$ 5,905,341</b>		

In general, transfers are used to 1) transfer restricted revenues collected in one fund to finance eligible programs accounted for in other funds in accordance with budgetary authorizations, 2) to fund future capital projects.

**Note 4 – Lease Receivable**

The City entered into various land and building leases with cellphone operators and the Chamber of Commerce at various City's properties. The following table summarized the terms of the leases.

Lessee	Type of Lease	Lease Term	Total Lease Payment Over Lease Term
Cellphone Operator	Land	1/1/17-1/1/27	\$ 341,205
Cellphone Operator	Land	10/1/17-10/1/27	340,352
Cellphone Operator	Land	3/1/17-3/1/27	341,205
Cellphone Operator	Land	10/1/17-10/1/27	340,352
Cellphone Operator	Land	8/10/18-8/10/23	192,420
Cellphone Operator	Land	1/14/19-1/14/24	192,420
Chamber of Commerce	Office	12/1/20-12/1/26	28,800
Cellphone Operator	Land	10/1/20-1/1/30	531,577
Cellphone Operator	Land	8/6/16-8/6/26	556,440

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 4 – Lease Receivable (Continued)**

The lease receivable of \$1,378,301 at June 30, 2023 is measured as the present value of the future minimum rent payments expected to received during the lease term at a discount rate of 3% which is the US Treasury bill rate.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease. As of June 30, 2023, the balance was \$1,028,801.

In fiscal year 2023, the City recognized \$305,520 in lease revenue and \$37,315 in interest revenue.

**Note 5 – Capital Assets**

**A. Government-Wide Financial Statements**

A summary of changes in the capital assets for the governmental activities for the fiscal year ended June 30, 2023, is as follows:

	Governmental Activities				
	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
<b>Nondepreciable assets:</b>					
Land	\$ 4,335,769	\$ -	\$ -	\$ -	\$ 4,335,769
Construction in progress	3,607,916	1,736,460	(12,283)	(3,471,893)	1,860,200
Total nondepreciable assets	<u>7,943,685</u>	<u>1,736,460</u>	<u>(12,283)</u>	<u>(3,471,893)</u>	<u>6,195,969</u>
<b>Depreciable assets:</b>					
Buildings and improvements	60,499,943	64,001	-	-	60,563,944
Automotive equipment	13,737,670	600,059	(451,112)	-	13,886,617
Furniture and equipment	12,525,525	1,553,260	(327,849)	-	13,750,936
Infrastructure	95,501,765	-	-	3,471,893	98,973,658
Subscription-based information technology arrangements	-	363,363	-	-	363,363
Total capital assets, being depreciated/amortized	<u>182,264,903</u>	<u>2,580,683</u>	<u>(778,961)</u>	<u>3,471,893</u>	<u>187,538,518</u>
<b>Less accumulated depreciation/amortization:</b>					
Buildings and improvements	(33,991,831)	(1,921,871)	-	-	(35,913,702)
Automobile equipment	(10,802,305)	(577,138)	451,112	-	(10,928,331)
Furniture and equipment	(3,147,622)	(516,893)	327,849	-	(3,336,666)
Infrastructure	(78,136,517)	(1,159,218)	-	-	(79,295,735)
Subscription-based information technology arrangements	-	(121,121)	-	-	(121,121)
Total accumulated depreciation/amortization	<u>(126,078,275)</u>	<u>(4,296,241)</u>	<u>778,961</u>	<u>-</u>	<u>(129,595,555)</u>
Total depreciable assets, net	<u>56,186,628</u>	<u>(1,715,558)</u>	<u>-</u>	<u>3,471,893</u>	<u>57,942,963</u>
<b>Governmental activities capital assets, net</b>	<b><u>\$ 64,130,313</u></b>	<b><u>\$ 20,902</u></b>	<b><u>\$ (12,283)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 64,138,932</u></b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 5 – Capital Assets (Continued)**

**A. Government-Wide Financial Statements (Continued)**

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2023, as follows:

General government	\$ 368,339
Public safety	1,729,005
Public works services	1,441,429
Community development	108,115
Library	274,126
Recreation and community services	<u>375,227</u>
<b>Total depreciation/amortization expense</b>	<b><u>\$ 4,296,241</u></b>

A summary of changes in the capital assets for the business-type activities for the fiscal year ended June 30, 2023, is as follows:

	Business-Type Activities				
	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
<b>Nondepreciable assets:</b>					
Land	\$ 192,436	\$ -	\$ -	\$ -	\$ 192,436
Water rights	5,602,000	-	-	-	5,602,000
Construction in progress	<u>2,298,994</u>	<u>872,918</u>	<u>-</u>	<u>(973,602)</u>	<u>2,198,310</u>
Total nondepreciable assets	<u>8,093,430</u>	<u>872,918</u>	<u>-</u>	<u>(973,602)</u>	<u>7,992,746</u>
<b>Depreciable assets:</b>					
Water treatment plant and systems	73,363,554	8,167	-	-	73,371,721
Sewer pipes	12,302,242	-	-	973,602	13,275,844
Automotive equipment	5,090,494	280,593	-	(23,924)	5,347,163
Furniture and equipment	<u>889,751</u>	<u>16,538</u>	<u>(73,438)</u>	<u>27,730</u>	<u>860,581</u>
Total capital assets, being depreciated	<u>91,646,041</u>	<u>305,298</u>	<u>(73,438)</u>	<u>977,408</u>	<u>92,855,309</u>
<b>Less accumulated depreciation:</b>					
Water treatment plant and systems	(44,246,563)	(1,556,772)	-	-	(45,803,335)
Sewer pipes	(7,779,960)	(179,787)	-	-	(7,959,747)
Automobile equipment	(2,828,441)	(584,588)	-	23,924	(3,389,105)
Furniture and equipment	<u>(439,569)</u>	<u>(56,447)</u>	<u>70,703</u>	<u>(27,730)</u>	<u>(453,043)</u>
Total accumulated depreciation	<u>(55,294,533)</u>	<u>(2,377,594)</u>	<u>70,703</u>	<u>(3,806)</u>	<u>(57,605,230)</u>
Total depreciable assets, net	<u>36,351,508</u>	<u>(2,072,296)</u>	<u>(2,735)</u>	<u>973,602</u>	<u>35,250,079</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 44,444,938</u></b>	<b><u>\$ (1,199,378)</u></b>	<b><u>\$ (2,735)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 43,242,825</u></b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 5 – Capital Assets (Continued)**

**A. Government-Wide Financial Statements (Continued)**

Depreciation expense for business-type activities for the fiscal year ended June 30, 2023, was charged as follows:

Water Utility	\$ 1,604,102
Sewer Maintenance	297,937
Transit System	451,888
Arcadia PAR 3 Golf Course	23,667
<b>Total depreciation expense</b>	<b><u>\$ 2,377,594</u></b>

**B. Fund Financial Statements**

The governmental fund financial statements do not present capital assets. Consequently, capital assets are presented as reconciling items in the reconciliation of the governmental funds balance sheet to the government-wide statement of net position.

**Note 6 – Long-Term Liabilities**

**A. Governmental Activities**

A summary of changes in long-term liabilities for governmental activities for the fiscal year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due within One Year	Due in more than One Year
2021 General Obligation Refunding Bonds (Police Station)	\$ 4,985,000	\$ -	\$ (556,000)	\$ 4,429,000	\$ 467,000	\$ 3,962,000
2021 General Obligation Refunding Bonds (Measure A)	3,867,000	-	(378,000)	3,489,000	363,000	3,126,000
2020 Pension Obligation Bonds	85,367,100	-	(3,790,700)	81,576,400	3,820,100	77,756,300
Total bonds payable	94,219,100	-	(4,724,700)	89,494,400	4,650,100	84,844,300
Lease obligations	58,028	-	(58,028)	-	-	-
Subscription liabilities	-	363,363	(124,955)	238,408	117,326	121,082
Claims and judgments payable	7,959,696	2,917,618	(1,377,487)	9,499,827	2,172,053	7,327,774
Compensated absences	3,113,858	2,523,695	(2,692,991)	2,944,562	2,692,991	251,571
<b>Total</b>	<b>\$ 105,350,682</b>	<b>\$ 5,804,676</b>	<b>\$ (8,978,161)</b>	<b>\$ 102,177,197</b>	<b>\$ 9,632,470</b>	<b>\$ 92,544,727</b>

Typically, the General Fund has been used to liquidate the liability for compensated absences, claims and judgments payable, net pension liability, and OPEB liability.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 6 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**2011 General Obligation Bonds – Original Issue \$8,000,000**

In May 2011, the City issued General Obligation Bonds in the amount of \$8,000,000. The bonds were authorized at an election on April 11, 2006, at which more than two-thirds of the persons voting on the proposition voted to authorize the issuance and sale of the bonds. The purpose of the bonds was to finance the costs of constructing, installing, acquiring and improving of a grade separation at the intersection of Santa Anita Avenue and the proposed Foothill Extension of the Metropolitan Transit Authority Gold Line.

The bonds consisted of \$3,545,000 of serial bonds and \$4,455,000 of term bonds. The serial bonds accrue interest at rates between 2.00% and 5.00% and mature between August 1, 2012 and August 1, 2022. The term bonds accrue interest at a rate ranging from 3.50% to 4.20% and mature between August 1, 2024 and August 1, 2031. Bonds maturing on or after August 1, 2024 shall be subject to mandatory sinking fund redemption, in part by lot, prior to their stated maturity at redemption prices equal to 100% of the principal amount. There are no future revenues pledged for payment of principal and interest on these bonds.

As noted below, on November 23, 2021, the remaining outstanding balances of the 2011 General Obligation Bonds in the total amount of \$4,860,000, were refunded by the General Obligation Refunding Bonds Series 2021. As of June 30, 2023, the bond was fully redeemed.

**2012 General Obligation Refunding Bonds – Original Issue \$6,135,000**

In September 2012, the City issued General Obligation Refunding Bonds in the amount of \$6,135,000. The bonds were authorized by City Council. The purpose of the bonds was to refund the 2001 A General Obligation Bonds and to pay costs relating to the issuance the bonds and the refunding of the prior bonds, which were issued for the construction of the City's Police Station. The refunding reduced the net true interest cost from 5.1% originally to 2.16% and saved \$1.55 million in present value.

Bonds maturing in the years 2013 to 2031 are serial bonds payable August 1 in annual installments of \$185,000 to \$420,000. The bonds bear interest at 2.00% to 5.00% due February 1 and August 1 of each year. Bonds maturing on or after August 1, 2023 are subject to optional redemption in whole or in part on any date commencing August 1, 2022. The bonds are payable solely from ad valorem property taxes.

As noted below, on November 23, 2021, the remaining outstanding balances of the 2012 General Obligation Refunding Bonds in the total amount of \$3,725,000, were refunded by the General Obligation Refunding Bonds, Series 2021. As of June 30, 2023, the bond was fully redeemed.

**General Obligations Refunding Bonds Series 2021 (Bond Measure A and Police Station Project)**

On November 23, 2021, the City issued General Obligations Refunding Bonds, Election 2006 (Bond Measure A), Series 2021 in the amount of \$4,985,000 and General Obligation Refunding Bonds, Series 2021 (Police Station Project) in the amount of \$3,867,000. The Bonds are being issued: (i) to advance refund the 2011 General Obligation Bonds and 2012 General Obligation Refunding Bonds and (ii) to pay costs of issuance of the Bonds.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 6 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**General Obligations Refunding Bonds Series 2021 (Bond Measure A and Police Station Project) (Continued)**

The bonds consisted of \$4,985,000 and \$3,867,000 of serial bonds. The serial bonds accrue interest at rates between 1.28% and mature between August 1, 2022 and August 1, 2031.

The bonds are general obligation of the City, payable solely from *ad valorem* property taxes levied on behalf of the City and collected by the Los Angeles County.

The advance refunding resulted in a legal defeasance of the previously issued bonds. An irrevocable trust was established with funds sufficient to fund payments on the bonds until the redemption date. The refunding resulted in a decrease of the City's total debt service payments by \$742,795 and an economic gain (difference between the present values of the old and new debt) of \$695,700. Because the transaction qualifies as a legal defeasance the obligations for the defeased bonds have been removed from the City's financial statements.

As of June 30, 2023, the principal balance outstanding was \$4,429,000 and \$3,489,000.

The annual debt service requirements on these bonds are as follows:

Fiscal Year Ending June 30,	<i>General Obligation Refunding Bonds, Election 2006 (Bond Measure A)</i>			<i>General Obligation Refunding Bonds, Series 2021 (Police Station Project)</i>		
	Principal	Interest	Total	Principal	Interest	Total
2024	\$ 467,000	\$ 53,703	\$ 520,703	\$ 363,000	\$ 42,336	\$ 405,336
2025	473,000	47,687	520,687	371,000	37,638	408,638
2026	479,000	41,594	520,594	373,000	32,877	405,877
2027	488,000	35,405	523,405	381,000	28,051	409,051
2028	491,000	29,139	520,139	388,000	23,129	411,129
2029 - 2032	2,031,000	52,394	2,083,394	1,613,000	41,671	1,654,671
<b>TOTAL</b>	<b>\$ 4,429,000</b>	<b>\$ 259,922</b>	<b>\$ 4,688,922</b>	<b>\$ 3,489,000</b>	<b>\$ 205,702</b>	<b>\$ 3,694,702</b>

**2020 Taxable Pension Obligation Bonds – Original Issue \$90,000,000**

In November 2020, the City issued Taxable Pension Obligation Bonds in the amount of \$90,000,000. The Bonds are being issued: (i) to pay all or a portion of the City's currently unamortized, unfunded accrued actuarial liability to the California Public Employees Retirement System with respect to the City's defined benefit retirement plans for City employees; and (ii) to pay costs of issuance of the Bonds.

The Bonds are obligations of the City payable from any lawfully available funds, are not limited as to payment to any special source of funds of the City, and is subject to appropriation in accordance with the Trust Agreement. The Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 6 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**2020 Taxable Pension Obligation Bonds – Original Issue \$90,000,000 (Continued)**

The bonds consisted of \$39,365,000 of serial bonds and \$50,635,000 of term bonds. The serial bonds accrue interest at rates between 0.497% and 2.228% and mature between December 1, 2021, and December 1, 2030. The term bonds accrue interest at rates ranging from 2.478% to 3.173% and mature between December 1, 2033, and December 1, 2040. Bonds maturing on or after December 1, 2030, are subject to mandatory sinking fund redemption at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The amount of bonds outstanding at June 30, 2023 for the governmental activities was \$81,576,400 and the business-type activities was \$1,813,600 and totaled \$83,390,000.

The annual debt service requirements on these bonds are as follows:

Fiscal Year Ending June 30,	Governmental Activities		Business-type Activities		
	Principal	Interest	Principal	Interest	Total
2024	\$ 3,820,100	\$ 1,927,430	\$ 84,900	\$ 42,851	\$ 5,875,281
2025	3,854,300	1,892,594	85,700	42,077	5,874,671
2026	3,893,400	1,850,660	86,600	41,145	5,871,805
2027	3,947,200	1,798,084	87,800	39,976	5,873,060
2028	4,010,800	1,734,468	89,200	38,561	5,873,029
2029-2033	21,355,200	7,372,874	474,800	163,917	29,366,791
2034-2038	24,255,800	4,474,968	539,200	99,489	29,369,457
2039-2041	16,439,600	793,458	365,400	17,640	17,616,098
<b>TOTAL</b>	<b>\$ 81,576,400</b>	<b>\$ 21,844,536</b>	<b>\$ 1,813,600</b>	<b>\$ 485,656</b>	<b>\$ 105,720,192</b>

**Lease obligations**

During the fiscal year 2019, the City entered into a finance lease with options to purchase for paramedic equipment in an amount of \$290,140. Payments for the lease obligations are made in the General fund. As of June 30, 2023, the balance outstanding amount to \$0.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 6 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

**Subscription Liabilities**

The City has entered into subscription-based information technology arrangements (SBITAs) during the fiscal year and the software arrangements mature as follows:

Year Ending June 30,	Fiscal			Total
	Principal	Interest		
2024	\$ 1,580,000	\$ 156,721		\$ 1,736,721
2025	2,540,000	118,962		2,658,962
2026	2,585,000	71,991		2,656,991
2027	2,635,000	24,150		2,659,150
<b>TOTAL</b>	<b>\$ 9,340,000</b>	<b>\$ 371,824</b>		<b>\$ 9,711,824</b>

**Claims and Judgments Payable**

The amount of claims and judgments payable at June 30, 2023 was \$9,499,827. See Note 8B for details.

**Compensated Absences**

The City's liability for vested and unpaid compensated absences (accrued vacation) in the governmental activities has been accrued and amounted to \$2,944,562.

**B. Business-Type Activities**

A summary of changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2023, is as follows:

	Balance	Additions	Deletions	Balance	Due within One Year	Due in more than One Year
	July 1, 2022			June 30, 2023		
2020 Pension Obligation Bonds	\$ 1,897,900	\$ -	\$ (84,300)	\$ 1,813,600	\$ 84,900	\$ 1,728,700
Compensated absences	133,378	108,727	(119,474)	122,631	119,474	3,157
<b>Total long-term debt</b>	<b>\$ 2,031,278</b>	<b>\$ 108,727</b>	<b>\$ (203,774)</b>	<b>\$ 1,936,231</b>	<b>\$ 204,374</b>	<b>\$ 1,731,857</b>

**2020 Taxable Pension Obligation Bonds – Original Issue \$90,000,000**

The pension obligation bonds at June 30, 2023 in the proprietary funds amounted to \$1,813,600. See Note 6A for additional detail.

**Compensated Absences**

In the proprietary funds, the liability for vested and unpaid compensated absences (accrued vacation) is reported in the fund as the benefits are vested and earned. The compensated absences accrued in the proprietary funds amounted to \$122,631 at June 30, 2023.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 6 – Long-Term Liabilities (Continued)**

**C. Fiduciary Activities**

A summary of changes in long-term debt for the private-purpose trust fund for the fiscal year ended June 30, 2023, is as follows:

	Balance			Balance June 30, 2023	Due within One Year	Due in more than One Year
	July 1, 2022	Additions	Deletions			
2020 Tax Allocation Refunding Bonds	\$ 9,340,000	\$ -	\$ -	\$ 9,340,000	\$ 1,580,000	\$ 7,760,000
<b>Total bonds payable</b>	<b>\$ 9,340,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,340,000</b>	<b>\$ 1,580,000</b>	<b>\$ 7,760,000</b>

**2020 Tax Allocation Refunding Bonds, Series A (Federally Taxable) – Original Issue \$10,385,000**

In September 2020, the Successor Agency to the Arcadia Redevelopment Agency (the “Agency”) issued \$10,385,000 Tax Allocation Refunding Bonds, Series A (Federally Taxable) with interest rates of 1.83%. The Agency issued the bonds to refund \$2,155,000 of the outstanding 2001A Tax Allocation Bonds and \$10,900,000 of the outstanding 2010 Tax Allocation Bonds. In October 2020, the net proceeds of the refunding bonds were used to redeem the entire 2001A and 2010 outstanding bonds balance. As a result, both 2001A and 2010 Tax Allocation Bonds are considered defeased, and the Agency has removed the liability from its accounts. The outstanding principal of the defeased bonds is \$0. The refunding reduced total debt service payments over the next 6 years by nearly 4.9 million. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of 1.8 million.

The amount of bonds outstanding at June 30, 2023 totaled \$9,340,000 in the Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund.

The annual debt service requirements on these bonds are as follows:

Fiscal Year Ending June 30,				Total
	Principal	Interest		
2024	\$ 1,580,000	\$ 156,721		\$ 1,736,721
2025	2,540,000	118,962		2,658,962
2026	2,585,000	71,991		2,656,991
2027	2,635,000	24,150		2,659,150
<b>TOTAL</b>	<b>\$ 9,340,000</b>	<b>\$ 371,824</b>		<b>\$ 9,711,824</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 7 – Expenditures in Excess of Appropriations**

The following funds had expenditures in excess of budget:

Fund	Appropriations	Expenditures	Excess Expenditures over Appropriations
<b>Major Governmental Fund</b>			
<b>General Fund:</b>			
General government:			
City attorney	\$ 693,927	\$ 807,513	\$ 113,586
General city	3,938,200	4,100,143	161,943
Debt service:			
Principal retirement	58,100	182,983	124,883
<b>American Rescue Plan Act Fund:</b>			
Public safety:			
Community development	-	524,001	524,001
Recreation and community services	-	29,855	29,855
<b>General Obligation Bonds Debt Service Fund</b>			
Debt service:			
Principal retirement	735,000	934,000	199,000
<b>Pension Obligation Bonds Fund:</b>			
General city	-	1,500	1,500
Debt service:			
Principal retirement	2,735,000	3,790,700	1,055,700
<b>Nonmajor Governmental Funds:</b>			
<b>Special Revenue Funds:</b>			
COPS SLESF:			
Public safety:			
Police	178,216	178,406	190
Proposition A Transit:			
Community development	129,734	130,059	325
State and County Gas Tax:			
Public works services	-	3,800	3,800
Lighting Maintenance:			
Public works services	1,356,819	1,363,065	6,246
Homeland Security:			
Public safety:			
Fire	75,000	78,483	3,483
Used Oil Grant:			
Public works services	7,000	12,400	5,400

Sufficient revenues were available to fund the excess expenditures in all funds.

**Note 8 – Risk Management**

**A. Coverage**

At June 30, 2023, the City was self-insured for workers' compensation and general liability. The self-insured portion for workers' compensation and general liability is limited to the first \$500,000 of liability per occurrence. Coverage in excess of these amounts is maintained in layers to a maximum of \$38,000,000 for general liability and the statutory limit for workers compensation (of which \$3,000,000 per occurrence is for each employee accident or disease) through the California Insurance Pool Authority (CIPA).

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 8 – Risk Management (Continued)**

**A. Coverage (Continued)**

CIPA is a consortium of 13 cities in Southern California, established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration. Member agencies make payments based on underwriting estimates. Each agency may be assessed the difference between funds available and the \$20,000,000 annual aggregate in proportion to their annual premiums. The Governing Board is comprised of one member from each City and is responsible for the selection of management, and for the budgeting and financial management of CIPA. No determination has been made as to each participant's proportionate share of the fund equity as of June 30, 2023. Upon termination of CIPA, and after settlement of all claims, any excess or deficit will be divided among the cities in proportion to the amount of their contributions.

