



City of  
Arcadia  
California  
Comprehensive  
Annual  
Financial  
Report  
June 30, 2016



**CITY OF ARCADIA  
ARCADIA, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2016**

**Prepared by:**

**ADMINISTRATIVE SERVICES DEPARTMENT**

**Hue Quach, Director**

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**City of Arcadia**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2016**

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December 21, 2016

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

The Comprehensive Annual Financial Report (CAFR) of the City of Arcadia for the fiscal year ended June 30, 2016, 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, 2016, 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, 2016. The independent auditor concluded, based upon the audit that the City of Arcadia's financial statements for the fiscal year ended June 30, 2016 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. Accounting principles generally accepted in the United States of America also require that management provides a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's discussion and analysis (MD&A). It 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 57,000 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 dial-a-ride program that provides fixed route and door-to-door transportation service for residents.

## **LOCAL ECONOMY**

Arcadia has a stable and diverse economic base that provides critical tax revenues and economic vitality to support the growth and service demands offered by the City. The diversified revenue base consists of property tax, sales tax, hotel tax, utility user's tax, and various user fees that have placed the City in a favorable position to continue its high service levels throughout the fiscal year. The City's economy is led by a diversified sales tax revenue base that comprises of these major industry groups: General Consumer Goods (42%), Restaurant and Hotels (23%), Autos and Transportation (11%), Fuel and Service Stations (11%), Food and Drugs (6%), Business and Industry (6%), and Building and Construction (1%). Over the years, Arcadia has established itself to be a self-sustaining and well diversified economy. This diversity has created a well-balanced labor pool to support the retail, health care, hospitality, and service based industries located within the community.



## **LOCAL ECONOMY (CONTINUED)**

During Fiscal Year 2015-16, Arcadia continued to benefit from the steady economic improvements that are seen statewide. A blend of steady growth in the labor market, low interest rates, and minimal inflation have stimulated household spending and encouraged business investment. The combinations of these market forces have continue to improve the City's overall tax base. One exception is the Utility Users Tax that declined in fiscal year 2015-16 due to water conservation efforts in response to the drought in the State of California and the overall reduction of electricity and telecommunication rates. Although construction and development activities continues to remain strong in Arcadia, growth has likely reached its peak during the year as the number of permits that were pulled have decreased and fees relating to plan check and building permits are just slightly above that of the prior fiscal year.

## **FISCAL YEAR 2015-16 ACTUALS**

For the fiscal year ending June 30, 2016, General Fund Group including the internal service funds resulted in a surplus of \$2.4 million. Total revenues had an aggregate total increase of \$2.1 million or 3.7% in comparison to the prior year. Taxes and Charges for Services were the biggest contributors to the increases, which were \$1.8 million and \$0.6 million, respectively. Among major tax categories, Property Tax had the largest growth of \$1.3 million, the increase in Sales Tax revenue was approximately \$0.7 million, and Transient Occupancy Tax had an increase of \$0.2 million. The collection of Utility User Tax decreased as water conservation was implemented to cope with the statewide drought. Franchise Tax declined nominally due to the reduction of activities at the rock quarry. The increase in Charges for services could be attributable to more services provided by public safety and revenue generated by recreation activities. When comparing to the budget, total revenue exceeded the final adopted budget by \$2.1 million, or 3.6%. Tax revenue total was slightly below the budget: the higher than expected budgeted Property and Transient Occupancy Taxes were offset by the lower than expected receipts from Sales Tax and Utility User Tax. Fines and Forfeiture was the other revenue category with a negative budget variance due to less collection on citation fines. All other key revenue categories exceeded the projection.

General Fund Group expenditures completed the year with \$3.1 million, or 5.1% under the final budget. Personnel cost had a significant savings of \$1.1 million as a result of more than expected employee vacancies and turnovers, and the underspending in equipment replacement costs was approximately \$1.7 million. It is important to note that most of the equipment budget balances were for uncompleted projects, and have been carried over to the following fiscal year. Most of the City departments ended the fiscal year with a positive budget variance with a few exceptions. The City Clerk's office exceeded its budgeted expenditure due to a slight cost increase with the City election. The Fire department incurred additional strike team overtime because of the wildfires that occurred throughout the State. However, as part of the mutual-aid response agreement, these overtime cost will be reimbursed by the State over the next fiscal year. When comparing to the prior year actuals, General Fund Group expenditures increased \$5.5 million. The increase was attributed to higher pension contribution rates, more activities and payments towards general liability and workers' compensation claims, and the replacement of major equipment and vehicles including 2 street sweepers and 3 ambulances. Additionally, during the fiscal year, the City established an Other Postemployment Benefit (OPEB) Trust with an initial prefunding of \$1.3 million.

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 2016-17 BUDGET**

As presented, the proposed FY 2016-17 General Fund Operating Budget anticipates Total Operating Revenues of \$62.4 million and Operating Expenses at \$59.1 million, including new programs added for FY 2016-17. It also includes approximately \$3.4 million in transfers to major capital funds to fund future significant maintenance and replacement needs. Those transfers are allocated as follows:

- Capital Improvement Fund - \$2.0 million
- Equipment Replacement Fund - \$900,000
- New City Hall Reserve Fund - \$500,000

## FISCAL YEAR 2016-17 BUDGET (CONTINUED)

The Budget reflects a slow but steady improvement to the regional economy over the past five years. The labor market has significantly improved as is nearing its lowest unemployment rate since the 2008 Great Recession; nevertheless, consumer confidence and discretionary spending have remained sluggish. Locally, housing developments have leveled off after many years of generous growth. Fortunately, Arcadia's outlook continues to outpace many other cities within Los Angeles County. In general, this year's operating budget continues to show a basic operating surplus, allowing for the continuation of deposits into Capital and Equipment Funds.

For FY 2016-17, total General Fund revenues are expected to increase 2.89% compared to FY 2015-16 year ending estimates. The largest revenue source to the City's General Fund is from Taxes. The key revenues under this group are: Property Tax, Sales Tax, Transient Occupancy Tax, Utility Users' Tax, and Motor Vehicle License Fees. Their projected receipts are shown in the table below.

Description	FY 2015-16 YE Estimates	FY 2016-17 Proposed Budget	Difference	% Change
Property Tax	\$ 12,973,200	\$ 13,621,000	\$ 648,700	5.0%
Sales Tax	\$ 11,420,700	\$ 11,248,000	\$ (172,000)	-1.5%
Transient Occupancy Tax	\$ 3,406,300	\$ 3,577,000	\$ 170,700	5.0%
Utility Users' Tax	\$ 6,714,500	\$ 6,721,200	\$ 6,700	0.1%
Motor Vehicle License Fees	\$ 6,136,900	\$ 6,442,100	\$ 305,200	4.9%

Property Tax: The City expects to continue to benefit from the recent growth in new home sales. Although home valuations may have leveled off from the peaks seen in 2014, many new homes continue to be reflected in the latest assessment rolls that are assessed at a much higher rate than in previous years. This is not only due to an increase in home sizes in the community but also to the inflationary controls put in place under Proposition 13 keeping the long-held homes at an artificially low assessed value until they resell. As such, the City expects to continue to see a growth in property tax receipts in the range of 5.0%, or nearly \$650,000 for FY 2016-17.

Sales Tax: In FY 2015-16, this category received an \$824,000 one-time supplemental payment due to the State's early retirement of its Economic Recovery Bonds. As such, when comparing the proposed FY 2016-17 to that of FY 2015-16, there is a decrease of \$172,000, or -1.5%. However, after adjusting for that one-time payment, the proposed sales tax revenue is expected to see a 4.9% increase over the prior year. This is due to the continued strength of the Westfield Santa Anita Mall as well as the new Rusnak Mercedes-Benz dealership coming online.

Transient Occupancy Tax: This tax category is expected to benefit from an improving labor market (low unemployment rate), which is expected to fuel higher business and recreational travel, continuing a trend of high occupancy rates and increasing per room charges. Additionally, the return of Breeders' Cup to Arcadia in November 2016 will draw travelers to this event and provide added occupancy tax revenue from their visit. The projection for FY 2016-17 is \$3.6 million, a 5.0% increase over the previous Fiscal Year.

Utility Users' Tax: Utility Users' Tax (UUT) is projected to be flat when compared to the FY 2015-16 Year Ending Estimate. Water conservation is expected to continue in response to the ongoing drought and the new rate structure that was implemented earlier this year. Additionally, the use of telephone landlines is becoming more obsolete as the general public is adapting to cellular phones and, with the assortment of cellular plans becoming more abundant, competition has driven costs down. The proposed FY 2016-17 projected UUT is \$6.7 million, 0.1% greater than FY 2015-16.

## **FISCAL YEAR 2016-17 BUDGET (CONTINUED)**

Motor Vehicle License Fees (VLF): This tax is projected to increase by 4.9%, to \$6.4 million. Revenues from this line item are largely tied to annual property assessed valuation. Because of this, the City has benefitted from many years of generous growth and will continue to do so in the next Fiscal Year.

Other major revenue categories such as Franchise Tax and Licenses and Permits are projected to have little change compared to FY 2015-16. Unlike the peak of FY 2013-14, Building and Plan Check fees are expected to return toward their “normal” levels at around \$1.3 million. All other revenue categories for the General Fund are expected to have modest growth for the coming Fiscal Year.

Total operating expenditures are expected to grow 3.6%. The Operating Expenditure budget continues to maintain the same high level of services with no material increases. Where possible, line items have been reduced to reflect efficiencies that have been implemented over time and to remove any potential for waste. The most significant increases relate to the labor agreement contracts (salaries & medical benefits) and the continuing rise of pension costs in order to make retirement funding more sustainable.

New to the operating budget is an ongoing \$650,800 line item for contributions into the Other Post Employment Benefit (OPEB) Trust Fund. An OPEB Trust Fund allows the City to save today for known medical and associated retirement benefits costs in the future. The increase in value over time of the funds invested reduces the City’s overall costs of providing these benefits. In FY 2015-16, the City Council gave direction to start funding an OPEB Trust account by using approximately \$1.3 million of the savings that was set aside when payments to CalPERS were not required due to their surplus status in the late 1990’s. The initial cash injection into an OPEB Trust account is a very important first step; however, in order to truly meet the annual requirement and eliminate the unfunded liability, the City will need to continue making additional annual payments into the Trust account. The combination of significant pension reforms put into place in previous years and the prepayment of these legacy benefits will provide greater financial security to the community.

While some new services have been added to meet community demands and some natural inflationary increases have been included – mostly due to increases in the minimum wage and rising healthcare costs for private businesses that contract with the City – the majority of the increases are negligible and have no material effects to the overall operating expenditures.

On a positive note, General Liability costs are projected to decrease due to decreasing claims against the City and settling some significant cases. Also, no increase is expected in Worker’s Compensation costs after several years of notable increases. The City continues to develop on the Wellness and ergonomic programs that were started last year, to further its effectiveness in mitigating potential future claims.

### Newly Proposed Programs

New programs and expenditures are anticipated from various departments to respond to evolving operational needs as well as to respond to direction received at City Council study sessions and City Council meetings. The new programs total \$204,400, of which \$151,500 are one-time costs. They include:

- **Citywide Design Guidelines Update (\$75,000)**: The City’s Design Guidelines were last updated in 2009. As part of the recent Zoning Code Update process, it became apparent that it will be necessary to also modernize the Guidelines that provide clarity for developers and property owners on how to best implement the City’s standards. Overall, the update to the Guidelines will encourage better design in the community.
- **Breeders’ Cup Marketing and Outreach Efforts (\$40,000)**: The Breeders’ Cup returns to Santa Anita Park in November 2016. The City has always had a good relationship with Santa Anita and the Breeders’ Cup, and has cooperated with both entities on marketing and outreach efforts. This typically includes banner placement throughout the City, use of Arcadia Transit to get visitors from the hotels to the Racetrack, flyers for the Breeders’ Cup ticket packages, special events, and other coordination efforts.
- **Replace Existing Banners in Downtown Arcadia (\$12,000)**: The Banners along streets in Downtown Arcadia were put up around 2008. They are looking worn, sun bleached, and damaged. New banners are requested to be placed throughout the Downtown.

## **FISCAL YEAR 2016-17 BUDGET (CONTINUED)**

- **Police Service Dog K-9 Program (\$23,100):** To enhance the effectiveness and capabilities of the Police Department, the City will be deploying a police K-9 for patrol operations and support services. This will include things such as building searches, suspect apprehensions, and community outreach efforts. Many years ago, the City had a K-9 program, but it was cancelled due to budgetary restrictions at that time. The newly-formed Arcadia Police Foundation has offered to pay start-up costs for supplies and training totaling \$39,000, as well as recurring maintenance costs of \$4,000 annually for the animal. The K-9 handler will be selected from existing personnel resources; therefore, an additional employee is not required. The costs associated with this new program will be for stipends to take care of the K-9 off-duty as well as actual call-outs and usage during non-scheduled hours (i.e., overtime).
- **Upgrade of Principal Civil Engineer Position (\$13,400):** This will allow for the addition of a “Principal Civil Engineer” into the Development Services Department, providing a bridge between the City Engineer and Associate Engineer positions. This would be an upgrade to an existing position and will aid in employee retention, growth, and succession planning.
- **Outsource Parking Citation Billing/Collection Process (\$22,400):** The City’s parking citation/permit software is outdated and the platform on which the database resides is no longer supported by the technology industry. In addition, the software requires the majority of an existing City employee’s time to run and maintain. By outsourcing the entire parking citation process and transitioning to an online platform, the end user interface will be modernized, greater convenience will be experienced by those paying citations, and staff time will be reduced, which will allow for additional financial management tasks to be addressed. The vendor will provide the services for ticket issuance, payment processing, delinquent notice mailing, citation contesting, hearing scheduling, customer service, collection of delinquent accounts, and a parking permit program on annual subscription basis. All transactions will be processed through an online portal, and can be viewed and used by City staff through the internet. The estimated cost for the proposed hybrid solution is determined to be less than the costs of purchasing a new program for City staff to continue operating.
- **Street Banners at Santa Anita/Foothill & Huntington (\$3,500):** This would allow for the purchase of hardware to hang additional promotional banners for various events along a key corridor in the community. The hardware will be placed on the 20 street light poles located along Santa Anita Avenue between the 210 Freeway and Huntington Drive.
- **Coyote Education Program (\$15,000):** In recent years, the community has noted increased coyote populations, which has resulted in increased calls of concern from residents. This program would allow for additional funding for education and outreach efforts regarding best practices for dealing with coyotes in the community.

### Beyond FY 2016-17

While the City’s 5-Year Financial Forecast projects revenues to grow modestly over the next several years, the Forecast also anticipates rising costs in several areas. Most notably, while the major pension reforms previously agreed to by the City’s labor groups will have a long-term positive effect on the budget and increased funding into retirement programs will ensure sustainability, pension costs will continue to increase significantly over the next decade. In order to maintain a balanced budget, it will be essential for the City to continue its history of conservative spending and rapid responses to changing conditions.

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

## **DEBT ADMINISTRATION**

As of June 30, 2016, the City has outstanding balance of \$6,925,000 for the Series 2011 General Obligation Bonds and \$5,450,000 for the Series 2012 General Obligation Bonds. Those 2011 Bond proceeds were used to finance the costs of constructing a grade separation at the intersection of Santa Anita Avenue and the proposed Foothill extension of the Metropolitan Transit Authority Gold Line, and the 2012 issuance was to refinance the 2001 General Obligation Bonds which proceeds were used to fund the construction of the Police Station.

In September 2016, Standard and Poor's raised the credit rating on the City's General Obligation Bonds from "AA+" to "AAA" while affirming the stable outlook, which is the highest credit rating only given to organizations with outstanding economic outlook. S&P's rating assessment for the City included:

- Very strong economy, with access to a broad and diverse metropolitan statistical area (MSA)
- Strong management, with good financial policies and practices under S&P's Financial Management Assessment (FMA) methodology;
- Very strong budgetary performance, with operating surpluses in the general fund and at the total governmental fund level in fiscal 2015;
- Very strong budgetary flexibility, with an available fund balance in fiscal 2015 of 77% of operating expenditures;
- Very strong liquidity, with total government available cash at 1.5x total governmental fund expenditures and 90.0x governmental debt service, and access to external liquidity we consider strong;
- Very strong debt and contingent liability position, with debt service carrying charges at 1.7% of expenditures and net direct debt that is 47.8% of total governmental fund revenue, as well as low overall net debt at less than 3% of market value and rapid amortization, with 71.7% of debt scheduled to be retired in 10 years, but a large pension and other postemployment benefit (OPEB) obligation

## **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 City's budgetary control is maintained at the individual departmental level and any change in the adopted appropriations, by department, requires approval from the City Manager and/or City Council. The City maintains an encumbrance accounting system. Encumbrances and appropriation for unfinished capital projects are generally re-appropriated as part of the following year's budget.

## **OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST**

As part of the budget adoption for fiscal year 2015-16, the City Council approved an initial contribution of \$1.4 million to establish an irrevocable trust for the City's unfunded liability relating to Other Postemployment Benefits (OPEB). The City provides retiree medical benefits through the CalPERS Health Program to eligible retired employees, and the City's unfunded actuarial accrued liability (UAAL) at June 30, 2015 was estimated to be \$18.0 million based on a valuation actuarially determined in accordance with the parameters of GASB Statement 43 & 45. In June 2016, the City Council authorized an agreement with California Employers' Retiree Benefit Trust (CERBT) to provide administration services for an Internal Revenue Code section 115 irrevocable trust for the City's OPEB liability, and make the initial contribution according to the adopted budget. This is another step the City took to ensure its long term financial sustainability. The trust funds could be invested in longer-term and higher-yielding assets to match its long-term obligation on providing health benefits to retirees. With a well management plan, the investment returns could be a significant part of the funding source for paying down the benefits. Establishing and funding an OPEB trust should result in a lower total cost to the City.

## MAJOR ACCOMPLISHMENTS

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

### General Government

- Completion of Fiber Optic communications connection to Public Work's facility located at the south end of City limits;
- Completed the second phase of the plan to transition the City's current telephone system to a Voice-Over-Internet Protocol (VOIP) system;
- Perform an audit of the City's deferred compensation plans to insure the City's plans meet or exceed industry standards;
- Complete an informal request for proposals for industrial clinic services including pre-employment physicals and medical services for injured workers;
- Continue to enhance the City's Wellness Program to help support healthy behavior in the workplace and help employees improve their health.

### Police Services

- Established active participation 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, money laundering, and covert operation information development amongst others;
- Increased traffic education, engineering, and DUI/drug enforcement efforts through grant funding awarded by the Office of Traffic and Safety;
- Expanded the crime prevention and community outreach efforts of the Community Affairs Office, which facilitated stronger relationships with the community and increased collaboration with key civic groups and businesses;
- Further developed the Area Command Program to help reduce crime in the City and increase community engagement. This partnership has enhanced the Department's ability to develop strategies and direct proper resources to both reduce crime, and solve unique community problems;
- Established a Community Relations Liaison for the purpose of expanding the growth and development of the Neighborhood Watch Program and maintain open avenues of discourse between the community and the Department in an ongoing effort to keep abreast of, and sensitive to, contemporary issues in law enforcement and police-community problems;
- Developed a Business Watch Program out of 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 their communities;
- Established the Arcadia Police Foundation to address the complexities of policing in the 21st century. The foundation will promote partnerships between APD and the public, mobilize community support, and enhance community understanding of law enforcement initiatives;
- Established a regional mental health evaluation team with neighboring jurisdictions and collaborate with a Clinician of the LA County Department of Mental Health for the purpose of developing protocols and resources for dealing with persons with mental health issues.

## MAJOR ACCOMPLISHMENTS (CONTINUED)

### Fire Services

- Implemented paperless technologies for the Fire Department's records management, vehicle maintenance documentation, and fire prevention inspections;
- Deployed the updated Telestaff Program, an automated web-based scheduling system that optimizes the department's payroll, scheduling, and workforce management;
- Initiated succession planning through implementation of Fire Officer's Academy and Fire Engineer's Academy;
- Provided regional tactical training through the Fire Ground Survival Program to ensure that regional operational techniques and terminology are consistent with the Los Angeles County Fire Service;
- In collaboration with various departments and agencies, managed and coordinated the City's first Emergency Preparedness Expo in September 2015 at the Arcadia's Community Services Center.

### Public Work Services

- Updated the City's 2010 Urban Water Management Plan (UWMP) as required by State Law. The update included an assessment of local water supply reliability, current and projected water demands within the City, and an evaluation of progress made toward the implementation of Demand Management Measures designed to achieve an overall reduction in water use of 20% by the year 2020;
- Implemented a new asset management program to enable the Public Works Services Department to efficiently and effectively track, manage, and store work requests and work orders;
- Updated the electrical feed point for outdoor lighting at the 18-hole Par 3 Golf Course;
- Removed underground storage tank and fueling equipment at Fire Station 106.

### Development Services

- Worked extensively with Gold Line Construction Authority on opening rail passenger service with station in Arcadia. Completed Transit Plaza and all manner of construction through the City;
- Completed Federal Safe Routes to School project in the neighborhood of Hugo Reid Elementary School;
- Began new fixed-route Transit System through Arcadia Transit to meld with existing Dial-a-Ride system;
- Rusnak Mercedes Benz was opened, \$30 million investment in Downtown Arcadia;
- Installed numerous cameras and Intelligent Transportation Systems equipment to improve traffic flow at key intersections citywide;
- Completed major overhaul of the City's single-family residential development standards;
- Completed 40,000 square feet of new medical office buildings in City core. Two state-of-the-art medical office buildings are nearing completion close to the Downtown and near Methodist Hospital. These buildings will be closely tied to the hospital and will provide excellent opportunities for partnerships with the local health care sector;
- Completed citywide Historic Resources Survey;
- Complete entitlements for 1.6 million square foot logistics facility;
- Coordinate with Westfield Santa Anita on continued mall developments and modernization.

## **MAJOR ACCOMPLISHMENTS (CONTINUED)**

### Recreation and Community Services

- As part of the Special Olympic Host Town Committee, hosted athletes at Wilderness Park and the Concert in the Park featuring music from Trinidad and Tobago, one of the countries hosting;
- Hosted Free Community Summer Dance Night along with the Arcadia Unified School District and the Arcadia Performing Arts Center Foundation;
- Held Emergency Preparedness Expo at the Community Center in collaboration with Arcadia Unified School District, American Red Cross, Methodist Hospital, Congress Woman Judy Chu's Office, and Assemblyman Ed Chows Office;
- Participated in Los Angeles County's Needs Assessment;
- Collaborated with LaJaJa Kids to host the Kids Expo and Charity Bike Ride;
- Collaborated with AUSD to assist/develop next generation of youth in sports;
- Planned the Arcadia's Grand Opening Gold Line Celebration in March 2016.

### Library and Museum Services

- Completed the process of connecting to the California Research and Education Network (CalRen), a high-capacity network designed to meet the unique requirements of public libraries by providing significantly higher speed of broadband connectivity. This higher speed connectivity coupled with the acquisition of new equipment, replacement of network hardware and data cable infrastructure, has resulted in significantly increased numbers of Wi-Fi users and data usage;
- Developed a space utilization plan of action to address requests from the community for more seating and upgraded technology in the Library;
- The Museum received funding from the Museum Foundation and Friends of the Museum to have a life-like figure of Elias J. "Lucky" Baldwin constructed for the Museum.

## **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

- Continue with the third and final phase of the plan to transition the City's current telephone system to a Voice-Over-Internet Protocol (VOIP) system in preparation of the end of life expectancy for the current telephone system;
- Audit the City's classification specifications to ensure the current job functions match the job specifications and that they comply with all applicable laws;
- Prepare for contract negotiation due to expiring contracts with employee associations to include review of Memorandum of Understanding (MOU) and salary and benefit classification study;
- Work with each department and bargaining group on updating the simplifying languages in the City's Personnel Rules and Regulations.
- Evaluate/implement digital time keeping software to replace paper timesheets. Proposed software will link directly with financial software to reduce staff time due to manual entry and reduce data entry errors.
- Research and evaluate various electronic bid solicitation software and services to expand the City's vendor Review and update the City's current limited purchased order threshold, revise the Purchasing Manual accordingly and provide training to city employees on Purchasing Rules and Regulations.



## **FUTURE INITIATIVES (CONTINUED)**

### Police Services

- Continue to build the Department's social media platform in order to increase Department presence, investigative resources, crime awareness, and community engagement;
- Develop and implement bi-annual ADA Telecommunication training to comply with Section 504 of the Rehabilitation Act;
- Expand the Police Cadet Program to reach full capacity, providing for a greater number of potential police officers for the future, and allowing for diversified learning opportunities within multiple departments;
- Further develop the activities of the Community Relations Liaison for the purpose of expanding the growth and development of the Neighborhood Watch Program and maintain open avenues of discourse between the community and the Department in an ongoing effort to keep abreast of, and sensitive to, contemporary issues in law enforcement and police-community problems;
- With the support of the Arcadia Police Foundation, establish a K-9 Program to support daily law enforcement operations and enhance the effectiveness of patrol duties such as handler protection, searching techniques, article searches, and narcotics detection; ultimately increasing officer safety, apprehension of suspects, and safety for the community;
- Establish active participation in the Task force for Regional Auto Theft Prevention (Auto T.R.A.P.) Program to recover stolen or felony-related vehicles and apprehend suspects;
- Expand the Department's Automated License Plate Reader (ALPR) program via a strategic build-out plan to combat criminal activity, enhance productivity, and improve officer safety through an increased collection of vehicle license plate information;
- Upgrade 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;
- Expand the Department's GPS Tracking Device Program to increase misdemeanor and felony arrests of suspects committing criminal activities in various regions of the City;
- Implement 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.

### Fire Services

- Enhance the Fire Prevention Bureau's paperless technologies to its inspection permits and pre-plans.
- Introduce the "Map Your Neighborhood" Program through small neighborhood meetings and various public outreach communities. This program will provide residents informational brochures regarding citywide emergency preparedness;
- Update the Fire Department's Manual of Operations;
- Procure a new pump truck for the department; and in collaboration with the Public Works Services Department, purchase an all-electric vehicle for the Fire Prevention Bureau with funding from the Southern California Air Quality Management District (SCAQMD).

### Public Works Services

- Renovate Medians with turf by removing dead turf and installing a combination of ground cover, drought tolerant plants, mulch, decomposed granite and rock features;
- Prepare plans/specs for a new potable well in the Raymond Basin-Pasadena Subarea. The new water well will serve as a source of supply for the City's Water Pressure Zone 2;
- In conjunction with the Los Angeles County Department of Public Works, the City will redesign, relocate, and reconstruct portions of the Los Angeles County multi-use trail known as Santa Anita Wash Trail, the Los Angeles County Department of Public Works Class 1 Bike Lane, and fencing that separates the City of Arcadia's Par 3 Golf Course from the County's recreational use;
- Prepare a benefit analysis and engineering report for the establishment of a street lighting district to replace existing antiquated 6.6 street lights;

## **FUTURE INITIATIVES (CONTINUED)**

### Public Works Services (Continued)

- To help improve stormwater and non-stormwater runoff water quality and help recharge groundwater, a 20' wide alley located west of Santa Anita Ave. from Le Roy to Camino Real will be renovated to include AC pavement with interlocking permeable pavers in the center and concrete paving on each side. The new design will allow water to infiltrate into the gravel and soil underneath the permeable pavers and bedding;
- Since the approval of the Enhanced Watershed Management Program (EWMP), PWSD staff will continue working with the City of Azusa, Bradbury, Duarte, Monrovia, Sierra Madre, County of Los Angeles, and the Los Angeles County Flood Control District on implementing the EWMP. A compliance checklist and an adaptive management strategy, early action projects, technical feasibility studies, and public outreach plans will be developed;
- Replace two 30" gate valves on the 30" transmission water main on Santa Anita.

### Development Services

- Complete next step in Historic Resources Survey by adopting Historic Preservation Ordinance;
- Begin buildout of Arcadia Logistics Center;
- Complete repaving and resurfacing of major arterial (Duarte Road);
- Complete dissolution of Redevelopment Area by selling off former Redevelopment Agency properties (one property remaining);
- Complete improvement projects for downtown parking modifications. Several projects are ongoing to improve and enhance parking in the downtown core;
- Complete a major overhaul of Arcadia Zoning Code. This project is a major modernization of the City's Zoning Code and standards, which will lead to a more user friendly document and will streamline many of the City's procedures;
- Facilitate the 2016 Breeders' Cup at Santa Anita Park;
- Work with selected applicant on the scope and development of a major mixed-use development project in Downtown Arcadia;
- Implementation of major new software upgrade for permit tracking throughout Department;
- Continue to evolve Arcadia Transit system;
- Continue close work with Downtown Arcadia Improvement Association on downtown developments/beautification and special events;
- Work with consultant broker team on economic development initiatives and retail recruitment.

