

# Annual Comprehensive Financial Report

## Fiscal Year Ended June 30, 2022



[www.cityofartesia.us](http://www.cityofartesia.us)

CITY OF ARTESIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended June 30, 2022

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## THE CITY OF ARTESIA, CALIFORNIA

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"Service Builds Tomorrow's Progress"

January 17, 2023

Honorable Mayor and City Council  
City of Artesia  
Artesia, California

The Comprehensive Annual Financial Report of the City of Artesia (City), California, for the year ended June 30, 2022 is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position, results of operations and cash flows of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The financial statements are the responsibility of the City's management. Completeness and reliability of the information contained in this report is based upon a comprehensive framework of internal controls that is established for this purpose. The costs of internal control should not exceed the anticipated benefits. The objective of internal controls is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

The Management's Discussion and Analysis (MD&A) interprets the financial reports by analyzing trends and by explaining changes, fluctuations, and variations in the financial data. In addition, the MD&A is intended to disclose any known significant events or decisions that affect the financial condition of the City. The MD&A complements this letter of transmittal and should be read in conjunction with it.

**Independent Audit.** City policy requires that its financial statements be audited by a certified public accountant. Moss, Levy & Hartzheim LLP, Certified Public Accountants and Consultants, have issued an unmodified ("clean") opinion on the City's financial statements for the fiscal year ended June 30, 2022. The auditor's report on the basic financial statements and required supplementary information is included in the financial section of this report.

The City is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments and Not for Profit Organizations*. A separate single audit report includes the schedule of expenditures of federal awards, auditors' report on internal controls, and compliance with applicable laws and regulations.

## **Profile of the City of Artesia**

The City is a historical and developed, suburb located nineteen miles southeast of downtown Los Angeles and 10 miles northeast of Long Beach. The City encompasses an area of approximately 1.6 square miles and has areas that can be redeveloped. There are three major retail areas, one industrial area, and an office park and high rise. The current population is 16,883 according to the State of California Department of Finance.

The City is a general law city, incorporated in 1959. The City Council is composed of five members elected biannually at large to four year alternating terms. The Mayor and Mayor Pro Tem are selected by the City Council.

The City has a Council/Manager form of government. The City Manager is appointed by the City Council to manage the daily affairs of the City and to implement policies established by the Council.

This report includes all the funds of the City. The City provides a full range of services including law enforcement (via a contract with the Los Angeles County Sheriff Department); construction and maintenance of arterials, streets and infrastructure; library and recreational services; public transportation; planning and economic development; housing; and administrative services. In addition to general municipal activities, the City provides refuse and recycling collection services (via a contract with CR&R, Inc.).

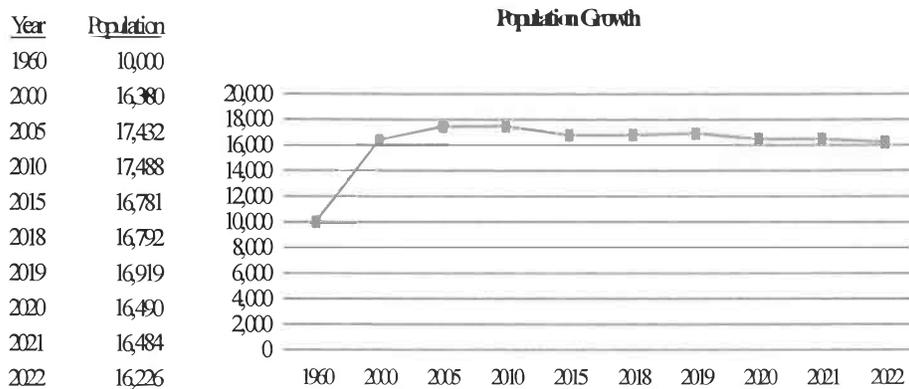
The Council is required to adopt a final budget by June 30<sup>th</sup> of each fiscal year. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, program (e.g., public safety), and activity (e.g., law enforcement). Department heads may transfer resources within each program as needed. The City Manager may appropriate resources up to \$34,968 from budgeted funds. Expenditures above these thresholds require approval from the City Council.

In accordance with the reporting entity definition of the Governmental Accounting Standards Board, the City has included the Artesia Parking Authority and the Artesia Housing Authority in the financial report. The resources and activities of the Successor agency to the City of Artesia Redevelopment Agency are reported in a separate Private-Purpose Trust Fund, which is also included in these financial statements.

Several state and county agencies and school districts provide services to the City, but do not meet the established criteria for inclusion, and accordingly are excluded from this report.

## Economic Condition and Outlook

The prospects for the future of the City are good. The population has remained steady as shown:



*Source: State of California Department of Finance*

Much of the local development of the City before the 1950's was farm, orchard, or grazing lands. In 1955, the Bradley-Burns Act was passed, which provided a one percent sales tax rebate for cities, to be distributed by the state. In 1957, the community roads of Pioneer, South Street, and Artesia Boulevard were paved, two-lane roads, which brought the roads to "civilized" condition. The City of Artesia incorporated on May 29, 1959 with the motto "Service Builds Tomorrow's Progress".

The City's economy has always relied on sales tax as the primary revenue source to support the purposes of the City's government. The sales tax strength for Fiscal Year 2021-22 is more than one-third of the general fund revenues. A vibrant sector is the Restaurant and Hotel major business group located in the City. Collaboration and support of local businesses keeps the community vibrant. The City of Artesia developed a Small Business Assistance Program with Community Development Block Grant (CDBG) funds to award grants of up to \$10,000 to 40 small businesses in Artesia. The City is also currently working with developers on new housing and mixed use development at currently vacant properties along Artesia Boulevard. The City continues to work on attracting investors wishing to develop in Artesia, and the City Council authorized an agreement to complete an assessment for the highest and best use of vacant and underutilized properties in the City. The assessment will be used to develop an action plan to help implement thoughtful development in the City.

The City is included in the Los Angeles-Long Beach Metropolitan Statistical Area. The following table summarizes the civilian labor force, employment and unemployment, and employment rate in the County and the City for calendar years 2018 through October, 2022:

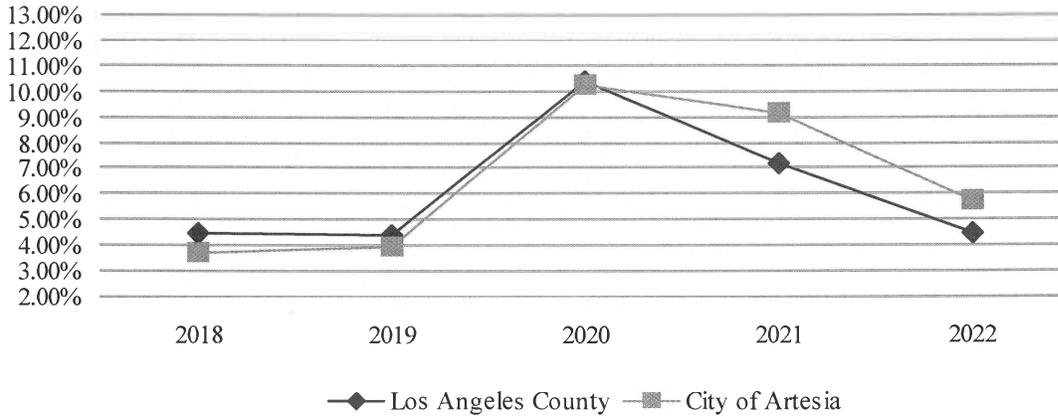
LOS ANGELES COUNTY AND CITY OF ARTESIA STATISTICAL AREA  
 Civilian Labor Force, Employment, Unemployment and Unemployment Rate  
 Annual Averages (000's) <sup>(1)</sup>

	2018		2019		2020		2021		2022	
	<u>County</u>	<u>City</u>								
Civilian Labor Force (2)	5,114	8.00	5,183	8.20	4,869	7.70	5,009	7.80	4,948	7.60
Employment	4,882	7.70	4,953	7.80	4,363	6.90	4,647	7.10	4,724	7.20
Unemployment	233	0.30	230	0.30	506	0.80	363	0.70	224	0.40
Unemployment Rate	4.50%	3.70%	4.40%	3.90%	10.40%	10.20%	7.20%	9.10%	4.50%	5.70%

<sup>(1)</sup> Not seasonally adjusted.