**B. Claims Activity**

Claims expenses and liabilities were reported when they were probable that a loss had occurred and the amount of that loss can be reasonably estimated. At June 30, 2023, the amount of these liabilities was \$9,499,827 and was the City's best estimate based on available information. The liabilities for unpaid claims were calculated using actuarial methods and assumptions with the conclusions consistent with GASB Statement No. 10. The liabilities included allocated loss adjustment expenses containing case reserves, the development on known claims and incurred but not reported claims. It did not include a provision for non-incremental expenses.

A summary of the changes in claims liabilities for the past three fiscal years follows:

Fiscal Year Ending June 30,	Claims Payable July 1	Claims Incurred during the Fiscal Year	Claims Payments	Fiscal Year Ended June 30
2021	\$ 6,754,700	\$ 1,403,262	\$ (1,503,808)	\$ 6,654,154
2022	6,654,154	2,161,432	(855,890)	7,959,696
2023	7,959,696	2,917,618	(1,377,487)	9,499,827

During the past three fiscal (claims) years, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

**Note 9 – Pension Plan**

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

**A. General Information about the Pension Plan**

*Plan Descriptions* – All qualified employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

*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 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows:

	City Miscellaneous Plan			
	Classic	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - October 8, 2011	On or after October 9, 2011	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	50-63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	2.0% - 2.5%	1.092%-2.418%	1.0% to 2.5%
Required employee contribution rates	Total 8%. 7% paid by City (EMPC)	8.00%	7.00%	6.75%
Required employer contribution rates	Total 10.330%. Employee pays 8% of employer cost through cost-sharing	10.330%	10.330%	10.330%
Required employer payment of unfunded liability	\$ 1,844,624	\$ 1,844,624	\$ 1,844,624	\$ 1,844,624

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

**A. General Information about the Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2023, are summarized as follows (Continued):

	City Safety Plan			
	Classic	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - October 8, 2011	On or after October 9, 2011	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-55	52 - 67
Monthly benefits, as a % of eligible compensation	3.0%	3.0%	2.4%-3.0%	1.0% to 2.5%
Required employee contribution rates	Total 9%. 9% paid by City (EMPC)	9.00%	9.00%	12.00%
Required employer contribution rates	Total 21.000%. Employee pays 9% of employer cost through cost-sharing	21.000%	21.000%	21.000%
Required employer payment of unfunded liability	\$ 3,162,854	\$ 3,162,854	\$ 3,162,854	\$ 3,162,854

**Employees Covered** – At June 30, 2023, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	418	254
Inactive employees entitled to but not yet receiving benefits	348	112
Active employees	187	116
<b>Total</b>	<b>953</b>	<b>482</b>

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

**B. Net Pension Liability**

The City's net pension liability for 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2022 (measurement date), actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry age actuarial cost method	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Salary Increases	Varies by entry age and service	
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' membership data for all funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter	

<sup>1</sup>The mortality table used was developed based on CalPERS'-specific data. The probabilities of mortality are based on the 2021 CalPERS' Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS' Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS' website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

**B. Net Pension Liability (Continued)**

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

Asset Class <sup>1</sup>	Assumed	
	Asset Allocation	Real Return <sup>1,2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	<u>-5.00%</u>	<u>-0.59%</u>
 Total	 <u>100.00%</u>	

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

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

**Discount Rate** - The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB Statement No. 68 accounting valuation reports for the June 30, 2022, measurement date.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

**B. Net Pension Liability (Continued)**

**Amortization of Deferred Outflows and Deferred Inflows of Resources** - Under GASB Statement No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

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

**C. Changes in the Net Pension Liability**

The change in the Net Pension Liability for each Plan follows:

**Miscellaneous Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balance at June 30, 2021</b>	<b>\$ 170,740,656</b>	<b>\$ 169,313,529</b>	<b>\$ 1,427,127</b>
<b>Changes during the fiscal year:</b>			
Service Cost	2,820,078	-	2,820,078
Interest on the Total Pension Liability	11,776,596	-	11,776,596
Change of Assumptions	5,218,291	-	5,218,291
Differences between Expected and Actual Experience	(2,103,355)	-	(2,103,355)
Contributions - Employer	-	3,130,875	(3,130,875)
Contributions - Employees	-	1,111,468	(1,111,468)
Net Investment Income	-	(12,610,469)	12,610,469
Benefit Payments, including Refunds of Employee Contributions	(9,180,659)	(9,180,659)	-
Administrative Expense	-	(105,472)	105,472
<b>Net Changes</b>	<b>8,530,951</b>	<b>(17,654,257)</b>	<b>26,185,208</b>
<b>Balance at June 30, 2022</b>	<b>\$ 179,271,607</b>	<b>\$ 151,659,272</b>	<b>\$ 27,612,335</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

**C. Changes in the Net Pension Liability (Continued)**

**Public Safety Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balance at June 30, 2021</b>	<b>\$ 286,980,519</b>	<b>\$ 283,763,837</b>	<b>\$ 3,216,682</b>
<b>Changes during the fiscal year:</b>			
Service Cost	4,934,594	-	4,934,594
Interest on the Total Pension Liability	20,002,704	-	20,002,704
Change of Assumptions	11,064,491	-	11,064,491
Differences between Expected and Actual			
Experience	(3,171,607)	-	(3,171,607)
Contributions - Employer	-	6,470,822	(6,470,822)
Contributions - Employees	-	1,435,187	(1,435,187)
Net Investment Income	-	(21,312,652)	21,312,652
Benefit Payments, including Refunds of			
Employee Contributions	(14,892,882)	(14,892,882)	-
Administrative Expense	-	(176,768)	176,768
<b>Net Changes</b>	<b>17,937,300</b>	<b>(28,476,293)</b>	<b>46,413,593</b>
<b>Balance at June 30, 2022</b>	<b>\$ 304,917,819</b>	<b>\$ 255,287,544</b>	<b>\$ 49,630,275</b>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the Local Government for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Miscellaneous	Safety
1% Decrease	5.90%	5.90%
Net Pension Liability	\$ 52,018,174	\$ 92,514,347
Current Discount Rate	6.90%	6.90%
Net Pension Liability	\$ 27,612,335	\$ 49,630,275
1% Increase	7.90%	7.90%
Net Pension Liability	\$ 7,618,577	\$ 14,697,222

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 9 – Pension Plan (Continued)**

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

For the fiscal year ended June 30, 2023, the City recognized pension income of \$4,277,897 and \$7,991,829 for Miscellaneous and Safety plan respectively. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 3,309,277	\$ -	\$ 7,254,760	\$ -
Changes of Assumptions	3,044,003	-	7,606,838	-
Differences between Expected and Actual Experiences		(1,252,867)		(2,457,832)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	7,884,702	-	13,566,380	-
<b>Total</b>	<b>\$ 14,237,982</b>	<b>\$ (1,252,867)</b>	<b>\$ 28,427,978</b>	<b>\$ (2,457,832)</b>

\$10,564,037 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 fiscal year ended June 30, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended	June 30	Miscellaneous		Safety	
		\$	\$	\$	\$
	2023	\$ 2,521,508	\$ 4,367,281		
	2024	1,658,418	4,427,348		
	2025	672,589	1,792,052		
	2026	4,823,323	8,128,705		

**E. Payable to the Pension Plan**

At June 30, 2023, no pension contribution is outstanding to the pension plan or the fiscal year ended June 30, 2023.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 10 – Other Postemployment Benefit (OPEB) - Health Care Benefits**

At June 30, 2023, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
<b>Deferred outflows of resources:</b>			
Contribution subsequent to measurement date	\$ 3,030,035	\$ 20,016	\$ 3,050,051
Changes of assumptions	1,815,785	40,846	1,856,631
Differences between Expected and Actual Experiences	763,069	17,165	780,234
<b>Total deferred outflows of resources</b>	<b>\$ 5,608,889</b>	<b>\$ 78,027</b>	<b>\$ 5,686,916</b>
<b>Net OPEB liabilities:</b>			
	\$ 12,502,241	\$ 281,237	\$ 12,783,478
<b>Deferred inflows of Resources:</b>			
Differences between Expected and Actual Experiences	\$ 2,943,986	\$ 66,225	\$ 3,010,211
<b>Total deferred inflows of resources</b>	<b>\$ 2,943,986</b>	<b>\$ 66,225</b>	<b>\$ 3,010,211</b>

*Plan Description*

In addition to the retirement plan described in Note 9, the City also provides certain health insurance benefits, in accordance with the fringe benefits resolution, to retired employees. The City Council has the authority to establish and amend the benefits offered by the single-employer plan. The City Council approved contracts with employees capping the maximum monthly retiree health benefit contribution made by the City for existing employees who retire on or after July 1, 2011; reducing retiree health insurance benefits for employees hired on or after July 1, 2011 to the mandatory minimum contribution established by California Government Code Section 22892(b). An eligible retiree is an employee who retires on a service retirement and has 125 days of accumulated sick leave at the date of retirement. Such payment shall cease by the employee's sixty-fifth (65) birthday. If the retired employee has other group medical coverage available to them, then this other group insurance shall be primary and the City's health insurance plan shall function as a secondary coinsurance. An employee who has fewer than 125 days of accumulated sick leave at the date of retirement may become eligible for coverage by paying the City an amount equal to the employee's daily pay rate at the time of retirement times the number of days needed to meet the 125 days of accumulated sick leave requirement with restrictions. The requirement varies slightly among different employee groups.

*Eligibility*

Employees of the City are eligible for retiree health benefits if they are between 50-55 years of age as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Active plan members	305
Inactive employees or beneficiaries currently receiving benefit payments	150
Inactive employees entitled to but not yet receiving benefit payments	146
<b>Total</b>	<b>601</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 10 – Other Postemployment Benefit (OPEB) - Health Care Benefits (Continued)**

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the fiscal year ended June 30, 2023, the City made contributions based on an actuarially determined rate.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to 2022 using standard update procedures.

Actuarial assumptions

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal Level % of Pay
Amortization Method	Level % of Payroll Closed 30 Years
Amortization Period	20 Years Remain
Asset Valuation Method	Fair Value
Inflation	2.50%
Healthcare Cost Trend Rates	5.8% in 2023 grading down to 3.9% in 2076
Salary Increase	3.00%
Investment Rate of Return	6.10%
Retirement Age	From 50 to 75
Mortality	2017 CalPERS' Experience Study
Mortality Improvement	MW Scale 2022

Discount Rate

The discount rate used to measure the total OPEB liability was 6.10 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 10 – Postemployment Health Care Benefits (Continued)**

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2021 (Measurement Date)	\$ 20,258,421	\$ 8,015,744	\$ 12,242,677
Changes Recognized for the Measurement Period:			
Service Cost	630,962	-	630,962
Interest on the total OPEB liability	1,232,324	-	1,232,324
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Contributions from the employer	-	2,574,685	(2,574,685)
Net investment income	-	(1,249,898)	1,249,898
Administrative expenses	-	(2,302)	2,302
Benefit payments	(1,374,685)	(1,374,685)	-
Net Changes during July 1, 2021 to June 30, 2022	<u>488,601</u>	<u>(52,200)</u>	<u>540,801</u>
Balance at June 30, 2022 (Measurement Date)	<u><u>\$ 20,747,022</u></u>	<u><u>\$ 7,963,544</u></u>	<u><u>\$ 12,783,478</u></u>

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.10 percent) or 1-percentage-point higher (7.10 percent) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Current Discount	Current Discount	Current Discount
Rate - 1% (5.10%)	Rate (6.10%)	Rate + 1% (7.10%)
\$ 15,076,143	\$ 12,783,478	\$ 10,845,889

Sensitivity of the net OPEB liability to changes in the health care cost trend rates

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability (Asset)		
Current Trend Rate	Healthcare Cost	Current Trend Rate
-1%	Current Trend Rate*	+ 1%
\$ 10,571,582	\$ 12,783,478	\$ 15,476,087

\* Healthcare cost trend rate was assumed to start at 5.8% (increase effective January 1, 2023) and grade down to 3.9% for years 2076 and later.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 10 – Postemployment Health Care Benefits (Continued)**

OPEB plan fiduciary net position. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued plan financial report.

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,214,985. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Contributions made subsequent to the measurement date	\$ 3,050,051	\$ -
Changes of assumptions	1,856,631	-
Differences between expected and actual experience	780,234	3,010,211
<b>Total</b>	<b>\$ 5,686,916</b>	<b>\$ 3,010,211</b>

The net difference between projected OPEB plan investment earnings and actual earnings is amortized over a five years period. The other amounts are amortized using straight-line recognition over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the measurement period. In determining the EARSL, all active, retired and inactive (vested) members are counted, with the latter two groups having 0 remaining service years.

The City will recognize the contribution made subsequent to the measurement date in the next fiscal year as a reduction of the Net OPEB liability. Other amount reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Measurement period ended June 30,	Amount
2023	\$ (121,173)
2024	(124,189)
2025	(158,190)
2026	15,424
2027	(59,181)
Thereafter	<u>73,963</u>
<b>Total</b>	<b>\$ (373,346)</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 11 – Classification of Fund Balances**

At June 30, 2023, fund balances are classified as follows:

	General	Parks and Recreation	Measure W Safe, Clean Water Program	Capital Outlay	General Obligation Bonds	Pension Obligation	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>								
Prepaid items and deposits	\$ 44,806	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,806
Inventories	1,257,836	-	-	-	-	-	-	1,257,836
Lease receivable	56,908	-	-	-	-	-	-	56,908
<b>Total nonspendable</b>	<b>1,359,550</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,359,550</b>
<b>Restricted:</b>								
Debt service	-	-	-	-	902,335	-	-	902,335
Law enforcement	-	-	-	-	-	-	931,362	931,362
Transportation / streets	-	-	-	-	-	-	15,714,303	15,714,303
Parks and recreation	-	8,517,941	-	-	-	-	-	8,517,941
Solid waste	-	-	-	-	-	-	2,172,133	2,172,133
Clean air	-	-	-	-	-	-	212,457	212,457
Clean water	-	-	1,871,212	-	-	-	-	1,871,212
Street lighting	-	-	-	-	-	-	240,859	240,859
Library	-	-	-	-	-	-	624	624
Cable access	-	-	-	-	-	-	1,095,178	1,095,178
Recycling	-	-	-	-	-	-	76,335	76,335
<b>Total restricted</b>	<b>-</b>	<b>8,517,941</b>	<b>1,871,212</b>	<b>-</b>	<b>902,335</b>	<b>-</b>	<b>20,443,251</b>	<b>31,734,739</b>
<b>Committed:</b>								
Parks and recreation	-	-	-	-	-	-	2,787,804	2,787,804
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,787,804</b>	<b>2,787,804</b>
<b>Assigned:</b>								
Capital improvements	5,568,527	-	-	11,964,594	-	-	-	17,533,121
Equipment replacement	8,154,051	-	-	-	-	-	-	8,154,051
Self-insurance	5,000,328	-	-	-	-	-	-	5,000,328
Emergency reserves	14,447,832	-	-	-	-	-	-	14,447,832
Medical/dental fund	456,824	-	-	-	-	-	-	456,824
<b>Total assigned</b>	<b>33,627,562</b>	<b>-</b>	<b>-</b>	<b>11,964,594</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>45,592,156</b>
<b>Unassigned</b>	<b>26,689,088</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(190)</b>	<b>(861,418)</b>	<b>25,827,480</b>
<b>Total</b>	<b>\$ 61,676,200</b>	<b>\$ 8,517,941</b>	<b>\$ 1,871,212</b>	<b>\$ 11,964,594</b>	<b>\$ 902,335</b>	<b>\$ (190)</b>	<b>\$ 22,369,637</b>	<b>\$ 107,301,729</b>

At June 30, 2023, outstanding encumbrances are as follows:

Funds	Amount
General Fund	\$ 2,800,121
Capital Outlay Capital Projects Fund	1,480,713
Water Utility Fund	908,662
Sewer Maintenance Fund	597,364
Nonmajor Enterprise Funds	807,313
Nonmajor Governmental Funds	1,602,537
<b>Total</b>	<b>\$ 8,196,710</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 12 – Deficit Fund Balances/Net Position**

As of June 30, 2023, deficit fund balances will be eliminated either through future revenues or transfers from the General Fund. Deficit fund balances/net position were recorded as follows:

Major Fund:		
Pension Obligation Bonds	\$	190
Nonmajor Special Revenue Funds:		
OTS Grant	\$	3,857
CDBG	\$	9,618
Transportation Impact	\$	85,024
State and County Gas Tax	\$	450,967
Homeland Security Fund	\$	81,680
County Homelessness Grant	\$	230,245
CA OES HSGP	\$	27
Fiduciary Fund:		
Successor Agency to the Arcadia Redevelopment		
Agency Private-Purpose Trust Fund	\$	5,263,515

**Note 13 - Contingencies**

**A. Lawsuits**

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. Additionally, City management believes that the City's insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize (See Note 8).

**B. Federal and State Grant Programs**

The City participates in Federal and State grant programs. These programs were audited in accordance with the provisions of the Uniform Guidance in 2 CFR 200 Subpart Single Audit and applicable State requirements. No cost disallowance is expected as a result of these audits; however, these programs are subject to further examination by the grantors. Expenditures which may be disallowed, if any, by the granting agencies, cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

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## **REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**

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**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

Budgetary Comparison Schedule, General Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 52,687,800	\$ 52,687,800	\$ 61,209,302	\$ 8,521,502
Licenses and permits	5,478,000	5,478,000	5,713,730	235,730
Fines and forfeitures	413,500	413,500	586,351	172,851
Use of money and property	1,359,200	1,359,200	2,637,399	1,278,199
Intergovernmental	8,757,700	8,757,700	8,866,988	109,288
Charges for services	5,014,900	5,014,900	6,044,899	1,029,999
Other revenues	3,167,800	3,154,500	3,448,477	293,977
<b>Total revenues</b>	<b>76,878,900</b>	<b>76,865,600</b>	<b>88,507,146</b>	<b>11,641,546</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City council	293,500	305,118	264,076	41,042
City manager	1,092,900	1,132,350	938,068	194,282
City clerk	510,200	513,627	410,014	103,613
City attorney	690,500	693,927	807,513	(113,586)
General city	3,938,200	3,938,200	4,100,143	(161,943)
Administrative services	5,459,600	5,649,645	4,916,694	732,951
Public safety:				
Police	25,477,600	26,558,052	24,632,705	1,925,347
Fire	20,486,100	21,746,147	20,517,261	1,228,886
Public works services	4,972,400	5,608,765	4,796,793	811,972
Community development	5,426,000	5,647,541	5,016,366	631,175
Library	4,858,400	5,103,204	4,527,372	575,832
Recreation and community services	3,436,300	3,523,540	3,387,809	135,731
Debt service:				
Principal retirement	58,100	58,100	182,983	(124,883)
<b>Total expenditures</b>	<b>76,699,800</b>	<b>80,478,216</b>	<b>74,497,797</b>	<b>5,980,419</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>179,100</b>	<b>(3,612,616)</b>	<b>14,009,349</b>	<b>17,621,965</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	1,947,600	1,947,600	2,092,259	144,659
Transfers out	(3,210,500)	(3,210,500)	(3,217,771)	(7,271)
SBITA proceeds	-	-	363,363	363,363
<b>Total other financing sources (uses)</b>	<b>(1,262,900)</b>	<b>(1,262,900)</b>	<b>(762,149)</b>	<b>500,751</b>
<b>Net changes in fund balance</b>	<b>\$ (1,083,800)</b>	<b>\$ (4,875,516)</b>	<b>\$ 13,247,200</b>	<b>\$ 18,122,716</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			48,429,000	
End of fiscal year			<b>\$ 61,676,200</b>	

See Accompanying Notes to the Required Supplementary Information.

**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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Budgetary Comparison Schedule, Parks and Recreation Special Revenue Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 185,933	\$ 185,933
Charges for services	1,400,000	1,400,000	550,784	(849,216)
<b>Total revenues</b>	<b>1,400,000</b>	<b>1,400,000</b>	<b>736,717</b>	<b>(663,283)</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and community services	1,337,900	5,416,813	45,765	5,371,048
<b>Total expenditures</b>	<b>1,337,900</b>	<b>5,416,813</b>	<b>45,765</b>	<b>5,371,048</b>
<b>Net change in fund balance</b>	<b>\$ 62,100</b>	<b>\$ (4,016,813)</b>	<b>690,952</b>	<b>\$ 4,707,765</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			7,826,989	
End of fiscal year			<b>\$ 8,517,941</b>	

**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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*Budgetary Comparison Schedule, Measure W Safe, Clean Water Program Special Revenue Fund*

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 1,020,000	\$ 1,020,000	\$ 1,019,768	\$ (232)
Use of money and property	-	-	84,700	84,700
<b>Total revenues</b>	<b>1,020,000</b>	<b>1,020,000</b>	<b>1,104,468</b>	<b>84,468</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	371,000	521,826	220,830	300,996
<b>Total expenditures</b>	<b>371,000</b>	<b>521,826</b>	<b>220,830</b>	<b>300,996</b>
<b>Net change in fund balance</b>	<b>\$ 649,000</b>	<b>\$ 498,174</b>	<b>883,638</b>	<b>\$ 385,464</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>987,574</u>	
End of fiscal year			<u>\$ 1,871,212</u>	

**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2023**

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Budgetary Comparison Schedule, American Rescue Plan Act Special Revenue Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 896,095	\$ 896,095
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>896,095</b>	<b>896,095</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
General city	2,639,700	2,719,198	329,165	2,390,033
Public safety:				
Fire	-	28,320	7,900	20,420
Community development	-	-	524,001	(524,001)
Library	-	57,789	5,174	52,615
Recreation and community services	-	-	29,855	(29,855)
<b>Total expenditures</b>	<b>2,639,700</b>	<b>2,805,307</b>	<b>896,095</b>	<b>1,909,212</b>
<b>Net change in fund balance</b>	<b>\$ (2,639,700)</b>	<b>\$ (2,805,307)</b>	<b>-</b>	<b>\$ 2,805,307</b>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of fiscal year				-
End of fiscal year			\$ -	

**City of Arcadia**  
**Note to the Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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***A. General Budget Policies***

All governmental funds have legally adopted budgets except for the IRS Task Force Special Revenue Fund, Santa Anita Grade Separation Special Revenue Fund, Library State Grant Special Revenue Fund, CA OES HSGP Special Revenue, and Emergency Response Special Revenue Fund. Budgets are developed in accordance with U.S. GAAP. The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Several supplemental appropriations were made during the fiscal year. Intrafund budget changes are approved by the City Manager. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the department level. At fiscal year-end, all unencumbered operating budget appropriations lapse with the exception of continuing appropriations.

***B. Continuing Appropriations***

At fiscal year-end, all unencumbered appropriations lapse, however, certain unexpended capital funds are carried over into the next fiscal year's budget.