### Recreation and Community Services

- Complete the Recreation and Parks Master Plan;
- Continue to support and encourage relationships with volunteer groups, non-profit organizations, service clubs, and local businesses that provide recreational opportunities for the community;
- Establish a Field agreement with the local baseball organizations in Arcadia to update the Civic Center Athletic Field;
- Continue to develop and support volunteer programs in the community;
- Continue to plan programs to operate at the Joint Use Gymnasium at Dana Middle School. Work cooperatively with the Arcadia Unified School District to schedule use.

## **FUTURE INITIATIVES (CONTINUED)**

### Library and Museum Services Development Services

- Upgrade the Library facility with new carpeting, remodeled/refreshed Technology Center, and increase seating throughout the facility;
- Adapt to evolving needs of the Library's physical collection by shifting items, reconfiguring shelving, and creating new signage;
- Replace existing lighting in the Museum with LED lighting;
- Recognize and celebrate the Museum's 15th Anniversary;
- Review and update the Museum's core documents in order to move toward accreditation with the American Alliance of Museums. The Core Documents Verification program provides confirmation that the Museum has policies and procedures in place that reflect standard practices of professional museums.

## **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 comprehensive annual financial report for the fiscal year ended June 30, 2015. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City's Comprehensive Annual 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,



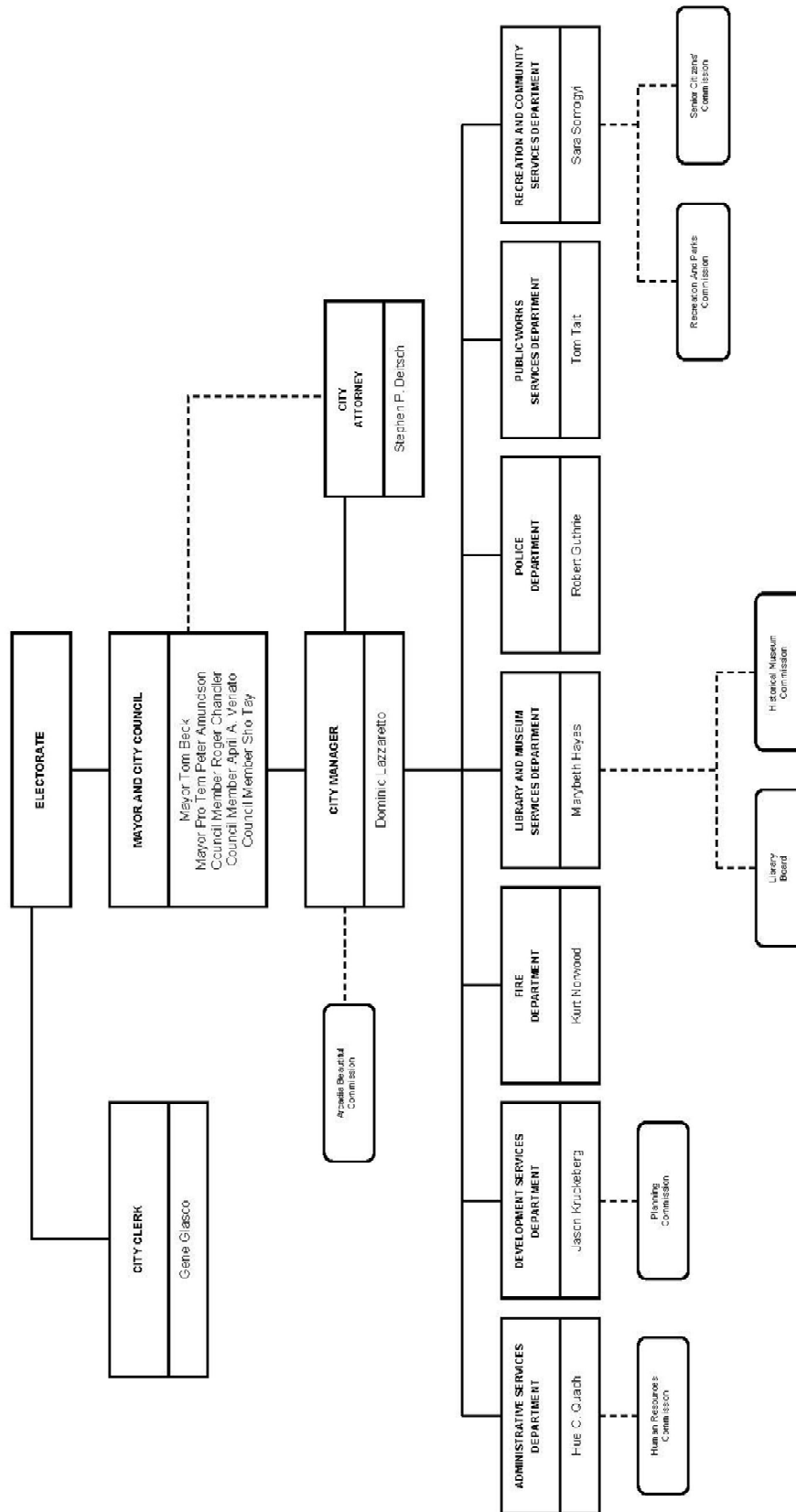
Hue C. Quach  
Administrative Services Director



P. Shannon Huang, CPA  
Financial Services Manager/City Treasurer

# City of Arcadia

## Organization Chart





## CITY OF ARCADIA

### Elected Positions and Administration Personnel

June 30, 2016

#### CITY COUNCIL MEMBERS

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		<u>Term Expires</u>
Tom Beck	Mayor	2018
Peter Amundson	Mayor Pro-Tempore	2020
Roger Chandler	Council Member	2018
April A Verlato	Council Member	2020
Sho Tay	Council Member	2018

#### CITY CLERK

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	<u>Term Expires</u>
Gene Glasco	2020

#### ADMINISTRATIVE PERSONNEL CITY OFFICIALS

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Dominic Lazzaretto	City Manager
Stephen Deitsch	City Attorney
Jason Kruckeberg	Assistant City Manager/Development Services Director
Robert Guthrie	Police Chief
Mary Beth Hayes	Library and Museum Services Director
Michael Lang	Fire Chief
Hue C. Quach	Administrative Services Director
Sara Somogyi	Recreation and Community Services Director
Tom Tait	Public Works Services Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Arcadia  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

A handwritten signature in black ink, reading "Jeffrey R. Emer". The signature is fluid and cursive.

Executive Director/CEO



MOSS, LEVY & HARTZHEIM LLP

CERTIFIED PUBLIC ACCOUNTANTS

**PARTNERS**

RONALD A LEVY, CPA  
CRAIG A HARTZHEIM, CPA  
HADLEY Y HUI, CPA  
ALEXANDER C HOM, CPA  
ADAM V GUISE, CPA  
TRAVIS J HOLE, CPA

**COMMERCIAL ACCOUNTING & TAX SERVICES**

433 N. CAMDEN DRIVE, SUITE 730  
BEVERLY HILLS, CA 90210  
TEL: 310.273.2745  
FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

5800 HANNUM, SUITE E  
CULVER CITY, CA 90230  
TEL: 310.670.2745  
FAX: 310.670.1689  
www.mlhcpas.com

## INDEPENDENT AUDITOR'S REPORT

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

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, 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, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### *Auditor's Responsibility*

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

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2016, 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.

## ***Emphasis of Matter***

### ***Changes in Accounting Principles***

As discussed in note 1 to the basic financial statements, effective July 1, 2015, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### ***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, and Schedule of Funding Progress on page 5 through 22 and 82 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, and Statistical Section listed in the table of contents, are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements and Budgetary Comparison Schedules, listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The Introductory and Statistical Section, as listed in the table of contents, have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide assurance on them.



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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2016, 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 21, 2016

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# City of Arcadia

## Management's Discussion and Analysis

### June 30, 2016

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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, 2016. 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 is 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 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 outflow and inflow 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, but unused vacation leave).

The *government-wide financial statements* distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general fund, debt service, capital projects, and special revenue funds. The City's business-type activities include water utility, sewer maintenance, 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 of 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 three 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**  
**June 30, 2016**

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the General Fund, Parks and Recreation Fund and Capital Outlay Fund. Data from the twenty-three 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. 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, and transit system funds.

**Fiduciary Funds.** The City maintains an Agency fund to account for assets held by the City as agent for individuals, private organizations, or other governmental units, and/or other funds, in addition to 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 45 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 pension and other postemployment benefits to its employees. Required supplementary information can be found starting on page 82 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 92 of this report. The following analysis of the Government-Wide financial statements includes a comparison between current and prior 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 Government Activities was \$1.2 million for the fiscal year ending June 30, 2016. The biggest portion of the net position is its net investment in capital assets (e.g. land, infrastructure, buildings and equipment, net of accumulated depreciation and related debt) of \$51.1 million. The restricted net position of \$21.7 million represents resources that are subject to external restrictions on how they may be used. The unrestricted fund balance is a negative \$71.6 million; the deficit was a result of the implementation of GASB statement No. 68 & 71. If the accrued pension liability of \$105.7 million is excluded, the Total Net Position would be \$106.9 million and the unrestricted fund balance would be \$34.1 million that could be used for general City operation.

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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

**Governmental Activities (Continued)**

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

Governmental Activities	30-Jun-16	30-Jun-15
Current and other assets	\$69,684,137	\$65,273,801
Capital assets (net of accumulated depreciation)	64,129,917	64,255,029
Total assets	133,814,054	129,528,830
Deferred outflow of resources	10,133,075	7,860,641
Current liabilities	8,871,353	8,194,223
Noncurrent liabilities	126,966,933	118,326,391
Total liabilities	135,838,286	126,520,614
Deferred inflow of resources	6,880,154	15,694,953
Net investment in capital assets	51,124,268	50,652,770
Restricted	21,662,679	19,584,086
Unrestricted	(71,558,258)	(75,062,952)
Total net position	\$1,228,689	(\$4,826,096)

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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

**Governmental Activities (Continued)**

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

Governmental Activities	30-Jun-16	30-Jun-15
Program revenues:		
Charges for services	\$12,327,098	\$11,610,570
Operating contributions and grants	4,876,997	5,020,312
Capital contributions and grants	927,837	804,556
General revenues:		
Property taxes	15,149,171	13,865,978
Sales taxes	11,441,622	10,427,065
Franchise fees	1,100,952	1,192,519
Utilities user taxes	6,816,464	7,142,118
Transient occupancy taxes	3,531,944	3,365,408
Motor vehicle license taxes	6,136,906	5,641,681
Non-regulatory business license taxes	1,293,357	1,202,350
Other taxes	1,538,467	1,662,956
Investment earnings	1,856,318	1,632,484
Miscellaneous	3,482,819	4,449,792
Total revenues	70,479,952	68,017,789
Expenses:		
General government	6,890,053	7,458,250
Public safety	34,089,922	32,579,734
Public works services	8,525,715	7,741,343
Community development	6,316,456	5,050,382
Library	3,858,956	3,640,914
Recreation and community services	3,455,024	3,310,420
Interest on long-term debt	417,780	434,682
Total expenses	63,553,906	60,215,725
Increase (Decrease) in Net Position before Transfers	6,926,046	7,802,064
Transfers	(871,261)	(817,751)
Increase (Decrease) in net position	6,054,785	6,984,313
Net position – Beginning of fiscal year *	(4,826,096)	92,167,401
Prior period adjustment	0	-103,977,810
Net position – End of fiscal year	1,228,689	(4,826,096)

\* Prior period adjustment is required due to the implementation of GASB Statement Nos. 68 & 71, Accounting and Financial Reporting for Pensions.

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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

**Governmental Activities (Continued)**

Revenue of Governmental Activities increased \$2.5 million or 3.6% to \$70.5 million for the fiscal year ended June 30, 2016, when compared to the prior year. Key elements of this increase are as follows:

- Charges for Services increased \$0.7 million or 6.2%, compared to the prior year. In addition to the modest growth in construction related permits and inspection fees, service fees from Police, Fire and Recreation departments have also increased. The City continued to benefit from construction activities that were sitting idle due to the sizable back-log of permits that were pulled from the prior year. However, the growth seen over the last four to five years have reached its peak. Based on activities for permit applications, the growth has leveled and is returning to their normal cycle. The year was also active for the Police and Fire departments as the volume of special service demands, such as movies and filming of commercials were higher than the previous year in comparison.
- Operating Contributions and Grants decreased by \$0.1 million or 2.9%. The funding through gas tax and Community Development Block Grant (CDBG) were reduced in current fiscal year in comparison to the prior year. The reduction of gas tax revenue was largely due to falling gasoline prices and lower consumptions due to more hybrid vehicles on the road. The reduction in CDBG grant was due to the decline in the Federal budget and its allocation for block grants.
- Capital Contribution and Grants increased by \$0.1 million. The increase was due to a federal grant for the Hugo Reid Safe Routes to School project, that allowed for side-walk improvements to further enhance the pedestrian infrastructure in the vicinity of Hugo Reid Elementary School.
- Property Tax revenue increased by \$1.3 million or 9.3%, mainly due to the rising property assessed valuation. The City's property assessed valuation continued to grow soundly since the aftermath of the 2008 Great Recession. The high level of services accustomed by its residence, attractiveness of the community that is well known for its beautiful homes, and the highly regarded school district continues to fuel the demand and growth for the real estate in the City.
- Sales Tax increased by \$1.0 million, or 9.7%, mainly due to the one-time supplemental payment of \$0.8 million resulting from the State's early retirement of its Economic Recovery Bonds. The increase of sales tax was approximately 1.8% over the prior year, if the one-time revenue is excluded. In comparison to the Government Fund section, the variance for the two years comparison was reported as 0.7 million. The difference was due to different reporting basis of full accrual vs. modified accrual. More accrual entries are included in the Governmental Activities statements, and only revenue that could be considered as available financial resources are accounted for in the Government Fund statements.
- Franchise fees fell short by \$90,000, or 7.7%, due to the decline of cable franchise fees. The world of the internet along with the generation of savvy tech users have transformed the media world to an on demand model as oppose to the traditional monthly subscription service. The effects of this transformation has resulted in the lower overall cable franchise fees to the City.

**City of Arcadia**  
**Management's Discussion and Analysis**  
**June 30, 2016**

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

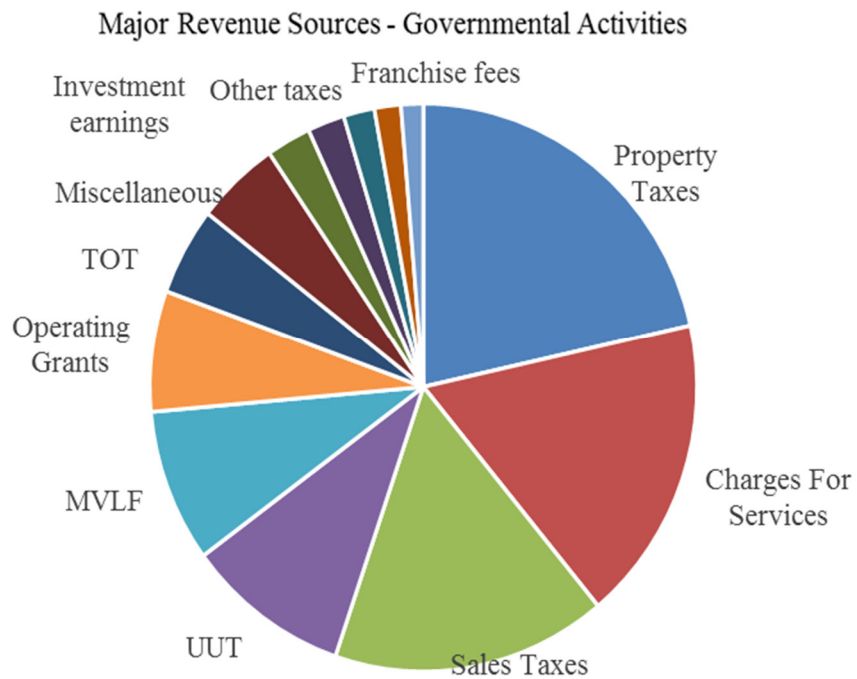
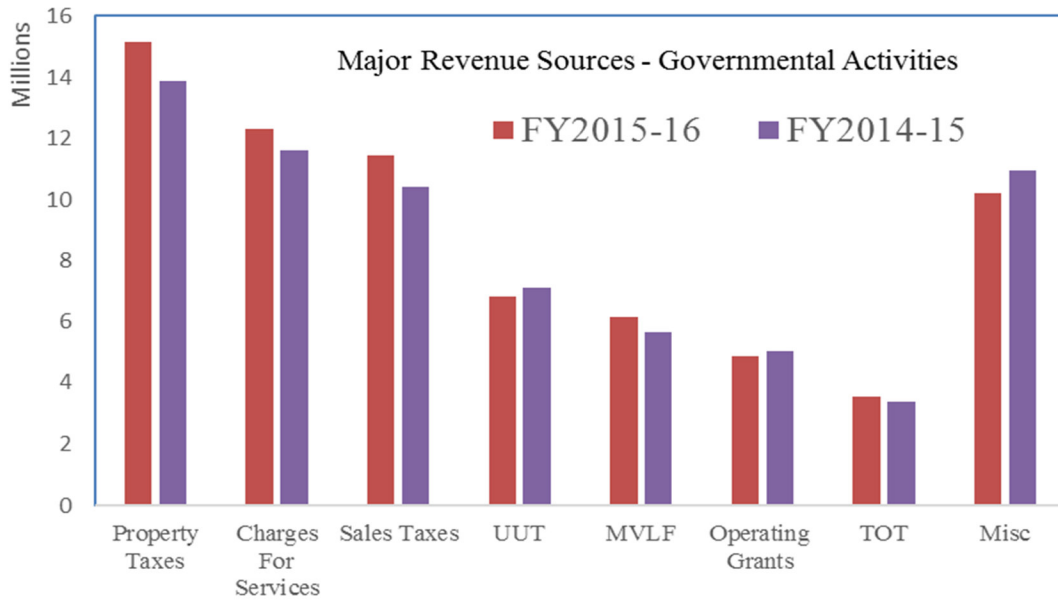
**Governmental Activities (Continued)**

- Utility User Tax decreased \$0.3 million, or 4.6%, due to the overall decline on utility sales. Water sales decreased by \$1.0 million, or 9.9%, as a result of the water conservation program implemented by the City. This was an effort to comply with the State Water Resources Control Board's adopted emergency water conservation regulation, as a way to deal with the severe drought conditions throughout California. Electricity sales also dropped because of the continued rate reduction and the less severe weather, which reduced the need to turn on electrical appliances such as air-conditioning or heaters.
- Transient Occupancy Tax grew by \$0.2 million, or 4.9%, driven by increased business travel and tourism.
- Motor Vehicle License Fees (MVLFF) increased by \$0.5 million or 8.8%. In addition to statewide improvements in auto sales, the result of MVLFF increase is attributed to legislation that was passed in FY 2004-05, which tied its growth to the City's annual property tax valuation. As the City continues to receive the uncharacteristic upward property valuation, the MVLFF follows in a similar manner.
- Business License Tax increased by \$91,000, or 7.6%, due to better improved economic sentiments for the current business environment.
- Other Taxes category was down by \$0.1 million, or 7.5%, and mostly due to the reduction of Pari-mutuel revenues received from Santa Anita Race Track. This specific revenue has been in the decline since the early 1990s due to conditions in which the pari-mutuel fees are generated. City only receives such revenue when bets are taken place on-site at the track. With the development of broadcasting and on-line wagering, this has reduced the need for individuals to be on-site, which effects the pari-mutuel revenue that the City can collect.
- Investment Earnings increased \$0.2 million, or 13.7%, due to the uptrend in interest rate market. Although the Federal Reserve has adopted a very conservative approach in raising the discount rate, the market interest rate have steadily increased in anticipation of the Federal Reserve's plan and the expectation of faster economic growth.
- Miscellaneous Revenue decreased by \$1.0 million, or 21.7%. This decrease was mainly due to the one-time property insurance reimbursement for the accidental damage of a street sweeper. The replaced street sweepers were purchased in current year.



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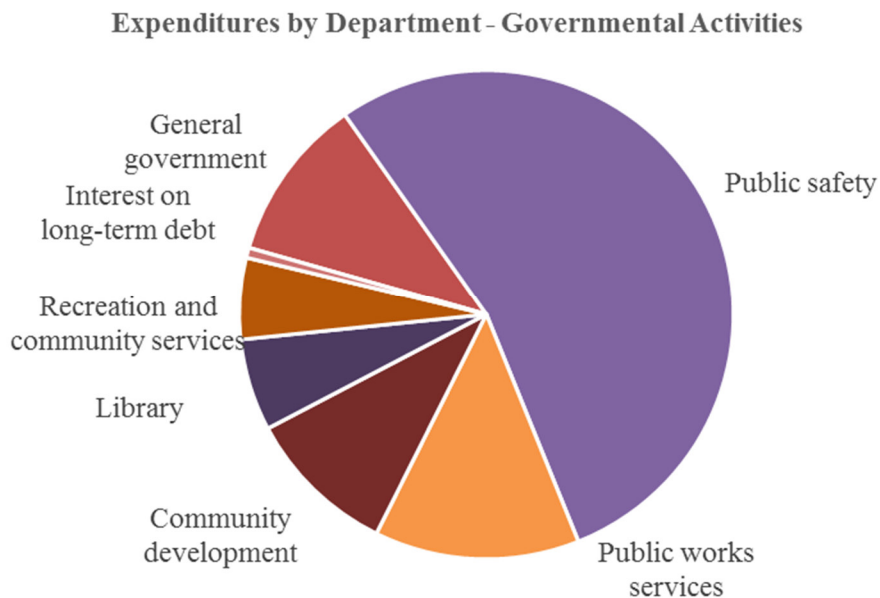
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (Continued)**

Expenses for the fiscal year totaled \$63.6 million, a \$3.3 million or 5.5%, increase from the prior fiscal year. The increase, in large, comes from two areas: CalPERS contributions and Capital Improvement Projects. Due to the multiple changes on actuarial assumption by CalPERS over the last few years, Employer CalPERS contribution rates have increased significantly, which accounts for the overall increase in personnel costs. Capital improvement costs relating to City streets and infrastructure improvements were the other major contributors of the total expenditure increase when compared with the prior fiscal year. During Fiscal Year 2015-16, a number of major street maintenance projects were completed, including the rehabilitation on Highland Oaks Drive between Orange Grove and Virginia, and concrete repair work for a significant portion of Foothills Blvd. The City also expanded its pavement rehabilitation program to include non-major streets.



More details on the changes by department are as follows:

- General Government costs decreased by \$0.6 million, or 7.6%. Operational expenditures are relatively the same when compared to the prior fiscal year. This fiscal year's reduction was largely due to a capital improvement project that occurred in the prior year. The costs associated with the City Hall parking lot improvement project formed the overall decrease amount seen in the current year.
- The cost for Public Safety increased by \$1.5 million, or 4.6%, mainly due to personnel related cost such as salary and pension benefits.
- Public Works Services costs increased by \$0.8 million, or 10.1%, due to additional costs incurred with the slurry seal program to repair deficient concrete curbs and gutters.
- Community Development Services costs increased by \$1.3 million, or 25.1%. The majority of the variance could also be attributable to additional capital costs in street rehabilitation projects. The biggest project for the current year was the concrete repairs on Foothill Boulevard, which total project costs was estimated to be \$1.3 million.

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

**Governmental Activities (Continued)**

- Library Services incurred \$0.2 million more of operating expenses than the prior year. It was attributed to the increase on personnel costs.
- The increase of \$0.1 million for Recreation and Community Services' was also due to uprisings personnel benefit costs that applied across all City departments.
- The marginal decrease in interest payments on Long-term Debt Service was due to the declining debt balances.

**Business-Type Activities**

Business-Type Activities have a total net position of \$69.5 million, of which \$47.0 million, or 67.6% 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). The assets are used to provide water, sewer, and transit services to citizens; consequently, these assets are not available for future spending. The unrestricted net position totaled \$22.5 million, representing 32.4% of total net position.

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

Business Activities	30-Jun-16	30-Jun-15
Current and other assets	\$31,053,199	\$33,591,462
Capital assets	46,957,250	48,858,963
Total assets	78,010,449	82,450,425
Deferred outflow of resources	662,894	550,648
Long-term debt outstanding	7,156,205	6,691,133
Other liabilities	1,469,628	2,682,307
Total liabilities	8,625,833	9,373,440
Deferred inflow of resources	553,295	1,274,420
Net investment in capital assets	46,957,250	48,858,963
Unrestricted	22,536,965	23,494,250
Total net position	\$69,494,215	\$72,353,213

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

**Business-Type Activities (Continued)**

The net position decreased by \$2.9 million, comprising of \$3.1 million of loss from the Water operation, \$0.3 million of surplus for Sewer, and \$0.1 million of operating loss incurred by the Transit. Water sales revenue decreased to \$9.1 million from \$10.1 million, a 9.9% reduction. The drop in sales was a result of responding to the State Water Resources Control Board's emergency water conservation regulations, which required local agencies to restrict water use and compels the City to reduce water usage by 36%, then later to 28%. Due to the reduction of water production, water operational costs decreased by \$4.3 million, which reduced the operational loss from \$6.4 million in the prior year to \$3.4 million. As a result of the conservation mandate and the need for developing a sustainability plan, City staff has implemented a new water and sewer rate structure effective January 1, 2016. The new rate structure was approved by the city residents through the Proposition 218 process, with the purpose to maintain long-term financial efficiency of the City's water operation and insure the city residents the high quality of water. The operating loss incurred by the transit operation is a result of the asset depreciation and pension liability accrual.

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

Business Activities	30-Jun-16	30-Jun-15
Program revenues:		
Charges for services	\$10,850,514	\$11,519,636
Operating contributions and grants	768,229	786,352
Capital contributions and grants	0	0
General revenues:		
Gain on disposal of assets	11,835	18,300
Investment earnings	380,861	332,719
Total revenues	12,011,439	12,657,007
Expenses:		
Water utility	12,563,018	16,891,412
Sewer maintenance	1,360,509	1,457,275
Transit system	1,818,171	1,836,228
Total expenses	15,741,698	20,184,915
Increase (Decrease) in Net Position before Transfers	(3,730,259)	(7,527,908)
Transfers	871,261	817,751
Increase (Decrease) in net position	(2,858,998)	(6,710,157)
Net position – Beginning of fiscal year	72,353,213	86,341,104
Prior Period adjustment	-	(7,277,734)
Net position – End of fiscal year	\$69,494,215	\$72,353,213

**City of Arcadia**  
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**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.

**Governmental Funds**

The City's governmental funds reported combined ending fund balances of \$65.0 million vs. \$61.5 million from the prior fiscal year, an increase of \$3.5 million. Approximately \$6.4 million, or 9.8%, 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 \$21.9 million are funds restricted for special purposes or reserves for the debt services payments of City's General Obligation Bonds. The Assigned Fund Balance of \$36.0 million are committed for Equipment Replacement, Capital Improvement Projects, Emergency Reserve, Pension Liability Reserve, and Self-insurance of General Liability and Workers' Compensation purposes. The non-spendable fund balance represents prepaid items and inventory.

