



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



CITY OF ARCADIA, CALIFORNIA

FISCAL YEAR ENDED

JUNE 30, 2019





**CITY OF ARCADIA  
ARCADIA, CALIFORNIA**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

**Prepared by:**

**ADMINISTRATIVE SERVICES DEPARTMENT**

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**City of Arcadia**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended June 30, 2019**

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January 29, 2020

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, 2019, 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, 2019, 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, 2019. The independent auditor concluded, based upon the audit that the City of Arcadia's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with accounting principles generally accepted in the United States of America. The auditor's report is presented as the first component of the financial section of this report. Generally Accepted Accounting Principles (GAAP) in the United States of America also require that management provide a narrative introduction, overview, and analysis of the basic financial statements in the form of Management's discussion and analysis (MD&A). This information can be found following the independent auditor's report.

## **PROFILE OF THE GOVERNMENT**

The City of Arcadia, incorporated in 1903, is located approximately 20 miles northeast of downtown Los Angeles in the San Gabriel Valley, at the base of the San Gabriel Mountains. It is the site of the Santa Anita Park Racetrack and home to the Los Angeles County Arboretum and Botanic Garden. Arcadia is known as the "Community of Homes" with over 58,890 residents. The City is a charter city with council/manager form of government. The City is governed by a City Council of five members elected at-large, who selects the City Manager. The City provides a full range of services, including Police and Fire protection, Administrative Services, Public Works, Development Services, Recreation and Community Services, and Library and Museum Services. The City also operates and maintains its own water utility and offers a transit program that provides fixed route and door-to-door transportation services for residents.

## **LOCAL ECONOMY**

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

In 2018, Arcadia was one of the two cities, with a population under 68,000 that received the Eddy Awards for the Most Business-Friendly City by the Los Angeles County Economic Development Corporation (LAEDC). The award encapsulates the “See Arcadia. Above & Beyond” business friendly mission. A marketing campaign to brand the City’s nimble and dedicated staff, a vibrant local economy, and a business friendly approach committed to going above and beyond one’s expectations. City highlights include Santa Anita Park, Westfield Santa Anita mall, a resurgent historic downtown district, and world-renowned Asian cuisine. Arcadia’s high quality of life, great schools, and cultural amenities continue to attract new residents, visitors, as well as new businesses due to the friendly zoning code that was adopted in 2106. Since then, the City continues its focus on finding creative solutions for new businesses, providing resources and assistance to existing businesses, and fostering a business-friendly environment throughout the City.

Arcadia continues to benefit from the steady economic improvements taking place statewide. A combination of steady growth in the labor market, a relatively low interest rates environment, and controlled inflation have stimulated household spending and encouraged business investment. The combinations of these market forces have continued to improve the City’s overall tax base. Although the activities of the City’s residential construction has slowed down, the commercial and mixed-used developments continued to be strong. The following projects currently under development are expected to enhance the City’s tax revenue base:

- Le Meridien / Seabiscuit Development: A \$300 million development on a 6.5-acre site at 130 W. Huntington Drive. Phase 1 of the project is a 155,000 square-foot, 233 room Le Meridien by Marriott hotel. Although construction of Phase I was to start in late 2018, due to unforeseen delays, construction began 2Q 2019. Phase 2 of the project will consist of a 175,000 square-foot mixed-use commercial-residential project with 96 residential units.
- 57 Wheeler Mixed-Use Project: The City’s first transit-oriented mixed-use development at 57 Wheeler Ave completed construction and opened 4Q 2019. Project consists of 38 residential units over 16,000 square-feet of commercial space all located less than 500 feet from the Arcadia Metro Gold Line Station.
- Pacific Plaza Arcadia: Mixed-use development with 37 residential units over 19,000 sf of ground floor commercial space at 56 E. Duarte Road completed construction and opened 3Q 2019.
- Baldwin Plaza Shopping Center Expansion and Remodel: In 2019, the shopping center at 1130 S. Baldwin Ave & 657 W. Duarte Rd finished an extensive remodel and 3,900 square-foot addition.
- Olson Company Project: Construction has commenced to redevelop a 4-acre site consisting of a now closed shopping center at 17 Las Tunas Drive into 80 townhomes and 8,500 square-feet of new commercial space.
- 288 N. Santa Anita Ave: New 32,000sf 4-story commercial and office building approved 1Q 2019 and is currently under construction.
- 35 W. Huntington Drive: Project entitlements were approved in 4Q 2019 for an adaptive reuse project to convert 7,500 square feet of an existing 1950’s self-storage building into a multitenant food hall.
- Inheritor Cell Technologies: Biotech research firm opened 1Q 2019 occupying a 35,000 square-foot R&D building at 400 E. Live Oak Avenue.
- Arcadia Logistics Center: The final tenants for the 1,050,000 sf Arcadia Logistics Center at 12321 Lower Azusa Rd opened for business in 2019. All buildings are now fully occupied and operating.
- New businesses of note opened in 2019: Blaze Pizza at 815 W. Naomi Ave, 85C Bakery Café opening December 2019 at 56 E. Duarte Road, Shabu Lin restaurant at 101 S. First in Downtown Arcadia, Bowlero 32-lane bowling alley & Lounge at Westfield Santa Anita Mall, Keck Medicine of USC at 125 W. Huntington Drive.

Revenues based on the City's property value, including property tax and motor vehicle license fees, continues to grow, with the collection of Sales Tax and Utility User Tax increasing slightly after several years of continued upward growth. The continuing water conservation efforts and decrease of electricity and telecommunication rates have caused the reduction in Utility User Tax. A shift in consumer behavior to on-line purchases seemingly caused a reduction of sales tax revenue. On-line purchases are grouped into the "County Pool" for redistribution to cities in the "pool". Unfortunately, Arcadia only receives .74% as oppose to the full 1% of sales tax that would normally come the City for purchases made in the City.

## **FISCAL YEAR 2018-19 ACTUALS**

For the fiscal year ending June 30, 2019, the General Fund Group, including the internal service funds, resulted in an operating deficit of \$1.6 million. Total revenues was at \$61.9 million, which increased by \$2.4 million, or 4.0%, in comparison to the prior fiscal year. However, when comparing actuals to budget, total actuals came in slightly lower than the adopted budget with a variance of (\$399,441), or (0.64%). Among major tax categories, Property Tax came in at projection with a nominal difference of (\$51,068), Sales Tax revenue was higher at \$87,902, Franchise Tax lowered by \$52,850, Transient Occupancy Tax higher by \$256,386, and Utility User Tax decreased by \$406,966. All the other revenue categories had increases: intergovernmental revenue increased by \$140,240 mainly from Motor Vehicle License Fees. The higher than budget of \$326,882 on Charges for services was mainly due to the additional strike team reimbursement from the State for mutual-aid assistance with wildfires and other natural disaster incidents.

General Fund Group expenditures total was \$62.4 million. It is \$3.4 million or 5.7% more compared to the prior fiscal year, but \$3.2 million lower in comparison to the year's adopted budget. The increase over the prior year was primarily due to higher personnel costs resulted from expected increases as agreed to by the employment agreements and higher employer rate contributions required by CalPERS, the City's retirement system administrator. The favorable budget variance could be attributed to the underspending in these three categories: \$0.8 million in personnel costs, \$1.4 million for operating expenses, and \$1.7 million in the equipment replacement budget. Personnel savings was due to higher than expected employee vacancies. Key operating budget savings came from contracts services, plan check fees and legal fees. As for savings in the equipment replacement budget, most of that budget resulted from unfinished projects, which will be carried over to the following fiscal year. For the departmental budget comparisons, most City departments ended the fiscal year with a positive budget variance except for Fire Department and General City Services. Fire Department's overspending was mainly due to additional overtime cost relating to mutual-aid in response to wildfires and other natural disasters. Other area of note were the unexpected property damage cost and more than estimated vacation pay-out to those who retired from the City during the fiscal year.

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 2019-20 BUDGET**

The adopted Fiscal Year 2019-20 General Fund Operating Budget includes total revenue of \$67.4 million and total expenditures of \$67.9 million, inclusive of transfers to capital funds. As adopted, the forecast for the ending fiscal year is a net deficit of \$0.5 million. During the budget process, the City also saw a different scenario wherein the budget was projected to end the year with a potential \$5.3 million deficit. This enormous deficit was driven primarily by the increase of CalPERS employer pension contributions, completing the final year of a 3 year labor agreement, and full funding transfers level to the Capital and Equipment Replacement Funds. It was fortunate that prior to the formal budget adoption, the City received 63% voter approval on a sales tax measure, Measure A. A yes vote meant a vote in favor of authorizing the City to levy a 0.75% (three-quarter cent) sales tax to fund general municipal services. A full year's amount on the .75% increase was projected to bring \$8.6 million annually to the General Fund. Had the City not passed Measure A, a cut of 13% from the General Fund would have to be found from every city department yearly. Several community enterprises, such as the Recreation and Community Services Department, the Gilb Museum of Arcadia Heritage and the City Library would have eventually closed in order to protect public safety services for the community.

Though the City has a practice of adopting a balanced budget, this year's projected deficit of \$0.5 million, is expected to be eliminated through careful spending and general year end savings that comes from unfilled vacant positions during the recruitment process. However, unlike the prior year's budget where a full funding level transfer to Capital and Equipment Funds are completed, this year's funding level have been reduced to transferring only \$1.5 million, \$750,000 to each of those funds, versus the total of \$4.2 million in the prior year. It is important to note that our financial forecast model shows that a steady level of \$4.2 million is needed to ensure a healthy fund balance for future acquisitions and projects. Over the years, these capital fund balances have been slowly reduced as their revenue source has dropped and in the case of the Equipment Replacement Fund, there isn't a revenue source other than the General Fund.

Total revenues are expected to increase 7.3% compared to FY 2018-19 year ending estimates. This is accounting for an additional sales tax revenue of \$2.4 million generated from the passage of Measure A. Due to timing of when the additional .75% sale tax is in effect, the City would receive only a quarter of the revenue as oppose to the full year. When adjusting for the extraordinary sales tax amount, the fiscal year to year comparison would show an increase of 3.82%. 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.

| <b>Description</b>         | <b>FY2018-19<br/>YE Estimates</b> | <b>FY2019-20<br/>Budget</b> | <b>Difference</b> | <b>% Change</b> |
|----------------------------|-----------------------------------|-----------------------------|-------------------|-----------------|
| Property Tax               | \$ 15,400,000                     | \$ 15,862,000               | \$ 462,000        | 3.0%            |
| Sales Tax                  | \$ 11,250,000                     | \$ 13,626,500               | \$ 2,376,500      | 21.1%           |
| Transient Occupancy Tax    | \$ 3,398,000                      | \$ 3,466,000                | \$ 68,000         | 2.0%            |
| Utility Users' Tax         | \$ 6,650,000                      | \$ 6,783,000                | \$ 133,000        | 2.0%            |
| Motor Vehicle License Fees | \$ 7,310,000                      | \$ 7,492,800                | \$ 182,800        | 2.5%            |

- **Property Tax:** The City expects to continue to benefit from rising real estate prices and a redevelopment trend in both residential and commercial properties. Although home sales and housing activities may have leveled off in comparison to recent years, higher price points are expected to continue to grow with various online real estate sites forecasting growth in the Los Angeles County area to range from 2.5% to 3.0%. Arcadia is expected to be within or greater than the forecasted range based on the City's historical valuation trend when compared to Los Angeles. The City expects to see a continued growth in property tax receipts in the range of 3.0%, or nearly \$462,000, for FY 2019-20.
- **Sales Tax:** Sales tax revenue is expected to see a 21.1% increase over the prior year. This is largely due to the expected receipts of \$2.2 million (1Qtr) from the passage of Measure A. Voters approved the measure by 63%, a vote in favor of authorizing the City to levy a 0.75% (three-quarter cent) sales tax to fund general municipal services. A full year's amount on the .75% increase was projected to bring \$8.6 million annually to the General Fund. Categorically, the auto and transportation industry is expected to be flat as demands have receded after many years of purchases after the Great Recession. Other industry groups are projected for growth between 2.0% to 3.8%. The strongest area is the Restaurants industry, as low unemployment and higher wages have allowed consumers to spend with more confidence. Of interest is the projected 8.1% growth in the State and County Pools category. These are sales tax revenues on purchases made out of the State or online at outlets such as Amazon or major telecom sites. Although seen as a positive growth, this shift to online purchasing is a concern because the share of sales taxes received through the pool is significantly smaller than the full 1% rate that the City receives if purchases were made in the City.
- **Transient Occupancy Tax (TOT):** This tax category is expected to increase \$68,000, or 2.0%, in comparison to the prior year. While business and vacation travels are expected to be up regionally, Arcadia is not seeing parallel growth. Rather, an increase is expected to be related to Santa Anita Racetrack hosting the Breeder's Cup in November 2019. The well-known event draws horse racing enthusiast from all parts of the world, with

estimates of 50,000 plus attendees over the period of three racing days. Additionally, there are other projects in the works that caused adjustments to the overall TOT collection. Notably, the Santa Anita Inn is no longer operating as it has been sold for a new hotel/commercial/residential development. The Le Meridien Seabiscuit Development is a \$300 million development on a 6.5-acre site at 130 W. Huntington Drive. Phase 1 of the project is a 155,000 square-foot, 233 room Le Meridien by Marriott hotel. Although construction of Phase I was to start in late 2018, due to unforeseen delays, construction began 2Q 2019. Phase 2 of the project will consist of a 175,000 square-foot mixed-use commercial-residential project with 96 residential units.

- Utility Users' Tax: Utility Users' Tax (UUT) is projected to have a slight increase of \$133,000, or 2.0%, when compared to the FY 2018-19 Year Ending Estimate. While water conservation is expected to continue, water rates will increase as a result of imported water costs rising and the need to add treatment to City wells. In addition, rates for statewide electricity & gas utilities are also projected to grow by approximately 2.0%. A continued reduction in the telephone UUT has been predicted as landline telephone use continues to drop and cellular companies provide lower cost options for consumers.
- Motor Vehicle License Fees (VLF): This tax is projected to increase by 5.0%, to \$7.5 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 2018-19. Building and Plan Check fees are expected to decrease as home sales and remodeling activities have slowed after many years of enormous growth. Their projected revenues coming back towards their "normal" levels at around \$800,000 annually. All other revenue categories for the General Fund are expected to have modest growth for the coming fiscal year.

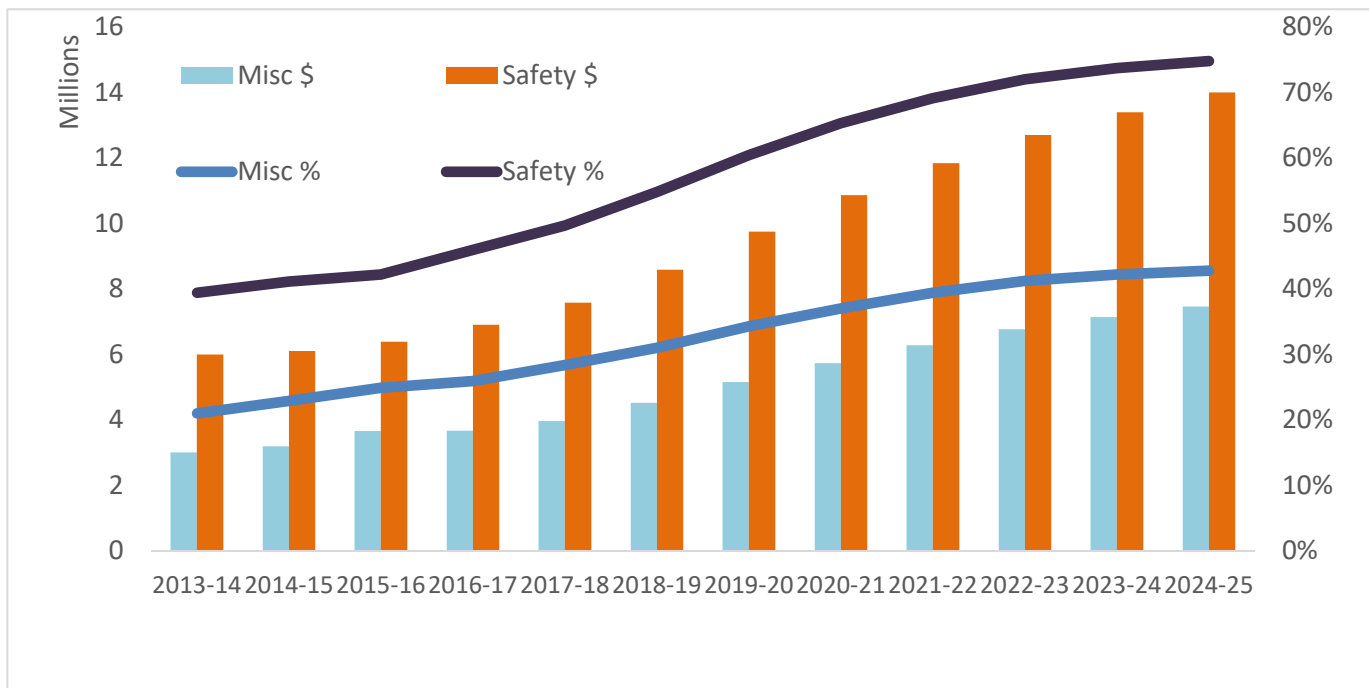
Total operating expenditures are expected to grow 1.4%. The Operating Expenditure budget continues to maintain the same high level of services with no material increases. While it is customary to introduce new programs yearly, seeing there was a potential for a significant deficit to cope with, this year's direction was to not add controllable expenditures that would further grow this side of the ledger but to be keep to a modest level so as to find ways to balance a budget. Without voter approval of the sales tax measure, the General Fund would have had to find cuts equivalent to \$5.3 million. Fortunately, the additional sales tax, resulting from the approved Measure, will allow for the continuation of services that residents are accustomed to. As a result, inclusive in the adopted expenditure budget are increases relating to the labor agreement contracts (salaries & medical benefits) and the continuing increase of pension costs resulting from CalPERS changing policies effecting discount rates and payment of unfunded actuarial accrual liabilities. While high service levels are budgeted to meet community demands and some natural inflationary increases have been included – such as increases in labor cost and rising healthcare costs for private businesses that contract with the City – the majority of the other areas of increases are negligible and have no material effects to the overall operating expenditures.

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

### **Beyond FY 2019-20**

While the City's 5-Year Financial Forecast indicates that most revenues and expenditures will continue to grow modestly, the Forecast also anticipates sharply rising pension costs – especially those related to public safety services. Despite major reforms put in place by the City in 2011 and the State in 2013, recent policy changes by the CalPERS Board of Administration add an additional layer of challenges to the budget.

### Escalating Retirement Costs



These increases created an approximate \$8 million annual deficit in the General Fund Budget over the next 15-25 years. Through the passage of Measure A, this deficit should be accounted for. However, there are two key factors to ensuring that this remains true: (1) that the PERS Board does not make any further adjustments to the actuarial assumptions; and (2) the City is able to control its labor costs over time by not adding benefits or other costs that would impact pension costs negatively.

In order to reduce total costs over the long-term, the City should find ways to pre-pay pension obligations as early as possible so that the growth of investments can be fully realized. Over the coming fiscal year, staff will be working with a City Council appointed Citizens Financial Advisory Committee and consultant(s) to fully explore all available options in both of these areas to ensure the long-term health of the organization. The City has already begun work with the Citizens Financial Advisory Committee, to look into ways to reduce the CalPERS Unfunded Accrued Liability. As of this writing, staff has already obtained a proposal from a Financial Advisory Firm that calls for an in-depth analysis of the City's CalPERS Unfunded Accrued Liabilities, comprehensive review of the unique pension variables, as well as current and future financial challenges in order to determine sound alternatives and develop a sustainable plan for the City. The evaluation will also involve an extensive cost/benefit analysis containing considerations of opportunity costs and align the City's options and resources to provide potential financial solutions.

### DEBT ADMINISTRATION

As of June 30, 2019, the City has outstanding balance of \$6,235,707 for the Series 2011 General Obligation Bonds and \$4,875,112 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. The 2012 issuance was to refinance the 2001 General Obligation Bonds; which proceeds were used to fund the construction of the Police Station.

The City's General Obligation Bonds are rated as "AAA" while affirming the stable outlook by Standard and Poor's since 2016, which is the highest credit rating only given to organizations with outstanding economic outlook.

## **INTERNAL CONTROL**

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

## **BUDGETARY CONTROL**

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

The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council. The 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.

## **MAJOR ACCOMPLISHMENTS**

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

### General Government

- Preparation and adoption of the City's General Budget and Capital Improvement and Equipment Plan for the following fiscal year.
- Executed new monitoring guidelines to insure that proper controls and safeguards are in place with respect to departmental spending.
- Completed all financial reporting in a proper and timely manner including the City's audited financial statements and various reports and schedules as mandated by County, State, and Federal agencies.
- Modified the City's investment practices, including the monitoring of contracted investment management services. Endeavor to meet or exceed targeted rates of return on investments.
- Implemented various enhanced functions in the City's newly upgraded financial system, eFinancePLUS V5.0 and CommunityPLUS V9.0, including functions related to document and workflow management that will allow staff to further automate accounting processes and eliminate certain paper filing, and make the information access easier.
- Assisted departments in the implementation of various computer related applications including efforts to upgrade systems with web-based modules that facilitate processing and payment by the general public.
- Assist with development of citywide GIS system; decommission of Mapguide GIS once all modules are migrated.
- Plan/Implement backup connection for critical data communications for Fire105/106 via DSL/Cable internet connection.
- Research, develop and implement a new "Universal Check Form Request" to combine LPO, Check request and PO stamps approval into one form for AP to process payment. This form will reduce the processing time to remit a payment request to AP as well as reduce cost of pre-printed forms.
- Provide mandatory and compliant training within established timeframes.
- Continue to enhance the City's Wellness Program to promote workplace wellness and help employees adopt healthy behaviors.

## Police Services

- Recruit and train all sworn and non-sworn staff within the confines of the FY 2018-19 Budget.
- Explore the potential for collaborative, regionalized police services for the future.
- Continue the development of our regional mental health evaluation team with neighboring jurisdictions and collaboration with the LA County Department of Mental Health for the purpose of further developing protocols and resources for dealing with persons with mental health issues.
- Participation in the West San Gabriel Valley Mental Evaluation Team (WSGMET) and collaboration with the Los Angeles County Department of Mental Health to address and combat mental health incidents, and provide mental health assistance and resources to homeless persons in Arcadia.
- Further expand homelessness outreach efforts through the activities of the APD's Homeless Education & Liaison Program (HELP Team), which aims to improve the quality of life in Arcadia by reaching out to the homeless community and providing information, resources, and motivation with the ultimate goal of finding an alternative to life on the streets.
- Implemented bi-annual ADA Telecommunication training to comply with Section 504 of the Rehabilitation Act.
- Created 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.
- Implemented a Special Enforcement Team (SET) in order to support crime prevention and criminal apprehension along with establishing special task force connections with local and regional groups related to burglaries, gangs, drugs, and organized retail crime.

## Fire Services

- Continued enhancement of paramedic service delivery model by upgrading a Firefighting position to a Paramedic position;
- Procured an additional hybrid electric vehicle for the Fire Prevention Bureau;
- Updated the Paramedic Membership Program (PMP) brochure for residents;
- Increased the PMP outreach through community events and informational forums;
- Recipient of "First Responder Hero Award" from the American Red Cross' 15<sup>th</sup> Annual Hometown Heroes Luncheon in recognition of the Arcadia Department's extraordinary efforts in saving homes during Woolsey Fire in Malibu in November 2018;
- Recipient of the "2019 Mission Lifeline, Silver Plus" award from the American Heart Association in May 2019 for AFD's vital role in providing timely treatment for cardiac patients and successful collaboration with other pre-hospital providers;
- Expanded the capability of the department's emergency mass notification system services by implementing the "Alert Arcadia" emergency notification system for public and departmental use;
- Acquired 25 new portable Motorola radios to improve its interoperability communications use for day-to-day and large scale incidents;
- Replaced 12 Mobile Data Computers (MDCs) in all apparatus to meet Verdugo Dispatch regional communication requirements;
- Placed into service nine (9) new cardiac monitors/defibrillators with 12-lead EKG capabilities to all the Arcadia Fire Department's frontline apparatus for definitive diagnosis and treatment of 9-1-1 cardiac patients;
- Initiated additional training and equipment to all department personnel or capability for tactical medicine to better prepare for responses to violent or hostile events;
- In collaboration with the City Manager's Office, initiated a feasibility study for potential provision of fire services to the City of Sierra Madre;
- Initiated "Community Connect" Program, a free and secure web-based program for Arcadians to provide essential information to first responders regarding their residence/business that are critical during an emergency response; and
- Adopted a resolution for membership to the Los Angeles Area Regional Training Group ("RTG") Authority enabling the City to continually participate in regional training even if federal grant dollars becomes

unavailable, and benefit from a multi-agency resource sharing in an event of a widespread emergency response.

### Public Work Services

- Annual Slurry Seal Program that includes repairing sections of damaged streets, sidewalks, curbs, and gutters.
- Inspect City sewer lines through Closed-Circuit TV (CCTV) inspections to identify and repair damaged sections of sewer lines and improve maintenance operations.
- Replace “first generation” LED signal lamps with new technology based LED lamps for twenty signalized intersections.
- Renovation of center medians on Huntington Drive and Santa Anita Avenue north of Foothill Boulevard. The new landscaped medians will include a combination of ground cover, drought tolerant plants, mulch, decomposed granite, and lined river rock dry-bed that will be used to infiltrate storm water runoff.
- As part of the Water Main Replacement Program, the 8" cast iron water main on Camino Real Avenue, between Fourth Avenue and Sixth Avenue, were replaced with a new 10" ductile iron water main. This will alleviate frequent main breaks and hydraulic inefficiencies.
- As Part of the Sewer Master Plan, the sewer line on Duarte Road between Baldwin Avenue and Holly Avenue was replaced with a larger diameter pipe. The construction of this larger pipe will improve pipe capacity and will significantly reduce the potential of a sewer backup.
- As part of the Pavement Rehabilitation Program, various streets throughout the City was reconstructed with rubberized asphalt pavement. Adding rubber to asphalt pavement improves the strength of the pavement and is environmentally beneficial.
- Resurface the tennis courts at Hugo Reid and Tierra Verde parks.
- Updated the Sewer Master Plan and re-evaluate the City’s sewer system hydraulic model and analyze future system growth projections. The update included the development of Capital Improvement Projects and evaluate Operation and Maintenance strategies.

### Development Services

- Continued enhancement of paramedic service delivery model by upgrading a Firefighting position to a Paramedic position;
- Procured an additional hybrid electric vehicle for the Fire Prevention Bureau;
- Updated the Paramedic Membership Program (PMP) brochure for residents;
- Increased the PMP outreach through community events and informational forums;
- Recipient of “First Responder Hero Award” from the American Red Cross’ 15th Annual Hometown Heroes Luncheon in recognition of the Arcadia Department’s extraordinary efforts in saving homes during Woolsey Fire in Malibu in November 2018;
- Recipient of the "2019 Mission Lifeline, Silver Plus" award from the American Heart Association in May 2019 for AFD's vital role in providing timely treatment for cardiac patients and successful collaboration with other pre-hospital providers;
- Expanded the capability of the department's emergency mass notification system services by implementing the "Alert Arcadia" emergency notification system for public and departmental use;
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- Replaced 12 Mobile Data Computers (MDCs) in all apparatus to meet Verdugo Dispatch regional communication requirements;
- Placed into service nine (9) new cardiac monitors/defibrillators with 12-lead EKG capabilities to all the Arcadia Fire Department's frontline apparatus for definitive diagnosis and treatment of 9-1-1 cardiac patients;
- Initiated additional training and equipment to all department personnel or capability for tactical medicine to better prepare for responses to violent or hostile events;
- In collaboration with the City Manager's Office, initiated a feasibility study for potential provision of fire services to the City of Sierra Madre;

- Initiated "Community Connect" Program, a free and secure web-based program for Arcadians to provide essential information to first responders regarding their residence/business that are critical during an emergency response; and
- Adopted a resolution for membership to the Los Angeles Area Regional Training Group ("RTG") Authority enabling the City to continually participate in regional training even if federal grant dollars becomes unavailable, and benefit from a multi-agency resource sharing in an event of a widespread emergency response.

### Recreation and Community Services

- Complete the City's Homelessness Plan. Work with the Community to educate the community about the problems and work with the County of Los Angeles on potential strategies to address the problem. Developed a group of community stakeholders who meet on a regular basis to develop a community response to homelessness.
- Received Homelessness Plan Implementation Grant in the amount of \$163,200. The Grant will be for case management, motel vouchers and the rapid rehousing program.
- Partnered with the County of Los Angeles to conduct the Point in Time Count in which volunteers count the number of individuals experiencing homelessness in Arcadia.
- Complete the ADA parking lot project at the Community Center. Increase the number of ADA parking spaces and ramped areas.
- Began work on Phase III of the Community Center Landscaping Project to replace the materials with drought tolerant materials.
- The department won the California Park and Recreation Society's 2018 Award of Excellence for the Creating Community and Aging Well Category for the Senior Cultural Day Camp program.
- Partnered with the Arcadia Unified School District for the replacement of the 5-12 year old playground equipment at Hugo Reid Primary School which is used by the school district and the City, the cost of the equipment was split 50/50/.
- Began the first major project from the Parks and Recreation Master Plan, which is the Eisenhower Memorial Park Project.

### Library and Museum Services

- Replaced the antiquated building electronic lighting time clock for the Library.
- Roof restoration project for the existing Library roof.
- Replaced large outside book drop.
- Implemented a public virtual reality station.
- Fully implemented the Passport Service to realize full cost recovery of the service.
- Fully digitized and inventoried Deed of Gifts at the Museum.
- Installed a door to make the Museum collections area secure.
- Trellis replacement (ongoing).

## **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

- Plan/implement backup connection for critical data communications for Fire105/106 via DSL/Cable internet connection.
- 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.
- Review and update the City's current bid/quote thresholds limits, revise the Purchasing Manual and Municipal Code accordingly and provide training to city employees on the new limits and procedures.

- Review and establish a procedural manual for solicitation of Request for Proposals/Bids and provide training to all City departments.
- Research and evaluate various electronic bid solicitation software and services to expand the City's vendor pool.
- Research and evaluate the replacement of City copiers that have exceeded their recommended life cycle. Citywide there are 9 copiers due for replacement.
- Enhance efficiencies within the Human Resources Division's Records Retention plan utilizing document imaging computer systems to improve record keeping and information retrieval with respect to various personnel and workers compensation records.
- Continue to collaborate with departments on strategic outreach measures that recruit and retain a diverse and qualified workforce.
- Complete an informal request for proposals for industrial clinic services including pre-employment physicals and medical services for injured workers.
- Partner with departments to provide comprehensive training to increase use of technology, link training to core competencies, and mitigate risk exposure.
- Work with each Department and bargaining group on updating and simplifying language in the City's Personnel Rules and Regulations.

### Police Services

- Recruit and train all sworn and non-sworn staff within the confines of the FY 2019-20 Budget.
- Continue to develop highly trained, highly educated men and women throughout the organization through the Department's Career Development Program.
- Continue assessment of staffing protocols to ensure appropriate staffing levels at the field level in order to further combat property crimes in Arcadia.
- Monitor compliance of massage therapy related businesses.
- Continue active participation in the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a multijurisdictional taskforce, to increase proficiency in investigating major crimes related to drug trafficking, gang enforcement, property crimes, and covert operation information development amongst others.
- Continue to implement new Operations objectives in the Patrol Division that will increase efficiency and provide better service patrol for the Community.
- Explore the potential for collaborative, regionalized police services for the future.
- Continue participation in the West San Gabriel Valley Mental Evaluation Team (WSGMET) and collaboration with the Los Angeles County Department of Mental Health to address and combat mental health incidents, and provide mental health assistance and resources to homeless persons in Arcadia.
- Further expand homelessness outreach efforts through the activities of the APD's Homeless Education & Liaison Program (HELP Team), which aims to improve the quality of life in Arcadia by reaching out to the homeless community and providing information, resources, and motivation with the ultimate goal of finding an alternative to life on the streets.
- Continue to grow and develop traffic education, engineering, and enforcement efforts. Continue to enhance D.U.I. enforcement through grant funding for checkpoints and special operations.
- Continue administration of the false alarm program and expand the program through the City's Alarm Permit Subsidy Program.
- Develop and implement bi-annual ADA Telecommunication training to comply with Section 504 of the Rehabilitation Act.
- Continue the growth and development of the Crime Analysis Unit in order to provide additional crime analysis resources and research support to the Department.
- Continue the growth of the 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.
- 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.

- Continue the expansion of our Automated License Plate Readers (ALPRs) 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.
- 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.
- Finalize the upgrade of the Police Dispatch Center's Customer Premise Equipment (CPE) in order 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.
- With the continued support of the Arcadia Police Foundation, further expand the K-9 Program to support daily law enforcement operations and enhance the effectiveness of patrol duties such as handler protection, searching techniques, article searches, and narcotics detection; ultimately increasing officer safety, apprehension of suspects, and safety for the community.
- Continue to support the mission and objectives of the Arcadia Police Foundation to address the complexities of policing in the 21st century. The foundation will continue to promote partnerships between APD and the public, mobilize community support, and enhance community understanding of law enforcement initiatives.
- Continue the implementation of the Special Enforcement Team (SET) in order to support crime prevention and criminal apprehension along with establishing special task force connections with local and regional groups related to burglaries, gangs, drugs, and organized retail crime.

#### Fire Services

- Continued enhancement of paramedic service delivery model by upgrading a Firefighting position to a Paramedic position;
- Procured an additional hybrid electric vehicle for the Fire Prevention Bureau;
- Updated the Paramedic Membership Program (PMP) brochure for residents;
- Increased the PMP outreach through community events and informational forums;
- Recipient of "First Responder Hero Award" from the American Red Cross' 15th Annual Hometown Heroes Luncheon in recognition of the Arcadia Department's extraordinary efforts in saving homes during Woolsey Fire in Malibu in November 2018;
- Recipient of the "2019 Mission Lifeline, Silver Plus" award from the American Heart Association in May 2019 for AFD's vital role in providing timely treatment for cardiac patients and successful collaboration with other pre-hospital providers;
- Expanded the capability of the department's emergency mass notification system services by implementing the "Alert Arcadia" emergency notification system for public and departmental use;
- Acquired 25 new portable Motorola radios to improve its interoperability communications use for day-to-day and large scale incidents;
- Replaced 12 Mobile Data Computers (MDCs) in all apparatus to meet Verdugo Dispatch regional communication requirements;
- Placed into service nine (9) new cardiac monitors/defibrillators with 12-lead EKG capabilities to all the Arcadia Fire Department's frontline apparatus for definitive diagnosis and treatment of 9-1-1 cardiac patients;
- Initiated additional training and equipment to all department personnel or capability for tactical medicine to better prepare for responses to violent or hostile events;
- In collaboration with the City Manager's Office, initiated a feasibility study for potential provision of fire services to the City of Sierra Madre;
- Initiated "Community Connect" Program, a free and secure web-based program for Arcadians to provide essential information to first responders regarding their residence/business that are critical during an emergency response; and
- Adopted a resolution for membership to the Los Angeles Area Regional Training Group ("RTG") Authority enabling the City to continually participate in regional training even if federal grant dollars becomes

unavailable, and benefit from a multi-agency resource sharing in an event of a widespread emergency response.

### Public Works Services

- Annual Slurry Seal Program that includes repairing sections of damaged streets, sidewalks, curbs, and gutters.
- Inspect City sewer lines through Closed-Circuit TV (CCTV) inspections and identify and repair damaged sections of sewer lines to improve maintenance operations.
- Replace “first generation” LED signal lamps with new technology based LED lamps for twenty signalized intersections.
- Determine suitable locations for a new municipal water well.
- Install a new 30” butterfly valve on Santa Anita Avenue between Duarte Road and Orange Grove Avenue. Valves are critical in a water systems to isolate sections of the system in order to perform maintenance and make repairs.
- Rehabilitate of Live Oak Well. The municipal well preventative maintenance program protects against unplanned mechanical disruption causing the well to be taken out of service.
- As part of the Water Main Replacement Program, the 6" cast iron water main on Camino Real Avenue, between 6th Avenue and 8th Avenue will be replaced with two new 10” ductile iron water mains. This will alleviate frequent main breaks and hydraulic inefficiencies.
- As Part of the Sewer Master Plan, the existing sewer line on Baldwin Avenue between Fairview Avenue and Duarte Road will be replaced with a larger diameter pipe. The construction of this larger pipe will improve pipe capacity.
- As part of the Pavement Rehabilitation Program, various streets throughout the City will be reconstructed with rubberized asphalt pavement. Adding rubber to asphalt pavement improves the strength of the pavement and is environmentally beneficial.

### Development Services

- Complete dissolution of Redevelopment Area by selling off former Redevelopment Agency properties (one property remaining) - Project approved by City Council;
- Complete improvement projects for downtown parking modifications. Several projects are ongoing to improve and enhance parking in the downtown core;
- Work with selected applicant on the scope and development of three major mixed-use development projects in Downtown Arcadia;
- Work with the Racetrack on a major new stables project to ensure vitality of horse racing in the State;
- Continue to evolve Arcadia Transit system with new Service Provider-First Transit;
- Continue close work with Downtown Arcadia Improvement Association on downtown developments/beautification and special events;
- Complete two new hotel projects in Downtown core and break ground on mixed use project associated with hotel;
- Complete major mixed-use development in South Arcadia (Olson Project);
- Continue to process multi-family projects throughout City.

### Recreation and Community Services

- Continue to complete goals and objectives from the City's Homelessness Plan. Work with the Police Department's HELP Team and the Case Manager to connect individuals experiencing homelessness to services.
- Work with the Public Works Services Department to complete the Eisenhower Park Project.
- Complete the Community Center Landscaping Project.
- Continue to work with Los Angeles County on implementing homelessness services as well as the grant for case management, hotel vouchers and the rapid rehousing program.

- Work with the Arcadia Unified School District to refurbish the three basketball courts at Camino Grove Elementary School and make available for public use.

#### Library and Museum Services Development Services

- Implement new technologies for the public; new credit card payment option for self-check machines, online payment of fines and fees through the website.
- New Student Card initiative for middle school students.
- Complete a Marketing and Publicity Strategic Plan.
- Maintain and refresh the facility, grounds, and furnishings to ensure an attractive and inviting environment, specifically implement a drought tolerant demonstration garden in front of the Library.
- Collaborate with the Friends of the Museum and encourage them to hold a first ever fundraiser.
- Decommission the Arcadia History Server and host all data off-site on the Cloud.
- Review and update the Core Documents Verification program to provide confirmation that the Museum has policies and procedures in place that reflect standard practices of professional museums.
- Work to update the Museum's Long Range Plan.
- Add in a digital touchscreen for additional photos and information on Ross Field Arcadia World War I Balloon School artifacts.
- Digitize the Arcadia Veteran's Registry.
- Begin Arcadia immigrant experience project.
- Explore and potentially implement RFID over the next two years.
- Create fun, creative, open-ended exploration and educational programming that ignites curiosity, encourages discovery, and develops a lifelong learning and love for local history that benefit all cultures and age groups of Arcadia's community. Create formal and informal learning environments at the Museum.
- Build a strong volunteer base and unpaid internship program at the Museum to work with collections and assist with programs. Apply for a Getty Intern for the spring of 2020.
- Engage in the American Association of State and Local History's SEPS (Standards and Excellence Program for History Organizations) program; working toward the Museum's accreditation with the American Alliance of Museums.
- LED Signage and Safety walkway lighting at the Museum.

#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Arcadia for its comprehensive annual financial report for the fiscal year ended June 30, 2018. 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,



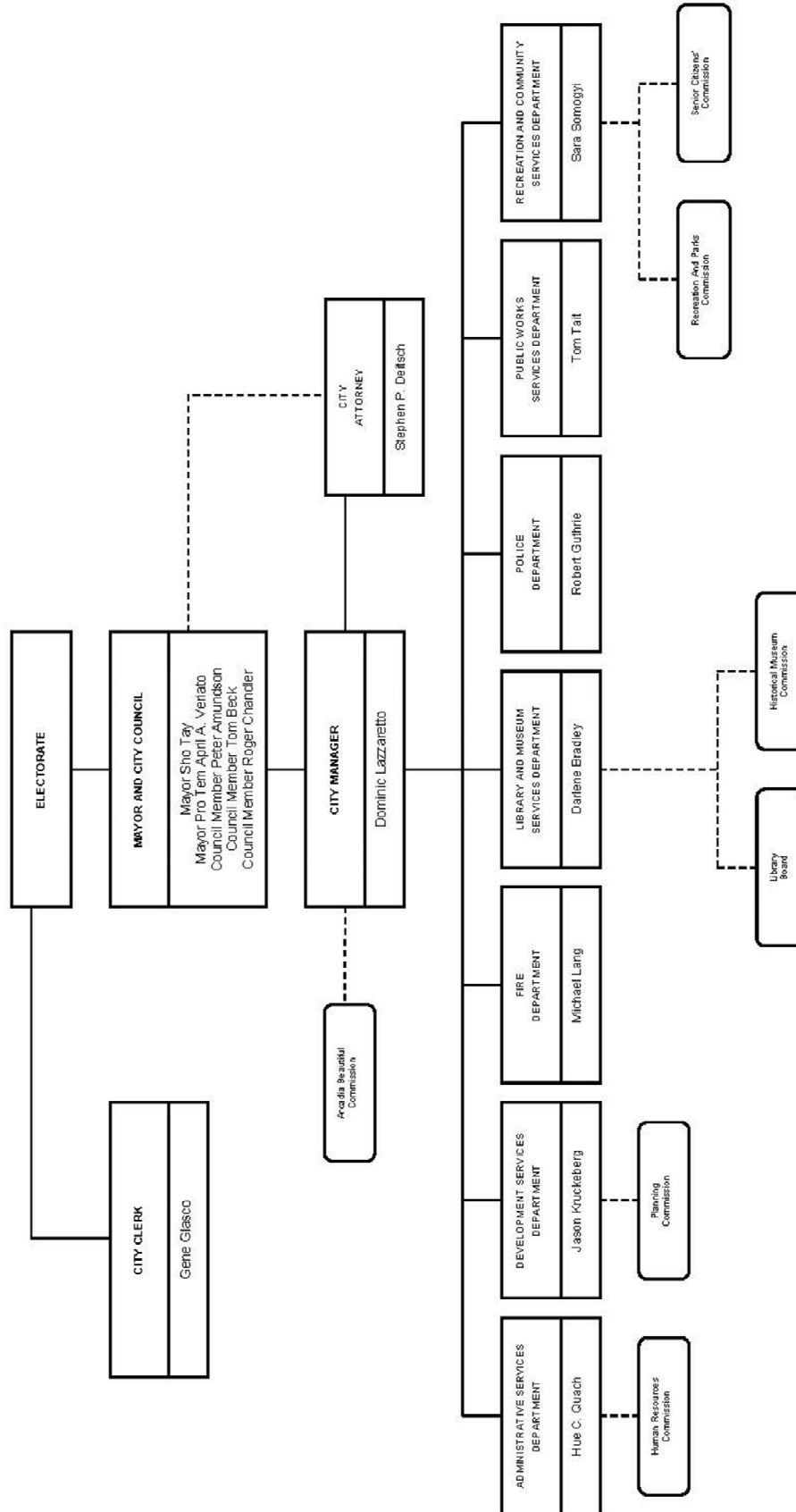
Hue C. Quach  
Administrative Services Director



Henry Chen  
Financial Services Manager/City Treasurer

# City of Arcadia

## Organization Chart





## CITY OF ARCADIA

### Elected Positions and Administration Personnel

June 30, 2019

#### CITY COUNCIL MEMBERS

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|                 |                   | <u>Term Expires</u> |
|-----------------|-------------------|---------------------|
| April A Verlato | Mayor             | 2020                |
| Roger Chandler  | Mayor Pro-Tempore | 2022                |
| Peter Amundson  | Council Member    | 2020                |
| Tom Beck        | Council Member    | 2022                |
| Sho Tay         | Council Member    | 2022                |

#### 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 |
| Darlene Bradley    | Library and Museum Services Director                 |
| Robert Guthrie     | Police Chief                                         |
| 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, 2018**

*Christopher P. Morill*

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**

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BEVERLY HILLS, CA 90210  
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FAX: 310.670.1689  
www.mlhcpas.com

**GOVERNMENTAL AUDIT SERVICES**

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CULVER CITY, CA 90230  
TEL: 310.670.2745  
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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, the business-type activities, each major fund, and the aggregate remaining fund information for the City of Arcadia, California (the "City") as of and for the fiscal year ended June 30, 2019, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2019, 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.

## ***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, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions on pages 5 through 26 and 93 through 103 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 January 28, 2020, 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  
January 28, 2020

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# City of Arcadia

## Management's Discussion and Analysis

### June 30, 2019

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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, 2019. 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 four 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, 2019**

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the General Fund, Measure M, 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 52 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's budgetary comparison schedules for the General Fund and each major special revenue fund and schedules of progress in funding its obligation to provide pensions and other postemployment benefits to its employees. Required supplementary information can be found starting on page 93 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 110 of this report. The following analysis of the Government-Wide financial statements includes a comparison between current and prior fiscal years' year-end balances and operations.

### **Governmental Activities**

The Statement of Net Position may serve, over time, as a useful indicator of a government's financial position. Total Net Position of the City's Governmental Activities shows a deficit of (\$28.0) million for the fiscal year ending June 30, 2019, a decrease of (\$4.9) million due to the recognition of expenses related to unfunded accrued liability reporting for pensions and postemployment benefits. During the fiscal year, the City recognized \$6.2 million in pension expenses,

More information on the pension obligation and postemployment benefits liability are available in Notes 8 and 9 of Notes to the Basic Financial Statements.

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

**Governmental Activities (Continued)**

The largest portion of the net position is the net investment in capital assets (e.g. land, infrastructure, buildings and equipment, net of accumulated depreciation and related debt) of \$48.8 million. The restricted net position of \$25.8 million represents resources that are subject to external restrictions on how they may be used. The unrestricted fund balance shows a negative (\$102.6) million.