***C. Encumbrances***

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, special revenue, and similar governmental funds. Encumbrances outstanding at fiscal year-end represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at fiscal year-end are completed. They do not constitute expenditures or estimated liabilities.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Changes in the Net Pension Liability and Related Ratios**

<b>Employer Fiscal Year</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>
	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
Measurement Period	2021-22 <sup>1</sup>	2021-22 <sup>1</sup>	2020-21 <sup>1</sup>	2020-21 <sup>1</sup>	2019-20 <sup>1</sup>	2019-20 <sup>1</sup>
<b>Total Pension Liability</b>						
Service Cost	2,820,078	\$ 4,934,594	2,517,187	\$ 4,442,542	\$ 2,513,089	\$ 4,813,185
Interest on the Total Pension Liability	11,776,596	20,002,704	11,593,471	19,479,942	11,224,512	18,818,770
Changes of Assumptions	5,218,291	11,064,491	-	-	-	-
Difference between Expected and Actual Experience	(2,103,355)	(3,171,607)	(198,638)	(388,137)	261,219	(1,449,797)
Benefit Payments, including Refunds of Employee Contributions	(9,180,659)	(14,892,882)	(8,515,738)	(14,334,859)	(8,245,720)	(13,287,809)
<b>Net Change in Total Pension Liability</b>	<b>8,530,951</b>	<b>17,937,300</b>	<b>5,396,282</b>	<b>9,199,488</b>	<b>5,753,100</b>	<b>8,894,349</b>
<b>Total Pension Liability - Beginning</b>	<b>170,740,656</b>	<b>286,980,519</b>	<b>165,344,374</b>	<b>277,781,031</b>	<b>159,591,274</b>	<b>268,886,682</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 179,271,607</b>	<b>\$ 304,917,819</b>	<b>\$ 170,740,656</b>	<b>\$ 286,980,519</b>	<b>\$ 165,344,374</b>	<b>\$ 277,781,031</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 3,130,875	\$ 6,470,822	\$ 33,024,710	\$ 74,743,487	\$ 4,951,643	\$ 9,417,055
Contributions - Employees	1,111,468	1,435,187	1,099,003	1,435,152	1,057,314	1,488,874
Net Investment Income	(12,610,469)	(21,312,652)	29,812,725	48,746,123	5,505,059	8,449,650
Benefit Payments, including Refunds of Employee Contributions	(9,180,659)	(14,892,882)	(8,515,738)	(14,334,859)	(8,245,720)	(13,287,809)
Net Plan to Plan Resource Movement	-	-	-	-	-	-
Administrative Expense	(105,472)	(176,768)	(113,886)	(173,163)	(156,334)	(236,156)
Other Miscellaneous Income/(Expense)	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(17,654,257)</b>	<b>(28,476,293)</b>	<b>55,306,814</b>	<b>110,416,740</b>	<b>3,111,962</b>	<b>5,831,614</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>169,313,529</b>	<b>283,763,837</b>	<b>114,006,715</b>	<b>173,347,097</b>	<b>110,894,753</b>	<b>167,515,483</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 151,659,272</b>	<b>\$ 255,287,544</b>	<b>\$ 169,313,529</b>	<b>\$ 283,763,837</b>	<b>\$ 114,006,715</b>	<b>\$ 173,347,097</b>
Net Pension Liability - Ending (a)-(b)	<b>\$ 27,612,335</b>	<b>\$ 49,630,275</b>	<b>\$ 1,427,127</b>	<b>\$ 3,216,682</b>	<b>\$ 51,337,659</b>	<b>\$ 104,433,934</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.60%	83.72%	99.16%	98.88%	68.95%	62.40%
Covered Payroll	\$ 15,336,468	\$ 17,150,016	\$ 14,626,303	\$ 15,039,071	\$ 14,526,524	\$ 16,244,295
Net Pension Liability as Percentage of Covered Payroll	180.04%	289.39%	9.76%	21.39%	353.41%	642.90%

<sup>1</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable.

**Note to Schedule of Changes in Net Pension Liability and Related Ratios:**

Change in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

Change in Benefits Terms: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine fiscal years are shown.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**

<b>Employer Fiscal Year</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>
	<b>2020</b>	<b>2020</b>	<b>2019</b>	<b>2019</b>	<b>2018</b>	<b>2018</b>
Measurement Period	2018-19 <sup>1</sup>	2018-19 <sup>1</sup>	2017-18 <sup>1</sup>	2017-18 <sup>1</sup>	2016-17 <sup>1</sup>	2016-17 <sup>1</sup>
<b>Total Pension Liability</b>						
Service Cost	\$ 2,471,582	\$ 4,550,453	\$ 2,414,680	\$ 4,550,348	\$ 2,479,413	\$ 4,421,293
Interest on the Total Pension Liability	10,829,020	18,202,912	10,388,343	17,496,493	10,112,665	16,966,601
Changes of Assumptions	-	-	(708,241)	(1,004,801)	8,439,391	14,657,803
Difference between Expected and Actual Experience						
Benefit Payments, including Refunds of Employee Contributions	1,256,812	93,353	(510,244)	(1,131,087)	(1,844,825)	(2,513,643)
	(7,856,734)	(12,355,271)	(7,993,155)	(12,165,240)	(6,978,080)	(11,645,698)
<b>Net Change in Total Pension Liability</b>	<b>6,700,680</b>	<b>10,491,447</b>	<b>3,591,383</b>	<b>7,745,713</b>	<b>12,208,564</b>	<b>21,886,356</b>
<b>Total Pension Liability - Beginning</b>	<b>152,890,594</b>	<b>258,395,235</b>	<b>149,299,211</b>	<b>250,649,522</b>	<b>137,090,647</b>	<b>228,763,166</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 159,591,274</b>	<b>\$ 268,886,682</b>	<b>\$ 152,890,594</b>	<b>\$ 258,395,235</b>	<b>\$ 149,299,211</b>	<b>\$ 250,649,522</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 4,372,487	\$ 8,413,611	\$ 3,857,676	\$ 7,393,585	\$ 3,547,604	\$ 6,660,024
Contributions - Employees	1,058,595	1,465,739	1,019,318	1,591,963	1,013,824	1,401,873
Net Investment Income	6,963,383	10,474,946	8,665,866	12,757,688	10,572,689	15,647,198
Benefit Payments, including Refunds of Employee Contributions	(7,856,734)	(12,355,271)	(7,993,155)	(12,165,240)	(6,978,080)	(11,645,698)
Net Plan to Plan Resource Movement	-	-	(2,714)	2,094	-	-
Administrative Expense	(75,953)	(113,915)	(157,921)	(234,880)	(137,789)	(205,036)
Other Miscellaneous Income/(Expense)	248	372	(299,895)	(446,041)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>4,462,026</b>	<b>7,885,482</b>	<b>5,089,175</b>	<b>8,899,169</b>	<b>8,018,248</b>	<b>11,858,361</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>106,432,727</b>	<b>159,630,001</b>	<b>101,343,552</b>	<b>150,730,832</b>	<b>93,325,304</b>	<b>138,872,471</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 110,894,753</b>	<b>\$ 167,515,483</b>	<b>\$ 106,432,727</b>	<b>\$ 159,630,001</b>	<b>\$ 101,343,552</b>	<b>\$ 150,730,832</b>
Net Pension Liability - Ending (a)-(b)	<b>\$ 48,696,521</b>	<b>\$ 101,371,199</b>	<b>\$ 46,457,867</b>	<b>\$ 98,765,234</b>	<b>\$ 47,955,659</b>	<b>\$ 99,918,690</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.49%	62.30%	69.61%	61.78%	67.88%	60.14%
Covered Payroll	\$ 14,123,323	\$ 15,237,762	\$ 13,505,676	\$ 15,247,111	\$ 13,759,226	\$ 14,774,086
Net Pension Liability as Percentage of Covered Payroll	344.80%	665.26%	343.99%	647.76%	348.53%	676.31%

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**

<b>Employer Fiscal Year</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>	<b>Miscellaneous Plan</b>	<b>Public Safety</b>
	<b>2017</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>	<b>2015</b>	<b>2015</b>
Measurement Period	2015-16 <sup>1</sup>	2015-16 <sup>1</sup>	2014-15 <sup>1</sup>	2014-15 <sup>1</sup>	2013-14 <sup>1</sup>	2013-14 <sup>1</sup>
<b>Total Pension Liability</b>						
Service Cost	\$ 2,154,256	\$ 3,814,364	\$ 2,219,359	\$ 3,763,633	\$ 2,248,238	\$ 3,861,700
Interest on the Total Pension Liability	9,896,489	16,526,033	9,503,789	15,776,405	9,195,374	15,027,164
Changes of Assumptions	-	-	(2,327,431)	(3,988,041)	-	-
Difference between Expected and Actual Experience	3,004	1,423,294	(1,103,125)	1,494,687	-	-
Benefit Payments, including Refunds of Employee Contributions	(6,497,665)	(11,393,253)	(6,622,897)	(10,986,006)	(6,119,226)	(9,976,294)
<b>Net Change in Total Pension Liability</b>	<b>5,556,084</b>	<b>10,370,438</b>	<b>1,669,695</b>	<b>6,060,678</b>	<b>5,324,386</b>	<b>8,912,570</b>
<b>Total Pension Liability - Beginning</b>	<b>131,534,563</b>	<b>\$ 218,392,728</b>	<b>129,864,868</b>	<b>212,332,050</b>	<b>124,540,482</b>	<b>203,419,480</b>
<b>Total Pension Liability - Ending (a)</b>	<b>\$ 137,090,647</b>	<b>\$ 228,763,166</b>	<b>\$ 131,534,563</b>	<b>\$ 218,392,728</b>	<b>\$ 129,864,868</b>	<b>\$ 212,332,050</b>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 3,252,745	\$ 6,049,364	\$ 3,005,140	\$ 5,537,175	\$ 2,723,852	\$ 5,003,393
Contributions - Employees	1,052,718	1,323,542	1,041,598	1,299,531	1,050,853	1,500,951
Net Investment Income	487,596	704,558	2,193,768	3,239,139	14,566,912	22,017,842
Benefit Payments, including Refunds of Employee Contributions	(6,497,665)	(11,393,253)	(6,622,897)	(10,986,006)	(6,119,226)	(9,976,294)
Net Plan to Plan Resource Movement	(186)	186	(420)	(23,206)	-	-
Administrative Expense	(57,951)	(86,709)	(107,014)	(160,137)	-	-
Other Miscellaneous Income/(Expense)	-	-	-	-	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	<b>(1,762,743)</b>	<b>(3,402,312)</b>	<b>(489,825)</b>	<b>(1,093,504)</b>	<b>12,222,391</b>	<b>18,545,892</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>95,088,047</b>	<b>142,274,783</b>	<b>95,577,872</b>	<b>143,368,287</b>	<b>83,355,481</b>	<b>124,822,395</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<b>\$ 93,325,304</b>	<b>\$ 138,872,471</b>	<b>\$ 95,088,047</b>	<b>\$ 142,274,783</b>	<b>\$ 95,577,872</b>	<b>\$ 143,368,287</b>
Net Pension Liability - Ending (a)-(b)	<b>\$ 43,765,343</b>	<b>\$ 89,890,695</b>	<b>\$ 36,446,516</b>	<b>\$ 76,117,945</b>	<b>\$ 34,286,996</b>	<b>\$ 68,963,763</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.08%	60.71%	72.29%	65.15%	73.60%	67.52%
Covered Payroll	\$ 13,185,552	\$ 14,384,057	\$ 13,353,541	\$ 14,161,240	\$ 12,766,824	\$ 14,011,974
Net Pension Liability as Percentage of Covered Payroll	331.92%	624.93%	272.94%	537.51%	268.56%	492.18%

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Contributions<sup>1</sup>**

	<b>Miscellaneous Plan</b>				
	2023	2022	2021	2020	2019
Employer Fiscal Year End	\$ 3,309,277	\$ 3,127,968	\$ 5,366,181	\$ 4,951,643	\$ 4,372,487
Actuarially Determined Contribution	(3,309,277)	(3,127,968)	(33,024,710)	(4,951,643)	(4,372,487)
Contributions in Relation to the Actuarially Determined Contribution	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (27,658,529)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Contribution Deficiency (Excess)	\$ 15,441,811	\$ 15,336,468	\$ 14,626,303	\$ 14,526,524	\$ 14,123,323
Covered Payroll					
Contributions as a Percentage of Covered Payroll	21.43%	20.40%	36.69%	34.09%	30.96%

	<b>Miscellaneous Plan</b>			
	2018	2017	2016	2015
Employer Fiscal Year End	\$ 3,857,676	\$ 3,547,604	\$ 3,252,745	\$ 3,005,140
Actuarially Determined Contribution	(3,857,676)	(3,547,604)	(3,252,745)	(3,005,140)
Contributions in Relation to the Actuarially Determined Contribution	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Contribution Deficiency (Excess)	\$ 13,505,676	\$ 13,759,226	\$ 13,185,552	\$ 13,353,541
Covered Payroll				
Contributions as a Percentage of Covered Payroll	28.56%	25.78%	24.67%	22.50%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were from the June 30, 2020 public agency valuations.

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method/Period	Level Percent of Pay
Asset Valuation Method	Fair Value of Assets
Inflation	2.500%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS' Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine fiscal years are shown.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Fiscal Years\***

**Schedule of Contributions<sup>1</sup>**

	<b>Public Safety Plan</b>				
	2023	2022	2021	2020	2019
Employer Fiscal Year End	\$ 7,254,760	\$ 6,464,255	\$ 10,100,516	\$ 9,417,055	\$ 8,413,611
Actuarially Determined Contribution	<u>(7,254,760)</u>	<u>(6,464,255)</u>	<u>(74,743,487)</u>	<u>(9,417,055)</u>	<u>(8,413,611)</u>
Contributions in Relation to the Actuarially Determined Contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (64,642,971)</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution Deficiency (Excess)	<u>\$ 15,877,593</u>	<u>\$ 17,150,016</u>	<u>\$ 15,039,071</u>	<u>\$ 16,244,295</u>	<u>\$ 15,237,762</u>
Covered Payroll	45.69%	37.69%	497.00%	57.97%	55.22%
Contributions as a Percentage of Covered Payroll					

	<b>Public Safety Plan</b>			
	2018	2017	2016	2015
Employer Fiscal Year End	\$ 7,393,585	\$ 6,660,024	\$ 6,049,364	\$ 5,537,175
Actuarially Determined Contribution	<u>(7,393,585)</u>	<u>(6,660,024)</u>	<u>(6,049,364)</u>	<u>(5,537,175)</u>
Contributions in Relation to the Actuarially Determined Contribution	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contribution Deficiency (Excess)	<u>\$ 15,247,111</u>	<u>\$ 14,774,086</u>	<u>\$ 14,384,057</u>	<u>\$ 14,161,240</u>
Covered Payroll	48.49%	45.08%	42.06%	39.10%
Contributions as a Percentage of Covered Payroll				

<sup>1</sup> Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable.

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2022-23 were from the June 30, 2020 public agency valuations.

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method/Period	Level Percent of Pay
Asset Valuation Method	Fair Value of Assets
Inflation	2.500%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	2.75%
Investment Rate of Return	7.00% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2017 CalPERS' Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS' Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

\* Fiscal year 2015 was the 1st year of implementation, therefore only nine fiscal years are shown.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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**Schedule of Changes in Net OPEB Liability and Related Ratios\***

Employer Fiscal Year End Measurement Period	2022-23 2021-22 <sup>1</sup>	2021-22 2020-21 <sup>1</sup>	2020-21 2019-20 <sup>1</sup>	2019-20 2018-19 <sup>1</sup>	2018-19 2017-18 <sup>1</sup>	2017-18 2016-17 <sup>1</sup>
<b>Total OPEB Liability</b>						
Service Cost	\$ 630,962	\$ 555,773	\$ 539,587	\$ 624,092	\$ 571,905	\$ 553,903
Interest on the Total OPEB Liability	1,232,324	1,315,564	1,277,195	1,473,509	1,433,073	1,373,468
Changes of Benefit Terms	-	-	-	-	-	-
Difference between Expected and Actual Experience	-	(1,159,229)	-	(4,103,434)	-	-
Changes of Assumptions	-	1,545,077	-	926,042	518,256	-
Benefit Payments	(1,374,685)	(1,296,606)	(1,249,082)	(1,232,218)	(1,188,482)	(1,064,775)
Net Change in Total OPEB Liability	488,601	960,579	567,700	(2,312,009)	1,334,752	862,596
Total OPEB Liability - Beginning	20,258,421	19,297,842	18,730,142	21,042,151	19,707,399	18,844,803
Total OPEB Liability - Ending	<u>\$ 20,747,022</u>	<u>\$ 20,258,421</u>	<u>\$ 19,297,842</u>	<u>\$ 18,730,142</u>	<u>\$ 21,042,151</u>	<u>\$ 19,707,399</u>
<b>OPEB Fiduciary Net Position</b>						
Contributions from the Employer	\$ 2,574,685	\$ 2,446,606	\$ 2,191,682	\$ 2,143,818	\$ 1,839,281	\$ 1,715,575
Plan experience	-	402,509	(137,211)	-	19,701	-
Net Investment Income	(1,249,898)	1,163,298	318,573	229,602	183,040	180,573
Administrative Expenses	(2,302)	(2,199)	(2,462)	(826)	(1,425)	(875)
Other expenses	-	-	-	-	(2,901)	-
Benefit Payments	(1,374,685)	(1,296,606)	(1,249,082)	(1,232,218)	(1,188,482)	(1,064,775)
Net Change in Plan Fiduciary Net Position	(52,200)	2,713,608	1,121,500	1,140,376	849,214	830,498
Plan Fiduciary Net Position - Beginning	\$ 8,015,744	\$ 5,302,136	\$ 4,180,636	\$ 3,040,260	2,191,046	1,360,548
Plan Fiduciary Net Position - Ending	<u>\$ 7,963,544</u>	<u>\$ 8,015,744</u>	<u>\$ 5,302,136</u>	<u>\$ 4,180,636</u>	<u>\$ 3,040,260</u>	<u>\$ 2,191,046</u>
Plan Net OPEB Liability - Ending	<u>\$ 12,783,478</u>	<u>\$ 12,242,677</u>	<u>\$ 13,995,706</u>	<u>\$ 14,549,506</u>	<u>\$ 18,001,891</u>	<u>\$ 17,516,353</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	38.38%	39.57%	27.48%	22.32%	14.45%	11.12%
Covered-Employee Payroll	\$ 36,964,789	\$ 33,974,008	\$ 34,745,161	\$ 34,884,018	\$ 33,785,974	\$ 33,578,926
Net OPEB Liability as a Percentage of Covered-Employee Payroll	34.58%	36.04%	40.28%	41.71%	53.28%	52.16%

<sup>1</sup> Historical information is required only for measurement periods for which GASB Statement No. 75 is applicable.

\* Fiscal year 2018 was the 1st year of implementation, therefore only six fiscal years are shown.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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**Schedule of Contributions – OPEB**

**Last Ten Fiscal Years<sup>1</sup>**

	2022-2023	2021-2022	2020-2021	2019-2020	20018-2019	2017-2018
Actuarially Determine Contribution	\$ 1,468,662	\$ 1,618,693	\$ 1,636,344	\$ 1,634,135	\$ 1,891,281	\$ 1,828,930
Contributions in Relation to the Actuarially Determined Contribution	3,050,051	2,574,685	2,446,606	2,191,682	2,143,818	1,839,281
Contribution Deficiency (Excess)	<u>\$ (1,581,389)</u>	<u>\$ (955,992)</u>	<u>\$ (810,262)</u>	<u>\$ (557,547)</u>	<u>\$ (252,537)</u>	<u>\$ (10,351)</u>
Cover Employee Payroll During Fiscal Year	\$ 37,040,755	\$ 36,964,789	\$ 33,974,008	\$ 34,745,161	\$ 34,884,018	\$ 33,785,974
Contributions as a Percentage of Covered Employee Payroll	8.23%	6.97%	7.20%	6.31%	6.15%	5.44%

<sup>1</sup> GASB Statement No. 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation. Fiscal year 2018 was the 1st year of implementation, therefore only six fiscal years are shown.

Notes to Schedule:

Valuation Date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age
	Normal Level	Normal Level	Normal Level	Normal Level	Normal Level	Normal Level
	% of Pay	% of Pay	% of Pay	% of Pay	% of Pay	% of Pay
Amortization Method	Level % of Payroll Closed	Level % of Payroll Closed	Level % of Payroll Closed	Level % of Payroll Closed	Level % of Payroll Closed	Level % of Payroll Closed
	30 Years	30 Years	30 Years	30 Years	30 Years	30 Years
Amortization Period	19 Years	20 Years	21 Years	21 Years	22 Years	23 Years
	Remain	Remain	Remain	Remain	Remain	Remain
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Healthcare Cost Trend Rates	5.8% in 2023, grading down to 3.9% by 2076	5.8% in 2023, grading down to 3.9% by 2076	6.5% in 2021, grading down to 4% by 2076	6.5% in 2021, grading down to 4% by 2076	8.0% in 2018, step down by 0.5% to 5% by 2024	8.0% in 2018, step down by 0.5% to 5% by 2024
Salary Increase	3.00%	3.00%	3.00%	3.00%	3.25%	3.25%
Investment Rate of Return	6.10%	6.10%	6.85%	6.85%	7.28%	7.28%
Retirement Age	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	2017 CalPERS' Experience Study	2017 CalPERS' Experience Study	2017 CalPERS' Experience Study	2017 CalPERS' Experience Study	2017 CalPERS' Experience Study	2017 CalPERS' Experience Study
Mortality Improvement	MW Scale 2022	MW Scale 2022	MW Scale 2020	MW Scale 2020	MW Scale 2017	MW Scale 2017

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## **SUPPLEMENTARY INFORMATION**

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## MAJOR GOVERNMENTAL FUND

### CAPITAL PROJECTS FUND

***Capital Outlay Capital Projects Fund*** - established to account for all Pari-mutuel revenues received from Santa Anita Race Track. Expenditures from this Fund generally relate to the acquisition of capital, but also includes traffic control in and around the race track.

### DEBT SERVICE FUND

***General Obligation Bonds Debt Service Fund*** - established to accumulate monies for payment of principal and interest on General Obligation Bonds. Debt service is financed through voter approved indebtedness assessed against property owners.

***Pension Obligation Bonds Debt Service Fund*** – established to accumulate monies for payment of principal and interest on Pension Obligation Bonds. Debt service is from any source of legally available funds of the City.