<sup>(2)</sup> Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

**Unemployment Rate  
 Artesia versus LA County**



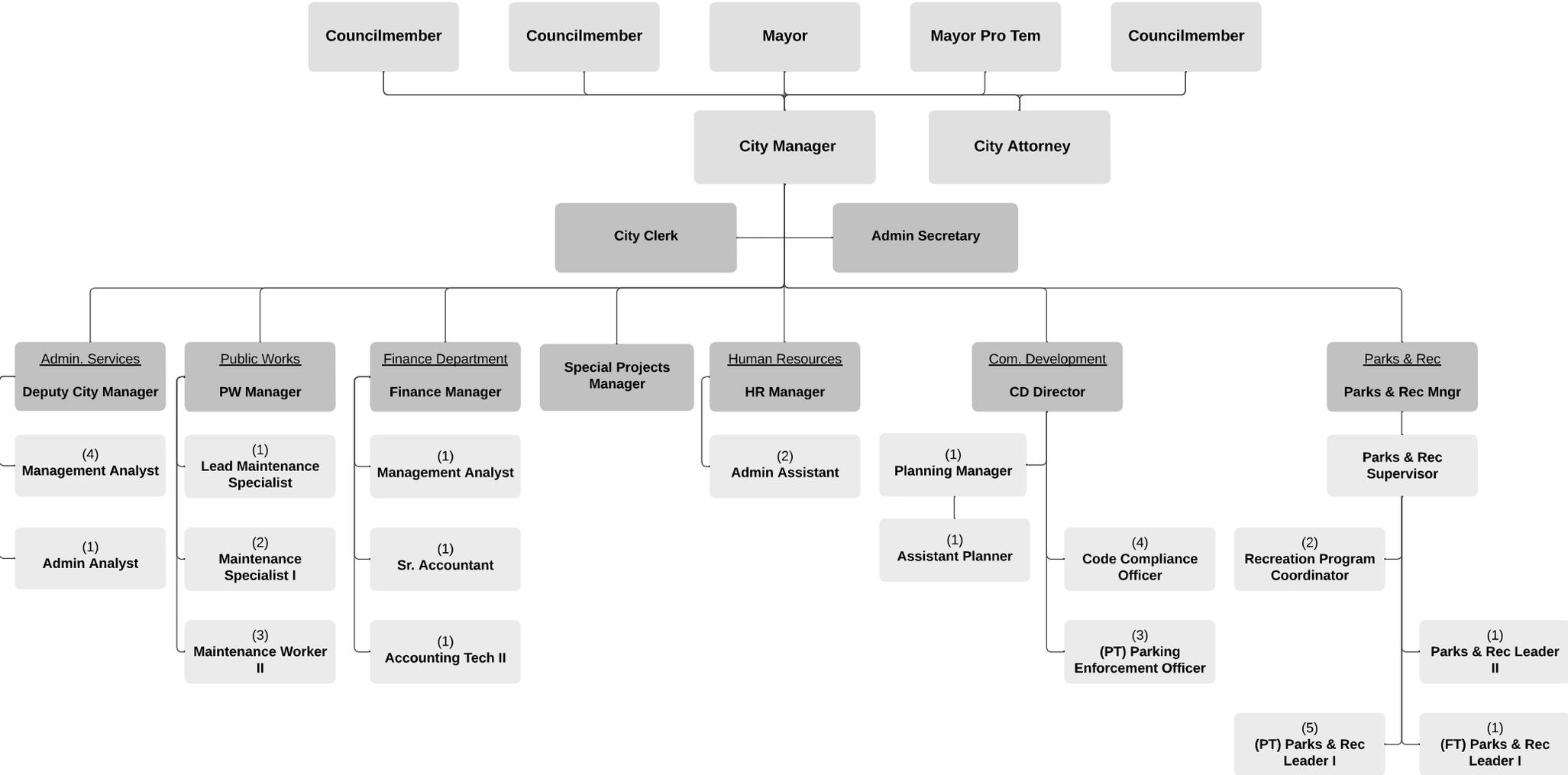
Source: Labor Market Information Division of the California State Employment Development Department.  
 The City's average unemployment rate has been consistently lower than the Los Angeles County area average.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit is also due to the Mayor and City Council for their support in maintaining the highest standards of professionalism in the management of the City of Artesia's finances.

Sincerely,

Aldo E. Schindler  
 City Manager

# City of Artesia Organizational Chart



CITY OF ARTESIA, CALIFORNIA  
List of Principal Officials  
2021-2022

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<u>Elected Officials</u>	<u>Term Expires</u>
Mayor: Monica Manalo	November 2024
Mayor Pro Tem: Tony Lima	November 2024
Council Members: Ali Taj Rene Trevino Melissa Ramoso	November 2026 November 2026 November 2026
<u>Administrative Staff</u>	<u>Date of Hire</u>
City Manager: * Aldo E. Schindler	November 2022
Deputy City Manager: Melissa Burke	June 2022
City Attorney: * HongDao Nguyen	December 2020
City Clerk: Jennifer Alderete	June 2022
City Treasurer: Jamie Murguia	June 2023
Finance Manager Jamie Murguia	March 2021
Fire Chief: ** Anthony C. Marrone	February 2023
Sheriff: *** Robert G. Luna	November 2022
Community Development Director: Okina Dor	June 2010

\* Appointed by City Council

\*\* Appointed by Los Angeles County Fire District

\*\*\* Appointed by Los Angeles County Sheriff Department



**PARTNERS**

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

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FAX: 310.670.1689  
www.mlhcpas.com

**INDEPENDENT AUDITOR'S REPORT**

To the Members of the City Council  
City of Artesia, California

**Opinions**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Artesia, California as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Artesia, California, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinions**

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

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

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

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

### **Required Supplementary Information**

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

## Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Artesia's basic financial statements. The Budgetary Comparison Schedules for Nonmajor Governmental Funds; and the Combining Financial Statements for the Nonmajor Governmental Funds listed in the table of contents are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The Nonmajor Governmental Funds and the Combining Financial Statements for the Nonmajor Governmental Funds 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 our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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.

## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, 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, CA  
January 17, 2024

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## Management's Discussion and Analysis

As management of the City of Artesia, we offer readers of the City of Artesia's financial statements this narrative overview and analysis of the financial activities of the City of Artesia for the fiscal year ended June 30, 2022.

### Financial Highlights

- The assets and deferred outflows of resources of the City of Artesia exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$37,746,548 (*net position*). The Governmental Activities have unrestricted net position of \$2,223,210, which may be used to meet the government's ongoing obligations to residents and creditors. Business-type Activities have unrestricted net position of \$851,251.
- The City's net position for governmental activities increased by \$7,734,148 over the prior fiscal year.
- The City's net position for business-type activities increased by \$51,156 over the prior fiscal year.
- The total cost of all City activities was \$14,946,551 for the current fiscal year. Net cost of all activities was \$3,695,656.
- As of June 30, 2022, the City of Artesia's governmental funds reported combined ending fund balances of \$20,519,739, an increase of \$9,688,065 in comparison to the prior year. Approximately 32% of this amount is committed or assigned to indicate that it is not available because it has been set aside for projects or specific purposes. Another 37% is legally restricted by resolution or 3<sup>rd</sup> party covenants.
- As of June 30, 2022, the unassigned fund balance for all governmental funds was \$4,963,307.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Artesia's basic financial statements. The basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The 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 of Artesia's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City of Artesia's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two 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 of Artesia is improving or deteriorating.

The *statement of activities and changes in net position* 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).