Analyses on the fluctuations of Governmental Funds are as follows:

- The General Fund's net fund balance decreased by \$4.9 million to \$32.0 million. The decrease in fund balance was mainly due to an \$8.1 million of transfer from General Fund to Capital Outlay Fund to replenish the depleting fund balance and to establish a new capital reserve for constructing of a new City Hall. Fiscal year ending revenue was at \$59.4 million and expenditures were at \$57.0 million, which resulted in operating surplus of \$2.4 million.
- Parks and Recreation Fund has a net fund balance of \$8.2 million, including the surplus of \$2.1 million from the current year. Park Development fees are collected on all new residential development projects and those fees are designated for the use of eligible park projects. City staff is in the process of updating the City's park master plan, which will set the priority and determine short term and long term park and facility improvements and space allocation for youth, adult, and senior recreation programs.
- At the end of the fiscal year, the Capital Outlay Fund had a fund balance of \$11.2 million, an increase of \$6.3 million. As mentioned earlier, \$8.1 million was authorized and transferred from General Fund in fiscal year 2015-16, including also an allocation of \$1 million as a reserve for replacing the aging City Hall. Pari-mutual revenues received from Santa Anita Race Track is the only major funding source designated for capital improvement projects, and this revenue source has continued to decline over the years but the demand on capital improvement costs has not decreased, which made it difficult to develop a sustainable capital improvement program. However, recognizing the importance of ongoing infrastructure improvement needs, the City Council has authorized transfers of operating surplus funds from General Fund to meet that purpose.
- The Non-major Governmental Fund group had an aggregated fund balance of \$13.6 million, same as the prior fiscal year. Prop A, Measure R, Solid Waste, and Transportation Impact Funds have resulted in surplus, but the expenditures in Prop C, Santa Anita Grade Separation, and Gas Tax Funds exceeded total revenue. Prop C and Gas Tax funds' deficit were caused by higher project costs than the year's funding allocation. The shortfall in Santa Anita Grade Separation Fund was caused by the construction improvements for the Gold Line Transit Plaza in the City. The new extended Metro Gold Line Foothill will continue from Pasadena to Azusa and opened in March 2016.

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

**Governmental Funds (Continued)**

Governmental Funds	30-Jun-16	30-Jun-15
Revenues:		
Taxes	\$39,504,488	\$37,911,174
Licenses and permits	6,723,286	6,512,028
Fines and forfeitures	801,161	935,629
Use of money and property	1,856,318	1,632,483
Intergovernmental	11,653,593	11,508,381
Charges for services	6,777,300	6,086,755
Other revenues	3,419,455	4,390,220
Total revenues	70,735,601	68,976,670
Expenditures:		
Current	65,346,426	59,552,474
Debt services	1,021,474	1,009,854
Total expenditures	66,367,900	60,562,328
Excess (deficiency) of revenues over expenditures	4,367,701	8,414,342
Other Financing Sources	(871,261)	(817,751)
Net change in fund balance	3,496,440	7,596,591
Fund balance – Beginning of fiscal year	61,510,789	53,425,778
Prior period adjustment	0	488,420
Fund balance – End of fiscal year	\$65,007,229	\$61,510,789

Revenues of the total Governmental Funds were \$70.7 million with an increase of \$1.8 million, or 2.6%, from the prior fiscal year. More detailed analysis is as follows:

- Taxes increased by \$1.6 million, or 4.2%. The City's two major revenue sources, Property Tax and Sales Tax increased by \$1.3 million and \$0.7 million, respectively. Because of the City's desirable community and highly regarded school district, the demands for housing within the City have continued to effect the property assessed valuation growth since the 2008 Great Recession. The Sales Tax increase was mainly due to a one-time adjustment payment of \$0.8 million resulting from the end of the "triple-flip" agreement that was set in place to allow for the State to issue their Economic Recovery Bonds. After adjusting for the one-time adjustment, Sales Tax revenue had a slight decline of 1.4%. On the other hand, Utility User Tax had a decreased of \$0.3 million or 4.6% primarily due to the overall decline in utility sales.
- Licenses and Permits increased by \$0.2 million, or 3.2%, primarily due to more property development and construction activities in the City. As mentioned early, the rapid growth in development activities began in 2011 has since slowed down, with the collection of related development fees increasing moderately in the past two fiscal years.
- Fines and Forfeitures decreased by \$0.1 million, due to lower number of parking violation fines.

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

**Governmental Funds (Continued)**

- Use of Money and Property increased by \$0.2 million. This increase is attributed to the inflationary adjustments of rental income and the uptrend of interest rate on investments.
- Intergovernmental Revenue increased by \$0.1 million, or 1.3%, primarily due to the increase on vehicle license fees that are tied to the City's property value.
- Charges for Services had an increase of \$0.7 million, or 11.3%, due to higher revenues from Fire and Police services, including the reimbursement of Arcadia Fire Department's strike team for their mutual-aid response with wildfires and other nature disaster incidents.
- Other Revenues was \$1.0 million less than the prior year. The sum of the reduction was mainly due to a one-time insurance reimbursement in the prior year for the damaged street sweepers. Additionally, asset seizures by the Police Department decreased in comparison to the prior year.

The Governmental Funds reported \$66.4 million of expenditures, an increase of \$5.8 million from the prior fiscal year. These increases comprised of the following:

- Personnel costs increased by \$1.8 million, or 4.5%. In addition to salary increases, per employment agreements, higher PERS contribution rates accounted for the majority of the increase. As noted earlier, higher employer contribution rates are a result of CalPERS modification of actuarial assumptions and policy changes in recent years.
- Operating costs total increased by \$2.5 million. The increase consists of a \$1.4 million to prefund an OPEB trust; established for paying down the liability associated with retiree benefits. A \$0.6 million increase on General Liability and Workers' Compensation claims and various increases relating to election cost, street maintenance, and claims administration.
- Capital expenditure also increased by \$1.5 million. However, the increase was expected as more projects and equipment replacement were budgeted for the year. In particular, there were more capital investments towards street rehabilitation and facility improvements during the year. The replacement of equipment included the purchased of 19 vehicles that included: patrol vehicles, ambulances, and 2 street sweepers.

**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 \$69.5 million and it comprises of \$64.0 million of fund balance in Water Utility Fund, \$5.8 million of fund surplus in Sewer Maintenance Fund, and a \$0.3 million deficit for the Transit System Fund. As only sufficient resources are transferred to fund transit operation, the fund balance in the Transit System fund is comprised of merely the net capital investment and liability balance. Thus, the deficit was a result of the accrued pension liability per GASB Statements 68 and 71.

**City of Arcadia**  
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**GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS**

General Fund is the primary operating fund of the City. The fund balance reported a decrease of \$4.9 million to \$32.0 million at the fiscal year ending June 30, 2016. 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 11.2% of total General Fund expenditures, while total fund balance represents 56.1% 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.

Revenues of the General Fund totaled \$59.4 million for the fiscal year ending June 30, 2016, which is \$2.1 million, or 3.7%, more than the prior fiscal year's revenue total. Similar to the analysis for the governmental funds, tax revenue had the biggest increase, development related licenses and fees grew moderately, and charges for services had an increase due to higher revenues from Fire and Police services. The decrease shown for Other Revenue category was due to a one-time insurance reimbursement for the damages caused by a street sweeper explosion in 2014.

General Fund Revenue	30-Jun-16	30-Jun-15
Taxes	\$36,882,562	\$35,043,264
Licenses and permits	6,387,403	6,139,175
Fines and forfeitures	572,435	614,075
Use of money and property	1,527,839	1,437,872
Intergovernmental	6,390,849	6,456,485
Charges for services	4,548,949	3,959,435
Other revenues	3,086,958	3,642,682
Total revenues	\$59,396,995	\$57,292,988

General Fund expenditures increased by \$5.5 million, or 10.7%, to \$57.0 million. The increases are in the areas of pension liability contribution, prefunding of an OPEB trust, replacement of major vehicles, and contract services.

The adopted General Fund budget projected revenue of \$57.3 million for the fiscal year ending June 30, 2016. The actual total General Fund revenues of \$59.4 million is \$2.1 million, or 3.6%, higher than the final adopted budget.

Key elements of the budget variance are as follows:

- Tax collection in total was slightly less the budget by 0.2%. Utility User Tax and Sales Tax came in below the budget by 3.0% and 5.9%, respectively. However, the collection on Property Tax and Transient Occupancy Tax exceeded original projections. The City's property assessed value increased by 8.8% overall, which is more than expected. An improved economic environment has led to a rise in business and vacation travels providing a higher than projected Transient Occupancy Tax receipts.
- License and Permits was \$0.8 million, or 15.5%, higher than projection. This was due to more than anticipated construction and development activities.
- The collection of parking citations was less than expected, which resulted in a 5.5% of negative budget variance in the Fines and Forfeitures category.



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

- Use of money and property has a positive budget variance. Investment earnings improved due to the rise of interest rate.
- Intergovernmental revenues, including the Motor Vehicle License Fees, was \$0.4 million or 6.3% more than budgeted. As the growth on Motor Vehicle License Fees are tied to the property assessed value, the more than expected growth on City's property valuation has also resulted in the positive variance for this category.
- Charges for Services had a positive variance of \$0.5 million or 11.7% due to higher revenue collection from strike team reimbursement and other safety related services.
- A favorable variance of \$0.3 million for Other Revenues was primarily due to a transfer from the Public Safety Trust Fund for the purchase of a mobile command post.

The City's General Fund expenditures were \$3.1 million, or 5.1%, less than the final adopted budget. General Fund's overall personnel costs resulted in \$1.1 million, or 2.9%, of positive budget variance, due to higher than anticipated vacancies and turnovers. Although there was a \$1.7 million of underspending in the equipment replacement budget, most were unfinished projects that have been carried over to the following fiscal years.

For a budget analysis on the departmental level, almost all City departments ended the fiscal year with a positive budget variance as a result of personnel costs savings. The City Clerk office had a slight overage due to unexpected election costs, such as the costs for signature verification on the Utility Tax Repeal measure. The Fire department's negative variance was due to the mutual-aid strike team overtime to assist with large wildfires that occurred throughout the State. The Police Department had the biggest savings of \$1.4 million, or 6.8%, mainly due to its personnel savings. Administrative Services Department also had a positive variance of \$0.6 million resulting from lower than expected General Liability and Workers' Compensation claims. Public Works also ended the fiscal year with a positive variance that were recognized from contract services in the Storm-water and Street Maintenance Divisions.

A General Fund Budgetary Comparison Schedule can be found in Required Supplementary Information on page 80 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets as of June 30, 2016, amounted to \$111.1 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, park improvements, roadways, sewer, storm drains, vehicles, computer equipment, furniture, other equipment, and construction in progress.

Major capital asset events during the current fiscal year included the completion of Arcadia Transit Plaza for the Foothill Gold Line Arcadia Station, fiber optic connection from City Hall to Public Works facilities to improve the internet and data transmission speed to Public Works staff, and various street improvement projects. Phase II of Huntington Drive capacity improvement project was completed and included the installation of a raised median on Huntington Drive from Santa Clara Street to Colorado Place, and one additional lane in Huntington Drive west of San Rafael Road. Another major project for the year was the enhancement of the pedestrian infrastructure in the vicinity of Hugo Reid Elementary School, which was funded by a federal grant from the Safe Routes to School ("SRTS") Program. Major equipment upgrades included the purchase of 3 ambulances, 2 street sweepers, and 14 other vehicles. As mentioned earlier, the City also purchased a mobile command post that would be used as a control center during a major emergency or natural disaster to supplement public safety responses.

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

	Governmental Activities		Business – Type Activities		Total	
	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15	30-Jun-16	30-Jun-15
Non-depreciable assets:						
Land	\$5,738,644	\$5,738,644	\$192,436	\$192,436	\$5,931,080	\$5,931,080
Water rights	-	-	5,602,000	5,602,000	5,602,000	5,602,000
Construction in progress	920,747	2,317,785	49,948	-	970,695	2,317,785
Total non-depreciable assets	6,659,391	8,056,429	5,844,384	5,794,436	12,503,775	13,850,865
Depreciable assets:						
Buildings and improvements	57,915,090	57,046,672	-	-	57,915,090	57,046,672
Automotive equipment	10,315,944	9,754,454	2,887,309	2,865,226	13,203,253	12,619,680
Furniture and equipment	2,761,289	2,714,814	350,266	484,436	3,111,555	3,199,250
Infrastructure	89,204,786	86,764,788	82,217,787	82,217,787	171,422,573	168,982,575
Total depreciable assets	160,197,109	156,280,728	85,455,362	85,567,449	245,652,471	241,848,177
Less accumulated depreciation:	(102,726,583)	(100,082,128)	(44,342,496)	(42,502,922)	(147,069,079)	(142,585,050)
Total depreciable assets, net	57,470,526	56,198,600	41,112,866	43,064,527	98,583,392	99,263,127
Total capital assets, net	\$64,129,917	\$64,255,029	\$46,957,250	\$48,858,963	\$111,087,167	\$113,113,992

Additional information on the City's capital assets can be found in the Notes to the Basic Financial Statements in Note 4 beginning on page 60 of this report.

**Long-term debt.** At the end of the current fiscal year, the City of Arcadia had a total outstanding debt of \$138.6 million.

Citywide	30-Jun-16	30-Jun-15
Claims and judgments payable	\$8,227,644	\$7,376,079
Compensated absences	2,764,255	2,596,944
OPEB obligations	2,050,811	2,751,454
Net pension liability	112,564,461	103,250,759
2011 General Obligation Bonds	7,262,502	7,579,767
2012 General Obligation Bonds	5,743,147	6,022,492
Total	\$138,612,820	\$129,577,495

Based on GASB Statements 68 and 71, the City's net pension obligation was established to be \$112.6 million as of June 30, 2016. More information related to the pension liability is available in Note 8 beginning on page 69.

**City of Arcadia**  
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**CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)**

Claims payable for outstanding Workers' Compensation and Liability issues increased \$0.9 million to \$8.2 million and the other postemployment benefits (OPEB) obligation decreased by \$0.7 million to \$2.1 million. Both liabilities were based on estimated numbers determined by actuarial calculation. As noted earlier in our discussion, an OPEB trust was established exclusively for the liability relating to retiree medical benefits, and the \$2.1 million presented above is the cumulative unpaid Annual Required Contribution (ARC) after the prefunding of \$1.4 million. The reduction of General Obligation Bond debts is due to scheduled debt service payments. More details on the changes in long-term debt are available in the Notes to the Basic Financial Statements in Note 5 beginning on page 62 of this report.

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

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

- The local economy is projected to continue its modest growth in the coming year and has been reflected in the City's FY 2016-17 Revenue Budget. General Fund Revenue is budgeted to grow 2.9% over FY 2015-16 year end estimates. Most of the key revenues including Property Tax, Sales Tax, and Transient Occupancy Tax are projected to have modest increase due to the continuing growth in assessed property value and local economy. However, Utility User Tax is projected to be flat in compassion to the current year as the water conservation program will continue and the slight increase in electric utility rates are expected to be offset by natural gas rates. Licenses and Permits are expected to decrease after several year of accelerated growth in the home construction and development activities. Operating expenditures, in total, are expected to have an increase of 3.6% when compared to the prior year's budget. Increases in expenditures are mainly related to salary expenses, bound by labor agreements, and rising pension costs as a result of policy changes that were adopted by CalPERS to ensure future viability of the public pension system. Additionally, a total of \$1.5 million equals to the annual required contribution (ARC) for the City's OPEB was included in the budget for fiscal year 2016-17.
- The City adopted its FY2016-17 General Fund Operating Budget with a projected \$3.3 million surplus. With direction from City Council, the surplus has been designated for transfer to replenish the Equipment Replacement Fund, Capital Outlay Fund, and a set-side reserve for the New City Hall.
- While the City's Five-Year Financial Forecast indicates that revenues will grow modestly over the next several years, the Forecast also anticipates rising costs in several areas. Most notably, while the major pension reforms previously agreed to by the City's labor groups will have a long-term positive effect on the budget and increased funding into retirement programs will ensure sustainability, pension costs will continue to increase significantly over the next decade. In order to maintain a balanced budget, it will be essential for the City to continue its history of conservative spending and rapid responses to changing conditions in the community.

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

Below is discussion of the more significant issues facing Arcadia in the coming fiscal years that are known at this time:

- **Other Postemployment Benefits (OPEB):** The Unfunded Accrued Actuarial Liability for the City's post-retirement medical benefits has grown rapidly as the City adopted pay-as-you-go in the past few years. It was estimated to be \$18 million based on the most recent actuarial report as of July 2015. Although the City has established an internal revenue section 115 trust for the OPEB Liability with California Employers' Retiree Benefit Trust (CERBT) and made the initial contribution. Continuing funding above the minimum requirement of Annual Required Contribution (ARC) would be essential to reduce this long term liability and decrease the total benefit costs for the City.
- **Capital Outlay and Equipment Replacement Funds Recovering:** The expanding economy has allowed the City to transfer a significant amount of funds into the Capital Outlay and Equipment Replacement Funds in recent years. The 5-Year Financial Forecast anticipates that the City will be able to transfer a steady stream of additional funds anticipated in the coming years. However, this is based on an economy that will not falter in the next few years and that the organization does not significantly expand in other areas. It is imperative that the City have the discipline to continue depositing funds into these accounts at or above the minimum required contributions to keep them sustainable. Starting with the budget year of FY2015-16, the City Council authorized a reserve fund for the construction of a New City Hall: \$1 million was transferred from General Fund, and another \$0.5 million was budgeted for FY2016-17.
- **CalPERS Funding Policy Changes:** In the past several years, CalPERS, the City's retirement fund manager, has made policy and funding changes as well as modifying the actuarial assumption in order to ensure the future viability of the public pension system, which has significantly increased the annual contribution required by the City. Some of the approaches causing the higher contribution rates by cities are from CalPERS's conservative approach to lowering investment risk in order to reduce the market volatility and to avoid similar losses that occurred in 2008-09. Additionally, CalPERS plans to gradually reduce the expected return rate from its investment, from the current 7.5% to 6.5% ultimately. Due to the presumed lower investment earnings, an offset is expected to come in the way of higher employer contributions from cities and public workers.

**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, 2016**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>			
Current assets:			
Cash and investments	\$ 62,594,014	\$ 28,654,318	\$ 91,248,332
Accounts receivable	300,315	1,982,142	2,282,457
Interest receivable	145,064	65,336	210,400
Due from other governments	5,650,766	436,257	6,087,023
Prepaid items	45,424	111,819	157,243
Internal balances	196,673	(196,673)	-
Inventories	751,881	-	751,881
Total current assets	69,684,137	31,053,199	100,737,336
Noncurrent assets:			
Capital assets:			
Nondepreciable	6,659,391	5,844,384	12,503,775
Depreciable, net	57,470,526	41,112,866	98,583,392
Total capital assets	64,129,917	46,957,250	111,087,167
Total noncurrent assets	64,129,917	46,957,250	111,087,167
<b>Total assets</b>	133,814,054	78,010,449	211,824,503
Deferred outflow of resources:			
Deferred outflows related to net pension liability	10,133,075	662,894	10,795,969
<b>Total deferred outflow of resources</b>	10,133,075	662,894	10,795,969
<b>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>			
Current liabilities:			
Accounts payable	2,019,511	1,186,425	3,205,936
Accrued salaries payable	2,011,249	54,046	2,065,295
Interest payable	188,685	-	188,685
Unearned revenue	215,877	-	215,877
Deposits	-	126,477	126,477
Retention payable	44,392	4,637	49,029
Long-term debt - due within one year	4,391,639	98,043	4,489,682
Total current liabilities	8,871,353	1,469,628	10,340,981
Noncurrent liabilities:			
Long-term debt - due in more than one year	126,966,933	7,156,205	134,123,138
Total noncurrent liabilities	126,966,933	7,156,205	134,123,138
<b>Total liabilities</b>	135,838,286	8,625,833	144,464,119
Deferred inflow of resources:			
Deferred inflows related to net pension liability	6,880,154	553,295	7,433,449
<b>Total deferred inflow of resources</b>	6,880,154	553,295	7,433,449
<b>NET POSITION</b>			
Net investment in capital assets	51,124,268	46,957,250	98,081,518
Restricted for:			
Debt service	664,992	-	664,992
Community purposes	10,578,749	-	10,578,749
Public safety	1,253,412	-	1,253,412
Transportation /streets	9,165,526	-	9,165,526
Total restricted	21,662,679	-	21,662,679
Unrestricted	(71,558,258)	22,536,965	(49,021,293)
<b>Total net position</b>	\$ 1,228,689	\$ 69,494,215	\$ 70,722,904

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2016**

Functions/Programs	Expenses	Program Revenues			Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary Government:</b>					
<b>Governmental activities:</b>					
General government	\$ 6,890,053	\$ 33,223	\$ 148,097	\$ -	\$ 181,320
Public safety	34,089,922	3,972,018	418,164	-	4,390,182
Public works services	8,525,715	434,681	1,270,759	58,353	1,763,793
Community development	6,316,456	4,577,662	2,892,579	869,484	8,339,725
Library	3,858,956	72,242	-	-	72,242
Recreation and community services	3,455,024	3,237,272	147,398	-	3,384,670
Interest on long-term debt	417,780	-	-	-	-
Total governmental activities	63,553,906	12,327,098	4,876,997	927,837	18,131,932
<b>Business-type activities:</b>					
Water	12,563,018	9,122,745	-	-	9,122,745
Sewer	1,360,509	1,664,249	-	-	1,664,249
Transit	1,818,171	63,520	768,229	-	831,749
Total business-type activities	15,741,698	10,850,514	768,229	-	11,618,743
Total primary government	\$ 79,295,604	\$ 23,177,612	\$ 5,645,226	\$ 927,837	\$ 29,750,675

(Continued)

**City of Arcadia**  
**Statement of Activities (Continued)**  
**For the Fiscal Year Ended June 30, 2016**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
<b>Primary Government:</b>			
<b>Governmental activities:</b>			
General government	\$ (6,708,733)	\$ -	\$ (6,708,733)
Public safety	(29,699,740)	-	(29,699,740)
Public works services	(6,761,922)	-	(6,761,922)
Community development	2,023,269	-	2,023,269
Library	(3,786,714)	-	(3,786,714)
Recreation and community services	(70,354)	-	(70,354)
Interest on long-term debt	(417,780)	-	(417,780)
Total governmental activities	(45,421,974)	-	(45,421,974)
<b>Business-type activities:</b>			
Water	-	(3,440,273)	(3,440,273)
Sewer	-	303,740	303,740
Transit	-	(986,422)	(986,422)
Total business-type activities	-	(4,122,955)	(4,122,955)
<b>Total primary government</b>	<b>(45,421,974)</b>	<b>(4,122,955)</b>	<b>(49,544,929)</b>
<b>General Revenues:</b>			
Taxes and fees:			
Property taxes	15,149,171	-	15,149,171
Sales taxes	11,441,622	-	11,441,622
Franchise fees	1,100,952	-	1,100,952
Utilities user taxes	6,816,464	-	6,816,464
Transient occupancy taxes	3,531,944	-	3,531,944
Motor vehicle license taxes	6,136,906	-	6,136,906
Non-regulatory business license taxes	1,293,357	-	1,293,357
Other taxes	1,538,467	-	1,538,467
Total taxes and fees	47,008,883	-	47,008,883
Investment earnings	1,856,318	380,861	2,237,179
Gain on disposal of assets	-	11,835	11,835
Miscellaneous	3,482,819	-	3,482,819
<b>Transfers</b>	<b>(871,261)</b>	<b>871,261</b>	<b>-</b>
<b>Total general revenues and transfers</b>	<b>51,476,759</b>	<b>1,263,957</b>	<b>52,740,716</b>
<b>Change in net position</b>	<b>6,054,785</b>	<b>(2,858,998)</b>	<b>3,195,787</b>
<b>Net position (deficit) - beginning of fiscal year</b>	<b>(4,826,096)</b>	<b>72,353,213</b>	<b>67,527,117</b>
<b>Net position - end of fiscal year</b>	<b>\$ 1,228,689</b>	<b>\$ 69,494,215</b>	<b>\$ 70,722,904</b>

See Accompanying Notes to the Basic Financial Statements.

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# **FUND FINANCIAL STATEMENTS**

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*Governmental Fund Financial Statements*

*Proprietary Fund Financial Statements*

*Fiduciary Fund Financial Statements*

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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***General Fund*** - 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*** - 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.

***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.

**City of Arcadia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2016**

	Major Funds			Nonmajor	Total
	General	Parks and Recreation	Capital Outlay	Governmental Funds	Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 29,143,884	\$ 8,219,261	\$ 11,336,543	\$ 13,894,326	\$ 62,594,014
Accounts receivable	211,120	-	-	89,195	300,315
Interest receivable	71,548	18,705	25,767	29,044	145,064
Due from other funds	360,323	-	-	-	360,323
Due from other governments	4,823,137	-	111,900	329,850	5,264,887
Prepaid items and deposits	45,424	-	-	-	45,424
Inventories	751,881	-	-	-	751,881
<b>Total assets</b>	<b>\$ 35,407,317</b>	<b>\$ 8,237,966</b>	<b>\$ 11,474,210</b>	<b>\$ 14,342,415</b>	<b>\$ 69,461,908</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,242,329	\$ -	\$ 226,597	\$ 550,585	\$ 2,019,511
Accrued salaries payable	1,996,467	-	-	14,782	2,011,249
Due to other funds	-	-	-	163,650	163,650
Unearned revenue	215,877	-	-	-	215,877
Retention payable	-	-	44,392	-	44,392
<b>Total liabilities</b>	<b>3,454,673</b>	<b>-</b>	<b>270,989</b>	<b>729,017</b>	<b>4,454,679</b>
<b>Fund Balances:</b>					
Nonspendable	797,305	-	-	-	797,305
Restricted	-	8,237,966	-	13,613,398	21,851,364
Assigned	24,756,336	-	11,203,221	-	35,959,557
Unassigned	6,399,003	-	-	-	6,399,003
<b>Total fund balances</b>	<b>31,952,644</b>	<b>8,237,966</b>	<b>11,203,221</b>	<b>13,613,398</b>	<b>65,007,229</b>
<b>Total liabilities and fund balances</b>	<b>\$ 35,407,317</b>	<b>\$ 8,237,966</b>	<b>\$ 11,474,210</b>	<b>\$ 14,342,415</b>	<b>\$ 69,461,908</b>

**City of Arcadia**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2016**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 65,007,229</b>
Amounts reported for governmental activities in the statement of net position were different because:	
Capital assets used in governmental activities were not current financial resources. Therefore, they were not reported in the governmental funds.	<u>64,129,917</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>(188,685)</u>
Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds:	
Long-term debt - due within one year	(4,391,639)
Long-term debt - due in more than one year	<u>(126,966,933)</u>
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.	
Deferred outflows related to net pension liability	10,133,075
Deferred inflows related to net pension liability	<u>(6,880,154)</u>
Revenues earned but not available to pay for current expenditures for governmental funds are unavailable.	<u>385,879</u>
<b>Net Position of Governmental Activities</b>	<b><u>\$ 1,228,689</u></b>



**City of Arcadia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Major Funds			Nonmajor	Total
	General	Parks and Recreation	Capital Outlay	Governmental Funds	Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 36,882,562	\$ -	\$ 635,614	\$ 1,986,312	\$ 39,504,488
Licenses and permits	6,387,403	-	-	335,883	6,723,286
Fines and forfeitures	572,435	-	-	228,726	801,161
Use of money and property	1,527,839	90,231	95,670	142,578	1,856,318
Intergovernmental	6,390,849	-	527,026	4,735,718	11,653,593
Charges for services	4,548,949	2,096,641	-	131,710	6,777,300
Other revenues	3,086,958	-	138,466	194,031	3,419,455
<b>Total revenues</b>	<b>59,396,995</b>	<b>2,186,872</b>	<b>1,396,776</b>	<b>7,754,958</b>	<b>70,735,601</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
City council	260,386	-	-	-	260,386
City manager	749,203	-	-	-	749,203
City clerk	435,526	-	-	-	435,526
City attorney	463,340	-	-	-	463,340
General city	2,610,690	-	551,508	3,014	3,165,212
Administrative services	3,847,140	-	-	-	3,847,140
Public safety:					
Police	19,057,936	-	49,303	396,773	19,504,012
Fire	14,147,306	-	115,181	6,459	14,268,946
Public works services	4,512,667	-	1,292,117	2,022,399	7,827,183
Community development	4,520,057	-	982,653	2,500,517	8,003,227
Library	3,491,033	-	100,726	21,000	3,612,759
Recreation and community services	2,899,418	100,861	125,180	84,033	3,209,492
Debt service:					
Principal retirement	-	-	-	555,000	555,000
Interest and fiscal charges	-	-	-	466,474	466,474
<b>Total expenditures</b>	<b>56,994,702</b>	<b>100,861</b>	<b>3,216,668</b>	<b>6,055,669</b>	<b>66,367,900</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>2,402,293</b>	<b>2,086,011</b>	<b>(1,819,892)</b>	<b>1,699,289</b>	<b>4,367,701</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,521,376	-	8,129,016	680,070	10,330,462
Transfers out	(8,809,086)	-	-	(2,392,637)	(11,201,723)
<b>Total other financing sources (uses)</b>	<b>(7,287,710)</b>	<b>-</b>	<b>8,129,016</b>	<b>(1,712,567)</b>	<b>(871,261)</b>
<b>Net changes in fund balances</b>	<b>(4,885,417)</b>	<b>2,086,011</b>	<b>6,309,124</b>	<b>(13,278)</b>	<b>3,496,440</b>
<b>FUND BALANCES:</b>					
Beginning of fiscal year	36,838,061	6,151,955	4,894,097	13,626,676	61,510,789
End of fiscal year	<u>\$ 31,952,644</u>	<u>\$ 8,237,966</u>	<u>\$ 11,203,221</u>	<u>\$ 13,613,398</u>	<u>\$ 65,007,229</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, 2016**

<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 3,496,440</b>
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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	156,736
Public safety	1,374,571
Public works services	956,123
Community development	1,676,115
Library	6,385
Recreation and community services	10,246
<b>Total</b>	<b>4,180,176</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:

(177,438)

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.