## NONMAJOR GOVERNMENTAL FUNDS

### SPECIAL REVENUE FUNDS

***Narcotics Seizure Fund*** - established to account for revenues and expenditures related to law enforcement activities.

***Citizens' Option for Public Safety Supplemental Law Enforcement Services Fund (COPS SLESF)*** - established to account for funds distributed in support of the Citizens Option for Public Safety (COPS) Program. Funds must be used for front line police services.

***OTS Grant Fund*** - established to account for the activities of the Selective Traffic Enforcement Grant Program (STEP) coordinated by the Office of Traffic and Safety. The grant is designed to help persons killed and injured in crashes involving alcohol, speed, and other primary collision factors. The program supports DUI saturation patrols, and measures that concentrate on seat belt enforcement, intersection operations with disproportion collisions, traffic safety presentations, and motorcycle safety.

***Traffic Safety Fund*** - established to account for fines received on Vehicle Code violations which can be used only for traffic safety expenditures.

***Solid Waste Fund*** - established to account for revenues and expenditures to administer the requirements established by the California Integrated Waste Management Act (AB 939).

***Air Quality Management District Fund (AQMD)*** - established for the administration, studies, and implementation of air quality measures.

***Community Development Block Grant Fund (CDBG)*** - established to account for financing the rehabilitation of privately held homes and government infrastructure. Financing is provided by the Federal Housing and Community Development Act.

***Proposition A Transit Fund*** - established to account for the receipts of the City's share of the 1/2 cent sales tax levied in Los Angeles County for local transit uses.

***Transportation Impact Fund*** - established to account for the revenues generated by the Transportation Impact Fee Program and expenditures paid for the intersection improvements identified in the City's Transportation Master Plan. The Transportation Impact Fee Program, which is consistent with state law, establishes a contribution from new development based on the number of P.M. peak-hour vehicle trips added to the City's arterial network.

## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

### SPECIAL REVENUE FUNDS (Continued)

**State and County Gas Tax Fund** - established to account for the construction and maintenance of the road network system of the City. Financing is provided by the City's share of state gasoline taxes and funds made available by Los Angeles County. State and County laws require that these gasoline taxes be used to maintain streets.

**Measure R Fund** - established to account for monies received from Measure R allocation, which can be used to major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeway; pedestrian improvements; streetscapes; signal synchronizations; and transit operations.

**Lighting Maintenance Fund** - established to account for the maintenance of street lighting systems installed at the request of local residents. Original financing is provided through assessments to the benefiting property owners.

**Prop C Local Return Fund** - established to account for financial activities for the City's share of Proposition C monies; designated for transportation related activities.

**IRS Task Force Fund** - established to account for financial activities related to the Department of Treasury Internal Revenue Service Los Angeles Suspicious Activity Reports and Money Services Businesses Task Force.

**TDA Article 3 Bikeway Fund** - established to account for Transportation Development Act funds for facility use by pedestrians and bicycles.

**Santa Anita Grade Separation Fund** - established to account for financial activities for the Gold Line Foothill Extension. City management has decided to fund a Gold Line grade separation at Santa Anita Avenue.

**Homeland Security Fund** - established to account for grants received through the Office of Homeland Security to purchase specialized equipment that would enhance the capabilities of local agencies to respond to incidents of terrorism involving the use of weapons of mass destruction.

**Library State Grant Fund** - established to account for the monies allocated by the State legislature for augmenting public library funds and for circulation based reimbursements which allows for universal borrowing privileges for the citizens of California.

**Public, Education, and Government (PEG) Access Television Fund** - established to account for the fees received from the cable operators for administration and improvement to any public, educational, and government access television.

**Used Oil Grant Fund** - established to account for the funding received from the used oil payment program administered by the Department of Resources Recycling and Recovery to provide for used oil and used oil filter collection and recycling and for public education.

**DOC Beverage Grant Fund** - established to account for funding received from CalRecycle for beverage container recycling and litter cleanup activities.

**Road Maintenance and Rehabilitation Act Fund** - established to address deferred maintenance on the state highway system and the local street and road system.

## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

### SPECIAL REVENUE FUNDS (Continued)

**Measure M Fund** - established to account for monies received from Measure M allocation, which can be used to major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeway; pedestrian improvements; streetscapes; signal synchronizations; and transit operations.

**County Homelessness Grant Fund** - established to track funding and the activities related to the City of Arcadia's response to those experiencing homelessness.

**California Governor's Office of Emergency Services (Cal OES) Homeland Security Grant Program (HSGP) Fund** - established to account for grant reimbursement of eligible equipment, training, organization, exercise, and planning needs of the Arcadia Police Department that meets Cal OES's homeland security grant objectives

**Emergency Response Fund** - established to track expenditures related to a City declared emergency.

**The Taskforce for Regional Autotheft Prevention Fund** - established to investigate, prosecute and deter vehicle theft and vehicle fraud on a coordinated and cooperative basis.

## NONMAJOR ENTERPRISE FUNDS

**Transit System Enterprise Fund** - established to account for the City-operated "Dial-A-Ride" van service to the general public. Principal sources of revenue are the Los Angeles County Proposition "A" funds, Federal Transit Administration Capital Assistance, State Transportation Development Act Funds, and passenger fees.

**Arcadia PAR 3 Golf Course Enterprise Fund** - established to account for the City-operated golf course service to the general public.

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**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Capital Outlay Capital Projects Fund**  
**For the Fiscal Year Ended June 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 400,000	\$ 400,000	\$ 362,339	\$ (37,661)
Use of money and property	-	-	250,581	250,581
Intergovernmental	-	-	155,568	155,568
<b>Total revenues</b>	<b>400,000</b>	<b>400,000</b>	<b>768,488</b>	<b>368,488</b>
<b>EXPENDITURES</b>				
Current:				
General government:				
General City	650,600	964,440	51,139	913,301
Public safety:				
Police	30,000	414,685	19,685	395,000
Fire	226,000	542,323	110,050	432,273
Public works services	1,622,000	3,159,806	1,279,009	1,880,797
Community development	75,000	75,000	655	74,345
Library	340,000	774,091	4,707	769,384
Recreation and community services	755,000	1,115,000	14,203	1,100,797
<b>Total expenditures</b>	<b>3,698,600</b>	<b>7,045,345</b>	<b>1,479,448</b>	<b>5,565,897</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(3,298,600)</b>	<b>(6,645,345)</b>	<b>(710,960)</b>	<b>5,934,385</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in				
<b>Total other financing sources (uses)</b>	<b>2,400,000</b>	<b>2,400,000</b>	<b>2,400,000</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (898,600)</b>	<b>\$ (4,245,345)</b>	<b>1,689,040</b>	<b>\$ 5,934,385</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year				10,275,554
End of fiscal year				<b>\$ 11,964,594</b>

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Obligation Bonds Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 861,944	\$ 861,944
Use of money and property	-	-	18,657	18,657
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>880,601</b>	<b>880,601</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
General city	2,300	2,300	2,300	-
Debt service:				
Principal retirement	735,000	735,000	934,000	(199,000)
Interest and fiscal charges	276,500	276,500	70,330	206,170
<b>Total expenditures</b>	<b>1,013,800</b>	<b>1,013,800</b>	<b>1,006,630</b>	<b>7,170</b>
<b>Net change in fund balance</b>	<b>\$ (1,013,800)</b>	<b>\$ (1,013,800)</b>	<b>(126,029)</b>	<b>\$ 887,771</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,028,364	
End of fiscal year			<b>\$ 902,335</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Pension Obligation Bonds**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ -	\$ -
Other revenues	-	-	5,746,303	5,746,303
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>5,746,303</b>	<b>5,746,303</b>
<b>EXPENDITURES:</b>				
Current:				
General city	-	-	1,500	(1,500)
Debt service:				
Principal retirement	2,735,000	2,735,000	3,790,700	(1,055,700)
Interest and fiscal charges	3,137,900	3,137,900	1,955,603	1,182,297
<b>Total expenditures</b>	<b>5,872,900</b>	<b>5,872,900</b>	<b>5,747,803</b>	<b>125,097</b>
<b>Net change in fund balance</b>	<b>\$ (5,872,900)</b>	<b>\$ (5,872,900)</b>	<b>(1,500)</b>	<b>\$ 5,871,400</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			1,310	
End of fiscal year			<b>\$ (190)</b>	

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2023**

	Special Revenue				
	Narcotics Seizure	COPS SLESF	OTS Grant	Traffic Safety	Solid Waste
<b>ASSETS</b>					
Cash and investments	\$ 191,251	\$ 272,374	\$ -	\$ -	\$ 2,032,107
Accounts receivable	3,672	-	-	3,345	141,653
Interest receivable	-	1,560	-	-	11,643
Due from other governments	5,434	-	-	-	-
<b>Total assets</b>	<b>\$ 200,357</b>	<b>\$ 273,934</b>	<b>\$ -</b>	<b>\$ 3,345</b>	<b>\$ 2,185,403</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 3,543	\$ -	\$ 3,076	\$ 7,402
Accrued salaries payable	-	4,799	-	-	5,868
Due to other funds	-	-	3,857	269	-
Deposits	-	-	-	-	-
Retentions payable	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>8,342</b>	<b>3,857</b>	<b>3,345</b>	<b>13,270</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	200,357	265,592	-	-	2,172,133
Committed	-	-	-	-	-
Unassigned	-	-	(3,857)	-	-
<b>Total fund balances (deficits)</b>	<b>200,357</b>	<b>265,592</b>	<b>(3,857)</b>	<b>-</b>	<b>2,172,133</b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 200,357</b>	<b>\$ 273,934</b>	<b>\$ -</b>	<b>\$ 3,345</b>	<b>\$ 2,185,403</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2023**

	Special Revenue				
	AQMD	CDBG	Prop A Transit	Transportation Impact	State and County Gas Tax
<b>ASSETS</b>					
Cash and investments	\$ 192,698	\$ -	\$ 3,788,160	\$ 148,737	\$ -
Accounts receivable	-	-	-	-	-
Interest receivable	1,104	-	21,111	852	-
Due from other governments	18,655	71,153	-	-	124,853
<b>Total assets</b>	<b>\$ 212,457</b>	<b>\$ 71,153</b>	<b>\$ 3,809,271</b>	<b>\$ 149,589</b>	<b>\$ 124,853</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 3,275	\$ -	\$ 170,991	\$ -
Accrued salaries payable	-	-	5,489	-	-
Due to other funds	-	67,198	-	-	575,820
Deposits	-	-	-	-	-
Retentions payable	-	-	-	63,622	-
<b>Total liabilities</b>	<b>-</b>	<b>70,473</b>	<b>5,489</b>	<b>234,613</b>	<b>575,820</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	10,298	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>10,298</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	212,457	-	3,803,782	-	-
Committed	-	-	-	-	-
Unassigned	-	(9,618)	-	(85,024)	(450,967)
<b>Total fund balances (deficits)</b>	<b>212,457</b>	<b>(9,618)</b>	<b>3,803,782</b>	<b>(85,024)</b>	<b>(450,967)</b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 212,457</b>	<b>\$ 71,153</b>	<b>\$ 3,809,271</b>	<b>\$ 149,589</b>	<b>\$ 124,853</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2023**

	Special Revenue				
	Measure R	Lighting Maintenance	Prop C	IRS Task Force	TDA Article 3 Bikeway
<b>ASSETS</b>					
Cash and investments	\$ 2,213,424	\$ 322,943	\$ 4,817,329	\$ 465,413	\$ -
Accounts receivable	-	-	-	-	-
Interest receivable	12,284	1,851	27,604	-	-
Due from other governments	-	8,778	-	-	95,136
<b>Total assets</b>	<b>\$ 2,225,708</b>	<b>\$ 333,572</b>	<b>\$ 4,844,933</b>	<b>\$ 465,413</b>	<b>\$ 95,136</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 17,516	\$ 85,929	\$ 23,151	\$ -	\$ -
Accrued salaries payable	1,847	6,784	2,534	-	-
Due to other funds	-	-	-	-	94,667
Deposits	-	-	-	-	-
Retentions payable	-	-	-	-	-
<b>Total liabilities</b>	<b>19,363</b>	<b>92,713</b>	<b>25,685</b>	<b>-</b>	<b>94,667</b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	2,206,345	240,859	4,819,248	465,413	469
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>2,206,345</b>	<b>240,859</b>	<b>4,819,248</b>	<b>465,413</b>	<b>469</b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 2,225,708</b>	<b>\$ 333,572</b>	<b>\$ 4,844,933</b>	<b>\$ 465,413</b>	<b>\$ 95,136</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2023**

	Special Revenue							
	Santa Anita		Library		PEG			
	Grade Separation	Homeland Security	State Grant	Access Television	Used Oil Grant			
<b>ASSETS</b>								
Cash and investments	\$ 720,014	\$ -	\$ 624	\$ 1,073,360	\$ 9,041			
Accounts receivable	-	-	-	15,668	-			
Interest receivable	4,126	-	-	6,150	52			
Due from other governments	-	79,000	-	-	-			
<b>Total assets</b>	<b><u>\$ 724,140</u></b>	<b><u>\$ 79,000</u></b>	<b><u>\$ 624</u></b>	<b><u>\$ 1,095,178</u></b>	<b><u>\$ 9,093</u></b>			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>								
<b>Liabilities:</b>								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	3,891	
Accrued salaries payable	-	-	-	-	-	-	-	
Due to other funds	-	81,680	-	-	-	-	-	
Deposits	-	-	-	-	-	-	-	
Retentions payable	-	-	-	-	-	-	-	
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>81,680</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>3,891</u></b>	
<b>Deferred Inflows of Resources:</b>								
Unavailable revenue	-	79,000	-	-	-	-	-	
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>79,000</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	
<b>Fund Balances:</b>								
Restricted	724,140	-	624	1,095,178	5,202			
Committed	-	-	-	-	-			
Unassigned	-	(81,680)	-	-	-			
<b>Total fund balances (deficits)</b>	<b><u>724,140</u></b>	<b><u>(81,680)</u></b>	<b><u>624</u></b>	<b><u>1,095,178</u></b>	<b><u>5,202</u></b>			
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b><u>\$ 724,140</u></b>	<b><u>\$ 79,000</u></b>	<b><u>\$ 624</u></b>	<b><u>\$ 1,095,178</u></b>	<b><u>\$ 9,093</u></b>			

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2023**

	Special Revenue				
	Road Maintenance and Rehabilitation		County Homelessness Grant		
	DOC Beverage Grant	Act	Measure M	CA OES HSGP	
<b>ASSETS</b>					
Cash and investments	\$ 70,728	\$ 1,536,560	\$ 2,571,810	\$ -	\$ -
Accounts receivable	-	-	-	-	-
Interest receivable	405	8,805	14,737	-	-
Due from other governments	-	113,953	-	215,465	-
<b>Total assets</b>	<b><u>\$ 71,133</u></b>	<b><u>\$ 1,659,318</u></b>	<b><u>\$ 2,586,547</u></b>	<b><u>\$ 215,465</u></b>	<b><u>\$ -</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 57,934	\$ 26,950	\$ 18,200	\$ -
Accrued salaries payable	-	-	-	-	-
Due to other funds	-	-	-	212,045	27
Deposits	-	-	-	-	-
Retentions payable	-	-	662	-	-
<b>Total liabilities</b>	<b><u>-</u></b>	<b><u>57,934</u></b>	<b><u>27,612</u></b>	<b><u>230,245</u></b>	<b><u>27</u></b>
<b>Deferred Inflows of Resources:</b>					
Unavailable revenue	-	-	-	215,465	-
<b>Total deferred inflows of resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>215,465</u></b>	<b><u>-</u></b>
<b>Fund Balances:</b>					
Restricted	71,133	1,601,384	2,558,935	-	-
Committed	-	-	-	-	-
Unassigned	-	-	-	(230,245)	(27)
<b>Total fund balances (deficits)</b>	<b><u>71,133</u></b>	<b><u>1,601,384</u></b>	<b><u>2,558,935</u></b>	<b><u>(230,245)</u></b>	<b><u>(27)</u></b>
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b><u>\$ 71,133</u></b>	<b><u>\$ 1,659,318</u></b>	<b><u>\$ 2,586,547</u></b>	<b><u>\$ 215,465</u></b>	<b><u>\$ -</u></b>

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2023**

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	Special Revenue		Total	
	Emergency Response	The Taskforce for Regional Autotheft Prevention	Nonmajor Governmental Funds	
<b>ASSETS</b>				
Cash and investments	\$ 2,827,012	\$ -	\$ 23,253,585	
Accounts receivable	-	-	164,338	
Interest receivable	-	-	112,284	
Due from other governments	-	-	732,427	
<b>Total assets</b>	<b>\$ 2,827,012</b>	<b>\$ -</b>	<b>\$ 24,262,634</b>	
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ 421,858	
Accrued salaries payable	-	-	27,321	
Due to other funds	-	-	1,035,563	
Deposits	39,208	-	39,208	
Retentions payable	-	-	64,284	
<b>Total liabilities</b>	<b>39,208</b>	<b>-</b>	<b>1,588,234</b>	
<b>Deferred Inflows of Resources:</b>				
Unavailable revenue	-	-	304,763	
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>304,763</b>	
<b>Fund Balances:</b>				
Restricted	-	-	20,443,251	
Committed	2,787,804	-	2,787,804	
Unassigned	-	-	(861,418)	
<b>Total fund balances (deficits)</b>	<b>2,787,804</b>	<b>-</b>	<b>22,369,637</b>	
<b>Total liabilities and deferred inflows of resources and fund balances</b>	<b>\$ 2,827,012</b>	<b>\$ -</b>	<b>\$ 24,262,634</b>	

(Concluded)

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue				
	Narcotics Seizure	COPS SLESF	OTS Grant	Traffic Safety	Solid Waste
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 655,800
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	184,554	-
Use of money and property	495	7,144	-	-	45,969
Intergovernmental	-	-	7,246	-	-
Charges for services	45,527	-	-	-	154,553
Other revenues	20,867	165,271	-	-	1,748
<b>Total revenues</b>	<b>66,889</b>	<b>172,415</b>	<b>7,246</b>	<b>184,554</b>	<b>858,070</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	178,406	14,658	-	-
Fire	-	-	-	-	-
Public works services	-	-	-	-	366,799
Community development	-	-	-	-	-
Recreation and community services	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>178,406</b>	<b>14,658</b>	<b>-</b>	<b>366,799</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>66,889</b>	<b>(5,991)</b>	<b>(7,412)</b>	<b>184,554</b>	<b>491,271</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(184,554)	(300,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(184,554)</b>	<b>(300,000)</b>
<b>Net changes in fund balances</b>	<b>66,889</b>	<b>(5,991)</b>	<b>(7,412)</b>	<b>-</b>	<b>191,271</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of fiscal year	133,468	271,583	3,555	-	1,980,862
End of fiscal year	<b>\$ 200,357</b>	<b>\$ 265,592</b>	<b>\$ (3,857)</b>	<b>\$ -</b>	<b>\$ 2,172,133</b>

(Continued)

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue				
	AQMD	CDBG	Prop A Transit	Transportation Impact	State and County Gas Tax
	-	-	-	-	-
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	- -	- -	- -	121,931 -	- -
Fines and forfeitures	- -	- -	- -	- -	- -
Use of money and property	5,499 -	- -	62,388 -	36,737 -	101 -
Intergovernmental	92,800 -	243,639 -	1,515,576 -	- -	1,427,144 -
Charges for services	- -	31,128 -	- -	- -	- -
Other revenues	- -	- -	- -	- -	- -
<b>Total revenues</b>	<b>98,299</b>	<b>274,767</b>	<b>1,577,964</b>	<b>158,668</b>	<b>1,427,245</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	- -	- -	- -	- -	- -
Public safety:					
Police	- -	- -	- -	- -	- -
Fire	- -	- -	- -	- -	- -
Public works services	110,000 -	- -	142,632 -	- -	3,800 -
Community development	12,444 -	176,142 -	130,059 -	1,536,754 -	- -
Recreation and community services	- -	98,625 -	5,023 -	- -	- -
<b>Total expenditures</b>	<b>122,444</b>	<b>274,767</b>	<b>277,714</b>	<b>1,536,754</b>	<b>3,800</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(24,145)</b>	<b>-</b>	<b>1,300,250</b>	<b>(1,378,086)</b>	<b>1,423,445</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	- -	- -	- -	- -	- -
Transfers out	- -	- -	(357,187) -	- -	(1,607,705) -
<b>Total other financing sources (uses)</b>	<b>- -</b>	<b>- -</b>	<b>(357,187) -</b>	<b>- -</b>	<b>(1,607,705) -</b>
<b>Net changes in fund balances</b>	<b>(24,145)</b>	<b>-</b>	<b>943,063</b>	<b>(1,378,086)</b>	<b>(184,260)</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of fiscal year	236,602 -	(9,618) -	2,860,719 -	1,293,062 -	(266,707) -
End of fiscal year	<b>\$ 212,457</b>	<b>\$ (9,618)</b>	<b>\$ 3,803,782</b>	<b>\$ (85,024)</b>	<b>\$ (450,967)</b>

(Continued)

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue				
	Measure R	Lighting Maintenance	Prop C	IRS Task Force	TDA Article 3 Bikeway
	-	-	-	-	-
<b>REVENUES:</b>					
Taxes	\$ -	\$ 543,214	\$ -	\$ -	\$ -
Licenses and permits	- -	- -	- -	- -	- -
Fines and forfeitures	- -	- -	- -	- -	- -
Use of money and property	34,524	5,545	44,967	3,159	- -
Intergovernmental	942,573	- -	3,128,541	- -	95,136
Charges for services	- -	- -	- -	- -	- -
Other revenues	- -	- -	- -	- -	- -
<b>Total revenues</b>	<b>977,097</b>	<b>548,759</b>	<b>3,173,508</b>	<b>3,159</b>	<b>95,136</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	- -	- -	- -	- -	- -
Public safety:					
Police	- -	- -	- -	- -	- -
Fire	- -	- -	- -	- -	- -
Public works services	- -	1,363,065	- -	- -	- -
Community development	147,122	- -	329,137	- -	881
Recreation and community services	- -	- -	- -	- -	- -
<b>Total expenditures</b>	<b>147,122</b>	<b>1,363,065</b>	<b>329,137</b>	<b>- -</b>	<b>881</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>829,975</b>	<b>(814,306)</b>	<b>2,844,371</b>	<b>3,159</b>	<b>94,255</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	- -	817,771	- -	- -	- -
Transfers out	(238,124)	- -	- -	- -	- -
<b>Total other financing sources (uses)</b>	<b>(238,124)</b>	<b>817,771</b>	<b>- -</b>	<b>- -</b>	<b>- -</b>
<b>Net changes in fund balances</b>	<b>591,851</b>	<b>3,465</b>	<b>2,844,371</b>	<b>3,159</b>	<b>94,255</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of fiscal year	1,614,494	237,394	1,974,877	462,254	(93,786)
End of fiscal year	<b>\$ 2,206,345</b>	<b>\$ 240,859</b>	<b>\$ 4,819,248</b>	<b>\$ 465,413</b>	<b>\$ 469</b>