Both of the government-wide financial statements distinguish functions of the City of Artesia 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. The

governmental activities of the City of Artesia include general government, public safety, parks and recreation, public works and community development.

The government-wide financial statements include not only the City itself (known as the *primary government*) but also the blending of the legally separate Artesia Housing Authority and Artesia Parking Authority for which the City is financially accountable. These *component units* are therefore included as an integral part of the primary government.

**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 of Artesia, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City of Artesia maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the funds below, which are considered to be major funds:

- **General Fund**
- **Capital Projects Fund**

Major funds are governmental or enterprise funds whose revenues, expenditures/expenses, assets or liabilities are at least 10% of corresponding totals for all governmental or enterprise funds and at least 5% of the corresponding total for all governmental and enterprise funds combined.

Data from the non-major governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Artesia adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund and Capital Projects Fund to demonstrate compliance with these adopted budgets.

**Proprietary funds.** The City of Artesia has two proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City's enterprise fund accounts for the City's paid parking, and the Artesia Towne Center. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. All proprietary funds are considered to be major funds of the City.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Artesia’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. Funds of the George Nelson Memorial and Senior Residents and various other small projects are held as fiduciary funds. The Successor Agency to the Artesia Redevelopment Agency (ASA) is a public entity created by AB X1 26 (2011) and the City of Artesia effective February 1, 2012 to wind down the affairs of the former Artesia Redevelopment Agency.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2022, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$37,746,548 for the primary government.

By far the largest portion of the City of Artesia’s net position, \$28,113,887 represents resources invested in capital assets. Capital assets provide services to residents and are not available for future spending. Resources needed to repay the related debt outstanding must be provided from other sources because the capital assets cannot be used to liquidate these liabilities.

An additional portion of net position (18%) represents resources that are subject to external restrictions on how it may be used, and therefore \$6,558,200 may not be used to meet the government's ongoing obligations to residents and creditors.

The City’s net position for government-wide statements increased by \$6,158,549, or 16% during the fiscal year as a result of revenues exceeding expenditures during this fiscal year. The total cost of all City activities was \$14,946,551. Net cost of all activities was \$3,695,656. Both revenue increases and expense decreases are discussed in more detail in the following report sections.

**Governmental Activities**

This analysis focuses on the net position and changes in net position of the City’s governmental activities which are presented in the government-wide financial statements.

**Governmental Activities Net Position**

	2022	2021
Current and other assets	\$ 25,692,344	\$ 17,571,552
Capital assets	27,624,448	27,346,667
Total assets	<u>53,316,792</u>	<u>44,918,219</u>
Deferred outflows of resources	1,385,289	2,100,084
Long-term liabilities outstanding	9,064,322	3,065,777
Other liabilities	2,225,455	12,517,325
Total liabilities	<u>11,289,777</u>	<u>15,583,102</u>
Deferred inflows of resources	<u>7,006,446</u>	<u>1,360,156</u>
Net position:		
Net investment in capital assets	27,624,448	27,346,667
Restricted	6,558,200	5,581,108
Unrestricted	2,223,210	(2,852,730)
Total net position	<u>\$ 36,405,858</u>	<u>\$ 30,075,045</u>

The net position of the governmental activities represents 96% of the City's total net position. Restricted net assets include external restrictions relating to public safety, street projects, housing and other purposes. Restricted net position increased by \$977,092 or 18%.

**Governmental activities.** Governmental activities increased the City of Artesia's net position by \$6,330,813. Key elements of this increase are as follows:

**Governmental Activities Change in Net Position**

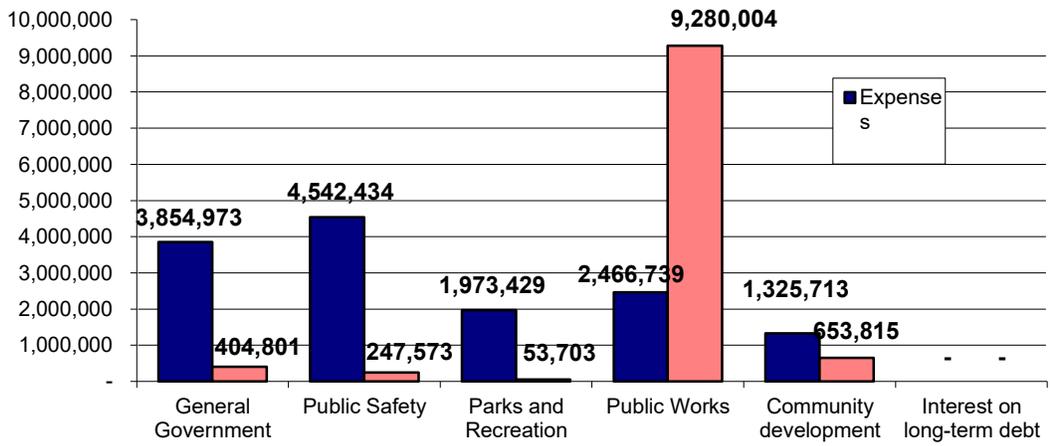
	2022	2021
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1,173,584	\$ 1,146,665
Operating grants and contributions	1,623,044	1,381,708
Capital grants and contributions	7,843,268	4,065,409
General revenues:		
Property taxes	2,146,321	2,085,778
Transient occupancy taxes	410,567	406,026
Sales taxes	5,551,693	3,272,693
Franchise taxes	909,908	888,495
Business license taxes	525,901	682,807
Other taxes	-	-
Vehicle license fee collection in excess	-	-
Use of money and property	100,488	371,655
Other	209,327	258,931
Contribution from Successor Agency	-	-
Transfers	-	-
Total revenues	20,494,101	14,560,167
<b>Expenses</b>		
General government	3,854,973	4,523,432
Public safety	4,542,434	3,792,862
Parks and recreation	1,973,429	1,148,427
Public works	2,466,739	2,685,133
Community development	1,325,713	1,006,978
Interest on long-term debt	-	-
Total expenses	14,163,288	13,156,832
Change in net position	6,330,813	1,403,335
Beginning net position	30,075,045	28,671,710
Prior period adjustment	-	-
Beginning net position, restated	30,075,045	28,671,710
Ending net position	36,405,858	30,075,045

Charges for services increased by \$26,919 or 2%.

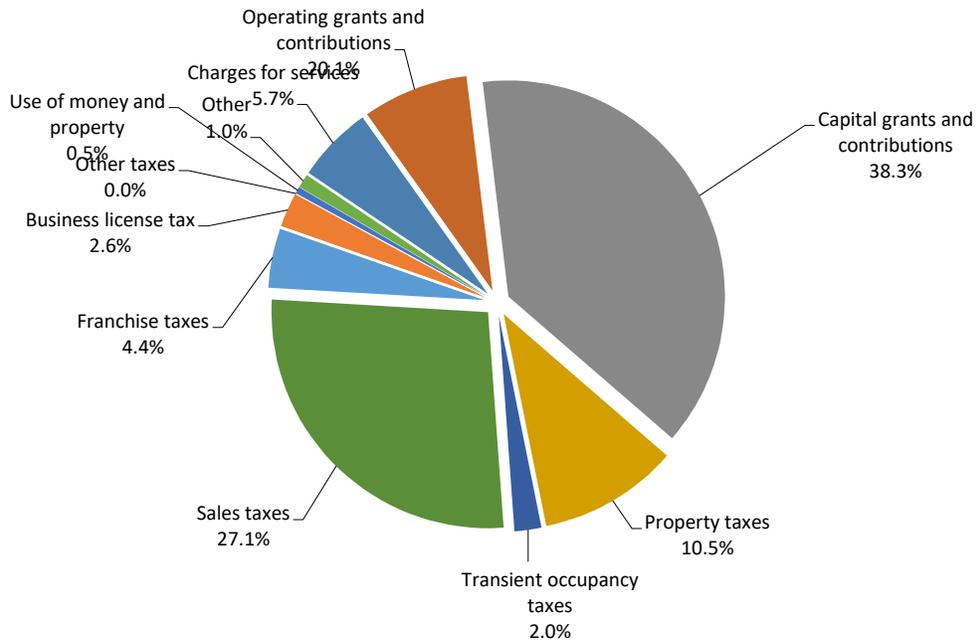
Capital grants and contributions increased from \$ 4,065,409 in the prior year to \$ 7,843,268. The City received a \$5,000,000 Grant to expand AJ Padelford Park, of which \$2,000,000 was budgeted. The City received its first tranche of \$1,985,656 in American Rescue Plan Act (ARPA) funds.

