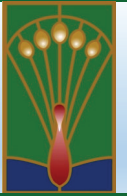




COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF ARCADIA, CALIFORNIA



FISCAL YEAR ENDED JUNE 30, 2020



City of Arcadia
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020

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February 26, 2021

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, 2020, 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, 2020, 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, 2020. The independent auditor concluded, based upon the audit that the City of Arcadia's financial statements for the fiscal year ended June 30, 2020 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 57,212 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.

At the beginning of the 2019-20 Fiscal Year, Arcadia stand to continue benefitting from the steady economic improvements and various developments that were taking place citywide. A combination of steady growth in the labor market, a relatively low interest rates environment, and controlled inflation fueled household spending and encouraged business investment in Arcadia. The combinations of these market forces were expected to improve the City’s overall tax base. Activities of the City’s residential construction trended above norm at the start of the year, along with commercial and mixed-used developments that fostered strong demand and growth. However, COVID-19 severely impacted the momentum and introduced new economic challenges as policies to mitigate the spread required business closures, travel restrictions, and limited gatherings. Consequential to the overall effect of COVID-19, listed are some of the projects under development that 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 that began construction in 2Q 2019 with an estimated completion date of 2Q 2021. Phase 2 of the project will consist of a 175,000 square-foot mixed-use commercial-residential project with 96 residential units and is slated to begin construction in the 2021 calendar year - www.marriott.com/hotels/travel/laxme-le-meridien-pasadena-arcadia/.
- The 8-Eighty Development (Lennar Project): Redevelopment of a 4-acre shopping center at 17 Las Tunas Drive into 80 townhomes and 8,500 square-feet of new commercial space. Project construction in 3Q 2019 and is slated to finish in the 2021 calendar - www.lennar.com/New-Homes/California/Los-Angeles/Arcadia/The-8Eighty.
- 288 N. Santa Anita Ave Development: New 32,000 square-foot 4-story commercial and office building on a vacant 0.75-acre lot. Construction commenced in 3Q of 2019 and is currently scheduled for opening in 4Q of 2021 - www.showcase.com/288-n-santa-anita-ave-arcadia-ca-91006/17040804/.
- Huntington Plaza Development: New 5-story mixed-use development of a 1.75-acre site at 117-129 E. Huntington Drive & 124-136 E. Wheeler Avenue. Project consists of 139 residential units and 10,200 square-feet of ground-floor commercial space. Development entitlements were approved in 3Q of 2020 and construction is anticipated to begin in 2Q or 3Q of 2021 - www.arcadiaca.gov/shape/development_services_department/current_projects.php.
- Artis Senior Living Development: Redevelopment of a 2.75-acre site at 1150 W. Colorado Blvd with a 2-story, 44,192 square-foot senior living care facility consisting of 80 rooms and a community center, café, health center and other on-site amenities. Project entitlements were approved in 3Q of 2020 and project construction is slated to begin in the 2021 calendar year - www.arcadiaca.gov/shape/development_services_department/current_projects.php.

FISCAL YEAR 2019-20 ACTUALS

For the fiscal year ending June 30, 2020, the General Fund Group, including the internal service funds, resulted in an operating surplus of \$103,399. Total revenue was at \$62.7 million, which increased by \$797,586, or 1.3%, in comparison to the prior fiscal year. However, when comparing actuals to budget, total actuals came in lower than the adopted budget with a variance of (\$1.9 million), or (3.03%). The overall decrease of actuals to budgeted amounts are largely attributed to COVID-19, which had a severe impact on the State and local economy. Although the resulting closures of non-essential goods and services business took place just before the last quarter of the fiscal year, the wave

of shutdown caused historic rise in unemployment claims, travel restrictions and significant reduction in consumer spending. Among major tax categories, Property Tax was one among the few that exceeded the budgeted figure. The category ended the year with \$576,063, or 3.63% above budgeted projections. Amongst the taxes that were adversely affected by the pandemic were sales tax and transient occupancy tax. With strict State and Local County Health Orders that were instituted, to mitigate the spread of COVID-19 exposure, most non-essential businesses were closed or had limited openings which reduced the customer base numbers. Sales Tax revenue had a significant decrease of \$1.3 million in comparison to budget. Transient Occupancy Tax also came in less than budgeted by \$717,357. All the other revenue categories were mixed in their comparison to the estimated budgets. A notable area of increase was in the intergovernmental revenue which increased by \$286,389 mainly from Motor Vehicle License Fees.

General Fund Group expenditures total was \$62.8 million. It is \$0.4 million or 0.6% more compared to the prior fiscal year, but \$5.0 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: \$1.6 million in personnel costs, \$1.7 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 General City Services. General City Services was above proposed budget by \$153,948 due to higher than normal pay out of vacation time, largely attributed to higher than norm in retirements for the fiscal year. Other area of note was 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 2020-21 BUDGET

The FY 2020-21 budget year not only focuses on retaining critical and essential services, but it will also require the City to continue to address the impact of COVID-19 in the working environment and to ensure a safe workable place as we transition to opening our facilities and programs to the community. It is in this context that the FY 2020-21 Budget forecasts reductions in both revenues and expenditures. However, it needs to be noted that in this year's budget, the forecasting of revenue, was like no other. Aside from uncertainties brought about by COVID-19, the passage of Measure A (.75% Transaction Use Tax) and the revenue resulting from it has camouflaged what would have been thought to be an obvious revenue decline under normal circumstances. To further explain, FY 2020-21 is the first year in which a full year of Measure A revenue is to be received. The full year's amount affected the bottom line and caused this "artificial" growth when simply comparing to the prior fiscal year. In addition, because the pandemic caused significant reduction of revenue between March through June 2020, FY 2019-20 will end much lower than initially projected. A skewed but apparent growth is perceived when you simply compare the two years.

The adopted FY 2020-21 General Fund Operating Budget anticipates Total Operating Revenues of \$65.6 million and Operating Expenses at \$63.9 million. Based on the many unknowns associated with COVID-19, staff has prepared a recommended Budget that assumes a scenario in which the general public continues to be highly impacted by social restrictions both because of ongoing restrictions and another possible shutdown this winter. This scenario would have a significant impact on the City's operations and ability to generate revenues. Impact to several of the City's key General Fund revenues – Sales Tax, Transient Occupancy Tax, Fees for Services, and other revenues – has been projected. The adoption of Measure A and the significant increase in taxes it brings is what makes it possible to present a balanced Budget that does not use Reserve funds and maintains service levels in the community. While the amount projected to be received in the coming year has been reduced from pre-COVID projections, even the reduced number has the effect of buoying the organization during this economic downturn.

The adopted Budget does not contain any new programs for consideration; instead, significant cuts have been made throughout all departments – but most significantly in the Library & Museum and Recreation & Community Services Departments, whose operations are most directly impacted by the ongoing restrictions from COVID-19.

After total revenue and expenditures are considered, the ending Operating General Fund Balance, as adopted, will reflect a balanced budget with an expected surplus of \$251,700, which would add to the projected ending Operating Fund Balance of \$3,216,900. A recent assessment of the City's cash flow shows the City to be sound with liquidity and capacity to weather the anticipated economic downturn. The City continues to meet the need for setting aside an Emergency Reserve Fund, currently with a balance of \$10.1 million, as well as having other reserve fund balances, such as for Workers' Compensation costs, Liability Claims expenses, and Capital Improvement and Equipment Replacement Funds. Inclusive of the Emergency Reserve Fund, the City's Unrestricted Reserve Balances totals \$31.4 million. This total reserve fund balance, through planned use, will be reduced by the end of the fiscal year as the City plans to make better use of the reserve in the current ultra-low interest environment. At the May 19 Budget Study Session, the City Council provided direction to use \$2.9 million of reserve fund balances for prepayment contributions to CalPERS.

General Fund

	FY19-20 Estimates	FY20-21 Budget	FY21-22 Budget
Beginning Fund Balance	6,192,500	2,965,200	3,216,900
Estimated Revenue	59,004,400	65,627,600	70,694,500
Budgeted Expenditures	64,622,800	63,881,700	69,102,700
Revenue over Expenditures	(5,618,400)	1,745,900	1,591,800
Fund Transfers			
Transfers-In from other funds	4,698,000	2,616,900	5,132,500
Transfers-Out to other funds	(2,306,900)	(4,111,100)	(5,127,200)
Net Transfers	2,391,100	(1,494,200)	5,300
Subtotal Operating Balance	(3,227,300)	251,700	1,597,100
Ending Fund Balance	2,965,200	3,216,900	4,814,000

For FY 2020-21, total General Fund revenues are expected to increase when compared to FY 2019-20 Year End Estimated. 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.

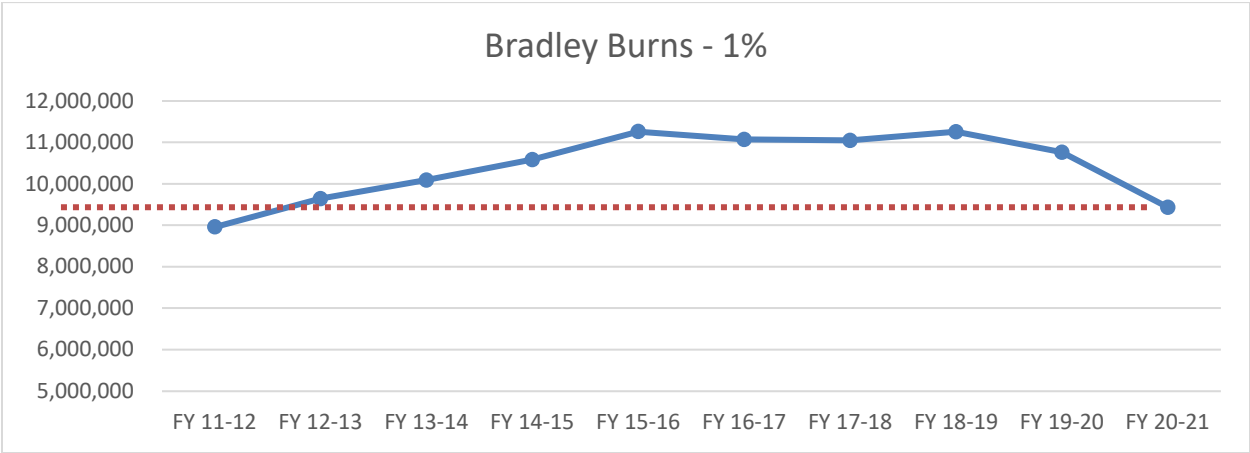
<i>Description</i>	<i>FY 2019-20 YE Estimates</i>	<i>FY 2020-21 Adopted Budget</i>	<i>Difference</i>	<i>% Change</i>
Property Tax	\$ 15,862,000	\$ 16,968,000	\$ 413,800	2.5%
Sales Tax	\$ 10,763,200	\$ 16,506,400	\$ 5,743,200	53.4%
Transient Occupancy Tax	\$ 2,424,200	\$ 2,035,600	\$ (388,600)	-16.0%
Utility Users' Tax	\$ 6,600,800	\$ 6,638,100	\$ 37,300	0.6%
Motor Vehicle License Fees	\$ 7,773,400	\$ 7,967,800	\$ 194,400	2.5%

Property Tax: The City expects to continue to see growth in home valuation, a benefit that can be credited to the current low interest rate environment. Although home sales and housing activities have leveled off in comparison to recent years, home sales prices are forecast to reflect higher price points. Arcadia is expected to be at or above the historical valuation trends in Los Angeles County. A 2.5% growth projection is budgeted and could be considered ultra-conservative when Arcadia has grown at over 5% annually in the past decade. Due to uncertainties associated with

COVID-19, a cautious projection is used to give some leeway to respond should the budget worsen during the year. The City expects see a continued growth in property tax receipts in the range of 2.5%, or nearly \$413,800, for FY 2020-21.

Sales Tax: Sales tax revenue is expected to see a significant increase when comparing to the prior year’s estimated ending figure. This is due to the passage of Measure A (0.75% Transaction Use Tax) as the revenue resulting from it has disguised an expected decline in sales taxes. FY 2020-21 is the first year in which a full year of Measure A revenue is to be received.

Looking at this differently to get a sense of how much our baseline sales tax is expected to decrease, the graph below shows a history of actual tax receipts going back to FY 2011-12 and comparing the historical receipts to the FY 2020-21 budgeted sales tax, excluding the value of Measure A. This comparison is ONLY on the 1% Bradley Burns portion of sales tax receipts.



In the above graph, the blue line represents actual sales tax receipts of the 1% Bradley Burns tax the City has traditionally received. The red dotted line shows that the current forecast for FY 2020-21 is below the actual receipts of FY 2012-13, dropping to the sales tax receipt to the level it was eight years ago. From the peak in FY 2018-19, the Bradley Burns taxes in Arcadia are projected to be nearly 20% less.

Sales tax in total is projected to come in at \$16.5 million. Though it shows a growth by percentage and dollar when compared to the prior year data, without the pandemic, sales tax projection for FY 2020-21 would have reached \$20.5 million. From this perspective, the overall sales tax projection for FY 2020-21 has shrunk by 19.5%.

Transient Occupancy Tax (“TOT”): COVID-19 impacted the economy with sudden and shocking waves that led to closure of all types of business where gathering may take place. The travel and tourism industries were especially hard hit. Similar to the sales tax category, the hotel tax projection has been reduced by 41.3%, or \$1.5 million when compared to the FY 2019-20 Adopted Budget, or a reduction of 16% when compared to the FY 2019-20 Year End Estimate. This is especially telling in that the Year End Estimate already includes a projected reduction of occupancy of 84% for the months of March through June 2020.

An estimate of \$2.0 million in TOT revenues has been used for FY 2020-21. This forecast figure includes a partial year opening of the Le Meridian hotel with an expected opening in February 2021. The revenues for this property specifically have been projected to be extremely low compared to previous estimates. Not only is occupancy expected to lag, but the average room rate for a luxury property will surely be decreased in a restricted travel environment, which is expected to continue until the pandemic is under control.

Utility Users’ Tax: Utility Users’ Tax (“UUT”) is projected to have a slight increase of 0.6% when compared to the FY 2019-20 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 and repairs to City wells. A continued reduction in the telephone UUT is predicted as landline telephone use continues to drop and cellular companies provide lower cost

options for consumers. Overall, the FY 2020-21 projected UUT is approximately \$6.6 million, 0.6% greater than FY 2019-20.

Motor Vehicle License Fees (“VLF”): This tax is projected to increase by 2.5%, to \$8.0 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.

Total operating expenditures for FY 2020-21 have been budgeted at \$63.9 million, a decrease of 2.2% versus FY 2019-20 Budget of \$65.4 million. However, when taking into consideration inflation, pension cost increases, and the continued rise of minimum wage, projected expenditures were expected to reach \$66.3 million prior to the pandemic. Through the budgeting process, departments identified reductions of \$2.4 million based on operating in a COVID-19 environment. Some of these savings will include all departments holding non-critical positions vacant for an extended period. Other areas of cuts include non-essential equipment and supplies that can be deferred without affecting services as well as all training expenses that otherwise would be in place if COVID-19 did not exist. As always, identifiable savings have been considered while ensuring that service levels to the community remain high.

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

Beyond FY 2020-21

In June 2019, the City Council approved a contract with Urban Futures (“UFI”) to provide pension advisory services to assist the Citizen’s Financial Advisory Committee (“Committee”) with developing recommendations to address the City’s rising pension costs and its unfunded actuarial liabilities (UAL) with the California Public Employees’ Retirement System (“CalPERS”). A Comprehensive Management Plan was developed which provides a detailed pension funding strategy with six specific recommendations.

A number of those strategies have begun, and their progress is as follows:

1. **General Fund Revenues and Reserves:** As part of the proposed strategies to consider, the Committee discussed use of Reserves or one-time monies to be used to pay down the UAL.

At the May 19, 2020, Budget Study Session, the City Council provided direction to appropriate \$2.9 million from reserve fund balances and make an Additional Discretionary Payment for the one-time prepayment to CalPERS. This would provide significant long-term savings as the payment would be used to pay down CalPERS’ longest and most costly liabilities amongst the City’s Public Safety and Miscellaneous Pension plans.

2. **Leveraged Refunding:** The Successor Agency of the City of Arcadia has two outstanding Taxable Allocation Bonds. The refunding could be structured to provide “up-front savings” in the first three years totaling \$4.2 million, or \$1.2 million on a net present value (NPV) basis. The City receives a 10.44% share of residual cash flows from the excess tax increment revenues, so the City’s share of these savings would be approximately \$428,000.

At the May 19, 2020, City Council meeting, the City Council as the Successor Agency to the Arcadia Redevelopment Agency authorized the issuance and sale of Tax Allocation Refunding Bonds. The procedure calls for the item to be approved by the Fifth District Consolidated Oversight Board, then the State Department of Finance for review. Anticipating that the bond refinancing will take place, the City would then take its share, an estimate of \$428,000, and make additional prepayment to CalPERS to further reduce the UAL balance.

In a recent development, the Successor Agency finalized the sale of its remaining property, the Bekins building located at 33 W. Huntington Drive. The City will receive a share of the sales proceed, estimated to be \$291,000. This amount will also be used to make prepayment to CalPERS.

3. **Pension Obligation Bonds:** CalPERS members are required to make fixed UAL payments each year. Therefore, the UAL payments should be considered as, and managed like, any other debt or loan. The Discount Rate used by CalPERS to amortize each base—or loan—is equal to 7%. In California, Pension Obligation

Bonds effectively “refinance” UAL payments with taxable bonds at a lower rate. At this time, the rate is expected to be less than 4%, leading to substantial long-term savings. The proceeds from the POBs would be used to make Additional Discretionary Payments to CalPERS, further reducing the unfunded liability.

On March 17, 2020, City Council authorized and gave direction to pursue this financing tool as a pension funding possibility. A judicial validation proceeding has been initiated; however, due to the COVID-19 pandemic, the courts have been closed until at least July 1, 2020. Once the judicial validation review process is approved, staff will proceed with the necessary steps to commence with the issuance of bonds. A key step to the process will be additional meetings with the Citizen Financial Advisory Committee to discuss and determine the appropriate issuance amount that would warrant the reasonableness of the debt. At the time of development for the Comprehensive Management Plan, a probable amount that has been discussed was a \$75 million bond issuance.

Solution / Funding Source	Payment Amount	Projected Savings
Discretionary Payment	\$ 2,900,000	4,230,000
City Share of Savings From Successor Agency Bond Refunding	428,000	1,010,000
Proceeds From Sale of Bekin Building	291,000	690,000
Pension Obligation Bonds	75,000,000	45,000,000
Total:	\$ 78,619,000	\$ 50,930,000

If the City were to issue Pension Obligation Bonds in the amount noted, adding all the other line items would provide a total funding source of \$78.6 million as payment towards the UAL balance. That the total payment would provide an estimated \$50.9 million in long-term cash flow savings to the City.

4. **Sale of Golf Course:** A recommendation of the Citizens Financial Advisory Committee was to explore the possibility of selling the 3-Par Golf Course near Live Oak Ave. and use the proceeds as a large discretionary payment to CalPERS. Staff has been in the process of doing background work to better understand the history of the site and preparing a request for proposals from an appraiser, so that a fair sales price can be understood. In advance of that, the City recently received an unsolicited letter from a developer offering \$23 million for the site, with some significant contingencies. At that price, using the same general savings factor above, the City would see approximately \$44.2 million in pension savings over time.

Capital Improvement and Equipment Replacement Funds

Over the past several years, the City to has been able to transfer a significant amount of funds into the Capital Improvement and Equipment Replacement Funds through disciplined savings as well as transferring any excess funds at the end of each year. It is still important for the City to continue a steady deposit into these funds, which were not replenished for many years during the last economic downturn and began to be at dangerously low levels. The FY 2020-21 Budget proposes a transfer of \$1.6 million from the General Fund to each of these accounts. While this is a bit smaller than the goal amounts established for these funds to make them sustaining, the amounts to be transferred this year will surpass the budgeted spending in FY 2020-21. During a significant financial crisis, being able to transfer even these amounts is a luxury few cities can afford and a testament to the restraint the organization has shown, as a whole, to keep costs low relative to service levels.

The FY 2020-21 Capital Improvement Plan proposes 28 projects totaling \$10.4 million in expenditures, of which \$940,500 would be paid from the Capital Improvement Fund. The Capital Improvement Fund provides the majority of funding for such essential maintenance as pavement rehabilitation, building repairs, and parks maintenance. Due to COVID-19’s effect on the budget, \$1.2 million in capital improvement projects is recommended until further clarity is

known. While these deferred projects are needed eventually, delaying them for a short period will not be critical and will provide some flexibility to the organization during the economic downturn. Listed are the various Capital Improvement Fund deferred projects that were initially slated for the Fiscal Year:

- Pavement Rehabilitation - \$500,000
- Various City Facility Improvements - \$380,000
- Fire Station Kitchen Remodel - \$85,000
- Replacement of HVAC Units - \$60,000
- Peacock Fountain Pump Replacement - \$60,000
- Library Landscaping Improvements - \$25,000
- Longden Baseball Field Electric Panel - \$25,000

Note that the majority of pavement rehabilitation projects are funded via grants and other special funds. The amount deferred above is only a small percentage of the total. The remaining \$9.4 million of capital improvement projects come from grants, state subventions, and local special funds such as the Prop C Transportation Fund. The table below summarizes some of the major budgeted projects.

FISCAL YEAR 2020-21 MAJOR CAPITAL IMPROVEMENT PROJECTS		
Project Description	Project Budget	Funding Source
Annual Slurry Seal Program	\$600,000	Capital Improvement
Annual Meter Replacement Program	\$250,000	Water Fund
Main Basin New Well - Construction	\$1,800,000	Water Fund
Pavement Rehabilitation Program	\$1,100,000	Road Maintenance & Rehabilitation Program (SB1)
Sewer Main Replacement Program	\$900,000	Sewer Fund
Water Main Replacement Program	\$800,000	Water Fund
Chapman Well Blend Plan & Well Rehab	\$1,410,000	Water Fund
Traffic Signal Fiber Optics Network Extensions	\$400,000	Transportation Impact Fund
Arterial Rehabilitation Program – Baldwin Ave from Camino Real Ave to Las Tunas Dr.	\$1,000,000	Proposition C Fund
Santa Anita Ave Corridor Traffic Signal Improvements	\$800,000	Transportation Impact Fund

The Equipment Fund is estimated to require an annual transfer of \$1.8 million on average from the General Fund. The General Fund has been budgeted to transfer \$1.6 million to replenish the fund in FY 2020-21. The Equipment Replacement Fund provides funding for essential equipment such as computers, vehicles, and major office equipment. Similar to the Capital Improvement Fund, roughly \$1.5 million in costs have been deferred to future years. The most significant of these deferrals includes the purchase of a fire engine; the remainder includes things such as front-line police vehicles.

The Equipment Plan proposes 22 different equipment purchases totaling \$789,200 in expenditures, of which \$661,700 would be paid for from the Equipment Replacement Fund. The table below summarizes some of the major budgeted equipment purchases.

FISCAL YEAR 2020-21 MAJOR EQUIPMENT REPLACEMENT PURCHASES		
Equipment Replacement Description	Replacement Budget	Funding Source
Police Dept. Radio Equipment Replacement	\$117,000	Equipment Replacement
Public Works Tools & Equipment Replacement	\$47,500	Equipment Replacement/ Water Funds
Police Records Mgmt & Crimemapping System Upgrades for NIBRS Compliance	\$76,200	Equipment Replacement
Automatic License Plate Reader Replacement & Upgrades	\$82,000	Equipment Replacement
Fire Communication & Technology Equipment Replacement Program	\$80,000	Equipment Replacement

It is imperative that the City find a means for depositing funds into these highly essential accounts at or above the minimum required contributions in the coming years to help them approach sustainable levels. Otherwise, the City's infrastructure will quickly fall into disrepair and the staff will not have the tools and equipment necessary to do their essential duties. The reduction in total transfers for this Fiscal Year is possible due to having achieved strong balances in the Capital and Equipment Replacement Funds. The combination of deferred expenditures and reduced transfers into these Funds will allow some flexibility during the response to the pandemic without crippling the long-term outlook for the organization.

DEBT ADMINISTRATION

As of June 30, 2020, the City has outstanding balance of \$5,863,442 for the Series 2011 General Obligation Bonds and \$4,565,767 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 1st 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

- 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 (CPR) 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.
- 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 system 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.

FUTURE INITIATIVES

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

General Government

- Ensure that all City programs and operations are carried out efficiently, effectively, and in a timely manner.
- Provide oversight of the City's Operating Budget and Capital Improvement Program.
- Provide managerial and administrative support to the City Council. Coordinate City Council meetings, presentations, and events in the community; dignitary visits and public outreach.
- Serve as a resource for the public in terms of providing responses to public information requests, answering questions, and resolving problems.
- Manage projects that do not easily fit into the operation of another department or that require centralized coordination.
- Organize special events, community functions, and meetings that have a citywide interest and/or are hosted by the City Council.
- Act as the City's overall Public Information Office. Direct and execute communication and community outreach efforts for the City; manage the City website, the government access television channel, and the City-controlled aspects of local cable television operators.
- Provide staff support to the City Council, City Clerk, City Manager, and City Attorney.
- Provide staff support to the Arcadia Beautiful Commission and organize the Commission's Spring Home Awards, Water Smart Hero Awards, Holiday Decoration Awards, and the Arbor Day/Tree City USA programs.
- Oversee the City's legislative advocacy efforts.
- Administration of the City's legal affairs, including litigation and claims against the City. Provide confidential legal advice to the City Council, City Manager, and City staff.
- Oversee the preparation of both the City's General Budget and Capital Improvement and Equipment Plan for the following fiscal year.
- Continue to seek and execute new monitoring guidelines to ensure that proper controls and safeguards are in place with respect to departmental spending.
- Complete all financial reporting in a proper and timely manner including the City's audited financial statements and various reports and schedules as mandated by County, State, and Federal agencies.
- Continue to review and evaluate the City's investment practices, including the monitoring of contracted investment management services. Endeavor to meet or exceed targeted rates of return on investments.
- Continue to implement various enhanced functions in the City's 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.
- Continue the efforts on implementing paperless filing solution that stores documents electronically for easy access, better security and consistent organization.
- Assist the Public Works Services department in selecting and implementing a new, modern Utility Billing system with the latest security features and protections. This will enable the residents and customers to view and pay bills and review their account histories online.
- Continue to assist 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 public.

- Plan/Implement backup connection for critical data communications for Fire105/106 via DSL/Cable internet connection.
- 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.
- Research and evaluate various electronic bid solicitation software and services to expand the City's vendor pool.
- Continue to dispose of surplus equipment located in the basement of City Hall and City Council Chambers.
- Review and establish a procedural manual for solicitation of Request for Proposals/Bids and provide training to all City departments.
- 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.
- Continue to collaborate with departments to provide comprehensive training to increase use of technology, link training to core competencies, and mitigate risk exposure.
- Provide mandatory and compliant training within established timeframes.
- Continue to enhance the City's Wellness Program to promote workplace wellness and help employees adopt healthy behaviors.
- Work with each Department and bargaining group on updating and simplifying language in the City's Personnel Rules and Regulations.
- Negotiate successor Memoranda of Understanding for 5 Bargaining Groups.

Police Services

- Recruit and train all sworn and non-sworn staff within the confines of the FY 2020-21 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.
- Continue to implement new Operations objectives in the Patrol Division that will increase efficiency and provide better service patrol for the Community.
- Continue to establish and/or improve the Department's policies, procedures, and operational strategies in response to the COVID-19 pandemic, and monitor recommended steps from local, state, and federal agencies for implementation with the ultimate goal of preserving the safety and well-being of the City, staff, and residents.
- Continue active participation in the Los Angeles Interagency Metropolitan Police Apprehension Crime Task Force (L.A. IMPACT), a multi-jurisdictional taskforce, to increase proficiency in investigating major crimes related to drug trafficking, gang enforcement, property crimes, and covert operation information development amongst others.
- Expand the Police Cadet Program to reach full capacity, providing for a greater number of potential police officers for the future, and allowing for diversified learning opportunities within multiple departments.
- 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 additional homelessness outreach efforts through participation in Los Angeles County's Homeless Outreach Service Team (HOST) program, supported by Measure H funding, to work toward implementing the City's plan to prevent and combat homelessness in Arcadia.
- 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.
- 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.
- Monitor compliance of massage therapy related businesses.
- Complete upgrades to the Department's Records Management System and Crimemapping system to comply with NIBRS, the FBI's new incident-based crime reporting standard by January 1, 2021.
- Establish participation in the Taskforce for Regional Autotheft Prevention (TRAP) Program and dedicate police resources to help deter crime in the City, specifically, Auto Theft.
- Finalize the Department's transition to the Interagency Communications Interoperability (ICI) System with the purchase and installation of a Bi-Directional Antenna (BDA) system to increase the ICI radio reception within the Police facility.

Fire Services

- Train, mentor, and develop new and current staff members for succession planning. Be proactive in hiring and promotional testing processes to maintain staffing levels and minimize constant staffing personnel expenses.
- Continue to provide Fire Suppression personnel with the most current and advanced firefighting techniques/training to promote fire ground safety.

- Research and apply for Federal, State, and private grant opportunities for firefighter training and the procurement of firefighting equipment. Continue to maintain detailed grant records of current and past awards for compliance and to prepare for audits.
- Coordinate two (2) Emergency Operations Center (EOC) exercises for all applicable City personnel. Update and modernize the EOC to better facilitate lines of communication among divisions during EOC activations.
- Continue to monitor and control the department budget, including constant staffing and strike team expenses. Explore all avenues of cost recovery and reimbursements through State and Federal agencies.
- Provide emergency medical services training to personnel and maintain equipment and supplies necessary to meet service level demands as well as comply with Los Angeles County Department of Health Services mandates.
- Provide quality fiscal management in developing specifications, procurement, maintenance, and repairs for vehicles, apparatus, facilities, and firefighting equipment.
- Continue to promote fire safety and protection in the community and reduce the possibility for fire in all buildings through public education, fire prevention inspections, and stringent plan review and inspection of all construction projects.
- Continue to enhance the department's paramedic service model with the goal of fully upgrading its Firefighter positions to Firefighter/Paramedic positions.
- In collaboration with the City Manager's Office, conduct a feasibility study for the provision of fire response services to the City of Sierra Madre by the City of Arcadia. The study will evaluate the impact and viability of providing these services to Sierra Madre while maintaining and/or enhancing the City of Arcadia's current level of services including its "Class 1" status.
- Continue to develop a Wellness Program for the department members to maintain high level of job performance. This will be accomplished by developing a peer support program, re-examining the annual physical process, and incorporating best practices for cancer prevention.
- In response to the increased employee attrition during FY 2019-20, provide additional training and equipment, as needed, to support newly hired and promoted personnel.
- Conduct a departmental-wide "Purpose Workshop" to develop a strategic plan for the next five years to help identify and/or reinforce the department's vision/priorities that would help meet its critical goals, with its available resources, while maintaining delivery of quality services to its community and stakeholders.