(Continued)

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue				
	Santa Anita		Library	PEG	Used Oil Grant
	Grade Separation	Homeland Security	State Grant	Access Television	
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 65,007	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	4,721	-	-	23,505	275
Intergovernmental	-	20,447	-	-	8,814
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>4,721</b>	<b>20,447</b>	<b>-</b>	<b>88,512</b>	<b>9,089</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Fire	-	78,483	-	-	-
Public works services	-	-	-	-	12,400
Community development	-	-	-	-	-
Recreation and community services	-	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>78,483</b>	<b>-</b>	<b>-</b>	<b>12,400</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>4,721</b>	<b>(58,036)</b>	<b>-</b>	<b>88,512</b>	<b>(3,311)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>4,721</b>	<b>(58,036)</b>	<b>-</b>	<b>88,512</b>	<b>(3,311)</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of fiscal year	719,419	(23,644)	624	1,006,666	8,513
End of fiscal year	<b>\$ 724,140</b>	<b>\$ (81,680)</b>	<b>\$ 624</b>	<b>\$ 1,095,178</b>	<b>\$ 5,202</b>

(Continued)

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

	Special Revenue				
	Road Maintenance		County		
	DOC Beverage Grant	and Rehabilitation Act	Measure M	Homelessness Grant	CA OES HSGP
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,234	34,862	47,035	-	-
Intergovernmental	14,246	1,256,298	1,159,027	78,687	-
Charges for services	-	-	-	-	39,770
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>15,480</b>	<b>1,291,160</b>	<b>1,206,062</b>	<b>78,687</b>	<b>39,770</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works services	-	-	-	-	-
Community development	-	1,161,307	407,109	-	-
Recreation and community services	-	-	-	240,166	-
<b>Total expenditures</b>	<b>-</b>	<b>1,161,307</b>	<b>407,109</b>	<b>240,166</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>15,480</b>	<b>129,853</b>	<b>798,953</b>	<b>(161,479)</b>	<b>39,770</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>15,480</b>	<b>129,853</b>	<b>798,953</b>	<b>(161,479)</b>	<b>39,770</b>
<b>FUND BALANCES (DEFICITS):</b>					
Beginning of fiscal year	55,653	1,471,531	1,759,982	(68,766)	(39,797)
End of fiscal year	<b>\$ 71,133</b>	<b>\$ 1,601,384</b>	<b>\$ 2,558,935</b>	<b>\$ (230,245)</b>	<b>\$ (27)</b>

(Continued)

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2023**

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	Special Revenue		Total Nonmajor Governmental Funds
	Emergency Response	The Taskforce for Regional Autotheft Prevention	
<b>REVENUES:</b>			
Taxes	\$ -	\$ -	\$ 1,264,021
Licenses and permits	-	-	121,931
Fines and forfeitures	-	-	184,554
Use of money and property	-	-	358,160
Intergovernmental	3,694	-	9,993,868
Charges for services	-	-	270,978
Other revenues	2,832,594	-	3,020,480
<b>Total revenues</b>	<b>2,836,288</b>	<b>-</b>	<b>15,213,992</b>
<b>EXPENDITURES:</b>			
Current:			
General government:			
General city	7,202	-	7,202
Public safety:			
Police	-	(5,500)	187,564
Fire	-	-	78,483
Public works services	-	-	1,998,696
Community development	-	-	3,900,955
Recreation and community services	-	-	343,814
<b>Total expenditures</b>	<b>7,202</b>	<b>(5,500)</b>	<b>6,516,714</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,829,086</b>	<b>5,500</b>	<b>8,697,278</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in	-	-	817,771
Transfers out	-	-	(2,687,570)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(1,869,799)</b>
<b>Net changes in fund balances</b>	<b>2,829,086</b>	<b>5,500</b>	<b>6,827,479</b>
<b>FUND BALANCES (DEFICITS):</b>			
Beginning of fiscal year	(41,282)	(5,500)	15,542,158
End of fiscal year	<b>\$ 2,787,804</b>	<b>\$ -</b>	<b>\$ 22,369,637</b>

(Concluded)

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Narcotics Seizure Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 495	\$ 495
Charges for services	30,000	30,000	45,527	15,527
Other revenues	-	-	20,867	20,867
<b>Total revenues</b>	<b>30,000</b>	<b>30,000</b>	<b>66,889</b>	<b>36,889</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 30,000</b>	<b>\$ 30,000</b>	<b>66,889</b>	<b>\$ 36,889</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			133,468	
End of fiscal year			<b>\$ 200,357</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**COPS SLESF Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 7,144	\$ 7,144
Other revenues	170,000	170,000	165,271	(4,729)
<b>Total revenues</b>	<b>170,000</b>	<b>170,000</b>	<b>172,415</b>	<b>2,415</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	175,100	178,216	178,406	(190)
<b>Total expenditures</b>	<b>175,100</b>	<b>178,216</b>	<b>178,406</b>	<b>(190)</b>
<b>Net change in fund balance</b>	<b>\$ (5,100)</b>	<b>\$ (8,216)</b>	<b>(5,991)</b>	<b>\$ 2,225</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			271,583	
End of fiscal year			<b>\$ 265,592</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**OTS Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 96,500	\$ 96,500	\$ 7,246	\$ (89,254)
<b>Total revenues</b>	<b>96,500</b>	<b>96,500</b>	<b>7,246</b>	<b>(89,254)</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	96,500	96,500	14,658	81,842
<b>Total expenditures</b>	<b>96,500</b>	<b>96,500</b>	<b>14,658</b>	<b>81,842</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(7,412)</b>	<b>\$ (7,412)</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			3,555	
End of fiscal year			<b>\$ (3,857)</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Traffic Safety Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Fines and forfeitures	\$ 152,000	\$ 152,000	\$ 184,554	\$ 32,554
<b>Total revenues</b>	<b>152,000</b>	<b>152,000</b>	<b>184,554</b>	<b>32,554</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	-	-	(184,554)	(184,554)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(184,554)</b>	<b>(184,554)</b>
<b>Net change in fund balance</b>	<b>\$ 152,000</b>	<b>\$ 152,000</b>	<b>-</b>	<b>\$ (152,000)</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			-	
End of fiscal year			\$ -	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Solid Waste Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 570,000	\$ 570,000	\$ 655,800	\$ 85,800
Use of money and property	-	-	45,969	45,969
Charges for services	130,000	130,000	154,553	24,553
Other revenues	500	500	1,748	1,248
<b>Total revenues</b>	<b>700,500</b>	<b>700,500</b>	<b>858,070</b>	<b>157,570</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	472,600	475,092	366,799	108,293
<b>Total expenditures</b>	<b>472,600</b>	<b>475,092</b>	<b>366,799</b>	<b>108,293</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>227,900</b>	<b>225,408</b>	<b>491,271</b>	<b>265,863</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(300,000)	(300,000)	(300,000)	-
<b>Total other financing sources (uses)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>(300,000)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ (72,100)</b>	<b>\$ (74,592)</b>	<b>191,271</b>	<b>\$ 265,863</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,980,862	
End of fiscal year			<b>\$ 2,172,133</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**AQMD Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 5,499	\$ 5,499
Intergovernmental	74,500	74,500	92,800	18,300
<b>Total revenues</b>	<b>74,500</b>	<b>74,500</b>	<b>98,299</b>	<b>23,799</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	-	160,000	110,000	50,000
Community development	22,300	22,300	12,444	9,856
<b>Total expenditures</b>	<b>22,300</b>	<b>182,300</b>	<b>122,444</b>	<b>59,856</b>
<b>Net change in fund balance</b>	<b>\$ 52,200</b>	<b>\$ (107,800)</b>	<b>(24,145)</b>	<b>\$ 83,655</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			236,602	
End of fiscal year			<b>\$ 212,457</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CDBG Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 243,639	\$ 243,639
Charges for services	31,700	31,700	31,128	(572)
<b>Total revenues</b>	<b>31,700</b>	<b>31,700</b>	<b>274,767</b>	<b>243,067</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	265,700	269,880	176,142	93,738
Recreation and community services	98,900	98,900	98,625	275
<b>Total expenditures</b>	<b>364,600</b>	<b>368,780</b>	<b>274,767</b>	<b>94,013</b>
<b>Net change in fund balance</b>	<b>\$ (332,900)</b>	<b>\$ (337,080)</b>	<b>-</b>	<b>\$ 337,080</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			(9,618)	
End of fiscal year			<b>\$ (9,618)</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Proposition A Transit Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 62,388	\$ 62,388
Intergovernmental	1,406,000	1,406,000	1,515,576	109,576
<b>Total revenues</b>	<b>1,406,000</b>	<b>1,406,000</b>	<b>1,577,964</b>	<b>171,964</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	140,100	143,216	142,632	584
Community development	128,800	129,734	130,059	(325)
Recreation and community services	22,600	22,600	5,023	17,577
<b>Total expenditures</b>	<b>291,500</b>	<b>295,550</b>	<b>277,714</b>	<b>17,836</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,114,500</b>	<b>1,110,450</b>	<b>1,300,250</b>	<b>189,800</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,011,300)	(1,011,300)	(357,187)	654,113
<b>Total other financing sources (uses)</b>	<b>(1,011,300)</b>	<b>(1,011,300)</b>	<b>(357,187)</b>	<b>654,113</b>
<b>Net change in fund balance</b>	<b>\$ 103,200</b>	<b>\$ 99,150</b>	<b>943,063</b>	<b>\$ 843,913</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			2,860,719	
End of fiscal year			<b>\$ 3,803,782</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Transportation Impact Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Licenses and permits	\$ 300,000	\$ 300,000	\$ 121,931	\$ (178,069)
Use of money and property	-	-	36,737	36,737
<b>Total revenues</b>	<b>300,000</b>	<b>300,000</b>	<b>158,668</b>	<b>(141,332)</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	200,000	1,779,789	1,536,754	243,035
<b>Total expenditures</b>	<b>200,000</b>	<b>1,779,789</b>	<b>1,536,754</b>	<b>243,035</b>
<b>Net change in fund balance</b>	<b>\$ 100,000</b>	<b>\$ (1,479,789)</b>	<b>(1,378,086)</b>	<b>\$ 101,703</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			1,293,062	
End of fiscal year			<u>\$ (85,024)</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**State and County Gas Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 101	\$ 101
Intergovernmental	1,667,400	1,667,400	1,427,144	(240,256)
<b>Total revenues</b>	<b>1,667,400</b>	<b>1,667,400</b>	<b>1,427,245</b>	<b>(240,155)</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	-	-	3,800	(3,800)
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>3,800</b>	<b>(3,800)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,667,400</b>	<b>1,667,400</b>	<b>1,423,445</b>	<b>(243,955)</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,488,600)	(1,488,600)	(1,607,705)	(119,105)
<b>Total other financing sources (uses)</b>	<b>(1,488,600)</b>	<b>(1,488,600)</b>	<b>(1,607,705)</b>	<b>(119,105)</b>
<b>Net change in fund balance</b>	<b>\$ 178,800</b>	<b>\$ 178,800</b>	<b>(184,260)</b>	<b>\$ (363,060)</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			(266,707)	
End of fiscal year			<b>\$ (450,967)</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Measure R Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 34,524	\$ 34,524
Intergovernmental	875,000	875,000	942,573	67,573
<b>Total revenues</b>	<b>875,000</b>	<b>875,000</b>	<b>977,097</b>	<b>102,097</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	77,000	1,677,623	147,122	1,530,501
<b>Total expenditures</b>	<b>77,000</b>	<b>1,677,623</b>	<b>147,122</b>	<b>1,530,501</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>798,000</b>	<b>(802,623)</b>	<b>829,975</b>	<b>1,632,598</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(674,200)	(674,200)	(238,124)	436,076
<b>Total other financing sources (uses)</b>	<b>(674,200)</b>	<b>(674,200)</b>	<b>(238,124)</b>	<b>436,076</b>
<b>Net change in fund balance</b>	<b>\$ 123,800</b>	<b>\$ (1,476,823)</b>	<b>591,851</b>	<b>\$ 2,068,674</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,614,494	
End of fiscal year			<b>\$ 2,206,345</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Lighting Maintenance Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 540,400	\$ 540,400	\$ 543,214	\$ 2,814
Use of money and property	-	-	5,545	5,545
<b>Total revenues</b>	<b>540,400</b>	<b>540,400</b>	<b>548,759</b>	<b>8,359</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	1,350,900	1,356,819	1,363,065	(6,246)
<b>Total expenditures</b>	<b>1,350,900</b>	<b>1,356,819</b>	<b>1,363,065</b>	<b>(6,246)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(810,500)</b>	<b>(816,419)</b>	<b>(814,306)</b>	<b>2,113</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	810,500	810,500	817,771	7,271
<b>Total other financing sources (uses)</b>	<b>810,500</b>	<b>810,500</b>	<b>817,771</b>	<b>7,271</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (5,919)</b>	<b>3,465</b>	<b>\$ 9,384</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			237,394	
End of fiscal year			<b>\$ 240,859</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Prop C Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 44,967	\$ 44,967
Intergovernmental	1,166,800	1,166,800	3,128,541	1,961,741
<b>Total revenues</b>	<b>1,166,800</b>	<b>1,166,800</b>	<b>3,173,508</b>	<b>2,006,708</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	3,510,600	5,170,104	329,137	4,840,967
<b>Total expenditures</b>	<b>3,510,600</b>	<b>5,170,104</b>	<b>329,137</b>	<b>4,840,967</b>
<b>Net change in fund balance</b>	<b>\$ (2,343,800)</b>	<b>\$ (4,003,304)</b>	<b>2,844,371</b>	<b>\$ 6,847,675</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,974,877	
End of fiscal year			<b>\$ 4,819,248</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**TDA Article 3 Bikeway Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 95,136	\$ 95,136
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>95,136</b>	<b>95,136</b>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	881	881	-
<b>Total expenditures</b>	<b>-</b>	<b>881</b>	<b>881</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (881)</b>	<b>94,255</b>	<b>\$ 95,136</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			(93,786)	
End of fiscal year			\$ 469	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Homeland Security Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ 20,447	\$ 20,447
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>20,447</b>	<b>20,447</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Fire	75,000	75,000	78,483	(3,483)
<b>Total expenditures</b>	<b>75,000</b>	<b>75,000</b>	<b>78,483</b>	<b>(3,483)</b>
<b>Net change in fund balance</b>	<b>\$ (75,000)</b>	<b>\$ (75,000)</b>	<b>(58,036)</b>	<b>\$ 16,964</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			(23,644)	
End of fiscal year			<b>\$ (81,680)</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**PEG Access Television Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 80,000	\$ 80,000	\$ 65,007	\$ (14,993)
Use of money and property	-	-	23,505	23,505
<b>Total revenues</b>	<b>80,000</b>	<b>80,000</b>	<b>88,512</b>	<b>8,512</b>
<b>EXPENDITURES:</b>				
Current:				
General city	25,000	50,000	-	50,000
<b>Total expenditures</b>	<b>25,000</b>	<b>50,000</b>	<b>-</b>	<b>50,000</b>
<b>Net change in fund balance</b>	<b>\$ 55,000</b>	<b>\$ 30,000</b>	<b>88,512</b>	<b>\$ 58,512</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,006,666	
End of fiscal year			<b>\$ 1,095,178</b>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Used Oil Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 275	\$ 275
Intergovernmental	<u>15,500</u>	<u>15,500</u>	<u>8,814</u>	<u>(6,686)</u>
<b>Total revenues</b>	<b><u>15,500</u></b>	<b><u>15,500</u></b>	<b><u>9,089</u></b>	<b><u>(6,411)</u></b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	<u>7,000</u>	<u>7,000</u>	<u>12,400</u>	<u>(5,400)</u>
<b>Total expenditures</b>	<b><u>7,000</u></b>	<b><u>7,000</u></b>	<b><u>12,400</u></b>	<b><u>(5,400)</u></b>
<b>Net change in fund balance</b>	<b><u>\$ 8,500</u></b>	<b><u>\$ 8,500</u></b>	<b><u>(3,311)</u></b>	<b><u>\$ (11,811)</u></b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>8,513</u>	
End of fiscal year			<u>\$ 5,202</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**DOC Beverage Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 1,234	\$ 1,234
Intergovernmental	<u>14,500</u>	<u>14,500</u>	<u>14,246</u>	<u>(254)</u>
<b>Total revenues</b>	<b><u>14,500</u></b>	<b><u>14,500</u></b>	<b><u>15,480</u></b>	<b><u>980</u></b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total expenditures</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Net change in fund balance</b>	<b><u>\$ 14,500</u></b>	<b><u>\$ 14,500</u></b>	<b><u>15,480</u></b>	<b><u>\$ 980</u></b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>55,653</u>	
End of fiscal year			<u>\$ 71,133</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Road Maintenance and Rehabilitation Act Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 34,862	\$ 34,862
Intergovernmental	<u>1,314,300</u>	<u>1,314,300</u>	<u>1,256,298</u>	<u>(58,002)</u>
<b>Total revenues</b>	<u>1,314,300</u>	<u>1,314,300</u>	<u>1,291,160</u>	<u>(23,140)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>1,200,000</u>	<u>2,545,412</u>	<u>1,161,307</u>	<u>1,384,105</u>
<b>Total expenditures</b>	<u>1,200,000</u>	<u>2,545,412</u>	<u>1,161,307</u>	<u>1,384,105</u>
<b>Net change in fund balance</b>	<u>\$ 114,300</u>	<u>\$ (1,231,112)</u>	<u>129,853</u>	<u>\$ 1,360,965</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>1,471,531</u>	
End of fiscal year			<u>\$ 1,601,384</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Measure M Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 47,035	\$ 47,035
Intergovernmental	<u>991,800</u>	<u>991,800</u>	<u>1,159,027</u>	<u>167,227</u>
<b>Total revenues</b>	<b><u>991,800</u></b>	<b><u>991,800</u></b>	<b><u>1,206,062</u></b>	<b><u>214,262</u></b>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>2,162,000</u>	<u>4,553,242</u>	<u>407,109</u>	<u>4,146,133</u>
<b>Total expenditures</b>	<b><u>2,162,000</u></b>	<b><u>4,553,242</u></b>	<b><u>407,109</u></b>	<b><u>4,146,133</u></b>
<b>Net change in fund balance</b>	<b><u>\$ (1,170,200)</u></b>	<b><u>\$ (3,561,442)</u></b>	<b><u>798,953</u></b>	<b><u>\$ 4,360,395</u></b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>1,759,982</u>	
End of fiscal year			<u>\$ 2,558,935</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**County Homelessness Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

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	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ 466,200	\$ 466,200	\$ 78,687	\$ (387,513)
<b>Total revenues</b>	<b>466,200</b>	<b>466,200</b>	<b>78,687</b>	<b>(387,513)</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and community services	466,200	466,200	240,166	226,034
<b>Total expenditures</b>	<b>466,200</b>	<b>466,200</b>	<b>240,166</b>	<b>226,034</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(161,479)</b>	<b>\$ (161,479)</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year				(68,766)
End of fiscal year				<b>\$ (230,245)</b>

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**The Taskforce for Regional Autotheft Prevention Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2023**

---

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
<b>REVENUES:</b>				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	151,400	151,400	(5,500)	156,900
<b>Total expenditures</b>	<b>151,400</b>	<b>151,400</b>	<b>(5,500)</b>	<b>156,900</b>
<b>Net change in fund balance</b>	<b>\$ (151,400)</b>	<b>\$ (151,400)</b>	<b>5,500</b>	<b>\$ 156,900</b>
<b>FUND BALANCE (DEFICITS):</b>				
Beginning of fiscal year			(5,500)	
End of fiscal year			\$ -	

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**City of Arcadia**  
**Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2023**

---

	Transit System	Arcadia PAR 3 Golf Course	Total Nonmajor Enterprise Funds
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets:			
Cash and investments	\$ -	\$ 1,961,520	\$ 1,961,520
Accounts receivable	- -	1,519	1,519
Prepaid items	- -	1,260	1,260
Due from other governments	54,107 -	-	54,107
Inventories	- -	44,025	44,025
Total current assets	<u>54,107</u>	<u>2,008,324</u>	<u>2,062,431</u>
Capital assets:			
Depreciable, net	411,665	64,760	476,425
Total capital assets	<u>411,665</u>	<u>64,760</u>	<u>476,425</u>
<b>Total assets</b>	<u>465,772</u>	<u>2,073,084</u>	<u>2,538,856</u>
Deferred outflows of resources:			
Deferred outflows related to net pension liability	129,048 -	-	129,048
<b>Total deferred outflows of resources</b>	<u>129,048</u>	<u>-</u>	<u>129,048</u>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
Current liabilities:			
Accounts payable	187,521	91,018	278,539
Accrued salaries payable	5,929 -	-	5,929
Interest payable	181 -	-	181
Due to other funds	173,863 -	-	173,863
Pension obligation bonds payable - due within one year	4,200 -	-	4,200
Total current liabilities	<u>371,694</u>	<u>91,018</u>	<u>462,712</u>
Noncurrent liabilities:			
Net pension liabilities	250,267 -	-	250,267
Pension obligation bonds payable - due in more than one year	87,000 -	-	87,000
Total noncurrent liabilities	<u>337,267</u>	<u>-</u>	<u>337,267</u>
<b>Total liabilities</b>	<u>708,961</u>	<u>91,018</u>	<u>799,979</u>
Deferred inflows of resources:			
Deferred inflows related to net pension liability	11,356 -	-	11,356
<b>Total deferred inflows of resources</b>	<u>11,356</u>	<u>-</u>	<u>11,356</u>
<b>NET POSITION</b>			
Net investment in capital assets	411,665	64,760	476,425
Unrestricted	(537,162)	1,917,306	1,380,144
<b>Total net position</b>	<u>\$ (125,497)</u>	<u>\$ 1,982,066</u>	<u>\$ 1,856,569</u>