Total expenses increased \$1,006,456 or 8% overall. This increase was anticipated during the budget process.

### Expenses and Program Revenues-Governmental Activities



### Revenue Sources-Governmental Activities



Taxes, operating grants and contributions and charges for services provide 98.5% of the overall revenue sources of the governmental activities. Taxes include property, transient occupancy, sales, franchise, business license and other taxes (transfer tax, Measure V and AB1290).

## Business-type Activities

The analysis of business-type activities focuses on the net position and changes in net position of the City's residential refuse service function which is presented in the government-wide financial statements. This is the first year of existence for this fund.

### Business-Type Activities Net Position

	2022	2021
Current assets and other assets	\$ 947,982	\$ 1,037,438
Capital assets	489,439	541,831
Total assets	1,437,421	1,579,269
Other liabilities	96,731	66,315
Total liabilities	96,731	66,315
Net position:		
Net investment in capital assets	489,439	541,831
Unrestricted	851,251	971,123
Total net position	\$ 1,340,690	\$ 1,512,954

The net position of the business-type activities represents 4% of the City's total net position. Business-type net position decreased by \$172,264. The decrease is attributed to higher expenditures, decreased rent collection at the Artesia Towne Center as well as decreased Parking revenue downtown due to COVID-19.

### Business-type Change in Net Position

	2022	2021
Revenues		
Program revenues:		
Charges for services	\$ 610,999	\$ 550,672
Total Revenues	610,999	550,672
Expenses		
Parking	239,508	149,334
Artesia Towne Center	543,755	177,918
Total Expenses	783,263	327,252
Change in net position	(172,264)	223,420
Beginning net position	1,512,954	1,289,534
Ending net position	\$ 1,340,690	\$ 1,512,954

The City's business-type program expenditures exceeded revenues by \$172,264, meaning charges for services did not recover operating expenses.

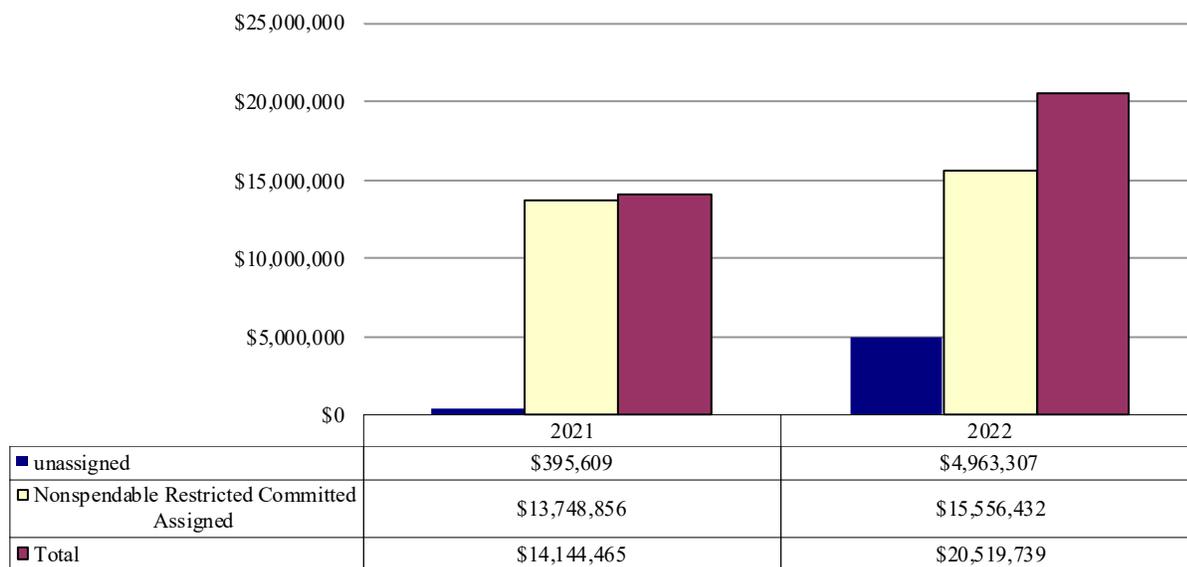
## Financial Analysis of the Government's Funds

As noted earlier, the City of Artesia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City of Artesia's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Artesia's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Artesia's governmental funds reported combined ending fund balances of \$20,519,739, an increase of \$9,688,065 in comparison to the prior year. Of this amount, there is \$5,151,404 unassigned net fund balance available for spending at the government's discretion. All fund balance is *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending. Approximately 26% of this amount is committed to indicate that it is not available because it has committed for contingency reserves. Another 37% is restricted for specific uses. Approximately 6% of this amount is assigned, which indicate that these amounts are not available because they are intended for specific uses designated by the City Council. The remainder of the fund balance is nonspendable, as they reflect prepaid items. Four funds qualify as major funds under the GASB Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*, reporting criteria: the General Fund, Billboard Fund, ARPA Fund, and Capital Projects Fund.

The following is a summary of fund balances of the governmental funds for fiscal years 2021-2022:



The General Fund is the chief operating fund of the City of Artesia. At the end of Fiscal Year ended June 30, 2022, the total fund balance was \$11,770,470, with \$88,581 non-spendable for prepaid items, \$5,315,000 committed to funding future commitments, and \$1,215,485 assigned for specific projects. Comparing both total and unassigned fund balance (\$5,151,404) to total fund expenditures is a measure of the general fund's liquidity. Unassigned fund balance represents 46% of the total general fund revenue (\$11,297,374) and represents 49% of total general fund expenditures (\$10,582,132).

- The fund balance of the general fund increased by \$4,726,316 during the fiscal year. There was an overall increase of \$24,527 in actual revenue over budget.

The Billboard Fund qualifies as a major fund in 2021-22. The Billboard Fund fund balance increased by \$88,425.

The America Rescue Plan Act (ARPA) Fund qualifies as a major fund in 2021-22.

The Capital Projects Fund qualifies as a major fund in 2021-22. The Capital Projects Fund fund balance increased by \$3,340.

**Proprietary Funds**

The City’s proprietary fund provides the same type of information found in the government-wide statements, but in greater detail.

Unrestricted net position of the two proprietary funds decreased to \$1,340,690 in the fiscal year. Other factors concerning the finances of these funds are addressed in the discussion of the business-type activities.

**General Fund Budgetary Highlights**

There was an increase between the original budget and the final amended budget for appropriations of \$2,309,741, in anticipation of higher personnel, contract services, and unfunded liability expenditures. Actual revenue, was higher than the final budget by \$24,527.

Differences between the final appropriations and actual expenditures totaled \$1,765,995. Actual expenditures were less than budgeted in.

**Capital Asset and Debt Administration**

**Capital assets.** The City of Artesia’s investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$ \$27,624,448 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobile equipment, office furniture and equipment, other equipment, and infrastructure. The total increase in the City of Artesia’s capital assets (net of depreciation) for the 2021-22 fiscal years was \$277,781. The following is a summary of capital assets (net of depreciation) as of June 30, 2022 and 2021:

	<b>Capital Assets (net of depreciation)</b>	
	2022	2021
<b>Governmental activities</b>		
Land	\$ 10,008,436	\$ 8,735,828
Buildings	809,907	841,300
Improvements other than buildings	1,371,276	654,155
Automobile equipment	497,420	619,614
Office furniture and equipment	14,278	13,390
Other equipment	166,391	193,736
Infrastructure	14,178,463	12,562,616
Construction in progress	578,277	3,726,028
Total governmental activities	\$ 27,624,448	\$ 27,346,667

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

- Construction in progress – several street projects were in process.