(4,127,850)

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:

(152,356)

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 judgment payable was not reported as an expenditure in the governmental funds. The differences between claims incurred and paid for the period was:

(851,565)

Long-term OPEB obligation 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 pension costs and actual employer contributions was:

726,605

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.

Repayment of bond principal	555,000
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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	7,084
Amortization of bond premium	41,610
<b>Total</b>	<b>48,694</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:

2,185,807

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.

171,272

<b>Change in Net Position of Governmental Activities</b>	<b>\$ 6,054,785</b>
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# PROPRIETARY FUND 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.

***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.

**City of Arcadia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2016**

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Transit System	Total
<b>ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>				
Current assets:				
Cash and investments	\$ 25,819,615	\$ 2,834,703	\$ -	\$ 28,654,318
Accounts receivable	1,661,306	320,836	-	1,982,142
Interest receivable	58,889	6,447	-	65,336
Prepaid items	111,819	-	-	111,819
Due from other governments	3,332	194	432,731	436,257
Total current assets	27,654,961	3,162,180	432,731	31,249,872
Capital assets:				
Nondepreciable	5,844,384	-	-	5,844,384
Depreciable, net	36,887,799	4,132,117	92,950	41,112,866
Total capital assets	42,732,183	4,132,117	92,950	46,957,250
<b>Total assets</b>	<b>70,387,144</b>	<b>7,294,297</b>	<b>525,681</b>	<b>78,207,122</b>
Deferred outflow of resources:				
Deferred outflows related to net pension liability	486,292	141,523	35,079	662,894
<b>Total deferred outflow of resources</b>	<b>486,292</b>	<b>141,523</b>	<b>35,079</b>	<b>662,894</b>
<b>LIABILITIES AND DEFERRED INFLOW OF RESOURCES</b>				
Current liabilities:				
Accounts payable	919,362	33,674	233,389	1,186,425
Retention payable	4,637	-	-	4,637
Accrued salaries payable	40,079	11,296	2,671	54,046
Due to other funds	-	-	196,673	196,673
Compensated absences payable - due within one year	98,043	-	-	98,043
Deposits	126,477	-	-	126,477
Total current liabilities	1,188,598	44,970	432,733	1,666,301
Noncurrent liabilities:				
Net pension liabilities	5,061,887	1,473,134	365,143	6,900,164
Net OPEB obligation	191,030	-	-	191,030
Compensated absences payable - due in more than one year	65,011	-	-	65,011
Total noncurrent liabilities	5,317,928	1,473,134	365,143	7,156,205
<b>Total liabilities</b>	<b>6,506,526</b>	<b>1,518,104</b>	<b>797,876</b>	<b>8,822,506</b>
Deferred inflow of resources:				
Deferred inflows related to net pension liability	405,892	118,124	29,279	553,295
<b>Total deferred inflow of resources</b>	<b>405,892</b>	<b>118,124</b>	<b>29,279</b>	<b>553,295</b>
<b>NET POSITION</b>				
Net investment in capital assets	42,732,183	4,132,117	92,950	46,957,250
Unrestricted	21,228,835	1,667,475	(359,345)	22,536,965
<b>Total net position (deficit)</b>	<b>\$ 63,961,018</b>	<b>\$ 5,799,592</b>	<b>\$ (266,395)</b>	<b>\$ 69,494,215</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, 2016**

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Transit System	Total
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 9,107,000	\$ 1,664,249	\$ 63,520	\$ 10,834,769
Other	15,745	-	-	15,745
<b>Total operating revenues</b>	<b>9,122,745</b>	<b>1,664,249</b>	<b>63,520</b>	<b>10,850,514</b>
<b>OPERATING EXPENSES:</b>				
Administration and general	2,694,173	1,020,284	275,931	3,990,388
Power, supplies and pumping	8,065,937	150,094	-	8,216,031
Contract costs	87,934	42,917	1,382,901	1,513,752
Depreciation	1,714,974	147,214	159,339	2,021,527
<b>Total operating expenses</b>	<b>12,563,018</b>	<b>1,360,509</b>	<b>1,818,171</b>	<b>15,741,698</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(3,440,273)</b>	<b>303,740</b>	<b>(1,754,651)</b>	<b>(4,891,184)</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Investment income	348,691	32,170	-	380,861
Federal and state grants	-	-	768,229	768,229
Gain on disposal of capital assets	11,835	-	-	11,835
<b>Total nonoperating revenues (expenses)</b>	<b>360,526</b>	<b>32,170</b>	<b>768,229</b>	<b>1,160,925</b>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	<b>(3,079,747)</b>	<b>335,910</b>	<b>(986,422)</b>	<b>(3,730,259)</b>
<b>TRANSFERS:</b>				
Transfers in	-	-	871,261	871,261
<b>Total transfers</b>	<b>-</b>	<b>-</b>	<b>871,261</b>	<b>871,261</b>
<b>Changes in net position</b>	<b>(3,079,747)</b>	<b>335,910</b>	<b>(115,161)</b>	<b>(2,858,998)</b>
<b>NET POSITION (DEFICIT):</b>				
Beginning of fiscal year	67,040,765	5,463,682	(151,234)	72,353,213
End of fiscal year	\$ 63,961,018	\$ 5,799,592	\$ (266,395)	\$ 69,494,215

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2016**

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Transit System	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 8,943,862	\$ 1,567,591	\$ 63,520	\$ 10,574,973
Cash payments to suppliers for goods and services	(9,627,720)	(614,736)	(1,506,291)	(11,748,747)
Cash payments to employees for services	(2,604,105)	(729,221)	(195,399)	(3,528,725)
Cash received for other operating activities	15,745	-	-	15,745
<b>Net cash provided by (used in) operating activities</b>	<b>(3,272,218)</b>	<b>223,634</b>	<b>(1,638,170)</b>	<b>(4,686,754)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from other governments	-	-	345,554	345,554
Due to other funds	-	-	196,673	196,673
Transfers in	-	-	871,261	871,261
<b>Net cash provided (used) by noncapital financing activities</b>	<b>-</b>	<b>-</b>	<b>1,413,488</b>	<b>1,413,488</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Proceeds from sale of capital assets	11,835	-	-	11,835
Acquisition of capital assets	(119,814)	-	-	(119,814)
<b>Net cash provided by (used in) capital and related financing activities</b>	<b>(107,979)</b>	<b>-</b>	<b>-</b>	<b>(107,979)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest received	349,561	31,037	-	380,598
<b>Net cash provided by investing activities</b>	<b>349,561</b>	<b>31,037</b>	<b>-</b>	<b>380,598</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(3,030,636)</b>	<b>254,671</b>	<b>(224,682)</b>	<b>(3,000,647)</b>
<b>CASH AND CASH EQUIVALENTS - Beginning of fiscal year</b>	<b>28,850,251</b>	<b>2,580,032</b>	<b>224,682</b>	<b>31,654,965</b>
<b>CASH AND CASH EQUIVALENTS - End of fiscal year</b>	<b>\$ 25,819,615</b>	<b>\$ 2,834,703</b>	<b>\$ -</b>	<b>\$ 28,654,318</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>				
Operating income (loss)	\$ (3,440,273)	\$ 303,740	\$ (1,754,651)	\$ (4,891,184)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,714,974	147,214	159,339	2,021,527
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	(141,712)	(96,658)	-	(238,370)
Prepaid items	1,870	381	-	2,251
Accounts payable	(1,128,975)	(63,332)	115	(1,192,192)
Retention payable	(10,397)	(2,855)	-	(13,252)
Accrued salaries payable	19,271	5,593	1,206	26,070
Deposits	(21,426)	-	-	(21,426)
Net pension liabilities	304,639	105,518	2,119	412,276
Deferred outflow of resources - pension	(82,529)	(25,449)	(4,268)	(112,246)
Deferred inflow of resources - pension	(528,577)	(150,518)	(42,030)	(721,125)
Net OPEB obligation	25,962	-	-	25,962
Compensated absences	14,955	-	-	14,955
<b>Total adjustments</b>	<b>168,055</b>	<b>(80,106)</b>	<b>116,481</b>	<b>204,430</b>
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (3,272,218)</b>	<b>\$ 223,634</b>	<b>\$ (1,638,170)</b>	<b>\$ (4,686,754)</b>

See Accompanying Notes to the Basic Financial Statements.

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# FIDUCIARY FUNDS

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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.

*Agency Fund* - established to account for assets held by the City as agent for individuals, private organizations, or other governmental units, and/or other funds.

**City of Arcadia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2016**

	Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund	Agency Fund
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 5,615,943	\$ 2,390,537
Cash and investments with fiscal agent	2,897,363	-
Accounts receivable	-	6,311
Interest receivable	7,823	-
Due from other governments	11,000	-
Total current assets	8,532,129	2,396,848
Noncurrent assets:		
Land held for resale	4,770,232	-
Total noncurrent assets	4,770,232	-
<b>Total assets</b>	<b>13,302,361</b>	<b>\$ 2,396,848</b>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	112	\$ 135,564
Accrued salaries payable	792	-
Deposits payable	-	2,261,284
Interest payable	359,256	-
Bonds payable - due within one year	1,463,355	-
Total current liabilities	1,823,515	2,396,848
Noncurrent liabilities:		
Bonds payable - due in more than one year	18,866,709	-
Total noncurrent liabilities	18,866,709	-
<b>Total liabilities</b>	<b>20,690,224</b>	<b>\$ 2,396,848</b>
<b>NET POSITION (DEFICIT)</b>		
Held in trust	\$ (7,387,863)	

See Accompanying Notes to the Basic Financial Statements.



**City of Arcadia**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Fiscal Year Ended June 30, 2016**

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	Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund
<b>ADDITIONS:</b>	
Redevelopment Property Tax Trust Fund	\$ 2,812,436
Use of money and property	204,240
<b>Total additions</b>	<u>3,016,676</u>
<b>DEDUCTIONS:</b>	
Enforceable obligations	1,248,871
Administration	296,846
Land transfer to Los Angeles County Housing Authority	<u>1,268,272</u>
<b>Total deductions</b>	<u>2,813,989</u>
<b>Change in net position</b>	202,687
<b>NET POSITION (DEFICIT):</b>	
Beginning of fiscal year	<u>(7,590,550)</u>
End of fiscal year	<u><u>\$ (7,387,863)</u></u>

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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, 2016**

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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 equity, 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 outflows of resources (consumption of net position) that apply to future periods and, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and, therefore, are not recognized as revenue until that time.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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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.

Revenues are recognized as soon as they are both “*measurable*” and “*available*”. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For these purposes, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property taxes, sales taxes, certain grant revenues and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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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)*

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.
- 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.

*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 nonoperating 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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

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

*Proprietary Fund Financial Statements (Continued)*

- Transit System Enterprise Fund – This fund was established to account for the City-operated “Dial-A-Ride” van service to the general public.

*Fiduciary Fund Financial Statements*

The fiduciary funds are reported using the accrual basis of accounting.

The City reports the following fiduciary funds:

- 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.
- Agency Fund – This agency fund was established to account for items that are custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

***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 flows purposes.

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

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

Cash and investments with fiscal agent 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 “interfund balances”.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

***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. Land Held for Resale***

Land held for resale is carried at the lower of cost or market, but not greater than the estimated net realizable value.

***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 estimated fair market 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.

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, curb 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 “Basic Approach”.

Interest accrued during capital assets construction, if any, is capitalized for the enterprise funds as part of the asset cost.



**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

**H. Capital Assets (Continued)**

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 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.

**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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

***L. Long-Term Debt***

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 days after fiscal year-end.

The following are key dates pertaining to property taxes:

Lien Date:	January 1
Levy Date:	June 30
Due Date:	November 1 and February 1
Collection Date:	December 10 and April 10

***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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

***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.

***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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

**Q. Spending Policy (Continued)**

Governmental Fund Financial Statements (Continued)

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. Accounting Changes**

*Governmental Accounting Standards Board Statement No. 72*

For the fiscal year ended June 30, 2016, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. This Statement is effective for periods beginning after June 15, 2015. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Implementation of GASB Statement No. 72 did have an impact on the City's financial statements for the fiscal year ended June 30, 2016, see Note 2 – Cash and Investments for further detail.

**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, 2016:

	Government-Wide Statement of Net Position			Fiduciary Fund Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total		Total
Cash and investments	\$ 62,594,014	\$ 28,654,318	\$ 91,248,332	\$ 8,006,480	\$ 99,254,812
Cash and investments with fiscal agent	-	-	-	2,897,363	2,897,363
<b>Total cash and investments</b>	<b>\$ 62,594,014</b>	<b>\$ 28,654,318</b>	<b>\$ 91,248,332</b>	<b>\$ 10,903,843</b>	<b>\$ 102,152,175</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

The City's cash and investments at June 30, 2016 consists of the following:

Cash and cash equivalents:	
Petty cash	\$ 18,956
Demand deposits	<u>1,337,650</u>
Total cash and cash equivalents	<u>1,356,606</u>
Investments:	
Local Agency Investment Fund	24,939,021
Certificates of Deposits	3,251,384
Medium-term Notes	14,266,626
U.S. Treasury Notes	9,195,301
U.S. Government Sponsored Enterprise Securities	<u>46,245,874</u>
Total investments	<u>97,898,206</u>
Cash and investments with fiscal agent:	
Money Market Funds	<u>2,897,363</u>
Total cash and investments	<u>\$ 102,152,175</u>

**A. Deposits**

The carrying amounts of the City's demand deposits were \$1,337,650 at June 30, 2016. Bank balances at that date were \$2,298,889, 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.

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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

**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
U.S. Government Sponsored Enterprise Securities (limited to: Federal Home Loan Bank, Federal National Mortgage Association Federal Farm Credit Bank and Federal Home Loan Mortgage Corporation)	5 years	No Limit	No Limit
Repurchase Agreements	30 days	No Limit	No Limit
Commercial Paper	270 days	25%	5%
Bankers' Acceptances	180 days	15%	5% **
Medium-term notes	3 or 5 years***	20%	5%
Non-negotiable Certificates of deposit and savings deposits	5 years	20%	N/A
Negotiable Certificates of deposit (amount limited to FDIC insurance limits)	5 years	20%	N/A
Local Agency Investment Fund ("LAIF")	N/A	No Limit	\$50 Million
Money Market Mutual Funds	N/A	20%	No Limit
Investment-grade obligations of state, local government and public authorities	5 years	20%	5%

N/A - Not Applicable

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

\*\* Lesser of 5% or \$3,000,000

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

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, 2016, 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, 2016, the City had \$24,939,021 invested in LAIF, which had invested 2.81% of the pool investment funds in Structured Notes and Asset-Backed Securities.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

**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, 2016, 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)	\$ 24,939,021	\$ 24,939,021	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	3,251,384	1,550,088	725,262	976,034	-	-
Medium-term Notes	14,266,626	7,722,662	6,543,964	-	-	-
U.S. Treasury Notes	9,195,301	8,190,653	1,004,648	-	-	-
Federal Farm Credit Bank	13,452,060	-	7,197,462	6,254,598	-	-
Federal Home Loan Bank	14,726,105	5,017,486	6,684,379	3,024,240	-	-
Federal Home Loan Mortgage Corporation	6,619,865	4,012,916	1,606,139	-	1,000,810	-
Federal National Mortgage Association	11,447,844	1,402,564	9,030,220	1,015,060	-	-
Held by Fiscal Agent:						
Money Market Funds	2,897,363	2,897,363	-	-	-	-
Total	\$ 100,795,569	\$ 55,732,753	\$ 32,792,074	\$ 11,269,932	\$ 1,000,810	\$ -

**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, 2016, 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 (LAIF)	Not Rated	Not Rated	24.74%
Certificates of deposits	Not Rated	Not Rated	3.23%
Medium term Notes:			
Apple	Aa1	AA+	1.49%
Berkshire Hathaway	Aa2	AA	2.00%
Chevron	Aa2	AA-	1.00%
Coca-Cola	Aa3	AA-	0.75%
General Electric Capital Corp.	A1	AA+	1.00%
IBM	Aa3	AA-	1.00%
Microsoft	Aaa	AAA	0.99%
Merck	A1	AA+	1.00%
Proctor & Gamble	Aa3	AA-	0.99%
Toyota Motor	Aa3	AA-	1.94%
Wells Fargo	A2	A	0.99%
U.S. Bancorp	A1	A+	1.00%
U.S. Treasury Notes	Aaa	AA+	9.12%
Federal Farm Credit Bank	Aaa	AA+	13.35%
Federal Home Loan Bank	Aaa	AA+	14.61%
Federal Home Loan Mortgage Corporation	Aaa	AA+	6.57%
Federal National Mortgage Association	Aaa	AA+	11.36%
Held by Fiscal Agent			
Money Market Funds	Not Rated	Not Rated	2.87%
Total			100.00%

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

**C. Risk Disclosures (Continued)**

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, \$2,896,219 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, 2016.

**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 pool investment has the following recurring fair value measurements as of June 30, 2016:

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	\$ 3,251,384	\$ 3,251,384	\$ -	\$ -
Medium-term Notes	14,266,626	14,266,626	-	-
U.S. Treasury Notes	9,195,301	9,195,301	-	-
Federal Farm Credit Bank	13,452,060	13,452,060	-	-
Federal Home Loan Bank	14,726,105	14,726,105	-	-
Federal Home Loan Mortgage Corporation	6,619,865	6,619,865	-	-
Federal National Mortgage Association	11,447,844	11,447,844	-	-
Total Investments Measured at Fair Value	72,959,185	<u>\$ 72,959,185</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at Amortized Cost				
LAIF	24,939,021			
Total Pooled Investments	<u>\$ 97,898,206</u>			



**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 3 – Interfund Transactions**

**A. Government-Wide Financial Statements**

**Due From/To Other Fund** - At June 30, 2016, the City had the following due from/to other funds:

<b>Due to Other Funds</b>	<b>Due from Other Funds</b>
	Governmental Activities
Business-Type Activities	196,673
<b>Total</b>	<b>\$ 196,673</b>

The above interfund balances resulted from temporary reclassifications made at June 30, 2016 to cover cash shortfalls of the Transit System Enterprise Fund.

**Transfers** - At June 30, 2016, the City had the following transfers for the operation of the Transit System Enterprise Fund:

<b>Transfers Out</b>	<b>Transfers In</b>
	Business-Type Activities
Governmental Activities	<b>\$ 871,261</b>

**B. Fund Financial Statements**

**Due From/To Other Funds** - At June 30, 2016, the City had the following due from/to other funds:

<b>Due to Other Funds</b>	<b>Due from Other Funds</b>
	General Fund
Nonmajor Governmental Funds	163,650
Major Transit System Fund	196,673
<b>Total</b>	<b>\$ 360,323</b>

The above interfund balances resulted from temporary reclassifications made at June 30, 2016 to cover cash shortfalls.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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

**B. Fund Financial Statements (Continued)**

**Transfers In/Out** - At June 30, 2016, the City had the following transfers in/out which arise in the normal course of operations:

	<b>Transfers In</b>				<b>Total</b>
	<b>General Fund</b>	<b>Capital Outlay Capital Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Transit System Enterprise</b>	
<b>Transfers Out</b>					
General Fund	\$ -	\$ 8,129,016	\$ 680,070	\$ -	\$ 8,809,086
Nonmajor Governmental Funds	1,521,376	-	-	871,261	2,392,637
<b>Total</b>	<b>\$ 1,521,376</b>	<b>\$ 8,129,016</b>	<b>\$ 680,070</b>	<b>\$ 871,261</b>	<b>\$ 11,201,723</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, and 2) to fund future capital projects.

**Note 4 – 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, 2016 is as follows:

	<b>Governmental Activities</b>			
	<b>Balance July 1, 2015</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance June 30, 2016</b>
<b>Nondepreciable assets:</b>				
Land	\$ 5,738,644	\$ -	\$ -	\$ 5,738,644
Construction in progress	2,317,785	1,911,378	(3,308,416)	920,747
Total nondepreciable assets	8,056,429	1,911,378	(3,308,416)	6,659,391
<b>Depreciable assets:</b>				
Building and improvements	57,046,672	868,418	-	57,915,090
Automotive equipment	9,754,454	1,751,023	(1,189,533)	10,315,944
Furniture and equipment	2,714,814	517,775	(471,300)	2,761,289
Infrastructure	86,764,788	2,439,998	-	89,204,786
Total capital assets, being depreciated	156,280,728	5,577,214	(1,660,833)	160,197,109
<b>Less accumulated depreciation:</b>				
Building and improvements	(21,418,448)	(1,749,585)	-	(23,168,033)
Automobile equipment	(7,807,450)	(678,254)	1,012,095	(7,473,609)
Furniture and equipment	(1,960,000)	(220,356)	471,300	(1,709,056)
Infrastructure	(68,896,230)	(1,479,655)	-	(70,375,885)
Total accumulated depreciation	(100,082,128)	(4,127,850)	1,483,395	(102,726,583)
Total depreciable assets, net	56,198,600	1,449,364	(177,438)	57,470,526
<b>Governmental activities capital assets, net</b>	<b>\$ 64,255,029</b>	<b>\$ 3,360,742</b>	<b>\$ (3,485,854)</b>	<b>\$ 64,129,917</b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 4 – 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, 2016 as follows:

General government	\$ 239,751
Public safety	1,585,760
Public works services	1,769,535
Community development	23,544
Library	252,582
Recreation and community services	<u>256,678</u>
<b>Total depreciation expense</b>	<b><u>\$ 4,127,850</u></b>

A summary of changes in the capital assets for the business-type activities for the fiscal year ended June 30, 2016 is as follows:

	Business-Type Activities			
	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016
<b>Nondepreciable assets:</b>				
Land	\$ 192,436	\$ -	\$ -	\$ 192,436
Water rights	5,602,000	-	-	5,602,000
Construction in progress	-	49,948	-	49,948
Total nondepreciable assets	<u>5,794,436</u>	<u>49,948</u>	<u>-</u>	<u>5,844,384</u>
<b>Depreciable assets:</b>				
Water treatment plant and systems	71,297,531	-	-	71,297,531
Sewer pipes	10,920,256	-	-	10,920,256
Automotive equipment	2,865,226	46,926	(24,843)	2,887,309
Furniture and equipment	484,436	22,940	(157,110)	350,266
Total capital assets, being depreciated	<u>85,567,449</u>	<u>69,866</u>	<u>(181,953)</u>	<u>85,455,362</u>
<b>Less accumulated depreciation:</b>				
Water treatment plant and systems	(32,994,344)	(1,672,290)	-	(34,666,634)
Sewer pipes	(6,676,341)	(145,961)	-	(6,822,302)
Automobile equipment	(2,468,784)	(196,447)	24,843	(2,640,388)
Furniture and equipment	(363,453)	(6,829)	157,110	(213,172)
Total accumulated depreciation	<u>(42,502,922)</u>	<u>(2,021,527)</u>	<u>181,953</u>	<u>(44,342,496)</u>
Total depreciable assets, net	<u>43,064,527</u>	<u>(1,951,661)</u>	<u>-</u>	<u>41,112,866</u>
<b>Business-type activities capital assets, net</b>	<b><u>\$ 48,858,963</u></b>	<b><u>\$ (1,901,713)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 46,957,250</u></b>

Depreciation expense for business-type activities for the fiscal year ended June 30, 2016 was charged as follows:

Water Utility	\$ 1,714,974
Sewer Maintenance	147,214
Transit System	<u>159,339</u>
<b>Total depreciation expense</b>	<b><u>\$ 2,021,527</u></b>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 4 – Capital Assets (Continued)**

**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 5 – Long-Term Liabilities**

**A. Governmental Activities**

A summary of changes in long-term liabilities for governmental activities for the fiscal year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
2011 General Obligation Bonds	\$ 7,220,000	\$ -	\$ (295,000)	\$ 6,925,000	\$ 305,000	\$ 6,620,000
2012 General Obligation Bonds	5,710,000	-	(260,000)	5,450,000	260,000	5,190,000
Subtotal	12,930,000	-	(555,000)	12,375,000	565,000	11,810,000
Add deferred amounts:						
Bond premium - 2011 GOB	359,767	-	(22,265)	337,502	22,265	315,237
Bond premium - 2012 GOB	312,492	-	(19,345)	293,147	19,345	273,802
Subtotal	672,259	-	(41,610)	630,649	41,610	589,039
Total bonds payable	13,602,259	-	(596,610)	13,005,649	606,610	12,399,039
Claims and judgments payable	7,376,079	2,356,943	(1,505,378)	8,227,644	2,168,972	6,058,672
Compensated absences	2,448,845	1,768,413	(1,616,057)	2,601,201	1,616,057	985,144
Net OPEB obligation	2,586,386	1,403,230	(2,129,835)	1,859,781	-	1,859,781
Net pension liabilities	96,762,871	23,765,868	(14,864,442)	105,664,297	-	105,664,297
<b>Total</b>	<b>\$ 122,776,440</b>	<b>\$ 29,294,454</b>	<b>\$ (20,712,322)</b>	<b>\$ 131,358,572</b>	<b>\$ 4,391,639</b>	<b>\$ 126,966,933</b>

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

**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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 5 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

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

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.

The amount of bonds outstanding at June 30, 2016 totaled \$6,925,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 305,000	\$ 289,220	\$ 594,220
2018	320,000	275,120	595,120
2019	335,000	258,745	593,745
2020	350,000	241,620	591,620
2021	370,000	223,620	593,620
2022-2026	2,110,000	845,531	2,955,531
2027-2031	2,560,000	392,861	2,952,861
2032	575,000	12,075	587,075
TOTAL	<u>\$ 6,925,000</u>	<u>\$ 2,538,792</u>	<u>\$ 9,463,792</u>

**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.

The amount of bonds outstanding at June 30, 2016 totaled \$5,450,000.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 5 – Long-Term Liabilities (Continued)**

**A. Governmental Activities (Continued)**

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 260,000	\$ 153,625	\$ 413,625
2018	270,000	145,675	415,675
2019	280,000	136,025	416,025
2020	290,000	124,625	414,625
2021	305,000	112,725	417,725
2022-2026	1,695,000	409,826	2,104,826
2027-2031	1,930,000	200,649	2,130,649
2032	420,000	6,300	426,300
TOTAL	<u>\$ 5,450,000</u>	<u>\$ 1,289,450</u>	<u>\$ 6,739,450</u>

**Claims and Judgments Payable**

The amount of claims and judgments payable at June 30, 2016 was \$8,227,644. See Note 7B 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 \$2,601,201.

**B. Business-Type Activities**

A summary of changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2016 is as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
Compensated absences	\$ 148,099	\$ 112,999	\$ (98,044)	\$ 163,054	\$ 98,043	\$ 65,011
Net OPEB obligation	165,068	58,911	(32,949)	191,030	-	191,030
Net pension liabilities	6,487,888	1,573,408	(1,161,132)	6,900,164	-	6,900,164
<b>Total long-term debt</b>	<u>\$ 6,801,055</u>	<u>\$ 1,745,318</u>	<u>\$ (1,292,125)</u>	<u>\$ 7,254,248</u>	<u>\$ 98,043</u>	<u>\$ 7,156,205</u>

**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 \$163,054 at June 30, 2016.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 5 – 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, 2016 is as follows:

	Balance July 1, 2015	Additions	Deletions	Balance June 30, 2016	Due within One Year	Due in more than One Year
2001A Tax Allocation Bonds	\$ 5,080,000	\$ -	\$ (525,000)	\$ 4,555,000	\$ 555,000	\$ 4,000,000
2010 Tax Allocation Bonds	16,940,000	-	(895,000)	16,045,000	935,000	15,110,000
Subtotal	22,020,000	-	(1,420,000)	20,600,000	1,490,000	19,110,000
Less deferred amounts:						
Bond discount	(296,581)	-	26,645	(269,936)	(26,645)	(243,291)
<b>Total bonds payable</b>	<b>\$ 21,723,419</b>	<b>\$ -</b>	<b>\$ (1,393,355)</b>	<b>\$ 20,330,064</b>	<b>\$ 1,463,355</b>	<b>\$ 18,866,709</b>

**2001 A Tax Allocation Bonds – Original Issue \$11,655,000**

In June 2001, the former Redevelopment Agency issued tax allocation bonds, Series 2001 A in the amount of \$11,655,000. The purpose of the bonds was to finance public capital improvements including part of the cost of a police station, a fire station, other public capital improvements, repayment of a City loan, and to refund the 1989 Redevelopment Agency Tax Allocation Refunding Bonds.