**City of Arcadia**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2023**

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	Transit System	Arcadia PAR 3 Golf Course	Total Nonmajor Enterprise Funds
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 6,895	\$ 1,953,192	\$ 1,960,087
<b>Total operating revenues</b>	<b>6,895</b>	<b>1,953,192</b>	<b>1,960,087</b>
<b>OPERATING EXPENSES:</b>			
Administration and general	361,450	98,885	460,335
Merchandise and food	-	84,619	84,619
Supplies and maintenance	-	298,165	298,165
Contract costs	2,056,648	708,949	2,765,597
Depreciation	451,888	23,667	475,555
<b>Total operating expenses</b>	<b>2,869,986</b>	<b>1,214,285</b>	<b>4,084,271</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(2,863,091)</b>	<b>738,907</b>	<b>(2,124,184)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Federal and state grants	1,818,076	-	1,818,076
Gain (loss) on disposal of capital assets	-	(2,735)	(2,735)
Interest and fiscal charges	(2,184)	-	(2,184)
<b>Total nonoperating revenues (expenses)</b>	<b>1,815,892</b>	<b>(2,735)</b>	<b>1,813,157</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(1,047,199)</b>	<b>736,172</b>	<b>(311,027)</b>
<b>TRANSFERS:</b>			
Transfers in	595,311	-	595,311
<b>Total transfers</b>	<b>595,311</b>	<b>-</b>	<b>595,311</b>
<b>Changes in net position</b>	<b>(451,888)</b>	<b>736,172</b>	<b>284,284</b>
<b>NET POSITION:</b>			
Beginning of fiscal year	326,391	1,245,894	1,572,285
End of fiscal year	<b>\$ (125,497)</b>	<b>\$ 1,982,066</b>	<b>\$ 1,856,569</b>

**City of Arcadia**  
**Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2023**

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	Transit System	Arcadia PAR 3 Golf Course	Total Nonmajor Enterprise Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 6,895	\$ 1,765,455	\$ 1,772,350
Cash payments to suppliers for goods and services	(2,379,184)	(1,112,778)	(3,491,962)
Cash payments to employees for services	(197,395)	-	(197,395)
<b>Net cash provided by (used in) operating activities</b>	<b>(2,569,684)</b>	<b>652,677</b>	<b>(1,917,007)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Cash received from other governments	1,779,098	-	1,779,098
Due to other funds	173,863	-	173,863
Payments for pension obligation bonds	(4,200)	-	(4,200)
Payments of interest on pension obligation bonds	(2,186)	-	(2,186)
Transfers in	595,311	-	595,311
<b>Net cash provided (used) by noncapital financing activities</b>	<b>2,541,886</b>	<b>-</b>	<b>2,541,886</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Acquisition of capital assets	-	(16,538)	(16,538)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>-</b>	<b>(16,538)</b>	<b>(16,538)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	(27,798)	636,139	608,341
<b>CASH AND CASH EQUIVALENTS - Beginning of fiscal year</b>	<b>27,798</b>	<b>1,325,381</b>	<b>1,353,179</b>
<b>CASH AND CASH EQUIVALENTS - End of fiscal year</b>	<b>\$ -</b>	<b>\$ 1,961,520</b>	<b>\$ 1,961,520</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ (2,863,091)	\$ 738,907	\$ (2,124,184)
Adjustments to reconcile operating income (loss)			
to net cash provided by (used in) operating activities:			
Depreciation	451,888	23,667	475,555
Changes in assets, deferred outflows, liabilities, and deferred inflows:			
Accounts receivable	-	22,219	22,219
Prepaid items	-	3,714	3,714
Inventories	-	(20,280)	(20,280)
Accounts payable	(133,277)	94,406	(38,871)
Accrued salaries payable	(1,040)	-	(1,040)
Deposits	-	(209,956)	(209,956)
Net pension liabilities	233,894	-	233,894
Deferred outflow of resources - pension	(92,662)	-	(92,662)
Deferred inflow of resources - pension	(165,396)	-	(165,396)
<b>Total adjustments</b>	<b>293,407</b>	<b>(86,230)</b>	<b>207,177</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (2,569,684)</b>	<b>\$ 652,677</b>	<b>\$ (1,917,007)</b>

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# STATISTICAL SECTION

## (Unaudited)

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This part of the City of Arcadia's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
<b>Financial Trends</b> - These schedules contain information to help the reader to understand how the City's financial performance and well-being have changed over time.	
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**Sources:** Unless otherwise noted, the information in these schedules was derived from the City's annual comprehensive financial reports for the relevant year.

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**City of Arcadia**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 50,203,892	\$ 50,652,770	\$ 51,124,268	\$ 50,448,943	\$ 47,725,910
Restricted for:					
Capital Projects	755,064	-	-	-	-
Debt Service	786,567	694,085	664,992	706,723	698,863
Specific Projects and Programs	14,564,481	-	-	-	-
Community Purposes	8,236,718	10,578,749	12,424,349	13,472,245	
Public Safety	1,340,410	1,253,412	1,058,486	925,971	
Transportation/Streets	9,312,873	9,165,526	9,440,319	9,943,521	
Total Restricted	<u>16,106,112</u>	<u>694,085</u>	<u>21,662,679</u>	<u>23,629,877</u>	<u>25,040,600</u>
Unrestricted	<u>25,857,397</u>	<u>(75,062,952)</u>	<u>(71,558,258)</u>	<u>(72,803,923)</u>	<u>(95,840,709)</u>
Total governmental activities net position	<u><u>\$ 92,167,401</u></u>	<u><u>\$ (23,716,097)</u></u>	<u><u>\$ 1,228,689</u></u>	<u><u>\$ 1,274,897</u></u>	<u><u>\$ (23,074,199)</u></u>
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 50,835,309	\$ 48,858,963	\$ 46,957,250	\$ 46,000,669	\$ 44,405,319
Unrestricted	<u>35,505,795</u>	<u>23,494,250</u>	<u>22,536,965</u>	<u>20,182,581</u>	<u>18,243,338</u>
Total business-type activities net position	<u><u>\$ 86,341,104</u></u>	<u><u>\$ 72,353,213</u></u>	<u><u>\$ 69,494,215</u></u>	<u><u>\$ 66,183,250</u></u>	<u><u>\$ 62,648,657</u></u>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 101,039,201	\$ 99,511,733	\$ 98,081,518	\$ 96,449,612	\$ 92,131,229
Restricted	16,106,112	694,085	21,662,679	23,629,877	25,040,600
Unrestricted	61,363,192	(51,568,702)	(49,021,293)	(52,621,342)	(77,597,371)
Total Primary Government net position	<u><u>\$ 178,508,505</u></u>	<u><u>\$ 48,637,116</u></u>	<u><u>\$ 70,722,904</u></u>	<u><u>\$ 67,458,147</u></u>	<u><u>\$ 39,574,458</u></u>

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 48,831,491	\$ 55,858,893	\$ 55,972,945	\$ 54,984,585	\$ 55,695,486
Restricted for:					
Capital Projects	-	-	268,319	987,574	1,871,212
Debt Service	690,343	714,457	-	1,292,719	698,160
Specific Projects and Programs*	-	-	-	-	-
Community Purposes	14,939,901	9,542,104	10,819,094	11,353,303	12,325,825
Public Safety	820,309	837,230	833,442	870,860	931,362
Transportation/Streets	8,635,526	10,458,741	10,234,986	10,974,665	15,714,303
Total Restricted	<u>25,086,079</u>	<u>21,552,532</u>	<u>22,155,841</u>	<u>25,479,121</u>	<u>31,540,862</u>
Unrestricted	<u>(102,593,443)</u>	<u>(111,643,096)</u>	<u>(107,043,660)</u>	<u>(83,376,599)</u>	<u>(63,384,857)</u>
Total governmental activities net position	<u><u>\$ (28,675,873)</u></u>	<u><u>\$ (34,231,671)</u></u>	<u><u>\$ (28,914,874)</u></u>	<u><u>\$ (2,912,893)</u></u>	<u><u>\$ 23,851,491</u></u>
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 44,379,157	\$ 44,852,614	\$ 45,296,900	\$ 44,444,938	\$ 43,223,078
Unrestricted	<u>16,885,183</u>	<u>13,728,271</u>	<u>11,236,425</u>	<u>16,011,111</u>	<u>14,424,746</u>
Total business-type activities net position	<u><u>\$ 61,264,340</u></u>	<u><u>\$ 58,580,885</u></u>	<u><u>\$ 56,533,325</u></u>	<u><u>\$ 60,456,049</u></u>	<u><u>\$ 57,647,824</u></u>
<b>Primary Government:</b>					
Net investment in capital assets	\$ 93,210,648	\$ 100,711,507	\$ 101,269,845	\$ 99,429,523	\$ 98,918,564
Restricted	<u>25,086,079</u>	<u>21,552,532</u>	<u>22,155,841</u>	<u>25,479,121</u>	<u>31,540,862</u>
Unrestricted	<u>(85,708,260)</u>	<u>(97,914,825)</u>	<u>(95,807,235)</u>	<u>(67,365,488)</u>	<u>(48,960,111)</u>
Total Primary Government net position	<u><u>\$ 32,588,467</u></u>	<u><u>\$ 24,349,214</u></u>	<u><u>\$ 27,618,451</u></u>	<u><u>\$ 57,543,156</u></u>	<u><u>\$ 81,499,315</u></u>

**Source:** City of Arcadia Financial Reports

\* Specific Projects and Programs were divided into Community Purposes, Public Safety and Transportation/Street starting in 2015

**City of Arcadia**  
**Changes in Net Position**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities:					
General government	\$ 6,984,927	\$ 7,458,250	\$ 6,890,053	\$ 9,515,214	\$ 17,454,570
Public safety	31,879,134	32,579,734	34,089,922	36,377,345	37,298,318
Public works services	7,318,800	7,741,343	8,525,715	7,829,369	9,224,613
Community development	15,469,651	5,050,382	6,316,456	6,542,784	7,527,613
Library	3,381,138	3,640,914	3,858,956	4,000,700	3,982,384
Economic development*	-	-	-	-	-
Recreation and community services	3,740,097	3,310,420	3,455,024	3,593,171	3,600,354
Interest on long-term debt	455,077	434,682	417,780	398,133	373,622
Total governmental activities expenses	<u>\$ 69,228,824</u>	<u>\$ 60,215,725</u>	<u>\$ 63,553,906</u>	<u>\$ 68,256,716</u>	<u>\$ 79,461,474</u>
Business-type activities:					
Water	\$ 13,911,484	\$ 16,891,412	\$ 12,563,018	\$ 14,942,992	\$ 17,005,371
Sewer	1,347,002	1,457,275	1,360,509	1,440,677	1,779,385
Transit	2,010,402	1,836,228	1,818,171	1,935,418	1,823,710
Arcadia Par 3 Golf Course **	-	-	-	-	-
Total business-type activities expenses	<u>17,268,888</u>	<u>20,184,915</u>	<u>15,741,698</u>	<u>18,319,087</u>	<u>20,608,466</u>
Total primary government expenses	<u><u>\$ 86,497,712</u></u>	<u><u>\$ 80,400,640</u></u>	<u><u>\$ 79,295,604</u></u>	<u><u>\$ 86,575,803</u></u>	<u><u>\$ 100,069,940</u></u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 1,065	\$ -	\$ 33,223	\$ 596	\$ 7,184
Public safety	3,801,154	3,683,293	3,972,018	3,896,797	4,335,707
Public works services	455,285	312,995	434,681	363,274	491,341
Community development	5,951,472	4,497,375	4,577,662	5,406,275	2,712,354
Library	74,007	71,564	72,242	71,393	96,038
Recreation and community services	3,149,525	3,045,343	3,237,272	2,804,010	2,112,552
Operating Grants and Contributions	5,481,152	5,020,312	4,876,997	4,523,948	5,542,417
Capital Grants and Contributions	658,109	804,556	927,837	254,204	45,850
Total governmental activities program revenues	<u>19,571,769</u>	<u>17,435,438</u>	<u>18,131,932</u>	<u>17,320,497</u>	<u>15,343,443</u>
Business-type activities:					
Charges for services:					
Water	11,467,284	10,132,653	9,122,745	10,990,520	13,223,624
Sewer	1,308,313	1,310,499	1,664,249	2,046,705	2,347,364
Transit	89,710	76,484	63,520	12,408	13,246
Arcadia Par 3 Golf Course **	-	-	-	-	-
Operating Grants and Contributions	685,118	786,352	768,229	696,053	772,915
Capital Grants and Contributions	-	-	-	-	-
Total business-type activities program revenues	<u>13,550,425</u>	<u>12,305,988</u>	<u>11,618,743</u>	<u>13,745,686</u>	<u>16,357,149</u>
Total primary government program revenues	<u><u>\$ 33,122,194</u></u>	<u><u>\$ 29,741,426</u></u>	<u><u>\$ 29,750,675</u></u>	<u><u>\$ 31,066,183</u></u>	<u><u>\$ 31,700,592</u></u>

**Source:** City of Arcadia Financial Reports

\* Due to the closing of Arcadia Redevelopment Agency, Economic Development function was combined as part of the Economic Development Department.

\*\* The Arcadia Par 3 Golf Course began operating as an enterprise fund in fiscal year 2019.

**City of Arcadia**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Expenses</b>					
Governmental activities:					
General government	\$ 13,584,059	\$ 10,103,949	\$ 10,813,414	\$ 10,803,452	\$ 12,004,055
Public safety	40,360,568	47,203,348	43,574,155	29,066,389	41,795,701
Public works services	7,519,824	7,663,032	8,673,614	8,647,033	8,844,599
Community development	7,790,989	6,790,407	8,551,090	7,777,990	7,505,977
Library	4,168,410	5,016,702	4,050,091	4,277,054	4,423,335
Economic development*	-	-	-	-	-
Recreation and community services	3,691,627	3,414,698	3,243,583	4,305,064	3,991,588
Interest on long-term debt	343,846	314,741	1,533,534	2,097,318	1,994,126
Total governmental activities expenses	<u>\$ 77,459,323</u>	<u>\$ 80,506,877</u>	<u>\$ 80,439,481</u>	<u>\$ 66,974,300</u>	<u>\$ 80,559,381</u>
Business-type activities:					
Water	\$ 16,853,369	\$ 17,758,315	\$ 18,372,053	\$ 14,539,080	\$ 19,978,775
Sewer	1,819,847	1,872,674	2,038,907	523,704	1,821,291
Transit	2,020,690	2,244,345	2,512,915	2,364,783	2,872,170
Arcadia Par 3 Golf Course **	515,560	867,314	1,259,153	1,280,311	1,214,285
Total business-type activities expenses	<u>21,209,466</u>	<u>22,742,648</u>	<u>24,183,028</u>	<u>18,707,878</u>	<u>25,886,521</u>
Total primary government expenses	<u><u>\$ 98,668,789</u></u>	<u><u>\$ 103,249,525</u></u>	<u><u>\$ 104,622,509</u></u>	<u><u>\$ 85,682,178</u></u>	<u><u>\$ 106,445,902</u></u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 16,899	\$ 10,329	\$ 13,960	\$ 1,303,166	\$ 5,421
Public safety	3,952,519	4,166,144	3,488,709	5,154,191	5,459,010
Public works services	28,385	29,516	25,152	16,022	4,683
Community development	3,313,734	2,707,638	2,865,163	4,017,212	3,800,881
Library	162,421	107,810	59,372	101,332	106,988
Recreation and community services	1,940,232	1,843,145	1,139,152	1,261,332	1,858,007
Operating Grants and Contributions	6,441,413	7,447,444	12,299,250	8,147,751	9,298,444
Capital Grants and Contributions	526,077	741,641	1,342,260	1,430,019	2,214,893
Total governmental activities program revenues	<u>16,381,680</u>	<u>17,053,667</u>	<u>21,233,018</u>	<u>21,431,025</u>	<u>22,748,327</u>
Business-type activities:					
Charges for services:					
Water	12,806,780	14,284,391	16,048,632	16,469,592	14,411,322
Sewer	2,408,365	2,493,274	2,552,327	2,606,646	2,658,717
Transit	12,613	9,311	3,773	6,954	6,895
Arcadia Par 3 Golf Course **	511,860	887,942	1,855,856	1,912,574	1,953,192
Operating Grants and Contributions	1,509,498	1,055,193	2,449,548	694,038	1,814,251
Capital Grants and Contributions	-	-	-	-	-
Total business-type activities program revenues	<u>17,249,116</u>	<u>18,730,111</u>	<u>22,910,136</u>	<u>21,689,804</u>	<u>20,844,377</u>
Total primary government program revenues	<u><u>\$ 33,630,796</u></u>	<u><u>\$ 35,783,778</u></u>	<u><u>\$ 44,143,154</u></u>	<u><u>\$ 43,120,829</u></u>	<u><u>\$ 43,592,704</u></u>

(continued)

**Source:** City of Arcadia Financial Reports

\* Due to the closing of Arcadia Redevelopment Agency, Economic Development function was combined as part of the Economic Development Department.

\*\* The Arcadia Par 3 Golf Course began operating as an enterprise fund in fiscal year 2019.

**City of Arcadia**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (49,657,055)	\$ (42,780,287)	\$ (45,421,974)	\$ (50,936,219)	\$ (64,118,031)
Business-type activities	<u>(3,718,463)</u>	<u>(7,878,927)</u>	<u>(4,122,955)</u>	<u>(4,573,401)</u>	<u>(4,251,317)</u>
Total primary government net expense	<u><u>\$ (53,375,518)</u></u>	<u><u>\$ (50,659,214)</u></u>	<u><u>\$ (49,544,929)</u></u>	<u><u>\$ (55,509,620)</u></u>	<u><u>\$ (68,369,348)</u></u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 13,892,020	\$ 13,865,978	\$ 15,149,171	\$ 16,150,617	\$ 16,965,156
Sales taxes	10,082,196	10,427,065	11,441,622	10,766,558	11,115,292
Franchise fees	1,070,809	1,192,519	1,100,952	1,000,308	982,756
Utilities user taxes	6,545,713	7,142,118	6,816,464	6,773,169	6,856,067
Transient occupancy taxes	3,215,261	3,365,408	3,531,944	3,543,908	3,320,953
Motor vehicle license taxes	5,213,847	5,641,681	6,136,906	6,461,508	6,906,050
Non-regulatory business license taxes	1,249,583	1,202,350	1,293,357	1,270,876	1,248,106
Other Taxes	<u>1,683,520</u>	<u>1,662,956</u>	<u>1,538,467</u>	<u>1,647,136</u>	<u>1,621,716</u>
Total Taxes and fees	42,952,949	44,500,075	47,008,883	47,614,080	49,016,096
Investment earnings	1,598,314	1,632,484	1,856,318	1,458,553	1,529,734
Miscellaneous	4,724,159	4,421,469	3,482,819	3,007,213	3,486,199
Gain/loss on disposal of capital assets	64,696	28,323	-	13,587	49,243
Transfers	(1,031,360)	(817,751)	(871,261)	(1,111,006)	(1,006,826)
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,305,511)</u>
Total Governmental activities	<u>48,308,758</u>	<u>49,764,600</u>	<u>51,476,759</u>	<u>50,982,427</u>	<u>39,768,935</u>
Business-type activities:					
Investment earnings	396,892	332,719	380,861	138,679	150,511
Miscellaneous	15,931	18,300	11,835	12,751	13,976
Transfers	1,031,360	817,751	871,261	1,111,006	1,006,826
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(454,589)</u>
Total business-type activities	<u>1,444,183</u>	<u>1,168,770</u>	<u>1,263,957</u>	<u>1,262,436</u>	<u>716,724</u>
Total primary government	<u><u>\$ 49,752,941</u></u>	<u><u>\$ 50,933,370</u></u>	<u><u>\$ 52,740,716</u></u>	<u><u>\$ 52,244,863</u></u>	<u><u>\$ 40,485,659</u></u>
<b>Change in Net Position</b>					
Governmental activities	\$ (1,348,297)	\$ 6,984,313	\$ 6,054,785	\$ 46,208	\$ (24,349,096)
Business-type activities	<u>(2,274,280)</u>	<u>(6,710,157)</u>	<u>(2,858,998)</u>	<u>(3,310,965)</u>	<u>(3,534,593)</u>
Total primary government	<u><u>\$ (3,622,577)</u></u>	<u><u>\$ 274,156</u></u>	<u><u>\$ 3,195,787</u></u>	<u><u>\$ (3,264,757)</u></u>	<u><u>\$ (27,883,689)</u></u>

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (61,077,643)	\$ (63,453,210)	\$ (59,206,463)	\$ (45,543,275)	\$ (57,811,054)
Business-type activities	<u>(3,960,350)</u>	<u>(4,012,537)</u>	<u>(1,272,892)</u>	<u>2,981,926</u>	<u>(5,042,144)</u>
Total primary government net expense	<u><u>\$ (65,037,993)</u></u>	<u><u>\$ (67,465,747)</u></u>	<u><u>\$ (60,479,355)</u></u>	<u><u>\$ (42,561,349)</u></u>	<u><u>\$ (62,853,198)</u></u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 18,301,135	\$ 19,070,668	\$ 20,513,025	\$ 21,365,282	\$ 21,641,066
Sales taxes	11,399,632	12,154,052	17,197,203	23,378,015	25,217,042
Franchise fees	931,750	954,878	1,037,322	1,049,291	1,227,708
Utilities user taxes	6,591,834	6,779,875	7,193,797	8,429,763	9,637,119
Transient occupancy taxes	3,447,186	2,748,642	1,923,352	4,128,326	4,891,525
Motor vehicle license taxes	7,309,525	7,773,429	8,105,664	8,823,621	8,640,006
Non-regulatory business license taxes	1,227,480	1,211,783	1,181,862	1,195,992	1,312,779
Other Taxes	<u>1,057,546</u>	<u>912,537</u>	<u>1,678,449</u>	<u>1,953,404</u>	<u>2,037,907</u>
Total Taxes and fees	50,266,088	51,605,864	58,830,674	70,323,694	74,605,152
Investment earnings	3,432,169	3,270,868	1,436,597	(1,441,136)	3,192,593
Miscellaneous	3,447,105	3,391,726	3,143,829	8,316,576	7,373,004
Gain/loss on disposal of capital assets	-	-	46,870	-	-
Transfers	(1,669,393)	(1,055,363)	1,065,290	(1,221,450)	(595,311)
Extraordinary item	-	-	-	-	-
Total Governmental activities	<u>55,475,969</u>	<u>57,213,095</u>	<u>64,523,260</u>	<u>75,977,684</u>	<u>84,575,438</u>
Business-type activities:					
Investment earnings	896,111	860,880	154,622	(289,306)	466,084
Miscellaneous	10,529	97,156	136,000	8,654	1,172,524
Transfers	1,669,393	1,055,363	(1,065,290)	1,221,450	595,311
Restatement					
Total business-type activities	<u>2,576,033</u>	<u>2,013,399</u>	<u>(774,668)</u>	<u>940,798</u>	<u>2,233,919</u>
Total primary government	<u><u>\$ 58,052,002</u></u>	<u><u>\$ 59,226,494</u></u>	<u><u>\$ 63,748,592</u></u>	<u><u>\$ 76,918,482</u></u>	<u><u>\$ 86,809,357</u></u>
<b>Change in Net Position</b>					
Governmental activities	\$ (5,601,674)	\$ (6,240,115)	\$ 5,316,797	\$ 30,434,409	\$ 26,764,384
Business-type activities	<u>(1,384,317)</u>	<u>(1,999,138)</u>	<u>(2,047,560)</u>	<u>3,922,724</u>	<u>(2,808,225)</u>
Total primary government	<u><u>\$ (6,985,991)</u></u>	<u><u>\$ (8,239,253)</u></u>	<u><u>\$ 3,269,237</u></u>	<u><u>\$ 34,357,133</u></u>	<u><u>\$ 23,956,159</u></u>