Additional information on the City’s capital assets can be found in Note 4 of the Notes to the Financial Statements.

## Debt Administration

At the end of the fiscal year, the City had total long-term debt outstanding of \$9,064,322. This includes compensated absences, other post-employment benefits and net pension liability as required by GASB 68 and 71. The following is a summary of the outstanding debt (net of unamortized charges) at June 30, 2022 and 2021:

	Outstanding Debt	
	2022	2021
<b>Governmental activities</b>		
Compensated absences	261,229	445,422
Other post-employment benefits obligation (OPEB)	6,760,267	8,286,203
Net pension liability	2,124,013	3,785,700
Total governmental activities	9,145,509	12,517,325

**Long-term Debt.** There was a decrease in long-term debt of \$3,453,003 over the prior year.

- Compensated absences liability decreased \$184,193 for the decrease in accrued time off payable.
- OPEB liability decreased \$1,525,936 for the increase in future benefits payable.
- Net pension liability decreased \$1,661,687 for the increase in future retirement benefits payable.

Additional information on the City's long-term debt and other long-term liabilities can be found in notes 5, 8 and 9 of the *Notes to the Financial Statements*.

## Economic Factors and Next Year's Budgets and Rates

- City retirement rates (CalPERS) will decrease by .03 points for Classic members, and increase by .01 points for PEPRA members, for Fiscal Year 2022-23.
- CalPERS Annual Unfunded Accrued Liability valuation as of 6/30/2022 will increase the annual cost for Fiscal Year 2022-23 by an additional \$34,478.
- For Fiscal Year 2022-23, Classic PERS members will contribute to the CalPERS retirement system at 7%, and PEPRA PERS members will contribute to the CalPERS retirement system at 6.75%.

The City is continuing a priority of conservative fiscal management where an evaluation of expenses with potential reductions will be implemented for government efficiencies. Conversely, the City is actively pursuing other economic development programs to enhance the City's revenue resource structure.

## Requests for Information

This financial report is designed to provide a general overview of the City of Artesia's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, ATTN: Finance Manager, 18747 Clarkdale Avenue, Artesia, CA 90701.

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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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Generally accepted accounting principles (GAAP) for state and local governments prescribe two basic government-wide financial statements:

- Statement of Net Position
- Statement of Activities and Changes in Net Position

The government-wide financial statements include all governmental and business-type activities of the City of Artesia. Their purpose is to summarize the City's consolidated financial activities and position. The government-wide financial statements are prepared on a full accrual basis (including depreciation) similar to a private business entity.

***Statement of Net Position*** is the basic government-wide statement of position. A statement of net position presents all of an entity's assets, deferred outflows, liabilities, deferred inflows, and net position (equity). The presentation is referred to as the *statement of net position* (rather than *balance sheet*), and the difference between assets, deferred outflows, liabilities, and deferred inflows is referred to as *net position* (rather than *equity*).

GAAP requires the City's governmental activities be reported separately from its business-type activities. In general, governmental activities include activities reported in the general, special revenue, debt service and capital projects funds. The City's government-wide statement of net position provides a column for the governmental and business-type activities.

The difference of assets plus deferred outflows of resources, minus liabilities and deferred inflows of resources in the government-wide statement of net position is referred to as *net position*. Net position is categorized as follows:

- Net investment in capital assets
- Restricted
- Unrestricted

***Statement of Activities and Changes in Net Position*** is used to report changes in net position reported on the government-wide statement of net position. The government-wide statement of activities presents expenses before revenues. This emphasizes that in the public sector, revenues are generated for the express purpose of providing services rather than as an end in themselves.

The first column of the government-wide statement of activities present the direct expenses associated with each of the City's functional activities:

- General government
- Public safety
- Parks and recreation
- Public works
- Community development

The government-wide statements include the financial activities of the City of Artesia and its blended component units (Artesia Housing Authority and Artesia Parking Authority).

**City of Artesia**  
**Statement of Net Position**  
**June 30, 2022**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>ASSETS AND DEFERRED OUTFLOWS</b>			
Cash and investments	\$ 19,306,280	\$ 947,072	\$ 20,253,352
Receivables:			
Accounts	3,609,004	910	3,609,914
Loan	26,494		26,494
Leases	2,616,176		2,616,176
Interest	37,181		37,181
Prepaid items	97,209		97,209
Capital assets:			
Nondepreciable assets	10,586,713		10,586,713
Depreciable assets, net	17,037,735	489,439	17,527,174
Total capital assets	27,624,448	489,439	28,113,887
<b>Total assets</b>	53,316,792	1,437,421	54,754,213
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflow - Pension related	691,568		691,568
Deferred outflow - OPEB related	693,721		693,721
<b>Total deferred outflows of resources</b>	1,385,289		1,385,289
<b>LIABILITIES AND DEFERRED INFLOWS</b>			
Accounts payable	1,003,369	28,774	1,032,143
Deposits payable	1,140,899	67,957	1,208,856
Unearned revenues	412,161		412,161
Noncurrent liabilities:			
Net postemployment benefit obligation	6,760,267		6,760,267
Net pension liability	2,124,013		2,124,013
Due within one year	81,187		81,187
Due in more than one year	180,042		180,042
<b>Total liabilities</b>	11,701,938	96,731	11,798,669
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflow - Pension related	2,333,968		2,333,968
Deferred inflow - OPEB related	1,644,141		1,644,141
Deferred inflow - leases related	2,616,176		2,616,176
<b>Total deferred inflows of resources</b>	6,594,285		6,594,285
<b>NET POSITION</b>			
Net investment in capital assets	27,624,448	489,439	28,113,887
Restricted for:			
Public safety	1,190,106		1,190,106
Street projects	4,074,982		4,074,982
Housing	741,875		741,875
Other purposes	551,237		551,237
Total restricted	6,558,200		6,558,200
Unrestricted	2,223,210	851,251	3,074,461
<b>Total net position</b>	\$ 36,405,858	\$ 1,340,690	\$ 37,746,548

See Accompanying Notes to Basic Financial Statements.

**City of Artesia**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Primary government:</b>					
<b>Governmental activities:</b>					
General government	\$ 3,854,973	\$ 404,801	\$ -	\$ 4,221,312	\$ 4,626,113
Public safety	4,542,434		247,573	100,000	347,573
Parks and recreation	1,973,429	53,703		1,897,274	1,950,977
Public works	2,466,739	61,265	1,375,471	1,039,553	2,476,289
Community development	1,325,713	653,815		585,129	1,238,944
Total governmental activities	14,163,288	1,173,584	1,623,044	7,843,268	10,639,896
<b>Business-type activities:</b>					
Parking	239,508	164,295			164,295
Artesia Towne Center	543,755	446,704			446,704
Total business-type activities	783,263	610,999			610,999
<b>Total primary government</b>	<b>\$ 14,946,551</b>	<b>\$ 1,784,583</b>	<b>\$ 1,623,044</b>	<b>\$ 7,843,268</b>	<b>\$ 11,250,895</b>

**General revenues:**

Taxes:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Business licenses taxes

Use of money and property

Other

**Total general revenues**

**Change in net position**

**Net position - beginning of fiscal year**

**Net position - end of fiscal year**

See Accompanying Notes to Basic Financial Statements.