Public Works Services

- Completion of the Annual Slurry Seal Program that includes repairing sections of damaged streets, sidewalks, curbs, and gutters.
- Inspection of City sewer lines through Closed-Circuit TV (CCTV) inspections to identify and repair damaged sections of sewer lines and improve maintenance operations.
- Drilling and equipping a new municipal water well in the Main San Gabriel Basin.
- Reconstruction of various streets throughout the City with rubberized asphalt pavement as part of the Pavement Rehabilitation Program. Adding rubber to asphalt pavement improves the strength of the pavement and is environmentally beneficial.
- Replacement of the existing sewer line on Duarte Road between Baldwin Avenue and Holly Avenue with a larger diameter pipe as Part of the Sewer Master Plan. The construction of this larger pipe will improve pipe capacity and will significantly reduce the potential of a sewer backup.
- Replacement of two 6" cast iron water mains on Camino Real Avenue between Eighth Avenue and Tenth Avenue, with two new 10" ductile iron water mains as part of the Water Main Replacement Program. This will alleviate frequent main breaks and hydraulic inefficiencies.
- Rehabilitation of Chapman Reservoir, restoration of the existing booster pumps, and construction of a water blending apparatus for Chapman Well 7 in order to place the well back in service.

Development Services

- Complete an aggressive Capital Improvement program, including the Downtown Pedestrian Enhancement Project, Bicycle Master Plan Project, Baldwin Avenue Streetscape Project, and several others.
- Continue to process large development projects throughout the City, including the Huntington Village and Huntington Parkview Mixed-Use Projects, the Indigo Hotel, two major assisted living facilities, and the Vons Headquarters site.
- Plan for and develop the City's new Housing Element, which will incorporate many statewide pressures to provide low-income housing and additional housing units in general. This will be in reaction to the City's new Regional Housing Needs Allocation (RHNA) numbers.
- Participate in the San Gabriel Valley Housing Trust through a Joint Powers Agreement with the Council of Governments and look for regional solutions to the housing and homelessness crisis.
- Integrate new buses into the Arcadia Transit fleet and continue to improve services on both the dial-a-ride and fixed route systems to meet demand and expectations. In addition, work with regional and local partners to provide transportation options to Chantry Flat and/or other specific transit services.
- Continue upgrades to the City's traffic signal network, including technological advancements and cameras to improve traffic flow, removal of mid-block crosswalks, addition of safety features, etc.
- Complete significant update to the City's Business License Code, modernizing processes and making our codes more user and business friendly.
- Focus on streamlining departmental processes related to plan check and the development process to complete a true "one-stop-shop" for applicants and developers.
- Continue to expand a code enforcement presence in the field to correct property violations and ensure code compliance in both residential and commercial neighborhoods throughout the City.
- Continue close coordination with Santa Anita Racetrack on their efforts to continue to provide safe, successful horse racing in Arcadia; as well as any efforts to promote special events or to discuss development projects.
- Continue "quality of life" code compliance efforts related to massage uses, cannabis uses, short-term rentals, unoccupied homes, and other issues.
- Continue the active marketing and promotion of businesses in the City, and recruitment of new businesses. Expand "ombudsman" presence to assist with new business and City interaction, continued coordination with the Chamber of Commerce, and targeted redevelopment of key commercial sites throughout the City.
- Implement field connectivity to the permit tracking system to increase efficiency and continue to upgrade the City's Geographic Information Systems (GIS) capabilities and compatibility.
- Complete ADA improvements at key locations throughout the City, including implementation of a CDBG-funded project to improve bus stops around the City.
- Work with the recommendations of the Citizen's Financial Advisory Committee to refinance the bonds of the former Redevelopment Agency and explore real estate options related to City-owned assets.

Recreation and Community Services

- Continue to operate a fiscally sound department and strengthen staff's knowledge of the budget and process.
- Ensure there are accessible parks and recreation facilities that provide a positive experience and meet community needs.
- Enhance the quality of life in the community by providing positive recreation programs, leisure opportunities, and community services to meet the diverse needs of City residents.
- Build and maintain community partnerships.
- Improve the quality of existing recreation facilities. Continue to work cooperatively with the Arcadia Unified School District and the Public Works Services Department to maximize our efforts.
- Continue to support and encourage relationships with volunteer groups, non-profit organizations, service clubs, and local businesses to provide recreational opportunities for the community.
- Provide the community with a well-trained, effective staff and ensure adequate staffing levels are maintained to provide the very best service for the community.

- Continue to plan programs to operate at the Joint Use Gymnasium at Dana Middle School. Work cooperatively with the Arcadia Unified School District to schedule use. Work with AUSD on the track replacement project.
- Continue to implement projects from the Recreation and Parks Master Plan. Finish Eisenhower Park and begin Newcastle Park. Explore grant opportunities with the Public Works Services Department.
- Continue implementing the City’s Homelessness Plan. Plan a homeless forum and inform the community about the way Arcadia is responding to homelessness. Continue to research grant opportunities, apply for them and implement and administer the grants. Explore opportunities for homeless shelters.

Library and Museum Services Development Services

Library

- Provide collections, services, and programs that encourage lifelong learning and enrichment, with an emphasis on expanding online access.
- Develop a strong library-wide volunteer and internship program.
- Utilize, update, and maintain appropriate technology and equipment to meet organizational and community needs with an eye towards more self-service options. This year, the focus will be on 24/7 online payment options, temporary online library card registration, online eBooks, audiobooks and streaming media, and shoring up data storage and maintenance of Arcadia local history collections and digitization projects.
- Implement a new Student Card initiative with the Arcadia Unified School district, making online resources available to students.
- Continue a strong marketing, publicity, and social media presence in the community, informing the community of the wide variety of services, programs, and collections available in-person and remotely at the Library and Museum.
- Continue Passport Services as an ongoing, cost-recovery program for the community.
- Maintain and refresh the facility, grounds, and furnishings to ensure an attractive and inviting environment for people visiting the Library. Implement phase two of the furniture replacement project for the Children’s Room, replacing and refurbishing some of the 25-year-old furnishings and countertops.
- Continue to develop a strong collaboration and support arm for the Library through the Friends of the Library.

Gilb Museum of Arcadia Heritage and Museum Education Center

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

History's StEPs (Standards and Excellence Program for History Organizations) program. This year, the focus will continue to be on collections, interns, volunteers, visitors, and audience.

- Work to update the Museum's Long- Range Plan.
- Continue to develop a strong collaboration with the Friends of the Museum.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Arcadia for its comprehensive annual financial report for the fiscal year ended June 30, 2019. 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,



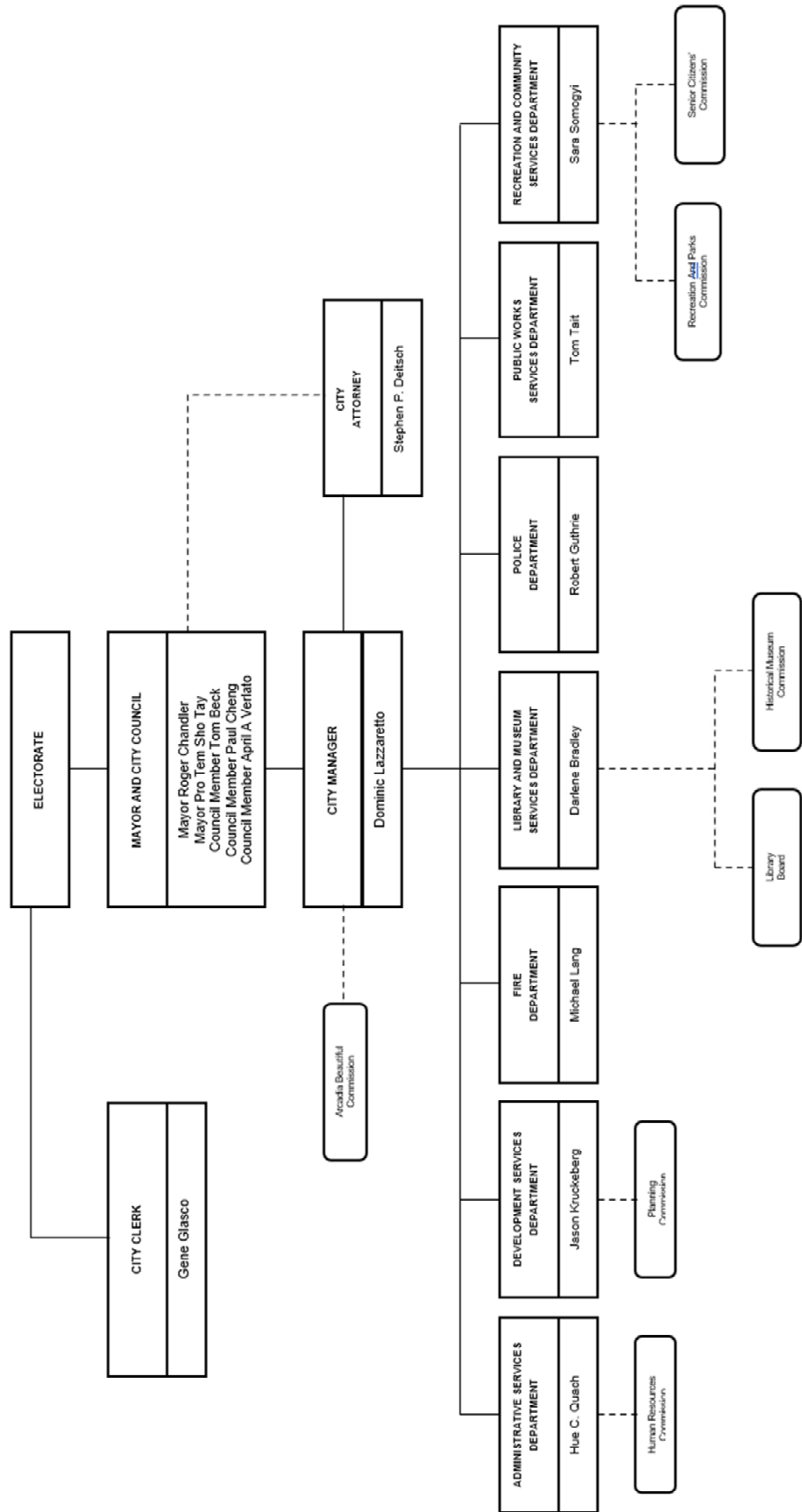
Hue C. Quach
Administrative Services Director



Henry Chen
Financial Services Manager/City Treasurer

City of Arcadia

Organization Chart





CITY OF ARCADIA

Elected Positions and Administration Personnel

June 30, 2020

CITY COUNCIL MEMBERS

		<u>Term Expires</u>
Roger Chandler	Mayor	2022
Sho Tay	Mayor Pro-Tempore	2022
Tom Beck	Council Member	2022
Paul Cheng	Council Member	2024
April A Verlato	Council Member	2024

CITY CLERK

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

ADMINISTRATIVE PERSONNEL CITY OFFICIALS

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, 2019

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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GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
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FAX: 310.670.1689
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INDEPENDENT AUDITOR'S REPORT

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

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, 2020, 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, 2020, 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 102 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, Budgetary Comparison Schedules, Fiduciary Fund Statement, 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, Budgetary Comparison Schedules, and Fiduciary Fund Statement, 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 February 25, 2021, 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
February 25, 2021

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City of Arcadia

Management's Discussion and Analysis

June 30, 2020

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, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains 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, 2020

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 54 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 95 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 112 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 (\$34.2) million for the fiscal year ending June 30, 2020, a decrease of (\$6.2) 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 \$4.2 million in pension expenses.

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

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

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 \$55.9 million. The restricted net position of \$21.6 million represents resources that are subject to external restrictions on how they may be used. The unrestricted fund balance shows a negative (\$111.6) million.

City of Arcadia Statement of Net Position
Governmental Activities

Governmental Activities	June 30, 2020	June 30, 2019	\$ Change	% Change
Current and other assets	\$ 67,518,837	\$ 72,558,558	\$ (5,039,721)	-6.95%
Capital assets (net of accumulated depreciation)	66,462,186	60,174,422	6,287,764	10.45%
Total assets	133,981,023	132,732,980	1,248,043	0.94%
Deferred outflow of resources	19,503,244	22,319,169	(2,815,925)	-12.62%
Current liabilities	8,354,604	9,114,359	(759,755)	-8.34%
Noncurrent liabilities	172,959,025	170,603,248	2,355,777	1.38%
Total liabilities	181,313,629	179,717,607	1,596,022	0.89%
Deferred inflow of resources	6,402,309	3,326,098	3,076,211	92.49%
Net investment in capital assets	55,858,893	48,831,491	7,027,402	14.39%
Restricted	21,552,532	25,790,560	(4,238,028)	-16.43%
Unrestricted	(111,643,096)	(102,613,607)	(9,029,489)	8.80%
Total net position	\$ (34,231,671)	\$ (27,991,556)	\$ (6,240,115)	22.29%

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

City of Arcadia Statement of Activities
Governmental Activities

Governmental Activities	June 30, 2020	June 30, 2019	\$ Change	% Change
Program revenues:				
Charges for services	\$ 8,864,582	\$ 9,414,190	\$ (549,608)	-5.84%
Operating contributions and grants	7,447,444	6,441,413	1,006,031	15.62%
Capital contributions and grants	741,641	526,077	215,564	40.98%
General revenues:				
Property taxes	19,070,668	18,301,135	769,533	4.20%
Sales taxes	12,154,052	11,399,632	754,420	6.62%
Franchise fees	954,878	931,750	23,128	2.48%
Utilities user taxes	6,779,875	6,591,834	188,041	2.85%
Transient occupancy taxes	2,748,642	3,447,186	(698,544)	-20.26%
Motor vehicle license taxes	7,773,429	7,309,525	463,904	6.35%
Non-regulatory business license taxes	1,211,783	1,227,480	(15,697)	-1.28%
Other taxes	912,537	1,057,546	(145,009)	-13.71%
Investment earnings	3,270,868	3,432,169	(161,301)	-4.70%
Miscellaneous	3,391,726	3,447,105	(55,379)	-1.61%
Total revenues	75,322,125	73,527,042	1,795,083	2.44%
Expenses:				
General government	10,103,949	13,584,059	(3,480,110)	-25.62%
Public safety	47,203,348	40,360,568	6,842,780	16.95%
Public works services	7,663,032	7,519,824	143,208	1.90%
Community development	6,790,407	7,790,989	(1,000,582)	-12.84%
Library	5,016,702	4,168,410	848,292	20.35%
Recreation and community services	3,414,698	3,691,627	(276,929)	-7.50%
Interest on long-term debt	314,741	343,846	(29,105)	-8.46%
Total expenses	80,506,877	77,459,323	3,047,554	3.93%
Increase (Decrease) in Net Position before Transfers	(5,184,752)	(3,932,281)	(1,252,471)	
Transfers	(1,055,363)	(985,076)	(70,287)	7.14%
Increase (Decrease) in net position	(6,240,115)	(4,917,357)	(1,322,758)	
Net position – Beginning of fiscal year	(27,991,556)	(23,074,199)		
Net position – End of fiscal year	\$ (34,231,671)	\$ (27,991,556)		

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

Revenue of Governmental Activities was \$75.3 million for the fiscal year ended June 30, 2020, an increase of \$1.8 million in comparison to the prior year. Further analysis on each revenue category is as follows:

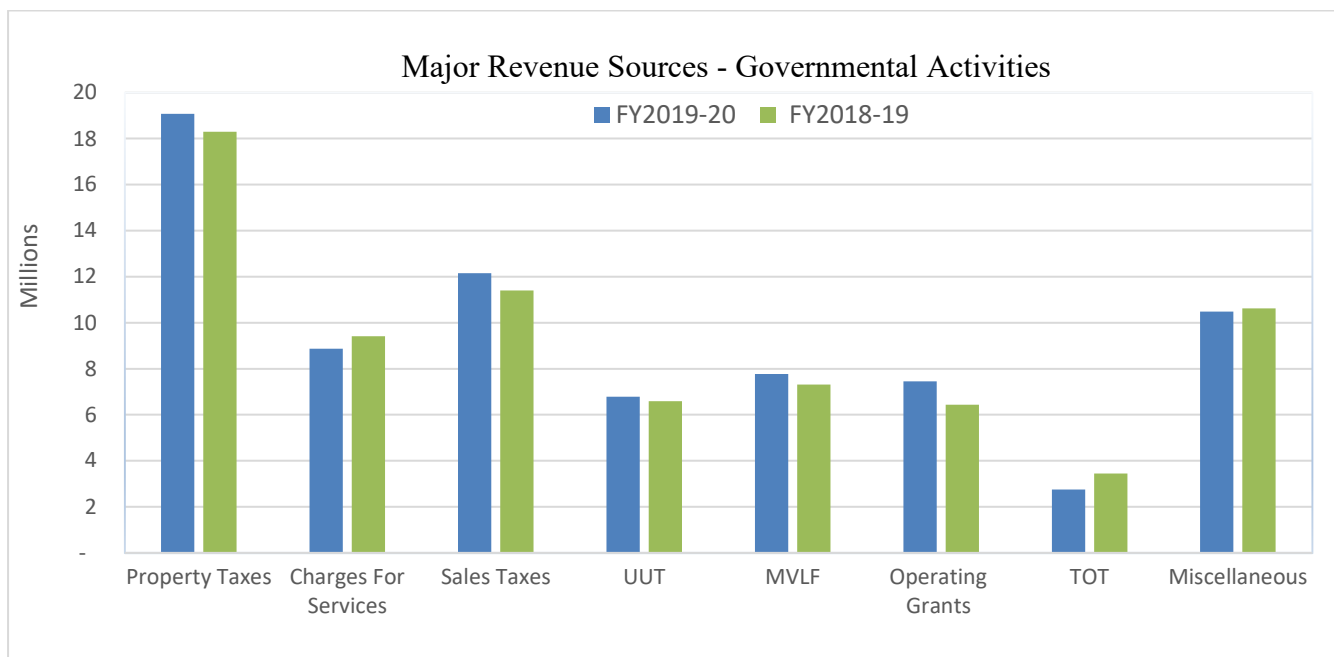
- Charges for Services decreased \$0.5 million or 5.8%, compared to the prior year. The decrease is primarily due to reductions in transportation impact fees (\$0.4 million), building permits (\$0.1 million), and dwelling unit fees (\$0.3 million). These impact fee and permit charges decreased due to less development activity. 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 ambulance charges (\$0.2 million).
- Operating Contributions and Grants increased by \$1.0 million or 15.6%, due to increases in gas tax and funding for COVID-19 pandemic relief. The City's gas tax allocation increased (\$0.2 million) based on vehicle registrations and CDBG funding increase due to a grant (\$0.3 million) to provide some measure of COVID-19 relief to local businesses. The City also received \$0.7 million from the CARES Act through the State of California.
- Capital Contribution and Grants increased by \$0.2 million, primarily due to more work being completed for projects funded by Los Angeles County Metropolitan Transportation Authority (MTA) for transit and pedestrian mobility enhancement.
- Property Tax revenue increased by \$0.8 million or 4.2%, 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 \$0.7 million, or 6.6%, primarily attributed to the passage of Measure A, which brought in \$2.4 million for the fiscal year. The impact of COVID-19 on sales tax the last 4 months of the fiscal year was significant. Without the additional revenue from Measure A, the sales tax would have decreased by \$1.7 million due to the restrictions put in place to control the spread of COVID-19.
- Franchise fees increased by 2.5%, primarily due to increased gas and electric rates. Franchise fees from cable companies continue to decline due to technological changes and consumer habits for streaming and other on demand entertainment options. Franchise fees from towing services decreased due to the impact of the pandemic.
- Utility User Tax (UUT) increase by 2.85%. The UUT from water increased almost 10%, which can be attributed to increased water sales. This increase was offset as UUT from telecom continues to decrease as customers cut landlines and lower wireless package pricing due to strong competition.

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

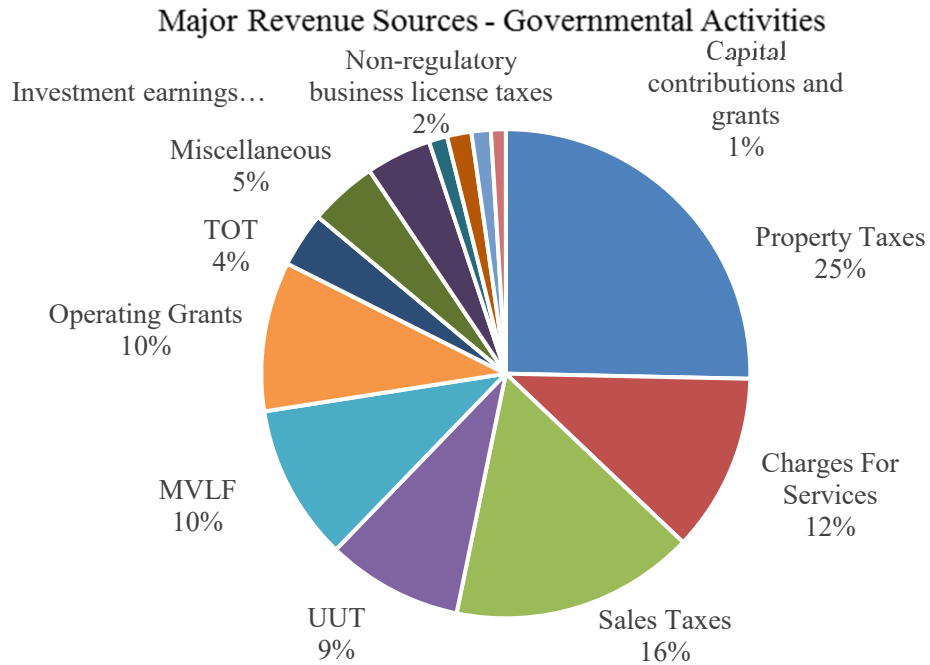
- Transient Occupancy Tax (TOT) decreased by \$0.7 million or 20.3%. As most of the hotels/motels in the City caters to business travels, the impact from COVID-19 restrictions was significant in comparison to the prior year.
- Motor Vehicle License Fees (MVLFF) increased by \$0.5 million or 6.35%. MVLFF 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 \$15,697, due to fewer business renewals in the current year.
- Other Taxes category decreased by \$0.1 million or 13.7%, primarily consisted of a decrease in Pari-mutuel taxes from the closure of Santa Anita to the public due to COVID-19 for much of their racing season.
- Investment Earnings decreased by \$0.2 million, due to the low interest rate market. Due to the economic impact of the COVID-19 pandemic, the Federal Reserve reduced interest rates to stabilize the economy, impacting interest earnings.
- Miscellaneous Revenue decreased by 1.6%, mainly due to the City's decision to suspend parking citation enforcement for overnight parking during the COVID-19 pandemic.



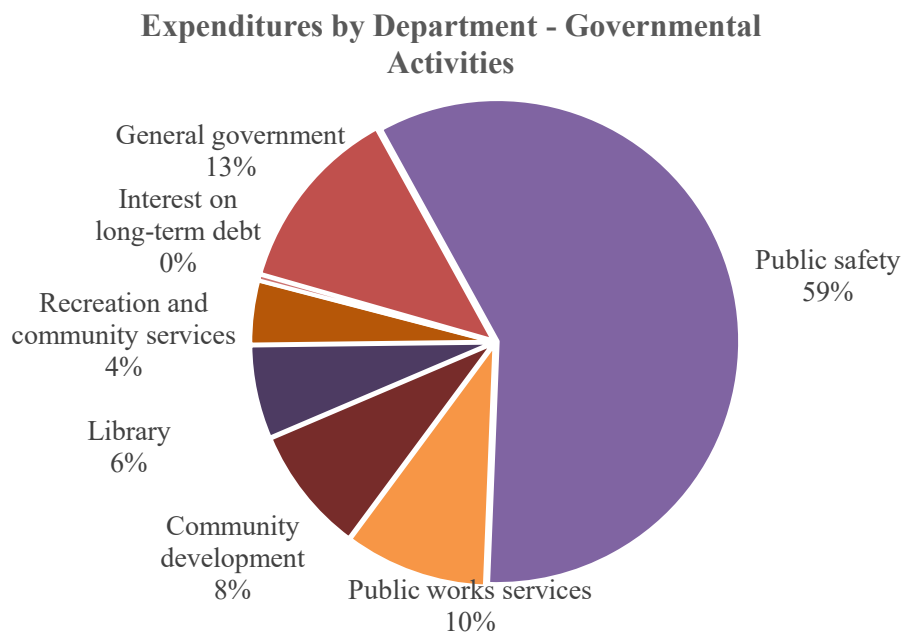
City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)



Expenses for the fiscal year totaled \$80.5 million, a \$3.0 million or 3.93% increase from the prior fiscal year. Detail analysis on the increase by department is as follows:



City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Governmental Activities (Continued)

- General Government costs decreased by \$3.5 million, or 25.6%. The decrease is mainly due to the pension and OPEB expense attributable to the current fiscal year, which decreased \$3.8 million from prior year. Additionally, operating expenses in the General Government, including insurance and equipment expenses, were also slightly higher (\$0.4 million) than the prior year.
- The cost for Public Safety increased by \$6.8 million, or 17.0%, as the result of the rising personnel cost in salary, overtime and pension benefits.
- Public Works Services costs decreased by \$0.1 million, or 1.9%, mainly due the start of the watershed management program for the Rio Hondo/San Gabriel River Water Quality Group.
- Community Development Services incurred a decrease of \$1.0 million, or 12.8% in costs. The decrease was primarily due to a reduction in street, signal, and sidewalk rehabilitation projects.
- The Library expenses went up \$0.8 million in comparison to the prior year, primarily due to replacement of the roof.
- Recreation and Community Services expenditures decreased by \$0.3 million. These decreases are primarily attributed to reduced staffing in response to COVID-19 restrictions.
- 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 \$58.6 million, of which \$44.9 million or 76.5%, 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 \$13.8 million, representing 23.5% of total net position.

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities (Continued)

City of Arcadia Statement of Net Position
Business-type Activities

Governmental Activities	June 30, 2020	June 30, 2019	\$ Change	% Change
Current and other assets	\$ 25,878,227	\$ 27,513,215	\$ (1,634,988)	-5.94%
Capital assets (net of accumulated depreciation)	44,852,614	44,379,157	473,457	1.07%
Total assets	70,730,841	71,892,372	(1,161,531)	-1.62%
Deferred outflow of resources	1,280,217	1,110,529	169,688	15.28%
Current liabilities	2,891,464	2,671,171	220,293	8.25%
Noncurrent liabilities	10,176,904	9,582,906	593,998	6.20%
Total liabilities	13,068,368	12,254,077	814,291	6.65%
Deferred inflow of resources	325,914	168,801	157,113	93.08%
Net investment in capital assets	44,852,614	44,379,157	473,457	1.07%
Unrestricted	13,764,162	16,200,866	(2,436,704)	-15.04%
Total net position	\$ 58,616,776	\$ 60,580,023	\$ (1,963,247)	-3.24%

The net position decreased by \$2.0 million, comprising of (\$2.7) million of loss from the Water operation, \$0.8 million of operating surplus for Sewer, and (\$0.09) million of operating loss incurred by non-major enterprise funds. Water sales increased slightly due to increase rates. The City is currently in year 5 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 in the process of adopting new rate structures 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.

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities (Continued)

City of Arcadia Statement of Activities
Business-type Activities

Governmental Activities	June 30, 2020	June 30, 2019	\$ Change	% Change
Program revenues:				
Charges for services				
Water	\$ 14,357,496	\$ 12,806,780	1,550,716	12.11%
Sewer	2,493,274	2,408,365	84,909	3.53%
Transit	29,311	12,613	16,698	132.39%
Golf	923,833	511,860	411,973	80.49%
Operating contributions and grants				
Transit	1,055,193	1,509,498	(454,305)	-30.10%
General revenues:				
Gain on disposal of assets	4,051	10,529	(6,478)	-61.53%
Investment earnings	860,880	896,111	(35,231)	-3.93%
Total revenues	19,724,038	18,155,756	1,568,282	8.64%
Expenses:				
Water	17,758,315	16,853,369	904,946	5.37%
Sewer	1,872,674	1,819,847	52,827	2.90%
Transit	2,244,345	2,020,690	223,655	11.07%
Golf	867,314	515,560	351,754	68.23%
Total expenses	22,742,648	21,209,466	1,533,182	7.23%
Increase (Decrease) in Net Position before Transfers	(3,018,610)	(3,053,710)	35,100	
Transfers	1,055,363	985,076	70,287	7.14%
Increase (Decrease) in net position	(1,963,247)	(2,068,634)	105,387	
Net position – Beginning of fiscal year	60,580,023	62,648,657		
Net position – End of fiscal year	\$ 58,616,776	\$ 60,580,023		

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
June 30, 2020

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 \$61.4 million vs. \$67.4 million from the prior fiscal year, a decrease of \$6.0 million. Approximately \$5.8 million, or 9.4%, 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 \$20.9 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 \$33.7 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 \$1.0 million represents prepaid items, inventory, and advances to the Golf Enterprise Fund.
- The General Fund's net fund balance increased by \$0.1 million to \$29.6 million. Fiscal year ending revenue was at \$62.7 million and expenditures were at \$62.8 million. The operating deficit, when combined with transfers resulted in a net increase in fund balance of \$0.1 million. The Transfer Out consisted of \$0.8 million transfer to Capital Outlay Funds to replenish and maintain a positive fund balance for future projects and a \$0.8 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.
- Parks and Recreation Fund had a net fund balance of \$6.2 million, including a deficit of \$5.6 million from the current fiscal year. This is primarily due to the \$6.6 million that the City spent for the reconstruction of Eisenhower Park this fiscal year. Park Development fees are collected on new residential development projects and those fees are restricted for the use of eligible park projects.
- At the end of the fiscal year, the Capital Outlay Fund had a fund balance of \$11.3 million, a decrease of \$0.6 million from the prior year. As noted earlier, \$0.8 million was transferred from General Fund for the purpose of replenishing and keeping an adequate fund balance for infrastructure improvements. Historically, pari-mutuel revenues received from Santa Anita Racetrack provided adequate funding for yearly capital improvement projects. However, this revenue source has been decreasing over the years due to less horse racing interest and the changing format for wagering. The current annual pari-mutuel revenue level has not kept up with the demands and cost of capital improvements. Due to the shrinking revenue stream, the annual General Fund operating budget includes a transfer amount and additionally, City Council has authorized transfers of operating surpluses to replenish the Capital Outlay Fund.

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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 \$14.3 million, an increase of \$0.3 million. Operations in the Solid Waste, AQMD, Prop A, Measure R, Lighting Assessment District, Prop C, IRS Taskforce, PEG Access, RMRA, and Measure M funds have all resulted in a surplus. All other funds with decreased fund balances were due to higher spending than the current year allocations.