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>General Fund</b>					
Nonspendable	\$ 708,053	\$ 768,417	\$ 797,305	\$ 845,513	\$ 1,068,976
Assigned	22,223,334	23,710,862	24,756,336	23,015,454	22,829,444
Unassigned	8,180,075	12,357,558	6,399,003	7,323,121	7,225,918
Total General Fund	<u><u>\$ 31,111,462</u></u>	<u><u>\$ 36,836,837</u></u>	<u><u>\$ 31,952,644</u></u>	<u><u>\$ 31,184,088</u></u>	<u><u>\$ 31,124,338</u></u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 384	\$ -	\$ -	\$ 11,540	\$ 3,000
Restricted	16,106,112	19,779,855	21,851,364	23,810,229	25,207,910
Committed	-	-	-	-	-
Assigned	6,207,820	4,894,097	11,203,221	12,921,656	11,404,087
Unassigned	-	-	-	(7,818)	(3,627)
Total all other Governmental Funds	<u><u>\$ 22,314,316</u></u>	<u><u>\$ 24,673,952</u></u>	<u><u>\$ 33,054,585</u></u>	<u><u>\$ 36,735,607</u></u>	<u><u>\$ 36,611,370</u></u>
Total Governmental Funds	<u><u>\$ 53,425,778</u></u>	<u><u>\$ 61,510,789</u></u>	<u><u>\$ 65,007,229</u></u>	<u><u>\$ 67,919,695</u></u>	<u><u>\$ 67,735,708</u></u>

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>General Fund</b>					
Nonspendable	\$ 1,112,837	\$ 996,006	\$ 715,474	\$ 963,051	\$ 1,359,550
Assigned	23,295,469	22,394,350	22,738,731	33,627,562	33,627,562
Unassigned	5,101,129	6,202,314	7,726,513	13,838,387	26,689,088
Total General Fund	<u><u>\$ 29,509,435</u></u>	<u><u>\$ 29,592,670</u></u>	<u><u>\$ 31,180,718</u></u>	<u><u>\$ 48,429,000</u></u>	<u><u>\$ 61,676,200</u></u>
<b>All Other Governmental Funds</b>					
Nonspendable	\$ 8,640	\$ 1,517	\$ -	\$ -	\$ -
Restricted	25,227,986	20,886,106	27,325,258	25,216,076	31,734,739
Committed	-	-	-	-	2,787,804
Assigned	11,976,987	11,332,519	9,867,419	10,275,554	11,964,594
Unassigned	(8,691)	(363,283)	(1,014,560)	170,319	(861,608)
Total all other Governmental Funds	<u><u>\$ 37,204,922</u></u>	<u><u>\$ 31,856,859</u></u>	<u><u>\$ 36,178,117</u></u>	<u><u>\$ 35,661,949</u></u>	<u><u>\$ 45,625,529</u></u>
Total Governmental Funds	<u><u>\$ 66,714,357</u></u>	<u><u>\$ 61,449,529</u></u>	<u><u>\$ 67,358,835</u></u>	<u><u>\$ 84,090,949</u></u>	<u><u>\$ 107,301,729</u></u>

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year				
	2014	2015	2016	2017	2018
<b>REVENUES:</b>					
Taxes	\$ 36,489,519	\$ 37,911,174	\$ 39,504,488	\$ 40,258,016	\$ 40,506,071
Licenses, fees and permits	8,031,036	6,512,028	6,723,286	7,583,907	4,833,508
Fines and penalties	913,156	935,629	801,161	634,261	690,703
Use of money of property	1,598,310	1,632,483	1,856,318	1,458,553	1,529,733
Intergovernmental revenues	10,881,323	11,508,381	11,653,593	10,782,388	12,530,015
Charges for services	6,356,736	6,086,755	6,777,300	6,140,231	6,088,728
Other revenues	4,167,904	4,390,220	3,419,455	3,062,448	3,525,714
<b>Total revenues</b>	<b>68,437,984</b>	<b>68,976,670</b>	<b>70,735,601</b>	<b>69,919,804</b>	<b>69,704,472</b>
<b>EXPENDITURES:</b>					
Current:					
General government	7,051,033	6,730,305	8,920,807	8,338,619	8,134,490
Public safety	30,842,988	31,748,649	33,772,958	35,497,246	36,941,437
Public works services	5,805,936	6,372,293	7,827,183	7,199,751	8,024,811
Community development	17,046,641	8,168,873	8,003,227	6,673,998	7,599,862
Library	3,165,746	3,433,071	3,612,759	3,830,240	3,826,333
Recreation and community services	3,729,337	3,099,283	3,209,492	3,343,402	3,339,426
Debt service:					
Interest	502,875	525,000	555,000	448,076	590,000
Principal	465,000	484,854	466,474	565,000	425,274
<b>Total expenditures</b>	<b>68,609,556</b>	<b>60,562,328</b>	<b>66,367,900</b>	<b>65,896,332</b>	<b>68,881,633</b>
<b>Less: acquisition of capital assets</b>	<b>(2,559,961)</b>	<b>(3,756,352)</b>	<b>(4,180,176)</b>	<b>(2,978,796)</b>	<b>(2,357,155)</b>
<b>Total expenditures excluding capital assets</b>	<b>66,049,595</b>	<b>56,805,976</b>	<b>62,187,724</b>	<b>62,917,536</b>	<b>66,524,478</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(171,572)</b>	<b>8,414,342</b>	<b>4,367,701</b>	<b>4,023,472</b>	<b>822,839</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	4,623,066	3,874,984	10,330,462	5,259,012	3,617,262
Transfers out	(5,654,426)	(4,692,735)	(11,201,723)	(6,370,018)	(4,624,088)
Proceeds from lease obligations	-	-	-	-	-
Proceeds of bond issuance	-	-	-	-	-
Payment on refunded bonds	-	-	-	-	-
SBITA proceeds	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(1,031,360)</b>	<b>(817,751)</b>	<b>(871,261)</b>	<b>(1,111,006)</b>	<b>(1,006,826)</b>
<b>Net change in fund balances</b>	<b>\$ (1,202,932)</b>	<b>\$ 7,596,591</b>	<b>\$ 3,496,440</b>	<b>\$ 2,912,466</b>	<b>\$ (183,987)</b>
Debt service as a percentage of non-capital expenditures	1.47%	1.78%	1.64%	1.61%	1.53%

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year				
	2019	2020	2021	2022	2023
<b>REVENUES:</b>					
Taxes	\$ 42,050,021	\$ 42,898,353	\$ 48,224,288	\$ 61,828,424	\$ 64,717,374
Licenses, fees and permits	5,165,340	4,666,441	4,354,199	5,255,958	5,835,661
Fines and penalties	643,858	611,714	282,423	584,429	770,905
Use of money of property	3,432,169	3,270,862	1,435,273	(158,833)	3,535,430
Intergovernmental revenues	14,289,330	15,346,681	22,428,521	17,914,946	19,912,519
Charges for services	5,591,091	5,482,124	4,543,281	6,630,726	6,866,661
Other revenues	3,052,228	3,054,712	3,192,048	8,526,178	12,215,260
<b>Total revenues</b>	<b>74,224,037</b>	<b>75,330,887</b>	<b>84,460,033</b>	<b>100,581,828</b>	<b>113,853,810</b>
<b>EXPENDITURES:</b>					
Current:					
General government	7,971,659	8,399,145	100,789,367	8,778,651	11,827,814
Public safety	39,912,792	40,487,037	39,679,150	38,778,735	45,553,648
Public works services	7,491,991	7,295,018	7,586,823	7,464,330	8,295,328
Community development	9,992,826	8,257,180	11,646,128	8,510,135	9,441,977
Library	3,917,195	4,750,047	3,788,724	4,065,186	4,537,253
Recreation and community services	3,509,543	9,969,738	3,096,724	3,970,106	3,821,446
Debt service:					
Interest	673,028	698,028	733,028	3,438,528	4,907,683
Principal	397,101	368,476	338,673	3,302,461	2,025,933
<b>Total expenditures</b>	<b>73,866,135</b>	<b>80,224,669</b>	<b>167,658,617</b>	<b>78,308,132</b>	<b>90,411,082</b>
<b>Less: acquisition of capital assets</b>	<b>(5,187,456)</b>	<b>(10,712,049)</b>	<b>(3,612,270)</b>	<b>(2,456,858)</b>	<b>(4,317,143)</b>
<b>Total expenditures excluding capital assets</b>	<b>68,678,679</b>	<b>69,512,620</b>	<b>164,046,347</b>	<b>75,851,274</b>	<b>86,093,939</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>357,902</b>	<b>(4,893,782)</b>	<b>(83,198,584)</b>	<b>22,273,696</b>	<b>23,442,728</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	4,843,303	3,127,518	4,744,623	10,698,039	5,310,030
Transfers out	(6,512,696)	(4,182,881)	(3,679,333)	(11,919,489)	(5,905,341)
Proceeds from lease obligations	290,140	-	-	-	-
Proceeds of bond issuance	-	-	88,042,600	8,852,000	-
Payment on refunded bonds	-	-	-	(8,739,704)	-
SBITA proceeds	-	-	-	-	363,363
<b>Total other financing sources (uses)</b>	<b>(1,379,253)</b>	<b>(1,055,363)</b>	<b>89,107,890</b>	<b>(1,109,154)</b>	<b>(231,948)</b>
<b>Net change in fund balances</b>	<b>\$ (1,021,351)</b>	<b>\$ (5,949,145)</b>	<b>\$ 5,909,306</b>	<b>\$ 21,164,542</b>	<b>\$ 23,210,780</b>
Debt service as a percentage of non-capital expenditures	1.56%	1.53%	0.65%	8.89%	8.05%

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Governmental Activities Tax Revenue by Source**  
**Last Ten Fiscal Years (accrual basis of accounting)**

Fiscal Year Ended June 30,	Property Tax	Sales Tax	Franchise Fee	Utilities user Tax	Transient Occupancy Tax	Motor Vehicle License Tax	Business License Tax	Other Taxes	Total Taxes and Fees
2014	\$ 13,892,020	\$ 10,082,196	\$ 1,070,809	\$ 6,545,713	\$ 3,215,261	\$ 5,213,847	\$ 1,249,583	\$ 1,683,520	\$ 42,952,949
2015	13,865,978	10,427,065	1,192,519	7,142,118	3,365,408	5,641,681	1,202,350	1,662,956	44,500,075
2016	15,149,171	11,441,622	1,100,952	6,816,464	3,531,944	6,136,906	1,293,357	1,538,467	47,008,883
2017	16,150,617	10,766,558	1,000,308	6,773,169	3,543,908	6,461,508	1,270,876	1,647,136	47,614,080
2018	16,965,156	11,115,292	982,756	6,856,067	3,320,953	6,906,050	1,248,106	1,621,716	49,016,096
2019	18,301,135	11,399,632	931,750	6,591,834	3,447,186	7,309,525	1,227,480	1,057,546	50,266,088
2020	19,070,668	12,154,052	954,878	6,779,875	2,748,642	7,773,429	1,211,783	912,537	51,605,864
2021	20,513,025	17,197,203	1,037,322	7,193,797	1,923,352	8,105,664	1,181,862	1,678,449	58,830,674
2022	21,365,282	23,378,015	1,049,291	8,429,763	4,128,326	8,316,576	1,195,992	1,953,404	69,816,649
2023	21,641,066	25,217,042	1,227,708	9,637,119	4,891,525	8,640,006	1,312,779	2,037,907	74,605,152

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**General Governmental Tax Revenue by Source**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

Fiscal Year Ended June 30,	Property Tax	Sales Tax	Franchise Fee	Utilities User Tax	Transient Occupancy Tax	Other Taxes	Total Taxes
2014	\$ 13,892,020	\$ 10,082,196	\$ 1,070,809	\$ 6,545,713	\$ 3,215,261	\$ 1,683,520	\$ 36,489,519
2015	13,865,978	10,587,947	1,192,519	7,142,118	3,365,408	1,757,204	37,911,174
2016	15,149,171	11,264,090	1,100,952	6,816,464	3,531,944	1,641,867	39,504,488
2017	16,150,617	11,069,263	1,000,308	6,773,169	3,543,908	1,720,751	40,258,016
2018	16,965,156	10,670,332	982,756	6,856,067	3,320,953	1,710,806	40,506,070
2019	18,301,135	11,641,002	931,750	6,591,834	3,447,186	1,137,115	42,050,022
2020	19,070,668	12,315,129	954,878	6,779,875	2,748,642	988,723	42,857,915
2021	20,029,560	17,264,537	941,552	6,706,446	1,351,745	1,649,982	47,943,822
2022	20,891,736	17,500,291	1,059,331	8,377,291	3,626,494	2,001,862	53,457,004
2023	22,011,588	20,089,916	1,220,035	9,716,663	3,876,044	2,036,429	58,950,675

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30,	Residential Property	Commercial Property	Recreational Property	Industrial Property	Others	Total Taxable Assessed Value	Percent Increase	Total Direct Rate
2014	\$ 9,784,166,701	\$ 1,283,395,020	\$ 207,049,008	\$ 191,408,716	\$ 366,192,396	\$ 11,832,211,841	6.5%	0.10249%
2015	10,562,151,620	1,306,789,917	312,687,185	191,721,395	435,327,830	12,808,677,947	8.3%	0.10249%
2016	11,422,747,681	1,398,109,370	308,101,469	203,248,894	606,384,854	13,938,592,268	8.8%	0.10110%
2017	12,199,219,454	1,432,309,677	312,799,943	206,523,314	522,677,256	14,673,529,644	5.3%	0.10131%
2018	12,959,501,963	1,524,210,934	315,605,776	237,411,247	639,741,642	15,676,471,562	6.8%	0.10064%
2019	13,771,100,892	1,704,921,018	316,133,985	244,561,003	565,358,789	16,602,075,687	5.9%	0.10070%
2020	14,486,048,290	1,772,159,777	218,752,715	360,976,906	778,694,374	17,616,632,062	6.1%	0.10054%
2021	15,161,280,034	1,834,565,702	221,262,459	381,768,216	785,828,161	18,384,704,572	4.4%	0.10073%
2022	15,554,122,719	1,872,543,673	223,797,807	387,645,484	942,248,963	18,809,368,631	2.3%	0.10056%
2023	16,351,394,961	1,948,881,358	228,273,456	415,963,247	1,031,584,441	19,976,097,463	6.2%	0.09930%

**Note:** Exempt values are not included in total.

**Source:** HdL Coren & Cone, Los Angeles County Assessor Combined Tax Roll

**City of Arcadia**  
**Direct and Overlapping Property Tax Rates (Rate Per \$100 of Taxable Value)**  
**Last Ten Fiscal Years**

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<u>Year</u>	<u>City's Share of 1% Levy Per Prop 13</u>	<u>Redevelopment Rate</u>	<u>Total Direct Rate *</u>
2014	0.09602	N/A	0.10249
2015	0.09602	N/A	0.10249
2016	0.09602	N/A	0.10110
2017	0.09602	N/A	0.10131
2018	0.09602	N/A	0.10064
2019	0.09602	N/A	0.10070
2020	0.09602	N/A	0.10036
2021	0.09602	N/A	0.10073
2022	0.09602	N/A	0.10056
2023	0.09602	N/A	0.09930

**Source:** HDL Coren & Cone and Los Angeles County Assessor

\* Total Direct Rate is the weighted average of all individual direct rates applied to the City, and excludes revenue derived from aircraft.

**City of Arcadia**  
**Direct and Overlapping Property Tax Rates (Rate Per \$100 of Taxable Value) (Continued)**  
**Last Ten Fiscal Years**

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Year	City Direct and Overlapping Rates %						
	Basic Levy	General Obligation Debt Service	Lighting District	School Districts	Community College	Water Districts	Tax Rate %
2014	1.0000	0.008380	0.00000	0.60099	0.07017	0.02150	1.70104
2015	1.0000	0.008221	0.00000	0.57233	0.06180	0.02150	1.66385
2016	1.0000	0.006681	0.00000	0.60790	0.05225	0.01800	1.68483
2017	1.0000	0.006817	0.00000	0.60344	0.06099	0.02300	1.69425
2018	1.0000	0.006170	0.00000	0.59725	0.05796	0.03000	1.69138
2019	1.0000	0.005970	0.00000	0.57076	0.05559	0.03000	1.66232
2020	1.0000	0.005690	0.00000	0.49749	0.05464	0.03000	1.58782
2021	1.0000	0.005800	0.00000	0.42355	0.04072	0.03000	1.50007
2022	1.0000	0.005580	0.00000	0.44563	0.07257	0.03000	1.55378
2023	1.0000	0.004290	0.00000	0.42733	0.06919	0.03000	1.53081

**Note:** Overlapping rates are those of local and county governments that apply to an average taxpayer within the City.

**Source:** HDL Coren & Cone and Los Angeles County Assessor

**City of Arcadia**  
**Principal Property Tax Owners**  
**Last Fiscal Year & Nine Years Prior**

2022/23

<u>Taxpayer</u>	Assessed	Est. Total *	Rank	Percentage of Total City Property Tax Revenue
	Value	Tax Revenue		
Riderwood USA Inc	\$ 379,579,741	\$ 381,705	1	1.97%
Santa Anita Land Holdings LLC	229,288,536	230,573	2	1.19%
Scannell Properties 255 LLC LSEE	107,117,714	107,718	3	0.55%
Baldwin Arcadia Center LP	88,493,690	88,989	4	0.46%
SAICP Hotel LLC	85,450,963	85,929	5	0.44%
JLJ Properties Arcadia LLC	67,882,587	68,263	6	0.35%
Huntington Village LLC	61,514,965	61,859	7	0.32%
Santa Anita Borrower LLC	57,662,357	57,985	8	0.30%
Stanley A Sirott Trust	55,198,817	55,508	9	0.29%
Arcadia Propco LLC	47,066,223	47,330	10	0.24%
<b>Total</b>	<b>\$ 1,179,255,593</b>	<b>\$ 1,185,859</b>		<b>6.11%</b>

2013/14

<u>Taxpayer</u>	Assessed	Est. Total *	Rank	Percentage of Total City Property Tax Revenue
	Value	Tax Revenue		
Santa Anita Fashion Park LP	\$ 354,793,314	\$ 474,004	1	3.00%
Santa Anita Land Holdings LLC	179,505,272	239,819	2	1.52%
Baldwin Arcadia Center LP	89,356,820	119,381	3	0.76%
Safeway Inc	31,499,355	42,083	4	0.27%
Marriott Residence Inn II Limited	30,974,162	41,381	5	0.26%
Arcadia Hotel Venture LP	24,999,372	33,399	6	0.21%
Windrose Santa Anita Properties LLC	23,206,993	31,005	7	0.20%
Post Exchange LLC	21,069,861	28,149	8	0.18%
Arcadia Gateway Center Delaware Ptrs LLC	19,628,981	26,224	9	0.17%
Bre Esa Properties LLC	17,582,760	23,491	10	0.15%
<b>Total</b>	<b>\$ 792,616,890</b>	<b>\$ 1,058,936</b>		<b>6.72%</b>

**Source:** HdL Coren & Cone, Los Angeles County Assessor Combined Tax Rolls

\* Estimated Total Tax Revenue is a calculation of the total City share of direct rate times Assessed Value

**City of Arcadia**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy			Collections in Subsequent Year **	Total Collections to Date		
		Amount	Percentage of Levy	Amount		Amount	Percentage of Levy *	
2014	\$ 976,606	\$ 1,022,387	104.69%	\$ 30,025	\$ 1,052,412		107.76%	
2015	1,036,042	1,103,805	106.54%	6,900	1,110,705		107.21%	
2016	916,767	957,245	104.42%	22,813	980,058		106.90%	
2017	986,300	1,020,512	103.47%	25,356	1,045,868		106.04%	
2018	967,300	964,452	99.71%	32,920	997,372		103.11%	
2019	990,300	948,177	95.75%	25,303	973,480		98.30%	
2020	1,001,500	992,051	99.06%	13,148	1,005,199		100.37%	
2021	1,065,000	1,037,624	97.43%	30,241	1,067,865		100.27%	
2022	1,050,000	1,074,335	102.32%	22,943	1,097,278		104.50%	
2023	840,000	844,925	100.59%	17,010	861,935		102.61%	

**Source:** Administrative Services Department, City of Arcadia

\* Percentage of Levy greater than 100% is attributable to the property value increase during the fiscal year as a result of property sales, new constructions and additional home improvements.

\*\* Collections in subsequent years include the property taxes received in July and August after the end of the respective tax years.