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-Type Activities	Total
\$ 771,140	\$ -	\$ 771,140
(4,194,861)		(4,194,861)
(22,452)		(22,452)
9,550		9,550
(86,769)		(86,769)
(3,523,392)		(3,523,392)
	(75,213)	(75,213)
	(97,051)	(97,051)
	(172,264)	(172,264)
(3,523,392)	(172,264)	(3,695,656)
2,146,321		2,146,321
410,567		410,567
5,551,693		5,551,693
909,908		909,908
525,901		525,901
100,488		100,488
209,327		209,327
9,854,205		9,854,205
6,330,813	(172,264)	6,158,549
30,075,045	1,512,954	31,587,999
\$ 36,405,858	\$ 1,340,690	\$ 37,746,548

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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*  
*Proprietary Fund Financial Statements*  
*Fiduciary Fund Financial Statements*

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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Generally accepted accounting principles (GAAP) for state and local governments prescribe the following basic governmental fund financial statements:

- Balance Sheet
- Statement of Revenues, Expenditures, and Changes in Fund Balances

The governmental fund financial statements include all the major individual governmental funds and the total of non-major funds of the City of Artesia. The governmental fund financial statements are prepared on the modified accrual basis. The major governmental funds of the City are as follows:

**General Fund** accounts for the revenues and expenditures used to carry out basic governmental activities of the City such as general government, public safety, parks and recreation, public works, and community development. Revenue is recorded by source (e.g., taxes, licenses and permits, intergovernmental, charges for services and fines and forfeitures). General Fund expenditures are made primarily for current day-to-day operations and operating equipment. They are recorded by major functional classification and operating departments. This fund accounts for all financial transactions not properly accounted for in another fund.

**Special Revenue Fund** accounts for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes.

**Capital Projects** is a fund that accounts for funds received that have a broader discretionary use by the City Council for capital improvements.

**Billboard** accounts for City license fee on development agreement for 15 annual installments of double-sided outdoor advertising structure.

**ARPA** accounts for funds provided by the federal government to cover revenue shortfalls and Covid-19 related costs.

Budgetary comparison schedule for the General fund is included in the required supplementary section. Budgetary comparison schedules for the special revenue funds, capital projects fund and individual non-major funds are located in the supplemental information section of the financial statements.

**City of Artesia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2022**

	Special Revenue Funds		Capital Projects Fund		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Billboard	ARPA	Capital Projects		
<b>ASSETS</b>						
Cash and investments	\$ 10,368,948	\$ 546,095	\$ -	\$ 1,343,443	\$ 7,047,794	\$ 19,306,280
Receivables:						
Accounts	1,243,053		1,985,656	5,003	375,292	3,609,004
Loan				26,494		26,494
Leases	546,724	2,069,452				2,616,176
Interest	37,181					37,181
Prepaid items	88,581				8,628	97,209
Due from other funds	2,361,148					2,361,148
<b>Total assets</b>	<b>\$ 14,645,635</b>	<b>\$ 2,615,547</b>	<b>\$ 1,985,656</b>	<b>\$ 1,374,940</b>	<b>\$ 7,431,714</b>	<b>\$ 28,053,492</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 837,276	\$ -	\$ -	\$ 3,761	\$ 162,332	\$ 1,003,369
Deposit payable	1,079,004				61,895	1,140,899
Unearned revenue	412,161					412,161
Due to other funds			1,985,656		375,492	2,361,148
<b>Total liabilities</b>	<b>2,328,441</b>		<b>1,985,656</b>	<b>3,761</b>	<b>599,719</b>	<b>4,917,577</b>
<b>Deferred inflows of resources:</b>						
Leases	546,724	2,069,452				2,616,176
<b>Total deferred inflows of resources</b>	<b>546,724</b>	<b>2,069,452</b>				<b>2,616,176</b>
<b>Fund balances:</b>						
Nonspendable:						
Prepaid items	88,581				8,628	97,209
Restricted for:						
Housing projects					764,920	764,920
Street projects		546,095			1,865,040	2,411,135
Transportation projects					2,935,324	2,935,324
Air quality projects					254,571	254,571
Public safety					1,191,609	1,191,609
Committed to:						
Contingency reserve	5,315,000					5,315,000
Assigned to:						
CalPERS Rate Increase	100,609					100,609
Future Retiree Medical	14,000					14,000
Water District Consolidation Analysis	45,000					45,000
Sanitation District Consolidation Analysis	25,000					25,000
Preliminary Planning Projects	45,000					45,000
Organizational Development Plan	25,000					25,000
Economic Development	13,000					13,000
General Contingencies	201,877					201,877
Business Improvement District	50,000					50,000
City Facility Improvements	74,782					74,782
CERT Training	20,000					20,000
Vehicle & Equipment Replacement	50,000					50,000
Specific Plan Development	20,000					20,000
Street projects	200,000			1,371,179		1,571,179
CalPERS Net Pension Unfunded Liability	165,609					165,609
CalPERS Net Retiree Health Unfunded Liability	165,608					165,608
Unassigned	5,151,404				(188,097)	4,963,307
<b>Total fund balances</b>	<b>11,770,470</b>	<b>546,095</b>		<b>1,371,179</b>	<b>6,831,995</b>	<b>20,519,739</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 14,645,635</b>	<b>\$ 2,615,547</b>	<b>\$ 1,985,656</b>	<b>\$ 1,374,940</b>	<b>\$ 7,431,714</b>	<b>\$ 28,053,492</b>

See Accompanying Notes to Basic Financial Statements.

**City of Artesia**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2022**

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**Total Fund Balances - Total Governmental Funds** \$ 20,519,739

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

Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the governmental funds. Nondepreciable assets and depreciable assets net of accumulated depreciation totals: 27,624,448

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

Compensated absences	(261,229)
Net other postemployment benefits payable	(6,760,267)
Deferred outflows of resources - OPEB Related	693,721
Deferred inflows of resources - OPEB Related	<u>(1,644,141)</u>
Total long-term liabilities	<u>(7,971,916)</u>

Pension related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pension are only reported in the Statement of Net Position as the changes in these amounts affects only the government-wide statements for governmental activities.

Deferred outflows of resources	691,568
Deferred inflows of resources	(2,333,968)
Net Pension liability	<u>(2,124,013)</u>
Total pension related items	<u>(3,766,413)</u>

**Net Position of Governmental Activities** \$ 36,405,858

**City of Artesia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2022**

	General Fund	Special Revenue Funds		Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
		Billboard	ARPA	Capital Projects		
<b>REVENUES:</b>						
Taxes	\$ 9,018,489	\$ -	\$ -	\$ -	\$ 1,375,471	\$ 10,393,960
Licenses and permits	525,901					525,901
Intergovernmental	553,913		3,971,312	1,840,318	1,725,298	8,090,841
Charges for services	1,061,970			20,085		1,082,055
Use of money and property	(10,366)	2,219		2,200	106,435	100,488
Fines and forfeitures	91,529					91,529
Other revenues	55,938	150,000			3,389	209,327
<b>Total revenues</b>	<b>11,297,374</b>	<b>152,219</b>	<b>3,971,312</b>	<b>1,862,603</b>	<b>3,210,593</b>	<b>20,494,101</b>
<b>EXPENDITURES:</b>						
Current:						
General government	3,511,911				2,540	3,514,451
Public safety	4,421,661				120,773	4,542,434
Parks and recreation	1,074,049			670,500		1,744,549
Public works	636,672				963,511	1,600,183
Community development	925,612	63,794		1,523	334,784	1,325,713
Capital outlay	12,227			1,187,240	192,030	1,391,497
<b>Total expenditures</b>	<b>10,582,132</b>	<b>63,794</b>		<b>1,859,263</b>	<b>1,613,638</b>	<b>14,118,827</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>715,242</b>	<b>88,425</b>	<b>3,971,312</b>	<b>3,340</b>	<b>1,596,955</b>	<b>6,375,274</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in	4,071,312				60,238	4,131,550
Transfers out	(60,238)		(3,971,312)		(100,000)	(4,131,550)
<b>Total other financing sources (uses)</b>	<b>4,011,074</b>		<b>(3,971,312)</b>		<b>(39,762)</b>	
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>4,726,316</b>	<b>88,425</b>		<b>3,340</b>	<b>1,557,193</b>	<b>6,375,274</b>
<b>FUND BALANCES:</b>						
Beginning of fiscal year	7,044,154	457,670		1,367,839	5,274,802	14,144,465
End of fiscal year	\$ 11,770,470	\$ 546,095	\$ -	\$ 1,371,179	\$ 6,831,995	\$ 20,519,739

**City of Artesia**  
**Reconciliation of the Governmental Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position**  
**For the fiscal year ended June 30, 2022**

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Net Change in Fund Balances - Total Governmental Funds \$ 6,375,274

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

Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position, the cost of those assets are allocated over the estimated useful lives as depreciation expense. This was the amount of capital assets recorded in the current period:

Capital outlay 1,391,497

Depreciation expense on capital assets is reported in the Government-Wide Statement of Activities and Changes in Net Position, but it does not require the use of current financial resources. Therefore, depreciation expense is not reported as an expenditure in the governmental funds.