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

Governmental Funds	June 30, 2020	June 30, 2019	\$ Change	% Change
Revenues:				
Taxes	\$ 42,898,353	\$ 42,050,021	\$ 848,332	2.02%
Licenses and permits	4,666,441	5,165,340	(498,899)	-9.66%
Fines and forfeitures	611,714	643,858	(32,144)	-4.99%
Use of money and property	3,270,862	3,432,169	(161,307)	-4.70%
Intergovernmental	15,346,681	14,289,330	1,057,351	7.40%
Charges for services	5,482,124	5,591,091	(108,967)	-1.95%
Other revenues	3,054,712	3,052,228	2,484	0.08%
Total revenues	75,330,887	74,224,037	1,106,850	1.49%
Expenditures:				
General government	8,399,145	7,971,659	427,486	5.36%
Public safety	40,487,037	39,912,792	574,245	1.44%
Public works services	7,295,018	7,491,991	(196,973)	-2.63%
Community development	8,257,180	9,992,826	(1,735,646)	-17.37%
Library	4,750,047	3,917,195	832,852	21.26%
Recreation and community services	9,969,738	3,509,543	6,460,195	184.08%
Debt service	1,066,504	1,070,129	(3,625)	-0.34%
Total expenses	80,224,669	73,866,135	6,358,534	8.61%
Excess (deficiency) of revenues over expenditures	(4,893,782)	357,902	5,251,684	
Other Financing Sources (uses)	(1,055,363)	(694,936)	360,427	-51.86%
Net change in fund balance	(5,949,145)	(337,034)	5,612,111	
Fund balance – Beginning of fiscal year	67,398,674	67,735,708		
Fund balance – End of fiscal year	\$ 61,449,529	\$ 67,398,674		

Revenues of the total Governmental Funds were \$75.3 million with an increase of \$1.1 million, or 1.5%, from the prior fiscal year. Analysis of Governmental Funds are as follows:

City of Arcadia
Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (Continued)

Governmental Funds (Continued)

- Taxes increased by \$0.8 million, or 2.0%. 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 \$0.8 million or 4.2%. 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 \$0.8 million or 6.6%. The increase is primarily attributable to the passage of Measure A, which increased the sales tax that the City receives from 1% to 1.75%. Measure A brought in an additional \$2.5 million in sales tax for the fiscal year. Transient Occupancy Tax decreased by \$0.7 million or 20.3% in comparison to the previous fiscal year. As most hotels and motels in Arcadia cater to business travelers, the COVID-19 restrictions have had a significant impact on our hotel occupancy levels. Franchise fees had a 6.8% increase due to increased electric and gas rates. Franchise fees are based on a percentage of the rates charged to the customers, so the increase in rates are reflected in the franchise fees as well. Utility User Tax had an increase of \$0.2 million due to increased water sales that was offset by the continued decrease in telecommunication services.
- Licenses and Permits decreased slightly by \$0.5 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 \$0.2 million, mainly due to the lower interest rates caused by the COVID-19 pandemic.
- Intergovernmental Revenue increased by \$1.1 million, or 7.4%. Motor Vehicle License Fees, a fee that is tied to the growth of the City's annual property tax valuation increased by \$0.5 million. The other increases were related to COVID-19 pandemic relief. The City received \$0.2 million through the State from the CARES Act and \$0.3 in CDBG funding for a grant for assisting local businesses during the pandemic.
- Charges for Services decreased by \$0.1 million due to lower revenues from recreation programming fees that were suspended during the COVID-19 pandemic. That decrease was offset by increases in ambulance charges, police services and dwelling unit fees.
- Other Revenues remained flat when compared to the prior year. Increases consisted of some settlements received during the year and decreases consisted of less reimbursements for charges at Santa Anita Racetrack.

The Governmental Funds reported \$80.2 million of expenditures, an increase of \$6.4 million, or 8.61%, from the prior fiscal year. Further analysis on the variance is as follows:

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Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF INDIVIDUAL FUNDS (Continued)

Governmental Funds (Continued)

- Personnel costs increased by \$1.6 million, or 3.4%. In addition to salary increases, 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 \$0.3 million in comparison to the prior fiscal year. The increase was due to the City's response to the pandemic and workers compensation. There were also minor increases in vehicle maintenance costs.
- Capital expenditures decreased by \$0.8 million in comparison to the prior fiscal year. Due to the uncertainty of the economic impact of COVID-19, the City chose to defer several capital projects into future fiscal years to preserve financial flexibility.

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 \$58.6 million and it comprises of \$50.1 million of fund balance in Water Utility Fund, \$8.5 million of fund surplus in Sewer Maintenance Fund, (\$0.03) million deficit for the Transit System Fund and \$0.05 million of fund surplus in the Golf fund. As it is the City's policy to always transfer sufficient resources from Prop C and Measure R to fund transit operation, the fund balance in the Transit System Fund only comprises of net capital investment and liability balances.

GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS

General Fund is the primary operating fund of the City. The fund balance reported an increase of \$0.1 million to \$29.6 million at the fiscal year ending June 30, 2020. 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 9.9% of total General Fund expenditures, while total fund balance represents 47.1% of that same amount. The City has implemented an emergency reserve policy to maintain its operating fund balance at 20% of the General Fund expenditures, and it is more than fully funded.

Revenues of the General Fund totaled \$62.7 million for the fiscal year ending June 30, 2020, which is \$0.8 million, or 1.3%, more than the prior fiscal year's revenue total. Key elements of this increase are as follows:

- Tax revenue had an increase of \$1.0 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 \$0.8 million or 5.0%. 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 \$0.7 million or 5.8%. The increase is primarily due to the passage of Measure A, which brought in an addition \$2.5 million in sales taxes. Without Measure A, sales taxes would have decreased by \$1.8 million. Transient Occupancy Tax decreased by \$0.7 million or 20.3% in comparison to the previous fiscal year. The impact of the COVID-19 restrictions on travel had a tremendous impact on our local hotels and motels.

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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. The largest drop was in building permits, which reflected a decrease in the City's residential construction activities in comparison to previous years.
- There were no material changes in Fines and Forfeitures collected by the City.
- Use of Money and Property decreased by \$0.1 million, mainly due to the decrease in interest rates because of the economic damages from the COVID-19 pandemic.
- Motor vehicle license fees (MVLF) was the main contributor to the increase in intergovernmental revenue as it is tied to the City's property assessed value. MVLF increased by \$0.5 million, or 6.4% for Fiscal Year 2019-20.
- Charges for services had a decrease of \$0.4 million or 8.1% primarily due to the cancellation of recreation classes, camps, and passport processing, which was offset by increased ambulance billing and police services.
- The increase shown for Other Revenue category was due to some one-time settlement receipts that were offset with less cost allocation charges to non-general funds for general governmental internal support.

General Fund Revenues	June 30, 2019	June 30, 2019	\$ Change	% Change
Revenues:				
Taxes	\$ 40,403,032	\$ 39,436,524	\$ 966,508	2.45%
Licenses and permits	4,510,580	4,647,777	(137,197)	-2.95%
Fines and forfeitures	440,353	442,858	(2,505)	-0.57%
Use of money and property	2,086,309	2,178,868	(92,559)	-4.25%
Intergovernmental	7,982,689	7,545,240	437,449	5.80%
Charges for services	4,443,453	4,834,282	(390,829)	-8.08%
Other revenues	2,883,329	2,866,610	16,719	0.58%
Total revenues	\$ 62,749,745	\$ 61,952,159	\$ 797,586	1.29%

General Fund expenditures increased by \$0.4 million, or 0.6%, to \$62.8 million. Much 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.

City of Arcadia
Management's Discussion and Analysis
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GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS (Continued)

City of Arcadia
General Fund Budgetary Comparison Schedule

	Final Budget	Actual Amounts	\$ Variance with Final Budget	% Variance with Final Budget
REVENUES:				
Taxes	\$ 41,868,400	\$ 40,403,032	\$ (1,465,368)	-3.50%
Licenses and permits	4,590,700	4,510,580	(80,120)	-1.75%
Fines and forfeitures	527,500	440,353	(87,147)	-16.52%
Use of money and property	1,718,700	2,086,309	367,609	21.39%
Intergovernmental	7,696,300	7,982,689	286,389	3.72%
Charges for services	5,018,900	4,443,453	(575,447)	-11.47%
Other revenues	3,292,462	2,883,329	(409,133)	-12.43%
Total revenues	64,712,962	62,749,745	(1,963,217)	-3.03%
EXPENDITURES:				
Current:				
General government:				
City council	245,900	219,419	26,481	10.77%
City manager	967,191	891,253	75,938	7.85%
City clerk	567,637	347,188	220,449	38.84%
City attorney	558,338	476,404	81,934	14.67%
General city	2,158,885	2,312,833	(153,948)	-7.13%
Administrative services	4,688,068	3,768,864	919,204	19.61%
Public safety:				
Police	23,783,295	21,913,865	1,869,430	7.86%
Fire	17,779,317	17,436,380	342,937	1.93%
Public works services	4,744,855	4,098,829	646,026	13.62%
Community development	4,761,869	4,313,596	448,273	9.41%
Library	4,221,587	4,013,682	207,905	4.92%
Recreation and community services	3,303,700	2,943,939	359,761	10.89%
Debt service:				
Principal retirement	-	58,028	(58,028)	0.00%
Total expenditures	67,780,642	62,794,280	4,986,362	7.36%
EXCESS (DEFICIENCY) OF REVENUES				
OVER (UNDER) EXPENDITURES	\$ (3,067,680)	\$ (44,535)	\$ (3,023,145)	

The adopted General Fund budget projected revenues of \$64.7 million for the fiscal year ending June 30, 2020. The actual total General Fund revenues were \$62.7 million, a difference of \$2.0 million under budget. Key elements of the budget variance are as follows:

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Management's Discussion and Analysis
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GENERAL FUND FINANCIAL AND BUDGETARY HIGHLIGHTS (Continued)

- Tax collection in total was less than budget by \$1.5 million or 3.5%. The property tax collection was \$0.6 million higher than expected. Sales Tax collection was lower than budget by \$1.3 million or 9.6% as compared to the prior fiscal year. The TOT collected was \$0.7 million under expectations. Utility and Franchise tax revenues came in roughly at budget.
- License and Permits was \$0.1 million, or 1.8%, less than projected, mainly due to less parking permit fees that were slightly offset by higher development and construction related fees than the budgeted.
- The collection of parking citations fines was less than expected due to the suspension of some parking enforcement because of COVID-19. This 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 \$0.4 million or 21.4%. Investment earnings improved due to an increase of the value of securities held in a market of declining interest rates as a result of COVID-19.
- Intergovernmental revenues, including the Motor Vehicle License Fees, was 3.7% more than budgeted. As the growth on Motor Vehicle License Fees is tied to the property assessed value, the continued growth of property valuations has also resulted in the positive variance for this category.
- Charges for Services had a negative variance of \$0.5 million or 11.5% due to restrictions necessitated by the COVID-19 pandemic. Recreation revenues were \$0.3 under budget due to the cancellation of most classes. Reimbursements for safety related services by the State for their mutual-aid response to wildfires and other nature disaster incidents were under budget by \$0.3 million. These negative variances were slightly offset by higher than expected ambulance charges.
- The collection of other revenues was lower than expected primarily due to lowered reimbursements from the Santa Anita track, which was forced to race without fans due to COVID-19.

The City's General Fund expenditures were \$4.3 million, or 6.31%, less than the final adopted budget. Key elements of the budget variance are as follows:

- Personnel cost had a savings of \$1.0 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 \$1.5 million in the operating expense were mainly attributable to the areas of general contract services (\$0.4 million), election (\$0.2 million), and claims expense (\$0.6 million).
- There was a favorable variance of \$1.1 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.
- All City departments ended the fiscal year with a positive budget variance except for General City. The cost overrun was driven by vacation payoffs from employees that separated from the City.

City of Arcadia
Management's Discussion and Analysis
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CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. The City's investment in capital assets as of June 30, 2020, amounted to \$111.3 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 the renovation of Eisenhower Park. The City replaced several vehicles, including a new engine for the Fire department, a tanker and truck for the Water department, and 8 new buses for Arcadia Transit. The City continued its median turf reduction project, traffic signal and crosswalk improvements, and a bike facility at the Gold Line Station. The Water department continued the work on the construction of the treatment system on the Live Oak Well.

City of Arcadia
Capital Assets

	Governmental Activities		Business – Type Activities		Total	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
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	4,430,307	3,399,817	1,940,494	1,071,640	6,370,801	4,471,457
Total non-depreciable assets	8,766,076	7,735,586	7,734,930	6,866,076	16,501,006	14,601,662
Depreciable assets:						
Buildings and improvements	58,890,916	58,890,916	-	-	58,890,916	58,890,916
Water treatment system	-	-	71,886,753	71,874,174	71,886,753	71,874,174
Sewer system	-	-	11,871,117	11,577,778	11,871,117	11,577,778
Automotive equipment	12,777,860	12,125,267	4,005,308	3,226,504	16,783,168	15,351,771
Furniture and equipment	12,244,248	4,773,944	659,267	584,830	12,903,515	5,358,774
Infrastructure	91,887,239	90,846,251	-	-	91,887,239	90,846,251
Total depreciable assets	175,800,263	166,636,378	88,422,445	87,263,286	264,222,708	253,899,664
Less accumulated depreciation:	(118,104,153)	(114,197,542)	(51,304,761)	(49,750,205)	(169,408,914)	(163,947,747)
Total depreciable assets, net	57,696,110	52,438,836	37,117,684	37,513,081	94,813,794	89,951,917
Total capital assets, net	\$ 66,462,186	\$ 60,174,422	\$ 44,852,614	\$ 44,379,157	\$ 111,314,800	\$ 104,553,579

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 70 of this report.

City of Arcadia
Management's Discussion and Analysis
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Long-term debt. At the end of the current fiscal year, City of Arcadia had a total outstanding debt of \$186.0 million, an increase of \$1.7 million from the prior year. The increase is due to increased accrued pension liabilities and compensated absences.

City of Arcadia
Long-Term Liabilities

Citywide	June 30, 2012	June 30, 2019
Capital lease obligations	\$ 174,084	\$ 232,112
Claims and judgements payable	6,754,700	6,770,318
Compensated absences	4,048,859	2,974,006
OPEB obligation	14,549,506	18,001,891
Net pension liability	150,067,720	145,223,101
2011 General Obligation Bonds	5,863,442	6,235,707
2012 General Obligation Bonds	4,565,767	4,875,112
Total	\$ 186,024,078	\$ 184,312,247

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, GASB Statement No. 75, require governments to report a liability on the face of the financial statements for postemployment benefits other than pensions (OPEB). More details on the changes in long-term debt are available in the Notes to the Basic Financial Statements in Note 5 beginning on page 72 of this report.

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

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

The adopted fiscal year 2020-21 General Fund Operating Budget anticipates a surplus of \$0.3 million. The budget consists of \$65.6 million of Operating Revenues, \$63.9 million of Operating Expenses and \$1.5 million of transfers. The three-year General Fund operating budget outlook shows a cautious recovery from the economic damages suffered during the COVID-19 pandemic. If not for the passage of Measure A, the outlook for the City would be even more dire. As shown in the table on the next page, the projected Fiscal Year 2021-22 beginning General Fund operating balance of \$3.2 million is projected to be increased to \$4.8 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

	FY19-20 Estimated	FY20-21 Adopted	FY21-22 Projected
Beginning Fund Balance	\$ 6,192,500	\$ 2,965,200	\$ 3,216,900
Revenues and Sources	63,702,400	68,244,500	75,827,000
Expenditures and Uses	(64,622,800)	(63,881,700)	(69,102,700)
Net Operating Income	(920,400)	4,362,800	6,724,300
Transfer to Equipment Replacement	(750,000)	(1,600,000)	(1,800,000)
Transfer to Capital Equipment	(750,000)	(1,600,000)	(2,400,000)
Transfer to Other Funds	(806,900)	(911,100)	(927,200)
Subtotal Operating Balance	(3,227,300)	251,700	1,597,100
Ending Fund Balance	\$ 2,965,200	\$ 3,216,900	\$ 4,814,000

At the forefront of many California government entities is the concern over escalating pension costs. Arcadia is no different. The growing liability over the past decade has translated to higher employer contributions to pension plans, which created significant budget constraints. In addition, the impact of COVID-19 has been felt by all state and local governments as social restrictions have had a significant impact on the various taxes and fees normally paid. Specifically, City taxes that are most affected are: Sales and Transaction Use Tax, Transient Occupancy Tax, Business License Tax, recreational class and sports fees, and various planning and building permit fees. This year's Budget was the most difficult to compile in at least a generation due to the unprecedented fiscal and societal uncertainties related to the ongoing COVID-19 public health crisis. The passage of Measure A has provided somewhat of a cushion from the impacts of COVID-19, but continued uncertainty makes projections difficult. As such, the Budget has been prepared with the maximum amount of flexibility built in and an eye for being highly conservative.

Below is a detailed discussion of the budget challenges:

- CalPERS Challenges:** At the forefront of many California government entities is the concern over escalating pension costs. Arcadia is no different. The growing liability over the past decade has translated to higher employer contributions to pension plans, which created significant budget constraints. To alleviate this, the City Council proposed an initiative, known as Measure A, asking for the community approval of a 0.75% Transaction Use Tax. The community voted to approve Measure A with a 63.8% approval rating in June 2019. The promise to the voters was that Measure A would allow the City to address the pension problem, even in times of economic downturn, while still maintaining high levels of service to the community. The adopted Budget reflects this.

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June 30, 2020

Steps Taken to Date

In June 2019, the City Council approved a contract with Urban Futures (“UFI”) to provide pension advisory services to assist the Citizen’s Financial Advisory Committee (“Committee”) with developing recommendations to address the City’s rising pension costs and its unfunded actuarial liabilities (UAL) with the California Public Employees’ Retirement System (“CalPERS”). A Comprehensive Management Plan was developed which provides a detailed pension funding strategy with six specific recommendations.

A number of those strategies have begun and their progress is as follows:

1. General Fund Revenues and Reserves: As part of the proposed strategies to consider, the Committee discussed use of Reserves or one-time monies to be used to pay down the UAL.

At the May 19, 2020, Budget Study Session, the City Council provided direction to appropriate \$2.9 million from reserve fund balances and make an Additional Discretionary Payment for the one-time prepayment to CalPERS. This would provide significant long-term savings as the payment would be used to pay down CalPERS’ longest and most costly liabilities amongst the City’s Public Safety and Miscellaneous Pension plans.

2. Leveraged Refunding: The Successor Agency of the City of Arcadia has two outstanding Taxable Allocation Bonds. The refunding could be structured to provide “up-front savings” in the first three years totaling \$4.2 million, or \$1.2 million on a net present value (NPV) basis. The City receives a 10.44% share of residual cash flows from the excess tax increment revenues, so the City’s share of these savings would be approximately \$428,000.

At the May 19, 2020, City Council meeting, the City Council as the Successor Agency to the Arcadia Redevelopment Agency authorized the issuance and sale of Tax Allocation Refunding Bonds. The procedure calls for the item to be approved by the Fifth District Consolidated Oversight Board, then the State Department of Finance for review. Anticipating that the bond refinancing will take place, the City would then take its share, an estimate of \$428,000, and make additional prepayment to CalPERS to further reduce the UAL balance.

In a recent development, the Successor Agency finalized the sale of its remaining property, the Bekins building located at 33 W. Huntington Drive. The City will receive a share of the sales proceed, estimated to be \$291,000. This amount will also be used to make prepayment to CalPERS.

3. Pension Obligation Bonds: CalPERS members are required to make fixed UAL payments each year. Therefore, the UAL payments should be considered as, and managed like, any other debt or loan. The Discount Rate used by CalPERS to amortize each base—or loan—is equal to 7%. In California, Pension Obligation Bonds effectively “refinance” UAL payments with taxable bonds at a lower rate. At this time, the rate is expected to be less than 4%, leading to substantial long-term savings. The proceeds from the POBs would be used to make Additional Discretionary Payments to CalPERS, further reducing the unfunded liability.

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

On March 17, 2020, City Council authorized and gave direction to pursue this financing tool as a pension funding possibility. A judicial validation proceeding has been initiated; however, due to the COVID-19 pandemic, the courts have been closed until at least July 1, 2020. Once the judicial validation review process is approved, staff will proceed with the necessary steps to commence with the issuance of bonds. A key step to the process will be additional meetings with the Citizen Financial Advisory Committee to discuss and determine the appropriate issuance amount that would warrant the reasonableness of the debt. At the time of development for the Comprehensive Management Plan, a probable amount that has been discussed was a \$75 million bond issuance.

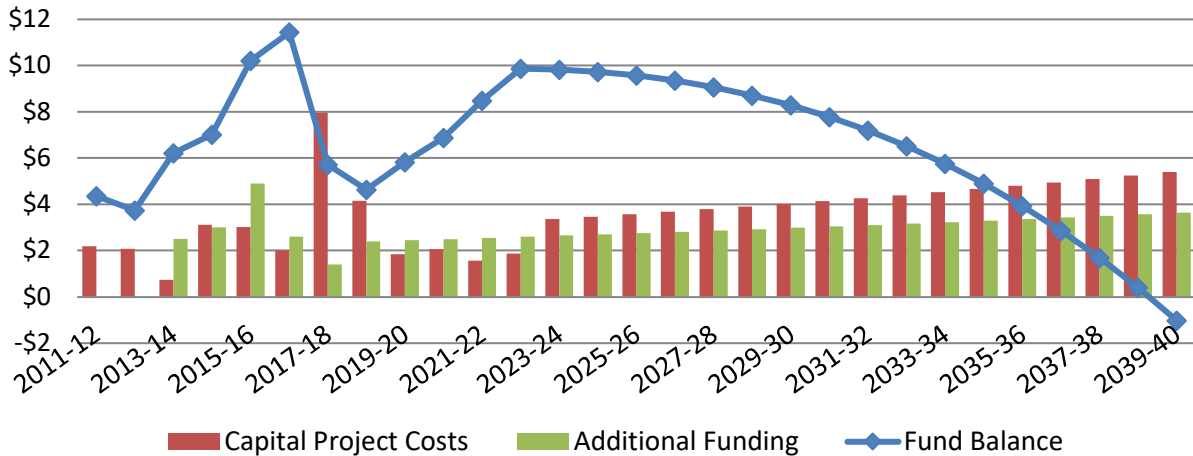
Solution / Funding Source	Payment Amount	Projected Savings
Discretionary Payment	\$ 2,900,000	4,230,000
City Share of Savings From Successor Agency Bond Refunding	428,000	1,010,000
Proceeds From Sale of Bekin Building	291,000	690,000
Pension Obligation Bonds	75,000,000	45,000,000
Total:	\$ 78,619,000	\$ 50,930,000

If the City were to issue Pension Obligation Bonds in the amount noted, adding all the other line items would provide a total funding source of \$78.6 million as payment towards the UAL balance. That the total payment would provide an estimated \$50.9 million in long-term cash flow savings to the City.

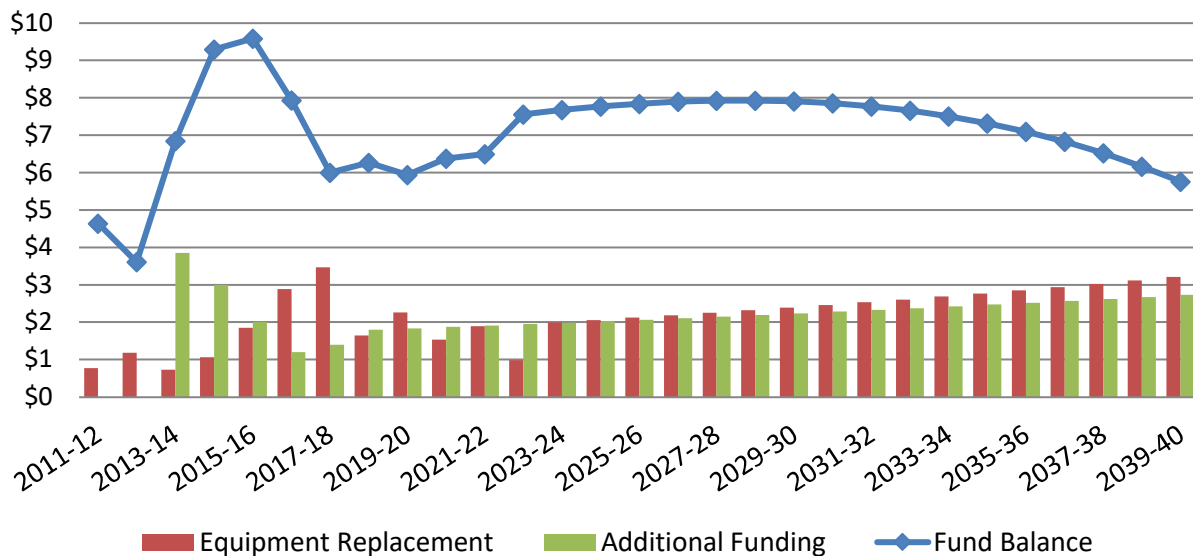
4. **Sale of Golf Course:** A recommendation of the Citizens Financial Advisory Committee was to explore the possibility of selling the 3-Par Golf Course near Live Oak Ave. and use the proceeds as a large discretionary payment to CalPERS. Staff has been in the process of doing background work to better understand the history of the site and preparing a request for proposals from an appraiser, so that a fair sales price can be understood. In advance of that, the City recently received an unsolicited letter from a developer offering \$23 million for the site, with some significant contingencies. At that price, using the same general savings factor above, the City would see approximately \$44.2 million in pension savings over time.
- **Capital Outlay and Equipment Replacement Funds Recovering:** The adopted budget reflects transfers of \$1.6 million to both the Capital Outlay and Equipment Replacement Funds. While this is a bit smaller than the goal amounts established for these funds to make them sustaining, the amounts to be transferred this year will surpass the budgeted spending in FY 2020-21. During a significant financial crisis, being able to transfer even these amounts is a luxury few cities can afford and a testament to the restraint the organization has shown to keep costs low relative to service levels. Although projected 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 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.

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

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.

City of Arcadia
Management's Discussion and Analysis
June 30, 2020

- Postemployment Benefits (OPEB): City's actuarial accrued liability (AAL) was estimated to be \$14.5 million based on the most recent valuation report dated June 30, 2020, which is \$3.5 million less than the valuation prepared last year. The decrease could be primarily attributed to favorable plan experiences from lower than projected medical premium rates and favorable demographic experiences. Despite this most recent plan experience and changes City made in 2011 to reduce OPEB benefits, the Accrued Actuarial Liability for the City's OPEB liability is expected to continue to grow. It is essential for the City to continue to fund the trust established exclusively for this benefit. The trust account had a balance of \$5.3 million as of June 30, 2020.

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.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

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City of Arcadia
Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and investments	\$ 60,263,567	\$ 22,689,253	\$ 82,952,820
Cash and investments with fiscal agent	19	-	19
Accounts receivable	335,108	2,999,292	3,334,400
Interest receivable	256,952	93,560	350,512
Due from other governments	5,399,318	433,391	5,832,709
Prepaid items	43,617	118,797	162,414
Internal balances	467,964	(467,964)	-
Inventories	752,292	11,898	764,190
Total current assets	67,518,837	25,878,227	93,397,064
Noncurrent assets:			
Capital assets:			
Nondepreciable	8,766,076	7,734,930	16,501,006
Depreciable, net	57,696,110	37,117,684	94,813,794
Total capital assets	66,462,186	44,852,614	111,314,800
Total noncurrent assets	66,462,186	44,852,614	111,314,800
Total assets	133,981,023	70,730,841	204,711,864
Deferred outflows of resources:			
Deferred outflows related to net pension liability	16,239,707	1,150,954	17,390,661
Deferred outflows related to OPEB	3,263,537	129,263	3,392,800
Total deferred outflows of resources	19,503,244	1,280,217	20,783,461
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities:			
Accounts payable	3,796,349	2,586,766	6,383,115
Accrued salaries payable	974,296	114,928	1,089,224
Interest payable	146,540	-	146,540
Unearned revenue	80,731	-	80,731
Deposits	4,100	157,253	161,353
Retentions payable	498,731	34,116	532,847
Long-term debt - due within one year	2,853,857	34,292	2,888,149
Total current liabilities	8,354,604	2,927,355	11,281,959
Noncurrent liabilities:			
Long-term debt - due in more than one year	172,959,025	10,176,904	183,135,929
Total noncurrent liabilities	172,959,025	10,176,904	183,135,929
Total liabilities	181,313,629	13,104,259	194,417,888
Deferred inflows of resources:			
Deferred inflows related to net pension liability	2,911,854	186,225	3,098,079
Deferred inflows related to OPEB	3,490,455	139,689	3,630,144
Total deferred inflows of resources	6,402,309	325,914	6,728,223
NET POSITION			
Net investment in capital assets	55,858,893	44,852,614	100,711,507
Restricted for:			
Debt service	714,457	-	714,457
Community purposes	9,542,104	-	9,542,104
Public safety	837,230	-	837,230
Transportation /streets	10,458,741	-	10,458,741
Total restricted	21,552,532	-	21,552,532
Unrestricted	(111,643,096)	13,728,271	(97,914,825)
Total net position	\$ (34,231,671)	\$ 58,580,885	\$ 24,349,214

See Accompanying Notes to the Basic Financial Statements.