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

| <b>Governmental Activities</b>                   | <b>June 30, 2019</b>   | <b>June 30, 2018</b>   | <b>\$ Change</b>      | <b>% Change</b> |
|--------------------------------------------------|------------------------|------------------------|-----------------------|-----------------|
| Current and other assets                         | \$ 72,558,558          | \$ 71,442,036          | \$ 1,116,522          | 1.56%           |
| Capital assets (net of accumulated depreciation) | 60,174,422             | 59,493,339             | 681,083               | 1.14%           |
| <b>Total assets</b>                              | <b>132,732,980</b>     | <b>130,935,375</b>     | <b>1,797,605</b>      | <b>1.37%</b>    |
| Deferred outflow of resources                    | 22,319,169             | 30,195,081             | (7,875,912)           | -26.08%         |
| Current liabilities                              | 9,114,359              | 7,789,862              | 1,324,497             | 17.00%          |
| Noncurrent liabilities                           | 170,603,248            | 173,094,896            | (2,491,648)           | -1.44%          |
| <b>Total liabilities</b>                         | <b>179,717,607</b>     | <b>180,884,758</b>     | <b>(1,167,151)</b>    | <b>-0.65%</b>   |
| Deferred inflow of resources                     | 3,326,098              | 3,319,897              | 6,201                 | 0.19%           |
| Net investment in capital assets                 | 48,831,491             | 47,725,910             | 1,105,581             | 2.32%           |
| Restricted                                       | 25,790,560             | 25,040,600             | 749,960               | 2.99%           |
| Unrestricted                                     | (102,613,607)          | (95,840,709)           | (6,772,898)           | 7.07%           |
| <b>Total net position</b>                        | <b>\$ (27,991,556)</b> | <b>\$ (23,074,199)</b> | <b>\$ (4,917,357)</b> | <b>21.31%</b>   |

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

**Governmental Activities (Continued)**

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

| Governmental Activities                              | June 30, 2019   | June 30, 2018   | \$ Change    | % Change |
|------------------------------------------------------|-----------------|-----------------|--------------|----------|
| Program revenues:                                    |                 |                 |              |          |
| Charges for services                                 | \$ 9,414,190    | \$ 9,755,176    | \$ (340,986) | -3.50%   |
| Operating contributions and grants                   | 6,441,413       | 5,542,417       | 898,996      | 16.22%   |
| Capital contributions and grants                     | 526,077         | 45,850          | 480,227      | 1047.39% |
| General revenues:                                    |                 |                 |              |          |
| Property taxes                                       | 18,301,135      | 16,965,156      | 1,335,979    | 7.87%    |
| Sales taxes                                          | 11,399,632      | 11,115,292      | 284,340      | 2.56%    |
| Franchise fees                                       | 931,750         | 982,756         | (51,006)     | -5.19%   |
| Utilities user taxes                                 | 6,591,834       | 6,856,067       | (264,233)    | -3.85%   |
| Transient occupancy taxes                            | 3,447,186       | 3,320,953       | 126,233      | 3.80%    |
| Motor vehicle license taxes                          | 7,309,525       | 6,906,050       | 403,475      | 5.84%    |
| Non-regulatory business license taxes                | 1,227,480       | 1,248,106       | (20,626)     | -1.65%   |
| Other taxes                                          | 1,057,546       | 1,621,716       | (564,170)    | -34.79%  |
| Investment earnings                                  | 3,432,169       | 1,529,734       | 1,902,435    | 124.36%  |
| Miscellaneous                                        | 3,447,105       | 3,535,442       | (88,337)     | -2.50%   |
| Total revenues                                       | 73,527,042      | 69,424,715      | 4,102,327    | 5.91%    |
| Expenses:                                            |                 |                 |              |          |
| General government                                   | 13,584,059      | 17,454,570      | (3,870,511)  | -22.17%  |
| Public safety                                        | 40,360,568      | 37,298,318      | 3,062,250    | 8.21%    |
| Public works services                                | 7,519,824       | 9,224,613       | (1,704,789)  | -18.48%  |
| Community development                                | 7,790,989       | 7,527,613       | 263,376      | 3.50%    |
| Library                                              | 4,168,410       | 3,982,384       | 186,026      | 4.67%    |
| Recreation and community services                    | 3,691,627       | 3,600,354       | 91,273       | 2.54%    |
| Interest on long-term debt                           | 343,846         | 373,622         | (29,776)     | -7.97%   |
| Total expenses                                       | 77,459,323      | 79,461,474      | (2,002,151)  | -2.52%   |
| Increase (Decrease) in Net Position before Transfers | (3,932,281)     | (10,036,759)    | 6,104,478    |          |
| Transfers                                            | (985,076)       | (1,006,826)     | 21,750       | -2.16%   |
| Increase (Decrease) in net position                  | (4,917,357)     | (11,043,585)    | 6,126,228    |          |
| Net position – Beginning of fiscal year              | (23,074,199)    | 1,274,897       |              |          |
| Prior period adjustment *                            | -               | (13,305,511)    |              |          |
| Net position – End of fiscal year                    | \$ (27,991,556) | \$ (23,074,199) |              |          |

\* Prior period adjustment is required due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

**City of Arcadia**  
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (Continued)**

Revenue of Governmental Activities was \$73.5 million for the fiscal year ended June 30, 2019, an increase of \$4.1 million in comparison to the prior year. Further analysis on each revenue category is as follows:

- Charges for Services decreased \$0.3 million or 3.5%, compared to the prior year. The decrease is primarily due to reductions in reimbursements for fire strike teams (\$0.3 million) and dwelling fees (\$0.3 million). The reimbursements decreased due to less deployment of Arcadia Fire Department personnel to combat wild fires throughout the State. The dwelling fees are charged on new residential developments which have been on a decline in recent years. These decreases were partially offset by increase in fees for recreation classes (\$0.2 million) and passport processing fees (\$0.1 million) at the library.
- Operating Contributions and Grants increased by \$0.9 million or 16.22%, due to increased funding of Road Maintenance and Rehabilitation Act (RMRA) and Measure M. The City's portion of RMRA and Measure M funding increase by \$0.6 million and \$0.2 million, respectively, in the fiscal year. Funding from Prop A and Measure R were also slightly higher due to the continued economic growth.
- Capital Contribution and Grants increased by \$0.5 million, primarily due to a new capital grants received from Los Angeles County Metropolitan Transportation Authority (MTA) for transit and pedestrian mobility enhancement. There were additional project funding for sidewalk and other transportation improvements.
- Property Tax revenue increased by \$1.3 million or 7.87%, due to the continued growth in property value assessment. Although home sale activities have reduced in comparison to the previous years, property tax revenue growth is attributed to sales and renovations of homes that were no longer assessed under Proposition 13 and reassessed to market value.
- Sales Tax increased by \$0.3 million, or 2.56% on an adjusted basis. The increase is slightly above budget forecast, despite continued economic uncertainty. Due to timing differences of when the City receives the sales tax revenue, an accounting accrual entry reduction of \$0.2 million was recorded in the Statement of Activities. This net entry was a combination of the differences for the prior and current fiscal years' sales tax revenue not received within the 60 days availability period.
- Franchise fees decreased by 5.1%, due to continuing decline of cable franchise fees remitted to the City. Over the years, technology has evolved and changed the market for users to subscribe to various media and entertainment. Options such as streaming or on demand models allow users to pick and choose programs, thereby paying less versus the old cable model of "a package" subscription.
- Utility User Tax (UUT) decreased by 3.85%. This decrease can be attributed to decreases in electric, water and telecom UUT. UUT from electric and water decreased by 3% and telecom decreased by 8%. Electric UUT has been very volatile in recent years and the decrease in water usage is due to a very wet winter. The decrease in telecom continues as customers cut landlines and lower wireless package pricing due to strong competition.

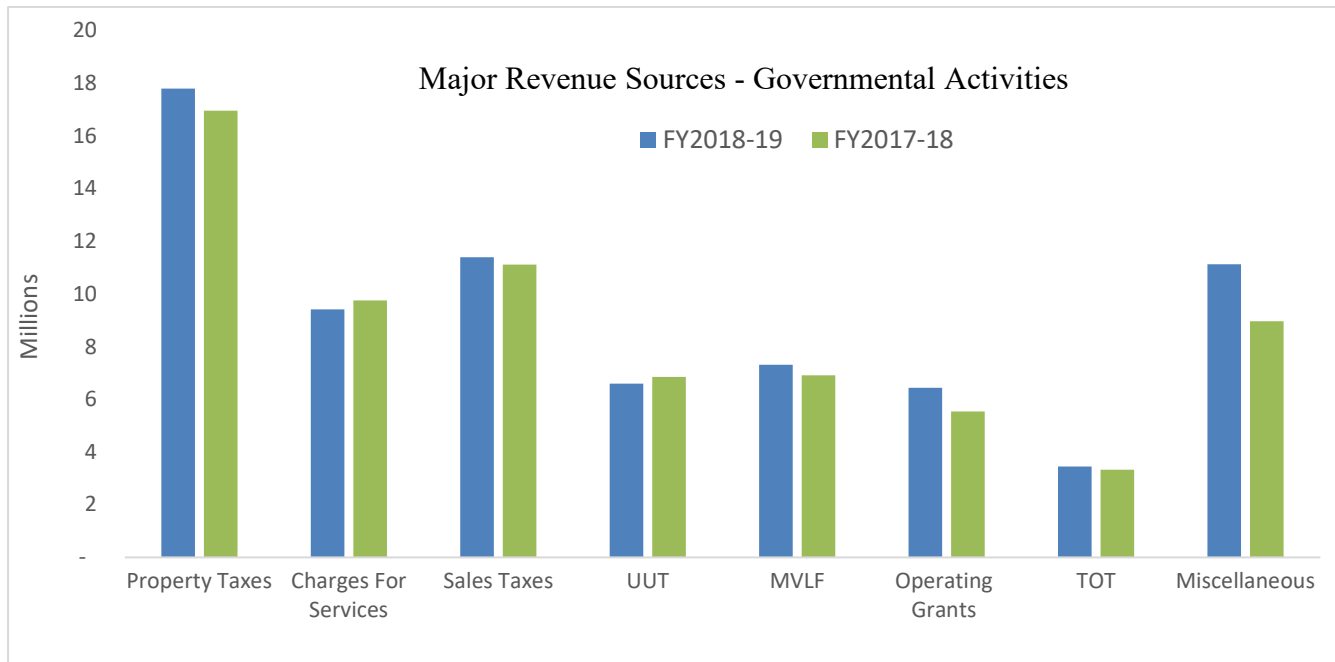
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (Continued)**

- Transient Occupancy Tax (TOT) increased by \$0.1 million or 3.8%. As most of the hotels/motels in the City caters to business travels, it is suggested that more business travels took place in comparison to the prior year. One can correlate the increase in business travel with the overall low unemployment rate of 3.7% for the calendar year 2019.
- Motor Vehicle License Fees (MVLFF) increased by \$0.4 million or 5.8%. MVLFF increase was attributable to legislation passed in fiscal year 2004-05, which tied its growth to the City's annual property tax valuation. The City has benefitted by many years of generous growth in the annual property assess valuation.
- Business License Tax decreased slightly by \$20,626, due to fewer business renewals in the current year.
- Other Taxes category decreased by \$0.5 million or 34.8%, primarily consisted of a decrease of cost allocation charges to non-general funds and not having reimbursements for the undergrounding project at the Rusnak dealership from last year.
- Investment Earnings increased by \$1.9 million, due to the rising interest rate market. The rising interest rate correlates to the Federal Reserve's decision of raising the federal funds rate. In 2018, the federal funds rate was raised four times.
- Miscellaneous Revenue decreased by 2.5%, mainly due to some one-time revenues from the prior year that were not received this fiscal year.

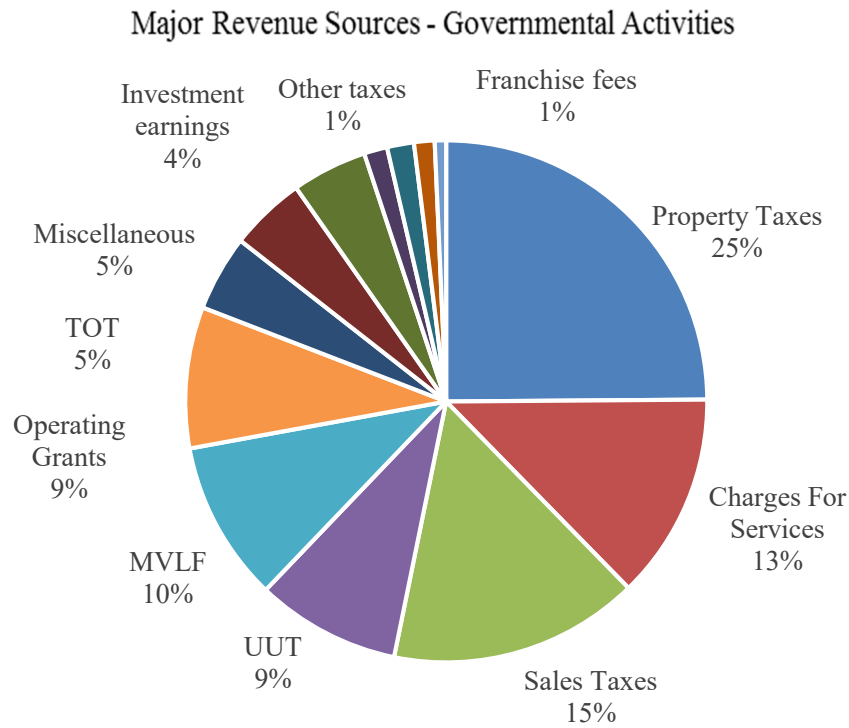


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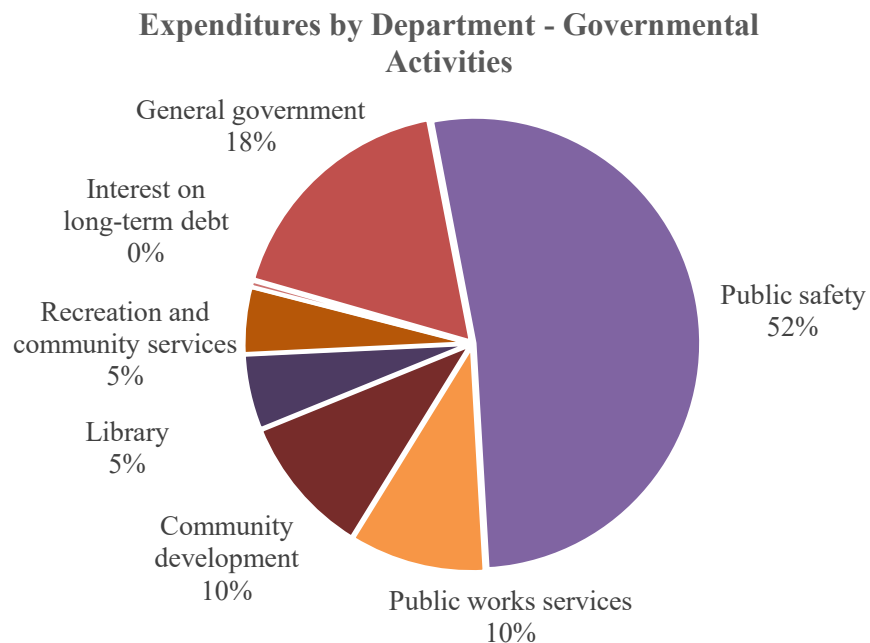
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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Governmental Activities (Continued)**



Expenses for the fiscal year totaled \$79.4 million, an \$11.2 million or 16.4% increase from the prior fiscal year. Detail analysis on the increase by department is as follows:



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

**Governmental Activities (Continued)**

- General Government costs decreased by \$3.9 million, or 22.17%. The decrease is mainly due to the pension and OPEB expense attributable to the current fiscal year, which decreased \$2.9 million from prior years. There were some one-time expenses last year due to the disposal of land related to the development of the Le Meridian hotel which accounted for \$1.4 million in decrease. Additionally, operating expenses in the General Government, including insurance and equipment expenses, were also slightly higher than the prior year.
- The cost for Public Safety increased by \$3.0 million, or 8.2%, as the result of the rising personnel cost in salary, overtime and pension benefits, which totaled \$2.2 million. The City also purchased \$0.5 million in new communications equipment during the fiscal year.
- Public Works Services costs decreased by \$1.7 million, or 18.5%, mainly due a decrease in road rehabilitation expenses. In the prior year, due to funding availability, the City was able to devote additional resources to the rehabilitation of residential streets. For this fiscal year, the road rehabilitation activity returned to their historical levels, resulting in a decrease in expenses.
- Community Development Services incurred an increase of \$0.3 million, or 3.5% in costs. The increase was primarily due to plan check services, which increase by \$0.2 million.
- The Library expenses went up \$186,026 in comparison to the prior year, primarily due to increases to personnel costs and contract services.
- Recreation and Community Services incurred a nominal increase of \$91,273. These increases are primarily attributed to contract services for recreation classes.
- Long-term Debt Service reduced slightly due to the lower outstanding debt balances.

**Business-Type Activities**

Business-Type Activities have a total net position of \$60.6 million, of which \$44.4 million or 73.3%, of the net position is net investment in capital assets (e.g. water treatment infrastructure, buses, and equipment, net of accumulated depreciation and related debt). These assets are used to provide water, sewer, and transit services to the community; consequently, these assets are not available for future spending. The unrestricted net position totaled \$16.2 million, representing 26.7% of total net position.

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

**Business-Type Activities (Continued)**

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

| <b>Governmental Activities</b>                   | <b>June 30, 2019</b> | <b>June 30, 2018</b> | <b>\$ Change</b>      | <b>% Change</b> |
|--------------------------------------------------|----------------------|----------------------|-----------------------|-----------------|
| Current and other assets                         | \$ 27,513,215        | \$ 29,456,768        | \$ (1,943,553)        | -6.60%          |
| Capital assets (net of accumulated depreciation) | 44,379,157           | 44,405,319           | (26,162)              | -0.06%          |
| <b>Total assets</b>                              | <b>71,892,372</b>    | <b>73,862,087</b>    | <b>(1,969,715)</b>    | <b>-2.67%</b>   |
| Deferred outflow of resources                    | 1,110,529            | 1,913,117            | (802,588)             | -41.95%         |
| Current liabilities                              | 2,671,171            | 9,846,519            | (7,175,348)           | -72.87%         |
| Noncurrent liabilities                           | 9,582,906            | 3,087,230            | 6,495,676             | 210.40%         |
| <b>Total liabilities</b>                         | <b>12,254,077</b>    | <b>12,933,749</b>    | <b>(679,672)</b>      | <b>-5.26%</b>   |
| Deferred inflow of resources                     | 168,801              | 192,798              | (23,997)              | -12.45%         |
| Net investment in capital assets                 | 44,379,157           | 44,405,319           | (26,162)              | -0.06%          |
| Unrestricted                                     | 16,200,866           | 18,243,338           | (2,042,472)           | -11.20%         |
| <b>Total net position</b>                        | <b>\$ 60,580,023</b> | <b>\$ 62,648,657</b> | <b>\$ (2,068,634)</b> | <b>-3.30%</b>   |

The net position decreased by \$2.07 million, comprising of \$3.3 million of loss from the Water operation, \$0.7 million of operating surplus for Sewer, and \$0.5 million of operating surplus incurred by non-major enterprise funds. Water sales decreased slightly due to an atypically wet winter. The City is currently in year 4 of a rate structure implemented on January 1, 2016 with the purpose of maintaining long-term financial stability of the City's water operation and ensuring that city residents continue to receive quality water and services. The City is currently doing a rate study for the next 5 years to ensure that the City can continue to invest in water infrastructure while maintaining current service levels. Another area inclusive of the reduction to Net Position is from the operating loss incurred by the transit operation as a result of the asset depreciation and pension liability accruals.

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

**Business-Type Activities (Continued)**

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

| <b>Governmental Activities</b>                              | <b>June 30, 2019</b> | <b>June 30, 2018</b> | <b>\$ Change</b> | <b>% Change</b> |
|-------------------------------------------------------------|----------------------|----------------------|------------------|-----------------|
| Program revenues:                                           |                      |                      |                  |                 |
| Charges for services                                        |                      |                      |                  |                 |
| Water                                                       | \$ 12,806,780        | \$ 13,223,624        | (416,844)        | -3.15%          |
| Sewer                                                       | 2,408,365            | 2,347,364            | 61,001           | 2.60%           |
| Transit                                                     | 12,613               | 13,246               | (633)            | -4.78%          |
| Golf                                                        | 511,860              | -                    | 511,860          | #DIV/0!         |
| Operating contributions and grants                          |                      |                      |                  |                 |
| Transit                                                     | 1,509,498            | 772,915              | 736,583          | 95.30%          |
| General revenues:                                           |                      |                      |                  |                 |
| Gain on disposal of assets                                  | 10,529               | 13,976               | (3,447)          | -24.66%         |
| Investment earnings                                         | 896,111              | 150,511              | 745,600          | 495.38%         |
| <b>Total revenues</b>                                       | <b>18,155,756</b>    | <b>16,521,636</b>    | <b>1,634,120</b> | <b>9.89%</b>    |
| Expenses:                                                   |                      |                      |                  |                 |
| Water                                                       | 16,853,369           | 17,005,371           | (152,002)        | -0.89%          |
| Sewer                                                       | 1,819,847            | 1,779,385            | 40,462           | 2.27%           |
| Transit                                                     | 2,020,690            | 1,823,710            | 196,980          | 10.80%          |
| Golf                                                        | 515,560              | -                    | 515,560          | #DIV/0!         |
| <b>Total expenses</b>                                       | <b>21,209,466</b>    | <b>20,608,466</b>    | <b>601,000</b>   | <b>2.92%</b>    |
| <b>Increase (Decrease) in Net Position before Transfers</b> | <b>(3,053,710)</b>   | <b>(4,086,830)</b>   | <b>1,033,120</b> |                 |
| <b>Transfers</b>                                            | <b>985,076</b>       | <b>1,006,826</b>     | <b>(21,750)</b>  | <b>-2.16%</b>   |
| <b>Increase (Decrease) in net position</b>                  | <b>(2,068,634)</b>   | <b>(3,080,004)</b>   | <b>1,011,370</b> |                 |
| <b>Net position – Beginning of fiscal year</b>              | <b>62,648,657</b>    | <b>66,183,250</b>    |                  |                 |
| <b>Prior period adjustment *</b>                            | <b>-</b>             | <b>(454,589)</b>     |                  |                 |
| <b>Net position – End of fiscal year</b>                    | <b>\$ 60,580,023</b> | <b>\$ 62,648,657</b> |                  |                 |

\* Prior period adjustment is required due to the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits other than Pensions.

**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

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

**City of Arcadia**  
**Management's Discussion and Analysis**  
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**FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS**

**Governmental Funds**

Analyses on the fluctuations of Governmental Funds are as follows:

- The City's governmental funds reported combined ending fund balances of \$67.4 million vs. \$67.7 million from the prior fiscal year, a decrease of \$0.3 million. Approximately \$5.1 million, or 7.6%, 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 \$25.9 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 \$35.3 million is a combined balance of these funds: Emergency Reserve, Equipment Replacement, Capital Improvement Projects, Miscellaneous PERS Reserve, and Self-insurance of General Liability and Workers' Compensation. The non-spendable fund balance of \$1.1 million represents prepaid items, inventory, and advances to the Golf Enterprise Fund.
- The General Fund's net fund balance decreased by \$1.6 million to \$29.5 million. Fiscal year ending revenue was at \$61.95 million and expenditures were at \$62.4 million. The operating deficit of \$0.4 million, when combined with transfers resulted in a net decrease in fund balance of \$1.6 million. The Transfer Out consisted of \$2.4 million transfer to Capital Outlay Funds to replenish and maintain a positive fund balance for future projects and a \$0.7 million transfer to the Lighting District Assessment Fund as the City's share of street lighting expenses. The Transfer Ins include funds from Gas Tax Fund, Solid Waste Fund, and Traffic Safety Funds for related and qualifying expenses. More analysis on its revenue and expenditures are available in the section of General Fund Financial and Budgetary Highlights.
- Measure M Fund had a net fund balance of \$0.2 million, including a deficit of \$0.3 million from the current fiscal year. Measure M is a ½ percent sales tax that will fund major transportation projects in Los Angeles County. For the fiscal year, the City received \$0.8 million in allocations from Measure M and spent \$1.1 million on street rehabilitations.
- Parks and Recreation Fund had a net fund balance of \$11.8 million, including a surplus of \$0.9 million from the current fiscal year. Park Development fees are collected on new residential development projects and those fees are restricted for the use of eligible park projects. In June 2019, Council awarded a design build contract to Byrom-Davey, Inc. for the construction of Eisenhower Park Improvement for \$6.3 million. This project will consist of new landscaping, picnic facilities, new synthetic baseball field, new restrooms, shaded playground equipment, walking trails, lighting, and other improvements.
- At the end of the fiscal year, the Capital Outlay Fund had a fund balance of \$11.98 million, an increase of \$0.5 million from the prior year. As noted earlier, \$2.4 million was transferred from General Fund for the purpose of replenishing and keeping an adequate fund balance for infrastructure improvements. Historically, pari-mutual revenues received from Santa Anita Race Track provided adequate funding for yearly capital improvement projects. However, this revenue source has been decreasing over the years due to less horse racing interest and the changing format for wagering. The current annual pari-mutual revenue level has not kept up with the demands and cost of capital improvements. Due to the shrinking revenue stream, the annual General Fund operating budget includes a transfer amount and additionally, City Council has authorized transfers of operating surpluses to replenish the Capital Outlay Fund.

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

**Governmental Funds (Continued)**

- The Non-major Governmental Fund group had an aggregated fund balance of \$13.1 million, a decrease of \$0.5 million. Solid Waste, AQMD, Lighting Assessment District, Prop C, IRS Taskforce, PEG Access, Used Oil, and Beverage Recycling have all resulted in a surplus. All other funds with decreased fund balances were due to higher spending than the current year allocation.

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

| <b>Governmental Funds</b>                         | <b>June 30, 2019</b> | <b>June 30, 2018</b> | <b>\$ Change</b> | <b>% Change</b> |
|---------------------------------------------------|----------------------|----------------------|------------------|-----------------|
| <b>Revenues:</b>                                  |                      |                      |                  |                 |
| Taxes                                             | \$ 42,050,021        | \$ 40,506,071        | \$ 1,543,950     | 3.81%           |
| Licenses and permits                              | 5,165,340            | 4,833,508            | 331,832          | 6.87%           |
| Fines and forfeitures                             | 643,858              | 690,703              | (46,845)         | -6.78%          |
| Use of money and property                         | 3,432,169            | 1,529,733            | 1,902,436        | 124.36%         |
| Intergovernmental                                 | 14,289,330           | 12,530,015           | 1,759,315        | 14.04%          |
| Charges for services                              | 5,591,091            | 6,088,728            | (497,637)        | -8.17%          |
| Other revenues                                    | 3,052,228            | 3,525,714            | (473,486)        | -13.43%         |
| <b>Total revenues</b>                             | <b>74,224,037</b>    | <b>69,704,472</b>    | <b>4,519,565</b> | <b>6.48%</b>    |
| <b>Expenditures:</b>                              |                      |                      |                  |                 |
| Genereal government                               | 7,971,659            | 8,134,490            | (162,831)        | -2.00%          |
| Public safety                                     | 39,912,792           | 36,941,437           | 2,971,355        | 8.04%           |
| Public works services                             | 7,491,991            | 8,024,811            | (532,820)        | -6.64%          |
| Community development                             | 9,992,826            | 7,599,862            | 2,392,964        | 31.49%          |
| Library                                           | 3,917,195            | 3,826,333            | 90,862           | 2.37%           |
| Recreation and community services                 | 3,509,543            | 3,339,426            | 170,117          | 5.09%           |
| Debt service                                      | 1,070,129            | 1,015,274            | 54,855           | 5.40%           |
| <b>Total expenses</b>                             | <b>73,866,135</b>    | <b>68,881,633</b>    | <b>4,984,502</b> | <b>7.24%</b>    |
| Excess (deficiency) of revenues over expenditures | 357,902              | 822,839              | 464,937          |                 |
| Other Financing Sources (uses)                    | (694,936)            | (1,006,826)          | (311,890)        | 30.98%          |
| <b>Net change in fund balance</b>                 | <b>(337,034)</b>     | <b>(183,987)</b>     | <b>153,047</b>   |                 |
| Fund balance – Beginning of fiscal year           | 67,735,708           | 67,919,695           |                  |                 |
| Fund balance – End of fiscal year                 | \$ 67,398,674        | \$ 67,735,708        |                  |                 |

Revenues of the total Governmental Funds were \$74.2 million with an increase of \$4.5 million, or 6.5%, from the prior fiscal year. Analysis of Governmental Funds are as follows:

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

**Governmental Funds (Continued)**

- Taxes increased by \$1.5 million, or 3.8%. This increase culminates from the mixed tax receipts as described hereafter. Property Tax continues to be the City's largest tax revenue with an increase of \$0.9 million or 6.3%. The property tax growth is credit to continuing rise of property values and homes sales that are reassessed at market versus being under Prop 13 assessment. Sales Tax increased \$0.9 million or 9.1%. The increase is a combination of yearly anticipated growth and \$0.4 million of prior fiscal year sales tax. The newly created state agency, California Department of Tax and Fee Administration (CDTFA), had software glitches during the transition from the State Board of Equalization. When adjusted to actual receipts, excluding the delayed allocated amount, the City's sales tax revenue is \$0.3 million or 2.3% more than the prior fiscal year. Transient Occupancy Tax increased by \$0.1 million or 3.8% in comparison to the previous fiscal year. As most hotels and motels in Arcadia cater to business travelers, it is presumed that in 2019 there were more business travelers, which correlates to the overall low unemployment rate nationwide. Franchise fees had a slight decline of \$51,006 due to the reduction of cable subscription. Utility User Tax had a decrease of \$0.3 million due to continued decreases in telecommunication services and lower water sales.
- Licenses and Permits decreased slightly by \$0.3 million primarily due to lower traffic impact fees. Although there are still several mixed use projects currently under development in the City, development in general has significantly reduced in comparison to past years.
- Fines and Forfeitures decreased slightly due to lower number of parking citations issued.
- Use of Money and Property increased by \$1.9 million, mainly due to the rising interest rate market. The rise in interest rate was due to the increase in Fed Funds Rate that took place in September and December of 2018.
- Intergovernmental Revenue increased by \$1.8 million, or 14%. Motor Vehicle License Fees, a fee that is tied to the growth of the City's annual property tax valuation increased by \$0.4 million. There were continued increases of several new revenue sources, including \$0.6 million of Road Maintenance and Repair Act (RMRA) and \$0.2 million of Measure M, a gas tax that was approved by the voters on the November 8, 2016 ballot. Both funds and their use are designated for road maintenance, rehabilitation, and critical safety projects on the local streets and roads system. Prop A, Prop C, TDA, and CDBG revenues also saw increases totaling roughly \$0.4 million.
- Charges for Services decreased by \$0.5 million due to lower revenues from strike team reimbursements and dwelling unit fees.
- Other Revenues decreased by \$0.5 million from prior year. This primarily consisted of a decrease of cost allocation charges to non-general funds and not having reimbursements for the undergrounding project at the Rusnak dealership from last year.

The Governmental Funds reported \$73.9 million of expenditures, an increase of \$5.0 million, or 7.2%, from the prior fiscal year. Further analysis on the variance is as follows:

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

**Governmental Funds (Continued)**

- Personnel costs increased by \$2.5 million, or 5.6%. In addition to salary increases specified by the employment agreements, higher PERS contribution rates, and more overtime costs by safety staff have also contributed to the increase. Higher PERS contributions are due to CalPERS' policy changes to further secure and ensure appropriate funding level for those administered pension plans. These changes effectively required higher contributions from all participants of those plans, with the employer carrying the greater burden of those contributions.
- Operating costs increase slightly at \$1.0 million in comparison to the prior fiscal year. Professional Contract Services increased by \$0.7 million. The increase was due to the City contracting out management of the golf course and increases in plan check services. There was also minor increases in vehicle maintenance costs.
- Capital expenditures increased by \$1.5 million in comparison to the prior fiscal year. Major projects in the fiscal year included upgrades to the radio dispatch system, transit signal priority system, defibrillators, and sidewalk and streets rehabilitation.

**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 \$60.6 million and it comprises of \$52.8 million of fund balance in Water Utility Fund, \$7.7 million of fund surplus in Sewer Maintenance Fund, \$0.1 million for the Transit System Fund and (\$3,700) in the new Golf fund. As it is the City's policy to always transfer sufficient resources from Prop C and Measure R to fund transit operation, the fund balance in the Transit System Fund only comprises of net capital investment and liability balances.

**GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS**

General Fund is the primary operating fund of the City. The fund balance reported a decrease of \$1.6 million to \$29.5 million at the fiscal year ending June 30, 2019. 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 8.2% of total General Fund expenditures, while total fund balance represents 47.3% of that same amount. The City has implemented an emergency reserve policy to maintain its operating fund balance at 20% of the General Fund expenditures, and it is more than fully funded.

Revenues of the General Fund totaled \$61.95 million for the fiscal year ending June 30, 2019, which is \$2.4 million, or 4%, more than the prior fiscal year's revenue total. Key elements of this increase are as follows:

- Tax revenue had an increase of \$1.6 million, mainly due to the increase of property tax and sales tax revenues. Property Tax continues to be the City's largest tax revenue with an increase of \$0.9 million or 6.3%. The property tax growth is credit to continuing rise of property values and homes sales that are reassessed at market versus being under Prop 13 assessment. Sales Tax has an increase of \$0.9 million or 9.1%. The increase is a combination of yearly anticipated growth and roughly, \$0.4 million of prior fiscal year sales tax. The newly created state agency, California Department of Tax and Fee Administration (CDTFA), had software glitches during the transition from the State Board of Equalization. When adjusted for actuals receipts, excluding the delayed allocated amount, the City's sales tax revenue is \$0.3 million or 2.3% more than the prior fiscal year. Transient Occupancy Tax increased by \$0.1 million or 3.8% in comparison to the previous fiscal year. As most hotels and motels in Arcadia cater to business travelers, it is suggested that in 2019 there were more business travelers, which correlates well with the historical low unemployment rate shown nationwide.

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

- Development related licenses and fees were lower than the prior year due to the reduction of development and related construction fees. Particularly, the City's residential construction activities have decreased in comparison to previous years.
- Fines and Forfeitures decreased by \$53,970 due to lower number of parking citations issued.
- Use of Money and Property increased by \$0.8 million, mainly due to the rising interest rate market. The rise in interest rate was due to the increase in Fed Funds Rate that took place in September and December of 2018.
- Motor vehicle license fees (MVLF) was the main contributor to the increase in intergovernmental revenue as it is tied to the City property assessed value. MVLF increased by \$0.4 million, or 5.8% for Fiscal Year 2018-19.
- Charges for services had a decrease primarily due to less Strike Team reimbursements from the State for the mutual-aid responses to wildfires and other natural disaster incidents during the year.
- The decrease shown for Other Revenue category was due to less cost allocation charges to non-general funds for general governmental internal support.

| General Fund Revenues     | June 30, 2019 | June 30, 2018 | \$ Change    | % Change |
|---------------------------|---------------|---------------|--------------|----------|
| Revenues:                 |               |               |              |          |
| Taxes                     | \$ 39,436,524 | \$ 37,797,893 | \$ 1,638,631 | 4.34%    |
| Licenses and permits      | 4,647,777     | 4,636,689     | 11,088       | 0.24%    |
| Fines and forfeitures     | 442,858       | 496,828       | (53,970)     | -10.86%  |
| Use of money and property | 2,178,868     | 1,359,379     | 819,489      | 60.28%   |
| Intergovernmental         | 7,545,240     | 7,084,640     | 460,600      | 6.50%    |
| Charges for services      | 4,834,282     | 5,038,450     | (204,168)    | -4.05%   |
| Other revenues            | 2,866,610     | 3,152,046     | (285,436)    | -9.06%   |
| Total revenues            | \$ 61,952,159 | \$ 59,565,925 | \$ 2,386,234 | 4.01%    |

General Fund expenditures increased by \$3.2 million, or 5.5%, to \$62.4 million. The majority of the increase was in personnel costs. It included salary COLA adjustments in accordance with the City's employment agreements, higher PERS contribution rates, and additional overtime budget and costs in the Fire Department's assistance with the various wildfires and natural disasters during the fiscal year.

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

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

|                                        | Final<br>Budget       | Actual<br>Amounts   | \$ Variance with<br>Final Budget | % Variance with<br>Final Budget |
|----------------------------------------|-----------------------|---------------------|----------------------------------|---------------------------------|
| <b>REVENUES:</b>                       |                       |                     |                                  |                                 |
| Taxes                                  | \$ 39,707,200         | \$ 39,436,524       | \$ (270,676)                     | -0.68%                          |
| Licenses and permits                   | 5,292,500             | 4,647,777           | (644,723)                        | -12.18%                         |
| Fines and forfeitures                  | 583,500               | 442,858             | (140,642)                        | -24.10%                         |
| Use of money and property              | 1,668,000             | 2,178,868           | 510,868                          | 30.63%                          |
| Intergovernmental                      | 7,405,000             | 7,545,240           | 140,240                          | 1.89%                           |
| Charges for services                   | 4,507,400             | 4,834,282           | 326,882                          | 7.25%                           |
| Other revenues                         | 3,188,000             | 2,866,610           | (321,390)                        | -10.08%                         |
| <b>Total revenues</b>                  | <b>62,351,600</b>     | <b>61,952,159</b>   | <b>(399,441)</b>                 | <b>-0.64%</b>                   |
| <b>EXPENDITURES:</b>                   |                       |                     |                                  |                                 |
| Current:                               |                       |                     |                                  |                                 |
| General government:                    |                       |                     |                                  |                                 |
| City council                           | 242,800               | 230,610             | 12,190                           | 5.02%                           |
| City manager                           | 1,060,550             | 1,017,731           | 42,819                           | 4.04%                           |
| City clerk                             | 544,500               | 395,484             | 149,016                          | 27.37%                          |
| City attorney                          | 573,500               | 516,710             | 56,790                           | 9.90%                           |
| General city                           | 2,002,900             | 1,978,800           | 24,100                           | 1.20%                           |
| Administrative services                | 4,712,975             | 3,465,001           | 1,247,974                        | 26.48%                          |
| Public safety:                         |                       |                     |                                  |                                 |
| Police                                 | 23,640,430            | 22,801,184          | 839,246                          | 3.55%                           |
| Fire                                   | 15,865,147            | 16,464,591          | (599,444)                        | -3.78%                          |
| Public works services                  | 4,585,803             | 4,066,700           | 519,103                          | 11.32%                          |
| Community development                  | 5,041,707             | 4,303,013           | 738,694                          | 14.65%                          |
| Library                                | 3,972,349             | 3,829,073           | 143,276                          | 3.61%                           |
| Recreation and community services      | 3,363,984             | 3,254,180           | 109,804                          | 3.26%                           |
| Debt service:                          |                       |                     |                                  |                                 |
| Principal retirement                   | -                     | 58,028              | (58,028)                         | #DIV/0!                         |
| <b>Total expenditures</b>              | <b>65,606,645</b>     | <b>62,381,105</b>   | <b>3,225,540</b>                 | <b>4.92%</b>                    |
| <b>EXCESS (DEFICIENCY) OF REVENUES</b> |                       |                     |                                  |                                 |
| <b>OVER (UNDER) EXPENDITURES</b>       | <b>\$ (3,255,045)</b> | <b>\$ (428,946)</b> | <b>\$ (2,826,099)</b>            |                                 |

The adopted General Fund budget projected revenue of \$62.4 million for the fiscal year ending June 30, 2019. The actual total General Fund revenues were very close to the budget with a slightly unfavorable variance of \$0.4 million. Key elements of the budget variance are as follows:

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

- Tax collection in total was less than budget by \$0.3 million or 0.7%. The property tax collection was as expected. Sales Tax collection has a slightly favorable increase \$0.3 million or 2.3% more than the prior fiscal year. The TOT collected was \$0.2 million above expectations. Utility tax revenue was \$0.4 million under budget due to less water sales and less telecommunications usage by residents. Franchise tax collection was lower than the budget by roughly \$50,000.
- License and Permits was \$0.6 million, or 12.2%, less than projected, mainly due to less development and construction related fees than the budget.
- The collection of parking citations fines were less than expected, which resulted in \$0.1 million of negative budget variance in the Fines and Forfeitures category.
- Use of Money and Property has a positive budget variance of \$0.5 million or 30.6%. Investment earnings improved due to a market of rising interest rate.
- Intergovernmental revenues, including the Motor Vehicle License Fees, was 1.9% more than budgeted. As the growth on Motor Vehicle License Fees is tied to the property assessed value, the higher than expected growth of property valuations has also resulted in the positive variance for this category.
- Charges for Services had a positive variance of \$0.3 million or 7.25% due to reimbursements for safety related services by the State for their mutual-aid response to wildfires and other nature disaster incidents.
- The collection of other revenues was higher than expected due to some miscellaneous reimbursements that were received during the fiscal year.

The City's General Fund expenditures were \$3.2 million, or 5%, less than the final adopted budget. Key elements of the budget variance are as follows:

- Personnel cost had a savings of \$0.4 million because of more than expected employee vacancies and turnovers. The City's vacancy rate was more than the 3% built into the adopted budget.
- The favorable variance of \$1.4 million in the operating expense were mainly attributable to the areas of general contract services, plan check services, and legal fees. City Clerk was under budget mainly due to the cost of the election being much less than expected. The positive variance in Development Services' contract services was mainly due to unfinished projects, so the underspent budget balances are carried over to the following year. The savings on plan check fees were due to less than expected developments that required additional plan check services.
- There was a favorable variance of \$1.0 million on equipment replacement due to underspending or unfinished projects. However, most of these funds are carried over to the following year for those unfinished projects.
- With the exception of the Fire Department, all other City departments ended the fiscal year with a positive budget variance. The Fire Department's overtime cost was the driver for the cost overrun. Most of the overtime was related to mutual aid to wildfires and other natural disaster incidents during the fiscal year. However, those overtime cost will be fully reimbursed by the State.

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**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets as of June 30, 2019, amounted to \$104.6 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.

The City completed phase 2 of the median turf removal project on Huntington Drive between Michillinda Avenue through Baldwin Avenue that added drought tolerant plants, decomposed granite and river-rock filtration streams. The Water department started construction a treatment system on the Live Oak Well. The City also upgraded the dispatch radios as well as replacement of 13 police and fire vehicles.

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

|                                | <b>Governmental Activities</b> |                      | <b>Business – Type Activities</b> |                      | <b>Total</b>         |                      |
|--------------------------------|--------------------------------|----------------------|-----------------------------------|----------------------|----------------------|----------------------|
|                                | <b>June 30, 2019</b>           | <b>June 30, 2018</b> | <b>June 30, 2019</b>              | <b>June 30, 2018</b> | <b>June 30, 2019</b> | <b>June 30, 2018</b> |
| Non-depreciable assets:        |                                |                      |                                   |                      |                      |                      |
| Land                           | \$ 4,335,769                   | \$ 4,335,769         | \$ 192,436                        | \$ 192,436           | \$ 4,528,205         | \$ 4,528,205         |
| Water rights                   | -                              | -                    | 5,602,000                         | 5,602,000            | 5,602,000            | 5,602,000            |
| Construction in progress       | 3,399,817                      | 663,444              | 1,071,640                         | 878                  | 4,471,457            | 664,322              |
| Total non-depreciable assets   | 7,735,586                      | 4,999,213            | 6,866,076                         | 5,795,314            | 14,601,662           | 10,794,527           |
| Depreciable assets:            |                                |                      |                                   |                      |                      |                      |
| Buildings and improvements     | 58,890,916                     | 58,505,212           | -                                 | -                    | 58,890,916           | 58,505,212           |
| Water treatment system         | -                              | -                    | 71,874,174                        | 71,297,531           | 71,874,174           | 71,297,531           |
| Sewer system                   | -                              | -                    | 11,577,778                        | 11,577,778           | 11,577,778           | 11,577,778           |
| Automotive equipment           | 12,125,267                     | 11,657,755           | 3,226,504                         | 3,250,427            | 15,351,771           | 14,908,182           |
| Furniture and equipment        | 4,773,944                      | 4,646,767            | 584,830                           | 393,161              | 5,358,774            | 5,039,928            |
| Infrastructure                 | 90,846,251                     | 90,039,021           | -                                 | -                    | 90,846,251           | 90,039,021           |
| Total depreciable assets       | 166,636,378                    | 164,848,755          | 87,263,286                        | 86,518,897           | 253,899,664          | 251,367,652          |
| Less accumulated depreciation: | (114,197,542)                  | (110,354,629)        | (49,750,205)                      | (47,908,892)         | (163,947,747)        | (158,263,521)        |
| Total depreciable assets, net  | 52,438,836                     | 54,494,126           | 37,513,081                        | 38,610,005           | 89,951,917           | 93,104,131           |
| Total capital assets, net      | \$ 60,174,422                  | \$ 59,493,339        | \$ 44,379,157                     | \$ 44,405,319        | \$ 104,553,579       | \$ 103,898,658       |

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 68 of this report.

**City of Arcadia**  
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**Long-term debt.** At the end of the current fiscal year, City of Arcadia had a total outstanding debt of \$184.3 Million, \$3.1 million less than the prior year balance. The decrease is due to regular debt service payments and annual actuarial adjustment of accrued pensions and postemployment benefits (OPEB) liabilities.

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

| Citywide                      | June 30, 2019  | June 30, 2018  |
|-------------------------------|----------------|----------------|
| Capital lease obligations     | \$ 232,112     | \$ -           |
| Claims and judgements payable | 6,770,318      | 7,448,260      |
| Compensated absences          | 2,974,006      | 2,813,907      |
| OPEB obligation               | 18,001,891     | 17,516,353     |
| Net pension liability         | 145,223,101    | 147,874,349    |
| 2011 General Obligation Bonds | 6,235,707      | 6,592,972      |
| 2012 General Obligation Bonds | 4,875,112      | 5,174,457      |
| Total                         | \$ 184,312,247 | \$ 187,420,298 |

As noted earlier in our discussion, pension liability increase was a result of policy changes by the CalPERS Board to further secure funding level and ensure the long-term sustainability of its pension fund. Policies that made changes to members' demographics, life expectancy, and lowering of investment return assumptions have the cause-and-effect of lowering the overall funded status of the pension plan. As such, this created a sizeable increase of the net pension liability for the City. In addition to pension, the GASB Statement No. 75, implemented this year, require governments to report a liability on the face of the financial statements for postemployment benefits other than pensions (OPEB). The statement requires more extensive note disclosure and supplementary information about their OPEB liabilities. Part of the required reporting is the beginning and ending balances of total OPEB liability, the OPEB plan's fiduciary net position, and the net OPEB liability. As such, the change in total reported liability increased significantly versus the prior year's reported amount. 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 70 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 adopted fiscal year 2019-20 General Fund Operating Budget anticipates a deficit of \$0.5 million. The budget consists of \$67.4 million of Operating Revenues, \$65.4 million of Operating Expenses and \$2.4 million of transfers. The three-year General Fund operating budget outlook shows an even starker picture. As shown in the table on the next page, the projected Fiscal Year 2020-21 beginning General Fund operating balance of \$3.6 million is projected to be increased to \$3.1 million by the end of that fiscal year based on current revenue and expenditure estimates, including transfers to the Capital Outlay and Equipment Replacement funds.