(1,113,716)

Compensated absences and other postemployment benefits are reported in the Government-Wide Statement of Activities and Changes in Net Position, but they do not require the use of current financial resources. Therefore, they are not reported as an expenditure in the governmental funds.

Change in compensated absences 233,684

Change in other postemployment benefits and related deferred outflows (173,127)

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.

(382,799)

**Change in Net Position of Governmental Activities \$ 6,330,813**

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**PROPRIETARY FUND  
FINANCIAL STATEMENTS**

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# PROPRIETARY FUND FINANCIAL STATEMENTS

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Generally accepted accounting principles (GAAP) for state and local governments prescribe following basic proprietary fund financial statements:

- Statement of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Statement of Cash Flows

The proprietary fund financial statements include the major Paid Parking and Artesia Towne Center enterprise funds of the City of Artesia.

The proprietary financial statements are prepared on a full accrual basis (including depreciation) similar to a private business entity.

Enterprise funds are used to account for activities that are financed and operated in a manner similar to private business enterprises. The intent is to recover costs of operation on a continuing basis through user charges.

***Paid Parking*** is used to account for the operation of the City's paid parking program.

***Artesia Towne Center*** is used to account for the operation of the City's Artesia Towne Center. The intent of this fund is to account for the rental income and maintenance expenditures of the Artesia Towne Center.

**City of Artesia**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

	Enterprise Funds		
	Paid Parking	Artesia Towne Center	Total
<b>ASSETS</b>			
<b>Current assets:</b>			
Cash and investments	\$ 601,270	\$ 345,802	\$ 947,072
Receivables:			
Accounts	910		910
<b>Total current assets</b>	<b>602,180</b>	<b>345,802</b>	<b>947,982</b>
<b>Noncurrent assets:</b>			
Capital assets:			
Machinery and equipment	254,958		254,958
Infrastructure	561,203	66,718	627,921
Less:			
Accumulated depreciation	(377,872)	(15,568)	(393,440)
<b>Total noncurrent assets</b>	<b>438,289</b>	<b>51,150</b>	<b>489,439</b>
<b>Total assets</b>	<b>1,040,469</b>	<b>396,952</b>	<b>1,437,421</b>
<b>LIABILITIES AND NET POSITION</b>			
<b>Liabilities:</b>			
Accounts payable	5,088	23,686	28,774
Deposits payable		67,957	67,957
<b>Total liabilities</b>	<b>5,088</b>	<b>91,643</b>	<b>96,731</b>
<b>Net position:</b>			
Net investment in capital assets	438,289	51,150	489,439
Unrestricted	597,092	254,159	851,251
<b>Total net position</b>	<b>\$ 1,035,381</b>	<b>\$ 305,309</b>	<b>\$ 1,340,690</b>

**City of Artesia**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**Proprietary Funds**  
**For the fiscal year ended June 30, 2022**

	Enterprise Funds		Total
	Paid Parking	Artesia Towne Center	
<b>OPERATING REVENUES:</b>			
Charges for services	\$ 161,543	\$ 445,226	\$ 606,769
Use of money and property	2,752	1,478	4,230
<b>Total revenues</b>	<b>164,295</b>	<b>446,704</b>	<b>610,999</b>
<b>OPERATING EXPENSES:</b>			
Personnel	140,716	191,494	332,210
Materials and supplies	50,848	347,813	398,661
Depreciation	47,944	4,448	52,392
<b>Total expenses</b>	<b>239,508</b>	<b>543,755</b>	<b>783,263</b>
<b>Change in net position</b>	<b>(75,213)</b>	<b>(97,051)</b>	<b>(172,264)</b>
<b>NET POSITION:</b>			
Beginning of fiscal year	1,110,594	402,360	1,512,954
End of fiscal year	\$ 1,035,381	\$ 305,309	\$ 1,340,690

See accompanying Notes to Basic Financial Statements.

**City of Artesia**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the fiscal year ended June 30, 2022**

	Enterprise Funds		Totals
	Paid Parking	Artesia Towne Center	
Cash flows from operating activities:			
Cash received from customers and users	\$ 173,395	\$ 452,706	\$ 626,101
Cash paid to suppliers for goods and services	(49,690)	(318,555)	(368,245)
Cash paid to employees for services	(140,716)	(191,494)	(332,210)
Net cash provided (used) by operating activities	(17,011)	(57,343)	(74,354)
Net increase (decrease) in cash and cash equivalents	(17,011)	(57,343)	(74,354)
Cash and cash equivalents beginning of fiscal year	618,281	403,145	1,021,426
Cash and cash equivalents end of fiscal year	\$ 601,270	\$ 345,802	\$ 947,072
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities</b>			
Operating income (loss)	\$ (75,213)	\$ (97,051)	\$ (172,264)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	47,944	4,448	52,392
Change in operating assets and liabilities:			
Decrease (increase) in accounts receivable	9,100	6,002	15,102
Increase (decrease) in accounts payable	1,158	17,217	18,375
Increase (decrease) in deposits payable		12,041	12,041
Total adjustments	58,202	39,708	97,910
Net cash provided (used) by operating activities	\$ (17,011)	\$ (57,343)	\$ (74,354)

See accompanying Notes to Basic Financial Statements.

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# FIDUCIARY FUND FINANCIAL STATEMENTS

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Generally accepted accounting principles (GAAP) for state and local governments prescribe following basic fiduciary fund financial statements:

- Statement of Fiduciary Net Position
- Statement of Changes in Fiduciary Net Position

The fiduciary financial statements report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

The fiduciary financial statements are prepared on a full accrual basis (including depreciation) similar to a private business entity.

*Successor Agency to the Artesia Redevelopment Agency Private-Purpose Trust Fund* accounts for the custodial responsibilities assigned to the Successor Agency to the Artesia Redevelopment Agency.

**City of Artesia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2022**

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	Successor Agency to the Artesia Redevelopment Agency Private Purpose Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 770,021
<b>Total assets</b>	<b>\$ 770,021</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,925
Deposits payable	597,725
Accrued interest payable	55,333
Long-term debt:	
Due in more than one year	12,008,389
<b>Total liabilities</b>	<b>12,665,372</b>
<b>NET POSITION:</b>	
Held in trust for other purposes	\$ (11,895,351)

See accompanying Notes to Basic Financial Statements.

**City of Artesia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Fund**  
**June 30, 2022**

	Successor Agency to the Artesia Redevelopment Agency Private Purpose Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 770,021
<b>Total assets</b>	<b>\$ 770,021</b>
<b>LIABILITIES</b>	
Accounts payable	\$ 3,925
Deposits payable	597,725
Accrued interest payable	55,333
Long-term debt:	
Due in more than one year	12,008,389
<b>Total liabilities</b>	<b>12,665,372</b>
<b>NET POSITION:</b>	
Held in trust for other purposes	\$ (11,895,351)

See accompanying Notes to Basic Financial Statements.

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# NOTES TO BASIC FINANCIAL STATEMENTS

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## **1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Artesia, California (City), have been prepared in accordance with accounting principles generally accepted in the United States of America (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 more significant of the City's accounting policies are described below.