City of Arcadia
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary Government:					
Governmental activities:					
General government	\$ 10,103,949	\$ 10,329	\$ 76,186	\$ -	\$ 86,515
Public safety	47,203,348	4,166,144	854,435	265,138	5,285,717
Public works services	7,663,032	29,516	2,392,620	-	2,422,136
Community development	6,790,407	2,707,638	4,007,083	476,503	7,191,224
Library	5,016,702	107,810	-	-	107,810
Recreation and community services	3,414,698	1,843,145	117,120	-	1,960,265
Interest on long-term debt	314,741	-	-	-	-
Total governmental activities	80,506,877	8,864,582	7,447,444	741,641	17,053,667
Business-type activities:					
Water	17,758,315	14,284,391	-	-	14,284,391
Sewer	1,872,674	2,493,274	-	-	2,493,274
Transit	2,244,345	9,311	1,055,193	-	1,064,504
Arcadia PAR 3 Golf Course	867,314	887,942	-	-	887,942
Total business-type activities	22,742,648	17,674,918	1,055,193	-	18,730,111
Total primary government	\$ 103,249,525	\$ 26,539,500	\$ 8,502,637	\$ 741,641	\$ 35,783,778

(Continued)

City of Arcadia
Statement of Activities (Continued)
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary Government:			
Governmental activities:			
General government	\$ (10,017,434)	\$ -	\$ (10,017,434)
Public safety	(41,917,631)	-	(41,917,631)
Public works services	(5,240,896)	-	(5,240,896)
Community development	400,817	-	400,817
Library	(4,908,892)	-	(4,908,892)
Recreation and community services	(1,454,433)	-	(1,454,433)
Interest on long-term debt	(314,741)	-	(314,741)
Total governmental activities	(63,453,210)	-	(63,453,210)
Business-type activities:			
Water	-	(3,473,924)	(3,473,924)
Sewer	-	620,600	620,600
Transit	-	(1,179,841)	(1,179,841)
Arcadia PAR 3 Golf Course	-	20,628	20,628
Total business-type activities	-	(4,012,537)	(4,012,537)
Total primary government	(63,453,210)	(4,012,537)	(67,465,747)
General Revenues:			
Taxes and fees:			
Property taxes	19,070,668	-	19,070,668
Sales taxes	12,154,052	-	12,154,052
Franchise fees	954,878	-	954,878
Utilities user taxes	6,779,875	-	6,779,875
Transient occupancy taxes	2,748,642	-	2,748,642
Non-regulatory business license taxes	1,211,783	-	1,211,783
Other taxes	912,537	-	912,537
Total taxes and fees	43,832,435	-	43,832,435
Intergovernmental revenues, unrestricted	7,773,429	-	7,773,429
Investment earnings	3,270,868	860,880	4,131,748
Gain on disposal of assets	-	4,051	4,051
Miscellaneous	3,391,726	93,105	3,484,831
Transfers	(1,055,363)	1,055,363	-
Total general revenues and transfers	57,213,095	2,013,399	59,226,494
Change in net position	(6,240,115)	(1,999,138)	(8,239,253)
Net position - beginning of fiscal year	(27,991,556)	60,580,023	32,588,467
Net position - end of fiscal year	\$ (34,231,671)	\$ 58,580,885	\$ 24,349,214

See Accompanying Notes to the Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

Governmental Funds Financial Statements

Proprietary Funds Financial Statements

Fiduciary Funds Financial Statements

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

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

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

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

City of Arcadia
Balance Sheet
Governmental Funds
June 30, 2020

	Major Funds			Nonmajor	Total
	General	Parks and Recreation	Capital Outlay	Governmental Funds	Governmental Funds
ASSETS					
Cash and investments	\$ 25,282,831	\$ 6,845,297	\$ 11,870,053	\$ 16,265,386	\$ 60,263,567
Cash and investments with fiscal agent	-	-	-	19	19
Accounts receivable	310,764	-	-	24,344	335,108
Interest receivable	123,036	28,354	42,953	62,609	256,952
Due from other funds	1,391,865	-	-	-	1,391,865
Due from other governments	3,905,637	-	1,369	1,251,164	5,158,170
Prepaid items and deposits	42,100	-	-	1,517	43,617
Inventories	752,292	-	-	-	752,292
Advances to other funds	201,614	-	-	-	201,614
Total assets	\$ 32,010,139	\$ 6,873,651	\$ 11,914,375	\$ 17,605,039	\$ 68,403,204
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,387,417	\$ 345,280	\$ 543,096	\$ 1,520,556	\$ 3,796,349
Accrued salaries payable	945,221	-	-	29,075	974,296
Due to other funds	-	-	-	1,125,515	1,125,515
Unearned revenue	80,731	-	-	-	80,731
Deposits	4,100	-	-	-	4,100
Retentions payable	-	327,441	38,760	132,530	498,731
Total liabilities	2,417,469	672,721	581,856	2,807,676	6,479,722
Deferred Inflow of Resources:					
Unavailable revenue	-	-	-	473,953	473,953
Total deferred inflow of resources	-	-	-	473,953	473,953
Fund Balances:					
Nonspendable	996,006	-	-	1,517	997,523
Restricted	-	6,200,930	-	15,324,328	21,525,258
Assigned	22,394,350	-	11,332,519	-	33,726,869
Unassigned	6,202,314	-	-	(1,002,435)	5,199,879
Total fund balances	29,592,670	6,200,930	11,332,519	14,323,410	61,449,529
Total liabilities and deferred inflow of resources and fund balances	\$ 32,010,139	\$ 6,873,651	\$ 11,914,375	\$ 17,605,039	\$ 68,403,204

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, 2020

Total Fund Balances - Total Governmental Funds	\$ 61,449,529
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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.	66,462,186
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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.	(146,540)
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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	(2,853,857)
Long-term liabilities - due in more than one year	(172,959,025)

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	16,239,707
Deferred inflows related to net pension liability	(2,911,854)
Deferred outflows related to OPEB	3,263,537
Deferred inflows related to OPEB	(3,490,455)

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:

715,101

Net Position of Governmental Activities	\$ (34,231,671)
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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, 2020

	Major Funds			Nonmajor	Total
	General	Parks and Recreation	Capital Outlay	Governmental Funds	Governmental Funds
REVENUES:					
Taxes	\$ 40,403,032	\$ -	\$ 364,316	\$ 2,131,005	\$ 42,898,353
Licenses and permits	4,510,580	-	-	155,861	4,666,441
Fines and forfeitures	440,353	-	-	171,361	611,714
Use of money and property	2,086,309	281,397	369,488	533,668	3,270,862
Intergovernmental	7,982,689	-	-	7,363,992	15,346,681
Charges for services	4,443,453	883,959	-	154,712	5,482,124
Other revenues	2,883,329	4,378	-	167,005	3,054,712
Total revenues	62,749,745	1,169,734	733,804	10,677,604	75,330,887
EXPENDITURES:					
Current:					
General government:					
City council	219,419	-	-	-	219,419
City manager	891,253	-	-	-	891,253
City clerk	347,188	-	-	-	347,188
City attorney	476,404	-	-	-	476,404
General city	2,312,833	-	133,221	249,963	2,696,017
Administrative services	3,768,864	-	-	-	3,768,864
Public safety:					
Police	21,913,865	-	16,920	827,088	22,757,873
Fire	17,436,380	-	120,310	172,474	17,729,164
Public works services	4,098,829	-	1,034,852	2,161,337	7,295,018
Community development	4,313,596	-	28,998	3,914,586	8,257,180
Library	4,013,682	-	736,365	-	4,750,047
Recreation and community services	2,943,939	6,810,432	57,606	157,761	9,969,738
Debt service:					
Principal retirement	58,028	-	-	640,000	698,028
Interest and fiscal charges	-	-	-	368,476	368,476
Total expenditures	62,794,280	6,810,432	2,128,272	8,491,685	80,224,669
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(44,535)	(5,640,698)	(1,394,468)	2,185,919	(4,893,782)
OTHER FINANCING SOURCES (USES):					
Transfers in	1,637,726	-	750,000	739,792	3,127,518
Transfers out	(1,489,792)	-	-	(2,693,089)	(4,182,881)
Total other financing sources (uses)	147,934	-	750,000	(1,953,297)	(1,055,363)
Net changes in fund balances	103,399	(5,640,698)	(644,468)	232,622	(5,949,145)
FUND BALANCES:					
Beginning of fiscal year	29,489,271	11,841,628	11,976,987	14,090,788	67,398,674
End of fiscal year	<u>\$ 29,592,670</u>	<u>\$ 6,200,930</u>	<u>\$ 11,332,519</u>	<u>\$ 14,323,410</u>	<u>\$ 61,449,529</u>

See Accompanying Notes to the Basic Financial Statements.

City of Arcadia
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and
Changes in Fund Balances to the Government-Wide Statement of Activities
For the Fiscal Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (5,949,145)
---------------------------------------------------------------	-----------------------

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	140,981
Public safety	1,353,289
Public works services	939,684
Community development	1,482,277
Recreation and community services	6,795,818
Total	10,712,049

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:

(41,351)

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.

(4,382,934)

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:

(1,037,466)

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:

15,618

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:

637,651

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

Repayment of long-term debt

698,028

Total

698,028

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

12,125

Amortization of bond premium

41,610

Total

53,735

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:

(7,424,872)

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.

478,572

Change in Net Position of Governmental Activities

\$ (6,240,115)

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PROPRIETARY FUNDS

FINANCIAL STATEMENTS

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, 2020

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Nonmajor Enterprise Funds	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES				
Current assets:				
Cash and investments	\$ 17,357,170	\$ 5,130,004	\$ 202,079	\$ 22,689,253
Accounts receivable	2,555,356	440,834	3,102	2,999,292
Interest receivable	72,297	21,263	-	93,560
Prepaid items	114,913	-	3,884	118,797
Due from other governments	17,978	194	415,219	433,391
Inventories	-	-	11,898	11,898
Total current assets	20,117,714	5,592,295	636,182	26,346,191
Capital assets:				
Nondepreciable	7,724,656	10,274	-	7,734,930
Depreciable, net	31,784,001	4,776,991	556,692	37,117,684
Total capital assets	39,508,657	4,787,265	556,692	44,852,614
Total assets	59,626,371	10,379,560	1,192,874	71,198,805
Deferred outflows of resources:				
Deferred outflows related to net pension liability	842,245	246,728	61,981	1,150,954
Deferred outflows related to OPEB	129,263	-	-	129,263
Total deferred outflows of resources	971,508	246,728	61,981	1,280,217
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Current liabilities:				
Accounts payable	2,361,391	10,188	215,187	2,586,766
Retentions payable	32,504	1,612	-	34,116
Accrued salaries payable	83,900	25,057	5,971	114,928
Due to other funds	-	-	266,350	266,350
Compensated absences payable - due within one year	34,292	-	-	34,292
Deposits	96,262	-	60,991	157,253
Total current liabilities	2,608,349	36,857	548,499	3,193,705
Noncurrent liabilities:				
Net pension liabilities	6,914,370	2,025,504	508,835	9,448,709
Net OPEB liabilities	600,792	-	-	600,792
Compensated absences payable - due in more than one year	127,403	-	-	127,403
Advances from other funds	-	-	201,614	201,614
Total noncurrent liabilities	7,642,565	2,025,504	710,449	10,378,518
Total liabilities	10,250,914	2,062,361	1,258,948	13,572,223
Deferred inflows of resources:				
Deferred inflows related to net pension liability	136,275	39,921	10,029	186,225
Deferred inflows related to OPEB	139,689	-	-	139,689
Total deferred inflows of resources	275,964	39,921	10,029	325,914
NET POSITION				
Net investment in capital assets	39,508,657	4,787,265	556,692	44,852,614
Unrestricted	10,562,344	3,736,741	(570,814)	13,728,271
Total net position	\$ 50,071,001	\$ 8,524,006	\$ (14,122)	\$ 58,580,885

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, 2020

	Enterprise Funds			Total
	Water Utility	Sewer Maintenance	Nonmajor Enterprise Funds	
OPERATING REVENUES:				
Charges for services	\$ 14,284,391	\$ 2,493,274	\$ 897,253	\$ 17,674,918
Other	73,105	-	20,000	93,105
Total operating revenues	14,357,496	2,493,274	917,253	17,768,023
OPERATING EXPENSES:				
Administration and general	3,577,332	1,424,025	576,343	5,577,700
Power, supplies and pumping	12,357,405	150,807	-	12,508,212
Merchandise and food	-	-	43,070	43,070
Supplies and maintenances	-	-	150,155	150,155
Contract costs	194,007	62,974	2,198,821	2,455,802
Depreciation	1,629,571	234,868	143,270	2,007,709
Total operating expenses	17,758,315	1,872,674	3,111,659	22,742,648
OPERATING INCOME (LOSS)	(3,400,819)	620,600	(2,194,406)	(4,974,625)
NONOPERATING REVENUES (EXPENSES):				
Investment income	674,312	186,568	-	860,880
Federal and state grants	-	-	1,055,193	1,055,193
Gain on disposal of capital assets	4,051	-	-	4,051
Total nonoperating revenues (expenses)	678,363	186,568	1,055,193	1,920,124
INCOME (LOSS) BEFORE TRANSFERS	(2,722,456)	807,168	(1,139,213)	(3,054,501)
TRANSFERS:				
Transfers in	-	-	1,055,363	1,055,363
Total transfers	-	-	1,055,363	1,055,363
Changes in net position	(2,722,456)	807,168	(83,850)	(1,999,138)
NET POSITION:				
Beginning of fiscal year	52,793,457	7,716,838	69,728	60,580,023
End of fiscal year	<u>\$ 50,071,001</u>	<u>\$ 8,524,006</u>	<u>\$ (14,122)</u>	<u>\$ 58,580,885</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, 2020

	Enterprise Funds			
	Water Utility	Sewer Maintenance	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers	\$ 13,874,001	\$ 2,475,322	\$ 922,738	\$ 17,272,061
Cash payments to suppliers for goods and services	(12,500,571)	(698,812)	(2,823,261)	(16,022,644)
Cash payments to employees for services	(2,866,792)	(837,684)	(190,524)	(3,895,000)
Cash received for other operating activities	73,105	-	20,000	93,105
Net cash provided by (used in) operating activities	(1,420,257)	938,826	(2,071,047)	(2,552,478)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Cash received from other governments	-	-	1,039,308	1,039,308
Due to other funds	-	-	266,350	266,350
Transfers in	-	-	1,055,363	1,055,363
Net cash provided (used) by noncapital financing activities	-	-	2,361,021	2,361,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Proceeds from sale of capital assets	4,051	-	-	4,051
Acquisition of capital assets	(1,935,339)	(26,114)	(519,713)	(2,481,166)
Net cash provided by (used in) capital and related financing activities	(1,931,288)	(26,114)	(519,713)	(2,477,115)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	691,912	183,380	-	875,292
Net cash provided by investing activities	691,912	183,380	-	875,292
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,659,633)	1,096,092	(229,739)	(1,793,280)
CASH AND CASH EQUIVALENTS - Beginning of fiscal year	20,016,803	4,033,912	431,818	24,482,533
CASH AND CASH EQUIVALENTS - End of fiscal year	\$ 17,357,170	\$ 5,130,004	\$ 202,079	\$ 22,689,253
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating income (loss)	\$ (3,400,819)	\$ 620,600	\$ (2,194,406)	\$ (4,974,625)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	1,629,571	234,868	143,270	2,007,709
Changes in assets, deferred outflows, liabilities, and deferred inflows:				
Accounts receivable	(396,815)	(17,952)	2,391	(412,376)
Prepaid items	1,193	-	3,504	4,697
Due from other governments	(17,978)	-	-	(17,978)
Inventories	-	-	2,488	2,488
Accounts payable	343,557	2,175	(82,668)	263,064
Retention payable	(4,906)	(4,248)	-	(9,154)
Accrued salaries payable	24,454	8,025	1,760	34,239
Deposits	4,403	-	23,094	27,497
Net pension liabilities	475,911	118,152	35,838	629,901
Deferred outflow of resources - pension	(99,343)	(26,648)	(7,404)	(133,395)
Deferred inflow of resources - pension	14,527	3,854	1,086	19,467
Net OPEB obligation	(132,752)	-	-	(132,752)
Deferred outflow of resources - OPEB	(36,293)	-	-	(36,293)
Deferred inflow of resources - OPEB	137,646	-	-	137,646
Compensated absences	37,387	-	-	37,387
Total adjustments	1,980,562	318,226	123,359	2,422,147
Net cash provided by (used in) operating activities	\$ (1,420,257)	\$ 938,826	\$ (2,071,047)	\$ (2,552,478)

See Accompanying Notes to the Basic Financial Statements.

FIDUCIARY FUNDS

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, 2020

	Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund	Agency Fund
ASSETS		
Current assets:		
Cash and investments	\$ 7,055,501	\$ 2,516,346
Cash and investments with fiscal agent	2,913,443	-
Accounts receivable	-	953,859
Interest receivable	23,432	-
Total current assets	<u>9,992,376</u>	<u>3,470,205</u>
Total assets	<u>9,992,376</u>	<u>\$ 3,470,205</u>
LIABILITIES		
Current liabilities:		
Accounts payable	3,240,477	\$ 30,841
Accrued salaries payable	1,844	-
Deposits payable	-	3,439,364
Interest payable	270,253	-
Bonds payable - due within one year	1,788,355	-
Total current liabilities	<u>5,300,929</u>	<u>3,470,205</u>
Noncurrent liabilities:		
Bonds payable - due in more than one year	<u>12,238,289</u>	<u>-</u>
Total noncurrent liabilities	<u>12,238,289</u>	<u>-</u>
Total liabilities	<u>17,539,218</u>	<u>\$ 3,470,205</u>
NET POSITION (DEFICIT)		
Held in trust	<u>\$ (7,546,842)</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, 2020

	Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund
	<hr/>
ADDITIONS:	
Redevelopment Property Tax Trust Fund	\$ 2,499,660
Use of money and property	267,568
Other revenues	586
Total additions	<hr/> 2,767,814 <hr/>
DEDUCTIONS:	
Enforceable obligations	931,921
Administration	119,634
Sales of land proceeds transfer to Los Angeles County Housing Authority	3,239,562
Loss on sale of land held for resale	1,530,670
Total deductions	<hr/> 5,821,787 <hr/>
Change in net position	(3,053,973)
NET POSITION (DEFICIT):	
Beginning of fiscal year	<hr/> (4,492,869)
End of fiscal year	<hr/> \$ (7,546,842) <hr/>

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NOTES TO THE BASIC FINANCIAL STATEMENTS

City of Arcadia
Notes to the Basic Financial Statements
June 30, 2020

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, 2020

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, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

The City reports the following major governmental funds:

- General Fund – This fund was established to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.
- Parks and Recreation Special Revenue Fund – This fund was established to account for the development of new park sites and playground facilities. Financing is provided by state and federal reimbursement programs in conjunction with fees charged to residential and commercial developers.
- Capital Outlay Capital Projects Fund – This fund was established to account for acquisition of capital items and construction of capital projects as determined by City Council. Financing is provided by the City's share of proceeds from the Santa Anita Race Track as allowed by the State.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the statement of net position. The statement of revenues, expenses, and changes in net position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Proprietary funds distinguish operating revenues and expenses from 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, 2020

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, 2020

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. 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.

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

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Capital Assets (Continued)

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.

H. 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.

I. 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.

J. 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.

K. Long-Term Liabilities

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

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

L. 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”).

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

M. 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

N. 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.

O. 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.

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Fund Balances (Continued)

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.

P. Spending Policy

Government-Wide Financial Statements and the Proprietary Fund Financial Statements

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

Governmental Fund Financial Statements

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

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

Committed
Assigned
Unassigned

Q. 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.

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 1 – Summary of Significant Accounting Policies (Continued)

R. Future Accounting Pronouncements

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

Statement No. 84	"Fiduciary Activities"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 87	"Leases"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 89	"Accounting for Interest Cost Incurred before the End of a Construction Period"	The provisions of this statement are effective for fiscal years beginning after December 15, 2020.
Statement No. 90	"Majority Equity Interests-an Amendment of GASB Statements No. 14 and No. 61"	The provisions of this statement are effective for fiscal years beginning after December 15, 2019.
Statement No. 91	"Conduit Debt Obligations"	The provisions of this statement are effective for fiscal years beginning after December 15, 2021.
Statement No. 92	"Omnibus 2020"	The provisions of this statement are effective for fiscal years beginning after June 15, 2021.
Statement No. 93	"Replacement of Interbank Offered Rates"	The provision of this statement except for paragraphs 11b, 13, and 14 are effective for fiscal years beginning after June 15, 2020. Paragraph 11b is effective for fiscal years beginning after December 31, 2021. Paragraphs 13 and 14 are effective for fiscal years beginning after June 15, 2021.
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 96	"Subscription-Based Information Technology Arrangements"	The provisions of this statement are effective for fiscal years beginning after June 15, 2022.
Statement No. 97	"Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32"	The provisions of this statement are effective for fiscal years beginning December 15, 2019.

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020:

	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	\$ 60,263,567	\$ 22,689,253	\$ 82,952,820	\$ 9,571,847	\$ 92,524,667
Cash and investments with fiscal agent	19	-	19	2,913,443	2,913,462
Total cash and investments	\$ 60,263,586	\$ 22,689,253	\$ 82,952,839	\$ 12,485,290	\$ 95,438,129

The City's cash and investments at June 30, 2020 consists of the following:

Cash and cash equivalents:	
Petty cash	\$ 19,756
Demand deposits	1,723,287
Total cash and cash equivalents	1,743,043
Investments:	
Local Agency Investment Fund	22,222,220
California Asset Management Program	2,954,212
Certificates of Deposits	2,000,812
U.S. Treasury Notes	19,712,902
U.S. Government Sponsored Enterprise Securities	23,576,942
Supra-National Bonds	377,220
Municipal bonds	846,134
Asset Backed Securities/CMO	6,515,463
Corporate Bonds	12,575,719
Total investments	90,781,624
Cash and investments with fiscal agent:	
Money Market Funds	2,913,462
Total cash and investments	\$ 95,438,129

A. Deposits

The carrying amounts of the City's demand deposits were \$1,723,287 at June 30, 2020. Bank balances at that date were \$2,403,799, 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, 2020

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, 2020

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, 2020, 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, 2020, the City had \$22,222,220 invested in LAIF, which had invested 3.37% 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, 2020, the City had \$2,954,212 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, 2020, 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)	\$ 22,222,220	\$ 22,222,220	\$ -	\$ -	\$ -	\$ -
California Asset Management Program (CAMP)	2,954,212	2,954,212	-	-	-	-
Certificates of deposits	2,000,812	967,110	511,722	521,980	-	-
U.S. Treasury Notes	19,712,902	-	11,299,307	8,413,595	-	-
Federal Farm Credit Bank	2,002,560	2,002,560	-	-	-	-
Federal Home Loan Bank	8,506,081	5,424,331	3,081,750	-	-	-
Federal Home Loan Mortgage Corporation	5,125,796	1,015,690	1,010,640	3,099,466	-	-
Federal National Mortgage Association	6,111,586	3,019,950	1,042,225	2,049,411	-	-
Federal CMO	1,830,919	-	809,194	922,862	98,863	-
Supra-National Bonds	377,220	-	-	377,220	-	-
Municipal Bonds	846,134	589,704	-	256,430	-	-
Asset Backed Securities	6,515,463	86,073	1,011,119	2,409,360	1,758,916	1,249,995
Corporate Bonds	12,575,719	1,466,216	4,837,430	5,266,162	1,005,911	-
Held by Fiscal Agent:						
Money Market Funds	2,913,462	2,913,462	-	-	-	-
Total	\$ 93,695,086	\$ 42,661,528	\$ 23,603,387	\$ 23,316,486	\$ 2,863,690	\$ 1,249,995

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020, the City’s credit risks, expressed on a percentage basis, were as follows:

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments			
Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Certificates of Deposit	Not Rated	Not Rated	2.20%
United States Treasury Notes	Aaa	AA+	21.71%
Federal Farm Credit Bank	Aaa	AA+	2.21%
Federal Home Loan Bank	Aaa	AA+	9.37%
Federal Home Loan Mortgage Corp.	Aaa	AA+	5.65%
Federal National Mortgage Association	Aaa	AA+	6.73%
Federal CMO	Aaa	AA+	2.02%
Supranational Bonds - Inter-American Devel Bank	Aaa	AAA	0.42%
Municipal Bonds	Aa2	AA-	0.65%
Municipal Bonds	Aaa	AA+	0.28%
Asset Backed Securities - GM Financial Automobile Leasing Trust 2018-3	Aaa	AAA	0.09%
Asset Backed Securities - BMW Vehicle Leasing Trust 2018-1	Aaa	AAA	0.10%
Asset Backed Securities - Nissan Auto Lease Trust	Aaa	AAA	0.19%
Asset Backed Securities - Mercedes-Benz Auto Lease Trust 2018-B	Not rated	AAA	0.43%
Asset Backed Securities - Ford Credit Auto Lease Trust	Aaa	Not rated	0.20%
Asset Backed Securities - John Deere 2018	Aaa	Not rated	0.06%
Asset Backed Securities - Toyota Auto Rcvbl 2018-A	Aaa	AAA	0.07%
Asset Backed Securities - Honda Auto Rcvbl 2018-2	Not rated	AAA	0.07%
Asset Backed Securities - Hyundai Auto Rcvbl 2018-A	Aaa	AAA	0.14%
Asset Backed Securities - Toyota Auto Rcvbl 2018-B	Aaa	AAA	0.40%
Asset Backed Securities - Ford Credit 2018-A	Not rated	AAA	0.18%
Asset Backed Securities - Ally Auto Rcvbl 2018-2	Aaa	Not rated	0.26%
Asset Backed Securities - Volkswagen Auto Lease Trust 2019-A	Not rated	AAA	0.14%
Asset Backed Securities - Hyundai Auto Rcvbl 2018-B	Aaa	AAA	0.11%
Asset Backed Securities - Mercedes-Benz Auto Rcvble 2018-1	Aaa	AAA	0.30%
Asset Backed Securities - Volkswagen Auto Loan Enhanced Trust	Aaa	AAA	0.41%
Asset Backed Securities - GM Financial Consumer Automobile Rcvbl Trust 2018-3	Not rated	AAA	0.22%
Asset Backed Securities - Hyundai Auto Rcvbl Trust 2019-A	Not rated	AAA	0.24%
Asset Backed Securities - Carmax Auto Owner Trust	Not rated	AAA	0.26%
Asset Backed Securities - Carmax Auto Owner Trust 2018-4	Not rated	AAA	0.22%
Asset Backed Securities - Capital One Prime Auto Rcvbl Trust 2019-1	Aaa	AAA	0.16%
Asset Backed Securities - GM Financial Consumer Automobile Rcvbl Trust 2019-1	Aaa	AAA	0.31%
Asset Backed Securities - Fifth Third Auto Trust 2019-1	Aaa	AAA	0.20%
Asset Backed Securities - Harley-Davidson Motorcycle Trust 2019-A	Aaa	Not rated	0.28%
Asset Backed Securities - Carmax Auto Owner Trust 2019-2	Not rated	AAA	0.19%
Asset Backed Securities - Verizon Owner Trust 2019-C	Not rated	AAA	0.36%
Asset Backed Securities - Nissan Auto Receivables 2020-B	Aaa	AAA	0.21%
Asset Backed Securities - Verizon Owner Trust 2020-A	Aaa	AAA	0.14%
Asset Backed Securities - Capital One Multi-Asset Execution Trust	Not rated	AAA	0.58%
Asset Backed Securities - Discover Card Execution Note Trust	Aaa	Not rated	0.20%
Asset Backed Securities - Harley-Davidson Motorcycle Trust 2020-A	Aaa	AAA	0.13%
Asset Backed Securities - Carmax Auto Owner Trust 2020-1	Not rated	AAA	0.16%

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 2 – Cash and Investments (Continued)

C. Risk Disclosures (Continued)

Credit Quality Distribution for Securities with Credit Exposure as a Percentage of Total Investments			
Investment Type	Moody's Credit Rating	S&P's Credit Rating	% of Investments with Interest Rate Risk
Asset Backed Securities - World Omni Auto Rcvbl Trust 2020-B	Not rated	AAA	0.17%
Corporate Bonds - American Honda	A2	A	0.48%
Corporate Bonds - Morgan Stanley	A3	BBB+	0.57%
Corporate Bonds - Walt Disney Co	A2	A-	0.16%
Corporate Bonds - Goldman Sachs	A3	BBB+	0.30%
Corporate Bonds - Adobe Inc	A2	A	0.21%
Corporate Bonds - General Dynamics	A2	A	0.21%
Corporate Bonds - IBM	A2	A	0.29%
Corporate Bonds - Home Depot	A2	A	0.23%
Corporate Bonds - BNY Mellon	A1	A	0.57%
Corporate Bonds - Caterpillar	A3	A	0.45%
Corporate Bonds - Clorox	Baa1	A-	0.23%
Corporate Bonds - Bank of America	A2	A-	0.43%
Corporate Bonds - American Express	A3	BBB+	0.28%
Corporate Bonds - Hershey Co	A1	A	0.26%
Corporate Bonds - Paccar Financial Corp	A1	A+	0.34%
Corporate Bonds - John Deere Capital	A2	A	0.34%
Corporate Bonds - National Rural Utilities	A2	A	0.34%
Corporate Bonds - US Bank NA	A1	A+	0.29%
Corporate Bonds - Toyota Motor	A1	A+	0.56%
Corporate Bonds - Charles Schwab Corp	A2	A	0.27%
Corporate Bonds - JPMorgan Chase	A2	A-	0.57%
Corporate Bonds - PepsiCo Inc	A1	A+	0.14%
Corporate Bonds - Pfizer	A1	AA-	0.51%
Corporate Bonds - Boeing	Baa2	BBB-	0.27%
Corporate Bonds - Citigroup	A3	BBB+	0.42%
Corporate Bonds - 3M	A1	A+	0.17%
Corporate Bonds - Chevron Corp	Aa2	AA	0.55%
Corporate Bonds - Burlington North Santa Fe	A3	A+	0.20%
Corporate Bonds - Apple	Aa1	AA+	0.64%
Corporate Bonds - United Parcel Service	A2	A-	0.28%
Corporate Bonds - Blackrock Inc	Aa3	AA-	0.29%
Corporate Bonds - Procter & Gamble	Aa3	AA-	0.29%
Corporate Bonds - Northern Trust	A2	A+	0.29%
Corporate Bonds - Honeywell International	A2	A	0.13%
Corporate Bonds - Exxon Mobil	Aa1	AA	0.35%
Corporate Bonds - Truist Financial Corp	A3	A-	0.84%
Corporate Bonds - Visa	Aa3	AA-	0.29%
Corporate Bonds - Comcast Corp	A3	A-	0.21%
Corporate Bonds - PNC Bank	A2	A	0.30%
Corporate Bonds - Amazon.com Inc	A2	Not rated	0.30%
Local Agency Investment Fund	Not Rated	Not Rated	24.48%
California Asset Management Program	Not Rated	Not Rated	3.25%
			100.00%

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, \$2,913,462 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, 2020.

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, 2020:

Investment by Fair Value Level	Fair Value	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Input (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities				
Certificates of deposits	\$ 2,000,812	\$ 2,000,812	\$ -	\$ -
U.S. Treasury Notes	19,712,902	19,712,902	-	-
Federal Farm Credit Bank	2,002,560	2,002,560	-	-
Federal Home Loan Bank	8,506,081	8,506,081	-	-
Federal Home Loan Mortgage Corporation	5,125,796	5,125,796	-	-
Federal National Mortgage Association	6,111,586	6,111,586	-	-
Federal CMO	1,830,919	1,830,919	-	-
Supra-National Bonds	377,220	377,220	-	-
Municipal Bonds	846,134	846,134	-	-
Asset Backed Securities	6,515,463	6,515,463	-	-
Corporate Bonds	12,575,719	12,575,719	-	-
Total Investments Measured at Fair Value	65,605,192	\$ 65,605,192	\$ -	\$ -
Investments Measured at Amortized Cost				
LAIF	22,222,220			
CAMP	2,954,212			
Total Pooled Investments	\$ 90,781,624			

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 3 – Interfund Transactions

A. Government-Wide Financial Statements

Transfers - At June 30, 2020, the City had the following transfers for the operation of the Transit System Enterprise Fund:

Transfers Out		Transfers In
		Business-Type Activities
Governmental Activities		\$ 1,055,363

B. Fund Financial Statements

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

Advances from Other Funds		Advances to Other Funds
		General Fund
Non Major Enterprise Fund		\$ 201,614
Total		\$ 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, 2020, the City had the following due from/to other funds:

Due to Other Funds		Due from Other Funds
		General Fund
Nonmajor Governmental Funds		\$ 1,125,515
Nonmajor Enterprise Fund		266,350
Total		\$ 1,391,865

The above interfund balances resulted from temporary reclassifications made at June 30, 2020 to cover cash shortfalls.