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

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

|                                   | <b>FY18-19<br/>Estimated</b> | <b>FY19-20<br/>Adopted</b> | <b>FY20-21<br/>Projected</b> |
|-----------------------------------|------------------------------|----------------------------|------------------------------|
| Beginning Fund Balance            | \$ 8,292,400                 | \$ 4,157,730               | \$ 3,675,515                 |
| Revenues and Sources              | 62,809,450                   | 67,408,600                 | 74,580,700                   |
| Expenditures and Uses             | (61,876,620)                 | (65,484,015)               | (66,305,310)                 |
| Net Operating Income              | 932,830                      | 1,924,585                  | 8,275,390                    |
| Transfer to Equipment Replacement | (2,100,000)                  | (750,000)                  | (2,100,000)                  |
| Transfer to Capital Equipment     | (2,100,000)                  | (750,000)                  | (2,100,000)                  |
| Transfer to Other Funds           | (867,500)                    | (906,800)                  | (934,400)                    |
| Subtotal Operating Balance        | (4,134,670)                  | (482,215)                  | 3,140,990                    |
| Ending Fund Balance               | \$ 4,157,730                 | \$ 3,675,515               | 6,816,505                    |

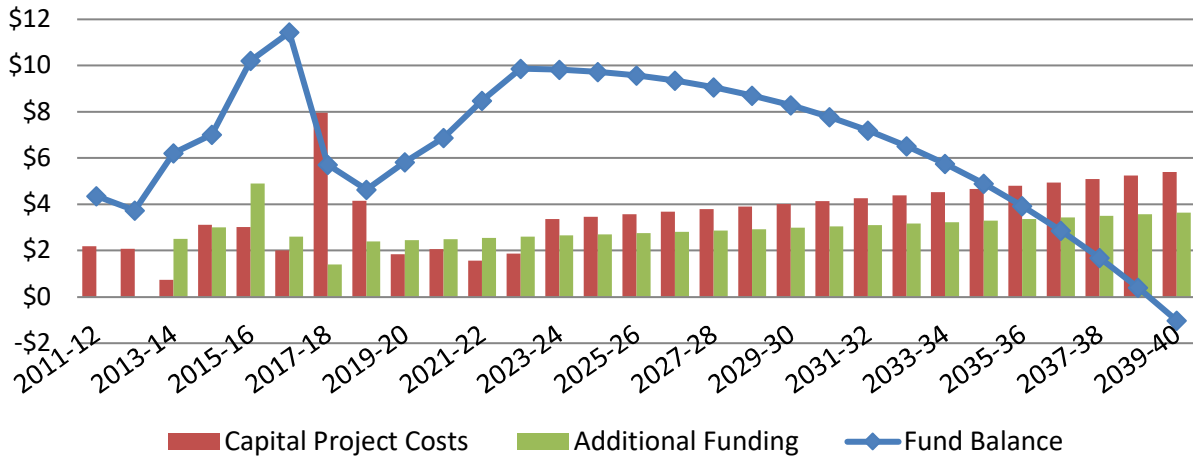
In April 2019, the voters of Arcadia passed Measure A, which raised Arcadia's sales tax rate from 9.5% to 10.25%. It is estimated to bring in an extra \$8 million dollars annually of revenue to the City. This will help close the projected structural imbalance in the City's budget. However, even with this new revenue source, the City continues to face tight fiscal challenges going forward. Below is a detailed discussion of the budget challenges:

- **CalPERS Funding Policy Changes:** As indicated earlier, CalPERS 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 in the past few years. The changes have significantly increased the annual contribution required by the City. In December of 2016, the CalPERS board of Administration approved another actuarial assumption change to lower the discount rate from 7.5% to 7.0% in order to lower investment risk and to reduce the market volatility that may cause similar losses occurred in Fiscal Year 2007-08. The discount rate change increases both the normal costs and accrued liability substantially for all the public agencies participating in CalPERS pension system. Although the reduction of discount rate will be phased-in in 3 years with 5-year ramping, it has put enormous pressure on the City's budget. The City's pension costs are expected to increase to \$21 million in Fiscal Year 2024-25, in comparison of \$9 million in Fiscal Year 2013-14.
- **Capital Outlay and Equipment Replacement Funds Recovering:** The adopted budget reflects the true rate of transfers of \$2.4 million and \$1.8 million to the Capital Outlay and Equipment Replacement Funds, respectively. These transfer amounts are much greater than those transfers from prior years. The true rate of transfer was calculated using historical spending patterns and future known budgeted outlays shown in the five-year expenditure plans. Although transfer amounts were established to account for and ensure that both funds have sufficient balances available for critical infrastructure improvements and replacement of equipment in the near future, their fund balances will eventually be depleted as these two funds do not generate revenue streams that can fully fund their annual projected expenses. As shown by the two graphs below, **ONLY** with consistent funding levels of \$2.4 million and \$1.8 million annually to both funds will it allow for the continuation of projects to maintain or improve city infrastructures and purchases of major equipment for daily operations. Unfortunately, the funding is not certain as it is strictly dependent of surpluses generated from the General Fund budget.

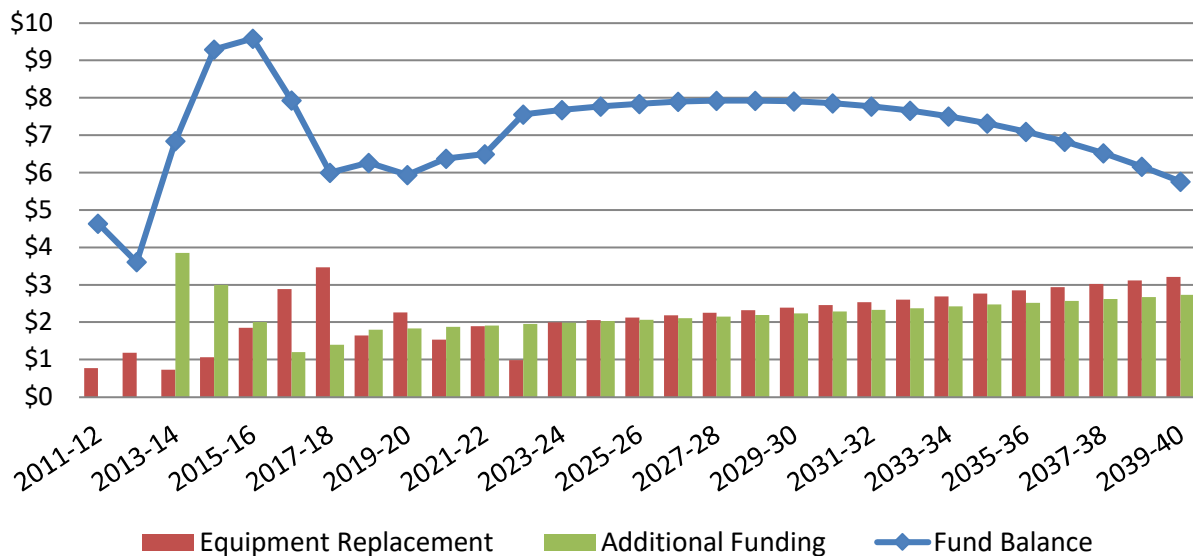
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### Capital Improvement Fund Balance Forecast



### Equipment Replacement Fund Balance Forecast



It is also important to note that current projections do not include nearly \$63.4 million in unfunded capital improvement projects, which include a citywide Parks Master Plan, downtown parking lot development, right-of-way and streetscape improvements, and parking lot resurfacing projects. Additionally, the recent change in state law also requires the City to implement enhanced watershed management program to eliminate pollutant discharge into our local supply, and the costs are estimated to range from \$122 million to \$354 million. Although part of the costs will be offset by a parcel tax approved in November of 2018, the City is likely to be responsible for the remaining costs.

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**June 30, 2019**

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- **Postemployment Benefits (OPEB):** City's actuarial accrued liability (AAL) was estimated to be \$21.0 million based on the most recent valuation report dated June 30, 2019, which is \$1.3 million more than the valuation prepared last year. The increase could be attributed to additional service costs for participants due to higher mortality rate, increase in number of participants, and change of assumptions based on the plan's experience. Despite the changes City made in 2011 to reduce OPEB benefits, the Accrued Actuarial Liability for the City's OPEB liability are expected to continue to grow. It is essential for the City to continue to fund the trust established exclusively for this benefits. The trust account had a balance of \$3.0 million as of June 30, 2019.

**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, 2019**

|                                                      | Primary Government     |                      |                      |
|------------------------------------------------------|------------------------|----------------------|----------------------|
|                                                      | Governmental           | Business-Type        |                      |
|                                                      | Activities             | Activities           | Total                |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>     |                        |                      |                      |
| Current assets:                                      |                        |                      |                      |
| Cash and investments                                 | \$ 66,247,775          | \$ 24,482,533        | \$ 90,730,308        |
| Cash and investments with fiscal agent               | 7                      | -                    | 7                    |
| Accounts receivable                                  | 298,296                | 2,586,916            | 2,885,212            |
| Interest receivable                                  | 308,879                | 107,972              | 416,851              |
| Due from other governments                           | 4,582,124              | 399,528              | 4,981,652            |
| Prepaid items                                        | 67,813                 | 123,494              | 191,307              |
| Internal balances                                    | 201,614                | (201,614)            | -                    |
| Inventories                                          | 852,050                | 14,386               | 866,436              |
| Total current assets                                 | 72,558,558             | 27,513,215           | 100,071,773          |
| Noncurrent assets:                                   |                        |                      |                      |
| Capital assets:                                      |                        |                      |                      |
| Nondepreciable                                       | 7,735,586              | 6,866,076            | 14,601,662           |
| Depreciable, net                                     | 52,438,836             | 37,513,081           | 89,951,917           |
| Total capital assets                                 | 60,174,422             | 44,379,157           | 104,553,579          |
| Total noncurrent assets                              | 60,174,422             | 44,379,157           | 104,553,579          |
| <b>Total assets</b>                                  | <b>132,732,980</b>     | <b>71,892,372</b>    | <b>204,625,352</b>   |
| Deferred outflows of resources:                      |                        |                      |                      |
| Deferred outflows related to net pension liability   | 19,815,667             | 1,017,559            | 20,833,226           |
| Deferred outflows related to OPEB                    | 2,503,502              | 92,970               | 2,596,472            |
| <b>Total deferred outflows of resources</b>          | <b>22,319,169</b>      | <b>1,110,529</b>     | <b>23,429,698</b>    |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b> |                        |                      |                      |
| Current liabilities:                                 |                        |                      |                      |
| Accounts payable                                     | 3,655,164              | 2,323,702            | 5,978,866            |
| Accrued salaries payable                             | 810,047                | 80,689               | 890,736              |
| Interest payable                                     | 158,665                | -                    | 158,665              |
| Unearned revenue                                     | 297,998                | -                    | 297,998              |
| Deposits                                             | 1,650                  | 129,756              | 131,406              |
| Retentions payable                                   | 158,496                | 43,270               | 201,766              |
| Long-term debt - due within one year                 | 4,032,339              | 93,754               | 4,126,093            |
| Total current liabilities                            | 9,114,359              | 2,671,171            | 11,785,530           |
| Noncurrent liabilities:                              |                        |                      |                      |
| Long-term debt - due in more than one year           | 170,603,248            | 9,582,906            | 180,186,154          |
| Total noncurrent liabilities                         | 170,603,248            | 9,582,906            | 180,186,154          |
| <b>Total liabilities</b>                             | <b>179,717,607</b>     | <b>12,254,077</b>    | <b>191,971,684</b>   |
| Deferred inflows of resources:                       |                        |                      |                      |
| Deferred inflows related to net pension liability    | 3,277,660              | 166,758              | 3,444,418            |
| Deferred inflows related to OPEB                     | 48,438                 | 2,043                | 50,481               |
| <b>Total deferred inflows of resources</b>           | <b>3,326,098</b>       | <b>168,801</b>       | <b>3,494,899</b>     |
| <b>NET POSITION</b>                                  |                        |                      |                      |
| Net investment in capital assets                     | 48,831,491             | 44,379,157           | 93,210,648           |
| Restricted for:                                      |                        |                      |                      |
| Debt service                                         | 690,343                | -                    | 690,343              |
| Community purposes                                   | 14,857,405             | -                    | 14,857,405           |
| Public safety                                        | 820,309                | -                    | 820,309              |
| Transportation /streets                              | 9,422,503              | -                    | 9,422,503            |
| Total restricted                                     | 25,790,560             | -                    | 25,790,560           |
| Unrestricted                                         | (102,613,607)          | 16,200,866           | (86,412,741)         |
| <b>Total net position</b>                            | <b>\$ (27,991,556)</b> | <b>\$ 60,580,023</b> | <b>\$ 32,588,467</b> |

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2019**

| 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                | \$ 13,584,059 | \$ 16,899            | \$ 79,569                          | \$ -                             | \$ 96,468     |  |
| Public safety                     | 40,360,568    | 3,952,519            | 220,686                            | 315,777                          | 4,488,982     |  |
| Public works services             | 7,519,824     | 28,385               | 2,201,627                          | -                                | 2,230,012     |  |
| Community development             | 7,790,989     | 3,313,734            | 3,894,384                          | 210,300                          | 7,418,418     |  |
| Library                           | 4,168,410     | 162,421              | -                                  | -                                | 162,421       |  |
| Recreation and community services | 3,691,627     | 1,940,232            | 45,147                             | -                                | 1,985,379     |  |
| Interest on long-term debt        | 343,846       | -                    | -                                  | -                                | -             |  |
| Total governmental activities     | 77,459,323    | 9,414,190            | 6,441,413                          | 526,077                          | 16,381,680    |  |
| <b>Business-type activities:</b>  |               |                      |                                    |                                  |               |  |
| Water                             | 16,853,369    | 12,806,780           | -                                  | -                                | 12,806,780    |  |
| Sewer                             | 1,819,847     | 2,408,365            | -                                  | -                                | 2,408,365     |  |
| Transit                           | 2,020,690     | 12,613               | 1,509,498                          | -                                | 1,522,111     |  |
| Arcadia PAR 3 Golf Course         | 515,560       | 511,860              | -                                  | -                                | 511,860       |  |
| Total business-type activities    | 21,209,466    | 15,739,618           | 1,509,498                          | -                                | 17,249,116    |  |
| Total primary government          | \$ 98,668,789 | \$ 25,153,808        | \$ 7,950,911                       | \$ 526,077                       | \$ 33,630,796 |  |

(Continued)

**City of Arcadia**  
**Statement of Activities (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

| Functions/Programs                             | Net (Expense) Revenue<br>and Changes in Net Position |                             |                      |
|------------------------------------------------|------------------------------------------------------|-----------------------------|----------------------|
|                                                | Governmental<br>Activities                           | Business-Type<br>Activities | Total                |
| <b>Primary Government:</b>                     |                                                      |                             |                      |
| <b>Governmental activities:</b>                |                                                      |                             |                      |
| General government                             | \$ (13,487,591)                                      | \$ -                        | \$ (13,487,591)      |
| Public safety                                  | (35,871,586)                                         | -                           | (35,871,586)         |
| Public works services                          | (5,289,812)                                          | -                           | (5,289,812)          |
| Community development                          | (372,571)                                            | -                           | (372,571)            |
| Library                                        | (4,005,989)                                          | -                           | (4,005,989)          |
| Recreation and community services              | (1,706,248)                                          | -                           | (1,706,248)          |
| Interest on long-term debt                     | (343,846)                                            | -                           | (343,846)            |
| Total governmental activities                  | (61,077,643)                                         | -                           | (61,077,643)         |
| <b>Business-type activities:</b>               |                                                      |                             |                      |
| Water                                          | -                                                    | (4,046,589)                 | (4,046,589)          |
| Sewer                                          | -                                                    | 588,518                     | 588,518              |
| Transit                                        | -                                                    | (498,579)                   | (498,579)            |
| Arcadia PAR 3 Golf Course                      | -                                                    | (3,700)                     | (3,700)              |
| Total business-type activities                 | -                                                    | (3,960,350)                 | (3,960,350)          |
| <b>Total primary government</b>                | <b>(61,077,643)</b>                                  | <b>(3,960,350)</b>          | <b>(65,037,993)</b>  |
| <b>General Revenues:</b>                       |                                                      |                             |                      |
| Taxes and fees:                                |                                                      |                             |                      |
| Property taxes                                 | 18,301,135                                           | -                           | 18,301,135           |
| Sales taxes                                    | 11,399,632                                           | -                           | 11,399,632           |
| Franchise fees                                 | 931,750                                              | -                           | 931,750              |
| Utilities user taxes                           | 6,591,834                                            | -                           | 6,591,834            |
| Transient occupancy taxes                      | 3,447,186                                            | -                           | 3,447,186            |
| Non-regulatory business license taxes          | 1,227,480                                            | -                           | 1,227,480            |
| Other taxes                                    | 1,057,546                                            | -                           | 1,057,546            |
| Total taxes and fees                           | 42,956,563                                           | -                           | 42,956,563           |
| Intergovernmental revenues, unrestricted       | 7,309,525                                            | -                           | 7,309,525            |
| Investment earnings                            | 3,432,169                                            | 896,111                     | 4,328,280            |
| Gain on disposal of assets                     | -                                                    | 10,529                      | 10,529               |
| Miscellaneous                                  | 3,447,105                                            | -                           | 3,447,105            |
| <b>Transfers</b>                               | <b>(985,076)</b>                                     | <b>985,076</b>              | <b>-</b>             |
| <b>Total general revenues and transfers</b>    | <b>56,160,286</b>                                    | <b>1,891,716</b>            | <b>58,052,002</b>    |
| <b>Change in net position</b>                  | <b>(4,917,357)</b>                                   | <b>(2,068,634)</b>          | <b>(6,985,991)</b>   |
| <b>Net position - beginning of fiscal year</b> | <b>(23,074,199)</b>                                  | <b>62,648,657</b>           | <b>39,574,458</b>    |
| <b>Net position - end of fiscal year</b>       | <b>\$ (27,991,556)</b>                               | <b>\$ 60,580,023</b>        | <b>\$ 32,588,467</b> |

See Accompanying Notes to the Basic Financial Statements.

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# FUND FINANCIAL STATEMENTS

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*Governmental Funds Financial Statements*

*Proprietary Funds Financial Statements*

*Fiduciary Funds Financial Statements*

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# GOVERNMENTAL FUNDS

## FINANCIAL STATEMENTS

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***General Fund*** - established to account for resources traditionally associated with 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.

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

***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, 2019**

|                                                                             | Major Funds          |                      |                     |                      | Nonmajor             | Total                |
|-----------------------------------------------------------------------------|----------------------|----------------------|---------------------|----------------------|----------------------|----------------------|
|                                                                             | General              | Parks and Recreation | Measure M           | Capital Outlay       | Governmental Funds   | Governmental Funds   |
| <b>ASSETS</b>                                                               |                      |                      |                     |                      |                      |                      |
| Cash and investments                                                        | \$ 26,224,774        | \$ 11,806,422        | \$ 1,336,315        | \$ 12,787,961        | \$ 14,092,303        | \$ 66,247,775        |
| Cash and investments with fiscal agent                                      | -                    | -                    | -                   | -                    | 7                    | 7                    |
| Accounts receivable                                                         | 288,236              | -                    | -                   | -                    | 10,060               | 298,296              |
| Interest receivable                                                         | 141,825              | 52,932               | 5,991               | 50,592               | 57,539               | 308,879              |
| Due from other funds                                                        | 117,576              | -                    | -                   | -                    | -                    | 117,576              |
| Due from other governments                                                  | 3,870,182            | -                    | -                   | 60,287               | 423,244              | 4,353,713            |
| Prepaid items and deposits                                                  | 59,173               | -                    | -                   | -                    | 8,640                | 67,813               |
| Inventories                                                                 | 852,050              | -                    | -                   | -                    | -                    | 852,050              |
| Advances to other funds                                                     | 201,614              | -                    | -                   | -                    | -                    | 201,614              |
| <b>Total assets</b>                                                         | <b>\$ 31,755,430</b> | <b>\$ 11,859,354</b> | <b>\$ 1,342,306</b> | <b>\$ 12,898,840</b> | <b>\$ 14,591,793</b> | <b>\$ 72,447,723</b> |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>         |                      |                      |                     |                      |                      |                      |
| <b>Liabilities:</b>                                                         |                      |                      |                     |                      |                      |                      |
| Accounts payable                                                            | \$ 1,180,687         | \$ 17,726            | \$ 1,049,143        | \$ 876,633           | \$ 530,975           | \$ 3,655,164         |
| Accrued salaries payable                                                    | 781,838              | -                    | -                   | -                    | 28,209               | 810,047              |
| Due to other funds                                                          | -                    | -                    | -                   | -                    | 117,576              | 117,576              |
| Unearned revenue                                                            | 297,998              | -                    | -                   | -                    | -                    | 297,998              |
| Deposits                                                                    | 1,650                | -                    | -                   | -                    | -                    | 1,650                |
| Retentions payable                                                          | 3,986                | -                    | 54,916              | 45,220               | 54,374               | 158,496              |
| <b>Total liabilities</b>                                                    | <b>2,266,159</b>     | <b>17,726</b>        | <b>1,104,059</b>    | <b>921,853</b>       | <b>731,134</b>       | <b>5,040,931</b>     |
| <b>Deferred Inflow of Resources:</b>                                        |                      |                      |                     |                      |                      |                      |
| Unavailable revenue                                                         | -                    | -                    | -                   | -                    | 8,118                | 8,118                |
| <b>Total deferred inflow of resources</b>                                   | <b>-</b>             | <b>-</b>             | <b>-</b>            | <b>-</b>             | <b>8,118</b>         | <b>8,118</b>         |
| <b>Fund Balances:</b>                                                       |                      |                      |                     |                      |                      |                      |
| Nonspendable                                                                | 1,112,837            | -                    | -                   | -                    | 8,640                | 1,121,477            |
| Restricted                                                                  | -                    | 11,841,628           | 238,247             | -                    | 13,852,592           | 25,932,467           |
| Assigned                                                                    | 23,295,469           | -                    | -                   | 11,976,987           | -                    | 35,272,456           |
| Unassigned                                                                  | 5,080,965            | -                    | -                   | -                    | (8,691)              | 5,072,274            |
| <b>Total fund balances</b>                                                  | <b>29,489,271</b>    | <b>11,841,628</b>    | <b>238,247</b>      | <b>11,976,987</b>    | <b>13,852,541</b>    | <b>67,398,674</b>    |
| <b>Total liabilities and deferred inflow of resources and fund balances</b> | <b>\$ 31,755,430</b> | <b>\$ 11,859,354</b> | <b>\$ 1,342,306</b> | <b>\$ 12,898,840</b> | <b>\$ 14,591,793</b> | <b>\$ 72,447,723</b> |

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2019**

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|                                                       |                      |
|-------------------------------------------------------|----------------------|
| <b>Total Fund Balances - Total Governmental Funds</b> | <b>\$ 67,398,674</b> |
|-------------------------------------------------------|----------------------|

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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. | 60,174,422 |
|---------------------------------------------------------------------------------------------------------------------------------------------------|------------|

---

|                                                                                                                                                                        |           |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 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. | (158,665) |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|

---

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

|                                                   |               |
|---------------------------------------------------|---------------|
| Long-term liabilities - due within one year       | (4,032,339)   |
| Long-term liabilities - due in more than one year | (170,603,248) |

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

|                                                    |             |
|----------------------------------------------------|-------------|
| Deferred outflows related to net pension liability | 19,815,667  |
| Deferred inflows related to net pension liability  | (3,277,660) |
| Deferred outflows related to OPEB                  | 2,503,502   |
| Deferred inflows related to OPEB                   | (48,438)    |

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

236,529

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|                                                |                        |
|------------------------------------------------|------------------------|
| <b>Net Position of Governmental Activities</b> | <b>\$ (27,991,556)</b> |
|------------------------------------------------|------------------------|

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**City of Arcadia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

|                                                                  | Major Funds        |                      |                  |                    | Nonmajor           | Total              |
|------------------------------------------------------------------|--------------------|----------------------|------------------|--------------------|--------------------|--------------------|
|                                                                  | General            | Parks and Recreation | Measure M        | Capital Outlay     | Governmental Funds | Governmental Funds |
| <b>REVENUES:</b>                                                 |                    |                      |                  |                    |                    |                    |
| Taxes                                                            | \$ 39,436,524      | \$ -                 | \$ -             | \$ 516,027         | \$ 2,097,470       | \$ 42,050,021      |
| Licenses and permits                                             | 4,647,777          | -                    | -                | -                  | 517,563            | 5,165,340          |
| Fines and forfeitures                                            | 442,858            | -                    | -                | -                  | 201,000            | 643,858            |
| Use of money and property                                        | 2,178,868          | 395,942              | 33,212           | 372,197            | 451,950            | 3,432,169          |
| Intergovernmental                                                | 7,545,240          | -                    | 806,770          | -                  | 5,937,320          | 14,289,330         |
| Charges for services                                             | 4,834,282          | 593,808              | -                | -                  | 163,001            | 5,591,091          |
| Other revenues                                                   | 2,866,610          | -                    | -                | 36,157             | 149,461            | 3,052,228          |
| <b>Total revenues</b>                                            | <b>61,952,159</b>  | <b>989,750</b>       | <b>839,982</b>   | <b>924,381</b>     | <b>9,517,765</b>   | <b>74,224,037</b>  |
| <b>EXPENDITURES:</b>                                             |                    |                      |                  |                    |                    |                    |
| Current:                                                         |                    |                      |                  |                    |                    |                    |
| General government:                                              |                    |                      |                  |                    |                    |                    |
| City council                                                     | 230,610            | -                    | -                | -                  | -                  | 230,610            |
| City manager                                                     | 1,017,731          | -                    | -                | -                  | -                  | 1,017,731          |
| City clerk                                                       | 395,484            | -                    | -                | -                  | -                  | 395,484            |
| City attorney                                                    | 516,710            | -                    | -                | -                  | -                  | 516,710            |
| General city                                                     | 1,978,800          | -                    | -                | 337,244            | 30,079             | 2,346,123          |
| Administrative services                                          | 3,465,001          | -                    | -                | -                  | -                  | 3,465,001          |
| Public safety:                                                   |                    |                      |                  |                    |                    |                    |
| Police                                                           | 22,801,184         | -                    | -                | 74,685             | 340,637            | 23,216,506         |
| Fire                                                             | 16,464,591         | -                    | -                | 216,921            | 14,774             | 16,696,286         |
| Public works services                                            | 4,066,700          | -                    | -                | 1,770,745          | 1,654,546          | 7,491,991          |
| Community development                                            | 4,303,013          | -                    | 1,200,873        | 149,751            | 4,339,189          | 9,992,826          |
| Library                                                          | 3,829,073          | -                    | -                | 88,122             | -                  | 3,917,195          |
| Recreation and community services                                | 3,254,180          | 53,906               | -                | 114,013            | 87,444             | 3,509,543          |
| Debt service:                                                    |                    |                      |                  |                    |                    |                    |
| Principal retirement                                             | 58,028             | -                    | -                | -                  | 615,000            | 673,028            |
| Interest and fiscal charges                                      | -                  | -                    | -                | -                  | 397,101            | 397,101            |
| <b>Total expenditures</b>                                        | <b>62,381,105</b>  | <b>53,906</b>        | <b>1,200,873</b> | <b>2,751,481</b>   | <b>7,478,770</b>   | <b>73,866,135</b>  |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b> | <b>(428,946)</b>   | <b>935,844</b>       | <b>(360,891)</b> | <b>(1,827,100)</b> | <b>2,038,995</b>   | <b>357,902</b>     |
| <b>OTHER FINANCING SOURCES (USES):</b>                           |                    |                      |                  |                    |                    |                    |
| Transfers in                                                     | 1,580,943          | -                    | -                | 2,400,000          | 677,204            | 4,658,147          |
| Transfers out                                                    | (3,077,204)        | -                    | -                | -                  | (2,566,019)        | (5,643,223)        |
| Proceeds from capital lease obligations                          | 290,140            | -                    | -                | -                  | -                  | 290,140            |
| <b>Total other financing sources (uses)</b>                      | <b>(1,206,121)</b> | <b>-</b>             | <b>-</b>         | <b>2,400,000</b>   | <b>(1,888,815)</b> | <b>(694,936)</b>   |
| <b>Net changes in fund balances</b>                              | <b>(1,635,067)</b> | <b>935,844</b>       | <b>(360,891)</b> | <b>572,900</b>     | <b>150,180</b>     | <b>(337,034)</b>   |
| <b>FUND BALANCES:</b>                                            |                    |                      |                  |                    |                    |                    |
| Beginning of fiscal year                                         | 31,124,338         | 10,905,784           | 599,138          | 11,404,087         | 13,702,361         | 67,735,708         |
| End of fiscal year                                               | \$ 29,489,271      | \$ 11,841,628        | \$ 238,247       | \$ 11,976,987      | \$ 13,852,541      | \$ 67,398,674      |

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, 2019**

|                                                               |                     |
|---------------------------------------------------------------|---------------------|
| <b>Net Change in Fund Balances - Total Governmental Funds</b> | <b>\$ (337,034)</b> |
|---------------------------------------------------------------|---------------------|

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                | 108,324          |
| Public safety                     | 1,384,977        |
| Public works services             | 1,417,914        |
| Community development             | 2,217,113        |
| Library                           | 15,277           |
| Recreation and community services | 43,851           |
| <b>Total</b>                      | <b>5,187,456</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:

(4,966)

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.

(4,501,407)

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:

(164,102)

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

677,942

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:

267,230

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

|                                         |                |
|-----------------------------------------|----------------|
| Proceeds from capital lease obligations | (290,140)      |
| Repayment of long-term debt             | 673,028        |
| <b>Total</b>                            | <b>382,888</b> |

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

|                              |               |
|------------------------------|---------------|
| Accrued interest             | 11,645        |
| Amortization of bond premium | 41,610        |
| <b>Total</b>                 | <b>53,255</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:

(6,245,367)

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.

(233,252)

|                                                          |                       |
|----------------------------------------------------------|-----------------------|
| <b>Change in Net Position of Governmental Activities</b> | <b>\$ (4,917,357)</b> |
|----------------------------------------------------------|-----------------------|

See Accompanying Notes to the Basic Financial Statements.

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# PROPRIETARY FUNDS

## FINANCIAL STATEMENTS

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

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

**City of Arcadia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

|                                                          | Enterprise Funds     |                     |                           |                      |
|----------------------------------------------------------|----------------------|---------------------|---------------------------|----------------------|
|                                                          | Water Utility        | Sewer Maintenance   | Nonmajor Enterprise Funds | Total                |
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>         |                      |                     |                           |                      |
| Current assets:                                          |                      |                     |                           |                      |
| Cash and investments                                     | \$ 20,016,803        | \$ 4,033,912        | \$ 431,818                | \$ 24,482,533        |
| Accounts receivable                                      | 2,158,541            | 422,882             | 5,493                     | 2,586,916            |
| Interest receivable                                      | 89,897               | 18,075              | -                         | 107,972              |
| Prepaid items                                            | 116,106              | -                   | 7,388                     | 123,494              |
| Due from other governments                               | -                    | 194                 | 399,334                   | 399,528              |
| Inventories                                              | -                    | -                   | 14,386                    | 14,386               |
| Total current assets                                     | 22,381,347           | 4,475,063           | 858,419                   | 27,714,829           |
| Capital assets:                                          |                      |                     |                           |                      |
| Nondepreciable                                           | 6,569,123            | 296,953             | -                         | 6,866,076            |
| Depreciable, net                                         | 32,633,766           | 4,699,066           | 180,249                   | 37,513,081           |
| Total capital assets                                     | 39,202,889           | 4,996,019           | 180,249                   | 44,379,157           |
| <b>Total assets</b>                                      | <b>61,584,236</b>    | <b>9,471,082</b>    | <b>1,038,668</b>          | <b>72,093,986</b>    |
| Deferred outflows of resources:                          |                      |                     |                           |                      |
| Deferred outflows related to net pension liability       | 742,902              | 220,080             | 54,577                    | 1,017,559            |
| Deferred outflows related to OPEB                        | 92,970               | -                   | -                         | 92,970               |
| <b>Total deferred outflows of resources</b>              | <b>835,872</b>       | <b>220,080</b>      | <b>54,577</b>             | <b>1,110,529</b>     |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>     |                      |                     |                           |                      |
| Current liabilities:                                     |                      |                     |                           |                      |
| Accounts payable                                         | 2,017,834            | 8,013               | 297,855                   | 2,323,702            |
| Retentions payable                                       | 37,410               | 5,860               | -                         | 43,270               |
| Accrued salaries payable                                 | 59,446               | 17,032              | 4,211                     | 80,689               |
| Compensated absences payable - due within one year       | 93,754               | -                   | -                         | 93,754               |
| Deposits                                                 | 91,859               | -                   | 37,897                    | 129,756              |
| Total current liabilities                                | 2,300,303            | 30,905              | 339,963                   | 2,671,171            |
| Noncurrent liabilities:                                  |                      |                     |                           |                      |
| Net pension liabilities                                  | 6,438,459            | 1,907,352           | 472,997                   | 8,818,808            |
| Net OPEB liabilities                                     | 733,544              | -                   | -                         | 733,544              |
| Compensated absences payable - due in more than one year | 30,554               | -                   | -                         | 30,554               |
| Advances from other funds                                | -                    | -                   | 201,614                   | 201,614              |
| Total noncurrent liabilities                             | 7,202,557            | 1,907,352           | 674,611                   | 9,784,520            |
| <b>Total liabilities</b>                                 | <b>9,502,860</b>     | <b>1,938,257</b>    | <b>1,014,574</b>          | <b>12,455,691</b>    |
| Deferred inflows of resources:                           |                      |                     |                           |                      |
| Deferred inflows related to net pension liability        | 121,748              | 36,067              | 8,943                     | 166,758              |
| Deferred inflows related to OPEB                         | 2,043                | -                   | -                         | 2,043                |
| <b>Total deferred inflows of resources</b>               | <b>123,791</b>       | <b>36,067</b>       | <b>8,943</b>              | <b>168,801</b>       |
| <b>NET POSITION</b>                                      |                      |                     |                           |                      |
| Net investment in capital assets                         | 39,202,889           | 4,996,019           | 180,249                   | 44,379,157           |
| Unrestricted                                             | 13,590,568           | 2,720,819           | (110,521)                 | 16,200,866           |
| <b>Total net position</b>                                | <b>\$ 52,793,457</b> | <b>\$ 7,716,838</b> | <b>\$ 69,728</b>          | <b>\$ 60,580,023</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, 2019**

|                                               | Enterprise Funds     |                     |                              |                      |
|-----------------------------------------------|----------------------|---------------------|------------------------------|----------------------|
|                                               | Water Utility        | Sewer Maintenance   | Nonmajor<br>Enterprise Funds | Total                |
| <b>OPERATING REVENUES:</b>                    |                      |                     |                              |                      |
| Charges for services                          | \$ 12,803,353        | \$ 2,408,365        | \$ 524,473                   | \$ 15,736,191        |
| Other                                         | 3,427                | -                   | -                            | 3,427                |
| <b>Total operating revenues</b>               | <b>12,806,780</b>    | <b>2,408,365</b>    | <b>524,473</b>               | <b>15,739,618</b>    |
| <b>OPERATING EXPENSES:</b>                    |                      |                     |                              |                      |
| Administration and general                    | 3,465,398            | 1,369,187           | 496,822                      | 5,331,407            |
| Power, supplies and pumping                   | 11,560,087           | 185,887             | -                            | 11,745,974           |
| Merchandise and food                          | -                    | -                   | 21,760                       | 21,760               |
| Supplies and maintenances                     | -                    | -                   | 82,236                       | 82,236               |
| Contract costs                                | 174,809              | 48,847              | 1,911,468                    | 2,135,124            |
| Depreciation                                  | 1,653,075            | 215,926             | 23,964                       | 1,892,965            |
| <b>Total operating expenses</b>               | <b>16,853,369</b>    | <b>1,819,847</b>    | <b>2,536,250</b>             | <b>21,209,466</b>    |
| <b>OPERATING INCOME (LOSS)</b>                | <b>(4,046,589)</b>   | <b>588,518</b>      | <b>(2,011,777)</b>           | <b>(5,469,848)</b>   |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |                      |                     |                              |                      |
| Investment income                             | 767,420              | 128,691             | -                            | 896,111              |
| Federal and state grants                      | -                    | -                   | 1,509,498                    | 1,509,498            |
| Gain on disposal of capital assets            | 10,529               | -                   | -                            | 10,529               |
| <b>Total nonoperating revenues (expenses)</b> | <b>777,949</b>       | <b>128,691</b>      | <b>1,509,498</b>             | <b>2,416,138</b>     |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | <b>(3,268,640)</b>   | <b>717,209</b>      | <b>(502,279)</b>             | <b>(3,053,710)</b>   |
| <b>TRANSFERS:</b>                             |                      |                     |                              |                      |
| Transfers in                                  | -                    | -                   | 985,076                      | 985,076              |
| <b>Total transfers</b>                        | <b>-</b>             | <b>-</b>            | <b>985,076</b>               | <b>985,076</b>       |
| <b>Changes in net position</b>                | <b>(3,268,640)</b>   | <b>717,209</b>      | <b>482,797</b>               | <b>(2,068,634)</b>   |
| <b>NET POSITION (DEFICIT):</b>                |                      |                     |                              |                      |
| Beginning of fiscal year                      | 56,062,097           | 6,999,629           | (413,069)                    | 62,648,657           |
| End of fiscal year                            | <u>\$ 52,793,457</u> | <u>\$ 7,716,838</u> | <u>\$ 69,728</u>             | <u>\$ 60,580,023</u> |

See Accompanying Notes to the Basic Financial Statements.

**City of Arcadia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2019**

|                                                                                                          | Enterprise Funds      |                     |                           |                       |
|----------------------------------------------------------------------------------------------------------|-----------------------|---------------------|---------------------------|-----------------------|
|                                                                                                          | Water Utility         | Sewer Maintenance   | Nonmajor Enterprise Funds | Total                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                             |                       |                     |                           |                       |
| Cash received from customers                                                                             | \$ 12,966,089         | \$ 2,416,773        | \$ 556,877                | \$ 15,939,739         |
| Cash payments to suppliers for goods and services                                                        | (12,654,883)          | (712,501)           | (2,150,135)               | (15,517,519)          |
| Cash payments to employees for services                                                                  | (2,740,131)           | (804,456)           | (195,811)                 | (3,740,398)           |
| Cash received for other operating activities                                                             | 3,427                 | -                   | -                         | 3,427                 |
| <b>Net cash provided by (used in) operating activities</b>                                               | <b>(2,425,498)</b>    | <b>899,816</b>      | <b>(1,789,069)</b>        | <b>(3,314,751)</b>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                                  |                       |                     |                           |                       |
| Cash received from other governments                                                                     | -                     | -                   | 1,133,170                 | 1,133,170             |
| Advances from other funds                                                                                | -                     | -                   | 201,614                   | 201,614               |
| Transfers in                                                                                             | -                     | -                   | 985,076                   | 985,076               |
| <b>Net cash provided (used) by noncapital financing activities</b>                                       | <b>-</b>              | <b>-</b>            | <b>2,319,860</b>          | <b>2,319,860</b>      |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>                                         |                       |                     |                           |                       |
| Proceeds from sale of capital assets                                                                     | 10,529                | -                   | -                         | 10,529                |
| Acquisition of capital assets                                                                            | (1,366,515)           | (296,075)           | (204,213)                 | (1,866,803)           |
| <b>Net cash provided by (used in) capital and related financing activities</b>                           | <b>(1,355,986)</b>    | <b>(296,075)</b>    | <b>(204,213)</b>          | <b>(1,856,274)</b>    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>                                                             |                       |                     |                           |                       |
| Interest received                                                                                        | 758,263               | 122,186             | -                         | 880,449               |
| <b>Net cash provided by investing activities</b>                                                         | <b>758,263</b>        | <b>122,186</b>      | <b>-</b>                  | <b>880,449</b>        |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                              | <b>(3,023,221)</b>    | <b>725,927</b>      | <b>326,578</b>            | <b>(1,970,716)</b>    |
| <b>CASH AND CASH EQUIVALENTS - Beginning of fiscal year</b>                                              | <b>23,040,024</b>     | <b>3,307,985</b>    | <b>105,240</b>            | <b>26,453,249</b>     |
| <b>CASH AND CASH EQUIVALENTS - End of fiscal year</b>                                                    | <b>\$ 20,016,803</b>  | <b>\$ 4,033,912</b> | <b>\$ 431,818</b>         | <b>\$ 24,482,533</b>  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>    |                       |                     |                           |                       |
| Operating income (loss)                                                                                  | \$ (4,046,589)        | \$ 588,518          | \$ (2,011,777)            | \$ (5,469,848)        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: |                       |                     |                           |                       |
| Depreciation                                                                                             | 1,653,075             | 215,926             | 23,964                    | 1,892,965             |
| Changes in assets, deferred outflows, liabilities, and deferred inflows:                                 |                       |                     |                           |                       |
| Accounts receivable                                                                                      | 179,234               | 8,413               | (5,493)                   | 182,154               |
| Prepaid items                                                                                            | 2,740                 | 98                  | (7,388)                   | (4,550)               |
| Due from other governments                                                                               | -                     | (5)                 | -                         | (5)                   |
| Inventories                                                                                              | -                     | -                   | (14,386)                  | (14,386)              |
| Accounts payable                                                                                         | (627,969)             | (13,720)            | 173,248                   | (468,441)             |
| Retention payable                                                                                        | 18,033                | 3,632               | -                         | 21,665                |
| Accrued salaries payable                                                                                 | 8,598                 | 2,272               | 572                       | 11,442                |
| Deposits                                                                                                 | (16,498)              | -                   | 37,897                    | 21,399                |
| Net pension liabilities                                                                                  | (166,422)             | (81,316)            | (31,381)                  | (279,119)             |
| Deferred outflow of resources - pension                                                                  | 591,383               | 181,660             | 47,316                    | 820,359               |
| Deferred inflow of resources - pension                                                                   | (16,844)              | (5,662)             | (1,641)                   | (24,147)              |
| Net OPEB obligation                                                                                      | 17,385                | -                   | -                         | 17,385                |
| Deferred outflow of resources - OPEB                                                                     | (17,771)              | -                   | -                         | (17,771)              |
| Deferred inflow of resources - OPEB                                                                      | 150                   | -                   | -                         | 150                   |
| Compensated absences                                                                                     | (4,003)               | -                   | -                         | (4,003)               |
| <b>Total adjustments</b>                                                                                 | <b>1,621,091</b>      | <b>311,298</b>      | <b>222,708</b>            | <b>2,155,097</b>      |
| <b>Net cash provided by (used in) operating activities</b>                                               | <b>\$ (2,425,498)</b> | <b>\$ 899,816</b>   | <b>\$ (1,789,069)</b>     | <b>\$ (3,314,751)</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, 2019**

|                                           | Successor Agency<br>to the Arcadia<br>Redevelopment<br>Agency<br>Private-Purpose<br>Trust Fund | Agency<br>Fund             |
|-------------------------------------------|------------------------------------------------------------------------------------------------|----------------------------|
|                                           | <u>Trust Fund</u>                                                                              | <u>Fund</u>                |
| <b>ASSETS</b>                             |                                                                                                |                            |
| Current assets:                           |                                                                                                |                            |
| Cash and investments                      | \$ 3,768,177                                                                                   | \$ 2,970,254               |
| Cash and investments with fiscal agent    | 2,955,079                                                                                      | -                          |
| Accounts receivable                       | -                                                                                              | 10,821                     |
| Interest receivable                       | 23,700                                                                                         | -                          |
| Due from other governments                | 7,440                                                                                          | -                          |
| Total current assets                      | <u>6,754,396</u>                                                                               | <u>2,981,075</u>           |
| Noncurrent assets:                        |                                                                                                |                            |
| Land held for resale                      | <u>4,770,232</u>                                                                               | <u>-</u>                   |
| Total noncurrent assets                   | <u>4,770,232</u>                                                                               | <u>-</u>                   |
| <b>Total assets</b>                       | <u>11,524,628</u>                                                                              | <u><u>\$ 2,981,075</u></u> |
| <b>LIABILITIES</b>                        |                                                                                                |                            |
| Current liabilities:                      |                                                                                                |                            |
| Accounts payable                          | 754                                                                                            | \$ 66,028                  |
| Accrued salaries payable                  | 1,273                                                                                          | -                          |
| Deposits payable                          | -                                                                                              | 2,915,047                  |
| Interest payable                          | 295,471                                                                                        | -                          |
| Bonds payable - due within one year       | <u>1,693,355</u>                                                                               | <u>-</u>                   |
| Total current liabilities                 | <u>1,990,853</u>                                                                               | <u>2,981,075</u>           |
| Noncurrent liabilities:                   |                                                                                                |                            |
| Bonds payable - due in more than one year | <u>14,026,644</u>                                                                              | <u>-</u>                   |
| Total noncurrent liabilities              | <u>14,026,644</u>                                                                              | <u>-</u>                   |
| <b>Total liabilities</b>                  | <u>16,017,497</u>                                                                              | <u><u>\$ 2,981,075</u></u> |
| <b>NET POSITION (DEFICIT)</b>             |                                                                                                |                            |
| Held in trust                             | <u><u>\$ (4,492,869)</u></u>                                                                   |                            |

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, 2019**

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|                                       | Successor Agency<br>to the Arcadia<br>Redevelopment<br>Agency<br>Private-Purpose<br>Trust Fund |
|---------------------------------------|------------------------------------------------------------------------------------------------|
|                                       | <hr/>                                                                                          |
| <b>ADDITIONS:</b>                     |                                                                                                |
| Redevelopment Property Tax Trust Fund | \$ 2,613,122                                                                                   |
| Use of money and property             | 266,366                                                                                        |
| Other revenues                        | <hr/> 75                                                                                       |
| <b>Total additions</b>                | <hr/> 2,879,563 <hr/>                                                                          |
| <b>DEDUCTIONS:</b>                    |                                                                                                |
| Enforceable obligations               | 1,022,043                                                                                      |
| Administration                        | <hr/> 267,900                                                                                  |
| <b>Total deductions</b>               | <hr/> 1,289,943 <hr/>                                                                          |
| <b>Change in net position</b>         | 1,589,620                                                                                      |
| <b>NET POSITION (DEFICIT):</b>        |                                                                                                |
| Beginning of fiscal year              | <hr/> (6,082,489)                                                                              |
| End of fiscal year                    | <hr/> \$ (4,492,869) <hr/>                                                                     |

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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, 2019**

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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, 2019**

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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, 2019**

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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.
- Measure M Special Revenue Fund – This fund was established to account for monies received from Measure M allocation, which can be used to major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeway; pedestrian improvements; streetscapes; signal synchronizations; and transit operations.
- 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the costs of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary funds:

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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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)*

- Sewer Maintenance Enterprise Fund – This fund was established to account for the maintenance of the City’s sewer system. Financing is provided by fees charged to residential and commercial developers.

*Fiduciary Fund Financial Statements*

The fiduciary 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, 2019**

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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 acquisition value on the date donated. City policy has set the capitalization threshold for reporting infrastructure at \$50,000; all other capital assets are set at \$5,000.