The bonds consisted of \$9,500,000 of serial bonds and \$2,155,000 of term bonds. The serial bonds accrue interest at rates between 4.25% and 5.125% and mature between May 1, 2002 and May 1, 2020. The term bonds accrue interest at a rate of 5.25% and mature on May 1, 2023. Serial bonds maturing on or after May 1, 2009, shall be subject to redemption, at the option of the former Redevelopment Agency on any date on or after May 1, 2009 at redemption prices ranging from 100% to 101%. Term bonds maturing on May 1, 2023 are subject to mandatory redemption in whole or in part by lot, without premium, commencing May 1, 2021, from sinking fund payments made by the former Redevelopment Agency.

The bond agreement requires the Successor Agency to pledge its annual tax revenues in an amount equal to at least 125% of the annual debt service requirement each fiscal year, through final maturity of the Bonds on May 1, 2023 or early retirement of the Bonds, whichever occurs first. The ratio of net revenues to the debt service payments due during the year ended June 30, 2016 was 2.30 (230%).

Revenues received by the Successor Agency from the Redevelopment Property Tax Trust Fund (“RPTTF”) have been pledged for the payment of principal and interest on these bonds. Principal and interest paid for the current year amounted to \$783,269 and total net revenues reported by the Successor Agency was \$2,812,436.

The amount of bonds outstanding at June 30, 2016 totaled \$4,555,000 in the Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 5 – Long-Term Liabilities (Continued)**

**C. Fiduciary Activities (Continued)**

**2001 A Tax Allocation Bonds – Original Issue \$11,655,000 (Continued)**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 555,000	\$ 232,019	\$ 787,019
2018	585,000	204,269	789,269
2019	615,000	175,019	790,019
2020	645,000	143,500	788,500
2021	680,000	186,038	866,038
2022-2023	1,475,000	38,693	1,513,693
TOTAL	\$ 4,555,000	\$ 979,538	\$ 5,534,538

**2010 Tax Allocation Bonds – Original Issue \$19,830,000**

In September 2010, the former Redevelopment Agency issued tax allocation bonds, Series 2010 in the amount of \$19,830,000. The purpose of the bonds was to finance the redevelopment project including land acquisition, land improvements, business rehabilitation, capital improvements and repayment of an existing obligation to the former Redevelopment Agency's low and moderate income housing fund, and to refund the 2001B Redevelopment Agency Tax Allocation Bonds.

The bonds consisted of all serial bonds with maturity between September 1, 2011 to September 1, 2026 at accrued interest rates between 1.999% and 6.625%. Serial bonds maturing on or after September 1, 2020, shall be subject to redemption, at the option of the Successor Agency on any date on or after September 1, 2020, as a whole or in part, at redemption prices equal to the principal amount.

The bond agreement requires the Successor Agency to pledge its annual tax revenues in an amount equal to at least 125% of the annual debt service requirement each fiscal year, through final maturity of the bonds on May 1, 2026 or early retirement of the bonds, whichever occurs first. The ratio of net revenues to the debt service payments due during the fiscal year ended June 30, 2016 was 2.30 (230%).

RPTTF revenues received by the Successor Agency have been pledged for the payment of principal and interest on these bonds. Principal and interest paid for the current year amounted to \$1,876,113 and total net revenues reported by the Successor Agency were \$2,812,436.

The amount of bonds outstanding at June 30, 2016 totaled \$16,045,000 in the Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund.



**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 5 – Long-Term Liabilities (Continued)**

**C. Fiduciary Activities (Continued)**

**2010 Tax Allocation Bonds – Original Issue \$19,830,000 (Continued)**

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2017	\$ 935,000	\$ 939,492	\$ 1,874,492
2018	975,000	892,850	1,867,850
2019	1,025,000	841,569	1,866,569
2020	1,075,000	785,100	1,860,100
2021	1,135,000	723,616	1,858,616
2022-2026	6,025,000	2,377,206	8,402,206
2027	4,875,000	83,310	4,958,310
TOTAL	<u>\$ 16,045,000</u>	<u>\$ 6,643,143</u>	<u>\$ 22,688,143</u>

**Note 6 – 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 Clerk	\$ 406,200	\$ 435,526	\$ 29,326
Public safety			
Fire	14,013,409	14,147,306	133,897
<b>Nonmajor Governmental Funds:</b>			
<b>Special Revenue Funds:</b>			
Narcotics Seizure:			
Police	135,231	153,879	18,648
CDBG:			
Recreation and community services	66,200	67,833	1,633
Prop A Transit:			
Public works services	107,700	110,024	2,324
Measure R:			
Community development	60,000	60,221	221
Parking District:			
Public works services	4,700	4,716	16

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 7 – Risk Management**

**A. Coverage**

The City retains a level of risk for both general liability and worker's compensation.

General Liability

The City is self-insured for the first \$500,000 on each general liability claim against the City. The insurance coverage in excess of the self-insured amount is provided by California Insurance Pool Authority ("CIPA"), a public entity risk pool currently operating as a common risk management and insurance program for 12 California cities. Effective July 1, 2006, the City became a member of the CIPA. The City pays an annual premium to the pool for its excess general liability insurance coverage. The agreement for formation of the CIPA provides that the pool will be self-sustaining through member premiums. The City continues to use commercial companies for all other risks of loss, including property insurance, auto physical damage insurance and special events insurance. The CIPA has published its own financial report for the fiscal year ended June 30, 2016, which can be obtained from 240 Newport Center Drive, Suite 210, Newport Beach, CA 92660.

As a member of CIPA, any losses in excess of the City's self-insured amount up to \$2,000,000 are shared by all participating members. Costs of covered claims above \$2,000,000 to \$40,000,000 per occurrence are currently paid by reinsurance acquired by CIPA.

Workers' Compensation

The City has had a self-insured workers' compensation program for a number of years. For the 2015-2016 fiscal year, the self-insured retention was \$500,000. Beginning July 1, 2006, the insurance in excess of the self-insured amount is provided by CIPA. As a member of CIPA, all participating members share any losses in excess of the City's self-insured amount up to \$3,000,000. Costs covered claims above \$3,000,000 to 25,000,000 per occurrence are currently paid by reinsurance acquired by CIPA.

**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, 2016, the amount of these liabilities was \$8,227,644 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
2014	\$ 7,974,548	\$ 1,136,256	\$ (1,641,753)	\$ 7,469,051
2015	7,469,051	1,000,500	(1,093,472)	7,376,079
2016	7,376,079	2,356,943	(1,505,378)	8,227,644

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 7 – Risk Management (Continued)**

***B. Claims Activity (Continued)***

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 8 – 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.

***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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 8 – Pension Plan (Continued)**

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

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

City Miscellaneous Plan				
	Tier I	Hybrid	Tier II	Tier III
		Hired between July 1, 2011 - October 8, 2011	On or after October 9, 2011	On or after January 1, 2013
Hire date	Prior to July 1, 2011			
Benefit formula	2.5% @ 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%	6.00%
Required employer contribution rates	Total 24.900%. Employee pays 8% of employer cost through cost-sharing	24.900%	24.900%	6.00%

City Safety Plan				
	Tier I	Hybrid	Tier II	Tier III
		Hired between July 1, 2011 - October 8, 2011	On or after October 9, 2011	On or after January 1, 2013
Hire date	Prior to July 1, 2011			
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%	10.75%
Required employer contribution rates	Total 42.193%. Employee pays 9% of employer cost through cost-sharing	42.193%	42.193%	10.75%

**Employees Covered** – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	296	216
Inactive employees entitled to but not yet receiving benefits	330	109
Active employees	188	118
Total	814	443

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 8 – Pension Plan (Continued)**

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

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. 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. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer-Paid Member Contributions or situations where members are paying a portion of the employer contribution.

**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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 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, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry Age Normal in Accordance with the Requirements of GASB 68	
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Salary Increases	Varies by Entry Age and Service	
Investment Rate of Return	7.65 % Net of Pension Plan Investment Expenses, includes Inflation	
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' Membership Data for all Funds	
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter	

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 8 – Pension Plan (Continued)**

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

***Change of Assumptions*** - GASB 68, paragraph 68 states that the long long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50 percent used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65 percent used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

***Discount Rate*** – The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

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

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 8 – Pension Plan (Continued)**

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

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(1) An expected inflation of 2.5% used for this period.

(2) An expected inflation of 3.0% used for this period.

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

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

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

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

Difference between projected and actual earnings on investments      5 year straight-line amortization

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 8 – Pension Plan (Continued)**

**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, 2014</b>	<b>\$ 129,864,868</b>	<b>\$ 95,577,872</b>	<b>\$ 34,286,996</b>
<b>Changes during the year:</b>			
Service Cost	2,219,359	-	2,219,359
Interest on the Total Pension Liability	9,503,789	-	9,503,789
Change of Assumptions	(2,327,431)	-	(2,327,431)
Differences between Expected and Actual Experience	(1,103,125)	-	(1,103,125)
Plan to Plan Resource Movement	-	(420)	420
Contribution from the Employer	-	3,005,140	(3,005,140)
Contribution from the Employees	-	1,041,598	(1,041,598)
Net investment income	-	2,193,768	(2,193,768)
Benefit Payments	(6,622,897)	(6,622,897)	-
Administrative Expense	-	(107,014)	107,014
<b>Net Changes</b>	<b>1,669,695</b>	<b>(489,825)</b>	<b>2,159,520</b>
<b>Balance at June 30, 2015</b>	<b>\$ 131,534,563</b>	<b>\$ 95,088,047</b>	<b>\$ 36,446,516</b>

**Public Safety Plan:**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balance at June 30, 2014</b>	<b>\$ 212,332,050</b>	<b>\$ 143,368,287</b>	<b>\$ 68,963,763</b>
<b>Changes during the year:</b>			
Service Cost	3,763,633	-	3,763,633
Interest on the Total Pension Liability	15,776,405	-	15,776,405
Change of Assumptions	(3,988,041)	-	(3,988,041)
Differences between Expected and Actual Experience	1,494,687	-	1,494,687
Plan to Plan Resource Movement	-	(23,206)	23,206
Contribution from the Employer	-	5,537,175	(5,537,175)
Contribution from the Employees	-	1,299,531	(1,299,531)
Net investment income	-	3,239,139	(3,239,139)
Benefit Payments	(10,986,006)	(10,986,006)	-
Administrative Expense	-	(160,137)	160,137
<b>Net Changes</b>	<b>6,060,678</b>	<b>(1,093,504)</b>	<b>7,154,182</b>
<b>Balance at June 30, 2015</b>	<b>\$ 218,392,728</b>	<b>\$ 142,274,783</b>	<b>\$ 76,117,945</b>



**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 8 – Pension Plan (Continued)**

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

**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:

	<u>Miscellaneous</u>	<u>Safety</u>
1% Decrease	6.65%	6.65%
Net Pension Liability	\$ 54,040,666	\$ 106,389,388
Current Discount Rate	7.65%	7.65%
Net Pension Liability	\$ 36,446,516	\$ 76,117,945
1% Increase	8.65%	8.65%
Net Pension Liability	\$ 21,971,955	\$ 51,392,076

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

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

For the fiscal year ended June 30, 2016, the City recognized pension expense of \$7,109,571. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 9,716,473	\$ -
Changes of Assumptions	-	(4,149,760)
Differences between Expected and Actual Experiences	1,079,496	(601,705)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(2,681,984)
Total	<u>\$ 10,795,969</u>	<u>\$ (7,433,449)</u>

\$9,716,473 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, 2016. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Periods Ended June 30</u>	
2016	\$ (3,983,023)
2017	(2,735,550)
2018	(2,146,643)
2019	2,511,263

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 9 – Postemployment Health Care Benefits**

The City 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. On August 16, 2011, 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 January 1, 2012; reducing retiree health insurance benefits for employees hired on or after January 1, 2012 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. The restrictions are as follows:

1. The employee must have reached age 55;
2. The employee must have worked full-time continuously for the City for a minimum of 15 years; and
3. The employee would be limited to purchasing a maximum of 60 days (480 hours) of sick leave.

The City also provides a \$10,000 group term life insurance plan to management employees who retire after July 1, 1979, but who were hired into a management classification prior to September 21, 1982, in accordance with the controlling provisions of the plan. The City has a separate insurance policy for the remaining 18 active plan participants.

*Funding Policy*

The required contribution of the City is based on a pay-as-you-go financing requirement. For the fiscal year ended June 30, 2016, the City contributed \$2,162,784 to the plan.

*Annual OPEB Cost and Net OPEB Obligation*

The City's annual Other Postemployment Benefit ("OPEB") cost (expense) is calculated based on the *Annual Required Contribution of the Employer* ("ARC"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The City uses the General Fund and Water Utility Fund to liquidate the net OPEB obligation.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 9 – Postemployment Health Care Benefits (Continued)**

*Annual OPEB Cost and Net OPEB Obligation (Continued)*

The following table shows the components of the City’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the City’s net OPEB obligation to the Plan:

	Governmental Activities	Business-Type Activities	Total
Annual Required Contribution	\$ 1,426,664	\$ 60,406	\$ 1,487,070
Interest on Beginning Net OPEB Obligation	122,853	7,841	130,694
Adjustment to the Annual Required Contribution	(146,287)	(9,336)	(155,623)
Annual OPEB Cost	1,403,230	58,911	1,462,141
Contributions Made Outside of a Trust	(778,185)	(32,949)	(811,134)
Contributions Made to a Trust	(1,351,650)	-	(1,351,650)
Change in Net OPEB Obligation	(726,605)	25,962	(700,643)
Net OPEB Obligation, Beginning of Fiscal Year	2,586,386	165,068	2,751,454
Net OPEB Obligation, End of Fiscal Year	\$ 1,859,781	\$ 191,030	\$ 2,050,811

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2016 and the preceding two years is as follows:

Fiscal Year	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2014	\$ 948,138	\$ 767,730	80.97%	\$ 1,943,719
6/30/2015	1,579,397	771,662	48.86%	2,751,454
6/30/2016	1,462,141	2,162,784	147.92%	2,050,811

*Funded Status and Funding Progress*

As of June 30, 2015, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$18,020,955, and the actuarial value of assets was \$0, resulting in an UAAL of \$18,020,955. The covered payroll (annual payroll of active employees covered by the plan) was \$23,414,000 and the ratio of UAAL to the covered payroll was 76.97%.

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

**Note 9 – Postemployment Health Care Benefits (Continued)**

Actuarial Methods and Assumptions

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

In the June 30, 2015 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions include a 4.75% investment rate of return and an annual healthcare cost trend rate of between 5% to 6.5%. The actuarial assumption for inflation was 2.75%, and the aggregate payroll increases was 2.75% used in the actuarial valuation. The initial UAAL was amortized over an initial 30 years using the level-percentage-of-pay method. The actuary has applied a fresh start period of 25 years at June 30, 2015.

**Note 10 – Classification of Fund Balances**

At June 30, 2016, fund balances are classified as follows:

	General	Parks and Recreation	Capital Outlay	Nonmajor Governmental Funds	Total
<b>Nonspendable:</b>					
Prepaid items and deposits	\$ 45,424	\$ -	\$ -	\$ -	\$ 45,424
Inventories	751,881	-	-	-	751,881
<b>Total nonspendable</b>	<u>797,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>797,305</u>
<b>Restricted:</b>					
Debt service	-	-	-	853,677	853,677
Law enforcement	-	-	-	1,253,412	1,253,412
Transportation / streets	-	-	-	9,165,526	9,165,526
Parks and recreation	-	8,237,966	-	-	8,237,966
Solid waste	-	-	-	1,321,930	1,321,930
Clean air	-	-	-	206,116	206,116
Street lighting	-	-	-	105,812	105,812
Library	-	-	-	11,036	11,036
Cable access	-	-	-	631,175	631,175
Recycling	-	-	-	64,714	64,714
<b>Total restricted</b>	<u>-</u>	<u>8,237,966</u>	<u>-</u>	<u>13,613,398</u>	<u>21,851,364</u>
<b>Assigned:</b>					
Capital improvements	-	-	11,203,221	-	11,203,221
Equipment replacement	9,586,446	-	-	-	9,586,446
Self-insurance	3,332,593	-	-	-	3,332,593
Emergency reserves	10,147,111	-	-	-	10,147,111
PERS fund reserves	1,351,601	-	-	-	1,351,601
Medical/dental fund	338,585	-	-	-	338,585
<b>Total assigned</b>	<u>24,756,336</u>	<u>-</u>	<u>11,203,221</u>	<u>-</u>	<u>35,959,557</u>
<b>Unassigned</b>	<u>6,399,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,399,003</u>
<b>Total</b>	<u>\$ 31,952,644</u>	<u>\$ 8,237,966</u>	<u>\$ 11,203,221</u>	<u>\$ 13,613,398</u>	<u>\$ 65,007,229</u>

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 10 – Classification of Fund Balances (Continued)**

At June 30, 2016, outstanding encumbrances by major fund are as follows:

<u>Funds</u>	<u>Amount</u>
General Fund	\$ 490,147
Parks and Recreation Special Revenue Fund	33,520
Capital Outlay Capital Projects Fund	473,813
Nonmajor governmental funds	969,230
<b>Total</b>	<u><u>\$ 1,966,710</u></u>

**Note 11 – Deficit Fund Balances/Net Position**

As of June 30, 2016, deficit fund balances/net position were recorded in the following funds:

Major Proprietary Fund:	
Transit System Fund	\$ 266,395
Fiduciary Fund:	
Successor Agency to the Arcadia Redevelopment	
Agency Private-Purpose Trust Fund	7,387,863

**Note 12 - 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 7).

**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 Federal Single Audit Act of 1984, as amended in 1996 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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2016**

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**Note 13 – Subsequent Events**

***A. Future Accounting Pronouncements***

GASB Statements Nos. 74-75 and 77-82 listed below will be implemented in future financial statements:

Statement No. 74	"Financial Reporting for Postemployment Benefits Plans Other Than Pension Plans"	The provision of this statement is effective for fiscal years beginning after June 15, 2016.
Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 77	"Tax Abatement Disclosures"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 78	"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 79	"Certain External Investment Pools and Pool Participants"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 80	"Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14"	The provision of this statement is effective for fiscal years beginning after December 15, 2015.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provision of this statement is effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provision of this statement is effective for fiscal years beginning after December 15, 2017.

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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, 2016**

*Budgetary Comparison Schedule, General Fund*

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 36,964,900	\$ 36,964,900	\$ 36,882,562	\$ (82,338)
Licenses and permits	5,532,500	5,532,500	6,387,403	854,903
Fines and forfeitures	605,500	605,500	572,435	(33,065)
Use of money and property	1,423,300	1,389,300	1,527,839	138,539
Intergovernmental	6,012,800	6,012,800	6,390,849	378,049
Charges for services	4,040,200	4,074,200	4,548,949	474,749
Other revenues	2,757,400	2,757,400	3,086,958	329,558
<b>Total revenues</b>	<b>57,336,600</b>	<b>57,336,600</b>	<b>59,396,995</b>	<b>2,060,395</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
City council	286,800	286,800	260,386	26,414
City manager	833,300	843,860	749,203	94,657
City clerk	406,200	406,200	435,526	(29,326)
City attorney	465,900	465,900	463,340	2,560
General city	2,666,450	2,682,040	2,610,690	71,350
Administrative services	3,759,400	4,466,618	3,847,140	619,478
Public safety:				
Police	20,163,400	20,457,182	19,057,936	1,399,246
Fire	13,679,500	14,013,409	14,147,306	(133,897)
Public works services	3,926,200	5,120,173	4,512,667	607,506
Community development	4,606,600	4,783,179	4,520,057	263,122
Library	3,548,600	3,548,600	3,491,033	57,567
Recreation and community services	2,950,500	3,008,447	2,899,418	109,029
<b>Total expenditures</b>	<b>57,292,850</b>	<b>60,082,408</b>	<b>56,994,702</b>	<b>3,087,706</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>43,750</b>	<b>(2,745,808)</b>	<b>2,402,293</b>	<b>5,148,101</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	3,937,500	2,187,500	1,521,376	(666,124)
Transfers out	(829,300)	(3,579,300)	(8,809,086)	(5,229,786)
<b>Total other financing sources (uses)</b>	<b>3,108,200</b>	<b>(1,391,800)</b>	<b>(7,287,710)</b>	<b>(5,895,910)</b>
<b>Net changes in fund balance</b>	<b>\$ 3,151,950</b>	<b>\$ (4,137,608)</b>	<b>(4,885,417)</b>	<b>\$ (747,809)</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			36,838,061	
End of fiscal year			<u>\$ 31,952,644</u>	

See accompanying Notes to the Required Supplementary Information.



**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2016**

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*Budgetary Comparison Schedule, Parks and Recreation Special Revenue Fund*

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 30,100	\$ 30,100	\$ 90,231	\$ 60,131
Charges for services	1,800,000	1,800,000	2,096,641	296,641
<b>Total revenues</b>	<b>1,830,100</b>	<b>1,830,100</b>	<b>2,186,872</b>	<b>356,772</b>
<b>EXPENDITURES:</b>				
Current:				
Recreation and community services	15,200	134,131	100,861	33,270
<b>Total expenditures</b>	<b>15,200</b>	<b>134,131</b>	<b>100,861</b>	<b>33,270</b>
<b>Net change in fund balance</b>	<b>\$ 1,814,900</b>	<b>\$ 1,695,969</b>	<b>2,086,011</b>	<b>\$ 390,042</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			6,151,955	
End of fiscal year			<u>\$ 8,237,966</u>	

See accompanying Notes to the Required Supplementary Information.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2016**

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***A. General Budget Policies***

All governmental funds have legally adopted budgets except OTS Grant Fund, Public, Education, and Government (PEG) Access Television Fund, Used Oil Grant Fund, and DOC Beverage Grant Fund. Budgets are developed in accordance with U.S. GAAP. The City Council approves each 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 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 year-end represent the estimated amount of the expenditure ultimately to result if unperformed contracts in-process at 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, 2016**

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

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

	<b>Miscellaneous Plan FY 2016</b>	<b>Public Safety FY 2016</b>	<b>Miscellaneous Plan FY 2015</b>	<b>Public Safety FY 2015</b>
Measurement Period	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	\$ 2,219,359	\$ 3,763,633	\$ 2,248,238	\$ 3,861,700
Interest on the Total Pension Liability	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	(1,103,125)	1,494,687	-	-
Benefit Payments, including Refunds of Employee Contributions	(6,622,897)	(10,986,006)	(6,119,226)	(9,976,294)
<b>Net Change in Total Pension Liability</b>	1,669,695	6,060,678	5,324,386	8,912,570
<b>Total Pension Liability - Beginning</b>	129,864,868	\$ 212,332,050	124,540,482	203,419,480
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 131,534,563</u>	<u>\$ 218,392,728</u>	<u>\$ 129,864,868</u>	<u>\$ 212,332,050</u>
<b>Plan Fiduciary Net Position</b>				
Contribution from the Employer	\$ 3,005,140	\$ 5,537,175	\$ 2,723,852	\$ 5,003,393
Contribution from the Employees	1,041,598	1,299,531	1,050,853	1,500,951
Net investment income	2,193,768	3,239,139	14,566,912	22,017,842
Benefit Payments	(6,622,897)	(10,986,006)	(6,119,226)	(9,976,294)
Plan to Plan Resource Movement	(420)	(23,206)	-	-
Administrative Expense	(107,014)	(160,137)	-	-
<b>Net Change in Plan Fiduciary Net Position</b>	(489,825)	(1,093,504)	12,222,391	18,545,892
<b>Plan Fiduciary Net Position - Beginning</b>	\$ 95,577,872	\$ 143,368,287	83,355,481	124,822,395
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 95,088,047</u>	<u>\$ 142,274,783</u>	<u>\$ 95,577,872</u>	<u>\$ 143,368,287</u>
<b>Net Pension Liability - Ending (a)-(b)</b>	<u>\$ 36,446,516</u>	<u>\$ 76,117,945</u>	<u>\$ 34,286,996</u>	<u>\$ 68,963,763</u>
 Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	 72.29%	 65.15%	 73.60%	 67.52%
 Covered - Employee Payroll	 \$ 13,353,541	 \$ 14,161,240	 \$ 12,766,824	 \$ 14,011,974
 Net Pension Liability as Percentage of Covered-Employee Payroll	 272.94%	 537.51%	 268.56%	 492.18%

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

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

**Benefit Changes:** The figures above do not include any liability impact may have resulted from plan changes which occurred after June 30, 2014 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes in Assumptions:** The discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent.

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2016**

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

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

	<b>Miscellaneous Plan</b>	
	<b>2016</b>	<b>2015</b>
Employer Fiscal Year End		
Actuarially Determined Contribution	\$ 3,501,392	\$ 3,005,140
Contributions in Relation to the Actuarially Determined Contribution	(3,501,392)	(3,005,140)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 14,061,815	\$ 13,353,541
Contributions as a Percentage of Covered-Employee Payroll	24.90%	22.50%

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

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method/Period	Level Percent of Payroll
Average Remaining Period	21 Years as of the Valuation Date
Asset Valuation Method	15 Years Smoothed Market
Actuarial Assumptions:	
Discount Rate (net of administrative expenses)	7.50%
Projected Salary Increase	3.30%-14.20% (1)
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.
Investment Rate of Return	7.50% (2)
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

(1) Depending on age, service, and type of employment

(2) Net of pension plan investment expenses, including inflation

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2016**

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

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

	<b>Public Safety Plan</b>	
	2016	2015
Employer Fiscal Year End		
Actuarially Determined Contribution	\$ 6,215,081	\$ 5,537,175
Contributions in Relation to the Actuarially Determined Contribution	(6,215,081)	(5,537,175)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered-Employee Payroll	\$ 14,730,123	\$ 14,161,240
Contributions as a Percentage of Covered-Employee Payroll	42.19%	39.10%

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

**Notes to Schedule:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were from the June 30, 2013 public agency valuations.

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method/Period	Level Percent of Payroll
Average Remaining Period	21 Years as of the Valuation Date
Asset Valuation Method	15 Years Smoothed Market
Actuarial Assumptions:	
Discount Rate (net of administrative expenses)	7.50%
Projected Salary Increase	3.30%-14.20% (1)
Inflation	2.75%
Payroll Growth	3.00%
Individual Salary Growth	A merit scale varying by duration of employment coupled with an assumed annual inflation growth of 2.75% and an annual production growth of 0.25%.
Investment Rate of Return	7.50% (2)
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2016**

**Schedule of Funding Progress – Postemployment Health Care Benefits**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Entry Age Actuarial Accrued Liability (B)	Unfunded Actuarial Accrued Liability (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a % of Payroll (B-A) / C
6/30/2009	\$ -	\$ 9,217,688	\$ 9,217,688	0.0%	\$ 24,371,421	37.82%
7/1/2011	-	10,220,703	10,220,703	0.0%	27,604,850	37.03%
7/1/2013	-	14,560,376	14,560,376	0.0%	26,120,719	55.74%
6/30/2015	-	18,020,955	18,020,955	0.0%	23,414,000	76.97%

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# **SUPPLEMENTARY INFORMATION**

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## 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.

***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.



## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

### **SPECIAL REVENUE FUNDS (Continued)**

***Parking District Fund*** - established to account for the operations of special parking districts which operate and maintain various surface parking lots in the downtown area.