Transfers In/Out - At June 30, 2020, the City had the following transfers in/out which arise in the normal course of operations:

Transfers Out	Transfers In				Total
	General Fund	Capital Outlay Capital Projects Fund	Nonmajor Governmental Funds	Nonmajor Enterprise Fund	
General Fund	\$ -	\$ 750,000	\$ 739,792	\$ -	\$ 1,489,792
Nonmajor Governmental Funds	1,637,726	-	-	1,055,363	2,693,089
Total	\$ 1,637,726	\$ 750,000	\$ 739,792	\$ 1,055,363	\$ 4,182,881

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, 2020

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, 2020 is as follows:

	Governmental Activities				Balance June 30, 2020
	Balance July 1, 2019	Additions	Deletions	Transfers	
Nondepreciable assets:					
Land	\$ 4,335,769	\$ -	\$ -	\$ -	\$ 4,335,769
Construction in progress	3,399,817	9,466,596	(2,087)	(8,434,019)	4,430,307
Total nondepreciable assets	7,735,586	9,466,596	(2,087)	(8,434,019)	8,766,076
Depreciable assets:					
Building and improvements	58,890,916	-	-	-	58,890,916
Automotive equipment	12,125,267	973,151	(320,558)	-	12,777,860
Furniture and equipment	4,773,944	272,302	(195,029)	7,393,031	12,244,248
Infrastructure	90,846,251	-	-	1,040,988	91,887,239
Total capital assets, being depreciated	166,636,378	1,245,453	(515,587)	8,434,019	175,800,263
Less accumulated depreciation:					
Building and improvements	(28,469,011)	(1,750,376)	-	-	(30,219,387)
Automobile equipment	(9,307,927)	(935,018)	320,558	-	(9,922,387)
Furniture and equipment	(2,002,810)	(491,131)	155,765	-	(2,338,176)
Infrastructure	(74,417,794)	(1,206,409)	-	-	(75,624,203)
Total accumulated depreciation	(114,197,542)	(4,382,934)	476,323	-	(118,104,153)
Total depreciable assets, net	52,438,836	(3,137,481)	(39,264)	8,434,019	57,696,110
Governmental activities capital assets, net	\$ 60,174,422	\$ 6,329,115	\$ (41,351)	\$ -	\$ 66,462,186

Depreciation expense was charged to functions/programs of governmental activities for the fiscal year ended June 30, 2020 as follows:

General government	\$ 261,178
Public safety	1,918,560
Public works services	1,627,164
Community development	74,953
Library	266,655
Recreation and community services	234,424
Total depreciation expense	\$ 4,382,934

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020 is as follows:

	Business-Type Activities				
	Balance July 1, 2019	Additions	Deletions	Transfers	Balance June 30, 2020
Nondepreciable assets:					
Land	\$ 192,436	\$ -	\$ -	\$ -	\$ 192,436
Water rights	5,602,000	-	-	-	5,602,000
Construction in progress	1,071,640	1,653,201	-	(784,347)	1,940,494
Total nondepreciable assets	6,866,076	1,653,201	-	(784,347)	7,734,930
Depreciable assets:					
Water treatment plant and systems	71,874,174	12,579	-	-	71,886,753
Sewer pipes	11,577,778	-	-	293,339	11,871,117
Automotive equipment	3,226,504	815,386	(453,154)	416,572	4,005,308
Furniture and equipment	584,830	-	-	74,436	659,266
Total capital assets, being depreciated	87,263,286	827,965	(453,154)	784,347	88,422,444
Less accumulated depreciation:					
Water treatment plant and systems	(39,555,838)	(1,575,769)	-	-	(41,131,607)
Sewer pipes	(7,278,864)	(155,723)	-	-	(7,434,587)
Automobile equipment	(2,643,798)	(213,772)	453,154	(14,948)	(2,419,364)
Furniture and equipment	(271,705)	(62,445)	-	14,948	(319,202)
Total accumulated depreciation	(49,750,205)	(2,007,709)	453,154	-	(51,304,760)
Total depreciable assets, net	37,513,081	(1,179,744)	-	784,347	37,117,684
Business-type activities capital assets, net	\$ 44,379,157	\$ 473,457	\$ -	\$ -	\$ 44,852,614

Depreciation expense for business-type activities for the fiscal year ended June 30, 2020 was charged as follows:

Water Utility	\$ 1,629,571
Sewer Maintenance	234,868
Transit System	93,881
Arcadia PAR 3 Golf Course	49,389
Total depreciation expense	\$ 2,007,709

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, 2020

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, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in more than One Year
2011 General Obligation Bonds	\$ 5,965,000	\$ -	(350,000)	\$ 5,615,000	370,000	\$ 5,245,000
2012 General Obligation Bonds	4,640,000	-	(290,000)	4,350,000	305,000	4,045,000
Subtotal	10,605,000	-	(640,000)	9,965,000	675,000	9,290,000
Add deferred amounts:						
Bond premium - 2011 GOB	270,707	-	(22,265)	248,442	22,265	226,177
Bond premium - 2012 GOB	235,112	-	(19,345)	215,767	19,345	196,422
Subtotal	505,819	-	(41,610)	464,209	41,610	422,599
Total bonds payable	11,110,819	-	(681,610)	10,429,209	716,610	9,712,599
Capital lease obligations	232,112	-	(58,028)	174,084	58,028	116,056
Claims and judgments payable	6,770,318	1,230,614	(1,246,232)	6,754,700	1,503,808	5,250,892
Compensated absences	2,849,698	1,612,877	(575,411)	3,887,164	575,411	3,311,753
Net OPEB liabilities	17,268,347	-	(3,319,633)	13,948,714	-	13,948,714
Net pension liabilities	136,404,293	4,214,718	-	140,619,011	-	140,619,011
Total	\$ 174,635,587	\$ 7,058,209	\$ (5,880,914)	\$ 175,812,882	\$ 2,853,857	\$ 172,959,025

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, 2020

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, 2020 totaled \$5,615,000.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	440,000	152,295	592,295
2026 - 2030	2,460,000	493,130	2,953,130
2031 - 2032	1,130,000	47,880	1,177,880
TOTAL	<u>\$ 5,615,000</u>	<u>\$ 1,474,098</u>	<u>\$ 7,089,098</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, 2020 totaled \$4,350,000.

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 5 – Long-Term Liabilities (Continued)

A. Governmental Activities (Continued)

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	350,000	73,625	423,625
2026-2030	1,875,000	248,475	2,123,475
2031-2032	830,000	25,050	855,050
TOTAL	\$ 4,350,000	\$ 729,500	\$ 5,079,500

Capital lease obligations

During the fiscal year 2019, the City entered into a capital leases with options to purchase for paramedic equipment in an amount of \$290,140. Payments for the capital lease obligations are made in the General fund. As of June 30, 2020, the balance outstanding amount to \$174,084. The remaining outstanding balance will be paid over three equal installments amount to \$58,028.

Claims and Judgments Payable

The amount of claims and judgments payable at June 30, 2020 was \$6,754,700. 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 \$3,887,164.

B. Business-Type Activities

A summary of changes in long-term liabilities for business-type activities for the fiscal year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in more than One Year
Compensated absences	\$ 124,308	\$ 71,679	\$ (34,292)	\$ 161,695	\$ 34,292	\$ 127,403
Net OPEB liabilities	733,544	-	(132,752)	600,792	-	600,792
Net pension liabilities	8,818,808	629,901	-	9,448,709	-	9,448,709
Total long-term debt	\$ 9,676,660	\$ 701,580	\$ (167,044)	\$ 10,211,196	\$ 34,292	\$ 10,176,904

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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 \$161,695 at June 30, 2020.

C. Fiduciary Activities

A summary of changes in long-term debt for the private-purpose trust fund for the fiscal year ended June 30, 2020 is as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due within One Year	Due in more than One Year
2001A Tax Allocation Bonds	\$ 2,800,000	\$ -	\$ (645,000)	\$ 2,155,000	680,000	\$ 1,475,000
2010 Tax Allocation Bonds	13,110,000	-	(1,075,000)	12,035,000	1,135,000	10,900,000
Subtotal	15,910,000	-	(1,720,000)	14,190,000	1,815,000	12,375,000
Less deferred amounts:						
Bond discount	(190,001)	-	26,645	(163,356)	(26,645)	(136,711)
Total bonds payable	\$ 15,719,999	\$ -	\$ (1,693,355)	\$ 14,026,644	\$ 1,788,355	\$ 12,238,289

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, 2020 was 3.17 (317%).

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 \$788,500 and total net revenues reported by the Successor Agency was \$2,499,660.

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020 totaled \$2,155,000 in the Successor Agency to the Arcadia Redevelopment Agency Private-Purpose Trust Fund.

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

Fiscal Year Ending June 30,	Principal	Interest	Total
2021	\$ 680,000	\$ 110,444	\$ 790,444
2022	720,000	75,594	795,594
2023	755,000	38,693	793,693
TOTAL	\$ 2,155,000	\$ 224,731	\$ 2,379,731

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, 2020 was 1.34 (134%).

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 \$1,860,100 and total net revenues reported by the Successor Agency were \$2,499,660.

The amount of bonds outstanding at June 30, 2020 totaled \$12,035,000 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, 2020

Note 5 – Long-Term Liabilities (Continued)

C. Fiduciary Activities (Continued)

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	2,220,000	390,781	2,610,781
2026 - 2027	4,875,000	326,628	5,201,628
TOTAL	\$ 12,035,000	\$ 3,184,132	\$ 15,219,132

Note 6 – Expenditures in Excess of Appropriations

The following funds had expenditures in excess of budget:

Fund	Appropriations	Expenditures	Excess Expenditures over Appropriations
Major Governmental Fund			
General Fund:			
General government:			
General city	\$ 2,158,885	\$ 2,312,833	\$ 153,948
Debt service:			
Principal retirement	-	58,028	58,028
Nonmajor Governmental Funds:			
Special Revenue Funds:			
Proposition A Transit:			
Public works services	126,400	128,143	1,743
Used Oil Grants:			
Public works services	15,500	25,951	10,451
DOC Beverage Grant:			
Public works services	15,300	27,301	12,001
Emergency Response			
General government:			
General city	70,000	216,699	146,699
Public safety:			
Police	-	535,918	535,918
Fire	-	170,486	170,486

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

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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 13 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, 2020, which can be obtained from 366 San Miguel Drive, Suite 312, 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 \$43,000,000 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 2019-2020 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, 2020, the amount of these liabilities was \$6,754,700 and was the City's best estimate based on available information. The liabilities for unpaid claims were calculated using actuarial methods and assumptions with the conclusions consistent with GASB Statement No. 10. The liabilities included allocated loss adjustment expenses containing case reserves, the development on known claims and incurred but not reported claims. It did not include a provision for non-incremental expenses.

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

Fiscal Year Ending June 30,	Claims Payable July 1	Claims Incurred during the Fiscal Year	Claims Payments	Fiscal Year Ended June 30
2018	\$ 7,662,227	\$ 970,268	\$ (1,184,235)	\$ 7,448,260
2019	7,448,260	458,132	(1,136,074)	6,770,318
2020	6,770,318	1,230,614	(1,246,232)	6,754,700

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2020

Note 8 – Pension Plan (Continued)

A. General Information about the Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	City Miscellaneous Plan			
	Classic	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - October 8, 2011	On or after October 9, 2011	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-63	50-63	50-63	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% - 2.5%	2.0% - 2.5%	1.092%-2.418%	1.0% to 2.5%
Required employee contribution rates	Total 8%. 7% paid by City (EMPC)	8.00%	7.00%	6.00%
Required employer contribution rates	Total 35.465%. Employee pays 8% of employer cost through cost-sharing	35.465%	35.465%	35.465%

	City Safety Plan			
	Classic	Tier I	Tier II	Tier III
Hire date	Prior to July 1, 2011	Hired between July 1, 2011 - October 8, 2011	On or after October 9, 2011	On or after January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 50	3% @ 55	2.7% @ 57
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-55	50-55	52 - 67
Monthly benefits, as a % of eligible compensation	3.0%	3.0%	2.4%-3.0%	1.0% to 2.5%
Required employee contribution rates	Total 9%. 9% paid by City (EMPC)	9.00%	9.00%	11.25%
Required employer contribution rates	Total 60.453%. Employee pays 9% of employer cost through cost-sharing	60.453%	60.453%	60.453%

Employees Covered – At June 30, 2020, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	396	234
Inactive employees entitled to but not yet receiving benefits	343	111
Active employees	189	116
Total	928	461

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 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, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
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 ¹	Derived using CalPERS' Membership Data for all Funds	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter	

¹ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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 ¹	Assumed Asset Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
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, 2020

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

C. Changes in the Net Pension Liability

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

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018	\$ 152,890,594	\$ 106,432,727	\$ 46,457,867
Changes during the year:			
Service Cost	2,471,582	-	2,471,582
Interest on the Total Pension Liability	10,829,020	-	10,829,020
Change of Assumptions	-	-	-
Differences between Expected and Actual Experience	1,256,812	-	1,256,812
Net Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	4,372,487	(4,372,487)
Contributions - Employees	-	1,058,595	(1,058,595)
Net Investment Income	-	6,963,383	(6,963,383)
Benefit Payments, including Refunds of Employee Contributions	(7,856,734)	(7,856,734)	-
Administrative Expense	-	(75,953)	75,953
Other Miscellaneous Income/(Expense)	-	248	(248)
Net Changes	6,700,680	4,462,026	2,238,654
Balance at June 30, 2019	\$ 159,591,274	\$ 110,894,753	\$ 48,696,521

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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)
Balance at June 30, 2018	\$ 258,395,235	\$ 159,630,001	\$ 98,765,234
Changes during the year:			
Service Cost	4,550,453	-	4,550,453
Interest on the Total Pension Liability	18,202,912	-	18,202,912
Change of Assumptions	-	-	-
Differences between Expected and Actual Experience	93,353	-	93,353
Net Plan to Plan Resource Movement	-	-	-
Contributions - Employer	-	8,413,611	(8,413,611)
Contributions - Employees	-	1,465,739	(1,465,739)
Net Investment Income	-	10,474,946	(10,474,946)
Benefit Payments, including Refunds of Employee Contributions	(12,355,271)	(12,355,271)	-
Administrative Expense	-	(113,915)	113,915
Other Miscellaneous Income/(Expense)	-	372	(372)
Net Changes	10,491,447	7,885,482	2,605,965
Balance at June 30, 2019	\$ 268,886,682	\$ 167,515,483	\$ 101,371,199

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	\$ 69,937,388	\$ 139,040,826
Current Discount Rate	7.15%	7.15%
Net Pension Liability	\$ 48,696,521	\$ 101,371,199
1% Increase	8.15%	8.15%
Net Pension Liability	\$ 31,245,931	\$ 70,601,529

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, 2020

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

For the fiscal year ended June 30, 2020, the City recognized pension expense of \$6,754,126 and \$15,223,979 for Miscellaneous and Safety plan respectively. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous		Safety	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,198,628	\$ -	\$ 9,299,858	\$ -
Changes of Assumptions	-	(118,041)	2,093,971	(395,831)
Differences between Expected and Actual Experiences	733,140	(85,040)	65,064	(804,670)
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	(756,660)	-	(937,837)
Total	<u>\$ 5,931,768</u>	<u>\$ (959,741)</u>	<u>\$ 11,458,893</u>	<u>\$ (2,138,338)</u>

\$14,498,486 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Periods Ended	Miscellaneous	Safety
June 30		
2020	\$ 656,230	\$ 1,692,132
2021	(792,137)	(1,593,048)
2022	(200,958)	(247,157)
2023	110,264	168,770

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 9 – Postemployment Health Care Benefits

At June 30, 2020, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Contribution subsequent to measurement date	\$ 2,101,181	\$ 90,501	\$ 2,191,682
Changes of assumptions	1,162,356	38,762	1,201,118
Total deferred outflows of resources	<u>\$ 3,263,537</u>	<u>\$ 129,263</u>	<u>\$ 3,392,800</u>
Net OPEB liabilities:	<u>\$ 13,948,714</u>	<u>\$ 600,792</u>	<u>\$ 14,549,506</u>
Total net OPEB liabilities	<u><u>\$ 13,948,714</u></u>	<u><u>\$ 600,792</u></u>	<u><u>\$ 14,549,506</u></u>
Deferred inflows of Resources:			
Differences between Expected and Actual Experiences	\$ 3,468,507	\$ 138,744	\$ 3,607,251
Net differences between Projected and Actual Earnings on Investments	21,948	945	22,893
Total deferred inflows of resources	<u><u>\$ 3,490,455</u></u>	<u><u>\$ 139,689</u></u>	<u><u>\$ 3,630,144</u></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, 2020

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, 2019, the date of the latest actuarial valuation:

Active plan members	312
Inactive employees or beneficiaries currently receiving benefit payments	147
Inactive employees entitled to but not yet receiving benefit payments	-
Total	<u>459</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, 2020, 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, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions

The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal Level % of Pay
Amortization Method	Level % of Payroll Closed 30 Years
Amortization Period	21 Years Remain
Asset Valuation Method	Market Value
Inflation	2.50%
Healthcare Cost Trend Rates	6.5% in 2021, grading down to 4% by 2076
Salary Increase	3.00%
Investment Rate of Return	6.85%
Retirement Age	From 50 to 75
Mortality	2017 CalPERS Experience Study
Mortality Improvement	MW Scale 2020

Discount Rate

The discount rate used to measure the total OPEB liability was 6.85 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, 2020

Note 9 – Postemployment Health Care Benefits (Continued)

Change in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2018	\$ 21,042,151	\$ 3,040,260	\$ 18,001,891
Changes Recognized for the Measurement Period:			
Service Cost	624,092	-	624,092
Interest on the total OPEB liability	1,473,509	-	1,473,509
Changes of benefit terms	-	-	-
Difference between expected and actual experience	(4,103,434)	-	(4,103,434)
Changes of assumptions	926,042	-	926,042
Contributions from the employer	-	2,143,818	(2,143,818)
Plan experience	-	-	-
Net investment income	-	229,602	(229,602)
Administrative expenses	-	(826)	826
Other expenses	-	-	-
Benefit payments	(1,232,218)	(1,232,218)	-
Net Changes during July 1, 2018 to June 30, 2019	(2,312,009)	1,140,376	(3,452,385)
Balance at June 30, 2019 (Measurement Date)	\$ 18,730,142	\$ 4,180,636	\$ 14,549,506

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.85 percent) or 1-percentage-point higher (7.85 percent) than the current discount rate:

Plan's Net OPEB Liability (Asset)		
Current Discount Rate - 1% (5.85%)	Current Discount Rate (6.85%)	Current Discount Rate + 1% (7.85%)
\$ 16,470,140	\$ 14,549,506	\$ 12,904,033

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

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

Plan's Net OPEB Liability (Asset)		
Current Trend Rate - 1%	Healthcare Cost Current Trend Rate*	Current Trend Rate + 1%
\$ 12,654,351	\$ 14,549,506	\$ 16,827,315

*Healthcare cost trend rate was assumed to start at 6.5% and then fluctuate to an ultimate increase rate of 4.0% for years 2076 and later.

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, 2020

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, 2020, the City recognized OPEB expense of \$1,552,362. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Contribution made subsequent to the measurement date	\$ 2,191,682	\$ -
Changes of assumptions	1,201,118	-
Differences between expected and actual experience	-	3,607,251
Net differences between Projected and Actual		
Earnings on Investments		22,893
Total	<u>\$ 3,392,800</u>	<u>\$ 3,630,144</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 ended June 30,	Amount
2020	\$ (331,100)
2021	(331,098)
2022	(319,527)
2023	(315,588)
2024	(318,605)
Thereafter	(813,108)
Total	<u>\$ (2,429,026)</u>

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 10 – Classification of Fund Balances

At June 30, 2020, fund balances are classified as follows:

	General	Parks and Recreation	Capital Outlay	Nonmajor Governmental Funds	Total
Nonspendable:					
Prepaid items and deposits	\$ 42,100	\$ -	\$ -	\$ 1,517	\$ 43,617
Inventories	752,292	-	-	-	752,292
Advances to other funds	201,614	-	-	-	201,614
Total nonspendable	996,006	-	-	1,517	997,523
Restricted:					
Debt service	-	-	-	860,997	860,997
Law enforcement	-	-	-	837,230	837,230
Transportation / streets	-	-	-	10,284,927	10,284,927
Parks and recreation	-	6,200,930	-	-	6,200,930
Solid waste	-	-	-	1,986,545	1,986,545
Clean air	-	-	-	137,412	137,412
Street lighting	-	-	-	262,923	262,923
Parking	-	-	-	-	-
Library	-	-	-	624	624
Cable access	-	-	-	883,723	883,723
Recycling	-	-	-	64,640	64,640
Community services	-	-	-	5,307	5,307
Emergency response	-	-	-	-	-
Total restricted	-	6,200,930	-	15,324,328	21,525,258
Assigned:					
Capital improvements	2,427	-	11,332,519	-	11,334,946
Equipment replacement	6,447,792	-	-	-	6,447,792
Self-insurance	4,078,076	-	-	-	4,078,076
Emergency reserves	10,097,111	-	-	-	10,097,111
PERS fund reserves	1,351,601	-	-	-	1,351,601
Medical/dental fund	417,343	-	-	-	417,343
Total assigned	22,394,350	-	11,332,519	-	33,726,869
Unassigned	6,202,314	-	-	(1,002,435)	5,199,879
Total	\$ 29,592,670	\$ 6,200,930	\$ 11,332,519	\$ 14,323,410	\$ 61,449,529

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 10 – Classification of Fund Balances (Continued)

At June 30, 2020, outstanding encumbrances are as follows:

Funds	Amount
General Fund	\$ 565,343
Park and Recreation Fund	71,428
Capital Outlay Capital Projects Fund	788,286
Water Utility Fund	1,102,914
Sewer Maintenance Fund	246,295
Transit System Fund	1,913,043
Nonmajor Governmental Funds	5,013,301
Total	<u>\$ 9,700,610</u>

Note 11 – Deficit Fund Balances/Net Position

As of June 30, 2020, deficit fund balances/net position were recorded as follows:

Statement of Net Position	
Governmental Activities	\$ 34,231,671
Nonmajor Special Revenue Funds:	
Homeland Security Fund	\$ 3,017
Measure W Safe, Clean Water Program Fund	\$ 360,266
Emergency Response	\$ 637,635
Nonmajor Enterprise Fund:	
Transit System Fund	\$ 31,050
Fiduciary Fund:	
Successor Agency to the Arcadia Redevelopment	
Agency Private-Purpose Trust Fund	\$ 7,546,842

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).

City of Arcadia
Notes to the Basic Financial Statements (Continued)
June 30, 2020

Note 12 – Contingencies (Continued)

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.

Note 13 – Risks and Uncertainties

The World Health Organization has declared the outbreak of Novel Coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets. The Coronavirus outbreak and government responses are creating disruption in global supply chains and adversely impacting many industries. The outbreak could have a continued material adverse impact on economic and market conditions and trigger a period of global economic slowdown. The rapid development and fluidity of this situation precludes any prediction as to the ultimate material adverse impact. Nonetheless, the outbreak presents uncertainty and risk with respect to the City’s performance, and financial results.

Note 14 – Subsequent Events

In September 2020, the City issued 2020 Tax Allocation Refunding Bonds in the amount of \$10,385,000.

In November 2020, the City issued 2020 Taxable Pension Obligation Bonds in the amount of \$90 million.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

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City of Arcadia
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2020

Budgetary Comparison Schedule, General Fund

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 41,718,400	\$ 41,868,400	\$ 40,403,032	\$ (1,465,368)
Licenses and permits	4,590,700	4,590,700	4,510,580	(80,120)
Fines and forfeitures	527,500	527,500	440,353	(87,147)
Use of money and property	1,718,700	1,718,700	2,086,309	367,609
Intergovernmental	7,696,300	7,696,300	7,982,689	286,389
Charges for services	5,018,900	5,018,900	4,443,453	(575,447)
Other revenues	3,283,800	3,292,462	2,883,329	(409,133)
Total revenues	64,554,300	64,712,962	62,749,745	(1,963,217)
EXPENDITURES:				
Current:				
General government:				
City council	245,900	245,900	219,419	26,481
City manager	936,400	967,191	891,253	75,938
City clerk	604,100	567,637	347,188	220,449
City attorney	594,800	558,338	476,404	81,934
General city	2,099,200	2,158,885	2,312,833	(153,948)
Administrative services	4,383,500	4,688,068	3,768,864	919,204
Public safety:				
Police	23,480,300	23,783,295	21,913,865	1,869,430
Fire	17,700,400	17,779,317	17,436,380	342,937
Public works services	4,324,200	4,744,855	4,098,829	646,026
Community development	4,751,915	4,761,869	4,313,596	448,273
Library	4,171,100	4,221,587	4,013,682	207,905
Recreation and community services	3,303,700	3,303,700	2,943,939	359,761
Debt service:				
Principal retirement	-	-	58,028	(58,028)
Total expenditures	66,595,515	67,780,642	62,794,280	4,986,362
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,041,215)	(3,067,680)	(44,535)	3,023,145
OTHER FINANCING SOURCES (USES):				
Transfers in	1,783,600	1,749,500	1,637,726	(111,774)
Transfers out	(1,504,100)	(1,504,100)	(1,489,792)	14,308
Total other financing sources (uses)	279,500	245,400	147,934	(97,466)
Net changes in fund balance	\$ (1,761,715)	\$ (2,822,280)	103,399	\$ 2,925,679
FUND BALANCE:				
Beginning of fiscal year			29,489,271	
End of fiscal year			<u>\$ 29,592,670</u>	

See accompanying Notes to the Required Supplementary Information.

City of Arcadia
Required Supplementary Information (Unaudited)
For the Fiscal Year Ended June 30, 2020

Budgetary Comparison Schedule, Parks and Recreation Special Revenue Fund

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 214,800	\$ 214,800	\$ 281,397	\$ 66,597
Intergovernmental	-	-	-	-
Charges for services	625,000	625,000	883,959	258,959
Other revenues	-	-	4,378	4,378
Total revenues	839,800	839,800	1,169,734	329,934
EXPENDITURES:				
Current:				
Recreation and community services	30,600	7,163,494	6,810,432	353,062
Total expenditures	30,600	7,163,494	6,810,432	353,062
Net change in fund balance	\$ 809,200	\$ (6,323,694)	(5,640,698)	\$ 682,996
FUND BALANCE:				
Beginning of fiscal year			11,841,628	
End of fiscal year			<u>\$ 6,200,930</u>	

See accompanying Notes to the Required Supplementary Information.

City of Arcadia
Note to the Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

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.

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City of Arcadia
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

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

¹ 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: None in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was Experience 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 six fiscal years are shown.

City of Arcadia
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

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 ¹	2015-16 ¹	2014-15 ¹	2014-15 ¹	2013-14 ¹	2013-14 ¹
Total Pension Liability						
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)
Net Change in Total Pension Liability	5,556,084	10,370,438	1,669,695	6,060,678	5,324,386	8,912,570
Total Pension Liability - Beginning	131,534,563	\$ 218,392,728	129,864,868	212,332,050	124,540,482	203,419,480
Total Pension Liability - Ending (a)	\$ 137,090,647	\$ 228,763,166	\$ 131,534,563	\$ 218,392,728	\$ 129,864,868	\$ 212,332,050
Plan Fiduciary Net Position						
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)	-	-	-	-	-	-
Net Change in Plan Fiduciary Net Position	(1,762,743)	(3,402,312)	(489,825)	(1,093,504)	12,222,391	18,545,892
Plan Fiduciary Net Position - Beginning	95,088,047	142,274,783	95,577,872	143,368,287	83,355,481	124,822,395
Plan Fiduciary Net Position - Ending (b)	\$ 93,325,304	\$ 138,872,471	\$ 95,088,047	\$ 142,274,783	\$ 95,577,872	\$ 143,368,287
Net Pension Liability - Ending (a)-(b)	\$ 43,765,343	\$ 89,890,695	\$ 36,446,516	\$ 76,117,945	\$ 34,286,996	\$ 68,963,763
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.08%	60.71%	72.29%	65.15%	73.60%	67.52%
Covered Payroll	\$ 13,185,552	\$ 14,384,057	\$ 13,353,541	\$ 14,161,240	\$ 12,766,824	\$ 14,011,974
Net Pension Liability as Percentage of Covered Payroll	331.92%	624.93%	272.94%	537.51%	268.56%	492.18%

City of Arcadia
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

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

Schedule of Contributions¹

	Miscellaneous Plan		
Employer Fiscal Year End	2020	2019	2018
Actuarially Determined Contribution	\$ 5,198,628	\$ 4,372,487	\$ 3,857,676
Contributions in Relation to the Actuarially Determined Contribution	(5,198,628)	(4,372,487)	(3,857,676)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 14,310,804	\$ 14,123,323	\$ 13,505,676
Contributions as a Percentage of Covered Payroll	36.33%	30.96%	28.56%

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

¹ 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 2019-20 were from the June 30, 2017 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)	7.25%
Salary Growth	Annual increase vary by category, entry age, and duration of service.
Overall Payroll Growth	2.875 percent compounded annually
Inflation	2.625 percent compounded annually

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

City of Arcadia
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

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

Schedule of Contributions¹

	Public Safety Plan		
Employer Fiscal Year End	2020	2019	2018
Actuarially Determined Contribution	\$ 9,299,858	\$ 8,413,611	\$ 7,393,585
Contributions in Relation to the Actuarially Determined Contribution	(9,299,858)	(8,413,611)	(7,393,585)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 16,156,053	\$ 15,237,762	\$ 15,247,111
Contributions as a Percentage of Covered Payroll	57.56%	55.22%	48.49%

	Public Safety Plan		
Employer Fiscal Year End	2017	2016	2015
Actuarially Determined Contribution	\$ 6,660,024	\$ 6,049,364	\$ 5,537,175
Contributions in Relation to the Actuarially Determined Contribution	(6,660,024)	(6,049,364)	(5,537,175)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 14,774,086	\$ 14,384,057	\$ 14,161,240
Contributions as a Percentage of Covered Payroll	45.08%	42.06%	39.10%

¹ 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 2019-20 were from the June 30, 2017 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)	7.25%
Salary Growth	Annual increase vary by category,
Overall Payroll Growth	2.875 percent compounded annually
Inflation	2.625 percent compounded annually

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

City of Arcadia
Required Supplementary Information (Unaudited) (Continued)
For the Fiscal Year Ended June 30, 2020

Schedule of Changes in Net OPEB Liability and Related Ratios

Employer Fiscal Year End Measurement Period	2019-20 2018-19 ¹	2018-19 2017-18 ¹	2017-18 2016-17 ¹
Total OPEB Liability			
Service Cost	\$ 624,092	\$ 571,905	\$ 553,903
Interest on the Total OPEB Liability	1,473,509	1,433,073	1,373,468
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(4,103,434)	-	-
Changes of Assumptions	926,042	518,256	-
Benefit Payments	(1,232,218)	(1,188,482)	(1,064,775)
Net Change in Total OPEB Liability	(2,312,009)	1,334,752	862,596
Total OPEB Liability - Beginning	21,042,151	19,707,399	18,844,803
Total OPEB Liability - Ending	<u>\$ 18,730,142</u>	<u>\$ 21,042,151</u>	<u>\$ 19,707,399</u>
OPEB Fiduciary Net Position			
Contributions from the Employer	\$ 2,143,818	\$ 1,839,281	\$ 1,715,575
Plan experience	-	19,701	-
Net Investment Income	229,602	183,040	180,573
Administrative Expenses	(826)	(1,425)	(875)
Other expenses	-	(2,901)	-
Benefit Payments	(1,232,218)	(1,188,482)	(1,064,775)
Net Change in Plan Fiduciary Net Position	1,140,376	849,214	830,498
Plan Fiduciary Net Position - Beginning	\$ 3,040,260	2,191,046	1,360,548
Plan Fiduciary Net Position - Ending	<u>\$ 4,180,636</u>	<u>\$ 3,040,260</u>	<u>\$ 2,191,046</u>
Plan Net OPEB Liability - Ending	<u>\$ 14,549,506</u>	<u>\$ 18,001,891</u>	<u>\$ 17,516,353</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	<u>22.32%</u>	<u>14.45%</u>	<u>11.12%</u>
Covered-Employee Payroll	\$ 34,666,237	\$ 33,785,974	\$ 33,578,926
Net OPEB Liability as a Percentage of Covered-Employee Payroll	41.97%	53.28%	52.16%

¹ 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, 2020

Schedule of Contributions – OPEB

Last Ten Fiscal Years¹

	2019-2020	20018-2019	2017-2018
Actuarially Determine Contribution	\$ 1,634,135	\$ 1,891,281	\$ 1,828,930
Contributions in Relation to the Actuarially Determined Contribution	2,191,682	2,143,818	1,839,281
Contribution Deficiency (Excess)	<u>\$ (557,547)</u>	<u>\$ (252,537)</u>	<u>\$ (10,351)</u>
Cover Employee Payroll During Fiscal Year	\$ 34,745,161	\$ 34,884,018	\$ 33,785,974
Contributions as a Percentage of Covered Employee Payroll	6.31%	6.15%	5.44%

¹ 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 three fiscal years are shown.