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, 2019**

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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, 2019**

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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, 2019**

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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, 2019**

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**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. Future Accounting Pronouncements***

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

|                  |                                                                                 |                                                                                                  |
|------------------|---------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------|
| Statement No. 84 | "Fiduciary Activities"                                                          | The provision of this statement is effective for fiscal years beginning after December 15, 2018. |
| Statement No. 87 | "Leases"                                                                        | The provision of this statement is effective for fiscal years beginning after December 15, 2019. |
| Statement No. 89 | "Accounting for Interest Cost Incurred before the End of a Construction Period" | The provision of this statement is effective for fiscal years beginning after December 15, 2019. |
| Statement No. 90 | "Majority Equity Interest-an Amendment of GASB Statements No. 14 and No. 61"    | The provision of this statement is effective for fiscal years beginning after December 15, 2018. |
| Statement No. 91 | "Conduit Debt Obligations"                                                      | The provision of this statement is effective for fiscal years beginning after December 15, 2020. |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**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, 2019:

|                                        | Government-Wide Statement of Net Position |                          |                      | Fiduciary Fund Statement of Net Position |                       |
|----------------------------------------|-------------------------------------------|--------------------------|----------------------|------------------------------------------|-----------------------|
|                                        | Governmental Activities                   | Business-Type Activities | Total                | Statement of Net Position                | Total                 |
| Cash and investments                   | \$ 66,247,775                             | \$ 24,482,533            | \$ 90,730,308        | \$ 6,738,431                             | \$ 97,468,739         |
| Cash and investments with fiscal agent | 7                                         | -                        | 7                    | 2,955,079                                | 2,955,086             |
| <b>Total cash and investments</b>      | <b>\$ 66,247,782</b>                      | <b>\$ 24,482,533</b>     | <b>\$ 90,730,315</b> | <b>\$ 9,693,510</b>                      | <b>\$ 100,423,825</b> |

The City's cash and investments at June 30, 2019 consists of the following:

|                                                 |                |
|-------------------------------------------------|----------------|
| Cash and cash equivalents:                      |                |
| Petty cash                                      | \$ 19,756      |
| Demand deposits                                 | 218,464        |
| Total cash and cash equivalents                 | 238,220        |
| Investments:                                    |                |
| Local Agency Investment Fund                    | 4,450,120      |
| California Asset Management Program             | 13,787,622     |
| Certificates of Deposits                        | 2,879,117      |
| U.S. Treasury Notes                             | 20,692,140     |
| U.S. Government Sponsored Enterprise Securities | 30,741,572     |
| Supra-National Bonds                            | 3,067,204      |
| Municipal bonds                                 | 838,754        |
| Asset Backed Securities/CMO                     | 8,571,555      |
| Corporate Bonds                                 | 12,202,435     |
| Total investments                               | 97,230,519     |
| Cash and investments with fiscal agent:         |                |
| Money Market Funds                              | 2,955,086      |
| Total cash and investments                      | \$ 100,423,825 |

**A. Deposits**

The carrying amounts of the City's demand deposits were \$218,464 at June 30, 2019. Bank balances at that date were \$1,833,074, the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below. The difference between the carrying amount and bank balances represents outstanding checks, deposits in transit, and other reconciling items.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

**A. Deposits (Continued)**

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

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

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

**B. Investments**

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

| Authorized Investment Type                                                   | Maximum Maturity | Maximum Percentage of Portfolio * | Maximum Investment in One Issuer |
|------------------------------------------------------------------------------|------------------|-----------------------------------|----------------------------------|
| United States Treasury Obligations                                           | 5 years          | No Limit                          | No Limit                         |
| Federal Agency or United States Government-Sponsored Enterprise Obligations. |                  |                                   |                                  |
| Participations, or Other Instruments                                         | 5 years          | No Limit                          | No Limit                         |
| Repurchase Agreements                                                        | 30 days          | No Limit                          | 5%                               |
| Supranational Obligations                                                    | 5 years          | 30%                               | No Limit                         |
| Prime Commercial Paper                                                       | 270 days         | 25%                               | 10%                              |
| Eligible Bankers' Acceptances                                                | 180 days         | 15%                               | 15%                              |
| Medium-term notes (Corporate Notes/Bonds)                                    | 3 or 5 years***  | 30%                               | 5%                               |
| Asset-Backed Securities                                                      | 5 years          | 20%                               | 5%                               |
| Negotiable Certificates of deposit (amount limited to FDIC insurance limits) | 5 years          | No Limit                          | 5%                               |
| Non-negotiable Certificates of deposit and savings deposits                  | 5 years          | 20%                               | 5%                               |
| Placement Service Deposits                                                   | 5 years          | 20%                               | 5%                               |
| Local Agency Investment Fund ("LAIF")                                        | N/A              | No Limit                          | \$65 Million                     |
| Money Market Mutual Funds                                                    | N/A              | 20%                               | No Limit                         |
| Local Government Investment Pools                                            | N/A              | No Limit                          | No Limit                         |
| Municipal & State Obligations                                                | 5 years          | 20%                               | 5%                               |

N/A - Not Applicable

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

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

**B. Investments (Continued)**

The City is a participant in LAIF which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The City's investments with LAIF at June 30, 2019, 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, 2019, the City had \$4,450,120 invested in LAIF, which had invested 1.77% of the pool investment funds in Structured Notes and Asset-Backed Securities.

The City is also participating in California Asset Management Program (CAMP). The CAMP is a permitted investment for all local agencies under California Government Code Section 53601(p). As of June 30, 2019, the City had \$13,787,622 invested in CAMP.

**C. Risk Disclosures**

Interest Rate Risk - As a means of limiting its exposure to fair value losses arising from rising interest rates, the City's investment policy limits investments to a maximum maturity of five years. At June 30, 2019, the City had the following investment maturities:

| Investment Type                            | Fair Value     | Investment Maturities (in Years) |               |               |              |              |
|--------------------------------------------|----------------|----------------------------------|---------------|---------------|--------------|--------------|
|                                            |                | Less than 1                      | 1 to 2        | 2 to 3        | 3 to 4       | 4 to 5       |
| Local Agency Investment Fund (LAIF)        | \$ 4,450,120   | \$ 4,450,120                     | \$ -          | \$ -          | \$ -         | \$ -         |
| California Asset Management Program (CAMP) | 13,787,622     | 13,787,622                       | -             | -             | -            | -            |
| Certificates of deposits                   | 2,879,117      | 1,918,233                        | 960,884       | -             | -            | -            |
| U.S. Treasury Notes                        | 20,692,140     | 448,523                          | 7,024,228     | 11,210,409    | 2,008,980    | -            |
| Federal Farm Credit Bank                   | 3,987,260      | 1,997,940                        | 1,989,320     | -             | -            | -            |
| Federal Home Loan Bank                     | 11,947,407     | 2,994,590                        | 4,409,262     | 4,543,555     | -            | -            |
| Federal Home Loan Mortgage Corporation     | 6,582,279      | 3,594,329                        | 2,002,170     | 985,780       | -            | -            |
| Federal National Mortgage Association      | 6,513,324      | 1,993,690                        | 3,493,760     | 1,025,874     | -            | -            |
| Federal CMO                                | 1,711,302      | -                                | -             | 1,268,284     | 443,018      | -            |
| Supra-National Bonds                       | 3,067,204      | -                                | 2,323,714     | 743,490       | -            | -            |
| Municipal Bonds                            | 838,754        | 249,700                          | 589,054       | -             | -            | -            |
| Asset Backed Securities                    | 8,571,555      | -                                | 196,172       | 4,136,178     | 3,014,670    | 1,224,535    |
| Corporate Bonds                            | 12,202,435     | 2,052,723                        | 6,150,805     | 3,496,467     | 502,440      | -            |
| Held by Fiscal Agent:                      |                |                                  |               |               |              |              |
| Money Market Funds                         | 2,955,086      | 2,955,086                        | -             | -             | -            | -            |
| Total                                      | \$ 100,185,605 | \$ 36,442,556                    | \$ 29,139,369 | \$ 27,410,037 | \$ 5,969,108 | \$ 1,224,535 |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

**C. Risk Disclosures (Continued)**

**Credit Risk** - State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations (“NRSROs”). It is the City’s policy to limit its investments in these investment types to the top rating issued by Standard & Poor’s and Moody’s Investors Service. At June 30, 2019, the City’s credit risks, expressed on a percentage basis, were as follows:

| Credit Quality Distribution for Securities<br>with Credit Exposure as a Percentage of Total Investments |                             |                           |                                                |
|---------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------|------------------------------------------------|
| Investment Type                                                                                         | Moody's<br>Credit<br>Rating | S&P's<br>Credit<br>Rating | % of Investments<br>with Interest<br>Rate Risk |
| Certificates of Deposit                                                                                 | Not Rated                   | Not Rated                 | 2.96%                                          |
| United States Treasury Notes                                                                            | Aaa                         | AA+                       | 21.28%                                         |
| Federal Farm Credit Bank                                                                                | Aaa                         | AA+                       | 4.10%                                          |
| Federal Home Loan Bank                                                                                  | Aaa                         | AA+                       | 12.29%                                         |
| Federal Home Loan Mortgage Corp.                                                                        | Aaa                         | AA+                       | 6.77%                                          |
| Federal National Mortgage Association                                                                   | Aaa                         | AA+                       | 6.70%                                          |
| Federal CMO                                                                                             | Aaa                         | AA+                       | 1.76%                                          |
| Supranational Bonds - Int'l Bank of Recon & Devel                                                       | Aaa                         | AAA                       | 1.53%                                          |
| Supranational Bonds - Inter-American Devel Bank                                                         | Aaa                         | AAA                       | 1.10%                                          |
| Supranational Bonds - International Finance Corp                                                        | Aaa                         | AAA                       | 0.52%                                          |
| Municipal Bonds                                                                                         | Aa2                         | AA                        | 0.86%                                          |
| Asset Backed Securities - CarMax 2017-4                                                                 | Not rated                   | AAA                       | 0.04%                                          |
| Asset Backed Securities - GM Financial Automobile Leasing Trust 2018-3                                  | Aaa                         | AAA                       | 0.17%                                          |
| Asset Backed Securities - BMW Vehicle Leasing Trust 2018-1                                              | Aaa                         | AAA                       | 0.10%                                          |
| Asset Backed Securities - Nissan Auto Lease Trust                                                       | Aaa                         | AAA                       | 0.20%                                          |
| Asset Backed Securities - Mercedes-Benz Auto Lease Trust 2018-B                                         | Not rated                   | AAA                       | 0.49%                                          |
| Asset Backed Securities - Honda Auto Rcvbl 2017-3                                                       | Not rated                   | AAA                       | 0.12%                                          |
| Asset Backed Securities - John Deere 2017-B                                                             | Aaa                         | Not rated                 | 0.12%                                          |
| Asset Backed Securities - Nissan Auto Rcvbl 2017-B                                                      | Aaa                         | Not rated                 | 0.26%                                          |
| Asset Backed Securities - Toyota Auto Rcvbl 2017-C                                                      | Aaa                         | AAA                       | 0.15%                                          |
| Asset Backed Securities - Ally Auto Rcvbl 2017-4                                                        | Not rated                   | AAA                       | 0.15%                                          |
| Asset Backed Securities - Ford Credit Auto Lease Trust                                                  | Aaa                         | Not rated                 | 0.22%                                          |
| Asset Backed Securities - Hyundai Auto Rcvbl 2017-B                                                     | Aaa                         | AAA                       | 0.21%                                          |
| Asset Backed Securities - Toyota Auto Rcvbl 2017-D                                                      | Aaa                         | AAA                       | 0.16%                                          |
| Asset Backed Securities - Honda Auto Rcvbl 2018-1                                                       | Aaa                         | AAA                       | 0.44%                                          |
| Asset Backed Securities - Ally Auto Rcvbl 2017-5                                                        | Aaa                         | AAA                       | 0.33%                                          |
| Asset Backed Securities - Ford Credit 2017-C                                                            | Not rated                   | AAA                       | 0.51%                                          |
| Asset Backed Securities - John Deere 2018                                                               | Aaa                         | Not rated                 | 0.12%                                          |
| Asset Backed Securities - Nissan Auto Rcvbl 2017-C                                                      | Aaa                         | Not rated                 | 0.15%                                          |
| Asset Backed Securities - Nissan Auto Rcvbl 2018-A                                                      | Aaa                         | AAA                       | 0.13%                                          |
| Asset Backed Securities - Toyota Auto Rcvbl 2018-A                                                      | Aaa                         | AAA                       | 0.11%                                          |
| Asset Backed Securities - Honda Auto Rcvbl 2018-2                                                       | Not rated                   | AAA                       | 0.09%                                          |
| Asset Backed Securities - Hyundai Auto Rcvbl 2018-A                                                     | Aaa                         | AAA                       | 0.17%                                          |
| Asset Backed Securities - BA Credit Card Trust                                                          | Aaa                         | Not rated                 | 0.26%                                          |
| Asset Backed Securities - Toyota Auto Rcvbl 2018-B                                                      | Aaa                         | AAA                       | 0.44%                                          |
| Asset Backed Securities - Ford Credit 2018-A                                                            | Not rated                   | AAA                       | 0.26%                                          |
| Asset Backed Securities - Ally Auto Rcvbl 2018-2                                                        | Aaa                         | Not rated                 | 0.37%                                          |
| Asset Backed Securities - Hyundai Auto Rcvbl 2018-B                                                     | Aaa                         | AAA                       | 0.10%                                          |
| Asset Backed Securities - Mercedes-Benz Auto Rcvble 2018-B                                              | Aaa                         | AAA                       | 0.33%                                          |
| Asset Backed Securities - Citibank Credit Card Issuance Trust                                           | Aaa                         | Not rated                 | 0.26%                                          |
| Asset Backed Securities - Volkswagen Auto Loan Enhanced Trust                                           | Aaa                         | AAA                       | 0.38%                                          |
| Asset Backed Securities - GM Financial Consumer Automobile Rcvbl Trust 2018-3                           | Not rated                   | AAA                       | 0.23%                                          |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

**C. Risk Disclosures (Continued)**

| Credit Quality Distribution for Securities<br>with Credit Exposure as a Percentage of Total Investments |                             |                           |                                                |
|---------------------------------------------------------------------------------------------------------|-----------------------------|---------------------------|------------------------------------------------|
| Investment Type                                                                                         | Moody's<br>Credit<br>Rating | S&P's<br>Credit<br>Rating | % of Investments<br>with Interest<br>Rate Risk |
| Asset Backed Securities - Hyundai Auto Rcvbl Trust 2019-A                                               | Not rated                   | AAA                       | 0.22%                                          |
| Asset Backed Securities - CarMax Auto Owner Trust                                                       | Not rated                   | AAA                       | 0.25%                                          |
| Asset Backed Securities - CarMax Auto Owner Trust 2018-4                                                | Not rated                   | AAA                       | 0.20%                                          |
| Asset Backed Securities - Capital One Prime Auto Rcvbl Trust 2019-1                                     | Aaa                         | AAA                       | 0.15%                                          |
| Asset Backed Securities - GM Financial Consumer Automobile Rcvbl Trust 2019-1                           | Aaa                         | Not rated                 | 0.29%                                          |
| Asset Backed Securities - Fifth Third Auto Trust 2019-1                                                 | Aaa                         | AAA                       | 0.19%                                          |
| Asset Backed Securities - Harley-Davidson Motorcycle Trust 2019-A                                       | Aaa                         | Not rated                 | 0.26%                                          |
| Asset Backed Securities - CarMax Auto Owner Trust 2019-2                                                | Not rated                   | AAA                       | 0.18%                                          |
| Corporate Bonds - American Honda                                                                        | A2                          | A                         | 1.03%                                          |
| Corporate Bonds - Morgan Stanley                                                                        | A3                          | BBB+                      | 0.39%                                          |
| Corporate Bonds - HSBC USA                                                                              | A2                          | A                         | 0.18%                                          |
| Corporate Bonds - Goldman Sachs                                                                         | A3                          | BBB+                      | 0.35%                                          |
| Corporate Bonds - Intel Corp                                                                            | A1                          | A+                        | 0.26%                                          |
| Corporate Bonds - Apple                                                                                 | Aa1                         | AA+                       | 0.53%                                          |
| Corporate Bonds - General Dynamics                                                                      | A2                          | A+                        | 0.31%                                          |
| Corporate Bonds - IBM                                                                                   | A1                          | A                         | 0.26%                                          |
| Corporate Bonds - Home Depot                                                                            | A2                          | A                         | 0.12%                                          |
| Corporate Bonds - BNY Mellon                                                                            | A1                          | A                         | 0.52%                                          |
| Corporate Bonds - Caterpillar                                                                           | A3                          | A                         | 0.52%                                          |
| Corporate Bonds - General Electric                                                                      | Baa1                        | BBB+                      | 0.24%                                          |
| Corporate Bonds - Bank of America                                                                       | A2                          | A-                        | 0.52%                                          |
| Corporate Bonds - American Express                                                                      | A3                          | BBB+                      | 0.57%                                          |
| Corporate Bonds - Johnson & Johnson                                                                     | Aaa                         | AAA                       | 0.11%                                          |
| Corporate Bonds - Paccar Financial Corp                                                                 | A1                          | A+                        | 0.59%                                          |
| Corporate Bonds - John Deere Capital                                                                    | A2                          | A                         | 0.71%                                          |
| Corporate Bonds - Branch Banking & Trust                                                                | A2                          | A-                        | 0.51%                                          |
| Corporate Bonds - National Rural Utilities                                                              | A2                          | A                         | 0.21%                                          |
| Corporate Bonds - Unilever                                                                              | A1                          | A+                        | 0.52%                                          |
| Corporate Bonds - Toyota Motor                                                                          | Aa3                         | AA-                       | 0.52%                                          |
| Corporate Bonds - Charles Schwab Corp                                                                   | A2                          | A                         | 0.25%                                          |
| Corporate Bonds - JPMorgan Chase                                                                        | A2                          | A-                        | 0.26%                                          |
| Corporate Bonds - Walmart                                                                               | Aa2                         | AA                        | 0.36%                                          |
| Corporate Bonds - Pfizer                                                                                | A1                          | AA                        | 0.46%                                          |
| Corporate Bonds - Boeing                                                                                | A2                          | A                         | 0.26%                                          |
| Corporate Bonds - Citigroup                                                                             | A3                          | BBB+                      | 0.26%                                          |
| Corporate Bonds - 3M                                                                                    | A1                          | AA-                       | 0.16%                                          |
| Corporate Bonds - Chevron Corp                                                                          | Aa2                         | AA                        | 0.26%                                          |
| Corporate Bonds - US Bank NA                                                                            | A1                          | A+                        | 0.26%                                          |
| Corporate Bonds - United Parcel Service                                                                 | A1                          | A+                        | 0.26%                                          |
| Corporate Bonds - Blackrock Inc                                                                         | Aa3                         | AA-                       | 0.27%                                          |
| Corporate Bonds - Procter & Gamble                                                                      | Aa3                         | AA-                       | 0.26%                                          |
| Corporate Bonds - Visa                                                                                  | Aa3                         | AA-                       | 0.26%                                          |
| Local Agency Investment Fund                                                                            | Not Rated                   | Not Rated                 | 4.58%                                          |
| California Asset Management Program                                                                     | Not Rated                   | Not Rated                 | 14.19%                                         |
|                                                                                                         |                             |                           | <u>100.00%</u>                                 |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**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, \$2,955,086 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, 2019.

**D. Fair Value Measurements**

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

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

The City pooled investments has the following recurring fair value measurements as of June 30, 2019:

| Investment by Fair Value Level           | Fair Value    | Fair Value Measurements Using                                           |                                                    |                                                 |
|------------------------------------------|---------------|-------------------------------------------------------------------------|----------------------------------------------------|-------------------------------------------------|
|                                          |               | Quoted Prices in<br>Active Markets for<br>Identical Assets<br>(Level 1) | Significant Other<br>Observable Input<br>(Level 2) | Significant<br>Unobservable<br>Inputs (Level 3) |
| Debt securities                          |               |                                                                         |                                                    |                                                 |
| Certificates of deposits                 | \$ 2,879,117  | \$ 2,879,117                                                            | \$ -                                               | \$ -                                            |
| U.S. Treasury Notes                      | 20,692,140    | 20,692,140                                                              | -                                                  | -                                               |
| Federal Farm Credit Bank                 | 3,987,260     | 3,987,260                                                               | -                                                  | -                                               |
| Federal Home Loan Bank                   | 11,947,407    | 11,947,407                                                              | -                                                  | -                                               |
| Federal Home Loan Mortgage Corporation   | 6,582,279     | 6,582,279                                                               | -                                                  | -                                               |
| Federal National Mortgage Association    | 6,513,324     | 6,513,324                                                               | -                                                  | -                                               |
| Federal CMO                              | 1,711,302     | 1,711,302                                                               | -                                                  | -                                               |
| Supra-National Bonds                     | 3,067,204     | 3,067,204                                                               | -                                                  | -                                               |
| Municipal Bonds                          | 838,754       | 838,754                                                                 | -                                                  | -                                               |
| Asset Backed Securities                  | 8,571,555     | 8,571,555                                                               | -                                                  | -                                               |
| Corporate Bonds                          | 12,202,435    | 12,202,435                                                              | -                                                  | -                                               |
| Total Investments Measured at Fair Value | 78,992,777    | \$ 78,992,777                                                           | \$ -                                               | \$ -                                            |
| Investments Measured at Amortized Cost   |               |                                                                         |                                                    |                                                 |
| LAIF                                     | 4,450,120     |                                                                         |                                                    |                                                 |
| CAMP                                     | 13,787,622    |                                                                         |                                                    |                                                 |
| Total Pooled Investments                 | \$ 97,230,519 |                                                                         |                                                    |                                                 |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**Note 3 – Interfund Transactions**

**A. Government-Wide Financial Statements**

**Transfers** - At June 30, 2019, the City had the following transfers for the operation of the Transit System Enterprise Fund:

| <b>Transfers In</b>     |                          |
|-------------------------|--------------------------|
|                         | Business-Type Activities |
| <b>Transfers Out</b>    |                          |
| Governmental Activities | \$ 985,076               |

**B. Fund Financial Statements**

**Advances To/From Other Funds** – At June 30, 2019, the City had the following advances to/from other funds:

| <b>Advances to Other Funds</b>   |              |
|----------------------------------|--------------|
|                                  | General Fund |
| <b>Advances from Other Funds</b> |              |
| Non Major Enterprise Fund        | \$ 201,614   |
| <b>Total</b>                     | \$ 201,614   |

The above interfund balances resulted from the City General fund financed the operation of the PAR 3 Golf Course.

**Due From/To Other Funds** - At June 30, 2019, the City had the following due from/to other funds:

| <b>Due from Other Funds</b> |              |
|-----------------------------|--------------|
|                             | General Fund |
| <b>Due to Other Funds</b>   |              |
| Nonmajor Governmental Funds | \$ 117,576   |
| <b>Total</b>                | \$ 117,576   |

The above interfund balances resulted from temporary reclassifications made at June 30, 2019 to cover cash shortfalls.

**Transfers In/Out** - At June 30, 2019, the City had the following transfers in/out which arise in the normal course of operations:

| <b>Transfers Out</b>        | <b>Transfers In</b> |                                      |                             |                          | <b>Total</b> |
|-----------------------------|---------------------|--------------------------------------|-----------------------------|--------------------------|--------------|
|                             | General Fund        | Capital Outlay Capital Projects Fund | Nonmajor Governmental Funds | Nonmajor Enterprise Fund |              |
| General Fund                | \$ -                | \$ 2,400,000                         | \$ 677,204                  | \$ -                     | \$ 3,077,204 |
| Nonmajor Governmental Funds | 1,580,943           | -                                    | -                           | 985,076                  | 2,566,019    |
| <b>Total</b>                | \$ 1,580,943        | \$ 2,400,000                         | \$ 677,204                  | \$ 985,076               | \$ 5,643,223 |

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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**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, 2019 is as follows:

|                                                    | Governmental Activities |                   |                   |             |                          |
|----------------------------------------------------|-------------------------|-------------------|-------------------|-------------|--------------------------|
|                                                    | Balance<br>July 1, 2018 | Additions         | Deletions         | Transfers   | Balance<br>June 30, 2019 |
| <b>Nondepreciable assets:</b>                      |                         |                   |                   |             |                          |
| Land                                               | \$ 4,335,769            | \$ -              | \$ -              | \$ -        | \$ 4,335,769             |
| Construction in progress                           | 663,444                 | 2,816,156         | -                 | (79,783)    | 3,399,817                |
| Total nondepreciable assets                        | 4,999,213               | 2,816,156         | -                 | (79,783)    | 7,735,586                |
| <b>Depreciable assets:</b>                         |                         |                   |                   |             |                          |
| Building and improvements                          | 58,505,212              | 305,921           | -                 | 79,783      | 58,890,916               |
| Automotive equipment                               | 11,657,755              | 650,135           | (182,623)         | -           | 12,125,267               |
| Furniture and equipment                            | 4,646,767               | 608,014           | (480,837)         | -           | 4,773,944                |
| Infrastructure                                     | 90,039,021              | 807,230           | -                 | -           | 90,846,251               |
| Total capital assets, being depreciated            | 164,848,755             | 2,371,300         | (663,460)         | 79,783      | 166,636,378              |
| <b>Less accumulated depreciation:</b>              |                         |                   |                   |             |                          |
| Building and improvements                          | (26,680,877)            | (1,788,134)       | -                 | -           | (28,469,011)             |
| Automobile equipment                               | (8,560,130)             | (925,454)         | 177,657           | -           | (9,307,927)              |
| Furniture and equipment                            | (2,016,114)             | (467,533)         | 480,837           | -           | (2,002,810)              |
| Infrastructure                                     | (73,097,508)            | (1,320,286)       | -                 | -           | (74,417,794)             |
| Total accumulated depreciation                     | (110,354,629)           | (4,501,407)       | 658,494           | -           | (114,197,542)            |
| Total depreciable assets, net                      | 54,494,126              | (2,130,107)       | (4,966)           | 79,783      | 52,438,836               |
| <b>Governmental activities capital assets, net</b> | <b>\$ 59,493,339</b>    | <b>\$ 686,049</b> | <b>\$ (4,966)</b> | <b>\$ -</b> | <b>\$ 60,174,422</b>     |

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2019 as follows:

|                                   |                     |
|-----------------------------------|---------------------|
| General government                | \$ 287,061          |
| Public safety                     | 1,861,305           |
| Public works services             | 1,754,984           |
| Community development             | 78,530              |
| Library                           | 266,492             |
| Recreation and community services | 253,035             |
| <b>Total depreciation expense</b> | <b>\$ 4,501,407</b> |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

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

A summary of changes in the capital assets for the business-type activities for the fiscal year ended June 30, 2019 is as follows:

|                                                     | Business-Type Activities |                    |             |             | Balance<br>June 30, 2019 |
|-----------------------------------------------------|--------------------------|--------------------|-------------|-------------|--------------------------|
|                                                     | Balance<br>July 1, 2018  | Additions          | Deletions   | Transfers   |                          |
| <b>Nondepreciable assets:</b>                       |                          |                    |             |             |                          |
| Land                                                | \$ 192,436               | \$ -               | \$ -        | \$ -        | \$ 192,436               |
| Water rights                                        | 5,602,000                | -                  | -           | -           | 5,602,000                |
| Construction in progress                            | 878                      | 1,070,762          | -           | -           | 1,071,640                |
| Total nondepreciable assets                         | 5,795,314                | 1,070,762          | -           | -           | 6,866,076                |
| <b>Depreciable assets:</b>                          |                          |                    |             |             |                          |
| Water treatment plant and systems                   | 71,297,531               | 576,643            | -           | -           | 71,874,174               |
| Sewer pipes                                         | 11,577,778               | -                  | -           | -           | 11,577,778               |
| Automotive equipment                                | 3,250,427                | -                  | (23,923)    | -           | 3,226,504                |
| Furniture and equipment                             | 393,161                  | 219,398            | (27,729)    | -           | 584,830                  |
| Total capital assets, being depreciated             | 86,518,897               | 796,041            | (51,652)    | -           | 87,263,286               |
| <b>Less accumulated depreciation:</b>               |                          |                    |             |             |                          |
| Water treatment plant and systems                   | (37,958,491)             | (1,597,347)        | -           | -           | (39,555,838)             |
| Sewer pipes                                         | (7,123,082)              | (155,782)          | -           | -           | (7,278,864)              |
| Automobile equipment                                | (2,579,536)              | (103,133)          | 23,923      | 14,948      | (2,643,798)              |
| Furniture and equipment                             | (247,783)                | (36,703)           | 27,729      | (14,948)    | (271,705)                |
| Total accumulated depreciation                      | (47,908,892)             | (1,892,965)        | 51,652      | -           | (49,750,205)             |
| Total depreciable assets, net                       | 38,610,005               | (1,096,924)        | -           | -           | 37,513,081               |
| <b>Business-type activities capital assets, net</b> | <b>\$ 44,405,319</b>     | <b>\$ (26,162)</b> | <b>\$ -</b> | <b>\$ -</b> | <b>\$ 44,379,157</b>     |

Depreciation expense for business-type activities for the fiscal year ended June 30, 2019 was charged as follows:

|                                   |                     |
|-----------------------------------|---------------------|
| Water Utility                     | \$ 1,653,075        |
| Sewer Maintenance                 | 215,926             |
| Arcadia PAR 3 Golf Course         | 23,964              |
| <b>Total depreciation expense</b> | <b>\$ 1,892,965</b> |

**B. Fund Financial Statements**

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**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, 2019 is as follows:

|                               | Balance<br>July 1, 2018 | Additions           | Deletions             | Balance<br>June 30, 2019 | Due within<br>One Year | Due in more<br>than One Year |
|-------------------------------|-------------------------|---------------------|-----------------------|--------------------------|------------------------|------------------------------|
| 2011 General Obligation Bonds | \$ 6,300,000            | \$ -                | \$ (335,000)          | \$ 5,965,000             | \$ 350,000             | \$ 5,615,000                 |
| 2012 General Obligation Bonds | 4,920,000               | -                   | (280,000)             | 4,640,000                | 290,000                | 4,350,000                    |
| Subtotal                      | 11,220,000              | -                   | (615,000)             | 10,605,000               | 640,000                | 9,965,000                    |
| Add deferred amounts:         |                         |                     |                       |                          |                        |                              |
| Bond premium - 2011 GOB       | 292,972                 | -                   | (22,265)              | 270,707                  | 22,265                 | 248,442                      |
| Bond premium - 2012 GOB       | 254,457                 | -                   | (19,345)              | 235,112                  | 19,345                 | 215,767                      |
| Subtotal                      | 547,429                 | -                   | (41,610)              | 505,819                  | 41,610                 | 464,209                      |
| Total bonds payable           | 11,767,429              | -                   | (656,610)             | 11,110,819               | 681,610                | 10,429,209                   |
| Capital lease obligations     | -                       | 290,140             | (58,028)              | 232,112                  | 58,028                 | 174,084                      |
| Claims and judgments payable  | 7,448,260               | 458,132             | (1,136,074)           | 6,770,318                | 1,564,396              | 5,205,922                    |
| Compensated absences          | 2,685,596               | 1,892,407           | (1,728,305)           | 2,849,698                | 1,728,305              | 1,121,393                    |
| Net OPEB liabilities          | 16,800,194              | 468,153             | -                     | 17,268,347               | -                      | 17,268,347                   |
| Net pension liabilities       | 138,776,422             | -                   | (2,372,129)           | 136,404,293              | -                      | 136,404,293                  |
| <b>Total</b>                  | <b>\$ 177,477,901</b>   | <b>\$ 3,108,832</b> | <b>\$ (5,951,146)</b> | <b>\$ 174,635,587</b>    | <b>\$ 4,032,339</b>    | <b>\$ 170,603,248</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, 2019**

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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, 2019 totaled \$5,965,000.

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

| Fiscal<br>Year Ending<br>June 30, | Principal           | Interest            | Total               |
|-----------------------------------|---------------------|---------------------|---------------------|
| 2020                              | \$ 350,000          | \$ 241,620          | \$ 591,620          |
| 2021                              | 370,000             | 223,620             | 593,620             |
| 2022                              | 385,000             | 204,745             | 589,745             |
| 2023                              | 405,000             | 184,995             | 589,995             |
| 2024                              | 425,000             | 167,433             | 592,433             |
| 2025 - 2029                       | 2,370,000           | 586,835             | 2,956,835           |
| 2030 - 2032                       | 1,660,000           | 106,470             | 1,766,470           |
| TOTAL                             | <u>\$ 5,965,000</u> | <u>\$ 1,715,718</u> | <u>\$ 7,680,718</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, 2019 totaled \$4,640,000.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**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<br>Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-----------------------------------|---------------------|-------------------|---------------------|
| 2020                              | \$ 290,000          | \$ 124,625        | \$ 414,625          |
| 2021                              | 305,000             | 112,725           | 417,725             |
| 2022                              | 320,000             | 100,225           | 420,225             |
| 2023                              | 330,000             | 88,875            | 418,875             |
| 2024                              | 340,000             | 80,525            | 420,525             |
| 2025 - 2029                       | 1,830,000           | 291,275           | 2,121,275           |
| 2030 - 2032                       | 1,225,000           | 55,875            | 1,280,875           |
| TOTAL                             | <u>\$ 4,640,000</u> | <u>\$ 854,125</u> | <u>\$ 5,494,125</u> |

**Capital lease obligations**

During the current fiscal year, the City entered into a capital leases with options to purchase for paramedic equipment. Payments for the capital lease obligations are made in the General fund. As of June 30, 2019, the balance outstanding amount to \$232,112. The remaining outstanding balance will be paid over four equal installments amount to \$58,028.

**Claims and Judgments Payable**

The amount of claims and judgments payable at June 30, 2019 was \$6,770,318. 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 \$2,849,698.

**B. Business-Type Activities**

A summary of changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2019 is as follows:

|                             | Balance<br>July 1, 2018 | Additions         | Deletions           | Balance<br>June 30, 2019 | Due within<br>One Year | Due in more<br>than One Year |
|-----------------------------|-------------------------|-------------------|---------------------|--------------------------|------------------------|------------------------------|
| Compensated absences        | \$ 128,311              | \$ 89,751         | \$ (93,754)         | \$ 124,308               | \$ 93,754              | \$ 30,554                    |
| Net OPEB liabilities        | 716,159                 | 17,385            | -                   | 733,544                  | -                      | 733,544                      |
| Net pension liabilities     | 9,097,927               | -                 | (279,119)           | 8,818,808                | -                      | 8,818,808                    |
| <b>Total long-term debt</b> | <u>\$ 9,942,397</u>     | <u>\$ 107,136</u> | <u>\$ (372,873)</u> | <u>\$ 9,676,660</u>      | <u>\$ 93,754</u>       | <u>\$ 9,582,906</u>          |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

**B. Business-Type Activities (Continued)**

**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 \$124,308 at June 30, 2019.

**C. Fiduciary Activities**

A summary of changes in long-term debt for the private-purpose trust fund for the fiscal year ended June 30, 2019 is as follows:

|                            | Balance<br>July 1, 2018 | Additions   | Deletions             | Balance<br>June 30, 2019 | Due within<br>One Year | Due in more<br>than One Year |
|----------------------------|-------------------------|-------------|-----------------------|--------------------------|------------------------|------------------------------|
| 2001A Tax Allocation Bonds | \$ 3,415,000            | \$ -        | \$ (615,000)          | \$ 2,800,000             | \$ 645,000             | \$ 2,155,000                 |
| 2010 Tax Allocation Bonds  | 14,135,000              | -           | (1,025,000)           | 13,110,000               | 1,075,000              | 12,035,000                   |
| Subtotal                   | 17,550,000              | -           | (1,640,000)           | 15,910,000               | 1,720,000              | 14,190,000                   |
| Less deferred amounts:     |                         |             |                       |                          |                        |                              |
| Bond discount              | (216,646)               | -           | 26,645                | (190,001)                | (26,645)               | (163,356)                    |
| <b>Total bonds payable</b> | <b>\$ 17,333,354</b>    | <b>\$ -</b> | <b>\$ (1,613,355)</b> | <b>\$ 15,719,999</b>     | <b>\$ 1,693,355</b>    | <b>\$ 14,026,644</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, 2019 was 3.31 (331%)

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 \$790,019 and total net revenues reported by the Successor Agency was \$2,613,122.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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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 amount of bonds outstanding at June 30, 2019 totaled \$2,800,000 in the Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund.

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

| Fiscal<br>Year Ending<br>June 30, | Principal           | Interest          | Total               |
|-----------------------------------|---------------------|-------------------|---------------------|
| 2020                              | \$ 645,000          | \$ 143,500        | \$ 788,500          |
| 2021                              | 680,000             | 110,444           | 790,444             |
| 2022                              | 720,000             | 75,594            | 795,594             |
| 2023                              | 755,000             | 38,693            | 793,693             |
| TOTAL                             | <u>\$ 2,800,000</u> | <u>\$ 368,231</u> | <u>\$ 3,168,231</u> |

**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, 2019 was 1.40 (140%).

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 \$1,866,569 and total net revenues reported by the Successor Agency were \$2,613,122.

The amount of bonds outstanding at June 30, 2019 totaled \$13,110,000 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, 2019**

**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<br>Year Ending<br>June 30, | Principal            | Interest            | Total                |
|-----------------------------------|----------------------|---------------------|----------------------|
| 2020                              | \$ 1,075,000         | \$ 785,100          | \$ 1,860,100         |
| 2021                              | 1,135,000            | 723,616             | 1,858,616            |
| 2022                              | 1,200,000            | 656,444             | 1,856,444            |
| 2023                              | 1,265,000            | 583,244             | 1,848,244            |
| 2024                              | 1,340,000            | 503,419             | 1,843,419            |
| 2025 - 2027                       | 7,095,000            | 717,409             | 7,812,409            |
| TOTAL                             | <u>\$ 13,110,000</u> | <u>\$ 3,969,232</u> | <u>\$ 17,079,232</u> |

**Note 6 – Expenditures in Excess of Appropriations**

The following funds had expenditures in excess of budget:

| Fund                                | Appropriations | Expenditures  | Excess Expenditures<br>over Appropriations |
|-------------------------------------|----------------|---------------|--------------------------------------------|
| <b>Major Governmental Fund</b>      |                |               |                                            |
| <b>General Fund:</b>                |                |               |                                            |
| Public safety:                      |                |               |                                            |
| Fire                                | \$ 15,865,147  | \$ 16,464,591 | \$ 599,444                                 |
| Debt service:                       |                |               |                                            |
| Principal retirement                | -              | 58,028        | 58,028                                     |
| <b>Nonmajor Governmental Funds:</b> |                |               |                                            |
| <b>Special Revenue Funds:</b>       |                |               |                                            |
| COPS SLESF:                         |                |               |                                            |
| Public safety:                      |                |               |                                            |
| Police                              | 158,300        | 160,085       | 1,785                                      |
| CDBG:                               |                |               |                                            |
| Recreation and community services   | 64,700         | 66,845        | 2,145                                      |
| State and County Gas Tax:           |                |               |                                            |
| Public works services               | 2,000          | 2,490         | 490                                        |
| Used Oil Grants:                    |                |               |                                            |
| Public works services               | -              | 7,048         | 7,048                                      |

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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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, 2018, 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 \$3,000,000 are shared by all participating members. Costs of covered claims above \$3,000,000 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 2018-2019 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 \$2,000,000. Costs covered claims above \$2,000,000 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, 2019, the amount of these liabilities was \$6,770,318 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<br>Year<br>Ending<br>June 30, | Claims<br>Payable<br>July 1 | Claims Incurred<br>during the<br>Fiscal Year | Claims<br>Payments | Fiscal<br>Year<br>Ended<br>June 30 |
|--------------------------------------|-----------------------------|----------------------------------------------|--------------------|------------------------------------|
| 2017                                 | \$ 8,227,644                | \$ 788,703                                   | \$ (1,354,120)     | \$ 7,662,227                       |
| 2018                                 | 7,662,227                   | 970,268                                      | (1,184,235)        | 7,448,260                          |
| 2019                                 | 7,448,260                   | 458,132                                      | (1,136,074)        | 6,770,318                          |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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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, 2019**

**Note 8 – Pension Plan (Continued)**

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

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

|                                                   | City Miscellaneous Plan                                                        |                                                    |                                |                                |
|---------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------|--------------------------------|
|                                                   | Tier I                                                                         | Hybrid                                             | Tier II                        | Tier III                       |
|                                                   |                                                                                | Hired between July<br>1, 2011 - October<br>8, 2011 | On or after<br>October 9, 2011 | On or after<br>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<br>by City (EMPC)                                            | 8.00%                                              | 7.00%                          | 6.00%                          |
| Required employer contribution rates              | Total 30.952%.<br>Employee pays 8%<br>of employer cost<br>through cost-sharing | 30.952%                                            | 30.952%                        | 30.952%                        |

|                                                   | City Safety Plan                                                               |                                                    |                                |                                |
|---------------------------------------------------|--------------------------------------------------------------------------------|----------------------------------------------------|--------------------------------|--------------------------------|
|                                                   | Tier I                                                                         | Hybrid                                             | Tier II                        | Tier III                       |
|                                                   |                                                                                | Hired between July<br>1, 2011 - October<br>8, 2011 | On or after<br>October 9, 2011 | On or after<br>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<br>by City (EMPC)                                            | 9.00%                                              | 9.00%                          | 10.75%                         |
| Required employer contribution rates              | Total 54.782%.<br>Employee pays 9%<br>of employer cost<br>through cost-sharing | 54.782%                                            | 54.782%                        | 54.782%                        |

**Employees Covered** – At June 30, 2019, the following employees were covered by the benefit terms for each Plan:

|                                                                  | Miscellaneous | Safety |
|------------------------------------------------------------------|---------------|--------|
| Inactive employees or beneficiaries currently receiving benefits | 322           | 227    |
| Inactive employees entitled to but not yet receiving benefits    | 353           | 109    |
| Active employees                                                 | 187           | 118    |
| Total                                                            | 862           | 454    |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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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 are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

**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, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

|                                   | Miscellaneous                                                                                                             | Safety        |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------|---------------|
| Valuation Date                    | June 30, 2017                                                                                                             | June 30, 2017 |
| Measurement Date                  | June 30, 2018                                                                                                             | June 30, 2018 |
| Actuarial Cost Method             | Entry Age Normal in Accordance with the Requirements of GASB 68                                                           |               |
| Actuarial Assumptions:            |                                                                                                                           |               |
| Discount Rate                     | 7.15%                                                                                                                     | 7.15%         |
| Inflation                         | 2.50%                                                                                                                     | 2.50%         |
| Salary Increases                  | Varies by Entry Age and Service                                                                                           |               |
| Mortality Rate Table <sup>1</sup> | Derived using CalPERS' Membership Data for all Funds                                                                      |               |
| Post Retirement Benefit Increase  | Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter |               |

<sup>1</sup>The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**Note 8 – Pension Plan (Continued)**

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

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

| Asset Class <sup>1</sup> | Assumed Asset<br>Allocation | Real Return Years<br>1 - 10 <sup>2</sup> | Real Return Years<br>11+ <sup>3</sup> |
|--------------------------|-----------------------------|------------------------------------------|---------------------------------------|
| Global Equity            | 50.00%                      | 4.80%                                    | 5.98%                                 |
| Fixed Income             | 28.00%                      | 1.00%                                    | 2.62%                                 |
| Inflation Assets         | 0.00%                       | 0.77%                                    | 1.81%                                 |
| Private Equity           | 8.00%                       | 6.30%                                    | 7.23%                                 |
| Real Estate              | 13.00%                      | 3.75%                                    | 4.93%                                 |
| Liquidity                | 1.00%                       | 0.00%                                    | -0.92%                                |
| Total                    | 100.00%                     |                                          |                                       |

(1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

**Discount Rate** - The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

**Amortization of Deferred Outflows and Deferred Inflows of Resources** - 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.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**Note 8 – Pension Plan (Continued)**

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

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

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

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

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

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

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

**Miscellaneous Plan:**

|                                                                  | Increase (Decrease)        |                                |                                  |
|------------------------------------------------------------------|----------------------------|--------------------------------|----------------------------------|
|                                                                  | Total Pension<br>Liability | Plan Fiduciary Net<br>Position | Net Pension<br>Liability (Asset) |
| <b>Balance at June 30, 2017</b>                                  | <b>\$ 149,299,211</b>      | <b>\$ 101,343,552</b>          | <b>\$ 47,955,659</b>             |
| <b>Changes during the year:</b>                                  |                            |                                |                                  |
| Service Cost                                                     | 2,414,680                  | -                              | 2,414,680                        |
| Interest on the Total Pension Liability                          | 10,388,343                 | -                              | 10,388,343                       |
| Change of Assumptions                                            | (708,241)                  | -                              | (708,241)                        |
| Differences between Expected and Actual<br>Experience            | (510,244)                  | -                              | (510,244)                        |
| Net Plan to Plan Resource Movement                               | -                          | (2,714)                        | 2,714                            |
| Contributions - Employer                                         | -                          | 3,857,676                      | (3,857,676)                      |
| Contributions - Employees                                        | -                          | 1,019,318                      | (1,019,318)                      |
| Net Investment Income                                            | -                          | 8,665,866                      | (8,665,866)                      |
| Benefit Payments, including Refunds of<br>Employee Contributions | (7,993,155)                | (7,993,155)                    | -                                |
| Administrative Expense                                           | -                          | (157,921)                      | 157,921                          |
| Other Miscellaneous Income/(Expense)                             | -                          | (299,895)                      | 299,895                          |
| <b>Net Changes</b>                                               | <b>3,591,383</b>           | <b>5,089,175</b>               | <b>(1,497,792)</b>               |
| <b>Balance at June 30, 2018</b>                                  | <b>\$ 152,890,594</b>      | <b>\$ 106,432,727</b>          | <b>\$ 46,457,867</b>             |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**Note 8 – Pension Plan (Continued)**

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

**Public Safety Plan:**

|                                                               | Increase (Decrease)     |                             |                               |
|---------------------------------------------------------------|-------------------------|-----------------------------|-------------------------------|
|                                                               | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| <b>Balance at June 30, 2017</b>                               | <b>\$ 250,649,522</b>   | <b>\$ 150,730,832</b>       | <b>\$ 99,918,690</b>          |
| <b>Changes during the year:</b>                               |                         |                             |                               |
| Service Cost                                                  | 4,550,348               | -                           | 4,550,348                     |
| Interest on the Total Pension Liability                       | 17,496,493              | -                           | 17,496,493                    |
| Change of Assumptions                                         | (1,004,801)             | -                           | (1,004,801)                   |
| Differences between Expected and Actual Experience            | (1,131,087)             | -                           | (1,131,087)                   |
| Net Plan to Plan Resource Movement                            | -                       | 2,094                       | (2,094)                       |
| Contributions - Employer                                      | -                       | 7,393,585                   | (7,393,585)                   |
| Contributions - Employees                                     | -                       | 1,591,963                   | (1,591,963)                   |
| Net Investment Income                                         | -                       | 12,757,688                  | (12,757,688)                  |
| Benefit Payments, including Refunds of Employee Contributions | (12,165,240)            | (12,165,240)                | -                             |
| Administrative Expense                                        | -                       | (234,880)                   | 234,880                       |
| Other Miscellaneous Income/(Expense)                          | -                       | (446,041)                   | 446,041                       |
| <b>Net Changes</b>                                            | <b>7,745,713</b>        | <b>8,899,169</b>            | <b>(1,153,456)</b>            |
| <b>Balance at June 30, 2018</b>                               | <b>\$ 258,395,235</b>   | <b>\$ 159,630,001</b>       | <b>\$ 98,765,234</b>          |

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

|                       | Miscellaneous | Safety         |
|-----------------------|---------------|----------------|
| 1% Decrease           | 6.15%         | 6.15%          |
| Net Pension Liability | \$ 66,878,372 | \$ 135,116,519 |
| Current Discount Rate | 7.15%         | 7.15%          |
| Net Pension Liability | \$ 46,457,867 | \$ 98,765,234  |
| 1% Increase           | 8.15%         | 8.15%          |
| Net Pension Liability | \$ 29,689,808 | \$ 69,090,782  |

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

For the fiscal year ended June 30, 2019, the City recognized pension expense of \$7,267,317 and \$12,742,467 for Miscellaneous and Safety plan respectively. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|                                                                                   | Miscellaneous                     |                                  | Safety                            |                                  |
|-----------------------------------------------------------------------------------|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
|                                                                                   | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
| Pension Contributions Subsequent to Measurement Date                              | \$ 4,565,672                      | \$ -                             | \$ 8,681,652                      | \$ -                             |
| Changes of Assumptions                                                            | 767,217                           | (413,141)                        | 6,281,915                         | (700,316)                        |
| Differences between Expected and Actual Experiences                               | -                                 | (465,353)                        | 203,329                           | (1,865,608)                      |
| Net Differences Between Projected and Actual Earnings on Pension Plan Investments | 27,661                            | -                                | 305,780                           | -                                |
| Total                                                                             | <u>\$ 5,360,550</u>               | <u>\$ (878,494)</u>              | <u>\$ 15,472,676</u>              | <u>\$ (2,565,924)</u>            |

\$13,247,324 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Measurement<br>Periods Ended |               |              |
|------------------------------|---------------|--------------|
| June 30                      | Miscellaneous | Safety       |
| 2019                         | \$ 1,317,175  | \$ 4,944,547 |
| 2020                         | 22,296        | 1,495,073    |
| 2021                         | (1,111,867)   | (1,790,107)  |
| 2022                         | (311,220)     | (424,413)    |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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**Note 9 – Postemployment Health Care Benefits**

At June 30, 2019, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

|                                                     | Governmental<br>Activities | Business-Type<br>Activities | Total                |
|-----------------------------------------------------|----------------------------|-----------------------------|----------------------|
| Deferred outflows of resources:                     |                            |                             |                      |
| Contribution subsequent to measurement date         | \$ 2,056,461               | \$ 87,357                   | \$ 2,143,818         |
| Changes of assumptions                              | 447,041                    | 5,613                       | 452,654              |
| Total deferred outflows of resources                | <u>\$ 2,503,502</u>        | <u>\$ 92,970</u>            | <u>\$ 2,596,472</u>  |
| Net OPEB liabilities:                               |                            |                             |                      |
|                                                     | \$ 17,268,347              | \$ 733,544                  | \$ 18,001,891        |
| Total net OPEB liabilities                          | <u>\$ 17,268,347</u>       | <u>\$ 733,544</u>           | <u>\$ 18,001,891</u> |
| Deferred inflows of Resources:                      |                            |                             |                      |
| Differences between Expected and Actual Experiences | \$ 48,438                  | \$ 2,043                    | \$ 50,481            |
| Total deferred inflows of resources                 | <u>\$ 48,438</u>           | <u>\$ 2,043</u>             | <u>\$ 50,481</u>     |

**Plan Description**

In addition to the retirement plan describe in Note 8, the City also provides certain health insurance benefits, in accordance with the fringe benefits resolution, to retired employees. The City Council has the authority to establish and amend the benefits offered by the single-employer plan. The City Council approved contracts with employees capping the maximum monthly retiree health benefit contribution made by the City for existing employees who retire on or after July 1, 2011; reducing retiree health insurance benefits for employees hired on or after July 1, 2011 to the mandatory minimum contribution established by California Government Code Section 22892(b). An eligible retiree is an employee who retires on a service retirement and has 125 days of accumulated sick leave at the date of retirement. Such payment shall cease by the employee's sixty-fifth (65) birthday. If the retired employee has other group medical coverage available to them, then this other group insurance shall be primary and the City's health insurance plan shall function as a secondary coinsurance. An employee who has fewer than 125 days of accumulated sick leave at the date of retirement may become eligible for coverage by paying the City an amount equal to the employee's daily pay rate at the time of retirement times the number of days needed to meet the 125 days of accumulated sick leave requirement with restrictions. The requirement varies slightly among different employee groups.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

Eligibility

Employees of the City are eligible for retiree health benefits if they are between 50-55 years of age as of the last day of work prior to retirement and are a vested member of CalPERS. Membership in the plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

|                                                                          |            |
|--------------------------------------------------------------------------|------------|
| Active plan members                                                      | 308        |
| Inactive employees or beneficiaries currently receiving benefit payments | 143        |
| Inactive employees entitled to but not yet receiving benefit payments    | -          |
| Total                                                                    | <u>451</u> |

Contribution

The obligation of the City to contribute to the plan is established and may be amended by the City Council. For the fiscal year ended June 30, 2019, the City makes contributions based on an actuarially determined rate.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017.