***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.

### **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.

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2016**

	Special Revenue				
	Narcotics Seizure	COPS SLESF	OTS Grant	Traffic Safety	Solid Waste
<b>ASSETS</b>					
Cash and investments	\$ 516,361	\$ 268,171	\$ -	\$ -	\$ 1,249,643
Accounts receivable	3,320	-	-	-	10,059
Interest receivable	-	611	-	-	2,837
Due from other governments	11,033	-	15,320	7,958	68,598
<b>Total assets</b>	<b>\$ 530,714</b>	<b>\$ 268,782</b>	<b>\$ 15,320</b>	<b>\$ 7,958</b>	<b>\$ 1,331,137</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 966	\$ -	\$ 1,833	\$ 5,981
Accrued salaries payable	1,426	1,650	-	-	3,226
Due to other funds	-	-	15,320	6,125	-
<b>Total liabilities</b>	<b>1,426</b>	<b>2,616</b>	<b>15,320</b>	<b>7,958</b>	<b>9,207</b>
<b>Fund Balances:</b>					
Restricted	529,288	266,166	-	-	1,321,930
<b>Total fund balances</b>	<b>529,288</b>	<b>266,166</b>	<b>-</b>	<b>-</b>	<b>1,321,930</b>
<b>Total liabilities and fund balances</b>	<b>\$ 530,714</b>	<b>\$ 268,782</b>	<b>\$ 15,320</b>	<b>\$ 7,958</b>	<b>\$ 1,331,137</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2016**

	Special Revenue				
	AQMD	CDBG	Prop A Transit	Transportation Impact	State and County Gas Tax
<b>ASSETS</b>					
Cash and investments	\$ 185,930	\$ -	\$ 1,198,539	\$ 1,955,953	\$ 736,882
Accounts receivable	-	-	-	17,483	-
Interest receivable	424	-	2,458	4,451	1,665
Due from other governments	19,762	85,956	-	-	-
<b>Total assets</b>	<b>\$ 206,116</b>	<b>\$ 85,956</b>	<b>\$ 1,200,997</b>	<b>\$ 1,977,887</b>	<b>\$ 738,547</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 14,807	\$ 32,780	\$ -	\$ -
Accrued salaries payable	-	532	3,142	-	-
Due to other funds	-	70,617	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>85,956</b>	<b>35,922</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	206,116	-	1,165,075	1,977,887	738,547
<b>Total fund balances</b>	<b>206,116</b>	<b>-</b>	<b>1,165,075</b>	<b>1,977,887</b>	<b>738,547</b>
<b>Total liabilities and fund balances</b>	<b>\$ 206,116</b>	<b>\$ 85,956</b>	<b>\$ 1,200,997</b>	<b>\$ 1,977,887</b>	<b>\$ 738,547</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2016**

	Special Revenue				
	Measure R	Lighting Maintenance	Parking District	Prop C	IRS Task Force
<b>ASSETS</b>					
Cash and investments	\$ 1,781,158	\$ 103,046	\$ -	\$ 2,083,097	\$ 457,958
Accounts receivable	-	-	-	58,333	-
Interest receivable	3,875	331	-	4,747	-
Due from other governments	-	6,524	-	-	-
<b>Total assets</b>	<b>\$ 1,785,033</b>	<b>\$ 109,901</b>	<b>\$ -</b>	<b>\$ 2,146,177</b>	<b>\$ 457,958</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 487,673	\$ -
Accrued salaries payable	717	4,089	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>717</b>	<b>4,089</b>	<b>-</b>	<b>487,673</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	1,784,316	105,812	-	1,658,504	457,958
<b>Total fund balances</b>	<b>1,784,316</b>	<b>105,812</b>	<b>-</b>	<b>1,658,504</b>	<b>457,958</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,785,033</b>	<b>\$ 109,901</b>	<b>\$ -</b>	<b>\$ 2,146,177</b>	<b>\$ 457,958</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2016**

	Special Revenue				
	TDA Article 3	Santa Anita	Homeland	Library	PEG
	Bikeway	Grade Separation	Security	State Grant	Access Television
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 1,840,958	\$ -	\$ 11,011	\$ 609,492
Accounts receivable	-	-	-	-	-
Interest receivable	-	4,192	-	25	1,387
Due from other governments	71,588	-	-	-	20,296
<b>Total assets</b>	<b>\$ 71,588</b>	<b>\$ 1,845,150</b>	<b>\$ -</b>	<b>\$ 11,036</b>	<b>\$ 631,175</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ -	\$ 3,953	\$ -	\$ -	\$ -
Accrued salaries payable	-	-	-	-	-
Due to other funds	71,588	-	-	-	-
<b>Total liabilities</b>	<b>71,588</b>	<b>3,953</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
Restricted	-	1,841,197	-	11,036	631,175
<b>Total fund balances</b>	<b>-</b>	<b>1,841,197</b>	<b>-</b>	<b>11,036</b>	<b>631,175</b>
<b>Total liabilities and fund balances</b>	<b>\$ 71,588</b>	<b>\$ 1,845,150</b>	<b>\$ -</b>	<b>\$ 11,036</b>	<b>\$ 631,175</b>

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2016**

	Special Revenue		Debt Service	Total
	Used Oil	DOC Beverage	General	Nonmajor
	Grant	Grant	Obligation	Governmental
			Bonds	Funds
<b>ASSETS</b>				
Cash and investments	\$ 18,624	\$ 48,528	\$ 828,975	\$ 13,894,326
Accounts receivable	-	-	-	89,195
Interest receivable	43	111	1,887	29,044
Due from other governments	-	-	22,815	329,850
<b>Total assets</b>	<b>\$ 18,667</b>	<b>\$ 48,639</b>	<b>\$ 853,677</b>	<b>\$ 14,342,415</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 2,592	\$ -	\$ -	\$ 550,585
Accrued salaries payable	-	-	-	14,782
Due to other funds	-	-	-	163,650
<b>Total liabilities</b>	<b>2,592</b>	<b>-</b>	<b>-</b>	<b>729,017</b>
<b>Fund Balances:</b>				
Restricted	16,075	48,639	853,677	13,613,398
<b>Total fund balances</b>	<b>16,075</b>	<b>48,639</b>	<b>853,677</b>	<b>13,613,398</b>
<b>Total liabilities and fund balances</b>	<b>\$ 18,667</b>	<b>\$ 48,639</b>	<b>\$ 853,677</b>	<b>\$ 14,342,415</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, 2016**

	Special Revenue				
	Narcotics Seizure	COPS SLESF	OTS Grant	Traffic Safety	Solid Waste
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 437,224
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	228,726	-
Use of money and property	842	3,371	-	-	14,555
Intergovernmental	-	-	113,870	-	-
Charges for services	-	-	-	-	108,857
Other revenues	76,387	114,618	-	-	3,026
<b>Total revenues</b>	<b>77,229</b>	<b>117,989</b>	<b>113,870</b>	<b>228,726</b>	<b>563,662</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	153,879	129,024	113,870	-	-
Fire	-	-	-	-	-
Public works services	-	-	-	-	351,938
Community development	-	-	-	-	-
Library	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>153,879</b>	<b>129,024</b>	<b>113,870</b>	<b>-</b>	<b>351,938</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(76,650)</b>	<b>(11,035)</b>	<b>-</b>	<b>228,726</b>	<b>211,724</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	(228,726)	(108,613)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(228,726)</b>	<b>(108,613)</b>
<b>Net changes in fund balances</b>	<b>(76,650)</b>	<b>(11,035)</b>	<b>-</b>	<b>-</b>	<b>103,111</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of fiscal year	605,938	277,201	-	-	1,218,819
End of fiscal year	\$ 529,288	\$ 266,166	\$ -	\$ -	\$ 1,321,930

**City of Arcadia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds (Continued)**  
**For the Fiscal Year Ended June 30, 2016**

	Special Revenue				
	AQMD	CDBG	Prop A Transit	Transportation Impact	State and County Gas Tax
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	335,883	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,937	-	12,213	21,746	8,822
Intergovernmental	70,394	265,959	1,037,889	17,483	1,245,781
Charges for services	-	22,853	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>72,331</b>	<b>288,812</b>	<b>1,050,102</b>	<b>375,112</b>	<b>1,254,603</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works services	-	-	110,024	-	398,557
Community development	15,305	220,979	156,174	69,759	16,913
Library	-	-	-	-	-
Recreation and community services	-	67,833	16,200	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>15,305</b>	<b>288,812</b>	<b>282,398</b>	<b>69,759</b>	<b>415,470</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>57,026</b>	<b>-</b>	<b>767,704</b>	<b>305,353</b>	<b>839,133</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(522,755)	-	(1,184,037)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(522,755)</b>	<b>-</b>	<b>(1,184,037)</b>
<b>Net changes in fund balances</b>	<b>57,026</b>	<b>-</b>	<b>244,949</b>	<b>305,353</b>	<b>(344,904)</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of fiscal year	149,090	-	920,126	1,672,534	1,083,451
End of fiscal year	<u>\$ 206,116</u>	<u>\$ -</u>	<u>\$ 1,165,075</u>	<u>\$ 1,977,887</u>	<u>\$ 738,547</u>

(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, 2016**

	Special Revenue				
	Measure R	Lighting Maintenance	Parking District	Prop C	IRS Task Force
<b>REVENUES:</b>					
Taxes	\$ -	\$ 465,629	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	19,668	1,420	18	23,807	687
Intergovernmental	646,067	-	-	917,250	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>665,735</b>	<b>467,049</b>	<b>18</b>	<b>941,057</b>	<b>687</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works services	-	1,133,451	4,716	-	-
Community development	60,221	-	-	1,007,664	-
Library	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>60,221</b>	<b>1,133,451</b>	<b>4,716</b>	<b>1,007,664</b>	<b>-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>605,514</b>	<b>(666,402)</b>	<b>(4,698)</b>	<b>(66,607)</b>	<b>687</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	-	680,070	-	-	-
Transfers out	(348,506)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(348,506)</b>	<b>680,070</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>257,008</b>	<b>13,668</b>	<b>(4,698)</b>	<b>(66,607)</b>	<b>687</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of fiscal year	1,527,308	92,144	4,698	1,725,111	457,271
End of fiscal year	\$ 1,784,316	\$ 105,812	\$ -	\$ 1,658,504	\$ 457,958

(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, 2016**

	Special Revenue				
	TDA Article 3 Bikeway	Santa Anita Grade Separation	Homeland Security	Library State Grant	PEG Access Television
<b>REVENUES:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 103,401
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	-	21,992	-	315	5,412
Intergovernmental	71,588	318,000	6,459	-	-
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
<b>Total revenues</b>	<b>71,588</b>	<b>339,992</b>	<b>6,459</b>	<b>315</b>	<b>108,813</b>
<b>EXPENDITURES:</b>					
Current:					
General government:					
General city	-	-	-	-	3,014
Public safety:					
Police	-	-	-	-	-
Fire	-	-	6,459	-	-
Public works services	-	-	-	-	-
Community development	70,364	883,138	-	-	-
Library	-	-	-	21,000	-
Recreation and community services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>70,364</b>	<b>883,138</b>	<b>6,459</b>	<b>21,000</b>	<b>3,014</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,224</b>	<b>(543,146)</b>	<b>-</b>	<b>(20,685)</b>	<b>105,799</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>1,224</b>	<b>(543,146)</b>	<b>-</b>	<b>(20,685)</b>	<b>105,799</b>
<b>FUND BALANCES (DEFICIT):</b>					
Beginning of fiscal year	(1,224)	2,384,343	-	31,721	525,376
End of fiscal year	\$ -	\$ 1,841,197	\$ -	\$ 11,036	\$ 631,175

(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, 2016**

	Special Revenue		Debt Service	Total
	Used Oil	DOC Beverage	General	Nonmajor
	Grant	Grant	Obligation	Governmental
			Bonds	Funds
<b>REVENUES:</b>				
Taxes	\$ -	\$ -	\$ 980,058	\$ 1,986,312
Licenses and permits	-	-	-	335,883
Fines and forfeitures	-	-	-	228,726
Use of money and property	99	435	5,239	142,578
Intergovernmental	9,611	15,367	-	4,735,718
Charges for services	-	-	-	131,710
Other revenues	-	-	-	194,031
<b>Total revenues</b>	<b>9,710</b>	<b>15,802</b>	<b>985,297</b>	<b>7,754,958</b>
<b>EXPENDITURES:</b>				
Current:				
General government:				
General city	-	-	-	3,014
Public safety:				
Police	-	-	-	396,773
Fire	-	-	-	6,459
Public works services	23,713	-	-	2,022,399
Community development	-	-	-	2,500,517
Library	-	-	-	21,000
Recreation and community services	-	-	-	84,033
Debt service:				
Principal retirement	-	-	555,000	555,000
Interest and fiscal charges	-	-	466,474	466,474
<b>Total expenditures</b>	<b>23,713</b>	<b>-</b>	<b>1,021,474</b>	<b>6,055,669</b>
<b>EXCESS (DEFICIENCY) OF REVENUES</b>				
<b>  OVER (UNDER) EXPENDITURES</b>	<b>(14,003)</b>	<b>15,802</b>	<b>(36,177)</b>	<b>1,699,289</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	-	-	680,070
Transfers out	-	-	-	(2,392,637)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,712,567)</b>
<b>Net changes in fund balances</b>	<b>(14,003)</b>	<b>15,802</b>	<b>(36,177)</b>	<b>(13,278)</b>
<b>FUND BALANCES (DEFICIT):</b>				
Beginning of fiscal year	30,078	32,837	889,854	13,626,676
End of fiscal year	\$ 16,075	\$ 48,639	\$ 853,677	\$ 13,613,398

(Concluded)

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Narcotics Seizure Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 2,800	\$ 2,800	\$ 842	\$ (1,958)
Other revenues	-	-	76,387	76,387
<b>Total revenues</b>	<u>2,800</u>	<u>2,800</u>	<u>77,229</u>	<u>74,429</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	63,900	135,231	153,879	(18,648)
<b>Total expenditures</b>	<u>63,900</u>	<u>135,231</u>	<u>153,879</u>	<u>(18,648)</u>
<b>Net change in fund balance</b>	<u>\$ (61,100)</u>	<u>\$ (132,431)</u>	(76,650)	<u>\$ 55,781</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			605,938	
End of fiscal year			<u>\$ 529,288</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**COPS SLESF Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 1,300	\$ 1,300	\$ 3,371	\$ 2,071
Other revenues	100,000	100,000	114,618	14,618
<b>Total revenues</b>	<b>101,300</b>	<b>101,300</b>	<b>117,989</b>	<b>16,689</b>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Police	136,400	136,400	129,024	7,376
<b>Total expenditures</b>	<b>136,400</b>	<b>136,400</b>	<b>129,024</b>	<b>7,376</b>
<b>Net change in fund balance</b>	<b>\$ (35,100)</b>	<b>\$ (35,100)</b>	<b>(11,035)</b>	<b>\$ 24,065</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			277,201	
End of fiscal year			<u>\$ 266,166</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Traffic Safety Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Fines and forfeitures	\$ 280,000	\$ 280,000	\$ 228,726	\$ (51,274)
<b>Total revenues</b>	<u>280,000</u>	<u>280,000</u>	<u>228,726</u>	<u>(51,274)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(280,000)	(280,000)	(228,726)	51,274
<b>Total other financing sources (uses)</b>	<u>(280,000)</u>	<u>(280,000)</u>	<u>(228,726)</u>	<u>51,274</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			-	
End of fiscal year			<u>\$ -</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Solid Waste Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 380,200	\$ 380,200	\$ 437,224	\$ 57,024
Use of money and property	5,700	5,700	14,555	8,855
Charges for services	111,700	111,700	108,857	(2,843)
Other revenues	-	-	3,026	3,026
<b>Total revenues</b>	<b>497,600</b>	<b>497,600</b>	<b>563,662</b>	<b>66,062</b>
<b>EXPENDITURES:</b>				
Current:				
Public works services	352,100	375,100	351,938	23,162
<b>Total expenditures</b>	<b>352,100</b>	<b>375,100</b>	<b>351,938</b>	<b>23,162</b>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>145,500</b>	<b>122,500</b>	<b>211,724</b>	<b>89,224</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(111,700)	(111,700)	(108,613)	3,087
<b>Total other financing sources (uses)</b>	<b>(111,700)</b>	<b>(111,700)</b>	<b>(108,613)</b>	<b>3,087</b>
<b>Net change in fund balance</b>	<b>\$ 33,800</b>	<b>\$ 10,800</b>	<b>103,111</b>	<b>\$ 92,311</b>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,218,819	
End of fiscal year			<u>\$ 1,321,930</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**AQMD Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

---

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 400	\$ 400	\$ 1,937	\$ 1,537
Intergovernmental	70,000	70,000	70,394	394
<b>Total revenues</b>	70,400	70,400	72,331	1,931
<b>EXPENDITURES:</b>				
Current:				
Public works services	80,000	188,767	-	188,767
Community development	22,300	22,300	15,305	6,995
<b>Total expenditures</b>	102,300	211,067	15,305	195,762
<b>Net change in fund balance</b>	<u>\$ (31,900)</u>	<u>\$ (140,667)</u>	57,026	<u>\$ 197,693</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			149,090	
End of fiscal year			<u>\$ 206,116</u>	



**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**CDBG Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 387,600	\$ 387,600	\$ 265,959	\$ (121,641)
Charges for services	17,800	17,800	22,853	5,053
<b>Total revenues</b>	<u>405,400</u>	<u>405,400</u>	<u>288,812</u>	<u>(116,588)</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	339,200	339,200	220,979	118,221
Recreation and community services	66,200	66,200	67,833	(1,633)
<b>Total expenditures</b>	<u>405,400</u>	<u>405,400</u>	<u>288,812</u>	<u>116,588</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			-	
End of fiscal year			<u>\$ -</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Proposition A Transit Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 4,000	\$ 4,000	\$ 12,213	\$ 8,213
Intergovernmental	1,035,540	1,035,540	1,037,889	2,349
<b>Total revenues</b>	1,039,540	1,039,540	1,050,102	10,562
<b>EXPENDITURES:</b>				
Current:				
Public works services	107,700	107,700	110,024	(2,324)
Community development	303,700	329,705	156,174	173,531
Recreation and community services	16,200	16,200	16,200	-
<b>Total expenditures</b>	427,600	453,605	282,398	171,207
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	611,940	585,935	767,704	181,769
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(579,290)	(579,290)	(522,755)	56,535
<b>Total other financing sources (uses)</b>	(579,290)	(579,290)	(522,755)	56,535
<b>Net change in fund balance</b>	<u>\$ 32,650</u>	<u>\$ 6,645</u>	244,949	<u>\$ 238,304</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			920,126	
End of fiscal year			<u>\$ 1,165,075</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Transportation Impact Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Licenses and permits	\$ 330,000	\$ 330,000	\$ 335,883	\$ 5,883
Use of money and property	5,100	5,100	21,746	16,646
Intergovernmental	-	-	17,483	17,483
<b>Total revenues</b>	<u>335,100</u>	<u>335,100</u>	<u>375,112</u>	<u>40,012</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>100,000</u>	<u>1,364,212</u>	<u>69,759</u>	<u>1,294,453</u>
<b>Total expenditures</b>	<u>100,000</u>	<u>1,364,212</u>	<u>69,759</u>	<u>1,294,453</u>
<b>Net change in fund balance</b>	<u>\$ 235,100</u>	<u>\$ (1,029,112)</u>	305,353	<u>\$ 1,334,465</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>1,672,534</u>	
End of fiscal year			<u>\$ 1,977,887</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**State and County Gas Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 5,200	\$ 5,200	\$ 8,822	\$ 3,622
Intergovernmental	1,549,000	1,549,000	1,245,781	(303,219)
<b>Total revenues</b>	1,554,200	1,554,200	1,254,603	(299,597)
<b>EXPENDITURES:</b>				
Current:				
Public works services	572,000	970,382	398,557	571,825
Community development	-	23,069	16,913	6,156
<b>Total expenditures</b>	572,000	993,451	415,470	577,981
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	982,200	560,749	839,133	278,384
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(1,189,700)	(1,189,700)	(1,184,037)	5,663
<b>Total other financing sources (uses)</b>	(1,189,700)	(1,189,700)	(1,184,037)	5,663
<b>Net change in fund balance</b>	<u>\$ (207,500)</u>	<u>\$ (628,951)</u>	(344,904)	<u>\$ 284,047</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,083,451	
End of fiscal year			<u>\$ 738,547</u>	

**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, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 7,300	\$ 7,300	\$ 19,668	\$ 12,368
Intergovernmental	644,223	644,223	646,067	1,844
<b>Total revenues</b>	651,523	651,523	665,735	14,212
<b>EXPENDITURES:</b>				
Current:				
Community development	60,000	60,000	60,221	(221)
<b>Total expenditures</b>	60,000	60,000	60,221	(221)
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	591,523	591,523	605,514	13,991
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(386,196)	(386,196)	(348,506)	37,690
<b>Total other financing sources (uses)</b>	(386,196)	(386,196)	(348,506)	37,690
<b>Net change in fund balance</b>	<u>\$ 205,327</u>	<u>\$ 205,327</u>	257,008	<u>\$ 51,681</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,527,308	
End of fiscal year			<u>\$ 1,784,316</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Lighting Maintenance Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 482,100	\$ 482,100	\$ 465,629	\$ (16,471)
Use of money and property	-	-	1,420	1,420
<b>Total revenues</b>	<u>482,100</u>	<u>482,100</u>	<u>467,049</u>	<u>(15,051)</u>
<b>EXPENDITURES:</b>				
Current:				
Public works services	<u>1,205,300</u>	<u>1,205,300</u>	<u>1,133,451</u>	<u>71,849</u>
<b>Total expenditures</b>	<u>1,205,300</u>	<u>1,205,300</u>	<u>1,133,451</u>	<u>71,849</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(723,200)</u>	<u>(723,200)</u>	<u>(666,402)</u>	<u>56,798</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	<u>723,200</u>	<u>723,200</u>	<u>680,070</u>	<u>(43,130)</u>
<b>Total other financing sources (uses)</b>	<u>723,200</u>	<u>723,200</u>	<u>680,070</u>	<u>(43,130)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>13,668</u>	<u>\$ 13,668</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>92,144</u>	
End of fiscal year			<u>\$ 105,812</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Parking District Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ -	\$ -	\$ 18	\$ 18
<b>Total revenues</b>	-	-	18	18
<b>EXPENDITURES:</b>				
Current:				
Public works services	4,700	4,700	4,716	(16)
<b>Total expenditures</b>	4,700	4,700	4,716	(16)
<b>Net change in fund balance</b>	<u>\$ (4,700)</u>	<u>\$ (4,700)</u>	(4,698)	<u>\$ 2</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			4,698	
End of fiscal year			<u>\$ -</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Prop C Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 2,800	\$ 2,800	\$ 23,807	\$ 21,007
Intergovernmental	859,000	859,000	917,250	58,250
<b>Total revenues</b>	861,800	861,800	941,057	79,257
<b>EXPENDITURES:</b>				
Current:				
Community development	1,397,900	2,767,983	1,007,664	1,760,319
<b>Total expenditures</b>	1,397,900	2,767,983	1,007,664	1,760,319
<b>Net change in fund balance</b>	<u>\$ (536,100)</u>	<u>\$ (1,906,183)</u>	(66,607)	<u>\$ 1,839,576</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			1,725,111	
End of fiscal year			<u>\$ 1,658,504</u>	



**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**IRS Task Force Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

---

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 2,300	\$ 2,300	\$ 687	\$ (1,613)
<b>Total revenues</b>	2,300	2,300	687	(1,613)
<b>Net change in fund balance</b>	<u>\$ 2,300</u>	<u>\$ 2,300</u>	687	<u>\$ (1,613)</u>

**FUND BALANCE:**

Beginning of fiscal year	457,271
End of fiscal year	<u>\$ 457,958</u>

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**TDA Article 3 Bikeway Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

---

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 71,588	\$ 21,588
<b>Total revenues</b>	<u>50,000</u>	<u>50,000</u>	<u>71,588</u>	<u>21,588</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	<u>50,000</u>	<u>72,036</u>	<u>70,364</u>	<u>1,672</u>
<b>Total expenditures</b>	<u>50,000</u>	<u>72,036</u>	<u>70,364</u>	<u>1,672</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ (22,036)</u>	1,224	<u>\$ 23,260</u>
<b>FUND BALANCE (DEFICIT):</b>				
Beginning of fiscal year			<u>(1,224)</u>	
End of fiscal year			<u>\$ -</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Santa Anita Grade Separation Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 2,400	\$ 2,400	\$ 21,992	\$ 19,592
Intergovernmental	-	-	318,000	318,000
<b>Total revenues</b>	<u>2,400</u>	<u>2,400</u>	<u>339,992</u>	<u>337,592</u>
<b>EXPENDITURES:</b>				
Current:				
Community development	-	3,709,882	883,138	2,826,744
<b>Total expenditures</b>	<u>-</u>	<u>3,709,882</u>	<u>883,138</u>	<u>2,826,744</u>
<b>EXCESS (DEFICIENCY) OF</b>				
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,400</u>	<u>(3,707,482)</u>	<u>(543,146)</u>	<u>3,164,336</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	723,400	723,400	-	(723,400)
<b>Total other financing sources (uses)</b>	<u>723,400</u>	<u>723,400</u>	<u>-</u>	<u>(723,400)</u>
<b>Net change in fund balance</b>	<u>\$ 725,800</u>	<u>\$ (2,984,082)</u>	<u>(543,146)</u>	<u>\$ 2,440,936</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>2,384,343</u>	
End of fiscal year			<u>\$ 1,841,197</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Homeland Security Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

---

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 6,459	\$ (3,541)
<b>Total revenues</b>	<u>10,000</u>	<u>10,000</u>	<u>6,459</u>	<u>(3,541)</u>
<b>EXPENDITURES:</b>				
Current:				
Public safety:				
Fire	10,000	10,000	6,459	3,541
<b>Total expenditures</b>	<u>10,000</u>	<u>10,000</u>	<u>6,459</u>	<u>3,541</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			-	
End of fiscal year			<u>\$ -</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**Library State Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Use of money and property	\$ 200	\$ 200	\$ 315	\$ 115
<b>Total revenues</b>	<u>200</u>	<u>200</u>	<u>315</u>	<u>115</u>
<b>EXPENDITURES:</b>				
Current:				
Library	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
<b>Total expenditures</b>	<u>21,000</u>	<u>21,000</u>	<u>21,000</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>\$ (20,800)</u>	<u>\$ (20,800)</u>	<u>(20,685)</u>	<u>\$ 115</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			<u>31,721</u>	
End of fiscal year			<u>\$ 11,036</u>	

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual**  
**General Obligation Bonds Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2016**

---

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Taxes	\$ 1,018,800	\$ 1,018,800	\$ 980,058	\$ (38,742)
Use of money and property	3,900	3,900	5,239	1,339
<b>Total revenues</b>	<u>1,022,700</u>	<u>1,022,700</u>	<u>985,297</u>	<u>(37,403)</u>
<b>EXPENDITURES:</b>				
Debt service:				
Principal retirement	555,000	555,000	555,000	-
Interest and fiscal charges	467,700	467,700	466,474	1,226
<b>Total expenditures</b>	<u>1,022,700</u>	<u>1,022,700</u>	<u>1,021,474</u>	<u>1,226</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	(36,177)	<u>\$ (36,177)</u>
<b>FUND BALANCE:</b>				
Beginning of fiscal year			889,854	
End of fiscal year			<u>\$ 853,677</u>	

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# FIDUCIARY FUNDS

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## **Agency Funds:**

*Agency Fund* - established to account for assets held by the City as an agent for individuals, private organizations, or other governmental units, and/or other funds.

**City of Arcadia**  
**Statement of Changes in Assets and Liabilities**  
**Agency Fund**  
**For the Fiscal Year Ended June 30, 2016**

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	Agency Fund		
	Balance	Net Changes	Balance
	July 1, 2015	in Assets and Liabilities	June 30, 2016
<b>ASSETS</b>			
Cash and investments	\$ 2,308,336	\$ 82,201	\$ 2,390,537
Accounts receivable	1,590	4,721	6,311
<b>Total assets</b>	<b>\$ 2,309,926</b>	<b>\$ 86,922</b>	<b>\$ 2,396,848</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 36,404	\$ 99,160	\$ 135,564
Deposits payable	2,273,522	(12,238)	2,261,284
<b>Total liabilities</b>	<b>\$ 2,309,926</b>	<b>\$ 86,922</b>	<b>\$ 2,396,848</b>



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# STATISTICAL SECTION

## (Unaudited)

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This part of the City of Arcadia's comprehensive annual 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.