Notes to Schedule:

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

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.

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

SPECIAL REVENUE FUNDS (Continued)

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

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

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

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

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.

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City of Arcadia
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Outlay Capital Projects Fund
For the fiscal year ended June 30, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 675,000	\$ 675,000	\$ 364,316	\$ (310,684)
Use of money and property	72,700	72,700	369,488	296,788
Total revenues	<u>747,700</u>	<u>747,700</u>	<u>733,804</u>	<u>(13,896)</u>
EXPENDITURES				
Current:				
General government:				
General City	455,600	563,894	133,221	430,673
Public safety:				
Police	119,000	123,570	16,920	106,650
Fire	134,000	831,963	120,310	711,653
Public works services	1,319,000	2,890,432	1,034,852	1,855,580
Community development	450,000	1,725,071	28,998	1,696,073
Library	213,000	968,094	736,365	231,729
Recreation and community services	76,800	419,773	57,606	362,167
Total expenditures	<u>2,767,400</u>	<u>7,522,797</u>	<u>2,128,272</u>	<u>5,394,525</u>
EXCESS (DEFICIENCY) OF				
 REVENUES OVER (UNDER) EXPENDITURES	<u>(2,019,700)</u>	<u>(6,775,097)</u>	<u>(1,394,468)</u>	<u>5,380,629</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	750,000	750,000	750,000	-
Total other financing sources (uses)	<u>750,000</u>	<u>750,000</u>	<u>750,000</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,269,700)</u>	<u>\$ (6,025,097)</u>	<u>(644,468)</u>	<u>\$ 5,380,629</u>
FUND BALANCE:				
Beginning of fiscal year			11,976,987	
End of fiscal year			<u>\$ 11,332,519</u>	

City of Arcadia
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue				
	Narcotics Seizure	COPS SLESF	OTS Grant	Traffic Safety	Solid Waste
ASSETS					
Cash and investments	\$ 83,985	\$ 273,854	\$ -	\$ 483	\$ 1,919,164
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	-	20,118
Interest receivable	-	1,135	-	-	7,615
Due from other governments	7,636	-	-	14,442	52,747
Prepaid items and deposits	-	-	-	-	-
Total assets	\$ 91,621	\$ 274,989	\$ -	\$ 14,925	\$ 1,999,644
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 1,052	\$ 5,921
Accrued salaries payable	-	4,005	-	-	7,178
Due to other funds	-	-	-	-	-
Retentions payable	-	-	-	-	-
Total liabilities	-	4,005	-	1,052	13,099
Deferred Inflow of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	91,621	270,984	-	13,873	1,986,545
Unassigned	-	-	-	-	-
Total fund balances	91,621	270,984	-	13,873	1,986,545
Total liabilities and deferred inflow of resources and fund balances	\$ 91,621	\$ 274,989	\$ -	\$ 14,925	\$ 1,999,644

(Continued)

City of Arcadia
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2020

	Special Revenue				
	AQMD	CDBG	Prop A Transit	Transportation Impact	State and County Gas Tax
ASSETS					
Cash and investments	\$ 118,490	\$ -	\$ 2,047,012	\$ 1,978,093	\$ 103,229
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	4,226	-
Interest receivable	491	-	7,250	8,194	374
Due from other governments	18,431	310,692	-	-	-
Prepaid items and deposits	-	-	-	-	-
Total assets	\$ 137,412	\$ 310,692	\$ 2,054,262	\$ 1,990,513	\$ 103,603
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 45,001	\$ -	\$ 114,935	\$ -
Accrued salaries payable	-	-	4,622	-	-
Due to other funds	-	265,691	-	-	-
Retentions payable	-	-	-	79,597	-
Total liabilities	-	310,692	4,622	194,532	-
Deferred Inflow of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	137,412	-	2,049,640	1,795,981	103,603
Unassigned	-	-	-	-	-
Total fund balances	137,412	-	2,049,640	1,795,981	103,603
Total liabilities and deferred inflow of resources and fund balances	\$ 137,412	\$ 310,692	\$ 2,054,262	\$ 1,990,513	\$ 103,603

(Continued)

City of Arcadia
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2020

	Special Revenue				
	Measure R	Lighting Maintenance	Prop C	IRS Task Force	TDA Article 3 Bikeway
ASSETS					
Cash and investments	\$ 1,347,515	\$ 334,182	\$ 2,416,724	\$ 460,752	\$ -
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	4,739	1,663	10,010	-	-
Due from other governments	-	4,503	-	-	28,250
Prepaid items and deposits	-	-	-	-	-
Total assets	\$ 1,352,254	\$ 340,348	\$ 2,426,734	\$ 460,752	\$ 28,250
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 328,424	\$ 69,125	\$ 11,168	\$ -	\$ -
Accrued salaries payable	1,596	8,300	2,321	-	-
Due to other funds	-	-	-	-	28,250
Retentions payable	17,154	-	-	-	-
Total liabilities	347,174	77,425	13,489	-	28,250
Deferred Inflow of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,005,080	262,923	2,413,245	460,752	-
Unassigned	-	-	-	-	-
Total fund balances	1,005,080	262,923	2,413,245	460,752	-
Total liabilities and deferred inflow of resources and fund balances	\$ 1,352,254	\$ 340,348	\$ 2,426,734	\$ 460,752	\$ 28,250

(Continued)

City of Arcadia
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2020

	Special Revenue				
	Santa Anita		Library	PEG	
	Grade	Homeland	State	Access	Used Oil
	Separation	Security	Grant	Television	Grant
ASSETS					
Cash and investments	\$ 1,630,332	\$ -	\$ 624	\$ 870,226	\$ 19,413
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	6,753	-	-	3,605	-
Due from other governments	-	3,017	-	17,914	-
Prepaid items and deposits	-	-	-	-	-
Total assets	\$ 1,637,085	\$ 3,017	\$ 624	\$ 891,745	\$ 19,413
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 126,847	\$ -	\$ -	\$ 8,022	\$ 6,915
Accrued salaries payable	-	-	-	-	-
Due to other funds	-	3,017	-	-	-
Retentions payable	6,036	-	-	-	-
Total liabilities	132,883	3,017	-	8,022	6,915
Deferred Inflow of Resources:					
Unavailable revenue	-	3,017	-	-	-
Total deferred inflow of resources	-	3,017	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	1,504,202	-	624	883,723	12,498
Unassigned	-	(3,017)	-	-	-
Total fund balances	1,504,202	(3,017)	624	883,723	12,498
Total liabilities and deferred inflow of resources and fund balances	\$ 1,637,085	\$ 3,017	\$ 624	\$ 891,745	\$ 19,413

(Continued)

City of Arcadia
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2020

	Special Revenue				
	DOC Beverage	Road Maintenance		County	CA OES
	Grant	and Rehabilitation	Measure M	Homelessness	HSFGP
		Act		Grant	
ASSETS					
Cash and investments	\$ 51,926	\$ 1,020,493	\$ 685,187	\$ 58,924	\$ -
Cash and investments with fiscal agent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	216	4,227	2,838	-	-
Due from other governments	-	73,439	-	-	-
Prepaid items and deposits	-	-	-	-	-
Total assets	\$ 52,142	\$ 1,098,159	\$ 688,025	\$ 58,924	\$ -
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ 181,020	\$ 162,245	\$ 52,564	\$ -
Accrued salaries payable	-	-	-	1,053	-
Due to other funds	-	-	-	-	-
Retentions payable	-	9,527	20,216	-	-
Total liabilities	-	190,547	182,461	53,617	-
Deferred Inflow of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflow of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	52,142	907,612	505,564	5,307	-
Unassigned	-	-	-	-	-
Total fund balances	52,142	907,612	505,564	5,307	-
Total liabilities and deferred inflow of resources and fund balances	\$ 52,142	\$ 1,098,159	\$ 688,025	\$ 58,924	\$ -

City of Arcadia
Combining Balance Sheet
Nonmajor Governmental Funds (Continued)
June 30, 2020

	Special Revenue		Debt Service	Total
	Emergency	Measure W	General	Nonmajor
	Response	Safe, Clean	Obligation	Governmental
		Water Program	Bonds	Funds
ASSETS				
Cash and investments	\$ -	\$ -	\$ 844,778	\$ 16,265,386
Cash and investments with fiscal agent	-	-	19	19
Accounts receivable	-	-	-	24,344
Interest receivable	-	-	3,499	62,609
Due from other governments	706,945	-	13,148	1,251,164
Prepaid items and deposits	1,517	-	-	1,517
Total assets	\$ 708,462	\$ -	\$ 861,444	\$ 17,605,039
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 46,604	\$ 360,266	\$ 447	\$ 1,520,556
Accrued salaries payable	-	-	-	29,075
Due to other funds	828,557	-	-	1,125,515
Retentions payable	-	-	-	132,530
Total liabilities	875,161	360,266	447	2,807,676
Deferred Inflow of Resources:				
Unavailable revenue	470,936	-	-	473,953
Total deferred inflow of resources	470,936	-	-	473,953
Fund Balances:				
Nonspendable	1,517	-	-	1,517
Restricted	-	-	860,997	15,324,328
Unassigned	(639,152)	(360,266)	-	(1,002,435)
Total fund balances	(637,635)	(360,266)	860,997	14,323,410
Total liabilities and deferred inflow of resources and fund balances	\$ 708,462	\$ -	\$ 861,444	\$ 17,605,039

(Concluded)

City of Arcadia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue				
	Narcotics Seizure	COPS SLESF	OTS Grant	Traffic Safety	Solid Waste
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 548,222
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	171,361	-
Use of money and property	125	10,619	-	-	66,935
Intergovernmental	-	-	36,784	-	-
Charges for services	10,325	-	-	-	119,139
Other revenues	6,976	155,948	-	-	1,464
Total revenues	17,426	166,567	36,784	171,361	735,760
EXPENDITURES:					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	163,303	36,784	-	-
Fire	-	-	-	-	-
Public works services	-	-	-	-	414,633
Community development	-	-	-	-	-
Recreation and community services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	163,303	36,784	-	414,633
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,426	3,264	-	171,361	321,127
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(10,325)	-	-	(157,488)	(119,139)
Total other financing sources (uses)	(10,325)	-	-	(157,488)	(119,139)
Net changes in fund balances	7,101	3,264	-	13,873	201,988
FUND BALANCES (DEFICIT):					
Beginning of fiscal year	84,520	267,720	-	-	1,784,557
End of fiscal year	\$ 91,621	\$ 270,984	\$ -	\$ 13,873	\$ 1,986,545

(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, 2020

	Special Revenue				
	AQMD	CDBG	Prop A Transit	Transportation Impact	State and County Gas Tax
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	155,861	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	4,517	-	64,732	75,033	3,923
Intergovernmental	74,551	461,210	1,116,766	271,471	1,334,685
Charges for services	-	25,248	-	-	-
Other revenues	-	-	-	-	-
Total revenues	79,068	486,458	1,181,498	502,365	1,338,608
EXPENDITURES:					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works services	50,000	-	128,143	-	2,982
Community development	17,285	417,140	120,006	1,280,422	-
Recreation and community services	-	69,318	20,700	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	67,285	486,458	268,849	1,280,422	2,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,783	-	912,649	(778,057)	1,335,626
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(708,435)	-	(1,350,774)
Total other financing sources (uses)	-	-	(708,435)	-	(1,350,774)
Net changes in fund balances	11,783	-	204,214	(778,057)	(15,148)
FUND BALANCES (DEFICIT):					
Beginning of fiscal year	125,629	-	1,845,426	2,574,038	118,751
End of fiscal year	\$ 137,412	\$ -	\$ 2,049,640	\$ 1,795,981	\$ 103,603

(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, 2020

	Special Revenue				
	Measure R	Lighting Maintenance	Prop C	IRS Task Force	TDA Article 3 Bikeway
REVENUES:					
Taxes	\$ -	\$ 501,398	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	39,377	10,756	94,162	801	-
Intergovernmental	867,831	-	926,360	-	28,250
Charges for services	-	-	-	-	-
Other revenues	2,044	-	-	-	-
Total revenues	909,252	512,154	1,020,522	801	28,250
EXPENDITURES:					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	-
Fire	-	-	-	-	-
Public works services	-	1,152,061	-	-	-
Community development	440,368	-	674,336	-	28,250
Recreation and community services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	440,368	1,152,061	674,336	-	28,250
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	468,884	(639,907)	346,186	801	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	689,792	-	-	-
Transfers out	(346,928)	-	-	-	-
Total other financing sources (uses)	(346,928)	689,792	-	-	-
Net changes in fund balances	121,956	49,885	346,186	801	-
FUND BALANCES (DEFICIT):					
Beginning of fiscal year	883,124	213,038	2,067,059	459,951	-
End of fiscal year	\$ 1,005,080	\$ 262,923	\$ 2,413,245	\$ 460,752	\$ -

(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, 2020

	Special Revenue				
	Santa Anita Grade Separation	Homeland Security	Library State Grant	PEG Access Television	Used Oil Grant
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 76,186	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	60,134	-	-	31,905	386
Intergovernmental	-	7,089	-	-	15,909
Charges for services	-	-	-	-	-
Other revenues	-	573	-	-	-
Total revenues	60,134	7,662	-	108,091	16,295
EXPENDITURES:					
Current:					
General government:					
General city	-	-	-	30,964	-
Public safety:					
Police	-	-	-	-	-
Fire	-	1,988	-	-	-
Public works services	-	-	-	-	25,951
Community development	213,657	-	-	-	-
Recreation and community services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	213,657	1,988	-	30,964	25,951
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(153,523)	5,674	-	77,127	(9,656)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	(153,523)	5,674	-	77,127	(9,656)
FUND BALANCES (DEFICIT):					
Beginning of fiscal year	1,657,725	(8,691)	624	806,596	22,154
End of fiscal year	<u>\$ 1,504,202</u>	<u>\$ (3,017)</u>	<u>\$ 624</u>	<u>\$ 883,723</u>	<u>\$ 12,498</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, 2020

	Special Revenue				
	DOC Beverage	Road Maintenance		County	CA OES
	Grant	and Rehabilitation	Measure M	Homelessness	HSGP
		Act		Grant	
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Use of money and property	1,554	32,710	18,433	-	-
Intergovernmental	14,710	1,027,317	781,458	73,050	91,083
Charges for services	-	-	-	-	-
Other revenues	-	-	-	-	-
Total revenues	16,264	1,060,027	799,891	73,050	91,083
EXPENDITURES:					
Current:					
General government:					
General city	-	-	-	-	-
Public safety:					
Police	-	-	-	-	91,083
Fire	-	-	-	-	-
Public works services	27,301	-	-	-	-
Community development	-	190,548	532,574	-	-
Recreation and community services	-	-	-	67,743	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	27,301	190,548	532,574	67,743	91,083
EXCESS (DEFICIENCY) OF REVENUES					
 OVER (UNDER) EXPENDITURES	(11,037)	869,479	267,317	5,307	-
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net changes in fund balances	(11,037)	869,479	267,317	5,307	-
FUND BALANCES (DEFICIT):					
Beginning of fiscal year	63,179	38,133	238,247	-	-
End of fiscal year	\$ 52,142	\$ 907,612	\$ 505,564	\$ 5,307	\$ -

City of Arcadia
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds (Continued)
For the Fiscal Year Ended June 30, 2020

	Special Revenue		Debt Service	Total
	Emergency	Measure W	General	Nonmajor
	Response	Safe, Clean	Obligation	Governmental
		Water Program	Bonds	Funds
REVENUES:				
Taxes	\$ -	\$ -	\$ 1,005,199	\$ 2,131,005
Licenses and permits	-	-	-	155,861
Fines and forfeitures	-	-	-	171,361
Use of money and property	-	-	17,566	533,668
Intergovernmental	235,468	-	-	7,363,992
Charges for services	-	-	-	154,712
Other revenues	-	-	-	167,005
Total revenues	235,468	-	1,022,765	10,677,604
EXPENDITURES:				
Current:				
General government:				
General city	216,699	-	2,300	249,963
Public safety:				
Police	535,918	-	-	827,088
Fire	170,486	-	-	172,474
Public works services	-	360,266	-	2,161,337
Community development	-	-	-	3,914,586
Recreation and community services	-	-	-	157,761
Debt service:				
Principal retirement	-	-	640,000	640,000
Interest and fiscal charges	-	-	368,476	368,476
Total expenditures	923,103	360,266	1,010,776	8,491,685
EXCESS (DEFICIENCY) OF REVENUES				
 OVER (UNDER) EXPENDITURES	(687,635)	(360,266)	11,989	2,185,919
OTHER FINANCING SOURCES (USES):				
Transfers in	50,000	-	-	739,792
Transfers out	-	-	-	(2,693,089)
Total other financing sources (uses)	50,000	-	-	(1,953,297)
Net changes in fund balances	(637,635)	(360,266)	11,989	232,622
FUND BALANCES (DEFICIT):				
Beginning of fiscal year	-	-	849,008	14,090,788
End of fiscal year	<u>\$ (637,635)</u>	<u>\$ (360,266)</u>	<u>\$ 860,997</u>	<u>\$ 14,323,410</u>

(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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 125	\$ (875)
Charges for services	-	-	10,325	10,325
Other revenues	75,000	75,000	6,976	(68,024)
Total revenues	76,000	76,000	17,426	(58,574)
EXPENDITURES:				
Current:				
Public safety:				
Police	170,800	170,800	-	170,800
Total expenditures	170,800	170,800	-	170,800
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	(94,800)	(94,800)	17,426	112,226
OTHER FINANCING SOURCES (USES):				
Transfers out	34,100	34,100	(10,325)	(44,425)
Total other financing sources (uses)	34,100	34,100	(10,325)	(44,425)
Net change in fund balance	\$ (60,700)	\$ (60,700)	7,101	\$ 67,801
FUND BALANCE:				
Beginning of fiscal year			84,520	
End of fiscal year			<u>\$ 91,621</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 5,400	\$ 5,400	\$ 10,619	\$ 5,219
Other revenues	160,200	160,200	155,948	(4,252)
Total revenues	<u>165,600</u>	<u>165,600</u>	<u>166,567</u>	<u>967</u>
EXPENDITURES:				
Current:				
Public safety:				
Police	165,800	165,800	163,303	2,497
Total expenditures	<u>165,800</u>	<u>165,800</u>	<u>163,303</u>	<u>2,497</u>
Net change in fund balance	<u>\$ (200)</u>	<u>\$ (200)</u>	3,264	<u>\$ 3,464</u>
FUND BALANCE:				
Beginning of fiscal year			<u>267,720</u>	
End of fiscal year			<u>\$ 270,984</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ 106,200	\$ 106,200	\$ 36,784	\$ (69,416)
Total revenues	<u>106,200</u>	<u>106,200</u>	<u>36,784</u>	<u>(69,416)</u>
EXPENDITURES:				
Current:				
Public safety:				
Police	<u>106,200</u>	<u>106,200</u>	<u>36,784</u>	<u>69,416</u>
Total expenditures	<u>106,200</u>	<u>106,200</u>	<u>36,784</u>	<u>69,416</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of fiscal year			<u>-</u>	
End of fiscal year			<u><u>\$ -</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Fines and forfeitures	\$ 220,000	\$ 220,000	\$ 171,361	\$ (48,639)
Total revenues	<u>220,000</u>	<u>220,000</u>	<u>171,361</u>	<u>(48,639)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(220,000)	(157,488)	62,512
Total other financing sources (uses)	<u>-</u>	<u>(220,000)</u>	<u>(157,488)</u>	<u>62,512</u>
Net change in fund balance	<u>\$ 220,000</u>	<u>\$ -</u>	13,873	<u>\$ 13,873</u>
FUND BALANCE:				
Beginning of fiscal year			-	
End of fiscal year			<u>\$ 13,873</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 550,000	\$ 550,000	\$ 548,222	\$ (1,778)
Use of money and property	29,800	29,800	66,935	37,135
Charges for services	116,300	116,300	119,139	2,839
Other revenues	-	-	1,464	1,464
Total revenues	696,100	696,100	735,760	39,660
EXPENDITURES:				
Current:				
Public works services	430,600	430,600	414,633	15,967
Total expenditures	430,600	430,600	414,633	15,967
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	265,500	265,500	321,127	55,627
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(200,000)	(119,139)	80,861
Total other financing sources (uses)	-	(200,000)	(119,139)	80,861
Net change in fund balance	\$ 265,500	\$ 65,500	201,988	\$ 136,488
FUND BALANCE:				
Beginning of fiscal year			1,784,557	
End of fiscal year			<u>\$ 1,986,545</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 1,400	\$ 1,400	\$ 4,517	\$ 3,117
Intergovernmental	74,300	74,300	74,551	251
Total revenues	75,700	75,700	79,068	3,368
EXPENDITURES:				
Current:				
General government:				
Public works services	110,000	160,000	50,000	110,000
Community development	22,300	22,300	17,285	5,015
Total expenditures	132,300	182,300	67,285	115,015
Net change in fund balance	\$ (56,600)	\$ (106,600)	11,783	\$ 118,383
FUND BALANCE:				
Beginning of fiscal year			125,629	
End of fiscal year			<u>\$ 137,412</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ 287,700	\$ 286,800	\$ 461,210	\$ 174,410
Charges for services	21,300	21,300	25,248	3,948
Total revenues	309,000	308,100	486,458	178,358
EXPENDITURES:				
Current:				
Community development	447,600	447,600	417,140	30,460
Recreation and community services	70,500	70,500	69,318	1,182
Total expenditures	518,100	518,100	486,458	31,642
Net change in fund balance	\$ (209,100)	\$ (210,000)	-	\$ 210,000
FUND BALANCE:				
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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 28,900	\$ 28,900	\$ 64,732	\$ 35,832
Intergovernmental	1,165,360	1,165,360	1,116,766	(48,594)
Total revenues	1,194,260	1,194,260	1,181,498	(12,762)
EXPENDITURES:				
Current:				
Public works services	126,400	126,400	128,143	(1,743)
Community development	119,400	262,175	120,006	142,169
Recreation and community services	20,700	20,700	20,700	-
Total expenditures	266,500	409,275	268,849	140,426
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	927,760	784,985	912,649	127,664
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,003,400)	(708,435)	294,965
Total other financing sources (uses)	-	(1,003,400)	(708,435)	294,965
Net change in fund balance	\$ 927,760	\$ (218,415)	204,214	\$ 422,629
FUND BALANCE:				
Beginning of fiscal year			1,845,426	
End of fiscal year			<u>\$ 2,049,640</u>	

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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Licenses and permits	\$ 300,000	\$ 300,000	\$ 155,861	\$ (144,139)
Use of money and property	29,300	29,300	75,033	45,733
Intergovernmental	-	-	271,471	271,471
Total revenues	<u>329,300</u>	<u>329,300</u>	<u>502,365</u>	<u>173,065</u>
EXPENDITURES:				
Current:				
Community development	<u>1,050,000</u>	<u>2,560,544</u>	<u>1,280,422</u>	<u>1,280,122</u>
Total expenditures	<u>1,050,000</u>	<u>2,560,544</u>	<u>1,280,422</u>	<u>1,280,122</u>
Net change in fund balance	<u>\$ (720,700)</u>	<u>\$ (2,231,244)</u>	<u>(778,057)</u>	<u>\$ 1,453,187</u>
FUND BALANCE:				
Beginning of fiscal year			<u>2,574,038</u>	
End of fiscal year			<u>\$ 1,795,981</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 3,600	\$ 3,600	\$ 3,923	\$ 323
Intergovernmental	1,501,627	1,501,627	1,334,685	(166,942)
Total revenues	<u>1,505,227</u>	<u>1,505,227</u>	<u>1,338,608</u>	<u>(166,619)</u>
EXPENDITURES:				
Current:				
Public works services	302,100	302,100	2,982	299,118
Total expenditures	<u>302,100</u>	<u>302,100</u>	<u>2,982</u>	<u>299,118</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	<u>1,203,127</u>	<u>1,203,127</u>	<u>1,335,626</u>	<u>132,499</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,363,600)	(1,350,774)	12,826
Total other financing sources (uses)	<u>-</u>	<u>(1,363,600)</u>	<u>(1,350,774)</u>	<u>12,826</u>
Net change in fund balance	<u>\$ 1,203,127</u>	<u>\$ (160,473)</u>	<u>(15,148)</u>	<u>\$ 145,325</u>
FUND BALANCE:				
Beginning of fiscal year			118,751	
End of fiscal year			<u>\$ 103,603</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 13,100	\$ 13,100	\$ 39,377	\$ 26,277
Intergovernmental	725,100	725,100	867,831	142,731
Other revenues	-	-	2,044	2,044
Total revenues	738,200	738,200	909,252	171,052
EXPENDITURES:				
Current:				
Community development	68,400	1,420,957	440,368	980,589
Total expenditures	68,400	1,420,957	440,368	980,589
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	669,800	(682,757)	468,884	1,151,641
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(543,571)	(346,928)	196,643
Total other financing sources (uses)	-	(543,571)	(346,928)	196,643
Net change in fund balance	\$ 669,800	\$ (1,226,328)	121,956	\$ 1,348,284
FUND BALANCE:				
Beginning of fiscal year			883,124	
End of fiscal year			<u>\$ 1,005,080</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 502,700	\$ 502,700	\$ 501,398	\$ (1,302)
Use of money and property	-	-	10,756	10,756
Total revenues	<u>502,700</u>	<u>502,700</u>	<u>512,154</u>	<u>9,454</u>
EXPENDITURES:				
Current:				
Public works services	<u>1,256,900</u>	<u>1,256,900</u>	<u>1,152,061</u>	<u>104,839</u>
Total expenditures	<u>1,256,900</u>	<u>1,256,900</u>	<u>1,152,061</u>	<u>104,839</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	<u>(754,200)</u>	<u>(754,200)</u>	<u>(639,907)</u>	<u>114,293</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>754,100</u>	<u>754,100</u>	<u>689,792</u>	<u>(64,308)</u>
Total other financing sources (uses)	<u>754,100</u>	<u>754,100</u>	<u>689,792</u>	<u>(64,308)</u>
Net change in fund balance	<u>\$ (100)</u>	<u>\$ (100)</u>	<u>49,885</u>	<u>\$ 49,985</u>
FUND BALANCE:				
Beginning of fiscal year			<u>213,038</u>	
End of fiscal year			<u>\$ 262,923</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 15,400	\$ 15,400	\$ 94,162	\$ 78,762
Intergovernmental	966,600	966,600	926,360	(40,240)
Total revenues	982,000	982,000	1,020,522	38,522
EXPENDITURES:				
Current:				
Community development	1,002,300	2,645,061	674,336	1,970,725
Total expenditures	1,002,300	2,645,061	674,336	1,970,725
Net change in fund balance	\$ (20,300)	\$ (1,663,061)	346,186	\$ 2,009,247
FUND BALANCE:				
Beginning of fiscal year			2,067,059	
End of fiscal year			<u>\$ 2,413,245</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 1,000	\$ 1,000	\$ 801	\$ (199)
Total revenues	<u>1,000</u>	<u>1,000</u>	<u>801</u>	<u>(199)</u>
Net change in fund balance	<u>\$ 1,000</u>	<u>\$ 1,000</u>	801	<u>\$ (199)</u>
FUND BALANCE:				
Beginning of fiscal year			<u>459,951</u>	
End of fiscal year			<u>\$ 460,752</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ 50,000	\$ 50,000	\$ 28,250	\$ (21,750)
Total revenues	<u>50,000</u>	<u>50,000</u>	<u>28,250</u>	<u>(21,750)</u>
EXPENDITURES:				
Current:				
Community development	<u>70,000</u>	<u>72,942</u>	<u>28,250</u>	<u>44,692</u>
Total expenditures	<u>70,000</u>	<u>72,942</u>	<u>28,250</u>	<u>44,692</u>
Net change in fund balance	<u>\$ (20,000)</u>	<u>\$ (22,942)</u>	<u>-</u>	<u>\$ 22,942</u>
FUND BALANCE (DEFICIT):				
Beginning of fiscal year			<u>-</u>	
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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 35,500	\$ 35,500	\$ 60,134	\$ 24,634
Total revenues	<u>35,500</u>	<u>35,500</u>	<u>60,134</u>	<u>24,634</u>
EXPENDITURES:				
Current:				
Community development	-	2,571,598	213,657	2,357,941
Total expenditures	<u>-</u>	<u>2,571,598</u>	<u>213,657</u>	<u>2,357,941</u>
Net change in fund balance	<u>\$ 35,500</u>	<u>\$ (2,536,098)</u>	<u>(153,523)</u>	<u>\$ 2,382,575</u>
FUND BALANCE:				
Beginning of fiscal year			<u>1,657,725</u>	
End of fiscal year			<u>\$ 1,504,202</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ 10,000	\$ 10,000	\$ 7,089	\$ (2,911)
Other revenues	-	-	573	573
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>7,662</u>	<u>(2,338)</u>
EXPENDITURES:				
Current:				
Public safety:				
Fire	<u>10,000</u>	<u>10,000</u>	<u>1,988</u>	<u>8,012</u>
Total expenditures	<u>10,000</u>	<u>10,000</u>	<u>1,988</u>	<u>8,012</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,674	<u>\$ 5,674</u>
FUND BALANCE:				
Beginning of fiscal year			<u>(8,691)</u>	
End of fiscal year			<u>\$ (3,017)</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 85,000	\$ 85,000	\$ 76,186	\$ (8,814)
Use of money and property	13,300	13,300	31,905	18,605
Total revenues	98,300	98,300	108,091	9,791
EXPENDITURES:				
Current:				
General city	50,000	50,000	30,964	19,036
Total expenditures	50,000	50,000	30,964	19,036
Net change in fund balance	\$ 48,300	\$ 48,300	77,127	\$ 28,827
FUND BALANCE:				
Beginning of fiscal year			806,596	
End of fiscal year			<u>\$ 883,723</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 200	\$ 200	\$ 386	\$ 186
Intergovernmental	16,000	16,000	15,909	(91)
Total revenues	16,200	16,200	16,295	95
EXPENDITURES:				
Current:				
Public works services	15,500	15,500	25,951	(10,451)
Total expenditures	15,500	15,500	25,951	(10,451)
Net change in fund balance	<u>\$ 700</u>	<u>\$ 700</u>	(9,656)	<u>\$ (10,356)</u>
FUND BALANCE:				
Beginning of fiscal year			22,154	
End of fiscal year			<u>\$ 12,498</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 300	\$ 300	\$ 1,554	\$ 1,254
Intergovernmental	14,500	14,500	14,710	210
Total revenues	14,800	14,800	16,264	1,464
EXPENDITURES:				
Current:				
Public works services	15,300	15,300	27,301	(12,001)
Total expenditures	15,300	15,300	27,301	(12,001)
Net change in fund balance	<u>\$ (500)</u>	<u>\$ (500)</u>	(11,037)	<u>\$ (10,537)</u>
FUND BALANCE:				
Beginning of fiscal year			63,179	
End of fiscal year			<u>\$ 52,142</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 4,700	\$ 4,700	\$ 32,710	\$ 28,010
Intergovernmental	955,100	955,100	1,027,317	72,217
Total revenues	959,800	959,800	1,060,027	100,227
EXPENDITURES:				
Current:				
Community development	400,000	955,096	190,548	764,548
Total expenditures	400,000	955,096	190,548	764,548
Net change in fund balance	\$ 559,800	\$ 4,704	869,479	\$ 864,775
FUND BALANCE:				
Beginning of fiscal year			38,133	
End of fiscal year			<u>\$ 907,612</u>	