Actuarial assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

|                                              |                                                                                                                 |
|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Funding method                               | Entry Age Normal Cost, level percent of pay                                                                     |
| Discount Rate                                | 7.28% as of June 30, 2017 and 7.00% as of June 30, 2018                                                         |
| Inflation                                    | 2.75%                                                                                                           |
| Aggregate payroll Increases                  | 3.25%                                                                                                           |
| Expected Long-Term Investment Rate of Return | 7.28% as of June 30, 2017 and 7.00% as of June 30, 2018                                                         |
| Mortality Improvement Scale                  | MacLeod Watts Scale 2017 applied generationally                                                                 |
| PPACA High Cost Plan Excise Tax              | 40% excise tax rate applied to the portion of premiums project to exceed 2018 threshold                         |
| Healthcare Tread Rate                        | An annual healthcare cost trend rate of 8.0% initially reduced by decrements to an ultimate of 5.00% therefore. |

Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

*Change in the Net OPEB Liability*

|                                                   | Increase (Decrease)     |                                |                               |
|---------------------------------------------------|-------------------------|--------------------------------|-------------------------------|
|                                                   | Total OPEB<br>Liability | Plan Fiduciary<br>Net Position | Net OPEB<br>Liability/(Asset) |
|                                                   | (a)                     | (b)                            | (c) = (a) - (b)               |
| Balance at June 30, 2017                          | \$ 19,707,399           | \$ 2,191,046                   | \$ 17,516,353                 |
| Changes Recognized for the Measurement Period:    |                         |                                |                               |
| Service Cost                                      | 571,905                 | -                              | 571,905                       |
| Interest on the total OPEB liability              | 1,433,073               | -                              | 1,433,073                     |
| Changes of benefit terms                          | -                       | -                              | -                             |
| Difference between expected and actual experience | -                       | -                              | -                             |
| Changes of assumptions                            | 518,256                 | -                              | 518,256                       |
| Contributions from the employer                   | -                       | 1,839,281                      | (1,839,281)                   |
| Plan experience                                   | -                       | 19,701                         | (19,701)                      |
| Net investment income                             | -                       | 183,040                        | (183,040)                     |
| Administrative expenses                           | -                       | (1,425)                        | 1,425                         |
| Other expenses                                    | -                       | (2,901)                        | 2,901                         |
| Benefit payments                                  | (1,188,482)             | (1,188,482)                    | -                             |
| Net Changes during July 1, 2017 to June 30, 2018  | 1,334,752               | 849,214                        | 485,538                       |
| Balance at June 30, 2018 (Measurement Date)       | \$ 21,042,151           | \$ 3,040,260                   | \$ 18,001,891                 |

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current discount rate:

| Plan's Net OPEB Liability (Asset)     |                                  |                                       |
|---------------------------------------|----------------------------------|---------------------------------------|
| Current Discount<br>Rate - 1% (6.00%) | Current Discount<br>Rate (7.00%) | Current Discount<br>Rate + 1% (8.00%) |
| \$ 20,037,243                         | \$ 18,001,891                    | \$ 16,242,025                         |

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.5 percent) or 1-percentage-point higher (8.5 percent) than the current healthcare cost trend rates:

| Plan's Net OPEB Liability (Asset) |                                      |                                   |
|-----------------------------------|--------------------------------------|-----------------------------------|
| Current Trend Rate -<br>1% (6.5%) | Healthcare Cost<br>Trend Rate (7.5%) | Current Trend Rate +<br>1% (8.5%) |
| \$ 15,664,217                     | \$ 18,001,891                        | \$ 21,159,023                     |

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

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

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

For the fiscal year ended June 30, 2019, the City recognized OPEB expense of \$1,793,967. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|                                                      | Deferred outflows of<br>resources | Deferred inflows of<br>resources |
|------------------------------------------------------|-----------------------------------|----------------------------------|
| Contribution made subsequent to the measurement date | \$ 2,143,818                      | \$ -                             |
| Changes of assumptions                               | 452,654                           | -                                |
| Differences between expected and actual experience   | -                                 | 50,481                           |
| Total                                                | <u>\$ 2,596,472</u>               | <u>\$ 50,481</u>                 |

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

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

| Measurement period<br>ended June 30, |                   |
|--------------------------------------|-------------------|
| 2019                                 | \$ 50,088         |
| 2020                                 | 50,088            |
| 2021                                 | 50,090            |
| 2022                                 | 61,661            |
| 2023                                 | 65,602            |
| Thereafter                           | 124,644           |
| Total                                | <u>\$ 402,173</u> |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

**Note 10 – Classification of Fund Balances**

At June 30, 2019, fund balances are classified as follows:

|                            | General              | Parks and Recreation | Measure M         | Capital Outlay       | Nonmajor Governmental Funds | Total                |
|----------------------------|----------------------|----------------------|-------------------|----------------------|-----------------------------|----------------------|
| <b>Nonspendable:</b>       |                      |                      |                   |                      |                             |                      |
| Prepaid items and deposits | \$ 59,173            | \$ -                 | \$ -              | \$ -                 | \$ 8,640                    | \$ 67,813            |
| Inventories                | 852,050              | -                    | -                 | -                    | -                           | 852,050              |
| Advances to other funds    | 201,614              | -                    | -                 | -                    | -                           | 201,614              |
| <b>Total nonspendable</b>  | <b>1,112,837</b>     | <b>-</b>             | <b>-</b>          | <b>-</b>             | <b>8,640</b>                | <b>1,121,477</b>     |
| <b>Restricted:</b>         |                      |                      |                   |                      |                             |                      |
| Debt service               | -                    | -                    | -                 | -                    | 849,008                     | 849,008              |
| Law enforcement            | -                    | -                    | -                 | -                    | 812,191                     | 812,191              |
| Transportation / streets   | -                    | -                    | 238,247           | -                    | 9,184,256                   | 9,422,503            |
| Parks and recreation       | -                    | 11,841,628           | -                 | -                    | -                           | 11,841,628           |
| Solid waste                | -                    | -                    | -                 | -                    | 1,784,557                   | 1,784,557            |
| Clean air                  | -                    | -                    | -                 | -                    | 125,629                     | 125,629              |
| Street lighting            | -                    | -                    | -                 | -                    | 213,038                     | 213,038              |
| Library                    | -                    | -                    | -                 | -                    | 624                         | 624                  |
| Cable access               | -                    | -                    | -                 | -                    | 806,596                     | 806,596              |
| Recycling                  | -                    | -                    | -                 | -                    | 76,693                      | 76,693               |
| <b>Total restricted</b>    | <b>-</b>             | <b>11,841,628</b>    | <b>238,247</b>    | <b>-</b>             | <b>13,852,592</b>           | <b>25,932,467</b>    |
| <b>Assigned:</b>           |                      |                      |                   |                      |                             |                      |
| Capital improvements       | 2,513                | -                    | -                 | 11,976,987           | -                           | 11,979,500           |
| Equipment replacement      | 7,611,436            | -                    | -                 | -                    | -                           | 7,611,436            |
| Self-insurance             | 3,818,446            | -                    | -                 | -                    | -                           | 3,818,446            |
| Emergency reserves         | 10,147,111           | -                    | -                 | -                    | -                           | 10,147,111           |
| PERS fund reserves         | 1,351,601            | -                    | -                 | -                    | -                           | 1,351,601            |
| Medical/dental fund        | 364,362              | -                    | -                 | -                    | -                           | 364,362              |
| <b>Total assigned</b>      | <b>23,295,469</b>    | <b>-</b>             | <b>-</b>          | <b>11,976,987</b>    | <b>-</b>                    | <b>35,272,456</b>    |
| <b>Unassigned</b>          | <b>5,080,965</b>     | <b>-</b>             | <b>-</b>          | <b>-</b>             | <b>(8,691)</b>              | <b>5,072,274</b>     |
| <b>Total</b>               | <b>\$ 29,489,271</b> | <b>\$ 11,841,628</b> | <b>\$ 238,247</b> | <b>\$ 11,976,987</b> | <b>\$ 13,852,541</b>        | <b>\$ 67,398,674</b> |

**City of Arcadia**  
**Notes to the Basic Financial Statements (Continued)**  
**June 30, 2019**

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

At June 30, 2019, outstanding encumbrances are as follows:

| <u>Funds</u>                         | <u>Amount</u>              |
|--------------------------------------|----------------------------|
| General Fund                         | \$ 1,037,812               |
| Capital Outlay Capital Projects Fund | 433,059                    |
| Water Utility Fund                   | 1,804,301                  |
| Sewer Maintenance Fund               | 46,352                     |
| Transit System Fund                  | 1,055,662                  |
| Nonmajor Governmental Funds          | 901,340                    |
| <b>Total</b>                         | <u><u>\$ 5,278,526</u></u> |

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

As of June 30, 2019, deficit fund balances/net position were recorded as follows:

|                                               |               |
|-----------------------------------------------|---------------|
| Statement of Net Position                     |               |
| Governmental Activities                       | \$ 27,991,556 |
| Nonmajor Special Revenue Fund:                |               |
| Homeland Security Fund                        | \$ 8,691      |
| Fiduciary Fund:                               |               |
| Successor Agency to the Arcadia Redevelopment |               |
| Agency Private-Purpose Trust Fund             | \$ 4,492,869  |

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

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

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**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2019**

*Budgetary Comparison Schedule, General Fund*

|                                                                      | Budget Amounts        |                       | Actual               | Variance with       |
|----------------------------------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|
|                                                                      | Original              | Final                 | Amounts              | Final Budget        |
| <b>REVENUES:</b>                                                     |                       |                       |                      |                     |
| Taxes                                                                | \$ 39,707,200         | \$ 39,707,200         | \$ 39,436,524        | \$ (270,676)        |
| Licenses and permits                                                 | 5,292,500             | 5,292,500             | 4,647,777            | (644,723)           |
| Fines and forfeitures                                                | 583,500               | 583,500               | 442,858              | (140,642)           |
| Use of money and property                                            | 1,668,000             | 1,668,000             | 2,178,868            | 510,868             |
| Intergovernmental                                                    | 7,405,000             | 7,405,000             | 7,545,240            | 140,240             |
| Charges for services                                                 | 4,507,400             | 4,507,400             | 4,834,282            | 326,882             |
| Other revenues                                                       | 3,188,000             | 3,188,000             | 2,866,610            | (321,390)           |
| <b>Total revenues</b>                                                | <b>62,351,600</b>     | <b>62,351,600</b>     | <b>61,952,159</b>    | <b>(399,441)</b>    |
| <b>EXPENDITURES:</b>                                                 |                       |                       |                      |                     |
| Current:                                                             |                       |                       |                      |                     |
| General government:                                                  |                       |                       |                      |                     |
| City council                                                         | 242,800               | 242,800               | 230,610              | 12,190              |
| City manager                                                         | 912,800               | 1,060,550             | 1,017,731            | 42,819              |
| City clerk                                                           | 319,500               | 544,500               | 395,484              | 149,016             |
| City attorney                                                        | 573,500               | 573,500               | 516,710              | 56,790              |
| General city                                                         | 2,002,900             | 2,002,900             | 1,978,800            | 24,100              |
| Administrative services                                              | 4,284,600             | 4,712,975             | 3,465,001            | 1,247,974           |
| Public safety:                                                       |                       |                       |                      |                     |
| Police                                                               | 22,873,700            | 23,640,430            | 22,801,184           | 839,246             |
| Fire                                                                 | 15,863,000            | 15,865,147            | 16,464,591           | (599,444)           |
| Public works services                                                | 4,187,100             | 4,585,803             | 4,066,700            | 519,103             |
| Community development                                                | 5,032,400             | 5,041,707             | 4,303,013            | 738,694             |
| Library                                                              | 3,968,500             | 3,972,349             | 3,829,073            | 143,276             |
| Recreation and community services                                    | 3,358,700             | 3,363,984             | 3,254,180            | 109,804             |
| Debt service:                                                        |                       |                       |                      |                     |
| Principal retirement                                                 | -                     | -                     | 58,028               | (58,028)            |
| <b>Total expenditures</b>                                            | <b>63,619,500</b>     | <b>65,606,645</b>     | <b>62,381,105</b>    | <b>3,225,540</b>    |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(1,267,900)</b>    | <b>(3,255,045)</b>    | <b>(428,946)</b>     | <b>2,826,099</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                       |                       |                      |                     |
| Transfers in                                                         | 1,675,300             | 1,675,300             | 1,580,943            | (94,357)            |
| Transfers out                                                        | (3,159,700)           | (3,159,700)           | (3,077,204)          | 82,496              |
| Proceeds from capital lease obligations                              | -                     | -                     | 290,140              | 290,140             |
| <b>Total other financing sources (uses)</b>                          | <b>(1,484,400)</b>    | <b>(1,484,400)</b>    | <b>(1,206,121)</b>   | <b>278,279</b>      |
| <b>Net changes in fund balance</b>                                   | <b>\$ (2,752,300)</b> | <b>\$ (4,739,445)</b> | <b>(1,635,067)</b>   | <b>\$ 3,104,378</b> |
| <b>FUND BALANCE:</b>                                                 |                       |                       |                      |                     |
| Beginning of fiscal year                                             |                       |                       | 31,124,338           |                     |
| End of fiscal year                                                   |                       |                       | <u>\$ 29,489,271</u> |                     |

See accompanying Notes to the Required Supplementary Information.

**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2019**

*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         | \$ 219,700        | \$ 219,700        | \$ 395,942           | \$ 176,242         |
| Intergovernmental                 | 568,800           | 568,800           | -                    | (568,800)          |
| Charges for services              | 1,600,000         | 1,600,000         | 593,808              | (1,006,192)        |
| <b>Total revenues</b>             | <b>2,388,500</b>  | <b>2,388,500</b>  | <b>989,750</b>       | <b>(1,398,750)</b> |
| <b>EXPENDITURES:</b>              |                   |                   |                      |                    |
| Current:                          |                   |                   |                      |                    |
| Recreation and community services | 1,753,400         | 1,753,400         | 53,906               | 1,699,494          |
| <b>Total expenditures</b>         | <b>1,753,400</b>  | <b>1,753,400</b>  | <b>53,906</b>        | <b>1,699,494</b>   |
| <b>Net change in fund balance</b> | <b>\$ 635,100</b> | <b>\$ 635,100</b> | <b>935,844</b>       | <b>\$ 300,744</b>  |
| <b>FUND BALANCE:</b>              |                   |                   |                      |                    |
| Beginning of fiscal year          |                   |                   | 10,905,784           |                    |
| End of fiscal year                |                   |                   | <u>\$ 11,841,628</u> |                    |

See accompanying Notes to the Required Supplementary Information.

**City of Arcadia**  
**Required Supplementary Information (Unaudited)**  
**For the Fiscal Year Ended June 30, 2019**

*Budgetary Comparison Schedule, Measure M Special Revenue Fund*

|                                           | Budget Amounts      |                     | Actual           | Variance with    |
|-------------------------------------------|---------------------|---------------------|------------------|------------------|
|                                           | Original            | Final               | Amounts          | Final Budget     |
| <b>REVENUES:</b>                          |                     |                     |                  |                  |
| Use of money and property                 | \$ 14,200           | \$ 14,200           | \$ 33,212        | \$ 19,012        |
| Intergovernmental                         | 791,751             | 791,751             | 806,770          | 15,019           |
| <b>Total revenues</b>                     | <b>805,951</b>      | <b>805,951</b>      | <b>839,982</b>   | <b>34,031</b>    |
| <b>EXPENDITURES:</b>                      |                     |                     |                  |                  |
| Current:                                  |                     |                     |                  |                  |
| Community development                     | 1,175,000           | 1,228,642           | 1,200,873        | 27,769           |
| <b>Total expenditures</b>                 | <b>1,175,000</b>    | <b>1,228,642</b>    | <b>1,200,873</b> | <b>27,769</b>    |
| <b>EXCESS (DEFICIENCY) OF</b>             |                     |                     |                  |                  |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b> | <b>(369,049)</b>    | <b>(422,691)</b>    | <b>(360,891)</b> | <b>61,800</b>    |
| <b>Net change in fund balance</b>         | <b>\$ (369,049)</b> | <b>\$ (422,691)</b> | <b>(360,891)</b> | <b>\$ 61,800</b> |
| <b>FUND BALANCE:</b>                      |                     |                     |                  |                  |
| Beginning of fiscal year                  |                     |                     | 599,138          |                  |
| End of fiscal year                        |                     |                     | \$ 238,247       |                  |

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**City of Arcadia**  
**Note to the Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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***A. General Budget Policies***

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

***B. Continuing Appropriations***

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

***C. Encumbrances***

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

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

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

<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 that may have resulted from plan changes which occurred after the June 30, 2017 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:** In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

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

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

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

|                                                                      | <b>Miscellaneous Plan</b> |               |               |
|----------------------------------------------------------------------|---------------------------|---------------|---------------|
| Employer Fiscal Year End                                             | 2019                      | 2018          | 2017          |
| Actuarially Determined Contribution                                  | \$ 4,565,672              | \$ 3,857,676  | \$ 3,547,604  |
| Contributions in Relation to the Actuarially Determined Contribution | (4,565,672)               | (3,857,676)   | (3,547,604)   |
| Contribution Deficiency (Excess)                                     | \$ -                      | \$ -          | \$ -          |
| Covered Payroll                                                      | \$ 14,597,163             | \$ 13,505,676 | \$ 13,759,226 |
| Contributions as a Percentage of Covered Payroll                     | 31.28%                    | 28.56%        | 25.78%        |

|                                                                      | <b>Miscellaneous Plan</b> |               |
|----------------------------------------------------------------------|---------------------------|---------------|
| Employer Fiscal Year End                                             | 2016                      | 2015          |
| Actuarially Determined Contribution                                  | \$ 3,252,745              | \$ 3,005,140  |
| Contributions in Relation to the Actuarially Determined Contribution | (3,252,745)               | (3,005,140)   |
| Contribution Deficiency (Excess)                                     | \$ -                      | \$ -          |
| Covered Payroll                                                      | \$ 13,185,552             | \$ 13,353,541 |
| Contributions as a Percentage of Covered Payroll                     | 24.67%                    | 22.50%        |

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

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were from the June 30, 2016 public agency valuations.

|                                                |                                   |
|------------------------------------------------|-----------------------------------|
| Actuarial Cost Method                          | Entry-Age Normal Cost Method      |
| Amortization Method/Period                     | Level Percent of Payroll          |
| Asset Valuation Method                         | Market Value                      |
| Actuarial Assumptions:                         |                                   |
| Discount Rate (net of administrative expenses) | 7.375%                            |
| Salary Growth                                  | Annual increase vary by category, |
| Overall Payroll Growth                         | 3.00 percent compounded annually  |
| Inflation                                      | 2.75 percent compounded annually  |

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

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

|                                                                      | <b>Public Safety Plan</b> |               |               |
|----------------------------------------------------------------------|---------------------------|---------------|---------------|
| Employer Fiscal Year End                                             | 2019                      | 2018          | 2017          |
| Actuarially Determined Contribution                                  | \$ 8,681,652              | \$ 7,393,585  | \$ 6,660,024  |
| Contributions in Relation to the Actuarially Determined Contribution | (8,681,652)               | (7,393,585)   | (6,660,024)   |
| Contribution Deficiency (Excess)                                     | \$ -                      | \$ -          | \$ -          |
| Covered Payroll                                                      | \$ 15,673,828             | \$ 15,247,111 | \$ 14,774,086 |
| Contributions as a Percentage of Covered Payroll                     | 55.39%                    | 48.49%        | 45.08%        |

|                                                                      | <b>Public Safety Plan</b> |               |
|----------------------------------------------------------------------|---------------------------|---------------|
| Employer Fiscal Year End                                             | 2016                      | 2015          |
| Actuarially Determined Contribution                                  | \$ 6,049,364              | \$ 5,537,175  |
| Contributions in Relation to the Actuarially Determined Contribution | (6,049,364)               | (5,537,175)   |
| Contribution Deficiency (Excess)                                     | \$ -                      | \$ -          |
| Covered Payroll                                                      | \$ 14,384,057             | \$ 14,161,240 |
| Contributions as a Percentage of Covered Payroll                     | 42.06%                    | 39.10%        |

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

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2018-19 were from the June 30, 2016 public agency valuations.

|                                                |                                   |
|------------------------------------------------|-----------------------------------|
| Actuarial Cost Method                          | Entry-Age Normal Cost Method      |
| Amortization Method/Period                     | Level Percent of Payroll          |
| Asset Valuation Method                         | Market Value                      |
| Actuarial Assumptions:                         |                                   |
| Discount Rate (net of administrative expenses) | 7.375%                            |
| Salary Growth                                  | Annual increase vary by category, |
| Overall Payroll Growth                         | 3.00 percent compounded annually  |
| Inflation                                      | 2.75 percent compounded annually  |

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

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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

| Employer Fiscal Year End<br>Measurement Period                          | 2018-19<br>2017-18 <sup>1</sup> | 2017-18<br>2016-17 <sup>1</sup> |
|-------------------------------------------------------------------------|---------------------------------|---------------------------------|
| Total OPEB Liability                                                    |                                 |                                 |
| Service Cost                                                            | \$ 571,905                      | \$ 553,903                      |
| Interest on the Total OPEB Liability                                    | 1,433,073                       | 1,373,468                       |
| Changes of Benefit Terms                                                | -                               | -                               |
| Difference between Expected and Actual Experience                       | -                               | -                               |
| Changes of Assumptions                                                  | 518,256                         | -                               |
| Benefit Payments                                                        | (1,188,482)                     | (1,064,775)                     |
| Net Change in Total OPEB Liability                                      | 1,334,752                       | 862,596                         |
| Total OPEB Liability - Beginning                                        | 19,707,399                      | 18,844,803                      |
| Total OPEB Liability - Ending                                           | <u>\$ 21,042,151</u>            | <u>\$ 19,707,399</u>            |
| OPEB Fiduciary Net Position                                             |                                 |                                 |
| Contributions from the Employer                                         | \$ 1,839,281                    | \$ 1,715,575                    |
| Plan experience                                                         | 19,701                          | -                               |
| Net Investment Income                                                   | 183,040                         | 180,573                         |
| Administrative Expenses                                                 | (1,425)                         | (875)                           |
| Other expenses                                                          | (2,901)                         | -                               |
| Benefit Payments                                                        | (1,188,482)                     | (1,064,775)                     |
| Net Change in Plan Fiduciary Net Position                               | 849,214                         | 830,498                         |
| Plan Fiduciary Net Position - Beginning                                 | 2,191,046                       | 1,360,548                       |
| Plan Fiduciary Net Position - Ending                                    | <u>\$ 3,040,260</u>             | <u>\$ 2,191,046</u>             |
| Plan Net OPEB Liability - Ending                                        | <u>\$ 18,001,891</u>            | <u>\$ 17,516,353</u>            |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | <u>14.45%</u>                   | <u>11.12%</u>                   |
| Covered-Employee Payroll                                                | \$ 33,785,974                   | \$ 33,578,926                   |
| Net OPEB Liability as a Percentage of Covered-Employee Payroll          | 53.28%                          | 52.16%                          |

<sup>1</sup> Historical information is required only for measurement periods for which GASB 75 is applicable.

Notes to Schedule:

Change of Assumptions: There were no changes of assumption.

**City of Arcadia**  
**Required Supplementary Information (Unaudited) (Continued)**  
**For the Fiscal Year Ended June 30, 2019**

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**Schedule of Contributions – OPEB**

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

|                                                                      | <u>20018-2019</u>   | <u>2017-2018</u>   |
|----------------------------------------------------------------------|---------------------|--------------------|
| Actuarially Determine Contribution                                   | \$ 1,891,281        | \$ 1,828,930       |
| Contributions in Relation to the Actuarially Determined Contribution | <u>2,143,818</u>    | <u>1,839,281</u>   |
| Contribution Deficiency (Excess)                                     | <u>\$ (252,537)</u> | <u>\$ (10,351)</u> |
| Cover Employee Payroll During Fiscal Year                            | \$ 34,884,018       | \$ 33,785,974      |
| Contributions as a Percentage of Covered Employee Payroll            | 6.15%               | 5.44%              |

<sup>1</sup> GASB 75 requires this information for plans funding with OPEB trusts be reported in the employer's Required Supplementary Information for 10 years or as many years as are available upon implementation. Fiscal year 2018 was the 1st year of implementation, therefore only two fiscal years are shown.

Notes to Schedule:

|                                 |                                                                                                                |
|---------------------------------|----------------------------------------------------------------------------------------------------------------|
| Valuation Date                  | June 30, 2017                                                                                                  |
| Funding method                  | Entry Age Normal Cost, level percent of pay                                                                    |
| Discount Rate                   | 7.28% as of June 30, 2017 and as of June 30, 2016                                                              |
| Inflation                       | 2.75%                                                                                                          |
| Aggregate payroll Increases     | 3.00%                                                                                                          |
| Expected Long-Term Investment   |                                                                                                                |
| Rate of Return                  | 7.28% as of June 30, 2017 and as of June 30, 2016                                                              |
| Mortality Improvement Scale     | MacLeod Watts Scale 2017 applied generationally                                                                |
| PPACA High Cost Plan Excise Tax | 40% excise tax rate applied to the portion of premiums project to exceed 2018 threshold                        |
| Healthcare Tread Rate           | An annual healthcare cost trend rate of 8.0% initially reduced by decrements to an ultimate of 5.0% therefore. |

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# **SUPPLEMENTARY INFORMATION**

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## MAJOR GOVERNMENTAL FUND

### CAPITAL PROJECTS FUND

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

## 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.

## NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

## **NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

### **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.

## **NONMAJOR ENTERPRISES FUNDS**

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

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

**City of Arcadia**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual**  
**Capital Outlay Capital Projects Fund**  
**For the fiscal year ended June 30, 2019**

|                                             | Budget Amounts        |                       | Actual               | Variance with       |
|---------------------------------------------|-----------------------|-----------------------|----------------------|---------------------|
|                                             | Original              | Final                 | Amounts              | Final Budget        |
| <b>REVENUES:</b>                            |                       |                       |                      |                     |
| Taxes                                       | \$ 700,000            | \$ 700,000            | \$ 516,027           | \$ (183,973)        |
| Use of money and property                   | 76,500                | 76,500                | 372,197              | 295,697             |
| Other revenues                              | -                     | -                     | 36,157               | 36,157              |
| <b>Total revenues</b>                       | <u>776,500</u>        | <u>776,500</u>        | <u>924,381</u>       | <u>147,881</u>      |
| <b>EXPENDITURES</b>                         |                       |                       |                      |                     |
| Current:                                    |                       |                       |                      |                     |
| General government:                         |                       |                       |                      |                     |
| General City                                | 343,600               | 380,553               | 337,244              | 43,309              |
| Public safety:                              |                       |                       |                      |                     |
| Police                                      | 170,000               | 212,226               | 74,685               | 137,541             |
| Fire                                        | 419,000               | 419,000               | 216,921              | 202,079             |
| Public works services                       | 2,686,000             | 4,202,195             | 1,770,745            | 2,431,450           |
| Community development                       | 550,000               | 2,496,812             | 149,751              | 2,347,061           |
| Library                                     | 80,000                | 230,222               | 88,122               | 142,100             |
| Recreation and community services           | 105,000               | 363,635               | 114,013              | 249,622             |
| <b>Total expenditures</b>                   | <u>4,353,600</u>      | <u>8,304,643</u>      | <u>2,751,481</u>     | <u>5,553,162</u>    |
| <b>EXCESS (DEFICIENCY) OF</b>               |                       |                       |                      |                     |
| <b>  REVENUES OVER (UNDER) EXPENDITURES</b> | <u>(3,577,100)</u>    | <u>(7,528,143)</u>    | <u>(1,827,100)</u>   | <u>5,701,043</u>    |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                       |                       |                      |                     |
| Transfers in                                | <u>750,000</u>        | <u>750,000</u>        | <u>2,400,000</u>     | <u>1,650,000</u>    |
| <b>Total other financing sources (uses)</b> | <u>750,000</u>        | <u>750,000</u>        | <u>2,400,000</u>     | <u>1,650,000</u>    |
| <b>Net change in fund balance</b>           | <u>\$ (2,827,100)</u> | <u>\$ (6,778,143)</u> | <u>572,900</u>       | <u>\$ 7,351,043</u> |
| <b>FUND BALANCE:</b>                        |                       |                       |                      |                     |
| Beginning of fiscal year                    |                       |                       | <u>11,404,087</u>    |                     |
| End of fiscal year                          |                       |                       | <u>\$ 11,976,987</u> |                     |

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

|                                                                             | Special Revenue      |                   |                  |                   |                     |
|-----------------------------------------------------------------------------|----------------------|-------------------|------------------|-------------------|---------------------|
|                                                                             | Narcotics<br>Seizure | COPS<br>SLESF     | OTS<br>Grant     | Traffic<br>Safety | Solid<br>Waste      |
| <b>ASSETS</b>                                                               |                      |                   |                  |                   |                     |
| Cash and investments                                                        | \$ 84,520            | \$ 277,394        | \$ -             | \$ -              | \$ 1,666,472        |
| Cash and investments with fiscal agent                                      | -                    | -                 | -                | -                 | -                   |
| Accounts receivable                                                         | -                    | -                 | -                | -                 | 10,060              |
| Interest receivable                                                         | -                    | 1,244             | -                | -                 | 7,475               |
| Due from other governments                                                  | -                    | -                 | 18,326           | 11,519            | 111,835             |
| Prepaid items and deposits                                                  | -                    | -                 | -                | -                 | -                   |
| <b>Total assets</b>                                                         | <b>\$ 84,520</b>     | <b>\$ 278,638</b> | <b>\$ 18,326</b> | <b>\$ 11,519</b>  | <b>\$ 1,795,842</b> |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b>         |                      |                   |                  |                   |                     |
| <b>Liabilities:</b>                                                         |                      |                   |                  |                   |                     |
| Accounts payable                                                            | \$ -                 | \$ 8,093          | \$ -             | \$ 5,981          | \$ 6,118            |
| Accrued salaries payable                                                    | -                    | 2,825             | 8,468            | -                 | 5,167               |
| Due to other funds                                                          | -                    | -                 | 9,858            | 5,538             | -                   |
| Retentions payable                                                          | -                    | -                 | -                | -                 | -                   |
| <b>Total liabilities</b>                                                    | <b>-</b>             | <b>10,918</b>     | <b>18,326</b>    | <b>11,519</b>     | <b>11,285</b>       |
| <b>Deferred Inflow of Resources:</b>                                        |                      |                   |                  |                   |                     |
| Unavailable revenue                                                         | -                    | -                 | -                | -                 | -                   |
| <b>Total deferred inflow of resources</b>                                   | <b>-</b>             | <b>-</b>          | <b>-</b>         | <b>-</b>          | <b>-</b>            |
| <b>Fund Balances:</b>                                                       |                      |                   |                  |                   |                     |
| Nonspendable                                                                | -                    | -                 | -                | -                 | -                   |
| Restricted                                                                  | 84,520               | 267,720           | -                | -                 | 1,784,557           |
| Unassigned                                                                  | -                    | -                 | -                | -                 | -                   |
| <b>Total fund balances</b>                                                  | <b>84,520</b>        | <b>267,720</b>    | <b>-</b>         | <b>-</b>          | <b>1,784,557</b>    |
| <b>Total liabilities and deferred inflow of resources and fund balances</b> | <b>\$ 84,520</b>     | <b>\$ 278,638</b> | <b>\$ 18,326</b> | <b>\$ 11,519</b>  | <b>\$ 1,795,842</b> |

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2019**

|                                                                     | Special Revenue   |                  |                     |                          |                             |
|---------------------------------------------------------------------|-------------------|------------------|---------------------|--------------------------|-----------------------------|
|                                                                     | AQMD              | CDBG             | Prop A<br>Transit   | Transportation<br>Impact | State and<br>County Gas Tax |
| <b>ASSETS</b>                                                       |                   |                  |                     |                          |                             |
| Cash and investments                                                | \$ 105,751        | \$ -             | \$ 1,842,333        | \$ 2,746,960             | \$ 118,679                  |
| Cash and investments with fiscal agent                              | -                 | -                | -                   | -                        | -                           |
| Accounts receivable                                                 | -                 | -                | -                   | -                        | -                           |
| Interest receivable                                                 | 474               | -                | 6,399               | 12,337                   | 72                          |
| Due from other governments                                          | 19,404            | 26,408           | -                   | -                        | -                           |
| Prepaid items and deposits                                          | -                 | -                | -                   | -                        | -                           |
| <b>Total assets</b>                                                 | <b>\$ 125,629</b> | <b>\$ 26,408</b> | <b>\$ 1,848,732</b> | <b>\$ 2,759,297</b>      | <b>\$ 118,751</b>           |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b> |                   |                  |                     |                          |                             |
| <b>Liabilities:</b>                                                 |                   |                  |                     |                          |                             |
| Accounts payable                                                    | \$ -              | \$ 9,513         | \$ 47               | \$ 144,916               | \$ -                        |
| Accrued salaries payable                                            | -                 | -                | 3,259               | -                        | -                           |
| Due to other funds                                                  | -                 | 16,895           | -                   | -                        | -                           |
| Retentions payable                                                  | -                 | -                | -                   | 40,343                   | -                           |
| <b>Total liabilities</b>                                            | <b>-</b>          | <b>26,408</b>    | <b>3,306</b>        | <b>185,259</b>           | <b>-</b>                    |
| <b>Deferred Inflow of Resources:</b>                                |                   |                  |                     |                          |                             |
| Unavailable revenue                                                 | -                 | -                | -                   | -                        | -                           |
| <b>Total deferred inflow of resources</b>                           | <b>-</b>          | <b>-</b>         | <b>-</b>            | <b>-</b>                 | <b>-</b>                    |
| <b>Fund Balances:</b>                                               |                   |                  |                     |                          |                             |
| Nonspendable                                                        | -                 | -                | -                   | -                        | -                           |
| Restricted                                                          | 125,629           | -                | 1,845,426           | 2,574,038                | 118,751                     |
| Unassigned                                                          | -                 | -                | -                   | -                        | -                           |
| <b>Total fund balances</b>                                          | <b>125,629</b>    | <b>-</b>         | <b>1,845,426</b>    | <b>2,574,038</b>         | <b>118,751</b>              |
| <b>Total liabilities and fund balances</b>                          | <b>\$ 125,629</b> | <b>\$ 26,408</b> | <b>\$ 1,848,732</b> | <b>\$ 2,759,297</b>      | <b>\$ 118,751</b>           |

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2019**

|                                                | Special Revenue   |                         |                     |                   |                          |
|------------------------------------------------|-------------------|-------------------------|---------------------|-------------------|--------------------------|
|                                                | Measure R         | Lighting<br>Maintenance | Prop C              | IRS<br>Task Force | TDA Article 3<br>Bikeway |
| <b>ASSETS</b>                                  |                   |                         |                     |                   |                          |
| Cash and investments                           | \$ 917,418        | \$ 259,435              | \$ 2,061,354        | \$ 459,951        | \$ -                     |
| Cash and investments with fiscal agent         | -                 | -                       | -                   | -                 | -                        |
| Accounts receivable                            | -                 | -                       | -                   | -                 | -                        |
| Interest receivable                            | 2,872             | 1,538                   | 9,242               | -                 | -                        |
| Due from other governments                     | -                 | 7,529                   | -                   | -                 | 76,594                   |
| Prepaid items and deposits                     | -                 | -                       | -                   | -                 | -                        |
| <b>Total assets</b>                            | <b>\$ 920,290</b> | <b>\$ 268,502</b>       | <b>\$ 2,070,596</b> | <b>\$ 459,951</b> | <b>\$ 76,594</b>         |
| <b>LIABILITIES AND<br/>FUND BALANCES</b>       |                   |                         |                     |                   |                          |
| <b>Liabilities:</b>                            |                   |                         |                     |                   |                          |
| Accounts payable                               | \$ 36,041         | \$ 49,736               | \$ 1,900            | \$ -              | \$ -                     |
| Accrued salaries payable                       | 1,125             | 5,728                   | 1,637               | -                 | -                        |
| Due to other funds                             | -                 | -                       | -                   | -                 | 76,594                   |
| Retentions payable                             | -                 | -                       | -                   | -                 | -                        |
| <b>Total liabilities</b>                       | <b>37,166</b>     | <b>55,464</b>           | <b>3,537</b>        | <b>-</b>          | <b>76,594</b>            |
| <b>Deferred Inflow of Resources:</b>           |                   |                         |                     |                   |                          |
| Unavailable revenue                            | -                 | -                       | -                   | -                 | -                        |
| <b>Total deferred inflow of<br/>resources</b>  | <b>-</b>          | <b>-</b>                | <b>-</b>            | <b>-</b>          | <b>-</b>                 |
| <b>Fund Balances:</b>                          |                   |                         |                     |                   |                          |
| Nonspendable                                   | -                 | -                       | -                   | -                 | -                        |
| Restricted                                     | 883,124           | 213,038                 | 2,067,059           | 459,951           | -                        |
| Unassigned                                     | -                 | -                       | -                   | -                 | -                        |
| <b>Total fund balances</b>                     | <b>883,124</b>    | <b>213,038</b>          | <b>2,067,059</b>    | <b>459,951</b>    | <b>-</b>                 |
| <b>Total liabilities and<br/>fund balances</b> | <b>\$ 920,290</b> | <b>\$ 268,502</b>       | <b>\$ 2,070,596</b> | <b>\$ 459,951</b> | <b>\$ 76,594</b>         |

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2019**

|                                                                         | Special Revenue                    |                      |                           |                             |                   |
|-------------------------------------------------------------------------|------------------------------------|----------------------|---------------------------|-----------------------------|-------------------|
|                                                                         | Santa Anita<br>Grade<br>Separation | Homeland<br>Security | Library<br>State<br>Grant | PEG<br>Access<br>Television | Used Oil<br>Grant |
| <b>ASSETS</b>                                                           |                                    |                      |                           |                             |                   |
| Cash and investments                                                    | \$ 1,650,326                       | \$ -                 | \$ 624                    | \$ 784,077                  | \$ 15,519         |
| Cash and investments with fiscal agent                                  | -                                  | -                    | -                         | -                           | -                 |
| Accounts receivable                                                     | -                                  | -                    | -                         | -                           | -                 |
| Interest receivable                                                     | 7,399                              | -                    | -                         | 3,516                       | 35                |
| Due from other governments                                              | -                                  | 8,118                | -                         | 19,003                      | -                 |
| Prepaid items and deposits                                              | -                                  | -                    | -                         | -                           | 8,640             |
| <b>Total assets</b>                                                     | <b>\$ 1,657,725</b>                | <b>\$ 8,118</b>      | <b>\$ 624</b>             | <b>\$ 806,596</b>           | <b>\$ 24,194</b>  |
| <b>LIABILITIES, DEFERRED INFLOW OF<br/>RESOURCES, AND FUND BALANCES</b> |                                    |                      |                           |                             |                   |
| <b>Liabilities:</b>                                                     |                                    |                      |                           |                             |                   |
| Accounts payable                                                        | \$ -                               | \$ -                 | \$ -                      | \$ -                        | \$ 2,040          |
| Accrued salaries payable                                                | -                                  | -                    | -                         | -                           | -                 |
| Due to other funds                                                      | -                                  | 8,691                | -                         | -                           | -                 |
| Retentions payable                                                      | -                                  | -                    | -                         | -                           | -                 |
| <b>Total liabilities</b>                                                | <b>-</b>                           | <b>8,691</b>         | <b>-</b>                  | <b>-</b>                    | <b>2,040</b>      |
| <b>Deferred Inflow of Resources:</b>                                    |                                    |                      |                           |                             |                   |
| Unavailable revenue                                                     | -                                  | 8,118                | -                         | -                           | -                 |
| <b>Total deferred inflow of<br/>resources</b>                           | <b>-</b>                           | <b>8,118</b>         | <b>-</b>                  | <b>-</b>                    | <b>-</b>          |
| <b>Fund Balances:</b>                                                   |                                    |                      |                           |                             |                   |
| Nonspendable                                                            | -                                  | -                    | -                         | -                           | 8,640             |
| Restricted                                                              | 1,657,725                          | -                    | 624                       | 806,596                     | 13,514            |
| Unassigned                                                              | -                                  | (8,691)              | -                         | -                           | -                 |
| <b>Total fund balances</b>                                              | <b>1,657,725</b>                   | <b>(8,691)</b>       | <b>624</b>                | <b>806,596</b>              | <b>22,154</b>     |
| <b>Total liabilities and<br/>fund balances</b>                          | <b>\$ 1,657,725</b>                | <b>\$ 8,118</b>      | <b>\$ 624</b>             | <b>\$ 806,596</b>           | <b>\$ 24,194</b>  |

(Continued)