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### Page

**Financial Trends** - 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 comprehensive annual financial reports for the relevant year.

**City of Arcadia**  
**Net Position by Component**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 66,072,851	\$ 58,132,706	\$ 52,517,506	\$ 52,847,570	\$ 52,132,444
Restricted for:					
Capital Projects	14,726,205	15,423,348	14,382,092	14,813,455	9,407,211
Debt Service	1,357,281	547,517	556,283	2,391,605	3,893,943
Specific Projects and Programs	18,024,443	19,062,102	20,567,765	20,692,163	20,596,634
Community Purposes					
Public Safety					
Transportation/Streets					
Total Restricted	34,107,929	35,032,967	35,506,140	37,897,223	33,897,788
Unrestricted	8,171,693	15,989,738	18,064,825	14,833,148	14,107,829
Total governmental activities net position	\$ 108,352,473	\$ 109,155,411	\$ 106,088,471	\$ 105,577,941	\$ 100,138,061
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 50,387,232	\$ 49,863,792	\$ 55,176,999	\$ 55,431,533	\$ 54,707,757
Restricted for:					
Specific Projects and Programs	256,291	-	-	-	-
Unrestricted	31,820,816	34,596,415	38,032,983	38,021,028	37,219,013
Total business-type activities net position	\$ 82,464,339	\$ 84,460,207	\$ 93,209,982	\$ 93,452,561	\$ 91,926,770
<b>Primary Government:</b>					
Net investment in capital assets	\$ 116,460,083	\$ 107,996,498	\$ 107,694,505	\$ 108,279,103	\$ 106,840,201
Restricted	34,364,220	35,032,967	35,506,140	37,897,223	33,897,788
Unrestricted	39,992,509	50,586,153	56,097,808	52,854,176	51,326,842
Total Primary Government net position	\$ 190,816,812	\$ 193,615,618	\$ 199,298,453	\$ 199,030,502	\$ 192,064,831

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Net Position by Component (Continued)**  
**Last Ten Fiscal Years**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Governmental Activities:</b>					
Net investment in capital assets	\$ 58,679,540	\$ 59,598,320	\$ 50,203,892	\$ 50,652,770	\$ 51,124,268
Restricted for:					
Capital Projects	6,899,157	6,912,977	755,064	-	-
Debt Service	762,708	699,444	786,567	694,085	664,992
Specific Projects and Programs*	14,150,646	16,064,646	14,564,481	-	-
Community Purposes				8,236,718	10,578,749
Public Safety				1,340,410	1,253,412
Transportation/Streets				9,312,873	9,165,526
Total Restricted	21,812,511	23,677,067	16,106,112	19,584,086	21,662,679
Unrestricted	11,083,944	10,527,461	25,857,397	(75,062,952)	(71,558,258)
Total governmental activities net position	\$ 91,575,995	\$ 93,802,848	\$ 92,167,401	\$ (4,826,096)	\$ 1,228,689
<b>Business-type Activities:</b>					
Net investment in capital assets	\$ 53,119,660	\$ 52,092,442	\$ 50,835,309	\$ 48,858,963	\$ 46,957,250
Restricted for:					
Specific Projects and Programs	-	-	-	-	-
Unrestricted	36,456,910	36,522,942	35,505,795	23,494,250	22,536,965
Total business-type activities net position	\$ 89,576,570	\$ 88,615,384	\$ 86,341,104	\$ 72,353,213	\$ 69,494,215
<b>Primary Government:</b>					
Net investment in capital assets	\$ 111,799,200	\$ 111,690,762	\$ 101,039,201	\$ 99,511,733	\$ 98,081,518
Restricted	21,812,511	23,677,067	16,106,112	19,584,086	21,662,679
Unrestricted	47,540,854	47,050,403	61,363,192	(51,568,702)	(49,021,293)
Total Primary Government net position	\$ 181,152,565	\$ 182,418,232	\$ 178,508,505	\$ 67,527,117	\$ 70,722,904

**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				
	2007	2008	2009	2010	2011
<b>Expenses</b>					
Governmental activities:					
General government	\$ 9,107,167	\$ 9,511,398	\$ 8,211,121	\$ 11,653,623	\$ 7,932,372
Public safety	22,679,538	26,336,811	25,887,304	26,433,261	28,843,936
Public works services	7,791,736	9,810,398	6,500,404	6,153,531	8,344,308
Community development	2,657,163	3,934,974	2,848,740	3,702,372	5,763,672
Library	2,659,513	3,095,916	3,344,597	2,958,551	3,264,511
Economic development*	1,568,742	713,846	1,726,912	2,511,182	5,435,758
Recreation and community services	2,366,695	2,592,669	2,547,934	2,489,088	2,759,562
Interest on long-term debt	1,417,308	1,372,678	1,325,694	1,277,732	2,067,789
Total governmental activities expenses	\$ 50,247,862	\$ 57,368,690	\$ 52,392,706	\$ 57,179,340	\$ 64,411,908
Business-type activities:					
Water	\$ 8,619,458	\$ 9,020,752	\$ 10,266,681	\$ 10,842,417	\$ 11,854,112
Sewer **			1,039,606	1,184,763	1,106,873
Transit	1,554,102	1,467,553	1,632,156	1,676,496	1,727,366
Total business-type activities expenses	10,173,560	10,488,305	12,938,443	13,703,676	14,688,351
Total primary government expenses	\$ 60,421,422	\$ 67,856,995	\$ 65,331,149	\$ 70,883,016	\$ 79,100,259
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 390,539	\$ -	\$ 86,150	\$ 2,973	\$ 13,512
Public safety	2,186,438	2,685,688	2,899,528	3,293,237	3,149,498
Public works services	1,291,862	1,433,711	365,883	305,344	475,338
Community development	2,461,548	2,001,142	1,835,423	1,891,145	2,262,274
Library	98,273	97,245	95,299	97,842	86,285
Recreation and community services	721,747	837,233	1,204,767	1,632,634	1,916,601
Operating Grants and Contributions	3,118,384	2,446,798	2,613,585	3,085,135	3,607,703
Capital Grants and Contributions	1,474,253	3,077,164	2,311,305	2,576,985	2,555,769
Total governmental activities program revenues	11,743,044	12,578,981	11,411,940	12,885,295	14,066,980
Business-type activities:					
Charges for services:					
Water	10,584,421	9,849,482	10,087,744	9,611,411	9,190,903
Sewer **	-	-	1,161,525	1,206,690	1,203,269
Transit	74,421	67,825	69,241	72,187	71,425
Operating Grants and Contributions	682,930	663,298	1,009,884	592,255	532,857
Capital Grants and Contributions	1,173,791	-	-	713,932	699,368
Total business-type activities program revenues	12,515,563	10,580,605	12,328,394	12,196,475	11,697,822
Total primary government program revenues	\$ 24,258,607	\$ 23,159,586	\$ 23,740,334	\$ 25,081,770	\$ 25,764,802

**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

\*\* Sewer fund was reclassified from a Special revenue fund to an Enterprise fund in fiscal year 2009.

**City of Arcadia**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>Expenses</b>					
Governmental activities:					
General government	\$ 8,060,384	\$ 8,772,439	\$ 6,984,927	\$ 7,458,250	\$ 6,890,053
Public safety	29,494,115	30,816,795	31,879,134	32,579,734	34,089,922
Public works services	8,595,701	7,684,123	7,318,800	7,741,343	8,525,715
Community development	4,650,800	3,615,072	15,469,651	5,050,382	6,316,456
Library	3,269,158	3,371,939	3,381,138	3,640,914	3,858,956
Economic development*	1,091,721	-	-	-	-
Recreation and community services	2,796,582	3,051,783	3,740,097	3,310,420	3,455,024
Interest on long-term debt	969,994	673,196	455,077	434,682	417,780
Total governmental activities expenses	<u>\$ 58,928,455</u>	<u>\$ 57,985,347</u>	<u>\$ 69,228,824</u>	<u>\$ 60,215,725</u>	<u>\$ 63,553,906</u>
Business-type activities:					
Water	\$ 13,195,083	\$ 12,373,758	\$ 13,911,484	\$ 16,891,412	\$ 12,563,018
Sewer **	1,135,487	1,318,107	1,347,002	1,457,275	1,360,509
Transit	1,792,216	2,023,651	2,010,402	1,836,228	1,818,171
Total business-type activities expenses	<u>16,122,786</u>	<u>15,715,516</u>	<u>17,268,888</u>	<u>20,184,915</u>	<u>15,741,698</u>
Total primary government expenses	<u>\$ 75,051,241</u>	<u>\$ 73,700,863</u>	<u>\$ 86,497,712</u>	<u>\$ 80,400,640</u>	<u>\$ 79,295,604</u>
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	\$ 1,245	\$ 260	\$ 1,065	\$ -	\$ 33,223
Public safety	3,304,856	3,146,493	3,801,154	3,683,293	3,972,018
Public works services	393,639	325,403	455,285	312,995	434,681
Community development	2,698,841	3,175,993	5,951,472	4,497,375	4,577,662
Library	74,518	69,350	74,007	71,564	72,242
Recreation and community services	2,295,475	2,450,915	3,149,525	3,045,343	3,237,272
Operating Grants and Contributions	3,612,486	4,592,325	5,481,152	5,020,312	4,876,997
Capital Grants and Contributions	1,500,626	2,272,285	658,109	804,556	927,837
Total governmental activities program revenues	<u>13,881,686</u>	<u>16,033,024</u>	<u>19,571,769</u>	<u>17,435,438</u>	<u>18,131,932</u>
Business-type activities:					
Charges for services:					
Water	10,191,324	10,902,718	11,467,284	10,132,653	9,122,745
Sewer **	1,221,817	1,277,868	1,308,313	1,310,499	1,664,249
Transit	73,846	86,208	89,710	76,484	63,520
Operating Grants and Contributions	606,878	616,491	685,118	786,352	768,229
Capital Grants and Contributions	401,697	648,875	-	-	-
Total business-type activities program revenues	<u>12,495,562</u>	<u>13,532,160</u>	<u>13,550,425</u>	<u>12,305,988</u>	<u>11,618,743</u>
Total primary government program revenues	<u>\$ 26,377,248</u>	<u>\$ 29,565,184</u>	<u>\$ 33,122,194</u>	<u>\$ 29,741,426</u>	<u>\$ 29,750,675</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

\*\* Sewer fund was reclassified from a Special revenue fund to an Enterprise fund in fiscal year 2009.

**City of Arcadia**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years (accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (38,504,818)	\$ (44,789,709)	\$ (40,980,766)	\$ (44,294,045)	\$ (50,344,928)
Business-type activities	2,342,003	92,300	(610,049)	(1,507,200)	(2,990,529)
Total primary government net expense	<u>\$ (36,162,815)</u>	<u>\$ (44,697,409)</u>	<u>\$ (41,590,815)</u>	<u>\$ (45,801,245)</u>	<u>\$ (53,335,457)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 12,917,525	\$ 13,363,736	\$ 14,330,420	\$ 15,400,704	\$ 14,215,888
Sales taxes	9,415,160	9,582,552	9,024,834	7,940,462	8,613,829
Franchise fees	936,330	1,129,174	1,077,046	972,461	1,045,099
Utilities user taxes	5,243,605	5,189,901	5,128,782	5,258,113	5,172,811
Transient occupancy taxes	2,762,001	2,916,776	2,428,763	2,237,610	2,394,106
Motor vehicle license taxes	4,058,116	4,223,427	4,433,640	4,502,551	4,814,591
Non-regulatory business license taxes	894,811	900,129	938,278	1,020,770	1,068,308
Other Taxes	2,088,137	2,473,171	1,850,761	1,846,825	1,641,467
Total Taxes and fees	38,315,685	39,778,866	39,212,524	39,179,496	38,966,099
Investment earnings	3,152,654	3,384,271	2,680,217	1,025,361	2,080,612
Miscellaneous	1,885,951	3,054,303	3,535,084	4,491,008	4,579,176
Gain/loss on disposal of capital assets	-	(40,128)	-	-	256,499
Transfers	(644,758)	(584,665)	(911,695)	(912,350)	(977,338)
Extraordinary item	-	-	-	-	-
Total Governmental activities	<u>42,709,532</u>	<u>45,592,647</u>	<u>44,516,130</u>	<u>43,783,515</u>	<u>44,905,048</u>
Business-type activities:					
Investment earnings	1,505,031	1,879,521	1,845,825	819,078	472,912
Miscellaneous	-	(560,618)	-	18,351	14,488
Transfers	644,758	584,665	911,695	912,350	977,338
Total business-type activities	<u>2,149,789</u>	<u>1,903,568</u>	<u>2,757,520</u>	<u>1,749,779</u>	<u>1,464,738</u>
Total primary government	<u>\$ 44,859,321</u>	<u>\$ 47,496,215</u>	<u>\$ 47,273,650</u>	<u>\$ 45,533,294</u>	<u>\$ 46,369,786</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 4,204,714	\$ 802,938	\$ 3,535,364	\$ (510,530)	\$ (5,439,880)
Business-type activities	4,491,792	1,995,868	2,147,471	242,579	(1,525,791)
Total primary government	<u>\$ 8,696,506</u>	<u>\$ 2,798,806</u>	<u>\$ 5,682,835</u>	<u>\$ (267,951)</u>	<u>\$ (6,965,671)</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				
	2012	2013	2014	2015	2016
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (45,046,769)	\$ (41,952,323)	\$ (41,952,323)	\$ (49,657,055)	\$ (45,421,974)
Business-type activities	<u>(3,627,224)</u>	<u>(2,183,356)</u>	<u>(2,183,356)</u>	<u>(3,718,463)</u>	<u>(4,122,955)</u>
Total primary government net expense	<u>\$ (48,673,993)</u>	<u>\$ (44,135,679)</u>	<u>\$ (44,135,679)</u>	<u>\$ (53,375,518)</u>	<u>\$ (49,544,929)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities:					
Taxes					
Property taxes	\$ 11,416,754	\$ 13,644,310	\$ 13,892,020	\$ 13,865,978	\$ 15,149,171
Sales taxes	8,962,391	9,646,630	10,082,196	10,427,065	11,441,622
Franchise fees	1,061,719	1,091,812	1,070,809	1,192,519	1,100,952
Utilities user taxes	5,046,439	5,118,597	6,545,713	7,142,118	6,816,464
Transient occupancy taxes	2,560,371	2,823,399	3,215,261	3,365,408	3,531,944
Motor vehicle license taxes	4,653,845	4,900,991	5,213,847	5,641,681	6,136,906
Non-regulatory business license taxes	1,108,428	1,186,704	1,249,583	1,202,350	1,293,357
Other Taxes	<u>1,581,577</u>	<u>1,541,319</u>	<u>1,683,520</u>	<u>1,662,956</u>	<u>1,538,467</u>
Total Taxes and fees	36,391,524	39,953,762	42,952,949	44,500,075	47,008,883
Investment earnings	1,689,361	1,035,634	1,598,314	1,632,484	1,856,318
Miscellaneous	4,153,019	3,374,585	4,724,159	4,421,469	3,482,819
Gain/loss on disposal of capital assets	35,714	935,125	64,696	28,323	-
Transfers	(976,894)	(1,119,930)	(1,031,360)	(817,751)	(871,261)
Extraordinary item	<u>(4,808,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental activities	<u>36,484,703</u>	<u>44,179,176</u>	<u>48,308,758</u>	<u>49,764,600</u>	<u>51,476,759</u>
Business-type activities:					
Investment earnings	280,621	85,231	396,892	332,719	380,861
Miscellaneous	19,509	17,009	15,931	18,300	11,835
Transfers	<u>976,894</u>	<u>1,119,930</u>	<u>1,031,360</u>	<u>817,751</u>	<u>871,261</u>
Total business-type activities	<u>1,277,024</u>	<u>1,222,170</u>	<u>1,444,183</u>	<u>1,168,770</u>	<u>1,263,957</u>
Total primary government	<u>\$ 37,761,727</u>	<u>\$ 45,401,346</u>	<u>\$ 49,752,941</u>	<u>\$ 50,933,370</u>	<u>\$ 52,740,716</u>
<b>Change in Net Position</b>					
Governmental activities	\$ (8,562,066)	\$ 2,226,853	\$ 6,356,435	\$ 107,545	\$ 6,054,785
Business-type activities	<u>(2,350,200)</u>	<u>(961,186)</u>	<u>(739,173)</u>	<u>(2,549,693)</u>	<u>(2,858,998)</u>
Total primary government	<u>\$ (10,912,266)</u>	<u>\$ 1,265,667</u>	<u>\$ 5,617,262</u>	<u>\$ (2,442,148)</u>	<u>\$ 3,195,787</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				
	2007	2008	2009	2010	2011
<b>General Fund</b>					
Reserved	\$ 1,165,608	\$ 2,129,731	\$ 2,078,013	\$ 1,337,938	\$ -
Unreserved	22,505,659	22,235,755	24,508,667	23,860,788	-
Nonspendable	-	-	-	-	741,827
Assigned	-	-	-	-	17,280,504
Unassigned	-	-	-	-	8,711,216
Total General Fund	<u>\$ 23,671,267</u>	<u>\$ 24,365,486</u>	<u>\$ 26,586,680</u>	<u>\$ 25,198,726</u>	<u>\$ 26,733,547</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ 12,640,850	\$ 8,493,954	\$ 14,650,692	\$ 19,244,377	\$ -
Unreserved, reported in:					
Special Revenue Funds	13,676,531	14,559,787	14,082,897	15,901,092	-
Debt Service Funds	(1,106,930)	39,618	-	-	-
Capital projects funds	16,799,330	19,160,955	14,218,072	8,068,757	-
Nonspendable	-	-	-	-	16,124,172
Restricted	-	-	-	-	32,629,493
Assigned	-	-	-	-	10,425,600
Total all other Governmental Funds	<u>\$ 42,009,781</u>	<u>\$ 42,254,314</u>	<u>\$ 42,951,661</u>	<u>\$ 43,214,226</u>	<u>\$ 59,179,265</u>
Total Governmental Funds	<u>\$ 65,681,048</u>	<u>\$ 66,619,800</u>	<u>\$ 69,538,341</u>	<u>\$ 68,412,952</u>	<u>\$ 85,912,812</u>

**Source:** City of Arcadia Financial Reports

\* Fund balance catagories were changed due to the implementation of GASB 54 in 2011



**City of Arcadia**  
**Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	727,715	698,729	708,053	768,417	797,305
Assigned	15,325,993	13,815,582	22,223,334	23,710,862	24,756,336
Unassigned	9,745,454	12,701,494	8,180,075	12,357,558	6,399,003
Total General Fund	<u>\$ 25,799,162</u>	<u>\$ 27,215,805</u>	<u>\$ 31,111,462</u>	<u>\$ 36,836,837</u>	<u>\$ 31,952,644</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	23,251	305	384	-	-
Restricted	21,812,511	23,677,067	16,106,112	19,779,855	21,851,364
Assigned	4,337,923	3,735,533	6,207,820	4,894,097	11,203,221
Total all other Governmental Funds	<u>\$ 26,173,685</u>	<u>\$ 27,412,905</u>	<u>\$ 22,314,316</u>	<u>\$ 24,673,952</u>	<u>\$ 33,054,585</u>
Total Governmental Funds	<u>\$ 51,972,847</u>	<u>\$ 54,628,710</u>	<u>\$ 53,425,778</u>	<u>\$ 61,510,789</u>	<u>\$ 65,007,229</u>

**Source:** City of Arcadia Financial Reports

\* Fund balance categories were changed due to the implementation of GASB 54 in 2011

**City of Arcadia**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years (modified accrual basis of accounting)**

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>REVENUES:</b>					
Taxes	\$ 33,362,760	\$ 34,105,057	\$ 33,840,607	\$ 32,337,065	\$ 34,244,462
Licenses, fees and permits	4,177,234	4,014,778	3,802,420	3,487,187	3,972,881
Fines and Penalties	406,758	827,448	830,395	942,337	960,496
Use of money of property	3,418,245	3,768,802	3,510,957	2,123,272	2,080,611
Intergovernmental Revenues	8,059,923	9,713,585	9,269,355	10,380,618	11,248,656
Charges for services	3,724,519	4,117,379	3,529,270	4,420,625	4,711,152
Other Revenues	7,600,223	6,625,660	8,846,293	6,804,945	3,973,389
<b>Total revenues</b>	<b>60,749,662</b>	<b>63,172,709</b>	<b>63,629,297</b>	<b>60,496,049</b>	<b>61,191,647</b>
<b>EXPENDITURES:</b>					
Current:					
General government	9,894,659	9,773,261	10,241,549	10,664,354	8,375,592
Public safety	30,135,748	29,537,687	27,595,515	28,239,920	27,451,509
Public works services	6,725,692	8,480,731	6,350,512	5,910,512	6,588,499
Community development	3,697,379	5,092,902	3,359,686	5,371,217	5,756,910
Library	2,672,995	3,064,959	3,374,589	2,987,701	3,058,338
Economic development	1,852,716	957,789	1,726,912	2,975,135	5,452,493
Recreation and community services	2,357,786	2,533,477	2,470,190	2,357,463	3,746,142
Debt service:					
Interest	780,000	825,000	870,000	915,000	1,736,317
Principal	1,427,473	1,383,486	1,337,036	1,287,786	690,000
Cost of issuance	-	-	-	-	395,037
<b>Total expenditures</b>	<b>59,544,448</b>	<b>61,649,292</b>	<b>57,325,989</b>	<b>60,709,088</b>	<b>63,250,837</b>
<b>Less: acquisition of capital assets</b>	<b>(7,008,476)</b>	<b>(5,051,343)</b>	<b>(1,815,013)</b>	<b>(3,807,691)</b>	<b>(2,562,811)</b>
<b>Total expenditures excluding capital assets</b>	<b>52,535,972</b>	<b>56,597,949</b>	<b>55,510,976</b>	<b>56,901,397</b>	<b>60,688,026</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,205,214</b>	<b>1,523,417</b>	<b>6,303,308</b>	<b>(213,039)</b>	<b>(2,059,190)</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	1,331,729	4,898,172	3,236,418	3,660,845	8,387,511
Transfers out	(1,976,487)	(5,482,837)	(4,148,113)	(4,573,195)	(9,364,849)
Proceeds from sale of assets	-	-	-	-	-
Proceeds of bond issuance	-	-	-	-	27,830,000
Bond discount	-	-	-	-	(424,696)
Bond Premium	-	-	-	-	451,084
Payment on refunded bonds	-	-	-	-	(7,320,000)
Loss on dissolution of Arcadia Redevelopment Agency	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(644,758)</b>	<b>(584,665)</b>	<b>(911,695)</b>	<b>(912,350)</b>	<b>19,559,050</b>
<b>Net change in fund balances</b>	<b>\$ 560,456</b>	<b>\$ 938,752</b>	<b>\$ 5,391,613</b>	<b>\$ (1,125,389)</b>	<b>\$ 17,499,860</b>
Debt service as a percentage of non-capital expenditures	4.20%	3.90%	3.98%	3.87%	4.00%

**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				
	2012	2013	2014	2015	2016
<b>REVENUES:</b>					
Taxes	\$ 30,629,251	\$ 33,866,067	\$ 36,489,519	\$ 37,911,174	\$ 39,504,488
Licenses, fees and permits	4,542,324	5,008,304	8,031,036	6,512,028	6,723,286
Fines and Penalties	918,949	839,477	913,156	935,629	801,161
Use of money of property	1,833,161	1,035,634	1,598,310	1,632,483	1,856,318
Intergovernmental Revenues	9,776,817	11,437,572	10,881,323	11,508,381	11,653,593
Charges for services	5,041,963	5,095,987	6,356,736	6,086,755	6,777,300
Other Revenues	3,410,965	4,049,089	4,093,208	4,390,220	3,419,455
<b>Total revenues</b>	<b>56,153,430</b>	<b>61,332,130</b>	<b>68,363,288</b>	<b>68,976,670</b>	<b>70,735,601</b>
<b>EXPENDITURES:</b>					
Current:					
General government	8,923,780	7,484,871	7,051,033	6,730,305	8,920,807
Public safety	28,402,141	29,905,370	30,842,988	31,748,649	33,772,958
Public works services	6,897,481	5,940,589	5,805,936	6,372,293	7,827,183
Community development	5,380,890	6,885,395	17,046,641	8,168,873	8,003,227
Library	3,050,203	3,179,305	3,165,746	3,433,071	3,612,759
Economic development	1,091,721	-	-	-	-
Recreation and community services	2,571,010	3,014,469	3,729,337	3,099,283	3,209,492
Debt service:					
Interest	900,000	756,210	502,875	525,000	555,000
Principal	1,282,872	215,000	465,000	484,854	466,474
Cost of issuance	-	132,228	-	-	-
<b>Total expenditures</b>	<b>58,500,098</b>	<b>57,513,437</b>	<b>68,609,556</b>	<b>60,562,328</b>	<b>66,367,900</b>
<b>Less: acquisition of capital assets</b>	<b>(2,931,313)</b>	<b>(4,349,512)</b>	<b>(2,559,961)</b>	<b>(3,756,352)</b>	<b>(4,180,176)</b>
<b>Total expenditures excluding capital assets</b>	<b>55,568,785</b>	<b>53,163,925</b>	<b>66,049,595</b>	<b>56,805,976</b>	<b>62,187,724</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(2,346,668)</b>	<b>3,818,693</b>	<b>(246,268)</b>	<b>8,414,342</b>	<b>4,367,701</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	8,760,016	2,455,802	4,623,066	3,874,984	10,330,462
Transfers out	(9,736,910)	(3,575,732)	(5,654,426)	(4,692,735)	(11,201,723)
Proceeds from sale of assets	-	-	74,696	-	-
Proceeds of bond issuance	-	6,135,000	-	-	-
Bond discount	-	-	-	-	-
Bond Premium	-	362,100	-	-	-
Payment on refunded bonds	-	(6,540,000)	-	-	-
Loss on dissolution of Arcadia Redevelopment Agency	(30,616,403)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(31,593,297)</b>	<b>(1,162,830)</b>	<b>(956,664)</b>	<b>(817,751)</b>	<b>(871,261)</b>
<b>Net change in fund balances</b>	<b>\$ (33,939,965)</b>	<b>\$ 2,655,863</b>	<b>\$ (1,202,932)</b>	<b>\$ 7,596,591</b>	<b>\$ 3,496,440</b>
Debt service as a percentage of non-capital expenditures	3.93%	1.83%	1.47%	1.78%	1.64%

**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
2007	\$ 12,917,525	\$ 9,415,160	\$ 936,330	\$ 5,243,605	\$ 2,762,001	\$ 4,058,116	\$ 894,811	\$ 2,088,137	\$ 38,315,685
2008	13,363,736	9,582,552	1,129,174	5,189,901	2,916,776	4,223,427	900,129	2,473,171	39,778,866
2009	14,330,420	9,024,834	1,077,046	5,128,782	2,428,763	4,433,640	938,278	1,850,761	39,212,524
2010	15,400,704	7,940,462	972,460	5,258,113	2,237,610	4,502,551	1,020,770	1,846,825	39,179,495
2011	14,215,888	8,613,829	1,045,099	5,172,811	2,394,106	4,814,591	1,068,308	1,641,467	38,966,099
2012	11,416,754	8,962,391	1,061,719	5,046,439	2,560,371	4,653,845	1,108,428	1,581,577	36,391,524
2013	13,644,310	9,646,630	1,091,812	5,118,597	2,823,399	4,900,991	1,186,704	1,541,319	39,953,762
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

**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
2007	\$ 12,917,525	\$ 9,415,160	\$ 936,330	\$ 5,243,605	\$ 2,762,001	\$ 2,088,137	\$ 33,362,758
2008	13,363,736	9,582,552	1,129,174	5,189,901	2,916,776	1,922,918	34,105,057
2009	14,330,420	9,024,834	1,077,046	5,128,782	2,428,763	1,850,761	33,840,606
2010	15,400,704	7,940,462	972,460	5,258,113	2,237,610	1,846,825	33,656,174
2011	14,215,888	8,613,829	1,045,099	5,172,811	2,394,106	1,641,467	33,083,200
2012	11,416,754	8,962,391	1,061,719	5,046,439	2,560,371	1,581,577	30,629,251
2013	13,644,310	9,646,630	1,091,812	5,118,597	2,823,399	1,541,319	33,866,067
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