City of Arcadia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure M Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Use of money and property	\$ 3,400	\$ 3,400	\$ 18,433	\$ 15,033
Intergovernmental	821,640	821,640	781,458	(40,182)
Total revenues	825,040	825,040	799,891	(25,149)
EXPENDITURES:				
Current:				
Community development	1,315,096	787,769	532,574	255,195
Total expenditures	1,315,096	787,769	532,574	255,195
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	(490,056)	37,271	267,317	230,046
Net change in fund balance	<u>\$ (490,056)</u>	<u>\$ 37,271</u>	267,317	<u>\$ 230,046</u>
FUND BALANCE:				
Beginning of fiscal year			238,247	
End of fiscal year			<u>\$ 505,564</u>	

City of Arcadia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
CA OES HSGP Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ 93,100	\$ 93,100	\$ 91,083	\$ (2,017)
Total revenues	<u>93,100</u>	<u>93,100</u>	<u>91,083</u>	<u>(2,017)</u>
EXPENDITURES:				
Current:				
Public safety:				
Police	93,100	93,100	91,083	2,017
Total expenditures	<u>93,100</u>	<u>93,100</u>	<u>91,083</u>	<u>2,017</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of fiscal year			<u>-</u>	
End of fiscal year			<u>\$ -</u>	

City of Arcadia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Emergency Response Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 235,468	\$ 235,468
Total revenues	<u>-</u>	<u>-</u>	<u>235,468</u>	<u>235,468</u>
EXPENDITURES:				
Current:				
General government:				
General city	-	70,000	216,699	(146,699)
Public safety:				
Police	-	-	535,918	(535,918)
Fire	-	-	170,486	(170,486)
Total expenditures	<u>-</u>	<u>70,000</u>	<u>923,103</u>	<u>(853,103)</u>
EXCESS (DEFICIENCY) OF				
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(70,000)</u>	<u>(687,635)</u>	<u>(617,635)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	50,000	50,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (70,000)</u>	<u>(637,635)</u>	<u>\$ (567,635)</u>
FUND BALANCE:				
Beginning of fiscal year			<u>-</u>	
End of fiscal year			<u>\$ (637,635)</u>	

City of Arcadia
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Measure W Safe, Clean Water Program Special Revenue Fund
For the Fiscal Year Ended June 30, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 1,050,000	\$ 1,050,000	\$ -	\$ (1,050,000)
Use of money and property	5,300	5,300	-	(5,300)
Total revenues	<u>1,055,300</u>	<u>1,055,300</u>	<u>-</u>	<u>(1,055,300)</u>
EXPENDITURES:				
Current:				
Public works services	<u>600,000</u>	<u>600,000</u>	<u>360,266</u>	<u>239,734</u>
Total expenditures	<u>600,000</u>	<u>600,000</u>	<u>360,266</u>	<u>239,734</u>
Net change in fund balance	<u>\$ 455,300</u>	<u>\$ 455,300</u>	<u>(360,266)</u>	<u>\$ (815,566)</u>
FUND BALANCE:				
Beginning of fiscal year			<u>-</u>	
End of fiscal year			<u>\$ (360,266)</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, 2020

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Taxes	\$ 1,009,600	\$ 1,009,600	\$ 1,005,199	\$ (4,401)
Use of money and property	2,000	2,000	17,566	15,566
Total revenues	<u>1,011,600</u>	<u>1,011,600</u>	<u>1,022,765</u>	<u>11,165</u>
EXPENDITURES:				
Current:				
General city	2,300	2,300	2,300	-
Debt service:				
Principal retirement	640,000	640,000	640,000	-
Interest and fiscal charges	<u>368,800</u>	<u>368,800</u>	<u>368,476</u>	<u>324</u>
Total expenditures	<u>1,011,100</u>	<u>1,011,100</u>	<u>1,010,776</u>	<u>324</u>
Net change in fund balance	<u>\$ 500</u>	<u>\$ 500</u>	11,989	<u>\$ 11,489</u>
FUND BALANCE:				
Beginning of fiscal year			<u>849,008</u>	
End of fiscal year			<u>\$ 860,997</u>	

City of Arcadia
Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	Transit System	Arcadia PAR 3 Golf Course	Total Nonmajor Enterprise Funds
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES			
Current assets:			
Cash and investments	\$ -	\$ 202,079	\$ 202,079
Accounts receivable	-	3,102	3,102
Prepaid items	-	3,884	3,884
Due from other governments	415,219	-	415,219
Inventories	-	11,898	11,898
Total current assets	415,219	220,963	636,182
Capital assets:			
Depreciable, net	425,832	130,860	556,692
Total capital assets	425,832	130,860	556,692
Total assets	841,051	351,823	1,192,874
Deferred outflows of resources:			
Deferred outflows related to net pension liability	61,981	-	61,981
Total deferred outflows of resources	61,981	-	61,981
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Current liabilities:			
Accounts payable	142,897	72,290	215,187
Accrued salaries payable	5,971	-	5,971
Due to other funds	266,350	-	266,350
Deposits	-	60,991	60,991
Total current liabilities	415,218	133,281	548,499
Noncurrent liabilities:			
Net pension liabilities	508,835	-	508,835
Advances from other funds	-	201,614	201,614
Total noncurrent liabilities	508,835	201,614	710,449
Total liabilities	924,053	334,895	1,258,948
Deferred inflows of resources:			
Deferred inflows related to net pension liability	10,029	-	10,029
Total deferred inflows of resources	10,029	-	10,029
NET POSITION			
Net investment in capital assets	425,832	130,860	556,692
Unrestricted	(456,882)	(113,932)	(570,814)
Total net position (deficit)	\$ (31,050)	\$ 16,928	\$ (14,122)

City of Arcadia
Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020

	Transit System	Arcadia PAR 3 Golf Course	Total Nonmajor Enterprise Funds
OPERATING REVENUES:			
Charges for services	\$ 9,311	\$ 887,942	\$ 897,253
Other	20,000	-	20,000
Total operating revenues	29,311	887,942	917,253
OPERATING EXPENSES:			
Administration and general	461,938	114,405	576,343
Merchandise and food	-	43,070	43,070
Supplies and maintenances	-	150,155	150,155
Contract costs	1,688,526	510,295	2,198,821
Depreciation	93,881	49,389	143,270
Total operating expenses	2,244,345	867,314	3,111,659
OPERATING INCOME (LOSS)	(2,215,034)	20,628	(2,194,406)
NONOPERATING REVENUES (EXPENSES):			
Federal and state grants	1,055,193	-	1,055,193
Total nonoperating revenues (expenses)	1,055,193	-	1,055,193
INCOME (LOSS) BEFORE TRANSFERS	(1,159,841)	20,628	(1,139,213)
TRANSFERS:			
Transfers in	1,055,363	-	1,055,363
Total transfers	1,055,363	-	1,055,363
Changes in net position	(104,478)	20,628	(83,850)
NET POSITION (DEFICIT):			
Beginning of fiscal year	73,428	(3,700)	69,728
End of fiscal year	<u>\$ (31,050)</u>	<u>\$ 16,928</u>	<u>\$ (14,122)</u>

City of Arcadia
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020

	Transit System	Arcadia PAR 3 Golf Course	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from customers	\$ 9,311	\$ 913,427	\$ 922,738
Cash payments to suppliers for goods and services	(2,040,663)	(782,598)	(2,823,261)
Cash payments to employees for services	(190,524)	-	(190,524)
Cash received for other operating activities	20,000	-	20,000
Net cash provided by (used in) operating activities	(2,201,876)	130,829	(2,071,047)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received from other governments	1,039,308	-	1,039,308
Due to other funds	266,350	-	266,350
Transfers in	1,055,363	-	1,055,363
Net cash provided (used) by noncapital financing activities	2,361,021	-	2,361,021
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(519,713)	-	(519,713)
Net cash provided by (used in) capital and related financing activities	(519,713)	-	(519,713)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(360,568)	130,829	(229,739)
CASH AND CASH EQUIVALENTS - Beginning of fiscal year	360,568	71,250	431,818
CASH AND CASH EQUIVALENTS - End of fiscal year	\$ -	\$ 202,079	\$ 202,079
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:			
Operating income (loss)	\$ (2,215,034)	\$ 20,628	\$ (2,194,406)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation	93,881	49,389	143,270
Changes in assets, deferred outflows, liabilities, and deferred inflows:			
Accounts receivable	-	2,391	2,391
Prepaid items	-	3,504	3,504
Due from other governments	-	-	-
Inventories	-	2,488	2,488
Accounts payable	(112,003)	29,335	(82,668)
Accrued salaries payable	1,760	-	1,760
Deposits	-	23,094	23,094
Net pension liabilities	35,838	-	35,838
Deferred outflow of resources - pension	(7,404)	-	(7,404)
Deferred inflow of resources - pension	1,086	-	1,086
Total adjustments	13,158	110,201	123,359
Net cash provided by (used in) operating activities	\$ (2,201,876)	\$ 130,829	\$ (2,071,047)

FIDUCIARY FUNDS

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, 2020

	Agency Fund		
	Balance	Net Changes	Balance
	July 1, 2019	in Assets and Liabilities	June 30, 2020
ASSETS			
Cash and investments	\$ 3,864,828	\$ (1,348,482)	\$ 2,516,346
Accounts receivable	117,979	835,880	953,859
Total assets	<u>\$ 3,982,807</u>	<u>\$ (512,602)</u>	<u>\$ 3,470,205</u>
LIABILITIES			
Accounts payable	\$ 151,551	\$ (120,710)	\$ 30,841
Deposits payable	3,831,256	(391,892)	3,439,364
Total liabilities	<u>\$ 3,982,807</u>	<u>\$ (512,602)</u>	<u>\$ 3,470,205</u>

STATISTICAL SECTION

(Unaudited)

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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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				
	2011	2012	2013	2014	2015
Governmental Activities:					
Net investment in capital assets	\$ 52,132,444	\$ 58,679,540	\$ 59,598,320	\$ 50,203,892	\$ 50,652,770
Restricted for:					
Capital Projects	9,407,211	6,899,157	6,912,977	755,064	-
Debt Service	3,893,943	762,708	699,444	786,567	694,085
Specific Projects and Programs	20,596,634	14,150,646	16,064,646	14,564,481	-
Community Purposes					8,236,718
Public Safety					1,340,410
Transportation/Streets					9,312,873
Total Restricted	33,897,788	21,812,511	23,677,067	16,106,112	19,584,086
Unrestricted	14,107,829	11,083,944	10,527,461	25,857,397	(75,062,952)
Total governmental activities net position	\$ 100,138,061	\$ 91,575,995	\$ 93,802,848	\$ 92,167,401	\$ (4,826,096)
Business-type Activities:					
Net investment in capital assets	\$ 54,707,757	\$ 53,119,660	\$ 52,092,442	\$ 50,835,309	\$ 48,858,963
Unrestricted	37,219,013	36,456,910	36,522,942	35,505,795	23,494,250
Total business-type activities net position	\$ 91,926,770	\$ 89,576,570	\$ 88,615,384	\$ 86,341,104	\$ 72,353,213
Primary Government:					
Net investment in capital assets	\$ 106,840,201	\$ 111,799,200	\$ 111,690,762	\$ 101,039,201	\$ 99,511,733
Restricted	33,897,788	21,812,511	23,677,067	16,106,112	19,584,086
Unrestricted	51,326,842	47,540,854	47,050,403	61,363,192	(51,568,702)
Total Primary Government net position	\$ 192,064,831	\$ 181,152,565	\$ 182,418,232	\$ 178,508,505	\$ 67,527,117

Source: City of Arcadia Financial Reports

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Governmental Activities:					
Net investment in capital assets	\$ 51,124,268	\$ 50,448,943	\$ 47,725,910	\$ 48,831,491	\$ 55,858,893
Restricted for:					
Capital Projects	-	-	-	-	-
Debt Service	664,992	706,723	698,863	690,343	714,457
Specific Projects and Programs*	-	-	-	-	-
Community Purposes	10,578,749	12,424,349	13,472,245	14,939,901	9,542,104
Public Safety	1,253,412	1,058,486	925,971	820,309	837,230
Transportation/Streets	9,165,526	9,440,319	9,943,521	8,635,526	10,458,741
Total Restricted	21,662,679	23,629,877	25,040,600	25,086,079	21,552,532
Unrestricted	(71,558,258)	(72,803,923)	(95,840,709)	(102,593,443)	(111,643,096)
Total governmental activities net position	\$ 1,228,689	\$ 1,274,897	\$ (23,074,199)	\$ (28,675,873)	\$ (34,231,671)
Business-type Activities:					
Net investment in capital assets	\$ 46,957,250	\$ 46,000,669	\$ 44,405,319	\$ 44,379,157	\$ 44,852,614
Unrestricted	22,536,965	20,182,581	18,243,338	16,885,183	13,728,271
Total business-type activities net position	\$ 69,494,215	\$ 66,183,250	\$ 62,648,657	\$ 61,264,340	\$ 58,580,885
Primary Government:					
Net investment in capital assets	\$ 98,081,518	\$ 96,449,612	\$ 92,131,229	\$ 93,210,648	\$ 100,711,507
Restricted	21,662,679	23,629,877	25,040,600	25,086,079	21,552,532
Unrestricted	(49,021,293)	(52,621,342)	(77,597,371)	(85,708,260)	(97,914,825)
Total Primary Government net position	\$ 70,722,904	\$ 67,458,147	\$ 39,574,458	\$ 32,588,467	\$ 24,349,214

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				
	2011	2012	2013	2014	2015
Expenses					
Governmental activities:					
General government	\$ 7,932,372	\$ 8,060,384	\$ 8,772,439	\$ 6,984,927	\$ 7,458,250
Public safety	28,843,936	29,494,115	30,816,795	31,879,134	32,579,734
Public works services	8,344,308	8,595,701	7,684,123	7,318,800	7,741,343
Community development	5,763,672	4,650,800	3,615,072	15,469,651	5,050,382
Library	3,264,511	3,269,158	3,371,939	3,381,138	3,640,914
Economic development*	5,435,758	1,091,721	-	-	-
Recreation and community services	2,759,562	2,796,582	3,051,783	3,740,097	3,310,420
Interest on long-term debt	2,067,789	969,994	673,196	455,077	434,682
Total governmental activities expenses	<u>\$ 64,411,908</u>	<u>\$ 58,928,455</u>	<u>\$ 57,985,347</u>	<u>\$ 69,228,824</u>	<u>\$ 60,215,725</u>
Business-type activities:					
Water	\$ 11,854,112	\$ 13,195,083	\$ 12,373,758	\$ 13,911,484	\$ 16,891,412
Sewer	1,106,873	1,135,487	1,318,107	1,347,002	1,457,275
Transit	1,727,366	1,792,216	2,023,651	2,010,402	1,836,228
Arcadia Par 3 Golf Course **	-	-	-	-	-
Total business-type activities expenses	<u>14,688,351</u>	<u>16,122,786</u>	<u>15,715,516</u>	<u>17,268,888</u>	<u>20,184,915</u>
Total primary government expenses	<u><u>\$ 79,100,259</u></u>	<u><u>\$ 75,051,241</u></u>	<u><u>\$ 73,700,863</u></u>	<u><u>\$ 86,497,712</u></u>	<u><u>\$ 80,400,640</u></u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 13,512	\$ 1,245	\$ 260	\$ 1,065	\$ -
Public safety	3,149,498	3,304,856	3,146,493	3,801,154	3,683,293
Public works services	475,338	393,639	325,403	455,285	312,995
Community development	2,262,274	2,698,841	3,175,993	5,951,472	4,497,375
Library	86,285	74,518	69,350	74,007	71,564
Recreation and community services	1,916,601	2,295,475	2,450,915	3,149,525	3,045,343
Operating Grants and Contributions	3,607,703	3,612,486	4,592,325	5,481,152	5,020,312
Capital Grants and Contributions	2,555,769	1,500,626	2,272,285	658,109	804,556
Total governmental activities program revenues	<u>14,066,980</u>	<u>13,881,686</u>	<u>16,033,024</u>	<u>19,571,769</u>	<u>17,435,438</u>
Business-type activities:					
Charges for services:					
Water	9,190,903	10,191,324	10,902,718	11,467,284	10,132,653
Sewer **	1,203,269	1,221,817	1,277,868	1,308,313	1,310,499
Transit	71,425	73,846	86,208	89,710	76,484
Arcadia Par 3 Golf Course ***	-	-	-	-	-
Operating Grants and Contributions	532,857	606,878	616,491	685,118	786,352
Capital Grants and Contributions	699,368	401,697	648,875	-	-
Total business-type activities program revenues	<u>11,697,822</u>	<u>12,495,562</u>	<u>13,532,160</u>	<u>13,550,425</u>	<u>12,305,988</u>
Total primary government program revenues	<u><u>\$ 25,764,802</u></u>	<u><u>\$ 26,377,248</u></u>	<u><u>\$ 29,565,184</u></u>	<u><u>\$ 33,122,194</u></u>	<u><u>\$ 29,741,426</u></u>

Source: City of Arcadia Financial Reports

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

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

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

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental activities:					
General government	\$ 6,890,053	\$ 9,515,214	\$ 17,454,570	\$ 13,584,059	\$ 10,103,949
Public safety	34,089,922	36,377,345	37,298,318	40,360,568	47,203,348
Public works services	8,525,715	7,829,369	9,224,613	7,519,824	7,663,032
Community development	6,316,456	6,542,784	7,527,613	7,790,989	6,790,407
Library	3,858,956	4,000,700	3,982,384	4,168,410	5,016,702
Economic development*	-	-	-	-	-
Recreation and community services	3,455,024	3,593,171	3,600,354	3,691,627	3,414,698
Interest on long-term debt	417,780	398,133	373,622	343,846	314,741
Total governmental activities expenses	<u>\$ 63,553,906</u>	<u>\$ 68,256,716</u>	<u>\$ 79,461,474</u>	<u>\$ 77,459,323</u>	<u>\$ 80,506,877</u>
Business-type activities:					
Water	\$ 12,563,018	\$ 14,942,992	\$ 17,005,371	\$ 16,853,369	\$ 17,758,315
Sewer	1,360,509	1,440,677	1,779,385	1,819,847	1,872,674
Transit	1,818,171	1,935,418	1,823,710	2,020,690	2,244,345
Arcadia Par 3 Golf Course **	-	-	-	515,560	867,314
Total business-type activities expenses	<u>15,741,698</u>	<u>18,319,087</u>	<u>20,608,466</u>	<u>21,209,466</u>	<u>22,742,648</u>
Total primary government expenses	<u><u>\$ 79,295,604</u></u>	<u><u>\$ 86,575,803</u></u>	<u><u>\$ 100,069,940</u></u>	<u><u>\$ 98,668,789</u></u>	<u><u>\$ 103,249,525</u></u>
Program Revenues					
Governmental activities:					
Charges for services:					
General government	\$ 33,223	\$ 596	\$ 7,184	\$ 16,899	\$ 10,329
Public safety	3,972,018	3,896,797	4,335,707	3,952,519	4,166,144
Public works services	434,681	363,274	491,341	28,385	29,516
Community development	4,577,662	5,406,275	2,712,354	3,313,734	2,707,638
Library	72,242	71,393	96,038	162,421	107,810
Recreation and community services	3,237,272	2,804,010	2,112,552	1,940,232	1,843,145
Operating Grants and Contributions	4,876,997	4,523,948	5,542,417	6,441,413	7,447,444
Capital Grants and Contributions	927,837	254,204	45,850	526,077	741,641
Total governmental activities program revenues	<u>18,131,932</u>	<u>17,320,497</u>	<u>15,343,443</u>	<u>16,381,680</u>	<u>17,053,667</u>
Business-type activities:					
Charges for services:					
Water	9,122,745	10,990,520	13,223,624	12,806,780	14,284,391
Sewer **	1,664,249	2,046,705	2,347,364	2,408,365	2,493,274
Transit	63,520	12,408	13,246	12,613	9,311
Arcadia Par 3 Golf Course ***	-	-	-	511,860	887,942
Operating Grants and Contributions	768,229	696,053	772,915	1,509,498	1,055,193
Capital Grants and Contributions	-	-	-	-	-
Total business-type activities program revenues	<u>11,618,743</u>	<u>13,745,686</u>	<u>16,357,149</u>	<u>17,249,116</u>	<u>18,730,111</u>
Total primary government program revenues	<u><u>\$ 29,750,675</u></u>	<u><u>\$ 31,066,183</u></u>	<u><u>\$ 31,700,592</u></u>	<u><u>\$ 33,630,796</u></u>	<u><u>\$ 35,783,778</u></u>

Source: City of Arcadia Financial Reports

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

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

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

	Fiscal Year				
	2011	2012	2013	2014	2015
Net (Expense)/Revenue					
Governmental activities	\$ (50,344,928)	\$ (45,046,769)	\$ (41,952,323)	\$ (49,657,055)	\$ (42,780,287)
Business-type activities	(2,990,529)	(3,627,224)	(2,183,356)	(3,718,463)	(7,878,927)
Total primary government net expense	<u>\$ (53,335,457)</u>	<u>\$ (48,673,993)</u>	<u>\$ (44,135,679)</u>	<u>\$ (53,375,518)</u>	<u>\$ (50,659,214)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 14,215,888	\$ 11,416,754	\$ 13,644,310	\$ 13,892,020	\$ 13,865,978
Sales taxes	8,613,829	8,962,391	9,646,630	10,082,196	10,427,065
Franchise fees	1,045,099	1,061,719	1,091,812	1,070,809	1,192,519
Utilities user taxes	5,172,811	5,046,439	5,118,597	6,545,713	7,142,118
Transient occupancy taxes	2,394,106	2,560,371	2,823,399	3,215,261	3,365,408
Motor vehicle license taxes	4,814,591	4,653,845	4,900,991	5,213,847	5,641,681
Non-regulatory business license taxes	1,068,308	1,108,428	1,186,704	1,249,583	1,202,350
Other Taxes	<u>1,641,467</u>	<u>1,581,577</u>	<u>1,541,319</u>	<u>1,683,520</u>	<u>1,662,956</u>
Total Taxes and fees	38,966,099	36,391,524	39,953,762	42,952,949	44,500,075
Investment earnings	2,080,612	1,689,361	1,035,634	1,598,314	1,632,484
Miscellaneous	4,579,176	4,153,019	3,374,585	4,724,159	4,421,469
Gain/loss on disposal of capital assets	256,499	35,714	935,125	64,696	28,323
Transfers	(977,338)	(976,894)	(1,119,930)	(1,031,360)	(817,751)
Restatement	<u>-</u>	<u>(4,808,021)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental activities	<u>44,905,048</u>	<u>36,484,703</u>	<u>44,179,176</u>	<u>48,308,758</u>	<u>49,764,600</u>
Business-type activities:					
Investment earnings	472,912	280,621	85,231	396,892	332,719
Miscellaneous	14,488	19,509	17,009	15,931	18,300
Transfers	977,338	976,894	1,119,930	1,031,360	817,751
Restatement	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total business-type activities	<u>1,464,738</u>	<u>1,277,024</u>	<u>1,222,170</u>	<u>1,444,183</u>	<u>1,168,770</u>
Total primary government	<u>\$ 46,369,786</u>	<u>\$ 37,761,727</u>	<u>\$ 45,401,346</u>	<u>\$ 49,752,941</u>	<u>\$ 50,933,370</u>
Change in Net Position					
Governmental activities	\$ (5,439,880)	\$ (8,562,066)	\$ 2,226,853	\$ (1,348,297)	\$ 6,984,313
Business-type activities	(1,525,791)	(2,350,200)	(961,186)	(2,274,280)	(6,710,157)
Total primary government	<u>\$ (6,965,671)</u>	<u>\$ (10,912,266)</u>	<u>\$ 1,265,667</u>	<u>\$ (3,622,577)</u>	<u>\$ 274,156</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				
	2016	2017	2018	2019	2020
Net (Expense)/Revenue					
Governmental activities	\$ (45,421,974)	\$ (50,936,219)	\$ (64,118,031)	\$ (61,077,643)	\$ (63,453,210)
Business-type activities	(4,122,955)	(4,573,401)	(4,251,317)	(3,960,350)	(4,012,537)
Total primary government net expense	<u>\$ (49,544,929)</u>	<u>\$ (55,509,620)</u>	<u>\$ (68,369,348)</u>	<u>\$ (65,037,993)</u>	<u>\$ (67,465,747)</u>
General Revenues and Other Changes in Net Position					
Governmental activities:					
Taxes					
Property taxes	\$ 15,149,171	\$ 16,150,617	\$ 16,965,156	\$ 18,301,135	\$ 19,070,668
Sales taxes	11,441,622	10,766,558	11,115,292	11,399,632	12,154,052
Franchise fees	1,100,952	1,000,308	982,756	931,750	954,878
Utilities user taxes	6,816,464	6,773,169	6,856,067	6,591,834	6,779,875
Transient occupancy taxes	3,531,944	3,543,908	3,320,953	3,447,186	2,748,642
Motor vehicle license taxes	6,136,906	6,461,508	6,906,050	7,309,525	912,537
Non-regulatory business license taxes	1,293,357	1,270,876	1,248,106	1,227,480	1,211,783
Other Taxes	1,538,467	1,647,136	1,621,716	1,057,546	7,773,429
Total Taxes and fees	47,008,883	47,614,080	49,016,096	50,266,088	51,605,864
Investment earnings	1,856,318	1,458,553	1,529,734	3,432,169	3,270,868
Miscellaneous	3,482,819	3,007,213	3,486,199	3,447,105	3,391,726
Gain/loss on disposal of capital assets	-	13,587	49,243	-	-
Transfers	(871,261)	(1,111,006)	(1,006,826)	(1,669,393)	(1,055,363)
Extraordinary item	-	-	(13,305,511)		
Total Governmental activities	<u>51,476,759</u>	<u>50,982,427</u>	<u>39,768,935</u>	<u>55,475,969</u>	<u>57,213,095</u>
Business-type activities:					
Investment earnings	380,861	138,679	150,511	896,111	860,880
Miscellaneous	11,835	12,751	13,976	10,529	97,156
Transfers	871,261	1,111,006	1,006,826	1,669,393	1,055,363
Restatement			(454,589)		
Total business-type activities	<u>1,263,957</u>	<u>1,262,436</u>	<u>716,724</u>	<u>2,576,033</u>	<u>2,013,399</u>
Total primary government	<u>\$ 52,740,716</u>	<u>\$ 52,244,863</u>	<u>\$ 40,485,659</u>	<u>\$ 58,052,002</u>	<u>\$ 59,226,494</u>
Change in Net Position					
Governmental activities	\$ 6,054,785	\$ 46,208	\$ (24,349,096)	\$ (5,601,674)	\$ (6,240,115)
Business-type activities	(2,858,998)	(3,310,965)	(3,534,593)	(1,384,317)	(1,999,138)
Total primary government	<u>\$ 3,195,787</u>	<u>\$ (3,264,757)</u>	<u>\$ (27,883,689)</u>	<u>\$ (6,985,991)</u>	<u>\$ (8,239,253)</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				
	2011	2012	2013	2014	2015
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	741,827	727,715	698,729	708,053	768,417
Assigned	17,280,504	15,325,993	13,815,582	22,223,334	23,710,862
Unassigned	8,711,216	9,745,454	12,701,494	8,180,075	12,357,558
Total General Fund	<u>\$ 26,733,547</u>	<u>\$ 25,799,162</u>	<u>\$ 27,215,805</u>	<u>\$ 31,111,462</u>	<u>\$ 36,836,837</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	16,124,172	23,251	305	384	-
Restricted	32,629,493	21,812,511	23,677,067	16,106,112	19,779,855
Assigned	10,425,600	4,337,923	3,735,533	6,207,820	4,894,097
Unassigned					
Total all other Governmental Funds	<u>\$ 59,179,265</u>	<u>\$ 26,173,685</u>	<u>\$ 27,412,905</u>	<u>\$ 22,314,316</u>	<u>\$ 24,673,952</u>
Total Governmental Funds	<u>\$ 85,912,812</u>	<u>\$ 51,972,847</u>	<u>\$ 54,628,710</u>	<u>\$ 53,425,778</u>	<u>\$ 61,510,789</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				
	2016	2017	2018	2019	2020
General Fund					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-	-
Nonspendable	797,305	845,513	1,068,976	1,112,837	996,006
Assigned	24,756,336	23,015,454	22,829,444	23,295,469	22,394,350
Unassigned	6,399,003	7,323,121	7,225,918	5,101,129	6,202,314
Total General Fund	<u>\$ 31,952,644</u>	<u>\$ 31,184,088</u>	<u>\$ 31,124,338</u>	<u>\$ 29,509,435</u>	<u>\$ 29,592,670</u>
All Other Governmental Funds					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special Revenue Funds	-	-	-	-	-
Debt Service Funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable	-	11,540	3,000	8,640	1,517
Restricted	21,851,364	23,810,229	25,207,910	25,227,986	20,886,106
Assigned	11,203,221	12,921,656	11,404,087	11,976,987	11,332,519
Unassigned		(7,818)	(3,627)	(8,691)	(363,283)
Total all other Governmental Funds	<u>\$ 33,054,585</u>	<u>\$ 36,735,607</u>	<u>\$ 36,611,370</u>	<u>\$ 37,204,922</u>	<u>\$ 31,856,859</u>
Total Governmental Funds	<u>\$ 65,007,229</u>	<u>\$ 67,919,695</u>	<u>\$ 67,735,708</u>	<u>\$ 66,714,357</u>	<u>\$ 61,449,529</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				
	2011	2012	2013	2014	2015
REVENUES:					
Taxes	\$ 34,244,462	\$ 30,629,251	\$ 33,866,067	\$ 36,489,519	\$ 37,911,174
Licenses, fees and permits	3,972,881	4,542,324	5,008,304	8,031,036	6,512,028
Fines and Penalties	960,496	918,949	839,477	913,156	935,629
Use of money of property	2,080,611	1,833,161	1,035,634	1,598,310	1,632,483
Intergovernmental Revenues	11,248,656	9,776,817	11,437,572	10,881,323	11,508,381
Charges for services	4,711,152	5,041,963	5,095,987	6,356,736	6,086,755
Other Revenues	3,973,389	3,410,965	4,049,089	4,167,904	4,390,220
Total revenues	61,191,647	56,153,430	61,332,130	68,437,984	68,976,670
EXPENDITURES:					
Current:					
General government	8,375,592	8,923,780	7,484,871	7,051,033	6,730,305
Public safety	27,451,509	28,402,141	29,905,370	30,842,988	31,748,649
Public works services	6,588,499	6,897,481	5,940,589	5,805,936	6,372,293
Community development	5,756,910	5,380,890	6,885,395	17,046,641	8,168,873
Library	3,058,338	3,050,203	3,179,305	3,165,746	3,433,071
Economic development	5,452,493	1,091,721	-	-	-
Recreation and community services	3,746,142	2,571,010	3,014,469	3,729,337	3,099,283
Debt service:					
Interest	1,736,317	900,000	756,210	502,875	525,000
Principal	690,000	1,282,872	215,000	465,000	484,854
Cost of issuance	395,037	-	132,228	-	-
Total expenditures	63,250,837	58,500,098	57,513,437	68,609,556	60,562,328
Less: acquisition of capital assets	(2,562,811)	(2,931,313)	(4,349,512)	(2,559,961)	(3,756,352)
Total expenditures excluding capital assets	60,688,026	55,568,785	53,163,925	66,049,595	56,805,976
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,059,190)	(2,346,668)	3,818,693	(171,572)	8,414,342
OTHER FINANCING SOURCES (USES):					
Transfers in	8,387,511	8,760,016	2,455,802	4,623,066	3,874,984
Transfers out	(9,364,849)	(9,736,910)	(3,575,732)	(5,654,426)	(4,692,735)
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)	-	-	-
Total other financing sources (uses)	19,559,050	(31,593,297)	(1,162,830)	(1,031,360)	(817,751)
Net change in fund balances	\$ 17,499,860	\$ (33,939,965)	\$ 2,655,863	\$ (1,202,932)	\$ 7,596,591
Debt service as a percentage of non-capital expenditures	4.00%	3.93%	1.83%	1.47%	1.78%