**City of Arcadia**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds (Continued)**  
**June 30, 2019**

|                                                                     | Special Revenue  |                    | Debt Service      | Total                |
|---------------------------------------------------------------------|------------------|--------------------|-------------------|----------------------|
|                                                                     | DOC Beverage     | Road Maintenance   | General           | Nonmajor             |
|                                                                     | Grant            | and Rehabilitation | Obligation        | Governmental         |
|                                                                     |                  | Act                | Bonds             | Funds                |
| <b>ASSETS</b>                                                       |                  |                    |                   |                      |
| Cash and investments                                                | \$ 62,897        | \$ 218,571         | \$ 820,022        | \$ 14,092,303        |
| Cash and investments with fiscal agent                              | -                | -                  | 7                 | 7                    |
| Accounts receivable                                                 | -                | -                  | -                 | 10,060               |
| Interest receivable                                                 | 282              | 978                | 3,676             | 57,539               |
| Due from other governments                                          | -                | 99,205             | 25,303            | 423,244              |
| Prepaid items and deposits                                          | -                | -                  | -                 | 8,640                |
| <b>Total assets</b>                                                 | <b>\$ 63,179</b> | <b>\$ 318,754</b>  | <b>\$ 849,008</b> | <b>\$ 14,591,793</b> |
| <b>LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES</b> |                  |                    |                   |                      |
| <b>Liabilities:</b>                                                 |                  |                    |                   |                      |
| Accounts payable                                                    | \$ -             | \$ 266,590         | \$ -              | \$ 530,975           |
| Accrued salaries payable                                            | -                | -                  | -                 | 28,209               |
| Due to other funds                                                  | -                | -                  | -                 | 117,576              |
| Retentions payable                                                  | -                | 14,031             | -                 | 54,374               |
| <b>Total liabilities</b>                                            | <b>-</b>         | <b>280,621</b>     | <b>-</b>          | <b>731,134</b>       |
| <b>Deferred Inflow of Resources:</b>                                |                  |                    |                   |                      |
| Unavailable revenue                                                 | -                | -                  | -                 | 8,118                |
| <b>Total deferred inflow of resources</b>                           | <b>-</b>         | <b>-</b>           | <b>-</b>          | <b>8,118</b>         |
| <b>Fund Balances:</b>                                               |                  |                    |                   |                      |
| Nonspendable                                                        | -                | -                  | -                 | 8,640                |
| Restricted                                                          | 63,179           | 38,133             | 849,008           | 13,852,592           |
| Unassigned                                                          | -                | -                  | -                 | (8,691)              |
| <b>Total fund balances</b>                                          | <b>63,179</b>    | <b>38,133</b>      | <b>849,008</b>    | <b>13,852,541</b>    |
| <b>Total liabilities and fund balances</b>                          | <b>\$ 63,179</b> | <b>\$ 318,754</b>  | <b>\$ 849,008</b> | <b>\$ 14,591,793</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, 2019**

|                                                                      | Special Revenue      |                |               |                   |                  |
|----------------------------------------------------------------------|----------------------|----------------|---------------|-------------------|------------------|
|                                                                      | Narcotics<br>Seizure | COPS<br>SLESF  | OTS<br>Grant  | Traffic<br>Safety | Solid<br>Waste   |
| <b>REVENUES:</b>                                                     |                      |                |               |                   |                  |
| Taxes                                                                | \$ -                 | \$ -           | \$ -          | \$ -              | \$ 541,519       |
| Licenses and permits                                                 | -                    | -              | -             | -                 | -                |
| Fines and forfeitures                                                | -                    | -              | -             | 201,000           | -                |
| Use of money and property                                            | 300                  | 9,753          | -             | -                 | 55,046           |
| Intergovernmental                                                    | -                    | -              | 67,144        | -                 | -                |
| Charges for services                                                 | 26,537               | -              | -             | -                 | 114,766          |
| Other revenues                                                       | -                    | 148,747        | -             | -                 | 361              |
| <b>Total revenues</b>                                                | <b>26,837</b>        | <b>158,500</b> | <b>67,144</b> | <b>201,000</b>    | <b>711,692</b>   |
| <b>EXPENDITURES:</b>                                                 |                      |                |               |                   |                  |
| Current:                                                             |                      |                |               |                   |                  |
| General government:                                                  |                      |                |               |                   |                  |
| General city                                                         | -                    | -              | -             | -                 | -                |
| Public safety:                                                       |                      |                |               |                   |                  |
| Police                                                               | 113,408              | 160,085        | 67,144        | -                 | -                |
| Fire                                                                 | -                    | -              | -             | -                 | -                |
| Public works services                                                | -                    | -              | -             | -                 | 397,920          |
| Community development                                                | -                    | -              | -             | -                 | -                |
| Recreation and community services                                    | -                    | -              | -             | -                 | -                |
| Debt service:                                                        |                      |                |               |                   |                  |
| Principal retirement                                                 | -                    | -              | -             | -                 | -                |
| Interest and fiscal charges                                          | -                    | -              | -             | -                 | -                |
| <b>Total expenditures</b>                                            | <b>113,408</b>       | <b>160,085</b> | <b>67,144</b> | <b>-</b>          | <b>397,920</b>   |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(86,571)</b>      | <b>(1,585)</b> | <b>-</b>      | <b>201,000</b>    | <b>313,772</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                      |                |               |                   |                  |
| Transfers in                                                         | -                    | -              | -             | -                 | -                |
| Transfers out                                                        | (26,537)             | -              | -             | (201,000)         | (114,766)        |
| <b>Total other financing sources (uses)</b>                          | <b>(26,537)</b>      | <b>-</b>       | <b>-</b>      | <b>(201,000)</b>  | <b>(114,766)</b> |
| <b>Net changes in fund balances</b>                                  | <b>(113,108)</b>     | <b>(1,585)</b> | <b>-</b>      | <b>-</b>          | <b>199,006</b>   |
| <b>FUND BALANCES (DEFICIT):</b>                                      |                      |                |               |                   |                  |
| Beginning of fiscal year                                             | 197,628              | 269,305        | -             | -                 | 1,585,551        |
| End of fiscal year                                                   | \$ 84,520            | \$ 267,720     | \$ -          | \$ -              | \$ 1,784,557     |

(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, 2019**

|                                                                      | Special Revenue |                |                   |                          |                             |
|----------------------------------------------------------------------|-----------------|----------------|-------------------|--------------------------|-----------------------------|
|                                                                      | AQMD            | CDBG           | Prop A<br>Transit | Transportation<br>Impact | State and<br>County Gas Tax |
| <b>REVENUES:</b>                                                     |                 |                |                   |                          |                             |
| Taxes                                                                | \$ -            | \$ -           | \$ -              | \$ -                     | \$ -                        |
| Licenses and permits                                                 | -               | -              | -                 | 517,563                  | -                           |
| Fines and forfeitures                                                | -               | -              | -                 | -                        | -                           |
| Use of money and property                                            | 2,970           | -              | 56,879            | 101,503                  | 1,663                       |
| Intergovernmental                                                    | 74,845          | 367,578        | 1,151,846         | 66,832                   | 1,173,711                   |
| Charges for services                                                 | -               | 21,698         | -                 | -                        | -                           |
| Other revenues                                                       | -               | -              | 353               | -                        | -                           |
| <b>Total revenues</b>                                                | <b>77,815</b>   | <b>389,276</b> | <b>1,209,078</b>  | <b>685,898</b>           | <b>1,175,374</b>            |
| <b>EXPENDITURES:</b>                                                 |                 |                |                   |                          |                             |
| Current:                                                             |                 |                |                   |                          |                             |
| General government:                                                  |                 |                |                   |                          |                             |
| General city                                                         | 27,579          | -              | -                 | -                        | -                           |
| Public safety:                                                       |                 |                |                   |                          |                             |
| Police                                                               | -               | -              | -                 | -                        | -                           |
| Fire                                                                 | -               | -              | -                 | -                        | -                           |
| Public works services                                                | -               | -              | 118,415           | -                        | 2,490                       |
| Community development                                                | 20,154          | 322,431        | 114,310           | 1,066,970                | -                           |
| Recreation and community services                                    | -               | 66,845         | 20,599            | -                        | -                           |
| Debt service:                                                        |                 |                |                   |                          |                             |
| Principal retirement                                                 | -               | -              | -                 | -                        | -                           |
| Interest and fiscal charges                                          | -               | -              | -                 | -                        | -                           |
| <b>Total expenditures</b>                                            | <b>47,733</b>   | <b>389,276</b> | <b>253,324</b>    | <b>1,066,970</b>         | <b>2,490</b>                |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>30,082</b>   | <b>-</b>       | <b>955,754</b>    | <b>(381,072)</b>         | <b>1,172,884</b>            |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                 |                |                   |                          |                             |
| Transfers in                                                         | -               | -              | -                 | -                        | -                           |
| Transfers out                                                        | -               | -              | (642,250)         | -                        | (1,238,640)                 |
| <b>Total other financing sources (uses)</b>                          | <b>-</b>        | <b>-</b>       | <b>(642,250)</b>  | <b>-</b>                 | <b>(1,238,640)</b>          |
| <b>Net changes in fund balances</b>                                  | <b>30,082</b>   | <b>-</b>       | <b>313,504</b>    | <b>(381,072)</b>         | <b>(65,756)</b>             |
| <b>FUND BALANCES (DEFICIT):</b>                                      |                 |                |                   |                          |                             |
| Beginning of fiscal year                                             | 95,547          | -              | 1,531,922         | 2,955,110                | 184,507                     |
| End of fiscal year                                                   | \$ 125,629      | \$ -           | \$ 1,845,426      | \$ 2,574,038             | \$ 118,751                  |

(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, 2019**

|                                                                      | Special Revenue  |                         |                  |                   |                          |
|----------------------------------------------------------------------|------------------|-------------------------|------------------|-------------------|--------------------------|
|                                                                      | Measure R        | Lighting<br>Maintenance | Prop C           | IRS Task<br>Force | TDA Article 3<br>Bikeway |
| <b>REVENUES:</b>                                                     |                  |                         |                  |                   |                          |
| Taxes                                                                | \$ -             | \$ 502,902              | \$ -             | \$ -              | \$ -                     |
| Licenses and permits                                                 | -                | -                       | -                | -                 | -                        |
| Fines and forfeitures                                                | -                | -                       | -                | -                 | -                        |
| Use of money and property                                            | 32,999           | 9,408                   | 64,552           | 913               | -                        |
| Intergovernmental                                                    | 965,719          | -                       | 955,424          | -                 | 76,594                   |
| Charges for services                                                 | -                | -                       | -                | -                 | -                        |
| Other revenues                                                       | -                | -                       | -                | -                 | -                        |
| <b>Total revenues</b>                                                | <b>998,718</b>   | <b>512,310</b>          | <b>1,019,976</b> | <b>913</b>        | <b>76,594</b>            |
| <b>EXPENDITURES:</b>                                                 |                  |                         |                  |                   |                          |
| Current:                                                             |                  |                         |                  |                   |                          |
| General government:                                                  |                  |                         |                  |                   |                          |
| General city                                                         | -                | -                       | -                | -                 | -                        |
| Public safety:                                                       |                  |                         |                  |                   |                          |
| Police                                                               | -                | -                       | -                | -                 | -                        |
| Fire                                                                 | -                | -                       | -                | -                 | -                        |
| Public works services                                                | -                | 1,128,673               | -                | -                 | -                        |
| Community development                                                | 780,162          | -                       | 693,196          | -                 | 76,594                   |
| Recreation and community services                                    | -                | -                       | -                | -                 | -                        |
| Debt service:                                                        |                  |                         |                  |                   |                          |
| Principal retirement                                                 | -                | -                       | -                | -                 | -                        |
| Interest and fiscal charges                                          | -                | -                       | -                | -                 | -                        |
| <b>Total expenditures</b>                                            | <b>780,162</b>   | <b>1,128,673</b>        | <b>693,196</b>   | <b>-</b>          | <b>76,594</b>            |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>218,556</b>   | <b>(616,363)</b>        | <b>326,780</b>   | <b>913</b>        | <b>-</b>                 |
| <b>OTHER FINANCING SOURCES (USES):</b>                               |                  |                         |                  |                   |                          |
| Transfers in                                                         | -                | 677,204                 | -                | -                 | -                        |
| Transfers out                                                        | (342,826)        | -                       | -                | -                 | -                        |
| <b>Total other financing sources (uses)</b>                          | <b>(342,826)</b> | <b>677,204</b>          | <b>-</b>         | <b>-</b>          | <b>-</b>                 |
| <b>Net changes in fund balances</b>                                  | <b>(124,270)</b> | <b>60,841</b>           | <b>326,780</b>   | <b>913</b>        | <b>-</b>                 |
| <b>FUND BALANCES (DEFICIT):</b>                                      |                  |                         |                  |                   |                          |
| Beginning of fiscal year                                             | 1,007,394        | 152,197                 | 1,740,279        | 459,038           | -                        |
| End of fiscal year                                                   | \$ 883,124       | \$ 213,038              | \$ 2,067,059     | \$ 459,951        | \$ -                     |

(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, 2019**

|                                                                      | Special Revenue                    |                      |                           |                             |                   |
|----------------------------------------------------------------------|------------------------------------|----------------------|---------------------------|-----------------------------|-------------------|
|                                                                      | Santa Anita<br>Grade<br>Separation | Homeland<br>Security | Library<br>State<br>Grant | PEG<br>Access<br>Television | Used Oil<br>Grant |
| <b>REVENUES:</b>                                                     |                                    |                      |                           |                             |                   |
| Taxes                                                                | \$ -                               | \$ -                 | \$ -                      | \$ 79,569                   | \$ -              |
| Licenses and permits                                                 | -                                  | -                    | -                         | -                           | -                 |
| Fines and forfeitures                                                | -                                  | -                    | -                         | -                           | -                 |
| Use of money and property                                            | 59,154                             | -                    | -                         | 25,512                      | 526               |
| Intergovernmental                                                    | -                                  | 9,710                | -                         | -                           | 15,870            |
| Charges for services                                                 | -                                  | -                    | -                         | -                           | -                 |
| Other revenues                                                       | -                                  | -                    | -                         | -                           | -                 |
| <b>Total revenues</b>                                                | <b>59,154</b>                      | <b>9,710</b>         | <b>-</b>                  | <b>105,081</b>              | <b>16,396</b>     |
| <b>EXPENDITURES:</b>                                                 |                                    |                      |                           |                             |                   |
| Current:                                                             |                                    |                      |                           |                             |                   |
| General government:                                                  |                                    |                      |                           |                             |                   |
| General city                                                         | -                                  | -                    | -                         | -                           | -                 |
| Public safety:                                                       |                                    |                      |                           |                             |                   |
| Police                                                               | -                                  | -                    | -                         | -                           | -                 |
| Fire                                                                 | -                                  | 14,774               | -                         | -                           | -                 |
| Public works services                                                | -                                  | -                    | -                         | -                           | 7,048             |
| Community development                                                | 163,108                            | -                    | -                         | -                           | -                 |
| Recreation and community services                                    | -                                  | -                    | -                         | -                           | -                 |
| Debt service:                                                        |                                    |                      |                           |                             |                   |
| Principal retirement                                                 | -                                  | -                    | -                         | -                           | -                 |
| Interest and fiscal charges                                          | -                                  | -                    | -                         | -                           | -                 |
| <b>Total expenditures</b>                                            | <b>163,108</b>                     | <b>14,774</b>        | <b>-</b>                  | <b>-</b>                    | <b>7,048</b>      |
| <b>EXCESS (DEFICIENCY) OF REVENUES<br/>OVER (UNDER) EXPENDITURES</b> | <b>(103,954)</b>                   | <b>(5,064)</b>       | <b>-</b>                  | <b>105,081</b>              | <b>9,348</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>(103,954)</b>                   | <b>(5,064)</b>       | <b>-</b>                  | <b>105,081</b>              | <b>9,348</b>      |
| <b>FUND BALANCES (DEFICIT):</b>                                      |                                    |                      |                           |                             |                   |
| Beginning of fiscal year                                             | 1,761,679                          | (3,627)              | 624                       | 701,515                     | 12,806            |
| End of fiscal year                                                   | <u>\$ 1,657,725</u>                | <u>\$ (8,691)</u>    | <u>\$ 624</u>             | <u>\$ 806,596</u>           | <u>\$ 22,154</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, 2019**

|                                                                  | Special Revenue    | Debt Service                            | Total                       |
|------------------------------------------------------------------|--------------------|-----------------------------------------|-----------------------------|
|                                                                  | DOC Beverage Grant | Road Maintenance and Rehabilitation Act | General Obligation Bonds    |
|                                                                  |                    |                                         | Nonmajor Governmental Funds |
| <b>REVENUES:</b>                                                 |                    |                                         |                             |
| Taxes                                                            | \$ -               | \$ -                                    | \$ 973,480                  |
| Licenses and permits                                             | -                  | -                                       | -                           |
| Fines and forfeitures                                            | -                  | -                                       | -                           |
| Use of money and property                                        | 1,448              | 8,368                                   | 20,956                      |
| Intergovernmental                                                | 43,510             | 968,537                                 | -                           |
| Charges for services                                             | -                  | -                                       | -                           |
| Other revenues                                                   | -                  | -                                       | -                           |
| <b>Total revenues</b>                                            | <b>44,958</b>      | <b>976,905</b>                          | <b>994,436</b>              |
| <b>EXPENDITURES:</b>                                             |                    |                                         |                             |
| Current:                                                         |                    |                                         |                             |
| General government:                                              |                    |                                         |                             |
| General city                                                     | -                  | -                                       | 2,500                       |
| Public safety:                                                   |                    |                                         |                             |
| Police                                                           | -                  | -                                       | -                           |
| Fire                                                             | -                  | -                                       | -                           |
| Public works services                                            | -                  | -                                       | -                           |
| Community development                                            | -                  | 1,102,264                               | -                           |
| Recreation and community services                                | -                  | -                                       | -                           |
| Debt service:                                                    |                    |                                         |                             |
| Principal retirement                                             | -                  | -                                       | 615,000                     |
| Interest and fiscal charges                                      | -                  | -                                       | 397,101                     |
| <b>Total expenditures</b>                                        | <b>-</b>           | <b>1,102,264</b>                        | <b>1,014,601</b>            |
| <b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b> | <b>44,958</b>      | <b>(125,359)</b>                        | <b>(20,165)</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>Net changes in fund balances</b>                              | <b>44,958</b>      | <b>(125,359)</b>                        | <b>(20,165)</b>             |
| <b>FUND BALANCES (DEFICIT):</b>                                  |                    |                                         |                             |
| Beginning of fiscal year                                         | 18,221             | 163,492                                 | 869,173                     |
| End of fiscal year                                               | \$ 63,179          | \$ 38,133                               | \$ 849,008                  |

(Concluded)

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Narcotics Seizure Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                             | Budget Amounts            |                           | Actual                  | Variance with             |
|---------------------------------------------|---------------------------|---------------------------|-------------------------|---------------------------|
|                                             | Original                  | Final                     | Amounts                 | Final Budget              |
| <b>REVENUES:</b>                            |                           |                           |                         |                           |
| Use of money and property                   | \$ 1,000                  | \$ 1,000                  | \$ 300                  | \$ (700)                  |
| Charges for services                        | -                         | -                         | 26,537                  | 26,537                    |
| Other revenues                              | 70,000                    | 70,000                    | -                       | (70,000)                  |
| <b>Total revenues</b>                       | <u>71,000</u>             | <u>71,000</u>             | <u>26,837</u>           | <u>(44,163)</u>           |
| <b>EXPENDITURES:</b>                        |                           |                           |                         |                           |
| Current:                                    |                           |                           |                         |                           |
| Public safety:                              |                           |                           |                         |                           |
| Police                                      | 166,900                   | 166,900                   | 113,408                 | 53,492                    |
| <b>Total expenditures</b>                   | <u>166,900</u>            | <u>166,900</u>            | <u>113,408</u>          | <u>53,492</u>             |
| <b>EXCESS (DEFICIENCY) OF</b>               |                           |                           |                         |                           |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <u>(95,900)</u>           | <u>(95,900)</u>           | <u>(86,571)</u>         | <u>9,329</u>              |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                           |                           |                         |                           |
| Transfers out                               | -                         | -                         | (26,537)                | (26,537)                  |
| <b>Total other financing sources (uses)</b> | <u>-</u>                  | <u>-</u>                  | <u>(26,537)</u>         | <u>(26,537)</u>           |
| <b>Net change in fund balance</b>           | <u><u>\$ (95,900)</u></u> | <u><u>\$ (95,900)</u></u> | <u>(113,108)</u>        | <u><u>\$ (17,208)</u></u> |
| <b>FUND BALANCE:</b>                        |                           |                           |                         |                           |
| Beginning of fiscal year                    |                           |                           | <u>197,628</u>          |                           |
| End of fiscal year                          |                           |                           | <u><u>\$ 84,520</u></u> |                           |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**COPS SLESF Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |               | Actual            | Variance with     |
|-----------------------------------|----------------|---------------|-------------------|-------------------|
|                                   | Original       | Final         | Amounts           | Final Budget      |
| <b>REVENUES:</b>                  |                |               |                   |                   |
| Use of money and property         | \$ 5,000       | \$ 5,000      | \$ 9,753          | \$ 4,753          |
| Other revenues                    | 154,000        | 154,000       | 148,747           | (5,253)           |
| <b>Total revenues</b>             | 159,000        | 159,000       | 158,500           | (500)             |
| <b>EXPENDITURES:</b>              |                |               |                   |                   |
| Current:                          |                |               |                   |                   |
| Public safety:                    |                |               |                   |                   |
| Police                            | 158,300        | 158,300       | 160,085           | (1,785)           |
| <b>Total expenditures</b>         | 158,300        | 158,300       | 160,085           | (1,785)           |
| <b>Net change in fund balance</b> | <u>\$ 700</u>  | <u>\$ 700</u> | (1,585)           | <u>\$ (2,285)</u> |
| <b>FUND BALANCE:</b>              |                |               |                   |                   |
| Beginning of fiscal year          |                |               | 269,305           |                   |
| End of fiscal year                |                |               | <u>\$ 267,720</u> |                   |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**OTS Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |                | Actual        | Variance with   |
|-----------------------------------|----------------|----------------|---------------|-----------------|
|                                   | Original       | Final          | Amounts       | Final Budget    |
| <b>REVENUES:</b>                  |                |                |               |                 |
| Intergovernmental                 | \$ 107,000     | \$ 107,000     | \$ 67,144     | \$ (39,856)     |
| <b>Total revenues</b>             | <u>107,000</u> | <u>107,000</u> | <u>67,144</u> | <u>(39,856)</u> |
| <b>EXPENDITURES:</b>              |                |                |               |                 |
| Current:                          |                |                |               |                 |
| Public safety:                    |                |                |               |                 |
| Police                            | 107,000        | 107,000        | 67,144        | 39,856          |
| <b>Total expenditures</b>         | <u>107,000</u> | <u>107,000</u> | <u>67,144</u> | <u>39,856</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 Changes in Fund Balance - Budget and Actual**  
**Traffic Safety Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                             | Budget Amounts   |                  | Actual           | Variance with   |
|---------------------------------------------|------------------|------------------|------------------|-----------------|
|                                             | Original         | Final            | Amounts          | Final Budget    |
| <b>REVENUES:</b>                            |                  |                  |                  |                 |
| Fines and forfeitures                       | \$ 220,000       | \$ 220,000       | \$ 201,000       | \$ (19,000)     |
| <b>Total revenues</b>                       | <u>220,000</u>   | <u>220,000</u>   | <u>201,000</u>   | <u>(19,000)</u> |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                  |                  |                 |
| Transfers out                               | (220,000)        | (220,000)        | (201,000)        | 19,000          |
| <b>Total other financing sources (uses)</b> | <u>(220,000)</u> | <u>(220,000)</u> | <u>(201,000)</u> | <u>19,000</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 Changes in Fund Balance - Budget and Actual**  
**Solid Waste Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                             | Budget Amounts   |                  | Actual              | Variance with     |
|---------------------------------------------|------------------|------------------|---------------------|-------------------|
|                                             | Original         | Final            | Amounts             | Final Budget      |
| <b>REVENUES:</b>                            |                  |                  |                     |                   |
| Taxes                                       | \$ 450,000       | \$ 450,000       | \$ 541,519          | \$ 91,519         |
| Use of money and property                   | 30,100           | 30,100           | 55,046              | 24,946            |
| Charges for services                        | 114,000          | 114,000          | 114,766             | 766               |
| Other revenues                              | -                | -                | 361                 | 361               |
| <b>Total revenues</b>                       | <b>594,100</b>   | <b>594,100</b>   | <b>711,692</b>      | <b>117,592</b>    |
| <b>EXPENDITURES:</b>                        |                  |                  |                     |                   |
| Current:                                    |                  |                  |                     |                   |
| Public works services                       | 417,000          | 417,000          | 397,920             | 19,080            |
| <b>Total expenditures</b>                   | <b>417,000</b>   | <b>417,000</b>   | <b>397,920</b>      | <b>19,080</b>     |
| <b>EXCESS (DEFICIENCY) OF</b>               |                  |                  |                     |                   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>177,100</b>   | <b>177,100</b>   | <b>313,772</b>      | <b>136,672</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                  |                     |                   |
| Transfers out                               | (114,000)        | (114,000)        | (114,766)           | (766)             |
| <b>Total other financing sources (uses)</b> | <b>(114,000)</b> | <b>(114,000)</b> | <b>(114,766)</b>    | <b>(766)</b>      |
| <b>Net change in fund balance</b>           | <b>\$ 63,100</b> | <b>\$ 63,100</b> | <b>199,006</b>      | <b>\$ 135,906</b> |
| <b>FUND BALANCE:</b>                        |                  |                  |                     |                   |
| Beginning of fiscal year                    |                  |                  | 1,585,551           |                   |
| End of fiscal year                          |                  |                  | <u>\$ 1,784,557</u> |                   |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**AQMD Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |                    | Actual            | Variance with    |
|-----------------------------------|----------------|--------------------|-------------------|------------------|
|                                   | Original       | Final              | Amounts           | Final Budget     |
| <b>REVENUES:</b>                  |                |                    |                   |                  |
| Use of money and property         | \$ 1,100       | \$ 1,100           | \$ 2,970          | \$ 1,870         |
| Intergovernmental                 | 72,400         | 72,400             | 74,845            | 2,445            |
| <b>Total revenues</b>             | <b>73,500</b>  | <b>73,500</b>      | <b>77,815</b>     | <b>4,315</b>     |
| <b>EXPENDITURES:</b>              |                |                    |                   |                  |
| Current:                          |                |                    |                   |                  |
| General government:               |                |                    |                   |                  |
| General city                      | -              | 27,580             | 27,579            | 1                |
| Public works services             | 50,000         | 50,000             | -                 | 50,000           |
| Community development             | 22,600         | 22,600             | 20,154            | 2,446            |
| <b>Total expenditures</b>         | <b>72,600</b>  | <b>100,180</b>     | <b>47,733</b>     | <b>52,447</b>    |
| <b>Net change in fund balance</b> | <b>\$ 900</b>  | <b>\$ (26,680)</b> | <b>30,082</b>     | <b>\$ 56,762</b> |
| <b>FUND BALANCE:</b>              |                |                    |                   |                  |
| Beginning of fiscal year          |                |                    | 95,547            |                  |
| End of fiscal year                |                |                    | <u>\$ 125,629</u> |                  |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**CDBG Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |                     | Actual         | Variance with     |
|-----------------------------------|----------------|---------------------|----------------|-------------------|
|                                   | Original       | Final               | Amounts        | Final Budget      |
| <b>REVENUES:</b>                  |                |                     |                |                   |
| Intergovernmental                 | \$ 287,200     | \$ 287,200          | \$ 367,578     | \$ 80,378         |
| Charges for services              | 18,200         | 18,200              | 21,698         | 3,498             |
| <b>Total revenues</b>             | <b>305,400</b> | <b>305,400</b>      | <b>389,276</b> | <b>83,876</b>     |
| <b>EXPENDITURES:</b>              |                |                     |                |                   |
| Current:                          |                |                     |                |                   |
| Community development             | 240,700        | 453,607             | 322,431        | 131,176           |
| Recreation and community services | 64,700         | 64,700              | 66,845         | (2,145)           |
| <b>Total expenditures</b>         | <b>305,400</b> | <b>518,307</b>      | <b>389,276</b> | <b>129,031</b>    |
| <b>Net change in fund balance</b> | <b>\$ -</b>    | <b>\$ (212,907)</b> | <b>-</b>       | <b>\$ 212,907</b> |
| <b>FUND BALANCE:</b>              |                |                     |                |                   |
| Beginning of fiscal year          |                |                     | -              |                   |
| End of fiscal year                |                |                     | \$ -           |                   |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Proposition A Transit Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                             | Budget Amounts      |                     | Actual           | Variance with     |
|---------------------------------------------|---------------------|---------------------|------------------|-------------------|
|                                             | Original            | Final               | Amounts          | Final Budget      |
| <b>REVENUES:</b>                            |                     |                     |                  |                   |
| Use of money and property                   | \$ 24,600           | \$ 24,600           | \$ 56,879        | \$ 32,279         |
| Intergovernmental                           | 1,122,967           | 1,122,967           | 1,151,846        | 28,879            |
| Other revenues                              | -                   | -                   | 353              | 353               |
| <b>Total revenues</b>                       | <b>1,147,567</b>    | <b>1,147,567</b>    | <b>1,209,078</b> | <b>61,511</b>     |
| <b>EXPENDITURES:</b>                        |                     |                     |                  |                   |
| Current:                                    |                     |                     |                  |                   |
| Public works services                       | 119,900             | 119,900             | 118,415          | 1,485             |
| Community development                       | 111,300             | 254,075             | 114,310          | 139,765           |
| Recreation and community services           | 20,600              | 20,600              | 20,599           | 1                 |
| <b>Total expenditures</b>                   | <b>251,800</b>      | <b>394,575</b>      | <b>253,324</b>   | <b>141,251</b>    |
| <b>EXCESS (DEFICIENCY) OF</b>               |                     |                     |                  |                   |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>895,767</b>      | <b>752,992</b>      | <b>955,754</b>   | <b>202,762</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                     |                     |                  |                   |
| Transfers out                               | (1,052,840)         | (1,052,840)         | (642,250)        | 410,590           |
| <b>Total other financing sources (uses)</b> | <b>(1,052,840)</b>  | <b>(1,052,840)</b>  | <b>(642,250)</b> | <b>410,590</b>    |
| <b>Net change in fund balance</b>           | <b>\$ (157,073)</b> | <b>\$ (299,848)</b> | <b>313,504</b>   | <b>\$ 613,352</b> |
| <b>FUND BALANCE:</b>                        |                     |                     |                  |                   |
| Beginning of fiscal year                    |                     |                     | 1,531,922        |                   |
| End of fiscal year                          |                     |                     | \$ 1,845,426     |                   |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Transportation Impact Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts   |                       | Actual              | Variance with       |
|-----------------------------------|------------------|-----------------------|---------------------|---------------------|
|                                   | Original         | Final                 | Amounts             | Final Budget        |
| <b>REVENUES:</b>                  |                  |                       |                     |                     |
| Licenses and permits              | \$ 300,000       | \$ 300,000            | \$ 517,563          | \$ 217,563          |
| Use of money and property         | 27,000           | 27,000                | 101,503             | 74,503              |
| Intergovernmental                 | -                | -                     | 66,832              | 66,832              |
| <b>Total revenues</b>             | <b>327,000</b>   | <b>327,000</b>        | <b>685,898</b>      | <b>358,898</b>      |
| <b>EXPENDITURES:</b>              |                  |                       |                     |                     |
| Current:                          |                  |                       |                     |                     |
| Community development             | 250,000          | 2,381,514             | 1,066,970           | 1,314,544           |
| <b>Total expenditures</b>         | <b>250,000</b>   | <b>2,381,514</b>      | <b>1,066,970</b>    | <b>1,314,544</b>    |
| <b>Net change in fund balance</b> | <b>\$ 77,000</b> | <b>\$ (2,054,514)</b> | <b>(381,072)</b>    | <b>\$ 1,673,442</b> |
| <b>FUND BALANCE:</b>              |                  |                       |                     |                     |
| Beginning of fiscal year          |                  |                       | 2,955,110           |                     |
| End of fiscal year                |                  |                       | <u>\$ 2,574,038</u> |                     |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**State and County Gas Tax Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                             | Budget Amounts    |                   | Actual            | Variance with       |
|---------------------------------------------|-------------------|-------------------|-------------------|---------------------|
|                                             | Original          | Final             | Amounts           | Final Budget        |
| <b>REVENUES:</b>                            |                   |                   |                   |                     |
| Use of money and property                   | \$ 1,000          | \$ 1,000          | \$ 1,663          | \$ 663              |
| Intergovernmental                           | 1,448,985         | 1,448,985         | 1,173,711         | (275,274)           |
| <b>Total revenues</b>                       | 1,449,985         | 1,449,985         | 1,175,374         | (274,611)           |
| <b>EXPENDITURES:</b>                        |                   |                   |                   |                     |
| Current:                                    |                   |                   |                   |                     |
| Public works services                       | 2,000             | 2,000             | 2,490             | (490)               |
| <b>Total expenditures</b>                   | 2,000             | 2,000             | 2,490             | (490)               |
| <b>EXCESS (DEFICIENCY) OF</b>               |                   |                   |                   |                     |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | 1,447,985         | 1,447,985         | 1,172,884         | (275,101)           |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                   |                   |                   |                     |
| Transfers out                               | (1,341,300)       | (1,341,300)       | (1,238,640)       | 102,660             |
| <b>Total other financing sources (uses)</b> | (1,341,300)       | (1,341,300)       | (1,238,640)       | 102,660             |
| <b>Net change in fund balance</b>           | <u>\$ 106,685</u> | <u>\$ 106,685</u> | (65,756)          | <u>\$ (172,441)</u> |
| <b>FUND BALANCE:</b>                        |                   |                   |                   |                     |
| Beginning of fiscal year                    |                   |                   | 184,507           |                     |
| End of fiscal year                          |                   |                   | <u>\$ 118,751</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, 2019**

|                                             | Budget Amounts   |                       | Actual            | Variance with       |
|---------------------------------------------|------------------|-----------------------|-------------------|---------------------|
|                                             | Original         | Final                 | Amounts           | Final Budget        |
| <b>REVENUES:</b>                            |                  |                       |                   |                     |
| Use of money and property                   | \$ 7,400         | \$ 7,400              | \$ 32,999         | \$ 25,599           |
| Intergovernmental                           | 698,618          | 698,618               | 965,719           | 267,101             |
| <b>Total revenues</b>                       | <b>706,018</b>   | <b>706,018</b>        | <b>998,718</b>    | <b>292,700</b>      |
| <b>EXPENDITURES:</b>                        |                  |                       |                   |                     |
| Current:                                    |                  |                       |                   |                     |
| Community development                       | 68,000           | 2,133,044             | 780,162           | 1,352,882           |
| <b>Total expenditures</b>                   | <b>68,000</b>    | <b>2,133,044</b>      | <b>780,162</b>    | <b>1,352,882</b>    |
| <b>EXCESS (DEFICIENCY) OF</b>               |                  |                       |                   |                     |
| <b>REVENUES OVER (UNDER) EXPENDITURES</b>   | <b>638,018</b>   | <b>(1,427,026)</b>    | <b>218,556</b>    | <b>1,645,582</b>    |
| <b>OTHER FINANCING SOURCES (USES):</b>      |                  |                       |                   |                     |
| Transfers out                               | (616,553)        | (616,553)             | (342,826)         | 273,727             |
| <b>Total other financing sources (uses)</b> | <b>(616,553)</b> | <b>(616,553)</b>      | <b>(342,826)</b>  | <b>273,727</b>      |
| <b>Net change in fund balance</b>           | <b>\$ 21,465</b> | <b>\$ (2,043,579)</b> | <b>(124,270)</b>  | <b>\$ 1,919,309</b> |
| <b>FUND BALANCE:</b>                        |                  |                       |                   |                     |
| Beginning of fiscal year                    |                  |                       | 1,007,394         |                     |
| End of fiscal year                          |                  |                       | <u>\$ 883,124</u> |                     |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Lighting Maintenance Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                               | Budget Amounts   |                  | Actual            | Variance with    |
|-----------------------------------------------|------------------|------------------|-------------------|------------------|
|                                               | Original         | Final            | Amounts           | Final Budget     |
| <b>REVENUES:</b>                              |                  |                  |                   |                  |
| Taxes                                         | \$ 506,500       | \$ 506,500       | \$ 502,902        | \$ (3,598)       |
| Use of money and property                     | -                | -                | 9,408             | 9,408            |
| <b>Total revenues</b>                         | <b>506,500</b>   | <b>506,500</b>   | <b>512,310</b>    | <b>5,810</b>     |
| <b>EXPENDITURES:</b>                          |                  |                  |                   |                  |
| Current:                                      |                  |                  |                   |                  |
| Public works services                         | 1,266,200        | 1,266,200        | 1,128,673         | 137,527          |
| <b>Total expenditures</b>                     | <b>1,266,200</b> | <b>1,266,200</b> | <b>1,128,673</b>  | <b>137,527</b>   |
| <b>EXCESS (DEFICIENCY) OF</b>                 |                  |                  |                   |                  |
| <b>    REVENUES OVER (UNDER) EXPENDITURES</b> | <b>(759,700)</b> | <b>(759,700)</b> | <b>(616,363)</b>  | <b>143,337</b>   |
| <b>OTHER FINANCING SOURCES (USES):</b>        |                  |                  |                   |                  |
| Transfers in                                  | 759,700          | 759,700          | 677,204           | (82,496)         |
| <b>Total other financing sources (uses)</b>   | <b>759,700</b>   | <b>759,700</b>   | <b>677,204</b>    | <b>(82,496)</b>  |
| <b>Net change in fund balance</b>             | <b>\$ -</b>      | <b>\$ -</b>      | <b>60,841</b>     | <b>\$ 60,841</b> |
| <b>FUND BALANCE:</b>                          |                  |                  |                   |                  |
| Beginning of fiscal year                      |                  |                  | 152,197           |                  |
| End of fiscal year                            |                  |                  | <u>\$ 213,038</u> |                  |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Prop C Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts     |                       | Actual              | Variance with       |
|-----------------------------------|--------------------|-----------------------|---------------------|---------------------|
|                                   | Original           | Final                 | Amounts             | Final Budget        |
| <b>REVENUES:</b>                  |                    |                       |                     |                     |
| Use of money and property         | \$ 4,700           | \$ 4,700              | \$ 64,552           | \$ 59,852           |
| Intergovernmental                 | 931,472            | 931,472               | 955,424             | 23,952              |
| <b>Total revenues</b>             | 936,172            | 936,172               | 1,019,976           | 83,804              |
| <b>EXPENDITURES:</b>              |                    |                       |                     |                     |
| Current:                          |                    |                       |                     |                     |
| Community development             | 999,600            | 2,336,626             | 693,196             | 1,643,430           |
| <b>Total expenditures</b>         | 999,600            | 2,336,626             | 693,196             | 1,643,430           |
| <b>Net change in fund balance</b> | <u>\$ (63,428)</u> | <u>\$ (1,400,454)</u> | 326,780             | <u>\$ 1,727,234</u> |
| <b>FUND BALANCE:</b>              |                    |                       |                     |                     |
| Beginning of fiscal year          |                    |                       | 1,740,279           |                     |
| End of fiscal year                |                    |                       | <u>\$ 2,067,059</u> |                     |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**IRS Task Force Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts  |                 | Actual            | Variance with  |
|-----------------------------------|-----------------|-----------------|-------------------|----------------|
|                                   | Original        | Final           | Amounts           | Final Budget   |
| <b>REVENUES:</b>                  |                 |                 |                   |                |
| Use of money and property         | \$ 1,000        | \$ 1,000        | \$ 913            | \$ (87)        |
| <b>Total revenues</b>             | <u>1,000</u>    | <u>1,000</u>    | <u>913</u>        | <u>(87)</u>    |
| <b>Net change in fund balance</b> | <u>\$ 1,000</u> | <u>\$ 1,000</u> | 913               | <u>\$ (87)</u> |
| <b>FUND BALANCE:</b>              |                 |                 |                   |                |
| Beginning of fiscal year          |                 |                 | <u>459,038</u>    |                |
| End of fiscal year                |                 |                 | <u>\$ 459,951</u> |                |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**TDA Article 3 Bikeway Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |                    | Actual      | Variance with    |
|-----------------------------------|----------------|--------------------|-------------|------------------|
|                                   | Original       | Final              | Amounts     | Final Budget     |
| <b>REVENUES:</b>                  |                |                    |             |                  |
| Intergovernmental                 | \$ -           | \$ -               | \$ 76,594   | \$ 76,594        |
| <b>Total revenues</b>             | -              | -                  | 76,594      | 76,594           |
| <b>EXPENDITURES:</b>              |                |                    |             |                  |
| Current:                          |                |                    |             |                  |
| Community development             | -              | 79,000             | 76,594      | 2,406            |
| <b>Total expenditures</b>         | -              | 79,000             | 76,594      | 2,406            |
| <b>Net change in fund balance</b> | <u>\$ -</u>    | <u>\$ (79,000)</u> | -           | <u>\$ 79,000</u> |
| <b>FUND BALANCE (DEFICIT):</b>    |                |                    |             |                  |
| Beginning of fiscal year          |                |                    | -           |                  |
| End of fiscal year                |                |                    | <u>\$ -</u> |                  |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Santa Anita Grade Separation Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts   |                       | Actual              | Variance with       |
|-----------------------------------|------------------|-----------------------|---------------------|---------------------|
|                                   | Original         | Final                 | Amounts             | Final Budget        |
| <b>REVENUES:</b>                  |                  |                       |                     |                     |
| Use of money and property         | \$ 15,900        | \$ 15,900             | \$ 59,154           | \$ 43,254           |
| <b>Total revenues</b>             | <u>15,900</u>    | <u>15,900</u>         | <u>59,154</u>       | <u>43,254</u>       |
| <b>EXPENDITURES:</b>              |                  |                       |                     |                     |
| Current:                          |                  |                       |                     |                     |
| Community development             | -                | 2,517,706             | 163,108             | 2,354,598           |
| <b>Total expenditures</b>         | <u>-</u>         | <u>2,517,706</u>      | <u>163,108</u>      | <u>2,354,598</u>    |
| <b>Net change in fund balance</b> | <u>\$ 15,900</u> | <u>\$ (2,501,806)</u> | (103,954)           | <u>\$ 2,397,852</u> |
| <b>FUND BALANCE:</b>              |                  |                       |                     |                     |
| Beginning of fiscal year          |                  |                       | <u>1,761,679</u>    |                     |
| End of fiscal year                |                  |                       | <u>\$ 1,657,725</u> |                     |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Homeland Security Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |                   | Actual            | Variance with   |
|-----------------------------------|----------------|-------------------|-------------------|-----------------|
|                                   | Original       | Final             | Amounts           | Final Budget    |
| <b>REVENUES:</b>                  |                |                   |                   |                 |
| Intergovernmental                 | \$ 10,000      | \$ 10,000         | \$ 9,710          | \$ (290)        |
| <b>Total revenues</b>             | <u>10,000</u>  | <u>10,000</u>     | <u>9,710</u>      | <u>(290)</u>    |
| <b>EXPENDITURES:</b>              |                |                   |                   |                 |
| Current:                          |                |                   |                   |                 |
| Public safety:                    |                |                   |                   |                 |
| Fire                              | <u>10,000</u>  | <u>16,947</u>     | <u>14,774</u>     | <u>2,173</u>    |
| <b>Total expenditures</b>         | <u>10,000</u>  | <u>16,947</u>     | <u>14,774</u>     | <u>2,173</u>    |
| <b>Net change in fund balance</b> | <u>\$ -</u>    | <u>\$ (6,947)</u> | <u>(5,064)</u>    | <u>\$ 1,883</u> |
| <b>FUND BALANCE:</b>              |                |                   |                   |                 |
| Beginning of fiscal year          |                |                   | <u>(3,627)</u>    |                 |
| End of fiscal year                |                |                   | <u>\$ (8,691)</u> |                 |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**PEG Access Television Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts   |                    | Actual            | Variance with     |
|-----------------------------------|------------------|--------------------|-------------------|-------------------|
|                                   | Original         | Final              | Amounts           | Final Budget      |
| <b>REVENUES:</b>                  |                  |                    |                   |                   |
| Taxes                             | \$ -             | \$ -               | \$ 79,569         | \$ 79,569         |
| Use of money and property         | 10,300           | 10,300             | 25,512            | 15,212            |
| <b>Total revenues</b>             | 10,300           | 10,300             | 105,081           | 94,781            |
| <b>EXPENDITURES:</b>              |                  |                    |                   |                   |
| Current:                          |                  |                    |                   |                   |
| General city                      | -                | 101,256            | -                 | 101,256           |
| <b>Total expenditures</b>         | -                | 101,256            | -                 | 101,256           |
| <b>Net change in fund balance</b> | <u>\$ 10,300</u> | <u>\$ (90,956)</u> | 105,081           | <u>\$ 196,037</u> |
| <b>FUND BALANCE:</b>              |                  |                    |                   |                   |
| Beginning of fiscal year          |                  |                    | <u>701,515</u>    |                   |
| End of fiscal year                |                  |                    | <u>\$ 806,596</u> |                   |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Used Oil Grants Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts   |                  | Actual           | Variance with     |
|-----------------------------------|------------------|------------------|------------------|-------------------|
|                                   | Original         | Final            | Amounts          | Final Budget      |
| <b>REVENUES:</b>                  |                  |                  |                  |                   |
| Use of money and property         | \$ 300           | \$ 300           | \$ 526           | \$ 226            |
| Intergovernmental                 | 16,000           | 16,000           | 15,870           | (130)             |
| <b>Total revenues</b>             | 16,300           | 16,300           | 16,396           | 96                |
| <b>EXPENDITURES:</b>              |                  |                  |                  |                   |
| Current:                          |                  |                  |                  |                   |
| Public works services             | -                | -                | 7,048            | (7,048)           |
| <b>Total expenditures</b>         | -                | -                | 7,048            | (7,048)           |
| <b>Net change in fund balance</b> | <u>\$ 16,300</u> | <u>\$ 16,300</u> | 9,348            | <u>\$ (6,952)</u> |
| <b>FUND BALANCE:</b>              |                  |                  |                  |                   |
| Beginning of fiscal year          |                  |                  | 12,806           |                   |
| End of fiscal year                |                  |                  | <u>\$ 22,154</u> |                   |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**DOC Beverage Grant Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts  |                 | Actual           | Variance with    |
|-----------------------------------|-----------------|-----------------|------------------|------------------|
|                                   | Original        | Final           | Amounts          | Final Budget     |
| <b>REVENUES:</b>                  |                 |                 |                  |                  |
| Use of money and property         | \$ 400          | \$ 400          | \$ 1,448         | \$ 1,048         |
| Intergovernmental                 | 14,500          | 14,500          | 43,510           | 29,010           |
| <b>Total revenues</b>             | 14,900          | 14,900          | 44,958           | 30,058           |
| <b>EXPENDITURES:</b>              |                 |                 |                  |                  |
| Current:                          |                 |                 |                  |                  |
| Public works services             | 15,300          | 15,300          | -                | 15,300           |
| <b>Total expenditures</b>         | 15,300          | 15,300          | -                | 15,300           |
| <b>Net change in fund balance</b> | <u>\$ (400)</u> | <u>\$ (400)</u> | 44,958           | <u>\$ 45,358</u> |
| <b>FUND BALANCE:</b>              |                 |                 |                  |                  |
| Beginning of fiscal year          |                 |                 | 18,221           |                  |
| End of fiscal year                |                 |                 | <u>\$ 63,179</u> |                  |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**Road Maintenance and Rehabilitation Act Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|                                   | Budget Amounts |                     | Actual           | Variance with    |
|-----------------------------------|----------------|---------------------|------------------|------------------|
|                                   | Original       | Final               | Amounts          | Final Budget     |
| <b>REVENUES:</b>                  |                |                     |                  |                  |
| Use of money and property         | \$ 100         | \$ 100              | \$ 8,368         | \$ 8,268         |
| Intergovernmental                 | 952,755        | 952,755             | 968,537          | 15,782           |
| <b>Total revenues</b>             | 952,855        | 952,855             | 976,905          | 24,050           |
| <b>EXPENDITURES:</b>              |                |                     |                  |                  |
| Current:                          |                |                     |                  |                  |
| Community development             | 952,800        | 1,102,444           | 1,102,264        | 180              |
| <b>Total expenditures</b>         | 952,800        | 1,102,444           | 1,102,264        | 180              |
| <b>Net change in fund balance</b> | <u>\$ 55</u>   | <u>\$ (149,589)</u> | (125,359)        | <u>\$ 24,230</u> |
| <b>FUND BALANCE:</b>              |                |                     |                  |                  |
| Beginning of fiscal year          |                |                     | 163,492          |                  |
| End of fiscal year                |                |                     | <u>\$ 38,133</u> |                  |

**City of Arcadia**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual**  
**General Obligation Bonds Debt Service Fund**  
**For the Fiscal Year Ended June 30, 2019**

|                                   | Budget Amounts   |                  | Actual            | Variance with      |
|-----------------------------------|------------------|------------------|-------------------|--------------------|
|                                   | Original         | Final            | Amounts           | Final Budget       |
| <b>REVENUES:</b>                  |                  |                  |                   |                    |
| Taxes                             | \$ 1,012,400     | \$ 1,012,400     | \$ 973,480        | \$ (38,920)        |
| Use of money and property         | 2,000            | 2,000            | 20,956            | 18,956             |
| <b>Total revenues</b>             | <u>1,014,400</u> | <u>1,014,400</u> | <u>994,436</u>    | <u>(19,964)</u>    |
| <b>EXPENDITURES:</b>              |                  |                  |                   |                    |
| Current:                          |                  |                  |                   |                    |
| General city                      | 2,500            | 2,500            | 2,500             | -                  |
| Debt service:                     |                  |                  |                   |                    |
| Principal retirement              | 615,000          | 615,000          | 615,000           | -                  |
| Interest and fiscal charges       | 397,500          | 397,500          | 397,101           | 399                |
| <b>Total expenditures</b>         | <u>1,015,000</u> | <u>1,015,000</u> | <u>1,014,601</u>  | <u>399</u>         |
| <b>Net change in fund balance</b> | <u>\$ (600)</u>  | <u>\$ (600)</u>  | (20,165)          | <u>\$ (19,565)</u> |
| <b>FUND BALANCE:</b>              |                  |                  |                   |                    |
| Beginning of fiscal year          |                  |                  | <u>869,173</u>    |                    |
| End of fiscal year                |                  |                  | <u>\$ 849,008</u> |                    |