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Assessed Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Recreational Property	Industrial Property	Others	Exempt	Total Taxable Assessed Value	Percent Increase	Total Direct Rate
2007	\$6,922,040,445	\$953,413,176	\$168,903,467	\$145,207,232	\$389,648,688	(\$23,771,884)	\$8,555,441,124	9.9%	0.13605%
2008	7,460,234,815	990,638,865	172,281,530	157,303,267	350,110,351	(25,641,750)	9,104,927,078	6.4%	0.13651%
2009	7,894,207,490	1,047,552,317	190,189,595	175,916,383	387,260,656	(24,898,550)	9,670,227,891	6.2%	0.13861%
2010	8,119,135,094	1,098,758,395	193,993,380	185,389,363	316,015,833	(26,253,099)	9,887,038,966	2.2%	0.13933%
2011	8,385,923,392	1,154,290,186	193,533,608	184,933,074	428,722,104	(25,856,815)	10,321,545,549	4.4%	0.13798%
2012	8,667,971,752	1,217,932,398	194,107,146	186,684,883	370,363,654	(26,728,213)	10,610,331,620	2.8%	0.13688%
2013	9,119,940,977	1,235,622,033	197,989,278	188,696,515	391,938,576	(26,552,388)	11,107,634,991	4.7%	0.13360%
2014	9,784,166,701	1,283,395,020	207,049,008	191,408,716	390,981,520	(24,789,124)	11,832,211,841	6.5%	0.10249%
2015	10,562,151,620	1,306,789,917	312,687,185	191,721,395	458,587,020	(23,259,190)	12,808,677,947	8.3%	0.10249%
2016	11,422,747,681	1,398,109,370	308,101,469	203,248,894	629,644,044	(23,259,190)	13,938,592,268	8.8%	0.10110%

**Note:** Exempt values are not included in total

**Source:** HdL Coren & Cone, Los Angeles County Assessor Combined Tax Rolls

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**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>
2007	0.09602	1.03033	0.13605
2008	0.09602	1.03030	0.13651
2009	0.09602	1.03296	0.13861
2010	0.09602	1.04707	0.13933
2011	0.09602	1.00370	0.13798
2012	0.09602	1.00370	0.13688
2013	0.09602	N/A	0.13360
2014	0.09602	N/A	0.10249
2015	0.09602	N/A	0.10249
2016	0.09602	N/A	0.10110

**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**

City Direct and Overlapping Rates %								
Year	Basic Levy	General Obligation Debt Service	Lighting District	Los Angeles County	School Districts	Community College	Water Districts	Tax Rate %
2007	1.0000	0.005270	0.02491	0.00071	0.38302	0.03905	0.02470	1.47766
2008	1.0000	0.005110	0.02580	0.00000	0.35205	0.04952	0.02450	1.45697
2009	1.0000	0.005490	0.02866	0.00000	0.38165	0.06503	0.02230	1.50311
2010	1.0000	0.005300	0.04277	0.00000	0.51389	0.07411	0.02230	1.65838
2011	1.0000	0.005000	0.00000	0.00000	0.50697	0.07941	0.02170	1.61308
2012	1.0000	0.004990	0.00000	0.00000	0.54958	0.07821	0.02170	1.65448
2013	1.0000	0.009590	0.00000	0.00000	0.55242	0.07457	0.02150	1.65808
2014	1.0000	0.008380	0.00000	0.00000	0.60099	0.07017	0.02150	1.70104
2015	1.0000	0.008221	0.00000	0.00000	0.57233	0.06180	0.02150	1.66385
2016	1.0000	0.006681	0.00000	0.00000	0.60790	0.05225	0.01800	1.68483

**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**

2015/16				
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Est. Total * Tax Revenue</u>	<u>Rank</u>	<u>Percentage of Total City Property Tax Revenue</u>
Santa Anita Borrower LLC	\$ 374,899,867	\$ 379,024	1	2.69%
Santa Anita Land Holdings LLC	291,923,819	295,135	2	2.09%
Methodist Hospital of Southern California	109,340,267	110,543	3	0.78%
Baldwin Arcadia Center LP	78,138,114	78,998	4	0.56%
BRE Selct Hotels Properties LLC	36,506,871	36,908	5	0.26%
La Turf Club Inc.	34,808,961	35,192	6	0.25%
BRE Newton Hotels Property Owner	33,303,100	33,669	7	0.24%
Vons Companies INC	32,424,196	32,781	8	0.23%
Arcadia Hotel Venture LP	24,882,310	25,156	9	0.18%
Huntington Landmark LLC	24,484,520	24,754	10	0.18%
Total	<u>\$ 1,040,712,025</u>	<u>\$ 1,052,160</u>		<u>7.46%</u>
2006/07				
<u>Taxpayer</u>	<u>Assessed Value</u>	<u>Est. Total * Tax Revenue</u>	<u>Rank</u>	<u>Percentage of Total City Property Tax Revenue</u>
Santa Anita Fashion Park LLC	\$ 286,623,323	389,951	1	3.35%
234567 Developments Inc.	161,538,732	219,773	2	1.89%
Methodist Hospital Of Southern California	54,749,636	74,487	3	0.64%
Safeway Inc.	33,043,340	44,955	4	0.39%
LA Fitness International LLC	26,627,914	36,227	5	0.31%
Arcadia Hotel Venture LP	24,994,178	34,005	6	0.29%
Apple Six Hospitality Inc.	20,870,439	28,394	7	0.24%
Windrose Santa Anita Properties LLC	20,400,000	27,754	8	0.24%
LA Turf Club Inc.	18,958,971	25,794	9	0.22%
Arcadia Gateway Centre Assoc. LTD	17,687,633	24,064	10	0.21%
Total	<u>\$ 665,494,166</u>	<u>\$ 905,405</u>		<u>7.78%</u>

**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**

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	Percentage of Levy *
2007	\$ 786,500	\$ 813,327	103.41%	\$ 18,365	\$ 831,692	105.75%
2008	702,200	674,921	96.12%	34,403	709,324	101.01%
2009	895,266	866,299	96.76%	29,356	895,655	100.04%
2010	922,066	830,138	90.03%	88,629	918,768	99.64%
2011	924,282	903,326	97.73%	20,155	923,481	99.91%
2012	958,156	930,566	97.12%	36,079	966,645	100.89%
2013	1,047,162	1,068,505	102.04%	16,319	1,084,824	103.60%
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	102.38%

**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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Apparel Stores	\$ 124,934	\$ 133,642	\$ 115,837	\$ 111,744	\$ 116,092	\$ 121,244	\$ 132,473	\$ 142,471	\$ 143,929	\$ 140,725
General Merchandise	170,958	167,768	154,832	149,185	148,459	154,061	152,871	154,136	152,855	157,238
Food Stores	36,507	37,570	38,455	36,409	36,204	36,288	38,887	39,381	40,128	35,602
Eating and Drinking Places	121,797	133,946	133,720	126,235	127,863	134,614	142,030	153,376	168,939	176,725
Building Materials	8,504	7,426	7,988	6,830	5,606	6,927	6,553	7,111	9,173	8,102
Auto Dealers and Supplies	101,076	83,025	84,813	79,061	78,940	78,632	78,791	90,821	104,068	97,709
Service Stations	60,429	60,697	79,034	60,684	67,103	85,573	92,244	91,262	89,811	76,867
Other Retail Stores	139,689	130,777	18,133	106,283	108,730	116,203	116,512	123,321	135,165	138,340
All Other Outlets	204,311	203,726	192,736	162,590	157,493	171,665	180,248	200,402	217,788	223,146
Total	<u>\$ 968,205</u>	<u>\$ 958,577</u>	<u>\$ 825,548</u>	<u>\$ 839,021</u>	<u>\$ 846,490</u>	<u>\$ 905,207</u>	<u>\$ 940,609</u>	<u>\$1,002,281</u>	<u>\$1,061,856</u>	<u>\$ 1,054,454</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 Fiscal Year & Nine Years Prior**

2015/16

<u>Business Name</u>	<u>Business Category</u>
Abercrombie & Fitch	Family Apparel
Allstar Fire Equipment	Light Industrial/Printers
Arco	Service Stations
Arco AM PM	Service Stations
Burlington Coat Factory	Family Apparel
Cheesecake Factory	Casual Dining
CVS Pharmacy	Drug Stores
Daimler Trust	Auto Lease
Din Tai Fung Restaurant	Casual Dining
Foot Locker	Shoe Stores
Forever XXI	Women's Apparel
H&M	Family Apparel
JC Penney	Department Stores
Los Angeles Turf Club	Leisure/Entertainment
Macys	Department Stores
Michael Kors	Family Apparel
Mobil	Service Stations
New Flyer of America	Trailers/Auto Parts
Nordstrom	Department Stores
Pavilions	Grocery Stores Liquor
Ralphs	Grocery Stores Liquor
REI	Sporting Goods/Bike Stores
Rusnak Arcadia	New Motor Vehicle Dealers
Sephora	Specialty Stores
Victoria's Secret	Women's Apparel

Percent of Fiscal Year Total Paid By Top 25 Accounts 49.7%

Period: April 2015 Thru March 2016  
Source: State Board Equalization

**CITY OF ARCADIA**  
**TOP 25 SALES TAX PRODUCERS**  
**Last Fiscal Year & Nine Years Prior**

2005/06

<u>Business Name</u>	<u>Business Category</u>
Allstar Fire Equipment	Light Industrial/Printers
Arco	Contractors
Arco AM PM	Service Stations
Borders Books & Music	Stationery/Book Stores
Burlington Coat Factory	Family Apparel
CVS Pharmacy	Drug Stores
Daimler Chrysler Finance	Auto Lease
Dave & Busters	Casual Dining
Gap	Family Apparel
Hollister	Family Apparel
JC Penney	Department Stores
Los Angeles Turf Club	Leisure/Entertainment
Macys	Department Stores
Mobil	Service Stations
Nordstrom	Department Stores
Old Navy	Family Apparel
Olive Garden	Casual Dining
Pavilions	Grocery Stores Liquor
Ralphs	Grocery Stores Liquor
REI	Sporting Goods/Bike Stores
Ross	Family Apparel
Rusnak Arcadia	New Motor Vehicle Dealers
Sport Chalet	Sporting Goods/Bike Stores
Victoria's Secret	Women's Apparel
Western Medical Supply	Medical/Biotech

Percent of Fiscal Year Total Paid By Top 25 Accounts	49.3%
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Period: April 2006 Thru March 2007

Source: State Board Equalization

**City of Arcadia**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds			Redevelopment Bonds *					
	2001	2011	2012	Tax Allocation Bond 2001A	Tax Allocation Bond 2001B	Tax Allocation Bond 2010			
2007	\$7,385,000			\$9,220,000	\$8,020,000		\$24,625,000	1.296%	440
2008	7,230,000			8,765,000	7,805,000		23,800,000	1.209%	425
2009	7,070,000			8,290,000	7,570,000		22,930,000	1.155%	409
2010	6,900,000			7,795,000	7,320,000		22,015,000	1.131%	391
2011	6,725,000	8,448,827		7,280,000	-	19,426,839	41,880,666	1.983%	738
2012	6,540,000	8,426,562		-	-	-	14,966,562	0.708%	265
2013	-	8,189,297	6,486,182	-	-	-	14,675,479	0.680%	258
2014	-	7,887,032	6,281,837	-	-	-	14,168,869	0.648%	246
2015	-	7,579,767	6,022,492	-	-	-	13,602,259	0.612%	236
2016	-	7,262,502	5,743,147	-	-	-	13,005,649	0.589%	228

**Note:** \* Arcadia Redevelopment Agency together with all other Redevelopment Agencies in California were eliminated on February 1, 2012.

**City of Arcadia**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

Governmental Activities			
Year	General Obligation Bonds	Percentage of Personal Income	Per Capita
2007	\$ 7,385,000	0.388%	132
2008	7,230,000	0.367%	129
2009	7,070,000	0.356%	126
2010	6,900,000	0.354%	122
2011	15,173,827	0.718%	268
2012	14,966,562	0.708%	265
2013	14,675,479	0.680%	258
2014	14,168,869	0.648%	246
2015	13,602,259	0.612%	236
2016	13,005,649	0.589%	228

**Note:** Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.



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**City of Arcadia**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Legal Debt Margin Calculation for Fiscal Year 2016**

Assessed Taxable Value	\$ 13,938,592,268
Debt Limit (15% of assessed value)	2,090,788,840
Debt Applicable to limit:	
Total Bonds Payable	<u>13,005,649</u>
Legal Debt Margin	<u><u>\$ 2,077,783,191</u></u>
Percent of Charter Debt Limit	0.62%

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Debt Limit	\$ 1,283,316,169	\$ 1,365,739,062	\$ 1,450,534,184	\$ 1,461,040,845	\$ 1,548,231,832
Total net debt applicable to limit	<u>24,625,000</u>	<u>23,800,000</u>	<u>22,930,000</u>	<u>22,015,000</u>	<u>41,880,666</u>
<b>Legal debt margin</b>	1,258,691,169	1,341,939,062	1,427,604,184	1,439,025,845	1,506,351,166
Total debt applicable to the limit	1.92%	1.74%	1.58%	1.51%	2.71%

**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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	2012	2013	2014	2015
Debt Limit	\$ 1,591,549,743	\$ 1,666,145,249	\$ 1,774,831,776	\$ 1,921,301,692
Total net debt applicable to limit	14,966,562	14,675,479	14,168,869	13,602,259
<b>Legal debt margin</b>	1,576,583,181	1,651,469,770	1,760,662,907	1,907,699,433
Total debt applicable to the limit	0.94%	0.88%	0.80%	0.71%

**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**

2015/16

	Gross Bonded Debt Balance	% Applicable	Net Bonded Debt
<u>Direct Debt</u>			
Arcadia General Obligation Bond 2011	\$ 7,262,502	100.000%	\$ 7,262,502
Arcadia General Obligation Bond 2012	5,743,147	100.000%	\$ 5,743,147
Total Direct Debit	13,005,649		\$ 13,005,649
<u>Overlapping Debt</u>			
Metropolitan Water District Area Upper San Gabriel Valley Area *	44,916,916	1.300%	\$ 583,814
El Monte City School District 2004 Series B	1,835,991	3.777%	\$ 69,348
El Monte City School District 2004 Series D	7,620,000	3.777%	\$ 287,817
El Monte City School District 2008 Series A	5,998,159	3.777%	\$ 226,558
El Monte City School District 2008 Series A-1	18,540,000	3.777%	\$ 700,279
El Monte City School District 2015	45,590,000	3.777%	\$ 1,721,990
El Monte City School District 2012 Refunding	9,068,273	3.777%	\$ 342,520
El Monte City School District 2014 Series A	29,360,000	3.777%	\$ 1,108,963
El Monte Union High School District 2002 Series A	1,772,970	1.970%	\$ 34,920
El Monte Union High School District 2006 Refunding	30,241,492	1.970%	\$ 595,636
El Monte Union High School District 2002 Series C	26,525,000	1.970%	\$ 522,436
El Monte Union High School District 2008 Series A	28,315,000	1.970%	\$ 557,692
El Monte Union High School District 2008 Series B	53,785,000	1.970%	\$ 1,059,348
Citrus CCD 2004 Series 2007B	7,815,302	0.190%	\$ 14,568
Citrus CCD Refunding Bond Series 2013	11,965,000	0.186%	\$ 22,303
Citrus CCD Series 2004 2014D	18,937,251	0.186%	\$ 35,300
Citrus CCD Refunding Bonds 2015 Series A	58,190,000	0.186%	\$ 108,470
Pasadena Community College 2006 Series B	1,740,000	18.308%	\$ 318,566
Pasadena Community College 2002, 2006 Series D	6,870,000	18.308%	\$ 1,257,788
Pasadena Community College 2002, 2009 Series E (BABS)	25,295,000	18.308%	\$ 4,631,112
Pasadena Community College 2014 Refunding Series A	50,725,000	18.308%	\$ 9,286,939
Rio Hondo Community College District Refunding 2005	38,880,000	0.501%	\$ 194,654
Rio Hondo Community College District 2004 Series 2008	120,082,824	0.501%	\$ 601,198
Arcadia Unified School District 1993 Series A	2,338,594	96.554%	\$ 2,257,998
Arcadia Unified School District 1993 Series C	704,291	96.554%	\$ 680,019
Arcadia Unified School District Series 2005A Refunding Bonds	2,050,000	96.554%	\$ 1,979,350
Arcadia Unified School District 2006 Series A	155,630,423	96.554%	\$ 150,266,891
Arcadia Unified School District 2006 Series B	27,000,000	96.554%	\$ 26,069,492
Monrovia Unified School District 1997 Series A	11,471,914	0.839%	\$ 96,218
Monrovia Unified School District 2005 Refunding Bonds	12,920,000	0.839%	\$ 108,364
Monrovia Unified School District 2006 Series A	250,000	0.839%	\$ 2,097
Monrovia Unified School District 2006 Series B	5,391,665	0.839%	\$ 45,221
Monrovia Unified School District 2006 Series C-1 BABS	11,166,250	0.839%	\$ 93,655
Pasadena Unified School District 2015 Refunding Bonds	24,060,000	0.839%	\$ 201,798
Pasadena Unified School District 2008 Series 2009	9,565,000	0.015%	\$ 1,463
Pasadena Unified School District 2016 Series	189,495,000	0.015%	\$ 28,976
Pasadena Unified School District 2008 Series 2012	110,205,000	0.015%	\$ 16,851
Pasadena Unified School District 2014 Refunding Bonds Series A	5,875,000	0.015%	\$ 898
Pasadena Unified School District 2014 Refunding Bonds Series B	90,025,000	0.015%	\$ 13,766
Temple City Unified School District 1998 Series A	1,610,313	8.373%	\$ 134,824
Temple City Unified School District 1998 Series B	4,551,501	8.373%	\$ 381,075
Temple City Unified School District 2005 Refunding Bonds	9,040,000	8.373%	\$ 756,876
Temple City Unified School District 2012 Series A	36,978,164	8.373%	\$ 3,263,454
Total Overlapping Debt			\$ 210,681,505
TOTAL Direct and Overlapping Debt			\$ 223,687,154

**City of Arcadia**  
**Direct and Overlapping Debt (Continued)**  
**Last Fiscal Year & Nine Years Prior**

2015/16

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2015/16 Assessed Valuation : \$13,369,277,119 after deducting \$569,315,149 of Increment Value.

Debt to Assessed Valuation Ratios:

Direct Debt	0.090%
Overlapping Debt	1.580%
Total Debt	1.670%

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 capital 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**

2006/07

<u>Direct Debt</u>	Gross Bonded Debt Balance	% Applicable	Net Bonded Debt
Arcadia GO Bond Police Facility Debt Service	\$ 7,385,000	100.000%	\$ 7,385,000
Total Direct Debit	7,385,000		7,385,000
<u>Overlapping Debt</u>			
LA County Detention Facilities 1987	8,395,000	1.012%	84,917
LA County Flood Control Debt	370,000	1.052%	3,892
Metropolitan Water District	165,681,509	1.118%	1,852,547
El Monte City School District 1999 Series A	3,050,000	3.344%	101,978
El Monte City School District 1999 Series B	1,910,000	3.344%	63,862
El Monte City School District 1999 Series C	2,760,000	3.344%	92,282
El Monte City School District 2004 Refunding Bonds	6,020,000	3.344%	201,282
El Monte Union School District 1999 Series D	16,885,000	3.344%	564,559
El Monte City School District 2005 Refunding Bonds	21,905,282	3.344%	732,415
El Monte Union High School District 2002 Series A	6,095,000	1.763%	107,444
El Monte Union High School District 2002 Series B	8,470,000	1.763%	149,311
El Monte Union HSD DS 2006 Refunding Bonds	38,929,927	1.763%	686,264
Citrus CCD 2004 Series 2004A&B	57,100,000	0.152%	87,077
Pasadena Area Community College District 2002 Series A	5,405,000	16.871%	911,870
Pasadena Area Community College District 2006 Series B	87,657,774	16.871%	14,788,618
Rio Hondo CCD Ser A 2004	12,675,000	0.449%	56,934
Rio Hondo CCD Refunding Bonds	46,482,244	0.449%	208,790
Arcadia Unified School District 1993 Series A	8,828,368	96.397%	8,510,298
Arcadia Unified School District 1993 Series C	2,567,814	96.397%	2,475,300
Arcadia Unified School District Refunding 1993 2005 Series A	166,790,423	96.397%	160,781,277
Monrovia Unified School District 1997 Series A	7,074,059	0.706%	49,943
Monrovia Unified School District 1997 Series B	9,999,602	0.706%	70,613
Monrovia Unified School District 2005 Refunding Bonds	12,970,000	0.706%	91,568
Pasadena Unified School District 2006 Series A	15,000,000	0.706%	105,900
Pasadena Unified School District 2004 Refunding Bonds	78,805,000	0.022%	17,126
Pasadena Unified School District 2005 Refunding Bonds	126,370,000	0.022%	27,463
Temple City Unified School District 1998 Series A	4,133,249	8.594%	355,230
Temple City Unified School District 1998 Series B	5,266,500	8.594%	452,627
Temple City Unified School District 2005 Refunding BD	12,620,000	8.594%	1,084,620
Total Overlapping Debt			194,716,007
TOTAL Direct and Overlapping Debt			\$ 202,101,007

2006/07 Assessed Valuation : \$8,195,664,503 after deducting \$359,776,621 of Increment Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.090%
	Overlapping Debt	2.380%
	Total Debt	2.470%

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 capital 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
2005	55,923	\$ 1,800,922	\$ 32,204	3.00%
2006	55,932	1,899,339	33,958	2.60%
2007	56,015	1,967,469	35,124	2.80%
2008	56,079	1,984,831	35,393	4.20%
2009	56,337	1,946,383	34,549	6.70%
2010	56,719	2,111,932	37,235	7.30%
2011	56,546	2,115,216	37,407	7.10%
2012	56,866	2,156,700	37,926	5.30%
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%

**Source:** US Bureau of Census, Employment Development Department

**City of Arcadia**  
**Principal Employers**  
**Last Fiscal Year & Nine Years Prior**

Employer	2016		
	Employees	Rank	Percentage of Total City Employment
Nordstrom Inc	412	1	2.76%
Macy's West	342	2	2.29%
Worley Parsons Group, Inc	285	3	1.91%
J C Penney Corp, Inc # 1417-5	236	4	1.58%
Dave & Buster's	194	5	1.30%
The Cheesecake Factory Restaurants, Inc	175	6	1.17%
J T Posey Company	162	7	1.09%
99 Ranch Market 7	146	8	0.98%
Forever 21, Retail, Inc	133	9	0.89%
Danco Metal Surfacing	132	10	0.89%
Total	2217		14.87%

Employer	2006		
	Employees	Rank	Percentage of Total City Employment
Vons Companies Inc.	688	1	4.93%
Nordstrom Inc.	412	2	2.95%
Worley Parsons Group, Inc.	331	3	2.37%
Macy's West	258	4	1.85%
JC Penney Corp. Inc.	215	5	1.54%
Dave & Buster's	196	6	1.41%
J T Posey Co	193	7	1.38%
Rusnak	182	8	1.31%
Pavilions 3208	170	9	1.22%
Emergency Groups Office	165	10	1.18%
Total	2810		20.15%

**Source:** Business License Division, City of Arcadia



**City of Arcadia**  
**Full-time City Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<b><u>Function/Program</u></b>	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government:										
City Manager	6	6	5	5	5	5	5	5	5	5
City Clerk	3	3	3	2	2	2	3	4	4	4
City Attorney	1	1	1	0	0	0	0	0	1	1
Administrative Services	15	15	15	16	16	16	16	16	16	16
Police	109	111	105	100	101	100	96	94	94	95
Fire	57	57	57	57	57	57	57	58	58	58
Public Works:										
Streets	25	24	24	25	24	24	25	25	25	25
Water & Sewer	30	33	33	33	33	33	33	33	33	34
Garage	5	5	5	5	5	5	4	4	4	4
Development:										
Community Development	20	20	19	18	19	20	20	21	23	25
Redevelopment	1	1	1	1	1	0	0	0	0	0
Engineering	5	5	5	5	5	5	5	5	5	5
Recreation	8	8	8	8	9	9	9	9	9	10
Library	21	20	20	20	19	19	19	19	19	19
Total	306	309	301	295	296	295	292	293	296	301

**Source:** Administrative Services Department, City of Arcadia

**City of Arcadia**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Police:</b>										
Physical Arrests	1,688	1,914	1,918	2,151	2,094	2,076	2,053	2,404	2,103	2,098
Parking Violations	7,767	16,413	16,053	16,415	14,686	13,056	10,908	13,211	14,348	11,805
Moving & Non-Moving Violations	3,035	4,700	6,314	6,394	5,258	5,202	6,560	6,158	5,885	6,122
<b>Fire:</b>										
Emergency Responses	4,678	4,728	4,526	4,560	4,575	4,944	4,379	4,960	4,123	5,560
Fires Extinguished	198	170	159	142	116	146	74	126	111	123
Inspections	3,425	3,297	3,722	3,970	4,029	3,874	3,514	4,732	4,089	3,798
<b>Public Works:</b>										
Street Slurry Resurfacing (SF)	3,190,187	2,624,496	3,185,513	2,977,209	2,549,861	2,309,300	3,231,925	2,936,698	3,341,306	3,441,499
Sidewalk Repaired (SF)	9,755	3,279	4,621	3,279	17,081	18,859	12,475	11,435	11,300	28,475
Curb & Gutter Repaired (LF)	3,130	3,791	2,110	3,791	2,205	1,273	1,662	6,067	1,793	15,815
Street Lights Repaired	191	232	244	238	130	290	240	116	106	340
Street AC Resurfacing (SF)	-	-	-	-	-	-	-	-	-	347,550
<b>Economic Development:</b>										
Street Resurfacing (SF)	250,000	614,400	384,000	432,000	412,000	163,520	170,331	269,450	44,000	335,500
Building Permits	1,374	1,226	1,165	1,251	1,254	1,096	1,419	1,548	1,615	1,724
Planning Cases Submitted and Processed	407	372	412	410	414	466	543	680	655	538
<b>Parks and Community Services:</b>										
(Number of Participation)										
Youth Programs	3,710	3,809	44,990	66,766	51,032	53,511	50,122	45,010	50,800	58,463
Swim Program	17,590	11,987	10,203	17,818	8,918	31,963	11,577	7,915	-	-
Senior Citizen Programs	96,872	90,993	86,620	83,620	84,898	87,943	90,422	86,099	82,671	79,371
Contract Classes/Adult Programs	128,065	201,543	144,529	181,562	205,692	122,669	123,527	130,189	138,032	97,475
Community Center Rental Usages	25,703	23,896	20,434	19,665	18,457	17,496	15,765	12,730	12,391	10,561
Special Events			12,950	12,250	13,400	11,165	8,900	8,553	19,576	14,563
Dana Gym				4,100	58,200	9,846	18,496	19,563	20,168	13,295
Wilderness Park Classes & Rentals					5,958	5,670	5,959	5,729	5,871	5,488
<b>Library:</b>										
Books and other items total	160,514	184,827	191,139	196,905	203,460	206,020	204,642	205,658	205,107	200,980
Total Circulation	686,108	712,482	728,311	725,397	728,878	775,481	789,354	792,333	685,362	719,432
<b>Water:</b>										
Number of Water Accounts	13,650	13,670	13,990	13,665	13,728	14,011	14,021	13,651	13,942	13,659
Total Water Served to Direct Customer (AF)	22,190	17,257	16,703	14,261	13,500	14,988	15,495	15,704	15,325	11,089
<b>Sewer:</b>										
Sewer Cleaning (Miles)	152	152	155	246	142	187	227	226	227	224
<b>Transit Services/Dial-A-Ride:</b>										
Total Route Miles (round-trip)	297,278	261,757	268,743	272,719	258,992	263,844	292,742	296,004	251,420	243,873
Passengers	119,202	107,327	109,149	117,288	110,364	109,613	126,044	130,134	112,398	108,005

**Source:** Various City Departments

**City of Arcadia**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	18	17	18	18	20	20	22	23	23	23
Motor Units	3	4	4	4	2	2	-	-	-	-
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	1,628	1,628	1,628	1,628	1,628	1,640	1,640	1,642	1,642	1,642
Traffic Signals	64	67	67	67	67	67	67	69	69	69
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
Water:										
Water Main (miles)	169	169	169	169	169	169	169	169	169	169
Fire Hydrants	1,430	1,497	1,420	1,427	1,506	1,529	1,530	1,534	1,539	1,542
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
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

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