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				
	2016	2017	2018	2019	2020
REVENUES:					
Taxes	\$ 39,504,488	\$ 40,258,016	\$ 40,506,071	\$ 42,050,021	\$ 42,898,353
Licenses, fees and permits	6,723,286	7,583,907	4,833,508	5,165,340	4,666,441
Fines and Penalties	801,161	634,261	690,703	643,858	611,714
Use of money of property	1,856,318	1,458,553	1,529,733	3,432,169	3,270,862
Intergovernmental Revenues	11,653,593	10,782,388	12,530,015	14,289,330	15,346,681
Charges for services	6,777,300	6,140,231	6,088,728	5,591,091	5,482,124
Other Revenues	3,419,455	3,062,448	3,525,714	3,052,228	3,054,712
Total revenues	70,735,601	69,919,804	69,704,472	74,224,037	75,330,887
EXPENDITURES:					
Current:					
General government	8,920,807	8,338,619	8,134,490	7,971,659	8,399,145
Public safety	33,772,958	35,497,246	36,941,437	39,912,792	40,487,037
Public works services	7,827,183	7,199,751	8,024,811	7,491,991	7,295,018
Community development	8,003,227	6,673,998	7,599,862	9,992,826	8,257,180
Library	3,612,759	3,830,240	3,826,333	3,917,195	4,750,047
Economic development	-	-	-	-	-
Recreation and community services	3,209,492	3,343,402	3,339,426	3,509,543	9,969,738
Debt service:					
Interest	555,000	448,076	590,000	673,028	698,028
Principal	466,474	565,000	425,274	397,101	368,476
Cost of issuance	-	-	-	-	-
Total expenditures	66,367,900	65,896,332	68,881,633	73,866,135	80,224,669
Less: acquisition of capital assets	(4,180,176)	(2,978,796)	(2,357,155)	(5,187,456)	(10,712,049)
Total expenditures excluding capital assets	62,187,724	62,917,536	66,524,478	68,678,679	69,512,620
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,367,701	4,023,472	822,839	357,902	(4,893,782)
OTHER FINANCING SOURCES (USES):					
Transfers in	10,330,462	5,259,012	3,617,262	4,843,303	3,127,518
Transfers out	(11,201,723)	(6,370,018)	(4,624,088)	(6,512,696)	(4,182,881)
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	-	-	-	-	-
Total other financing sources (uses)	(871,261)	(1,111,006)	(1,006,826)	(1,379,253)	(1,055,363)
Net change in fund balances	\$ 3,496,440	\$ 2,912,466	\$ (183,987)	\$ (1,021,351)	\$ (5,949,145)
Debt service as a percentage of non-capital expenditures	1.64%	1.61%	1.53%	1.56%	1.53%

Source: City of Arcadia Financial Reports

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

Fiscal Year Ended June 30,	Property Tax	Sales Tax	Franchise Fee	Utilities user Tax	Transient Occupancy Tax	Motor Vehicle License Tax	Business License Tax	Other Taxes	Total Taxes and Fees
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
2020	19,070,668	12,154,052	954,878	6,779,875	2,748,642	7,773,429	1,211,783	912,537	51,605,864

Source: City of Arcadia Financial Reports

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

Fiscal Year Ended June 30,	Property Tax	Sales Tax	Franchise Fee	Utilities user tax	Transient Occupancy Tax	Other Taxes	Total Taxes
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
2020	19,070,668	12,315,129	954,878	6,779,875	2,748,642	988,723	42,857,915

Source: City of Arcadia Financial Reports

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

Fiscal Year Ended June 30,	Residential Property	Commercial Property	Recreational Property	Industrial Property	Others	Total Taxable Assessed Value	Percent Increase	Total Direct Rate
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%	0.10070%
2020	14,486,048,290	1,772,159,777	218,752,715	360,976,906	778,694,374	17,616,632,062	6.1%	0.10054%

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

<u>Year</u>	<u>City's Share of 1% Levy Per Prop 13</u>	<u>Redevelopment Rate</u>	<u>Total Direct Rate *</u>
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	0.10070
2020	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 %
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
2020	1.0000	0.005690	0.00000	0.49749	0.05464	0.03000	1.58782

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

2019/20				
<u>Taxpayer</u>	Assessed Value	Est. Total * Tax Revenue	Rank	Percentage of Total City Property Tax Revenue
Santa Anita Borrower LLC	\$ 415,954,188	\$ 418,200	1	2.36%
Methodist Hospital of So California	219,450,550	220,636	2	1.25%
Santa Anita Land Holdings LLC	218,125,219	219,303	3	1.24%
Scannell Properties 255 LLC LSEE	124,974,616	125,649	4	0.71%
Baldwin Arcadia Center LP	84,185,263	84,640	5	0.48%
JLJ Properties Arcadia LLC	64,577,626	64,926	6	0.37%
SAICP Hotel LLC	49,490,400	49,758	7	0.28%
Chang Chih Int'l Investment LLC	40,940,872	41,162	8	0.23%
VG Property Investments LLC	38,108,776	38,315	9	0.22%
PI Properties No 42 LLC	35,976,045	36,170	10	0.20%
Total	<u>\$ 1,291,783,555</u>	<u>\$ 1,298,759</u>		<u>7.34%</u>

2010/11				
<u>Taxpayer</u>	Assessed Value	Est. Total * Tax Revenue	Rank	Percentage of Total City Property Tax Revenue
Santa Anita Fashion Park LLC	\$ 353,430,670	487,664	1	3.42%
Santa Anita Land Holdings LLC	171,019,907	235,973	2	1.66%
Methodist Hospital of So California	101,836,384	140,514	3	0.99%
Von's Companies Inc	32,101,667	44,294	4	0.31%
Marriott Residence Inn II Limites	29,548,897	40,772	5	0.29%
Arcadia Hub Shopping Center LP	26,717,272	36,864	6	0.26%
Arcadia Hotel Venture LP	26,164,882	36,102	7	0.25%
Los Angeles Turf Club Inc	24,776,353	34,186	8	0.24%
Apple Six Hospitality Inc	21,427,944	29,566	9	0.21%
Arcadia Gateway Centre Delaware Partner	18,725,764	25,838	10	0.18%
Total	<u>\$ 805,749,740</u>	<u>\$ 1,111,773</u>		<u>7.81%</u>

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

* Estimated Total Tax Revenue is a calculation of the total City share of direct rate times Assessed Value

City of Arcadia
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Year **	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy *
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%
2020	1,001,500	992,051	99.06%	13,148	1,005,199	100.37%

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Apparel Stores	\$ 115,397	\$ 120,593	\$ 131,885	\$ 142,131	\$ 143,438	\$ 140,715	\$ 151,076	\$ 148,029	\$ 149,951	\$ 135,507
General Merchandise	149,417	154,167	152,615	154,142	152,946	157,053	154,455	152,525	151,481	142,457
Food Stores	30,727	30,684	33,072	32,815	32,779	31,966	31,641	28,002	31,848	30,055
Eating and Drinking Places	129,170	136,399	144,462	154,827	168,156	178,138	189,305	208,192	211,436	219,587
Building Materials	5,606	7,234	7,219	7,571	9,103	8,295	8,641	7,694	8,542	7,941
Auto Dealers and Supplies	78,435	78,570	78,975	90,937	104,139	101,018	114,630	118,929	108,964	106,147
Service Stations	67,250	85,573	92,244	91,296	90,016	75,902	62,544	64,789	71,949	72,008
Other Retail Stores	113,780	121,842	122,249	128,883	141,640	146,024	144,184	149,597	146,909	140,177
All Other Outlets	157,495	170,790	178,659	201,187	223,275	222,588	243,803	251,065	255,278	294,858
Total	\$ 847,277	\$ 905,852	\$ 941,380	\$1,003,789	\$1,065,492	\$1,061,699	\$ 1,100,279	\$ 1,128,822	\$ 1,136,358	\$ 1,148,737

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>
Albertsons	Grocery Stores
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
In N Out Burger	Quick-Service Restaurants
JC Penney	Department Stores
Macys	Department Stores
Methodist Hospital	Medical/Biotech
Mobil	Service Stations
Nordstrom	Department Stores
Ralohs	Grocery Stores
REI	Sporting Goods/Bike Stores
Rusnak Arcadia	New Motor Vehicle Dealers
Santa Anita Park	Leisure/Entertainment
Sephora	Specialty Stores
Uniqlo	Family Apparel
Victoria's Secret	Women's Apparel
Vons	Grocery Stores
Zara	Women's Apparel
Percent of Fiscal Year Total Paid By Top 25 Accounts	<u>49.4%</u>

Period: July 2019 Thru March 2020
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
Chevron	Service Stations
CVS Pharmacy	Drug Stores
Daimler Trust	Auto Lease
Dave & Busters	Casual Dining
JC Penney	Department Stores
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
Santa Anita Park	Leisure/Entertainment
Sephora	Specialty Stores
Sport Chalet	Sporting Goods/Bike Stores
Victoria's Secret	Women's Apparel
Vons	Grocery Stores
Western Medical Supply	Medical/Biotech
World Oil	Service Stations

Percent of Fiscal Year Total Paid By Top 25 Accounts

50.7%

Period: July 2010 Thru March 2011

Source: State Board of Equalization

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

Year	Governmental Activities						Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation Bonds			Redevelopment Bonds *		Capital Leases			
	2001	2011	2012	Tax Allocation Bond 2001A	Tax Allocation Bond 2010				
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	-	-	232,112	11,342,931	0.464%	193
2020	-	5,863,442	4,565,767	-	-	174,084	10,603,293	0.436%	185

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

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

Governmental Activities				
Year	General Obligation Bonds	Percentage of Personal Income	Per Capita	
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
2020	10,429,209	0.429%		182

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 2020

Assessed Taxable Value	\$ 17,616,632,062
Debt Limit (15% of assessed value)	2,642,494,809
Debt Applicable to limit:	
Total Bonds Payable	10,429,209
Legal Debt Margin	<u>\$ 2,632,065,600</u>
Percent of Charter Debt Limit	0.39%

	2011	2012	2013	2014	2015
Debt Limit	\$ 1,548,231,832	\$ 1,591,549,743	\$ 1,666,145,249	\$ 1,774,831,776	\$ 1,921,301,692
Total net debt applicable to limit	<u>41,880,666</u>	<u>14,966,562</u>	<u>14,675,479</u>	<u>14,168,869</u>	<u>13,602,259</u>
Legal debt margin	1,506,351,166	1,576,583,181	1,651,469,770	1,760,662,907	1,907,699,433
Total debt applicable to the limit	2.71%	0.94%	0.88%	0.80%	0.71%

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

Notes: 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

	2016	2017	2018	2019
Debt Limit	\$ 2,090,788,840	\$ 2,201,029,447	\$ 2,351,470,734	\$ 2,490,311,353
Total net debt applicable to limit	13,005,649	12,399,039	11,767,429	11,110,819
Legal debt margin	2,077,783,191	2,188,630,408	2,339,703,305	2,479,200,534
Total debt applicable to the limit	0.62%	0.56%	0.50%	0.45%

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

2019/20

	Gross Bonded Debt Balance	% Applicable	Net Bonded Debt
<u>Direct Debt</u>			
Arcadia General Obligation Bond 2011	\$ 5,863,442	100.000%	\$ 5,863,442
Arcadia General Obligation Bond 2012	4,565,767	100.000%	\$ 4,565,767
Total Direct Debit	10,429,209		\$ 10,429,209
<u>Overlapping Debt</u>			
Metropolitan Water District Area Upper San Gabriel Valley Area *	18,151,752	1.305%	\$ 236,928
El Monte City School District 2015	10,560,000	4.929%	\$ 520,487
El Monte City School District 2004 Series C	453,123	4.929%	\$ 22,334
El Monte City School District 2016	9,780,000	4.929%	\$ 482,042
El Monte City School District 2008 Series B	5,967,741	4.929%	\$ 294,141
El Monte City School District 2012 Refunding	8,564,121	4.929%	\$ 422,113
El Monte City School District 2014 Series A	6,675,000	4.929%	\$ 329,001
El Monte City School District 2015 Refunding	31,920,000	4.929%	\$ 1,573,289
El Monte City School District 2014 Series B	5,490,000	4.929%	\$ 270,594
El Monte City School District 2017 REF Bond Series A	4,845,000	4.929%	\$ 238,803
El Monte City School District 2017 REF Bond Series B	17,505,000	4.929%	\$ 862,795
El Monte Union High School District 2008 Series B	29,820,673	2.589%	\$ 772,081
El Monte Union High School District 2015 REF	25,460,000	2.589%	\$ 659,180
El Monte Union High School District 2016 REF DLYD DLVR	3,880,000	2.589%	\$ 100,456
El Monte Union High School District 2008 Series C	2,550,000	2.589%	\$ 66,022
El Monte Union High School District 2016 REF	48,425,000	2.589%	\$ 1,253,762
El Monte Union High School District 2008 Series D	10,500,098	2.589%	\$ 271,856
El Monte Union High School District 2018 Series A	52,245,000	2.589%	\$ 1,352,664
Citrus CCD Refunding Bond Series 2013	13,130,302	0.195%	\$ 25,578
Citrus CCD Series 2004 2014D	18,696,403	0.195%	\$ 36,421
Citrus CCD Refunding Bonds 2004 2015 Series E	9,805,000	0.195%	\$ 19,100
Citrus CCD Refunding Bonds 2015 Series A	45,435,000	0.195%	\$ 88,508
Pasadena Community College 2014 Refunding Series A	12,405,000	18.356%	\$ 2,277,105
Pasadena Community College 2016 Refunding Series A	54,045,000	18.356%	\$ 9,920,687
Rio Hondo Community College District 2004 2019 Series B	124,347,824	0.785%	\$ 976,196
Arcadia Unified School District 1993 Series C	220,889	96.604%	\$ 213,388
Arcadia Unified School District 2006 Series B	28,850,000	96.604%	\$ 27,870,269
Arcadia Unified School District 2017 REF	190,425,000	96.604%	\$ 183,958,264
Monrovia Unified School District 2005 Refunding Bonds	18,874,602	0.883%	\$ 166,605
Monrovia Unified School District 2006 Series C	3,016,665	0.883%	\$ 26,628
Monrovia Unified School District 2006 Series C-1 BABS	11,116,250	0.883%	\$ 98,122
Monrovia Unified School District 2005 Refunding Bonds	23,185,000	0.883%	\$ 204,653
Pasadena Unified School District 2008 Series 2012	7,525,000	0.014%	\$ 1,055
Pasadena Unified School District 2008 Series 2016	96,070,000	0.014%	\$ 13,463
Pasadena Unified School District 2016 Refunding Bonds Series A	10,350,000	0.014%	\$ 1,450
Pasadena Unified School District 2016 Refunding Bonds Series B	172,740,000	0.014%	\$ 24,208
Temple City Unified School District 1998 Series B	4,288,283	8.103%	\$ 347,460
Temple City Unified School District 2005 Refunding	6,780,000	8.103%	\$ 549,352
Temple City Unified School District 2012 Series A	5,061,823	8.103%	\$ 410,136
Temple City Unified School District 2019	27,295,000	8.103%	\$ 2,211,589
Temple City Unified School District 2017 Refunding Bond	53,152,588	8.103%	\$ 4,306,711
Total Overlapping Debt			\$ 243,475,494
TOTAL Direct and Overlapping Debt			\$ 253,904,703

2019/20 Assessed Valuation : \$16,816,145,049 after deducting \$800,487,013 of Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.060%
	Overlapping Debt	1.450%
	Total Debt	1.510%

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

2010/11

<u>Direct Debt</u>	Gross Bonded Debt Balance	% Applicable	Net Bonded Debt
Arcadia GO Bonds 2001 & 2011	\$ 14,725,000	100.000%	\$ 14,725,000
Total Direct Debit	14,725,000		14,725,000
<u>Overlapping Debt</u>			
Metropolitan Water District	107,259,876	1.162%	1,246,378
El Monte City School District 1999 Series A	1,595,000	3.821%	60,941
El Monte City School District 1999 Series B	415,000	3.821%	15,856
El Monte City School District 1999 Series C	1,260,000	3.821%	48,142
El Monte City School District 2004 Refunding Bonds	5,845,000	3.821%	223,323
El Monte Union School District 1999 Series D	14,660,000	3.821%	560,123
El Monte City School District 2005 Refunding Bonds	18,994,366	3.821%	725,729
El Monte City School District 2004 Series B	14,610,532	3.821%	558,233
El Monte City School District 2004 Series D(2009)	9,360,000	3.821%	357,623
El Monte School District 2008 Series A	5,998,159	3.821%	229,175
El Monte School District 2008 Series A-1	18,540,000	3.821%	708,369
El Monte Union High School District 2002 Series A	2,870,000	2.009%	57,655
El Monte Union High School District 2002 Series B	4,555,000	2.009%	91,504
El Monte Union HSD DS 2006 Refunding Bonds	36,572,828	2.009%	734,704
El Monte Union High School District 2002 Series C	29,140,000	2.009%	585,387
El Monte Union High School District 2008 Series A	53,625,511	2.009%	1,077,272
Citrus CCD 2004 Series 2004A	15,185,000	0.163%	24,744
Citrus CCD 2004 Series 2007B	36,245,000	0.163%	59,062
Citrus CCD 2004 Series 2004 2009 Series C	29,995,302	0.163%	48,878
Pasadena Area Community College District 2002 Series A	1,925,000	17.059%	328,380
Pasadena Area Community College District 2006 Series B	48,955,000	17.059%	8,351,096
Pasadena Area Community College District 2006 REF Series C	12,302,327	17.059%	2,098,619
Pasadena Area Community College District 2002, 2006 Series D	26,705,000	17.059%	4,555,531
Pasadena Area Community College District 2002, 2009 Series E (BABS)	25,295,000	17.059%	4,315,003
Rio Hondo CCD Ser A 2004	6,945,000	0.507%	35,243
Rio Hondo CCD 2005 Refunding Bonds	44,601,005	0.507%	226,334
Rio Hondo CCD 2009 & 2010 Series	125,037,824	0.507%	634,523
Arcadia Unified School District 1993 Series A	6,049,353	96.417%	5,832,605
Arcadia Unified School District 1993 Series C	1,569,596	96.417%	1,513,357
Arcadia Unified School District Refunding 1993 2005 Series A	3,670,000	96.417%	3,538,504
Arcadia Unified School District 2006 Series A	159,665,423	96.417%	153,944,613
Monrovia Unified School District 1997 & 2001 Series A	14,676,666	0.727%	106,741
Monrovia Unified School District 1997 Series B	12,006,250	0.730%	87,634
Monrovia Unified School District 2005 Refunding Bonds	12,950,000	0.727%	94,183
Monrovia Unified School District 2006 Series A	14,000,000	0.727%	101,820
Monrovia Unified School District 2006 Series B	17,866,665	0.727%	129,941
Pasadena Unified School District 2004 Refunding Bonds	56,015,000	0.019%	10,831
Pasadena Unified School District 2005 Refunding Bonds	112,560,000	0.019%	21,764
Pasadena Unified School District 2008 Series 2009	36,320,000	0.019%	7,023
Pasadena Unified School District 2008 Series 2009A-2 BABS	84,680,000	0.019%	16,374
Temple City Unified School District 1998 Series A	3,008,249	8.364%	251,602
Temple City Unified School District 1998 Series B	5,031,501	8.364%	420,822
Temple City Unified School District 2005 Refunding BD	10,625,000	8.364%	888,648
Total Overlapping Debt			194,924,291
TOTAL Direct and Overlapping Debt			\$ 209,649,291

2010/11 Assessed Valuation : \$9,871,674,684 after deducting \$449,870,865 of Incremental Value.

Debt to Assessed Valuation Ratios:	Direct Debt	0.150%
	Overlapping Debt	1.970%
	Total Debt	2.120%

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

Year	Population	Personal Income (in Thousands)	Per Capita Personal Income	Unemployment Rate
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%
2019	57,212	2,429,207	42,459	3.40%

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
Macy's West	443	1	2.79%
Nordstrom Inc	417	2	2.63%
Fedex Ground Package System, Inc. #910	389	3	2.45%
Optum	205	4	1.29%
J C Penney Corp, Inc # 1417-5	204	5	1.29%
The Cheesecake Factory Restaurants, Inc	180	6	1.13%
Dave & Buster's	165	7	1.04%
Din Tai Fung Santa Anita Restaurant	135	8	0.85%
Vons 3208	128	9	0.81%
99 Ranch Market 7	128	10	0.81%
Total	2394		15.09%

Employer	2010		
	Employees	Rank	Percentage of Total City Employment
Vons Companies Inc.	459	1	3.34%
Emergency Groups Office	300	2	2.18%
Nordstrom Inc.	293	3	2.13%
Macy's West	291	4	2.12%
JC Penney Corp. Inc.	280	5	2.04%
Worley Parsons Group, Inc.	251	6	1.83%
J T Posey Company	178	7	1.29%
M W H Americas, Inc.	177	8	1.29%
24 Hours Fitness #906	164	9	1.19%
The Cheesecake Factory	152	10	1.11%
Total	2545		18.51%

Source: Business License Division, City of Arcadia

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

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government:										
City Manager	5	5	5	5	5	5	5	5	4	4
City Clerk	2	2	3	4	4	4	3	3	3	3
City Attorney	0	0	0	0	1	1	0	0	0	0
Administrative Services	16	16	16	16	16	16	16	16	17	17
Police	101	100	96	94	94	95	98	98	98	98
Fire	57	57	57	58	58	58	58	58	58	58
Public Works:										
Streets	24	24	25	25	25	25	27	27	25	25
Water & Sewer	33	33	33	33	33	34	34	34	34	34
Garage	5	5	4	4	4	4	4	4	5	5
Development:										
Community Development	19	20	20	21	23	25	23	23	23	23
Redevelopment	1	0	0	0	0	0	0	0	0	0
Engineering	5	5	5	5	5	5	5	5	5	5
Recreation	9	9	9	9	9	10	11	12	12	12
Library	19	19	19	19	19	19	19	19	19	19
Total	296	295	292	293	296	301	303	304	303	303

Source: Administrative Services Department, City of Arcadia

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Function/Program</u>										
Police:										
Physical Arrests	2,094	2,076	2,053	2,404	2,103	2,098	1,828	1,704	1,904	1,131
Parking Violations	14,686	13,056	10,908	13,211	14,348	11,805	11,449	10,395	9,636	9,869
Moving & Non-Moving Violations	5,258	5,202	6,560	6,158	5,885	6,122	4,726	2,865	3,273	1,668
Fire:										
Emergency Responses	4,575	4,944	4,882	4,960	5,123	5,560	5,614	5,688	5,734	5,301
Fires Extinguished	116	146	74	126	111	123	114	147	130	129
Inspections	4,029	3,874	3,514	4,732	4,089	3,798	4,187	3,921	3,863	3,821
Public Works:										
Street Slurry Resurfacing (SF)	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	2,314,640
Sidewalk Repaired (SF)	17,081	18,859	12,475	11,435	11,300	28,475	7,491	750	12,486	5,960
Curb & Gutter Repaired (LF)	2,205	1,273	1,662	6,067	1,793	15,815	3,595	4,771	16,881	7,267
Street Lights Repaired	130	290	240	116	106	340	83	213	175	235
Street AC Resurfacing (SF)	-	-	-	-	-	347,550	328,716	344,640	432,614	369,429
PCC Driveway Approaches (SF)							856	1,043	6,111	4,157
PCC Cross Gutter/Spandrel							4,259	9,308	3,317	14,498
PCC ADA Ramps							31	16	24	12
Economic Development:										
Street Resurfacing (SF)	412,000	163,520	170,331	269,450	44,000	335,500	157,200	292,100	515,900	453,600
Building Permits	1,254	1,096	1,419	1,548	1,615	1,724	1,551	1,433	1,889	1,742
Planning Cases Submitted and Processed	414	466	543	680	655	538	474	515	584	557
Parks and Community Services:										
(Number of Participation)										
Youth Programs	51,032	53,511	50,122	45,010	50,800	58,463	69,796	77,470	114,557	53,959
Swim Program	8,918	31,963	11,577	7,915	N/A	N/A	N/A	N/A	N/A	N/A
Senior Citizen Programs	84,898	87,943	90,422	86,099	82,671	79,371	77,523	88,581	111,540	75,428
Contract Classes/Adult Programs	205,692	122,669	123,527	130,189	138,032	97,475	89,601	44,337	48,095	36,303
Community Center Rental Usages	18,457	17,496	15,765	12,730	12,391	10,561	10,038	12,250	21,414	8,872
Special Events	13,400	11,165	8,900	8,553	19,576	14,563	16,476	20,847	14,954	10,531
Dana Gym	58,200	9,846	18,496	19,563	20,168	13,295	28,869	31,959	27,476	19,726
Wilderness Park Classes & Rentals	5,958	5,670	5,959	5,729	5,871	5,488	5,011	12,936	9,123	7,403
Library:										
Books and other items total	203,460	206,020	204,642	205,658	205,107	200,980	259,000	208,109	203,859	186,694
Total Circulation	728,878	775,481	789,354	792,333	685,362	719,432	695,250	869,472	975,318	705,831
Water:										
Number of Water Accounts	13,728	14,011	14,021	13,651	13,942	13,659	14,114	13,688	14,146	13,554
Total Water Served to Direct Customer (AF)	13,500	14,988	15,495	15,704	15,325	11,089	11,801	14,416	13,574	13,935
Sewer:										
Sewer Cleaning (Miles)	142	187	227	226	227	224	168	150	150	194
Transit Services/Dial-A-Ride:										
Total Route Miles (round-trip)	258,992	263,844	292,742	296,004	251,420	243,873	295,991	280,941	280,616	282,326
Passengers	110,364	109,613	126,044	130,134	112,398	108,005	67,228	79,624	79,809	54,159

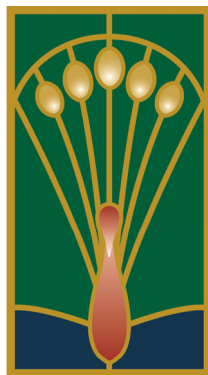
Source: Various City Departments

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

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units	20	20	22	23	23	23	23	23	23	23
Motor Units	2	2	0	0	0	0	0	0	0	0
Fire Stations	3	3	3	3	3	3	3	3	3	3
Streets:										
Streets (miles)	148	148	148	148	148	148	148	148	148	148
Streetlights	1,628	1,640	1,640	1,642	1,642	1,642	1,642	1,642	1,642	1,642
Traffic Signals	67	67	67	69	69	69	69	73	75	76
Parks and Community Services:										
Total Park Acreage	166	166	166	166	166	166	166	166	166	166
Playgrounds	8	8	8	8	8	8	8	8	8	8
Tennis Courts	19	19	19	19	19	19	19	19	19	19
Baseball/softball diamonds	4	4	4	4	4	4	4	4	4	4
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Community Centers	1	1	1	1	1	1	1	1	1	1
Gymnasium	1	1	1	1	1	1	1	1	1	1
Water:										
Water Main (miles)	169	169	169	169	169	169	169	169	169	169
Fire Hydrants	1,506	1,529	1,530	1,534	1,539	1,542	1,542	1,542	1,542	1,543
Storage Capacity (millions of gallons)	45	45	45	45	45	45	45	45	45	45
Wastewater:										
Sanitary Sewers (miles)	140	140	140	140	140	140	140	140	140	140
Storm Sewers (miles)	8	8	8	8	8	8	8	8	8	8
Library	1	1	1	1	1	1	1	1	1	1
Museum									1	1
Museum Education Center (Museum/Community Center joint use)									1	1
Transit Services/Dial-A-Ride:										
Transit Buses	18	18	18	18	18	18	18	18	18	18

Note: Include only properties owned by the City

Source: Various City Departments



CITY OF
ARCADIA