**City of Arcadia**  
**Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**June 30, 2019**

|                                                      | Transit System | Arcadia PAR 3<br>Golf Course | Total Nonmajor<br>Enterprise Funds |
|------------------------------------------------------|----------------|------------------------------|------------------------------------|
| <b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>     |                |                              |                                    |
| Current assets:                                      |                |                              |                                    |
| Cash and investments                                 | \$ 360,568     | \$ 71,250                    | \$ 431,818                         |
| Accounts receivable                                  | -              | 5,493                        | 5,493                              |
| Prepaid items                                        | -              | 7,388                        | 7,388                              |
| Due from other governments                           | 399,334        | -                            | 399,334                            |
| Inventories                                          | -              | 14,386                       | 14,386                             |
| Total current assets                                 | 759,902        | 98,517                       | 858,419                            |
| Capital assets:                                      |                |                              |                                    |
| Depreciable, net                                     | -              | 180,249                      | 180,249                            |
| Total capital assets                                 | -              | 180,249                      | 180,249                            |
| <b>Total assets</b>                                  | 759,902        | 278,766                      | 1,038,668                          |
| Deferred outflows of resources:                      |                |                              |                                    |
| Deferred outflows related to net pension liability   | 54,577         | -                            | 54,577                             |
| <b>Total deferred outflows of resources</b>          | 54,577         | -                            | 54,577                             |
| <b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b> |                |                              |                                    |
| Current liabilities:                                 |                |                              |                                    |
| Accounts payable                                     | 254,900        | 42,955                       | 297,855                            |
| Accrued salaries payable                             | 4,211          | -                            | 4,211                              |
| Deposits                                             | -              | 37,897                       | 37,897                             |
| Total current liabilities                            | 259,111        | 80,852                       | 339,963                            |
| Noncurrent liabilities:                              |                |                              |                                    |
| Net pension liabilities                              | 472,997        | -                            | 472,997                            |
| Advances from other funds                            | -              | 201,614                      | 201,614                            |
| Total noncurrent liabilities                         | 472,997        | 201,614                      | 674,611                            |
| <b>Total liabilities</b>                             | 732,108        | 282,466                      | 1,014,574                          |
| Deferred inflows of resources:                       |                |                              |                                    |
| Deferred inflows related to net pension liability    | 8,943          | -                            | 8,943                              |
| <b>Total deferred inflows of resources</b>           | 8,943          | -                            | 8,943                              |
| <b>NET POSITION</b>                                  |                |                              |                                    |
| Net investment in capital assets                     | -              | 180,249                      | 180,249                            |
| Unrestricted                                         | 73,428         | (183,949)                    | (110,521)                          |
| <b>Total net position (deficit)</b>                  | \$ 73,428      | \$ (3,700)                   | \$ 69,728                          |

**City of Arcadia**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2019**

|                                               | Transit System     | Arcadia PAR 3<br>Golf Course | Total Nonmajor<br>Enterprise Funds |
|-----------------------------------------------|--------------------|------------------------------|------------------------------------|
| <b>OPERATING REVENUES:</b>                    |                    |                              |                                    |
| Charges for services                          | \$ 12,613          | \$ 511,860                   | \$ 524,473                         |
| <b>Total operating revenues</b>               | <b>12,613</b>      | <b>511,860</b>               | <b>524,473</b>                     |
| <b>OPERATING EXPENSES:</b>                    |                    |                              |                                    |
| Administration and general                    | 388,374            | 108,448                      | 496,822                            |
| Merchandise and food                          | -                  | 21,760                       | 21,760                             |
| Supplies and maintenances                     | -                  | 82,236                       | 82,236                             |
| Contract costs                                | 1,632,316          | 279,152                      | 1,911,468                          |
| Depreciation                                  | -                  | 23,964                       | 23,964                             |
| <b>Total operating expenses</b>               | <b>2,020,690</b>   | <b>515,560</b>               | <b>2,536,250</b>                   |
| <b>OPERATING INCOME (LOSS)</b>                | <b>(2,008,077)</b> | <b>(3,700)</b>               | <b>(2,011,777)</b>                 |
| <b>NONOPERATING REVENUES (EXPENSES):</b>      |                    |                              |                                    |
| Federal and state grants                      | 1,509,498          | -                            | 1,509,498                          |
| <b>Total nonoperating revenues (expenses)</b> | <b>1,509,498</b>   | <b>-</b>                     | <b>1,509,498</b>                   |
| <b>INCOME (LOSS) BEFORE TRANSFERS</b>         | <b>(498,579)</b>   | <b>(3,700)</b>               | <b>(502,279)</b>                   |
| <b>TRANSFERS:</b>                             |                    |                              |                                    |
| Transfers in                                  | 985,076            | -                            | 985,076                            |
| <b>Total transfers</b>                        | <b>985,076</b>     | <b>-</b>                     | <b>985,076</b>                     |
| <b>Changes in net position</b>                | <b>486,497</b>     | <b>(3,700)</b>               | <b>482,797</b>                     |
| <b>NET POSITION (DEFICIT):</b>                |                    |                              |                                    |
| Beginning of fiscal year                      | (413,069)          | -                            | (413,069)                          |
| End of fiscal year                            | <u>\$ 73,428</u>   | <u>\$ (3,700)</u>            | <u>\$ 69,728</u>                   |

**City of Arcadia**  
**Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2019**

|                                                                                                             | Transit System        | Arcadia PAR 3<br>Golf Course | Total Nonmajor<br>Enterprise Funds |
|-------------------------------------------------------------------------------------------------------------|-----------------------|------------------------------|------------------------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>                                                                |                       |                              |                                    |
| Cash received from customers                                                                                | \$ 12,613             | \$ 544,264                   | \$ 556,877                         |
| Cash payments to suppliers for goods and services                                                           | (1,679,720)           | (470,415)                    | (2,150,135)                        |
| Cash payments to employees for services                                                                     | (195,811)             | -                            | (195,811)                          |
| <b>Net cash provided by (used in) operating activities</b>                                                  | <b>(1,862,918)</b>    | <b>73,849</b>                | <b>(1,789,069)</b>                 |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>                                                     |                       |                              |                                    |
| Cash received from other governments                                                                        | 1,133,170             | -                            | 1,133,170                          |
| Advances from other funds                                                                                   | -                     | 201,614                      | 201,614                            |
| Transfers in                                                                                                | 985,076               | -                            | 985,076                            |
| <b>Net cash provided (used) by noncapital financing activities</b>                                          | <b>2,118,246</b>      | <b>201,614</b>               | <b>2,319,860</b>                   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED<br/>FINANCING ACTIVITIES:</b>                                        |                       |                              |                                    |
| Acquisition of capital assets                                                                               | -                     | (204,213)                    | (204,213)                          |
| <b>Net cash provided by (used in) capital and<br/>related financing activities</b>                          | <b>-</b>              | <b>(204,213)</b>             | <b>(204,213)</b>                   |
| <b>NET INCREASE (DECREASE) IN CASH AND<br/>CASH EQUIVALENTS</b>                                             | <b>255,328</b>        | <b>71,250</b>                | <b>326,578</b>                     |
| <b>CASH AND CASH EQUIVALENTS - Beginning of fiscal year</b>                                                 | <b>105,240</b>        | <b>-</b>                     | <b>105,240</b>                     |
| <b>CASH AND CASH EQUIVALENTS - End of fiscal year</b>                                                       | <b>\$ 360,568</b>     | <b>\$ 71,250</b>             | <b>\$ 431,818</b>                  |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET<br/>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>   |                       |                              |                                    |
| Operating income (loss)                                                                                     | \$ (2,008,077)        | \$ (3,700)                   | \$ (2,011,777)                     |
| Adjustments to reconcile operating income (loss)<br>to net cash provided by (used in) operating activities: |                       |                              |                                    |
| Depreciation                                                                                                | -                     | 23,964                       | 23,964                             |
| Changes in assets, deferred outflows, liabilities, and deferred inflows:                                    |                       |                              |                                    |
| Accounts receivable                                                                                         | -                     | (5,493)                      | (5,493)                            |
| Prepaid items                                                                                               | -                     | (7,388)                      | (7,388)                            |
| Inventories                                                                                                 | -                     | (14,386)                     | (14,386)                           |
| Accounts payable                                                                                            | 130,293               | 42,955                       | 173,248                            |
| Accrued salaries payable                                                                                    | 572                   | -                            | 572                                |
| Deposits                                                                                                    | -                     | 37,897                       | 37,897                             |
| Net pension liabilities                                                                                     | (31,381)              | -                            | (31,381)                           |
| Deferred outflow of resources - pension                                                                     | 47,316                | -                            | 47,316                             |
| Deferred inflow of resources - pension                                                                      | (1,641)               | -                            | (1,641)                            |
| <b>Total adjustments</b>                                                                                    | <b>145,159</b>        | <b>77,549</b>                | <b>222,708</b>                     |
| <b>Net cash provided by (used in) operating activities</b>                                                  | <b>\$ (1,862,918)</b> | <b>\$ 73,849</b>             | <b>\$ (1,789,069)</b>              |

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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, 2019**

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|                          | Agency Fund         |                              |                     |
|--------------------------|---------------------|------------------------------|---------------------|
|                          | Balance             | Net Changes                  | Balance             |
|                          | July 1, 2018        | in Assets<br>and Liabilities | June 30, 2019       |
| <b>ASSETS</b>            |                     |                              |                     |
| Cash and investments     | \$ 3,864,828        | \$ (894,574)                 | \$ 2,970,254        |
| Accounts receivable      | 117,979             | (107,158)                    | 10,821              |
| <b>Total assets</b>      | <u>\$ 3,982,807</u> | <u>\$ (1,001,732)</u>        | <u>\$ 2,981,075</u> |
| <b>LIABILITIES</b>       |                     |                              |                     |
| Accounts payable         | \$ 151,551          | \$ (85,523)                  | \$ 66,028           |
| Deposits payable         | 3,831,256           | (916,209)                    | 2,915,047           |
| <b>Total liabilities</b> | <u>\$ 3,982,807</u> | <u>\$ (1,001,732)</u>        | <u>\$ 2,981,075</u> |

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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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**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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**Revenue Capacity** - These schedules contain information to help the reader assess the City's property tax.

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**Debt Capacity** - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

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**Demographic and Economic Information** - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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**Operating Information** - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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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    |                |                |                |                |
|---------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                             | 2010           | 2011           | 2012           | 2013           | 2014           |
| <b>Governmental Activities:</b>             |                |                |                |                |                |
| Net investment in capital assets            | \$ 52,847,570  | \$ 52,132,444  | \$ 58,679,540  | \$ 59,598,320  | \$ 50,203,892  |
| Restricted for:                             |                |                |                |                |                |
| Capital Projects                            | 14,813,455     | 9,407,211      | 6,899,157      | 6,912,977      | 755,064        |
| Debt Service                                | 2,391,605      | 3,893,943      | 762,708        | 699,444        | 786,567        |
| Specific Projects and Programs              | 20,692,163     | 20,596,634     | 14,150,646     | 16,064,646     | 14,564,481     |
| Community Purposes                          |                |                |                |                |                |
| Public Safety                               |                |                |                |                |                |
| Transportation/Streets                      |                |                |                |                |                |
| Total Restricted                            | 37,897,223     | 33,897,788     | 21,812,511     | 23,677,067     | 16,106,112     |
| Unrestricted                                | 14,833,148     | 14,107,829     | 11,083,944     | 10,527,461     | 25,857,397     |
| Total governmental activities net position  | \$ 105,577,941 | \$ 100,138,061 | \$ 91,575,995  | \$ 93,802,848  | \$ 92,167,401  |
| <b>Business-type Activities:</b>            |                |                |                |                |                |
| Net investment in capital assets            | \$ 55,431,533  | \$ 54,707,757  | \$ 53,119,660  | \$ 52,092,442  | \$ 50,835,309  |
| Unrestricted                                | 38,021,028     | 37,219,013     | 36,456,910     | 36,522,942     | 35,505,795     |
| Total business-type activities net position | \$ 93,452,561  | \$ 91,926,770  | \$ 89,576,570  | \$ 88,615,384  | \$ 86,341,104  |
| <b>Primary Government:</b>                  |                |                |                |                |                |
| Net investment in capital assets            | \$ 108,279,103 | \$ 106,840,201 | \$ 111,799,200 | \$ 111,690,762 | \$ 101,039,201 |
| Restricted                                  | 37,897,223     | 33,897,788     | 21,812,511     | 23,677,067     | 16,106,112     |
| Unrestricted                                | 52,854,176     | 51,326,842     | 47,540,854     | 47,050,403     | 61,363,192     |
| Total Primary Government net position       | \$ 199,030,502 | \$ 192,064,831 | \$ 181,152,565 | \$ 182,418,232 | \$ 178,508,505 |

**Source:** City of Arcadia Financial Reports

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

|                                             | Fiscal Year    |               |               |                 |                 |
|---------------------------------------------|----------------|---------------|---------------|-----------------|-----------------|
|                                             | 2015           | 2016          | 2017          | 2018            | 2019            |
| <b>Governmental Activities:</b>             |                |               |               |                 |                 |
| Net investment in capital assets            | \$ 50,652,770  | \$ 51,124,268 | \$ 50,448,943 | \$ 47,725,910   | \$ 48,831,491   |
| Restricted for:                             |                |               |               |                 |                 |
| Capital Projects                            | -              | -             | -             | -               | -               |
| Debt Service                                | 694,085        | 664,992       | 706,723       | 698,863         | 690,343         |
| Specific Projects and Programs*             | -              | -             | -             | -               | -               |
| Community Purposes                          | 8,236,718      | 10,578,749    | 12,424,349    | 13,472,245      | 14,857,405      |
| Public Safety                               | 1,340,410      | 1,253,412     | 1,058,486     | 925,971         | 820,309         |
| Transportation/Streets                      | 9,312,873      | 9,165,526     | 9,440,319     | 9,943,521       | 9,422,503       |
| Total Restricted                            | 19,584,086     | 21,662,679    | 23,629,877    | 25,040,600      | 25,790,560      |
| Unrestricted                                | (75,062,952)   | (71,558,258)  | (72,803,923)  | (95,840,709)    | (102,613,607)   |
| Total governmental activities net position  | \$ (4,826,096) | \$ 1,228,689  | \$ 1,274,897  | \$ (23,074,199) | \$ (27,991,556) |
| <b>Business-type Activities:</b>            |                |               |               |                 |                 |
| Net investment in capital assets            | \$ 48,858,963  | \$ 46,957,250 | \$ 46,000,669 | \$ 44,405,319   | \$ 44,379,157   |
| Unrestricted                                | 23,494,250     | 22,536,965    | 20,182,581    | 18,243,338      | 16,200,866      |
| Total business-type activities net position | \$ 72,353,213  | \$ 69,494,215 | \$ 66,183,250 | \$ 62,648,657   | \$ 60,580,023   |
| <b>Primary Government:</b>                  |                |               |               |                 |                 |
| Net investment in capital assets            | \$ 99,511,733  | \$ 98,081,518 | \$ 96,449,612 | \$ 92,131,229   | \$ 93,210,648   |
| Restricted                                  | 19,584,086     | 21,662,679    | 23,629,877    | 25,040,600      | 25,790,560      |
| Unrestricted                                | (51,568,702)   | (49,021,293)  | (52,621,342)  | (77,597,371)    | (86,412,741)    |
| Total Primary Government net position       | \$ 67,527,117  | \$ 70,722,904 | \$ 67,458,147 | \$ 39,574,458   | \$ 32,588,467   |

**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          |                      |                      |                      |                      |
|-------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                                 | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 |
| <b>Expenses</b>                                 |                      |                      |                      |                      |                      |
| Governmental activities:                        |                      |                      |                      |                      |                      |
| General government                              | \$ 11,653,623        | \$ 7,932,372         | \$ 8,060,384         | \$ 8,772,439         | \$ 6,984,927         |
| Public safety                                   | 26,433,261           | 28,843,936           | 29,494,115           | 30,816,795           | 31,879,134           |
| Public works services                           | 6,153,531            | 8,344,308            | 8,595,701            | 7,684,123            | 7,318,800            |
| Community development                           | 3,702,372            | 5,763,672            | 4,650,800            | 3,615,072            | 15,469,651           |
| Library                                         | 2,958,551            | 3,264,511            | 3,269,158            | 3,371,939            | 3,381,138            |
| Economic development*                           | 2,511,182            | 5,435,758            | 1,091,721            | -                    | -                    |
| Recreation and community services               | 2,489,088            | 2,759,562            | 2,796,582            | 3,051,783            | 3,740,097            |
| Interest on long-term debt                      | 1,277,732            | 2,067,789            | 969,994              | 673,196              | 455,077              |
| Total governmental activities expenses          | <u>\$ 57,179,340</u> | <u>\$ 64,411,908</u> | <u>\$ 58,928,455</u> | <u>\$ 57,985,347</u> | <u>\$ 69,228,824</u> |
| Business-type activities:                       |                      |                      |                      |                      |                      |
| Water                                           | \$ 10,842,417        | \$ 11,854,112        | \$ 13,195,083        | \$ 12,373,758        | \$ 13,911,484        |
| Sewer                                           | 1,184,763            | 1,106,873            | 1,135,487            | 1,318,107            | 1,347,002            |
| Transit                                         | 1,676,496            | 1,727,366            | 1,792,216            | 2,023,651            | 2,010,402            |
| Arcadia Par 3 Golf Course **                    | -                    | -                    | -                    | -                    | -                    |
| Total business-type activities expenses         | <u>13,703,676</u>    | <u>14,688,351</u>    | <u>16,122,786</u>    | <u>15,715,516</u>    | <u>17,268,888</u>    |
| Total primary government expenses               | <u>\$ 70,883,016</u> | <u>\$ 79,100,259</u> | <u>\$ 75,051,241</u> | <u>\$ 73,700,863</u> | <u>\$ 86,497,712</u> |
| <b>Program Revenues</b>                         |                      |                      |                      |                      |                      |
| Governmental activities:                        |                      |                      |                      |                      |                      |
| Charges for services:                           |                      |                      |                      |                      |                      |
| General government                              | \$ 2,973             | \$ 13,512            | \$ 1,245             | \$ 260               | \$ 1,065             |
| Public safety                                   | 3,293,237            | 3,149,498            | 3,304,856            | 3,146,493            | 3,801,154            |
| Public works services                           | 305,344              | 475,338              | 393,639              | 325,403              | 455,285              |
| Community development                           | 1,891,145            | 2,262,274            | 2,698,841            | 3,175,993            | 5,951,472            |
| Library                                         | 97,842               | 86,285               | 74,518               | 69,350               | 74,007               |
| Recreation and community services               | 1,632,634            | 1,916,601            | 2,295,475            | 2,450,915            | 3,149,525            |
| Operating Grants and Contributions              | 3,085,135            | 3,607,703            | 3,612,486            | 4,592,325            | 5,481,152            |
| Capital Grants and Contributions                | 2,576,985            | 2,555,769            | 1,500,626            | 2,272,285            | 658,109              |
| Total governmental activities program revenues  | <u>12,885,295</u>    | <u>14,066,980</u>    | <u>13,881,686</u>    | <u>16,033,024</u>    | <u>19,571,769</u>    |
| Business-type activities:                       |                      |                      |                      |                      |                      |
| Charges for services:                           |                      |                      |                      |                      |                      |
| Water                                           | 9,611,411            | 9,190,903            | 10,191,324           | 10,902,718           | 11,467,284           |
| Sewer **                                        | 1,206,690            | 1,203,269            | 1,221,817            | 1,277,868            | 1,308,313            |
| Transit                                         | 72,187               | 71,425               | 73,846               | 86,208               | 89,710               |
| Arcadia Par 3 Golf Course ***                   | -                    | -                    | -                    | -                    | -                    |
| Operating Grants and Contributions              | 592,255              | 532,857              | 606,878              | 616,491              | 685,118              |
| Capital Grants and Contributions                | 713,932              | 699,368              | 401,697              | 648,875              | -                    |
| Total business-type activities program revenues | <u>12,196,475</u>    | <u>11,697,822</u>    | <u>12,495,562</u>    | <u>13,532,160</u>    | <u>13,550,425</u>    |
| Total primary government program revenues       | <u>\$ 25,081,770</u> | <u>\$ 25,764,802</u> | <u>\$ 26,377,248</u> | <u>\$ 29,565,184</u> | <u>\$ 33,122,194</u> |

**Source:** City of Arcadia Financial Reports

\* Due to the closing of Arcadia Redevelopment Agency, Economic Development function was combined as part of the Economic Development Department

\*\* The Arcadia Par 3 Golf Course began operating as an enterprise fund in fiscal year 2019.

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

|                                                 | Fiscal Year          |                      |                      |                       |                      |
|-------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|----------------------|
|                                                 | 2015                 | 2016                 | 2017                 | 2018                  | 2019                 |
| <b>Expenses</b>                                 |                      |                      |                      |                       |                      |
| Governmental activities:                        |                      |                      |                      |                       |                      |
| General government                              | \$ 7,458,250         | \$ 6,890,053         | \$ 9,515,214         | \$ 17,454,570         | \$ 13,584,059        |
| Public safety                                   | 32,579,734           | 34,089,922           | 36,377,345           | 37,298,318            | 40,360,568           |
| Public works services                           | 7,741,343            | 8,525,715            | 7,829,369            | 9,224,613             | 7,519,824            |
| Community development                           | 5,050,382            | 6,316,456            | 6,542,784            | 7,527,613             | 7,790,989            |
| Library                                         | 3,640,914            | 3,858,956            | 4,000,700            | 3,982,384             | 4,168,410            |
| Economic development*                           | -                    | -                    | -                    | -                     | -                    |
| Recreation and community services               | 3,310,420            | 3,455,024            | 3,593,171            | 3,600,354             | 3,691,627            |
| Interest on long-term debt                      | 434,682              | 417,780              | 398,133              | 373,622               | 343,846              |
| Total governmental activities expenses          | <u>\$ 60,215,725</u> | <u>\$ 63,553,906</u> | <u>\$ 68,256,716</u> | <u>\$ 79,461,474</u>  | <u>\$ 77,459,323</u> |
| Business-type activities:                       |                      |                      |                      |                       |                      |
| Water                                           | \$ 16,891,412        | \$ 12,563,018        | \$ 14,942,992        | \$ 17,005,371         | \$ 16,853,369        |
| Sewer                                           | 1,457,275            | 1,360,509            | 1,440,677            | 1,779,385             | 1,819,847            |
| Transit                                         | 1,836,228            | 1,818,171            | 1,935,418            | 1,823,710             | 2,020,690            |
| Arcadia Par 3 Golf Course **                    | -                    | -                    | -                    | -                     | 515,560              |
| Total business-type activities expenses         | <u>20,184,915</u>    | <u>15,741,698</u>    | <u>18,319,087</u>    | <u>20,608,466</u>     | <u>21,209,466</u>    |
| Total primary government expenses               | <u>\$ 80,400,640</u> | <u>\$ 79,295,604</u> | <u>\$ 86,575,803</u> | <u>\$ 100,069,940</u> | <u>\$ 98,668,789</u> |
| <b>Program Revenues</b>                         |                      |                      |                      |                       |                      |
| Governmental activities:                        |                      |                      |                      |                       |                      |
| Charges for services:                           |                      |                      |                      |                       |                      |
| General government                              | \$ -                 | \$ 33,223            | \$ 596               | \$ 7,184              | \$ 16,899            |
| Public safety                                   | 3,683,293            | 3,972,018            | 3,896,797            | 4,335,707             | 3,952,519            |
| Public works services                           | 312,995              | 434,681              | 363,274              | 491,341               | 28,385               |
| Community development                           | 4,497,375            | 4,577,662            | 5,406,275            | 2,712,354             | 3,313,734            |
| Library                                         | 71,564               | 72,242               | 71,393               | 96,038                | 162,421              |
| Recreation and community services               | 3,045,343            | 3,237,272            | 2,804,010            | 2,112,552             | 1,940,232            |
| Operating Grants and Contributions              | 5,020,312            | 4,876,997            | 4,523,948            | 5,542,417             | 6,441,413            |
| Capital Grants and Contributions                | 804,556              | 927,837              | 254,204              | 45,850                | 526,077              |
| Total governmental activities program revenues  | <u>17,435,438</u>    | <u>18,131,932</u>    | <u>17,320,497</u>    | <u>15,343,443</u>     | <u>16,381,680</u>    |
| Business-type activities:                       |                      |                      |                      |                       |                      |
| Charges for services:                           |                      |                      |                      |                       |                      |
| Water                                           | 10,132,653           | 9,122,745            | 10,990,520           | 13,223,624            | 12,806,780           |
| Sewer **                                        | 1,310,499            | 1,664,249            | 2,046,705            | 2,347,364             | 2,408,365            |
| Transit                                         | 76,484               | 63,520               | 12,408               | 13,246                | 12,613               |
| Arcadia Par 3 Golf Course ***                   | -                    | -                    | -                    | -                     | 511,860              |
| Operating Grants and Contributions              | 786,352              | 768,229              | 696,053              | 772,915               | 1,509,498            |
| Capital Grants and Contributions                | -                    | -                    | -                    | -                     | -                    |
| Total business-type activities program revenues | <u>12,305,988</u>    | <u>11,618,743</u>    | <u>13,745,686</u>    | <u>16,357,149</u>     | <u>17,249,116</u>    |
| Total primary government program revenues       | <u>\$ 29,741,426</u> | <u>\$ 29,750,675</u> | <u>\$ 31,066,183</u> | <u>\$ 31,700,592</u>  | <u>\$ 33,630,796</u> |

**Source:** City of Arcadia Financial Reports

\* Due to the closing of Arcadia Redevelopment Agency, Economic Development function was combined as part of the Economic Development Department

\*\* The Arcadia Par 3 Golf Course began operating as an enterprise fund in fiscal year 2019.

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

|                                                           | Fiscal Year            |                        |                        |                        |                        |
|-----------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                           | 2010                   | 2011                   | 2012                   | 2013                   | 2014                   |
| <b>Net (Expense)/Revenue</b>                              |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (44,294,045)        | \$ (50,344,928)        | \$ (45,046,769)        | \$ (41,952,323)        | \$ (49,657,055)        |
| Business-type activities                                  | <u>(1,507,200)</u>     | <u>(2,990,529)</u>     | <u>(3,627,224)</u>     | <u>(2,183,356)</u>     | <u>(3,718,463)</u>     |
| Total primary government net expense                      | <u>\$ (45,801,245)</u> | <u>\$ (53,335,457)</u> | <u>\$ (48,673,993)</u> | <u>\$ (44,135,679)</u> | <u>\$ (53,375,518)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |
| Taxes                                                     |                        |                        |                        |                        |                        |
| Property taxes                                            | \$ 15,400,704          | \$ 14,215,888          | \$ 11,416,754          | \$ 13,644,310          | \$ 13,892,020          |
| Sales taxes                                               | 7,940,462              | 8,613,829              | 8,962,391              | 9,646,630              | 10,082,196             |
| Franchise fees                                            | 972,461                | 1,045,099              | 1,061,719              | 1,091,812              | 1,070,809              |
| Utilities user taxes                                      | 5,258,113              | 5,172,811              | 5,046,439              | 5,118,597              | 6,545,713              |
| Transient occupancy taxes                                 | 2,237,610              | 2,394,106              | 2,560,371              | 2,823,399              | 3,215,261              |
| Motor vehicle license taxes                               | 4,502,551              | 4,814,591              | 4,653,845              | 4,900,991              | 5,213,847              |
| Non-regulatory business license taxes                     | 1,020,770              | 1,068,308              | 1,108,428              | 1,186,704              | 1,249,583              |
| Other Taxes                                               | <u>1,846,825</u>       | <u>1,641,467</u>       | <u>1,581,577</u>       | <u>1,541,319</u>       | <u>1,683,520</u>       |
| Total Taxes and fees                                      | 39,179,496             | 38,966,099             | 36,391,524             | 39,953,762             | 42,952,949             |
| Investment earnings                                       | 1,025,361              | 2,080,612              | 1,689,361              | 1,035,634              | 1,598,314              |
| Miscellaneous                                             | 4,491,008              | 4,579,176              | 4,153,019              | 3,374,585              | 4,724,159              |
| Gain/loss on disposal of capital assets                   | -                      | 256,499                | 35,714                 | 935,125                | 64,696                 |
| Transfers                                                 | (912,350)              | (977,338)              | (976,894)              | (1,119,930)            | (1,031,360)            |
| Restatement                                               | <u>-</u>               | <u>-</u>               | <u>(4,808,021)</u>     | <u>-</u>               | <u>-</u>               |
| Total Governmental activities                             | <u>43,783,515</u>      | <u>44,905,048</u>      | <u>36,484,703</u>      | <u>44,179,176</u>      | <u>48,308,758</u>      |
| Business-type activities:                                 |                        |                        |                        |                        |                        |
| Investment earnings                                       | 819,078                | 472,912                | 280,621                | 85,231                 | 396,892                |
| Miscellaneous                                             | 18,351                 | 14,488                 | 19,509                 | 17,009                 | 15,931                 |
| Transfers                                                 | 912,350                | 977,338                | 976,894                | 1,119,930              | 1,031,360              |
| Restatement                                               | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>-</u>               |
| Total business-type activities                            | <u>1,749,779</u>       | <u>1,464,738</u>       | <u>1,277,024</u>       | <u>1,222,170</u>       | <u>1,444,183</u>       |
| Total primary government                                  | <u>\$ 45,533,294</u>   | <u>\$ 46,369,786</u>   | <u>\$ 37,761,727</u>   | <u>\$ 45,401,346</u>   | <u>\$ 49,752,941</u>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (510,530)           | \$ (5,439,880)         | \$ (8,562,066)         | \$ 2,226,853           | \$ (1,348,297)         |
| Business-type activities                                  | <u>242,579</u>         | <u>(1,525,791)</u>     | <u>(2,350,200)</u>     | <u>(961,186)</u>       | <u>(2,274,280)</u>     |
| Total primary government                                  | <u>\$ (267,951)</u>    | <u>\$ (6,965,671)</u>  | <u>\$ (10,912,266)</u> | <u>\$ 1,265,667</u>    | <u>\$ (3,622,577)</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            |                        |                        |                        |                        |
|-----------------------------------------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
|                                                           | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   |
| <b>Net (Expense)/Revenue</b>                              |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ (42,780,287)        | \$ (45,421,974)        | \$ (50,936,219)        | \$ (64,118,031)        | \$ (61,077,643)        |
| Business-type activities                                  | <u>(7,878,927)</u>     | <u>(4,122,955)</u>     | <u>(4,573,401)</u>     | <u>(4,251,317)</u>     | <u>(3,960,350)</u>     |
| Total primary government net expense                      | <u>\$ (50,659,214)</u> | <u>\$ (49,544,929)</u> | <u>\$ (55,509,620)</u> | <u>\$ (68,369,348)</u> | <u>\$ (65,037,993)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |
| Governmental activities:                                  |                        |                        |                        |                        |                        |
| Taxes                                                     |                        |                        |                        |                        |                        |
| Property taxes                                            | \$ 13,865,978          | \$ 15,149,171          | \$ 16,150,617          | \$ 16,965,156          | \$ 18,301,135          |
| Sales taxes                                               | 10,427,065             | 11,441,622             | 10,766,558             | 11,115,292             | 11,399,632             |
| Franchise fees                                            | 1,192,519              | 1,100,952              | 1,000,308              | 982,756                | 931,750                |
| Utilities user taxes                                      | 7,142,118              | 6,816,464              | 6,773,169              | 6,856,067              | 6,591,834              |
| Transient occupancy taxes                                 | 3,365,408              | 3,531,944              | 3,543,908              | 3,320,953              | 3,447,186              |
| Motor vehicle license taxes                               | 5,641,681              | 6,136,906              | 6,461,508              | 6,906,050              | 7,309,525              |
| Non-regulatory business license taxes                     | 1,202,350              | 1,293,357              | 1,270,876              | 1,248,106              | 1,227,480              |
| Other Taxes                                               | <u>1,662,956</u>       | <u>1,538,467</u>       | <u>1,647,136</u>       | <u>1,621,716</u>       | <u>1,057,546</u>       |
| Total Taxes and fees                                      | 44,500,075             | 47,008,883             | 47,614,080             | 49,016,096             | 50,266,088             |
| Investment earnings                                       | 1,632,484              | 1,856,318              | 1,458,553              | 1,529,734              | 3,432,169              |
| Miscellaneous                                             | 4,421,469              | 3,482,819              | 3,007,213              | 3,486,199              | 3,447,105              |
| Gain/loss on disposal of capital assets                   | 28,323                 | -                      | 13,587                 | 49,243                 | -                      |
| Transfers                                                 | (817,751)              | (871,261)              | (1,111,006)            | (1,006,826)            | (985,076)              |
| Extraordinary item                                        | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>(13,305,511)</u>    | <u>-</u>               |
| Total Governmental activities                             | <u>49,764,600</u>      | <u>51,476,759</u>      | <u>50,982,427</u>      | <u>39,768,935</u>      | <u>56,160,286</u>      |
| Business-type activities:                                 |                        |                        |                        |                        |                        |
| Investment earnings                                       | 332,719                | 380,861                | 138,679                | 150,511                | 896,111                |
| Miscellaneous                                             | 18,300                 | 11,835                 | 12,751                 | 13,976                 | 10,529                 |
| Transfers                                                 | 817,751                | 871,261                | 1,111,006              | 1,006,826              | 985,076                |
| Restatement                                               | <u>-</u>               | <u>-</u>               | <u>-</u>               | <u>(454,589)</u>       | <u>-</u>               |
| Total business-type activities                            | <u>1,168,770</u>       | <u>1,263,957</u>       | <u>1,262,436</u>       | <u>716,724</u>         | <u>1,891,716</u>       |
| Total primary government                                  | <u>\$ 50,933,370</u>   | <u>\$ 52,740,716</u>   | <u>\$ 52,244,863</u>   | <u>\$ 40,485,659</u>   | <u>\$ 58,052,002</u>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |
| Governmental activities                                   | \$ 6,984,313           | \$ 6,054,785           | \$ 46,208              | \$ (24,349,096)        | \$ (4,917,357)         |
| Business-type activities                                  | <u>(6,710,157)</u>     | <u>(2,858,998)</u>     | <u>(3,310,965)</u>     | <u>(3,534,593)</u>     | <u>(2,068,634)</u>     |
| Total primary government                                  | <u>\$ 274,156</u>      | <u>\$ 3,195,787</u>    | <u>\$ (3,264,757)</u>  | <u>\$ (27,883,689)</u> | <u>\$ (6,985,991)</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          |                      |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2010                 | 2011                 | 2012                 | 2013                 | 2014                 |
| <b>General Fund</b>                 |                      |                      |                      |                      |                      |
| Reserved                            | \$ 1,337,938         | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                          | 23,860,788           | -                    | -                    | -                    | -                    |
| Nonspendable                        | -                    | 741,827              | 727,715              | 698,729              | 708,053              |
| Assigned                            | -                    | 17,280,504           | 15,325,993           | 13,815,582           | 22,223,334           |
| Unassigned                          | -                    | 8,711,216            | 9,745,454            | 12,701,494           | 8,180,075            |
| Total General Fund                  | <u>\$ 25,198,726</u> | <u>\$ 26,733,547</u> | <u>\$ 25,799,162</u> | <u>\$ 27,215,805</u> | <u>\$ 31,111,462</u> |
| <b>All Other Governmental Funds</b> |                      |                      |                      |                      |                      |
| Reserved                            | \$ 19,244,377        | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved, reported in:            |                      |                      |                      |                      |                      |
| Special Revenue Funds               | 15,901,092           | -                    | -                    | -                    | -                    |
| Debt Service Funds                  | -                    | -                    | -                    | -                    | -                    |
| Capital projects funds              | 8,068,757            | -                    | -                    | -                    | -                    |
| Nonspendable                        | -                    | 16,124,172           | 23,251               | 305                  | 384                  |
| Restricted                          | -                    | 32,629,493           | 21,812,511           | 23,677,067           | 16,106,112           |
| Assigned                            | -                    | 10,425,600           | 4,337,923            | 3,735,533            | 6,207,820            |
| Unassigned                          | -                    | -                    | -                    | -                    | -                    |
| Total all other Governmental Funds  | <u>\$ 43,214,226</u> | <u>\$ 59,179,265</u> | <u>\$ 26,173,685</u> | <u>\$ 27,412,905</u> | <u>\$ 22,314,316</u> |
| Total Governmental Funds            | <u>\$ 68,412,952</u> | <u>\$ 85,912,812</u> | <u>\$ 51,972,847</u> | <u>\$ 54,628,710</u> | <u>\$ 53,425,778</u> |

**Source:** City of Arcadia Financial Reports

\* Fund balance categories 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          |                      |                      |                      |                      |
|-------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
|                                     | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 |
| <b>General Fund</b>                 |                      |                      |                      |                      |                      |
| Reserved                            | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved                          | -                    | -                    | -                    | -                    | -                    |
| Nonspendable                        | 768,417              | 797,305              | 845,513              | 1,068,976            | 1,112,837            |
| Assigned                            | 23,710,862           | 24,756,336           | 23,015,454           | 22,829,444           | 23,295,469           |
| Unassigned                          | 12,357,558           | 6,399,003            | 7,323,121            | 7,225,918            | 5,080,965            |
| Total General Fund                  | <u>\$ 36,836,837</u> | <u>\$ 31,952,644</u> | <u>\$ 31,184,088</u> | <u>\$ 31,124,338</u> | <u>\$ 29,489,271</u> |
| <b>All Other Governmental Funds</b> |                      |                      |                      |                      |                      |
| Reserved                            | \$ -                 | \$ -                 | \$ -                 | \$ -                 | \$ -                 |
| Unreserved, reported in:            |                      |                      |                      |                      |                      |
| Special Revenue Funds               | -                    | -                    | -                    | -                    | -                    |
| Debt Service Funds                  | -                    | -                    | -                    | -                    | -                    |
| Capital projects funds              | -                    | -                    | -                    | -                    | -                    |
| Nonspendable                        | -                    | -                    | 11,540               | 3,000                | 8,640                |
| Restricted                          | 19,779,855           | 21,851,364           | 23,810,229           | 25,207,910           | 25,932,467           |
| Assigned                            | 4,894,097            | 11,203,221           | 12,921,656           | 11,404,087           | 11,976,987           |
| Unassigned                          |                      |                      | (7,818)              | (3,627)              | (8,691)              |
| Total all other Governmental Funds  | <u>\$ 24,673,952</u> | <u>\$ 33,054,585</u> | <u>\$ 36,735,607</u> | <u>\$ 36,611,370</u> | <u>\$ 37,909,403</u> |
| Total Governmental Funds            | <u>\$ 61,510,789</u> | <u>\$ 65,007,229</u> | <u>\$ 67,919,695</u> | <u>\$ 67,735,708</u> | <u>\$ 67,398,674</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           |                      |                        |                     |                       |
|----------------------------------------------------------|-----------------------|----------------------|------------------------|---------------------|-----------------------|
|                                                          | 2010                  | 2011                 | 2012                   | 2013                | 2014                  |
| <b>REVENUES:</b>                                         |                       |                      |                        |                     |                       |
| Taxes                                                    | \$ 32,337,065         | \$ 34,244,462        | \$ 30,629,251          | \$ 33,866,067       | \$ 36,489,519         |
| Licenses, fees and permits                               | 3,487,187             | 3,972,881            | 4,542,324              | 5,008,304           | 8,031,036             |
| Fines and Penalties                                      | 942,337               | 960,496              | 918,949                | 839,477             | 913,156               |
| Use of money of property                                 | 2,123,272             | 2,080,611            | 1,833,161              | 1,035,634           | 1,598,310             |
| Intergovernmental Revenues                               | 10,380,618            | 11,248,656           | 9,776,817              | 11,437,572          | 10,881,323            |
| Charges for services                                     | 4,420,625             | 4,711,152            | 5,041,963              | 5,095,987           | 6,356,736             |
| Other Revenues                                           | 6,804,945             | 3,973,389            | 3,410,965              | 4,049,089           | 4,167,904             |
| <b>Total revenues</b>                                    | <b>60,496,049</b>     | <b>61,191,647</b>    | <b>56,153,430</b>      | <b>61,332,130</b>   | <b>68,437,984</b>     |
| <b>EXPENDITURES:</b>                                     |                       |                      |                        |                     |                       |
| Current:                                                 |                       |                      |                        |                     |                       |
| General government                                       | 10,664,354            | 8,375,592            | 8,923,780              | 7,484,871           | 7,051,033             |
| Public safety                                            | 28,239,920            | 27,451,509           | 28,402,141             | 29,905,370          | 30,842,988            |
| Public works services                                    | 5,910,512             | 6,588,499            | 6,897,481              | 5,940,589           | 5,805,936             |
| Community development                                    | 5,371,217             | 5,756,910            | 5,380,890              | 6,885,395           | 17,046,641            |
| Library                                                  | 2,987,701             | 3,058,338            | 3,050,203              | 3,179,305           | 3,165,746             |
| Economic development                                     | 2,975,135             | 5,452,493            | 1,091,721              | -                   | -                     |
| Recreation and community services                        | 2,357,463             | 3,746,142            | 2,571,010              | 3,014,469           | 3,729,337             |
| Debt service:                                            |                       |                      |                        |                     |                       |
| Interest                                                 | 915,000               | 1,736,317            | 900,000                | 756,210             | 502,875               |
| Principal                                                | 1,287,786             | 690,000              | 1,282,872              | 215,000             | 465,000               |
| Cost of issuance                                         | -                     | 395,037              | -                      | 132,228             | -                     |
| <b>Total expenditures</b>                                | <b>60,709,088</b>     | <b>63,250,837</b>    | <b>58,500,098</b>      | <b>57,513,437</b>   | <b>68,609,556</b>     |
| <b>Less: acquisition of capital assets</b>               | <b>(3,807,691)</b>    | <b>(2,562,811)</b>   | <b>(2,931,313)</b>     | <b>(4,349,512)</b>  | <b>(2,559,961)</b>    |
| <b>Total expenditures excluding capital assets</b>       | <b>56,901,397</b>     | <b>60,688,026</b>    | <b>55,568,785</b>      | <b>53,163,925</b>   | <b>66,049,595</b>     |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>      | <b>(213,039)</b>      | <b>(2,059,190)</b>   | <b>(2,346,668)</b>     | <b>3,818,693</b>    | <b>(171,572)</b>      |
| <b>OTHER FINANCING SOURCES (USES):</b>                   |                       |                      |                        |                     |                       |
| Transfers in                                             | 3,660,845             | 8,387,511            | 8,760,016              | 2,455,802           | 4,623,066             |
| Transfers out                                            | (4,573,195)           | (9,364,849)          | (9,736,910)            | (3,575,732)         | (5,654,426)           |
| Proceeds from capital lease obligations                  | -                     | -                    | -                      | -                   | -                     |
| Proceeds of bond issuance                                | -                     | 27,830,000           | -                      | 6,135,000           | -                     |
| Bond discount                                            | -                     | (424,696)            | -                      | -                   | -                     |
| Bond Premium                                             | -                     | 451,084              | -                      | 362,100             | -                     |
| Payment on refunded bonds                                | -                     | (7,320,000)          | -                      | (6,540,000)         | -                     |
| Loss on dissolution of Arcadia Redevelopment Agency      | -                     | -                    | (30,616,403)           | -                   | -                     |
| <b>Total other financing sources (uses)</b>              | <b>(912,350)</b>      | <b>19,559,050</b>    | <b>(31,593,297)</b>    | <b>(1,162,830)</b>  | <b>(1,031,360)</b>    |
| <b>Net change in fund balances</b>                       | <b>\$ (1,125,389)</b> | <b>\$ 17,499,860</b> | <b>\$ (33,939,965)</b> | <b>\$ 2,655,863</b> | <b>\$ (1,202,932)</b> |
| Debt service as a percentage of non-capital expenditures | 3.87%                 | 4.00%                | 3.93%                  | 1.83%               | 1.47%                 |

**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         |                     |                     |                     |                     |
|----------------------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                                          | 2015                | 2016                | 2017                | 2018                | 2019                |
| <b>REVENUES:</b>                                         |                     |                     |                     |                     |                     |
| Taxes                                                    | \$ 37,911,174       | \$ 39,504,488       | \$ 40,258,016       | \$ 40,506,071       | \$ 42,050,021       |
| Licenses, fees and permits                               | 6,512,028           | 6,723,286           | 7,583,907           | 4,833,508           | 5,165,340           |
| Fines and Penalties                                      | 935,629             | 801,161             | 634,261             | 690,703             | 643,858             |
| Use of money of property                                 | 1,632,483           | 1,856,318           | 1,458,553           | 1,529,733           | 3,432,169           |
| Intergovernmental Revenues                               | 11,508,381          | 11,653,593          | 10,782,388          | 12,530,015          | 14,289,330          |
| Charges for services                                     | 6,086,755           | 6,777,300           | 6,140,231           | 6,088,728           | 5,591,091           |
| Other Revenues                                           | 4,390,220           | 3,419,455           | 3,062,448           | 3,525,714           | 3,052,228           |
| <b>Total revenues</b>                                    | <b>68,976,670</b>   | <b>70,735,601</b>   | <b>69,919,804</b>   | <b>69,704,472</b>   | <b>74,224,037</b>   |
| <b>EXPENDITURES:</b>                                     |                     |                     |                     |                     |                     |
| Current:                                                 |                     |                     |                     |                     |                     |
| General government                                       | 6,730,305           | 8,920,807           | 8,338,619           | 8,134,490           | 7,971,659           |
| Public safety                                            | 31,748,649          | 33,772,958          | 35,497,246          | 36,941,437          | 39,912,792          |
| Public works services                                    | 6,372,293           | 7,827,183           | 7,199,751           | 8,024,811           | 7,491,991           |
| Community development                                    | 8,168,873           | 8,003,227           | 6,673,998           | 7,599,862           | 9,992,826           |
| Library                                                  | 3,433,071           | 3,612,759           | 3,830,240           | 3,826,333           | 3,917,195           |
| Economic development                                     | -                   | -                   | -                   | -                   | -                   |
| Recreation and community services                        | 3,099,283           | 3,209,492           | 3,343,402           | 3,339,426           | 3,509,543           |
| Debt service:                                            |                     |                     |                     |                     |                     |
| Interest                                                 | 525,000             | 555,000             | 448,076             | 590,000             | 673,028             |
| Principal                                                | 484,854             | 466,474             | 565,000             | 425,274             | 397,101             |
| Cost of issuance                                         | -                   | -                   | -                   | -                   | -                   |
| <b>Total expenditures</b>                                | <b>60,562,328</b>   | <b>66,367,900</b>   | <b>65,896,332</b>   | <b>68,881,633</b>   | <b>73,866,135</b>   |
| <b>Less: acquisition of capital assets</b>               | <b>(3,756,352)</b>  | <b>(4,180,176)</b>  | <b>(2,978,796)</b>  | <b>(2,357,155)</b>  | <b>(5,187,456)</b>  |
| <b>Total expenditures excluding capital assets</b>       | <b>56,805,976</b>   | <b>62,187,724</b>   | <b>62,917,536</b>   | <b>66,524,478</b>   | <b>68,678,679</b>   |
| <b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>      | <b>8,414,342</b>    | <b>4,367,701</b>    | <b>4,023,472</b>    | <b>822,839</b>      | <b>357,902</b>      |
| <b>OTHER FINANCING SOURCES (USES):</b>                   |                     |                     |                     |                     |                     |
| Transfers in                                             | 3,874,984           | 10,330,462          | 5,259,012           | 3,617,262           | 4,658,147           |
| Transfers out                                            | (4,692,735)         | (11,201,723)        | (6,370,018)         | (4,624,088)         | (5,643,223)         |
| Proceeds from capital lease obligations                  | -                   | -                   | -                   | -                   | 290,140             |
| Proceeds of bond issuance                                | -                   | -                   | -                   | -                   | -                   |
| Bond discount                                            | -                   | -                   | -                   | -                   | -                   |
| Bond Premium                                             | -                   | -                   | -                   | -                   | -                   |
| Payment on refunded bonds                                | -                   | -                   | -                   | -                   | -                   |
| Loss on dissolution of Arcadia Redevelopment Agency      | -                   | -                   | -                   | -                   | -                   |
| <b>Total other financing sources (uses)</b>              | <b>(817,751)</b>    | <b>(871,261)</b>    | <b>(1,111,006)</b>  | <b>(1,006,826)</b>  | <b>(694,936)</b>    |
| <b>Net change in fund balances</b>                       | <b>\$ 7,596,591</b> | <b>\$ 3,496,440</b> | <b>\$ 2,912,466</b> | <b>\$ (183,987)</b> | <b>\$ (337,034)</b> |
| Debt service as a percentage of non-capital expenditures | 1.78%               | 1.64%               | 1.61%               | 1.53%               | 1.56%               |