**City of Arcadia**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**  
(in thousands of dollars)

	Fiscal Year										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	
Apparel Stores	\$ 142,131	\$ 143,438	\$ 140,715	\$ 151,076	\$ 148,029	\$ 149,951	\$ 135,507	\$ 55,993	\$ 131,352	\$ 130,570	
General Merchandise	154,142	152,946	157,053	154,455	152,525	151,481	142,457	71,663	116,939	131,152	
Food Stores	32,815	32,779	31,966	31,641	28,002	31,848	30,055	35,219	39,049	42,643	
Eating and Drinking Places	154,827	168,156	178,138	189,305	208,192	211,436	219,587	121,886	188,588	232,590	
Building Materials	7,571	9,103	8,295	8,641	7,694	8,542	7,941	8,874	7,961	9,226	
Auto Dealers and Supplies	90,937	104,139	101,018	114,630	118,929	108,964	106,147	97,658	133,746	156,463	
Service Stations	91,296	90,016	75,902	62,544	64,789	71,949	72,008	50,533	79,739	116,325	
Other Retail Stores	128,883	141,640	146,024	144,184	149,597	146,909	140,177	83,153	123,255	141,562	
All Other Outlets	201,187	223,275	222,588	243,803	251,065	255,278	294,858	258,356	326,105	368,622	
Total	<u>\$ 1,003,789</u>	<u>\$ 1,065,492</u>	<u>\$ 1,061,699</u>	<u>\$ 1,100,279</u>	<u>\$ 1,128,822</u>	<u>\$ 1,136,358</u>	<u>\$ 1,148,737</u>	<u>\$ 783,335</u>	<u>\$ 1,146,734</u>	<u>\$ 1,329,153</u>	

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

**Source:** State of California Board of Equalization and HdL Coren & Cone.

**CITY OF ARCADIA**  
**TOP 25 SALES TAX PRODUCERS**  
**Last Calendar Year & Nine Years Prior**

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2022

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<u>Business Name</u>	<u>Business Category</u>
Allstar Fire Equipment	Light Industrial/Printers
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Burlington	Family Apparel
Cheesecake Factory	Casual Dining
Chevron	Service Stations
CVS Pharmacy	Drug Stores
Daimler Trust	Auto Lease
Din Tai Fung	Casual Dining
Foot Locker	Shoe Stores
JC Penney	Department Stores
Macy's	Department Stores
Mercedes Benz Of Arcadia	New Motor Vehicle Dealers
Nordstrom	Department Stores
Osim	Home Furnishings
Racetrack 76	Service Stations
Ralphs	Grocery Stores
REI	Sporting Goods/Bike Stores
Santa Anita Park	Leisure/Entertainment
Sephora	Specialty Stores
Union 76 Auto Care Center	Service Stations
Uniqlo	Family Apparel
Vons	Grocery Stores
World Oil	Service Stations
Zara	Women's Apparel

Percent of Fiscal Year Total Paid By Top 25 Accounts

49.72%

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Period: January 2022 Thru December 2022

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, HDL Companies

**CITY OF ARCADIA**  
**TOP 25 SALES TAX PRODUCERS**  
**Last Calendar Year & Nine Years Prior**

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2013

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<u>Business Name</u>	<u>Business Category</u>
Abercrombie & Fitch	Family Apparel
Allstar Fire Equipment	Light Industrial/Printers
Arco AM PM	Service Stations
Arco AM PM	Service Stations
Burlington	Family Apparel
Cheesecake Factory	Casual Dining
Chevron	Service Stations
CVS Pharmacy	Drug Stores
Daimler Trust	Auto Lease
Dave & Busters	Leisure/Entertainment
Foot Locker	Shoe Store
Forever 21	Women's Apparel
JC Penney	Department Stores
Macys	Department Stores
Mercedes Benz Of Arcadia	New Motor Vehicle Dealers
Mobil	Service Stations
Nordstrom	Department Stores
Ralphs	Grocery Stores
REI	Sporting Goods/Bike Stores
Santa Anita Park	Leisure/Entertainment
Sephora	Specialty Stores
Sport Chalet	Sporting Goods/Bike Stores
Victoria's Secret	Women's Apparel
Vons	Grocery Stores
Western Medical Supply	Medical/Biotech Service

Percent of Fiscal Year Total Paid By Top 25 Accounts

50.58%

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Period: January 2013 Thru December 2013

Source: State Board of Equalization, California Department of Taxes and Fees Administration, State Controller's Office, HDL Companies

**City of Arcadia**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year	Governmental Activities										Percentage of Personal Income	Per Capita
	General Obligation Bonds			Pension Obligation Bonds			Leases		Total Primary Government			
	2011	2012	2021	\$	-	\$	-	\$	-	\$	0.648%	\$
2014	\$ 7,887,032	\$ 6,281,837	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,168,869	\$ -	\$ 246	0.648%	\$ 246
2015	7,579,767	6,022,492	-	-	-	-	-	13,602,259	-	236	0.612%	236
2016	7,262,502	5,743,147	-	-	-	-	-	13,005,649	-	228	0.589%	228
2017	6,935,237	5,463,802	-	-	-	-	-	12,399,039	-	216	0.556%	216
2018	6,592,972	5,174,457	-	-	-	-	-	11,767,429	-	204	0.509%	204
2019	6,235,707	4,875,112	-	-	-	-	232,112	11,342,931	-	193	0.464%	193
2020	5,863,442	4,565,767	-	-	-	-	174,084	10,603,293	-	185	0.436%	185
2021	5,471,177	4,241,422	-	88,042,600	-	116,056	97,871,255	-	3.832%	1,697	3.832%	1,697
2022	-	-	8,852,000	85,367,100	-	58,028	94,277,128	-	3.606%	1,686	3.606%	1,686
2023	-	-	7,918,000	83,390,000	-	-	91,308,000	-	3.085%	1,664	3.085%	1,664

**City of Arcadia**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

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Governmental Activities			
Year	General Obligation Bonds	Percentage of Personal Income	Per Capita
2014	13,382,302	0.612%	233
2015	12,712,405	0.572%	221
2016	12,151,972	0.550%	213
2017	11,511,964	0.516%	201
2018	10,898,256	0.472%	189
2019	10,493,923	0.430%	178
2020	9,642,296	0.397%	169
2021	8,808,646	0.345%	153
2022	7,559,281	0.289%	135
2023	7,015,665	0.237%	128

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

## **City of Arcadia Legal Debt Margin Information Last Ten Fiscal Years**

## Legal Debt Margin Calculation for Fiscal Year 2023

Assessed Taxable Value	\$ 19,976,097,463
Debt Limit (15% of assessed value)	2,996,414,619
Debt Applicable to limit:	
Total Bonds Payable	97,871,255
Legal Debt Margin	\$ 2,898,543,364

Percent of Charter Debt Limit 3.27%

	2014	2015	2016	2017	2018
Debt Limit	\$ 1,774,831,776	\$ 1,921,301,692	\$ 2,090,788,840	\$ 2,201,029,447	\$ 2,351,470,734
Total net debt applicable to limit	14,168,869	13,602,259	13,005,649	12,399,039	11,767,429
<b>Legal debt margin</b>	1,760,662,907	1,907,699,433	2,077,783,191	2,188,630,408	2,339,703,305
Total debt applicable to the limit	0.80%	0.71%	0.62%	0.56%	0.50%

**Source:** Los Angeles County Assessor's office, City of Arcadia financial reports

**Notes:** Under State Finance Law, the City's outstanding general obligation debt shall not exceed 15 percent of total assessed property value. The general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

**City of Arcadia**  
**Legal Debt Margin Information (Continued)**  
**Last Ten Fiscal Years**

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	2019	2020	2021	2022	2023
Debt Limit	\$ 2,490,311,353	\$ 2,642,494,809	\$ 2,723,534,040	\$ 2,752,603,600	\$ 2,898,543,364
Total net debt applicable to limit	<u>11,342,931</u>	<u>10,603,293</u>	<u>97,871,255</u>	<u>94,277,128</u>	<u>91,308,000</u>
<b>Legal debt margin</b>	2,478,968,422	2,631,891,516	2,625,662,785	2,658,326,472	2,807,235,364
Total debt applicable to the limit	0.46%	0.40%	3.59%	3.43%	3.15%

**Source:** Los Angeles County Assessor's office, City of Arcadia financial reports

**Notes:** Under State Finance Law, the City's outstanding general obligation debt shall not exceed 15 percent of total assessed property value. The general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation debt.

**City of Arcadia**  
**Direct and Overlapping Debt**  
**Last Fiscal Year & Nine Years Prior**

2022/23

	Gross Bonded Debt Balance	% Applicable	Net Bonded Debt
<b>Direct Debt</b>			
Arcadia General Obligation Bond 2011	\$ 4,429,000	100.000%	\$ 4,429,000
Arcadia General Obligation Bond 2012	3,489,000	100.000%	3,489,000
Pension Obligation Bond 2020	<u>83,390,000</u>	100.000%	<u>83,390,000</u>
Total Direct Debit	<u>91,308,000</u>		<u>91,308,000</u>
<b>Overlapping Debt</b>			
Metropolitan Water District Area Upper San Gabriel Valley Area *	19,215,000	0.53800%	\$ 103,377
El Monte City School District	118,766,628	5.14000%	\$ 6,104,605
El Monte Union High School District	233,302,715	2.74100%	\$ 6,394,827
Citrus Community College District	130,475,302	0.18400%	\$ 240,075
Pasadena Area Community College District	51,995,000	17.68200%	\$ 9,193,756
Rio Hondo Community College District	170,234,080	0.82000%	\$ 1,395,919
Arcadia Unified School District	247,660,000	96.53200%	\$ 239,071,151
Monrovia Unified School District	61,612,517	0.81800%	\$ 503,990
Pasadena Unified School District	313,070,000	0.01200%	\$ 37,568
Temple City Unified School District	88,433,788	7.77800%	\$ 6,878,380
Total Overlapping Debt			<u>\$ 269,923,654</u>
<b>TOTAL Direct and Overlapping Debt</b>			<b><u>\$ 361,231,654</u></b>

2022/23 Assessed Valuation : \$19,976,097,463

Debt to Assessed Valuation Ratios:

Direct Debt	0.040%
Overlapping Debt	1.420%
Combined Direct Debt	0.470%
Total Debt	2.060%

Note:

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

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

Source: HdL Coren & Cone, Los Angeles County Assessor Combined Tax Rolls

**City of Arcadia**  
**Direct and Overlapping Debt (Continued)**  
**Last Fiscal Year & Nine Years Prior**

2013/14

<u>Direct Debt</u>	Gross Bonded Debt Balance	% Applicable	Net Bonded Debt
Arcadia General Obligation Bond 2011	\$ 7,505,000	100.000%	\$ 7,505,000
Arcadia General Obligation Bond 2012	\$ 5,950,000	100.000%	\$ 5,950,000
Total Direct Debit	<u>13,455,000</u>		<u>13,455,000</u>
 <u>Overlapping Debt</u>			
Metropolitan Water District Area Upper San Gabriel Valley Area *	64,271,492	1.229%	789,767
El Monte City School District 1999 Series A	565,000	3.816%	21,560
El Monte City School District 2004 Refunding	33,505,000	3.816%	1,278,520
El Monte City School District 2004 Series A 2005	13,852,013	3.816%	528,580
El Monte City School District 2005 Refunding	1,359,250	3.816%	51,868
El Monte City School District 2004 Series B	8,495,000	3.816%	324,162
El Monte City School District 2008 Series A	9,150,747	3.816%	349,184
El Monte City School District 2008 Series A-1	18,540,000	3.816%	707,470
El Monte City School District 2008 Series B	5,998,159	3.816%	228,884
El Monte Union High School District 2002 Series A	1,185,000	1.997%	23,659
El Monte Union High School District 2002 Series B	1,210,000	1.997%	24,159
El Monte Union High School District 2006 Refunding	33,482,675	1.997%	668,506
El Monte Union High School District 2002 Series C	27,565,000	1.997%	550,355
El Monte Union High School District 2008 Series A	52,339,850	1.997%	1,045,003
El Monte Union High School District 2008 Series B	30,297,787	1.997%	604,917
Citrus CCD 2004 Series 2007B	32,965,000	0.188%	62,042
Citrus CCD 2004 Series 2009C	48,607,553	0.188%	91,482
Citrus CCD Refunding Bond Series 2013	12,670,000	0.188%	23,846
Pasadena Community College 2006 Series B	26,985,000	17.551%	4,736,040
Pasadena Community College 2006 Refunding Bond Series C	19,443,312	17.551%	3,412,425
Pasadena Community College 2002, 2006 Series D	25,645,000	17.551%	4,500,861
Pasadena Community College 2002, 2009 Series E (BABS)	25,295,000	17.551%	4,439,434
Rio Hondo Community College District Series 2004A	1,870,000	0.508%	9,502
Rio Hondo Community College District Refunding 2005	40,575,387	0.508%	206,174
Rio Hondo Community College District 2004 Series 2008	121,657,824	0.508%	618,175
Arcadia Unified School District 1993 Series A	3,860,109	96.403%	3,721,253
Arcadia Unified School District 1993 Series C	1,008,429	96.403%	972,154
Arcadia Unified School District Series 2005A Refunding Bonds	2,735,000	96.403%	2,636,616
Arcadia Unified School District 2006 Series A	185,150,423	96.403%	178,490,182
Monrovia Unified School District 1997 Series A	2,766,244	0.836%	23,123
Monrovia Unified School District 2005 Refunding Bonds	12,940,000	0.836%	108,166
Monrovia Unified School District 2006 Series A	13,845,000	0.836%	115,731
Monrovia Unified School District 2006 Series B	9,999,602	0.836%	83,587
Monrovia Unified School District 2006 Series C	17,666,665	0.836%	147,676
Monrovia Unified School District 2006 Series C-1 BABS	11,706,250	0.836%	97,853
Pasadena Unified School District 2004 Refunding Bonds	26,645,000	0.017%	4,555
Pasadena Unified School District 2005 Refunding Bonds	110,865,000	0.017%	18,952
Pasadena Unified School District 2008 Series 2009	23,385,000	0.017%	3,998
Pasadena Unified School District 2008 Series 2009A-2 BABS	84,680,000	0.017%	14,476
Pasadena Unified School District 2008 Series 2012	138,270,000	0.017%	23,637
Temple City Unified School District 1998 Series A	2,417,248	8.564%	207,021
Temple City Unified School District 1998 Series B	4,771,501	8.564%	408,647
Temple City Unified School District 2005 Refunding Bonds	9,340,000	8.564%	799,908
Temple City Unified School District 2012 Series A	39,998,164	8.564%	3,425,574
Total Overlapping Debt			<u>216,599,684</u>
 TOTAL Direct and Overlapping Debt			<u>\$ 230,054,684</u>

2013/14 Assessed Valuation : \$11,353,049,009 after deducting \$479,162,832 of Increment Value.

Debt to Assessed Valuation Ratios:

Direct Debt	0.120%
Overlapping Debt	1.910%
Total Debt	2.030%

Note:

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

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

Source: HdL Coren & Cone, Los Angeles County Assessor Combined Tax Rolls

**City of Arcadia**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

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Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate
2013	57,500	\$ 2,185,058	\$ 38,001	4.30%
2014	57,526	2,221,309	38,614	4.80%
2015	57,050	2,208,838	38,717	3.90%
2016	57,374	2,228,856	38,847	3.00%
2017	57,704	2,310,918	40,047	3.40%
2018	58,891	2,443,094	41,485	3.50%
2019	57,212	2,429,207	42,459	3.40%
2020	57,660	2,554,238	44,298	10.00%
2021	55,934	2,614,487	46,742	6.60%
2022	54,857	2,960,029	53,959	4.10%

**Source:** US Bureau of Census, Employment Development Department

**City of Arcadia**  
**Principal Employers**  
**Last Fiscal Year & Nine Years Prior**

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<u>2022</u>			
Employer	Employees	Rank	Percentage of Total City Employment
Fedex Ground Package System, Inc.	738	1	4.15%
Atlas Assembly, Inc.	658	2	3.70%
Nordstrom Inc	370	3	2.08%
Macy's	292	4	1.64%
Atlas Assembly, Inc.	270	5	1.52%
Din Tai Fung	250	6	1.41%
Optum	232	7	1.30%
The Cheesecake Factory Restaurants, Inc	186	8	1.05%
Arcadia Care Center	178	9	1.00%
Glenair, Inc	168	10	0.94%
<b>Total</b>	<b>3342</b>		<b>18.78%</b>

<u>2013</u>			
Employer	Employees	Rank	Percentage of Total City Employment
Vons Companies Inc	492	1	3.24%
Macy's West	329	2	2.17%
Nordstrom Inc	327	3	2.16%
Worley Parsons Group, Inc	310	4	2.04%
J C Penney Corp, Inc # 1417-5	212	5	1.40%
Emergency Groups Office	201	6	1.32%
24 Hour Fitness #906	192	7	1.27%
Dave & Buster's	180	8	1.19%
The Cheesecake Factory Restaurants, Inc	170	9	1.12%
99 Ranch Market 7	167	10	1.10%
<b>Total</b>	<b>2580</b>		<b>17.01%</b>

**Source:** Business License Division, City of Arcadia

**City of Arcadia**  
**Full-time City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government:										
City Manager	5	5	5	5	5	4	4	4	4	4
City Clerk	4	4	4	3	3	3	3	3	3	3
City Attorney	0	1	1	0	0	0	0	0	0	0
Administrative Services	16	16	16	16	16	17	17	18	17	17
Police	94	94	95	98	98	98	98	97	96	97
Fire	58	58	58	58	58	58	58	58	58	58
Public Works:										
Streets	25	25	25	27	27	25	25	25	25	25
Water & Sewer	33	33	34	34	34	34	34	34	34	35
Garage	4	4	4	4	4	5	5	5	5	5
Development:										
Community Development	21	23	25	23	23	23	23	23	23	23
Redevelopment	0	0	0	0	0	0	0	0	0	0
Engineering	5	5	5	5	5	5	5	5	5	5
Recreation	9	9	10	11	12	12	12	12	12	12
Library	19	19	19	19	19	19	19	19	23	24
Total	293	296	301	303	304	303	303	303	305	308

Source: Administrative Services Department, City of Arcadia

**City of Arcadia**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Police:</b>										
Physical Arrests	2,404	2,103	2,098	1,828	1,704	1,904	1,131	765	897	896
Parking Violations	13,211	14,348	11,805	11,449	10,395	9,636	9,869	5,210	13,432	12,882
Moving & Non-Moving Violations	6,158	5,885	6,122	4,726	2,865	3,273	1,668	174	276	383
<b>Fire:</b>										
Emergency Responses	4960	5,123	5,560	5,614	5,688	5,734	5,301	5,167	6,007	6,179
Fires Extinguished	126	111	123	114	147	130	129	169	174	140
Inspections	4,732	4,089	3,798	4,187	3,921	3,863	3,821	3,246	3,451	3,132
<b>Public Works:</b>										
Street Slurry Resurfacing (SF)	2,936,698	3,341,306	3,441,499	3,581,577	2,856,213	2,529,210	2,314,640	3,201,889	2,370,668	3,527,825
Sidewalk Repaired (SF)	11,435	11,300	28,475	7,491	750	12,486	5,960	1,210	917	2,205
Curb & Gutter Repaired (LF)	6,067	1,793	15,815	3,595	4,771	16,881	7,267	3,065	5,887	3,476
Street Lights Repaired	116	106	340	83	213	175	235	176	170	483
Street AC Resurfacing (SF)	-	-	347,550	328,716	344,640	432,614	369,429	275,595	306,008	229,532
PCC Driveway Approaches (SF)				856	1,043	6,111	4,157	2,466	5,468	4,352
PCC Cross Gutter/Spandrel				4,259	9,308	3,317	14,498	2,185	7,960	6,220
PCC ADA Ramps				31	16	24	12	5	8	12
<b>Economic Development:</b>										
Street Resurfacing (SF)	269,450	44,000	335,500	157,200	292,100	515,900	453,600	461,200	1,014,500	229,532
Building Permits	1,548	1,615	1,724	1,551	1,433	1,889	1,742	1,758	1,955	2,206
Planning Cases Submitted and Processed	680	655	538	474	515	584	557	610	647	836
<b>Parks and Community Services:</b>										
(Number of Participation)										
Youth Programs	45,010	50,800	58,463	69,796	77,470	114,557	53,959	20,284	35,322	38,929
Swim Program	7,915	N/A								
Senior Citizen Programs	86,099	82,671	79,371	77,523	88,581	111,540	75,428	7,966	41,202	73,486
Contract Classes/Adult Programs	130,189	138,032	97,475	89,601	44,337	48,095	36,303	7,269	33,300	35,194
Community Center Rental Usages	12,730	12,391	10,561	10,038	12,250	21,414	8,872	-	1,580	9,303
Special Events	8,553	19,576	14,563	16,476	20,847	14,954	10,531	-	10,019	14,321
Dana Gym	19,563	20,168	13,295	28,869	31,959	27,476	19,726	-	18,206	18,416
Wilderness Park Classes & Rentals	5,729	5,871	5,488	5,011	12,936	9,123	7,403	1,593	4,010	869
<b>Library:</b>										
Books and other items total	205,658	205,107	200,980	259,000	208,109	203,859	186,694	186,837	173,246	176,904
Total Circulation	792,333	685,362	719,432	695,250	869,472	975,318	705,831	227,718	592,548	471,385
<b>Water:</b>										
Number of Water Accounts	13,651	13,942	13,659	14,114	13,688	14,146	13,554	14,160	14,354	14,408
Total Water Served to Direct Customer (AF)	15,704	15,325	11,089	11,801	14,416	13,574	13,935	15,010	14,279	11,621
<b>Sewer:</b>										
Sewer Cleaning (Miles)	226	227	224	168	150	150	194	178	195	193
<b>Transit Services/Dial-A-Ride:</b>										
Total Route Miles (round-trip)	296,004	251,420	243,873	295,991	280,941	280,616	282,326	250,290	266,370	256,587
Passengers	130,134	112,398	108,005	67,228	79,624	79,809	54,159	17,853	40,118	39,121

**Source:** Various City Departments

**City of Arcadia**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<u>Function/Program</u>	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	22	23	23	23	23	23	23	23	23	18
Motor Units	0	0	0	0	0	0	0	0	0	0
Fire Stations	3	3	3	3	3	3	3	3	3	3
Streets:										
Streets (miles)	148	148	148	148	148	148	148	148	148	148
Streetlights	1,640	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642	1,642
Traffic Signals	67	69	69	69	69	73	75	76	76	76
Parks and Community Services:										
Total Park Acreage	166	166	166	166	166	166	166	166	166	166
Playgrounds	8	8	8	8	8	8	8	8	8	8
Tennis Courts	19	19	19	19	19	19	19	19	19	19
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Gymnasium	1	1	1	1	1	1	1	1	1	1
Water:										
Water Main (miles)	169	169	169	169	169	169	169	169	169	169
Fire Hydrants	1,530	1,534	1,539	1,542	1,542	1,542	1,542	1,543	1,543	1,527
Storage Capacity (millions of gallons)	45	45	45	45	45	45	45	45	45	45
Wastewater:										
Sanitary Sewers (miles)	140	140	140	140	140	140	140	140	140	140
Storm Sewers (miles)	8	8	8	8	8	8	8	8	8	8
Library	1	1	1	1	1	1	1	1	1	1
Museum								1	1	1
Museum Education Center (Museum/Community Center joint use)								1	1	1
Transit Services/Dial-A-Ride:										
Transit Buses	18	18	18	18	18	18	18	18	18	18

Note: Include only properties owned by the City

**Source:** Various City Departments





CITY OF  
**ARCADIA**