**Source:** City of Arcadia Financial Reports

**City of Arcadia**  
**Governmental Activities Tax Revenue by Source**  
**Last Ten Fiscal Years (accrual basis of accounting)**

| Fiscal<br>Year<br>Ended<br>June 30, | Property<br>Tax | Sales<br>Tax | Franchise<br>Fee | Utilities user<br>Tax | Transient<br>Occupancy<br>Tax | Motor<br>Vehicle<br>License<br>Tax | Business<br>License<br>Tax | Other<br>Taxes | Total Taxes<br>and Fees |
|-------------------------------------|-----------------|--------------|------------------|-----------------------|-------------------------------|------------------------------------|----------------------------|----------------|-------------------------|
| 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              |
| 2017                                | 16,150,617      | 10,766,558   | 1,000,308        | 6,773,169             | 3,543,908                     | 6,461,508                          | 1,270,876                  | 1,647,136      | 47,614,080              |
| 2018                                | 16,965,156      | 11,115,292   | 982,756          | 6,856,067             | 3,320,953                     | 6,906,050                          | 1,248,106                  | 1,621,716      | 49,016,096              |
| 2019                                | 18,301,135      | 11,399,632   | 931,750          | 6,591,834             | 3,447,186                     | 7,309,525                          | 1,227,480                  | 1,057,546      | 50,266,088              |

**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<br>Year<br>Ended<br>June 30, | Property<br>Tax | Sales<br>Tax | Franchise<br>Fee | Utilities user<br>tax | Transient<br>Occupancy<br>Tax | Other<br>Taxes | Total<br>Taxes |
|-------------------------------------|-----------------|--------------|------------------|-----------------------|-------------------------------|----------------|----------------|
| 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     |
| 2017                                | 16,150,617      | 11,069,263   | 1,000,308        | 6,773,169             | 3,543,908                     | 1,720,751      | 40,258,016     |
| 2018                                | 16,965,156      | 10,670,332   | 982,756          | 6,856,067             | 3,320,953                     | 1,710,806      | 40,506,070     |
| 2019                                | 18,301,135      | 11,641,002   | 931,750          | 6,591,834             | 3,447,186                     | 1,137,115      | 42,050,022     |

**Source:** City of Arcadia Financial Reports

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

| Fiscal<br>Year<br>Ended<br>June 30, | Residential<br>Property | Commercial<br>Property | Recreational<br>Property | Industrial<br>Property | Others         | Total Taxable<br>Assessed<br>Value | Percent<br>Increase | Total<br>Direct Rate |
|-------------------------------------|-------------------------|------------------------|--------------------------|------------------------|----------------|------------------------------------|---------------------|----------------------|
| 2010                                | \$ 8,119,135,094        | \$ 1,098,758,395       | \$ 193,993,380           | \$ 185,389,363         | \$ 289,762,734 | \$ 9,887,038,966                   | 2.2%                | 0.13933%             |
| 2011                                | 8,385,923,392           | 1,154,290,186          | 193,533,608              | 184,933,074            | 402,865,289    | 10,321,545,549                     | 4.4%                | 0.13798%             |
| 2012                                | 8,667,971,752           | 1,217,932,398          | 194,107,146              | 186,684,883            | 343,635,441    | 10,610,331,620                     | 2.8%                | 0.13688%             |
| 2013                                | 9,119,940,977           | 1,235,622,033          | 197,989,278              | 188,696,515            | 365,386,188    | 11,107,634,991                     | 4.7%                | 0.13360%             |
| 2014                                | 9,784,166,701           | 1,283,395,020          | 207,049,008              | 191,408,716            | 366,192,396    | 11,832,211,841                     | 6.5%                | 0.10249%             |
| 2015                                | 10,562,151,620          | 1,306,789,917          | 312,687,185              | 191,721,395            | 435,327,830    | 12,808,677,947                     | 8.3%                | 0.10249%             |
| 2016                                | 11,422,747,681          | 1,398,109,370          | 308,101,469              | 203,248,894            | 606,384,854    | 13,938,592,268                     | 8.8%                | 0.10110%             |
| 2017                                | 12,199,219,454          | 1,432,309,677          | 312,799,943              | 206,523,314            | 522,677,256    | 14,673,529,644                     | 5.3%                | 0.10131%             |
| 2018                                | 12,959,501,963          | 1,524,210,934          | 315,605,776              | 237,411,247            | 639,741,642    | 15,676,471,562                     | 6.8%                | 0.10064%             |
| 2019                                | 13,771,100,892          | 1,704,921,018          | 316,133,985              | 244,561,003            | 565,358,789    | 16,602,075,687                     | 5.9%                | 0.10036%             |

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

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

**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%<br/>Levy Per Prop 13</u> | <u>Redevelopment Rate</u> | <u>Total Direct Rate *</u> |
|-------------|------------------------------------------------|---------------------------|----------------------------|
| 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                    |
| 2017        | 0.09602                                        | N/A                       | 0.10131                    |
| 2018        | 0.09602                                        | N/A                       | 0.10064                    |
| 2019        | 0.09602                                        | N/A                       | 0.10036                    |

**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 | School Districts | Community College | Water Districts | Tax Rate % |
| 2010                                | 1.0000     | 0.005300                        | 0.04277           | 0.51389          | 0.07411           | 0.02230         | 1.65838    |
| 2011                                | 1.0000     | 0.005000                        | 0.00000           | 0.50697          | 0.07941           | 0.02170         | 1.61308    |
| 2012                                | 1.0000     | 0.004990                        | 0.00000           | 0.54958          | 0.07821           | 0.02170         | 1.65448    |
| 2013                                | 1.0000     | 0.009590                        | 0.00000           | 0.55242          | 0.07457           | 0.02150         | 1.65808    |
| 2014                                | 1.0000     | 0.008380                        | 0.00000           | 0.60099          | 0.07017           | 0.02150         | 1.70104    |
| 2015                                | 1.0000     | 0.008221                        | 0.00000           | 0.57233          | 0.06180           | 0.02150         | 1.66385    |
| 2016                                | 1.0000     | 0.006681                        | 0.00000           | 0.60790          | 0.05225           | 0.01800         | 1.68483    |
| 2017                                | 1.0000     | 0.006817                        | 0.00000           | 0.60344          | 0.06099           | 0.02300         | 1.69425    |
| 2018                                | 1.0000     | 0.006170                        | 0.00000           | 0.59725          | 0.05796           | 0.03000         | 1.69138    |
| 2019                                | 1.0000     | 0.005970                        | 0.00000           | 0.57076          | 0.05559           | 0.03000         | 1.66232    |

**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**

| 2018/19                              |                           |                                     |             |                                                                      |
|--------------------------------------|---------------------------|-------------------------------------|-------------|----------------------------------------------------------------------|
| <u>Taxpayer</u>                      | <u>Assessed<br/>Value</u> | <u>Est. Total *<br/>Tax Revenue</u> | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Property<br/>Tax<br/>Revenue</u> |
| Santa Anita Borrower LLC             | \$ 407,798,229            | \$ 409,266                          | 1           | 2.46%                                                                |
| Santa Anita Land Holdings LLC        | 321,218,794               | 322,375                             | 2           | 1.93%                                                                |
| Baldwin Arcadia Center LP            | 82,534,588                | 82,832                              | 3           | 0.50%                                                                |
| JLJ USA Investments LLC              | 63,311,399                | 63,539                              | 4           | 0.38%                                                                |
| SAICP Hotel LLC                      | 47,940,000                | 48,113                              | 5           | 0.29%                                                                |
| Chang Chih Int'l Investment LLC      | 42,884,403                | 43,039                              | 6           | 0.26%                                                                |
| BRE Select Hotels Properties LLC     | 41,446,637                | 41,596                              | 7           | 0.25%                                                                |
| BRE Newton Hotels Property Owner LLC | 35,863,929                | 35,993                              | 8           | 0.22%                                                                |
| VG Property Investments LLC          | 35,400,764                | 35,528                              | 9           | 0.21%                                                                |
| 101 Santa Anita LLC                  | 33,792,769                | 33,914                              | 10          | 0.20%                                                                |
| Total                                | <u>\$ 1,112,191,512</u>   | <u>\$ 1,116,195</u>                 |             | <u>6.70%</u>                                                         |

| 2009/10                             |                           |                                     |             |                                                                      |
|-------------------------------------|---------------------------|-------------------------------------|-------------|----------------------------------------------------------------------|
| <u>Taxpayer</u>                     | <u>Assessed<br/>Value</u> | <u>Est. Total *<br/>Tax Revenue</u> | <u>Rank</u> | <u>Percentage<br/>of Total City<br/>Property<br/>Tax<br/>Revenue</u> |
| Santa Anita Fashion Park LLC        | \$ 312,270,297            | 435,086                             | 1           | 3.16%                                                                |
| Santa Anita Land Holdings           | 168,064,893               | 234,165                             | 2           | 1.73%                                                                |
| Von's Companies Inc                 | 27,703,648                | 38,599                              | 3           | 0.33%                                                                |
| Arcadia Hub Shopping Center LP      | 26,130,153                | 36,407                              | 4           | 0.29%                                                                |
| Arcadia Hotel Venture LP            | 25,171,245                | 35,071                              | 5           | 0.26%                                                                |
| Apple Six Hospitality INC           | 23,256,000                | 32,403                              | 6           | 0.22%                                                                |
| Windrose Santa Anita Properties LLC | 21,500,000                | 29,956                              | 7           | 0.21%                                                                |
| BRE ESA Properties LLC              | 21,484,469                | 29,934                              | 8           | 0.19%                                                                |
| Arcadia Gateway Centre Assoc. LTD   | 18,402,209                | 25,640                              | 9           | 0.19%                                                                |
| Pecos Properties                    | 18,224,600                | 25,392                              | 10          | 0.19%                                                                |
| Total                               | <u>\$ 662,207,514</u>     | <u>\$ 922,654</u>                   |             | <u>6.77%</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<br>Year<br>Ended<br>June 30, | Taxes Levied<br>for the<br>Fiscal Year | Collected within the<br>Fiscal Year of the Levy |                       | Collections in<br>Subsequent Year<br>** | Total Collections to Date |                         |
|-------------------------------------|----------------------------------------|-------------------------------------------------|-----------------------|-----------------------------------------|---------------------------|-------------------------|
|                                     |                                        | Amount                                          | Percentage<br>of Levy |                                         | Amount                    | Percentage<br>of Levy * |
| 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                   | 106.90%                 |
| 2017                                | 986,300                                | 1,020,512                                       | 103.47%               | 25,356                                  | 1,045,868                 | 106.04%                 |
| 2018                                | 967,300                                | 964,452                                         | 99.71%                | 32,920                                  | 997,372                   | 103.11%                 |
| 2019                                | 990,300                                | 948,177                                         | 95.75%                | 25,303                                  | 973,480                   | 98.30%                  |

**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       |                   |                   |                   |                    |                    |                    |                     |                     |                     |
|----------------------------|-------------------|-------------------|-------------------|-------------------|--------------------|--------------------|--------------------|---------------------|---------------------|---------------------|
|                            | 2009              | 2010              | 2011              | 2012              | 2013               | 2014               | 2015               | 2016                | 2017                | 2018                |
| Apparel Stores             | \$ 111,301        | \$ 115,397        | \$ 120,635        | \$ 131,885        | \$ 142,097         | \$ 143,368         | \$ 140,567         | \$ 151,052          | \$ 148,445          | \$ 149,739          |
| General Merchandise        | 149,263           | 149,410           | 154,167           | 152,615           | 154,142            | 152,946            | 157,276            | 154,455             | 152,599             | 151,541             |
| Food Stores                | 32,159            | 30,727            | 30,684            | 33,072            | 32,815             | 32,779             | 31,966             | 31,641              | 28,020              | 31,823              |
| Eating and Drinking Places | 126,899           | 129,170           | 136,399           | 144,462           | 154,770            | 167,998            | 178,138            | 189,283             | 208,207             | 208,991             |
| Building Materials         | 6,826             | 5,606             | 6,927             | 6,323             | 6,612              | 8,159              | 7,128              | 7,682               | 6,781               | 6,335               |
| Auto Dealers and Supplies  | 78,896            | 78,435            | 78,570            | 79,022            | 90,937             | 104,145            | 101,275            | 114,829             | 119,360             | 109,388             |
| Service Stations           | 61,169            | 67,250            | 85,881            | 93,139            | 92,255             | 91,276             | 77,951             | 64,181              | 66,236              | 73,466              |
| Other Retail Stores        | 111,010           | 113,774           | 121,843           | 122,250           | 128,913            | 141,709            | 146,038            | 144,007             | 148,806             | 144,911             |
| All Other Outlets          | 161,624           | 157,543           | 170,797           | 178,835           | 200,828            | 223,290            | 222,539            | 242,883             | 245,101             | 250,179             |
| Total                      | <u>\$ 839,147</u> | <u>\$ 847,312</u> | <u>\$ 905,903</u> | <u>\$ 941,603</u> | <u>\$1,003,369</u> | <u>\$1,065,670</u> | <u>\$1,062,878</u> | <u>\$ 1,100,013</u> | <u>\$ 1,123,555</u> | <u>\$ 1,126,373</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**

2018/19

| <u>Business Name</u>    | <u>Business Category</u>   |
|-------------------------|----------------------------|
| Allstar Fire Equipment  | Light Industrial/Printers  |
| Arco AM PM              | Service Stations           |
| Arco                    | 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            |
| JC Penney               | Department Stores          |
| Los Angeles Turf Club   | Leisure/Entertainment      |
| Macys                   | Department Stores          |
| Meizhou Dongpo          | Fine Dining                |
| Methodist Hospital      | Medical/Biotech            |
| Mobil                   | Service Stations           |
| Nordstrom               | Department Stores          |
| REI                     | Sporting Goods/Bike Stores |
| Rusnak Arcadia          | New Motor Vehicle Dealers  |
| Sephora                 | Specialty Stores           |
| Uniqlo                  | Family Apparel             |
| Victoria's Secret       | Women's Apparel            |
| Vons                    | Grocery Stores Liquor      |
| World Oil               | Service Stations           |
| Zara USA                | Family Apparel             |

Percent of Fiscal Year Total Paid By Top 25 Accounts

48.6%

Period: April 2018 Thru March 2019

Source: State Board of Equalization

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

2009/10

| <u>Business Name</u>       | <u>Business Category</u>   |
|----------------------------|----------------------------|
| Abercrombie & Fitch        | Family Apparel             |
| Allstar Fire Equipment     | Light Industrial/Printers  |
| Arco AM PM                 | Service Stations           |
| Arco                       | Service Stations           |
| Burlington Coat Factory    | Family Apparel             |
| Cheesecake Factory         | Casual Dining              |
| CVS Pharmacy               | Drug Stores                |
| Daimler Chrysler Finance   | Auto Lease                 |
| Daimler Financial Services | Auto Lease                 |
| Dave & Busters             | Casual Dining              |
| H&M                        | Family Apparel             |
| JC Penney                  | Department Stores          |
| Los Angeles Turf Club      | Leisure/Entertainment      |
| Macys                      | Department Stores          |
| Mobil                      | Service Stations           |
| Nordstrom                  | Department Stores          |
| Olive Garden               | Casual Dining              |
| Ralphs                     | Grocery Stores Liquor      |
| REI                        | Sporting Goods/Bike Stores |
| Rusnak Arcadia             | New Motor Vehicle Dealers  |
| Sephora                    | Specialty Stores           |
| Sport Chalet               | Sporting Goods/Bike Stores |
| Victoria's Secret          | Women's Apparel            |
| Vons                       | Grocery Stores             |
| Western Medical Supply     | Medical/Biotech            |

Percent of Fiscal Year Total Paid By Top 25 Accounts

50.5%

Period: April 2009 Thru March 2010

Source: State Board of Equalization

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

| Year | Governmental Activities  |           |           |                              |                              |                             | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
|------|--------------------------|-----------|-----------|------------------------------|------------------------------|-----------------------------|--------------------------------|-------------------------------------|---------------|
|      | General Obligation Bonds |           |           | Redevelopment Bonds *        |                              |                             |                                |                                     |               |
|      | 2001                     | 2011      | 2012      | Tax Allocation<br>Bond 2001A | Tax Allocation<br>Bond 2001B | Tax Allocation<br>Bond 2010 |                                |                                     |               |
| 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           |
| 2017 | -                        | 6,935,237 | 5,463,802 | -                            | -                            | -                           | 12,399,039                     | 0.556%                              | 216           |
| 2018 | -                        | 6,592,972 | 5,174,457 | -                            | -                            | -                           | 11,767,429                     | 0.509%                              | 204           |
| 2019 | -                        | 6,235,707 | 4,875,112 | -                            | -                            | -                           | 11,110,819                     | 0.455%                              | 189           |

**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<br>Obligation<br>Bonds | Percentage<br>of Personal<br>Income | Per<br>Capita |
| 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           |
| 2017                    | 12,399,039                     | 0.556%                              | 216           |
| 2018                    | 11,767,429                     | 0.509%                              | 204           |
| 2019                    | 11,110,819                     | 0.455%                              | 189           |

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

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

**Legal Debt Margin Calculation for Fiscal Year 2019**

|                                    |                         |
|------------------------------------|-------------------------|
| Assessed Taxable Value             | \$ 16,602,075,687       |
| Debt Limit (15% of assessed value) | 2,490,311,353           |
| Debt Applicable to limit:          |                         |
| Total Bonds Payable                | 11,110,819              |
| Legal Debt Margin                  | <u>\$ 2,479,200,534</u> |
| Percent of Charter Debt Limit      | 0.45%                   |

|                                    | 2010              | 2011              | 2012              | 2013              | 2014              |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt Limit                         | \$ 1,461,040,845  | \$ 1,548,231,832  | \$ 1,591,549,743  | \$ 1,666,145,249  | \$ 1,774,831,776  |
| Total net debt applicable to limit | <u>22,015,000</u> | <u>41,880,666</u> | <u>14,966,562</u> | <u>14,675,479</u> | <u>14,168,869</u> |
| <b>Legal debt margin</b>           | 1,439,025,845     | 1,506,351,166     | 1,576,583,181     | 1,651,469,770     | 1,760,662,907     |
| Total debt applicable to the limit | 1.51%             | 2.71%             | 0.94%             | 0.88%             | 0.80%             |

**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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|                                    | 2015             | 2016             | 2017             | 2018             |
|------------------------------------|------------------|------------------|------------------|------------------|
| Debt Limit                         | \$ 1,921,301,692 | \$ 2,090,788,840 | \$ 2,201,029,447 | \$ 2,351,470,734 |
| Total net debt applicable to limit | 13,602,259       | 13,005,649       | 12,399,039       | 11,767,429       |
| <b>Legal debt margin</b>           | 1,907,699,433    | 2,077,783,191    | 2,188,630,408    | 2,339,703,305    |
| Total debt applicable to the limit | 0.71%            | 0.62%            | 0.56%            | 0.50%            |

**Source:** Los Angeles County Assessor's office, City of Arcadia financial reports

Under State Finance Law, the City's outstanding general obligation debt shall not exceed 15 percent of total assessed

**Notes:** 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**

2018/19

|                                                                  | Gross Bonded<br>Debt Balance | % Applicable | Net<br>Bonded Debt |
|------------------------------------------------------------------|------------------------------|--------------|--------------------|
| <u>Direct Debt</u>                                               |                              |              |                    |
| Arcadia General Obligation Bond 2011                             | \$ 6,235,707                 | 100.000%     | \$ 6,235,707       |
| Arcadia General Obligation Bond 2012                             | 4,875,112                    | 100.000%     | \$ 4,875,112       |
| Total Direct Debit                                               | 11,110,819                   |              | \$ 11,110,819      |
| <u>Overlapping Debt</u>                                          |                              |              |                    |
| Metropolitan Water District Area Upper San Gabriel Valley Area * | 23,317,224                   | 1.304%       | \$ 304,051         |
| El Monte City School District 2004 Series B                      | 918,875                      | 3.779%       | \$ 34,726          |
| El Monte City School District 2004 Series C                      | 750,000                      | 3.779%       | \$ 28,344          |
| El Monte City School District 2004 Series D (2009)               | 8,759,121                    | 3.779%       | \$ 331,022         |
| El Monte City School District 2008 Series A                      | 8,345,000                    | 3.779%       | \$ 315,372         |
| El Monte City School District 2008 Series A-1 (BABS)             | 5,998,159                    | 3.779%       | \$ 226,681         |
| El Monte City School District 2008 Series B                      | 7,080,000                    | 3.779%       | \$ 267,565         |
| El Monte City School District 2012 Refunding                     | 32,540,000                   | 3.779%       | \$ 1,229,743       |
| El Monte City School District 2014 Series A                      | 10,560,000                   | 3.779%       | \$ 399,081         |
| El Monte City School District 2015 Refunding                     | 9,830,000                    | 3.779%       | \$ 371,493         |
| El Monte City School District 2014 Series B                      | 4,845,000                    | 3.779%       | \$ 183,101         |
| El Monte City School District 2017 REF Bond Series A             | 17,505,000                   | 3.779%       | \$ 661,544         |
| El Monte Union High School District 2008 Series A                | 30,041,132                   | 1.975%       | \$ 593,430         |
| El Monte Union High School District 2008 Series B                | 25,830,000                   | 1.975%       | \$ 510,243         |
| El Monte Union High School District 2015 REF                     | 10,765,000                   | 1.975%       | \$ 212,651         |
| El Monte Union High School District 2016 REF                     | 4,165,000                    | 1.975%       | \$ 82,275          |
| El Monte Union High School District 2008 Series C                | 48,525,000                   | 1.975%       | \$ 958,558         |
| El Monte Union High School District 2016 Refunding Bonds         | 10,650,098                   | 1.975%       | \$ 210,381         |
| El Monte Union High School District 2008 Series D                | 56,430,000                   | 1.975%       | \$ 1,114,713       |
| Citrus CCD 2004 2009 Series C                                    | 3,590,302                    | 0.197%       | \$ 7,071           |
| Citrus CCD Refunding Bond Series 2013                            | 10,240,000                   | 0.197%       | \$ 20,168          |
| Citrus CCD Series 2004 2014D                                     | 18,850,425                   | 0.197%       | \$ 37,127          |
| Citrus CCD Refunding Bonds 2004 2015 Series E                    | 9,805,000                    | 0.197%       | \$ 19,311          |
| Citrus CCD Refunding Bonds 2015 Series A                         | 46,875,000                   | 0.197%       | \$ 92,323          |
| Pasadena Community College 2002, 2006 Series D                   | 1,840,000                    | 18.349%      | \$ 337,619         |
| Pasadena Community College 2002, 2009 Series E (BABS)            | 25,295,000                   | 18.349%      | \$ 4,641,340       |
| Pasadena Community College 2014 Refunding Series A               | 13,900,000                   | 18.349%      | \$ 2,550,490       |
| Pasadena Community College 2016 Refunding Series A               | 32,395,000                   | 18.349%      | \$ 5,944,109       |
| Rio Hondo Community College District 2005 Refunding Bonds        | 4,085,000                    | 0.529%       | \$ 21,621          |
| Rio Hondo Community College District 2004 Series 2008            | 127,847,824                  | 0.529%       | \$ 676,656         |
| Arcadia Unified School District 1993 Series C                    | 331,333                      | 96.562%      | \$ 319,942         |
| Arcadia Unified School District 2006 Series B                    | 26,910,000                   | 96.562%      | \$ 25,984,825      |
| Arcadia Unified School District 2017 REF                         | 190,845,000                  | 96.562%      | \$ 184,283,684     |
| Monrovia Unified School District 2005 Refunding Bonds            | 10,155,057                   | 0.891%       | \$ 89,125          |
| Monrovia Unified School District 2006 Series B                   | 12,900,000                   | 0.891%       | \$ 100,314         |
| Monrovia Unified School District 2006 Series C                   | 4,316,665                    | 0.891%       | \$ 33,349          |
| Monrovia Unified School District 2010                            | 11,166,250                   | 0.891%       | \$ 99,523          |
| Monrovia Unified School District 2015 Refunding Bonds            | 23,885,000                   | 0.891%       | \$ 209,853         |
| Pasadena Unified School District 2008 Series 2009                | 2,840,000                    | 0.014%       | \$ 410             |
| Pasadena Unified School District 2008 Series 2012                | 99,465,000                   | 0.014%       | \$ 14,359          |
| Pasadena Unified School District 2014 Refunding Bonds Series A   | 24,145,000                   | 0.014%       | \$ 3,486           |
| Pasadena Unified School District 2014 Refunding Bonds Series B   | 96,710,000                   | 0.014%       | \$ 13,961          |
| Pasadena Unified School District 2008 Series 2016                | 10,515,000                   | 0.014%       | \$ 1,518           |
| Pasadena Unified School District 2016 Refunding Bonds Series A   | 78,470,000                   | 0.014%       | \$ 11,328          |
| Temple City Unified School District 1998 Series B                | 4,331,661                    | 8.327%       | \$ 360,678         |
| Temple City Unified School District 2005 Refunding Bonds         | 8,580,000                    | 8.327%       | \$ 714,419         |
| Temple City Unified School District 2012 Series A                | 21,915,863                   | 8.327%       | \$ 1,824,837       |
| Temple City Unified School District 2012 Series B                | 33,457,588                   | 8.327%       | \$ 2,785,866       |
| Temple City Unified School District 2017 Refunding Bond          | 19,720,000                   | 8.327%       | \$ 1,641,997       |
| Total Overlapping Debt                                           |                              |              | \$ 240,876,279     |
| TOTAL Direct and Overlapping Debt                                |                              |              | \$ 251,987,098     |

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

2018/19

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2018/19 Assessed Valuation : \$15,871,749,917 after deducting \$730,325,770 of Incremental Value.

|                                    |                  |        |
|------------------------------------|------------------|--------|
| Debt to Assessed Valuation Ratios: | Direct Debt      | 0.070% |
|                                    | Overlapping Debt | 1.520% |
|                                    | Total Debt       | 1.590% |

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

2009/10

| <u>Direct Debt</u>                                           | Gross Bonded<br>Debt Balance | % Applicable | Net<br>Bonded Debt    |
|--------------------------------------------------------------|------------------------------|--------------|-----------------------|
| Arcadia GO Bond 2001                                         | \$ 6,900,000                 | 100.000%     | \$ 6,900,000          |
| Total Direct Debit                                           | <u>6,900,000</u>             |              | <u>6,900,000</u>      |
| <u>Overlapping Debt</u>                                      |                              |              |                       |
| Metropolitan Water District                                  | 121,475,156                  | 1.096%       | 1,330,935             |
| El Monte City School District 1999 Series A                  | 1,680,000                    | 3.894%       | 65,426                |
| El Monte City School District 1999 Series B                  | 815,000                      | 3.894%       | 31,739                |
| El Monte City School District 1999 Series C                  | 1,650,000                    | 3.894%       | 64,258                |
| El Monte City School District 2004 Refunding Bonds           | 5,890,000                    | 3.894%       | 229,381               |
| El Monte Union School District 1999 Series D                 | 15,145,000                   | 3.894%       | 589,809               |
| El Monte City School District 2005 Refunding Bonds           | 19,910,282                   | 3.894%       | 775,389               |
| El Monte City School District 2004 Series B                  | 14,699,977                   | 3.894%       | 572,478               |
| El Monte City School District 2008 Series A                  | 5,998,159                    | 3.894%       | 233,593               |
| El Monte Union High School District 2002 Series A            | 3,670,000                    | 2.061%       | 75,633                |
| El Monte Union High School District 2002 Series B            | 5,585,000                    | 2.061%       | 115,099               |
| El Monte Union HSD DS 2006 Refunding Bonds                   | 37,343,698                   | 2.061%       | 769,600               |
| El Monte Union HSD DS 2002 Series C                          | 27,490,000                   | 2.061%       | 607,747               |
| El Monte Union HSD DS 2008 Series A                          | 54,001,305                   | 2.061%       | 1,112,890             |
| Citrus CCD 2004 Series 2004A                                 | 15,685,000                   | 0.164%       | 25,786                |
| Citrus CCD 2004 Series 2007B                                 | 37,140,000                   | 0.164%       | 61,057                |
| Citrus CCD 2004 Series 2004 2009 Series C                    | 29,995,302                   | 0.164%       | 49,311                |
| Pasadena Area Community College District 2002 Series A       | 2,835,000                    | 16.580%      | 470,047               |
| Pasadena Area Community College District 2006 Series B       | 50,590,000                   | 16.580%      | 8,387,894             |
| Pasadena Area Community College District 2006 REF Series C   | 16,337,379                   | 16.580%      | 2,708,761             |
| Pasadena Area Community College District 2002, 2006 Series D | 52,000,000                   | 16.580%      | 8,621,674             |
| Rio Hondo CCD Ser A 2004                                     | 8,475,000                    | 0.508%       | 43,020                |
| Rio Hondo CCD 2005 Refunding Bonds                           | 45,590,253                   | 0.508%       | 231,422               |
| Rio Hondo CCD 2004 Series 2008                               | 64,996,844                   | 0.508%       | 329,932               |
| Arcadia Unified School District 1993 Series A                | 6,753,182                    | 96.335%      | 6,505,677             |
| Arcadia Unified School District 1993 Series C                | 1,794,657                    | 96.335%      | 1,728,883             |
| Arcadia Unified School District Refunding 1993 2005 Series A | 3,965,000                    | 96.335%      | 3,819,682             |
| Arcadia Unified School District 2006 Series A                | 159,665,423                  | 96.335%      | 153,813,672           |
| Monrovia Unified School District 1997 Series A               | 15,294,242                   | 0.747%       | 114,209               |
| Monrovia Unified School District 2005 Refunding Bonds        | 12,955,000                   | 0.747%       | 96,741                |
| Monrovia Unified School District 2006 Series A               | 14,000,000                   | 0.747%       | 104,544               |
| Monrovia Unified School District 2006 Series B               | 17,991,665                   | 0.747%       | 134,352               |
| Pasadena Unified School District 2004 Refunding Bonds        | 63,280,000                   | 0.020%       | 12,445                |
| Pasadena Unified School District 2005 Refunding Bonds        | 116,375,000                  | 0.020%       | 22,887                |
| Pasadena Unified School District 2008 Series 2009            | 125,000,000                  | 0.020%       | 24,583                |
| Temple City Unified School District 1998 Series A            | 3,008,249                    | 8.378%       | 252,041               |
| Temple City Unified School District 1998 Series B            | 5,101,501                    | 8.378%       | 427,421               |
| Temple City Unified School District 2005 Refunding BD        | 11,555,000                   | 8.378%       | 968,118               |
| Total Overlapping Debt                                       |                              |              | <u>195,528,137</u>    |
| TOTAL Direct and Overlapping Debt                            |                              |              | <u>\$ 202,428,137</u> |

2009/10 Assessed Valuation : \$9,448,692,909 after deducting \$438,346,057 of Incremental Value.

|                                    |                  |        |
|------------------------------------|------------------|--------|
| Debt to Assessed Valuation Ratios: | Direct Debt      | 0.070% |
|                                    | Overlapping Debt | 2.070% |
|                                    | Total Debt       | 2.140% |

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<br>Income<br>(in Thousands) | Per<br>Capita<br>Personal<br>Income | Unemployment<br>Rate |
|------|------------|--------------------------------------|-------------------------------------|----------------------|
| 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%                |
| 2016 | 57,374     | 2,228,856                            | 38,847                              | 3.00%                |
| 2017 | 57,704     | 2,310,918                            | 40,047                              | 3.40%                |
| 2018 | 58,891     | 2,443,094                            | 41,485                              | 3.50%                |

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

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

| Employer                                | 2019      |      |                                     |
|-----------------------------------------|-----------|------|-------------------------------------|
|                                         | Employees | Rank | Percentage of Total City Employment |
| Nordstrom Inc                           | 420       | 1    | 2.71%                               |
| Macy's West                             | 341       | 2    | 2.20%                               |
| Fedex Ground Package System, Inc. #910  | 216       | 3    | 1.40%                               |
| Healthcare Partners Affiliates Medical  | 206       | 4    | 1.33%                               |
| Dave & Buster's                         | 181       | 5    | 1.17%                               |
| J C Penney Corp, Inc # 1417-5           | 178       | 6    | 1.15%                               |
| The Cheesecake Factory Restaurants, Inc | 177       | 7    | 1.14%                               |
| Forever 21, Retail, Inc                 | 141       | 8    | 0.91%                               |
| 99 Ranch Market 7                       | 139       | 9    | 0.90%                               |
| Arcadia Health Care Center              | 139       | 10   | 0.90%                               |
| Total                                   | 2138      |      | 13.82%                              |

| Employer                   | 2010      |      |                                     |
|----------------------------|-----------|------|-------------------------------------|
|                            | Employees | Rank | Percentage of Total City Employment |
| Vons Companies Inc.        | 459       | 1    | 3.15%                               |
| Emergency Groups Office    | 300       | 2    | 2.06%                               |
| Macy's West                | 294       | 3    | 2.02%                               |
| Nordstrom Inc.             | 293       | 4    | 2.01%                               |
| Worley Parsons Group, Inc. | 277       | 5    | 1.90%                               |
| JC Penney Corp. Inc.       | 272       | 6    | 1.87%                               |
| M W H Americas, Inc.       | 177       | 7    | 1.22%                               |
| 24 Hours Fitness #906      | 164       | 8    | 1.13%                               |
| The Cheesecake Factory     | 152       | 9    | 1.04%                               |
| David & Buster's           | 151       | 10   | 1.04%                               |
| Total                      | 2539      |      | 17.45%                              |

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

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

| <u>Function/Program</u> | Fiscal Year |      |      |      |      |      |      |      |      |      |
|-------------------------|-------------|------|------|------|------|------|------|------|------|------|
|                         | 2010        | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| General Government:     |             |      |      |      |      |      |      |      |      |      |
| City Manager            | 5           | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 4    |
| City Clerk              | 2           | 2    | 2    | 3    | 4    | 4    | 4    | 3    | 3    | 3    |
| City Attorney           | 0           | 0    | 0    | 0    | 0    | 1    | 1    | 0    | 0    | 0    |
| Administrative Services | 16          | 16   | 16   | 16   | 16   | 16   | 16   | 16   | 16   | 17   |
| Police                  | 100         | 101  | 100  | 96   | 94   | 94   | 95   | 98   | 98   | 98   |
| Fire                    | 57          | 57   | 57   | 57   | 58   | 58   | 58   | 58   | 58   | 58   |
| Public Works:           |             |      |      |      |      |      |      |      |      |      |
| Streets                 | 25          | 24   | 24   | 25   | 25   | 25   | 25   | 27   | 27   | 25   |
| Water & Sewer           | 33          | 33   | 33   | 33   | 33   | 33   | 34   | 34   | 34   | 34   |
| Garage                  | 5           | 5    | 5    | 4    | 4    | 4    | 4    | 4    | 4    | 5    |
| Development:            |             |      |      |      |      |      |      |      |      |      |
| Community Development   | 18          | 19   | 20   | 20   | 21   | 23   | 25   | 23   | 23   | 23   |
| Redevelopment           | 1           | 1    | 0    | 0    | 0    | 0    | 0    | 0    | 0    | 0    |
| Engineering             | 5           | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    | 5    |
| Recreation              | 8           | 9    | 9    | 9    | 9    | 9    | 10   | 11   | 12   | 12   |
| Library                 | 20          | 19   | 19   | 19   | 19   | 19   | 19   | 19   | 19   | 19   |
| Total                   | 295         | 296  | 295  | 292  | 293  | 296  | 301  | 303  | 304  | 303  |

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

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

|                                            | Fiscal Year |           |           |           |           |           |           |           |           |           |
|--------------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                            | 2010        | 2011      | 2012      | 2013      | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      |
| Function/Program                           |             |           |           |           |           |           |           |           |           |           |
| Police:                                    |             |           |           |           |           |           |           |           |           |           |
| Physical Arrests                           | 2,151       | 2,094     | 2,076     | 2,053     | 2,404     | 2,103     | 2,098     | 1,828     | 1,704     | 1,904     |
| Parking Violations                         | 16,415      | 14,686    | 13,056    | 10,908    | 13,211    | 14,348    | 11,805    | 11,449    | 10,395    | 9,636     |
| Moving & Non-Moving Violations             | 6,394       | 5,258     | 5,202     | 6,560     | 6,158     | 5,885     | 6,122     | 4,726     | 2,865     | 3,273     |
| Fire:                                      |             |           |           |           |           |           |           |           |           |           |
| Emergency Responses                        | 4,560       | 4,575     | 4,944     | 4,882     | 4960      | 5,123     | 5,560     | 5,614     | 5,688     | 5,734     |
| Fires Extinguished                         | 142         | 116       | 146       | 74        | 126       | 111       | 123       | 114       | 147       | 130       |
| Inspections                                | 3,970       | 4,029     | 3,874     | 3,514     | 4,732     | 4,089     | 3,798     | 4,187     | 3,921     | 3,863     |
| Public Works:                              |             |           |           |           |           |           |           |           |           |           |
| Street Slurry Resurfacing (SF)             | 2,977,209   | 2,549,861 | 2,309,300 | 3,231,925 | 2,936,698 | 3,341,306 | 3,441,499 | 3,581,577 | 2,856,213 | 2,529,210 |
| Sidewalk Repaired (SF)                     | 3,279       | 17,081    | 18,859    | 12,475    | 11,435    | 11,300    | 28,475    | 7,491     | 750       | 12,486    |
| Curb & Gutter Repaired (LF)                | 3,791       | 2,205     | 1,273     | 1,662     | 6,067     | 1,793     | 15,815    | 3,595     | 4,771     | 16,881    |
| Street Lights Repaired                     | 238         | 130       | 290       | 240       | 116       | 106       | 340       | 83        | 213       | 175       |
| Street AC Resurfacing (SF)                 | -           | -         | -         | -         | -         | -         | 347,550   | 328,716   | 344,640   | 432,614   |
| PCC Driveway Approaches (SF)               |             |           |           |           |           |           |           | 856       | 1,043     | 6,111     |
| PCC Cross Gutter/Spandrel                  |             |           |           |           |           |           |           | 4,259     | 9,308     | 3,317     |
| PCC ADA Ramps                              |             |           |           |           |           |           |           | 31        | 16        | 24        |
| Economic Development:                      |             |           |           |           |           |           |           |           |           |           |
| Street Resurfacing (SF)                    | 432,000     | 412,000   | 163,520   | 170,331   | 269,450   | 44,000    | 335,500   | 157,200   | 292,100   | 515,900   |
| Building Permits                           | 1,251       | 1,254     | 1,096     | 1,419     | 1,548     | 1,615     | 1,724     | 1,551     | 1,433     | 1,889     |
| Planning Cases Submitted and Processed     | 410         | 414       | 466       | 543       | 680       | 655       | 538       | 474       | 515       | 584       |
| Parks and Community Services:              |             |           |           |           |           |           |           |           |           |           |
| (Number of Participation)                  |             |           |           |           |           |           |           |           |           |           |
| Youth Programs                             | 66,766      | 51,032    | 53,511    | 50,122    | 45,010    | 50,800    | 58,463    | 69,796    | 77,470    | 114,557   |
| Swim Program                               | 17,818      | 8,918     | 31,963    | 11,577    | 7,915     | N/A       | N/A       | N/A       | N/A       | N/A       |
| Senior Citizen Programs                    | 83,620      | 84,898    | 87,943    | 90,422    | 86,099    | 82,671    | 79,371    | 77,523    | 88,581    | 111,540   |
| Contract Classes/Adult Programs            | 181,562     | 205,692   | 122,669   | 123,527   | 130,189   | 138,032   | 97,475    | 89,601    | 44,337    | 48,095    |
| Community Center Rental Usages             | 19,665      | 18,457    | 17,496    | 15,765    | 12,730    | 12,391    | 10,561    | 10,038    | 12,250    | 21,414    |
| Special Events                             | 12,250      | 13,400    | 11,165    | 8,900     | 8,553     | 19,576    | 14,563    | 16,476    | 20,847    | 14,954    |
| Dana Gym                                   | 4,100       | 58,200    | 9,846     | 18,496    | 19,563    | 20,168    | 13,295    | 28,869    | 31,959    | 27,476    |
| Wilderness Park Classes & Rentals          |             | 5,958     | 5,670     | 5,959     | 5,729     | 5,871     | 5,488     | 5,011     | 12,936    | 9,123     |
| Library:                                   |             |           |           |           |           |           |           |           |           |           |
| Books and other items total                | 196,905     | 203,460   | 206,020   | 204,642   | 205,658   | 205,107   | 200,980   | 259,000   | 208,109   | 203,859   |
| Total Circulation                          | 725,397     | 728,878   | 775,481   | 789,354   | 792,333   | 685,362   | 719,432   | 695,250   | 869,472   | 975,318   |
| Water:                                     |             |           |           |           |           |           |           |           |           |           |
| Number of Water Accounts                   | 13,665      | 13,728    | 14,011    | 14,021    | 13,651    | 13,942    | 13,659    | 14,114    | 13,688    | 14,146    |
| Total Water Served to Direct Customer (AF) | 14,261      | 13,500    | 14,988    | 15,495    | 15,704    | 15,325    | 11,089    | 11,801    | 14,416    | 13,574    |
| Sewer:                                     |             |           |           |           |           |           |           |           |           |           |
| Sewer Cleaning (Miles)                     | 246         | 142       | 187       | 227       | 226       | 227       | 224       | 168       | 150       | 150       |
| Transit Services/Dial-A-Ride:              |             |           |           |           |           |           |           |           |           |           |
| Total Route Miles (round-trip)             | 272,719     | 258,992   | 263,844   | 292,742   | 296,004   | 251,420   | 243,873   | 295,991   | 280,941   | 280,616   |
| Passengers                                 | 117,288     | 110,364   | 109,613   | 126,044   | 130,134   | 112,398   | 108,005   | 67,228    | 79,624    | 79,809    |

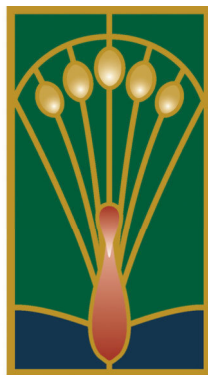
**Source:** Various City Departments

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

| <b>Function/Program</b>                                        | Fiscal Year |       |       |       |       |       |       |       |       |       |
|----------------------------------------------------------------|-------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                                                | 2010        | 2011  | 2012  | 2013  | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  |
| <b>Police:</b>                                                 |             |       |       |       |       |       |       |       |       |       |
| Stations                                                       | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Patrol Units                                                   | 18          | 20    | 20    | 22    | 23    | 23    | 23    | 23    | 23    | 23    |
| Motor Units                                                    | 4           | 2     | 2     | 0     | 0     | 0     | 0     | 0     | 0     | 0     |
| Fire Stations                                                  | 3           | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     | 3     |
| <b>Streets:</b>                                                |             |       |       |       |       |       |       |       |       |       |
| Streets (miles)                                                | 148         | 148   | 148   | 148   | 148   | 148   | 148   | 148   | 148   | 148   |
| Streetlights                                                   | 1,628       | 1,628 | 1,640 | 1,640 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 | 1,642 |
| Traffic Signals                                                | 67          | 67    | 67    | 67    | 69    | 69    | 69    | 69    | 73    | 75    |
| <b>Parks and Community Services:</b>                           |             |       |       |       |       |       |       |       |       |       |
| Total Park Acreage                                             | 166         | 166   | 166   | 166   | 166   | 166   | 166   | 166   | 166   | 166   |
| Playgrounds                                                    | 8           | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Tennis Courts                                                  | 19          | 19    | 19    | 19    | 19    | 19    | 19    | 19    | 19    | 19    |
| Baseball/softball diamonds                                     | 4           | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     | 4     |
| Soccer/football fields                                         | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Community Centers                                              | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Gymnasium                                                      |             | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| <b>Water:</b>                                                  |             |       |       |       |       |       |       |       |       |       |
| Water Main (miles)                                             | 169         | 169   | 169   | 169   | 169   | 169   | 169   | 169   | 169   | 169   |
| Fire Hydrants                                                  | 1,427       | 1,506 | 1,529 | 1,530 | 1,534 | 1,539 | 1,542 | 1,542 | 1,542 | 1,542 |
| Storage Capacity<br>(millions of gallons)                      | 45          | 45    | 45    | 45    | 45    | 45    | 45    | 45    | 45    | 45    |
| <b>Wastewater:</b>                                             |             |       |       |       |       |       |       |       |       |       |
| Sanitary Sewers (miles)                                        | 140         | 140   | 140   | 140   | 140   | 140   | 140   | 140   | 140   | 140   |
| Storm Sewers (miles)                                           | 8           | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     | 8     |
| Library                                                        | 1           | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     | 1     |
| Museum                                                         |             |       |       |       |       |       |       |       |       | 1     |
| Museum Education Center<br>(Museum/Community Center joint use) |             |       |       |       |       |       |       |       |       | 1     |
| <b>Transit Services/Dial-A-Ride:</b>                           |             |       |       |       |       |       |       |       |       |       |
| Transit Buses                                                  | 18          | 18    | 18    | 18    | 18    | 18    | 18    | 18    | 18    | 18    |

Note: Include only properties owned by the City

**Source:** Various City Departments



CITY OF  
ARCADIA