### ***A. Description of Reporting Entity***

The City was incorporated on May 29, 1959, under the laws of the State of California and enjoys all the rights and privileges applicable to a General Law City. The City is governed by an elected five-member council. The accompanying financial statements present the City and its component units defined as legally separate entities that meet any one of the following tests:

- The City appoints the voting majority of the board of the component unit 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.
- The component unit is fiscally dependent upon the City.
- The financial statements of the City would be misleading if data from the component unit were omitted.

*Artesia Housing Authority* - The five members of the City Council serve as the governing body of the Housing Authority and exercise all rights, powers, duties, and privileges of the Housing Authority. The Mayor serves as the Chairperson of the Housing Authority. The purpose of the Housing Authority is to prepare and execute plans for housing projects within the City. The activity of this blended component unit is reported in the Housing Authority Special Revenue Fund.

*Artesia Parking Authority* - The five members of the City Council serve as the governing body of the Parking Authority and exercise all rights, powers, duties and privileges of the Parking Authority. The Mayor serves as the Chairperson of the Parking Authority. The purpose of the Parking Authority is to prepare and execute plans for parking projects within the City. The activity of this blended component unit is reported in the Paid Parking Proprietary Fund.

Separate financial statements are not prepared for the Housing Authority or the Parking Authority. These component units are included in the primary government because of the significance of their financial or operational relationship and they have the same governing body as the City.

### ***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, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses. Governmental 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.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental activities and the business-type activity for the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from the business-type activity, which relies to a significant extent on fees and charges for support. Fiduciary activities of the City are not included in these statements.

*Government-Wide Financial Statements*

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

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

- Charges for services to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function.
- Operating grants and contributions that are restricted to meeting the operational requirements of a given function.
- Capital grants and contributions that are restricted to meeting the capital requirements of a given function.

Certain eliminations have been made in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated, including due to/from other funds and transfers in/out.

*Governmental Funds Financial Statements*

Governmental Funds Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

*Governmental Funds Financial Statements, Continued*

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, deferred outflows of resources, current liabilities, and deferred inflows of resources are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual received soon enough after fiscal year-end such that they are available to finance expenditures of the current period (generally 60 days after fiscal year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the City, are property tax, sales tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Unavailable revenues arise when potential revenues do not meet both the “measurable” and “available” criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the unavailable revenue is removed from the Balance Sheet and revenue is recognized. Unearned revenues arise when the government receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when the government has a legal claim to the resources, the unearned revenue is removed from the Balance Sheet and revenue is recognized.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences between the “*economic resources*” and “*current financial resources*” basis of accounting.

*Proprietary Funds Financial Statements*

Proprietary Fund Financial Statements include a Statement of Net Position, Statement of Revenues, Expenses, and Changes in Net Position, and Statement of Cash Flows. Proprietary funds are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or non-current) associated with the activity are included on the Statement of Net Position. The reported fund equity presents total net position. The operating statement of the proprietary fund presents increases (revenues) and decreases (expenses) in total net position. Revenues are recognized when they are earned, and expenses are recognized when the liability is incurred.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

*Proprietary Funds Financial Statements (Continued)*

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 City's proprietary funds are charges to customers for services such as parking and rent. The primary operating expenses include repairs and maintenance on properties and meter maintenance. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Fiduciary Funds Financial Statements*

Fiduciary Fund Financial Statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary fund represents a private purpose trust fund. The private purpose trust fund is reported using the "economic resources" measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.
- The Billboard Special Revenue Fund's primary function is to account for funds received for billboard rentals and to be utilized for streets and roads related costs.
- The ARPA Special Revenue Fund's primary function is to account for funds received and expenses associated with the American Recovery Plan.
- The Capital Projects Capital Projects Fund's primary function is to account for funds received that have a broader discretionary use by the City Council for capital improvements.

The City reports the following major proprietary funds:

- The Paid Parking Proprietary Fund's primary function is to account for paid parking in the City of Artesia.
- The Artesia Towne Center Proprietary Fund's primary function is to account for rent and maintenance associated with the Artesia Towne Center.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

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

The City also reports the following funds:

- The Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are usually required by law or administrative regulation to be accounted for in separate funds.
- The Private Purpose Trust Fund is used to account for the activities of the Successor Agency to the Artesia Redevelopment Agency.
- The Fiduciary Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other government units, and/or other funds. Trust funds, such as Successor Agency to the Redevelopment Agency, use the flow of economic resources measurement focus and the accrual basis of accounting.

***C. Future Accounting Pronouncements***

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

The provisions for Statement Number 91 “Conduit Debt Obligations” are effective for fiscal years beginning after December 15, 2021.

The provisions for Statement Number 94 “Public-Private and Public-Public Partnerships and Availability Payment Arrangements” are effective for fiscal years beginning after June 15, 2022.

The provisions for Statement Number 96 “Subscription-Based Information Technology Arrangements” are effective for fiscal years beginning after June 15, 2021.

The provisions for GASB Statement Number 99, “Omnibus 2022” are effective for fiscal year beginning after June 15, 2022, and June 15, 2023.

The provisions of Statement Number 100 “Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62” are effective for fiscal years beginning after June 15, 2023.

The provisions of Statement Number 101 “Compensated Absences” are effective for fiscal years beginning after December 15, 2023.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position, Equity, or Fund Balance***

Cash and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments for the City, as well as for its component units, are reported at fair value. The Local Agency Investment Fund (LAIF) operates in accordance with appropriate State laws and regulations. The reported value of the pool is the same as the fair value of the pool shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" or "advances to/from other funds". All account and property tax receivables are shown net of an allowance for uncollectibles. Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period.

The County of Los Angeles collects property taxes for the City. Tax liens attach annually on the first day in January preceding the fiscal year for which the taxes are levied. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each fiscal year and are delinquent on August 31.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The fund balances in the governmental fund types have been reported as nonspendable for amounts equal to the prepaid items in the fund level statements, since these amounts are not available for appropriation.

Capital Assets

Capital assets, which include property, buildings, vehicles, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental activities' column in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined by the City as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure assets have a capitalization threshold of \$5,000. Purchased or constructed capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position, Equity, or Fund Balance, Continued***

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Improvements other than buildings	15 years
Vehicles and equipment	3 - 10 years
Infrastructure	25 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental and proprietary funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has two items that qualify for reporting in this category. These items are the deferred outflow related to pensions and OPEB. These amounts are equal to employer contributions made after the measurement date of the net pension liability and any other deviance from actuarial determined assumptions that are to be amortized relating to the net pension liability or OPEB.

In addition to liabilities, the statement of net position and the governmental and proprietary funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has three items that qualify for reporting in this category. The first item is unavailable revenues, which is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is a deferred inflow related to pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years. The third item is a deferred inflow related to pensions for the changes in proportion and differences between employer contributions and the proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans determined as of June 30, 2018 (the beginning of the measurement period ended June 30, 2020), which is 3.8 years.

The City also recognizes deferred inflow of resources pursuant to GASB Statement No. 87 regarding leases receivable.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position, Equity, or Fund Balance, Continued***

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Normally, an employee cannot accrue more than 40 days of vacation time. Sick leave is payable when an employee is unable to work because of illness. Normally, an employee cannot accrue more than 400 hours of sick leave. Upon termination, an employee will be paid for any unused vacation based upon 100% of the current wage rate in effect. Employees hired prior to April 30, 2015, will be paid 50% of unused sick leave based upon 100% of the current wage in effect for sick leave earned after June 30, 2015. They will be paid 100% for sick leave accrued prior to June 30, 2015, and not subsequently used. Employees hired on or after May 1, 2015, will not be paid for unused sick leave upon termination.

All vacation and sick leave pay is accrued when incurred in the Government-Wide Financial Statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are paid, if matured, out of the General Fund.

Long-Term Obligations

In the Government-Wide Financial Statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

In the Government-Wide Financial Statements and the Proprietary Fund Statement of Net Position, net position is classified in the following categories:

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

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

*Unrestricted Net Position* - This amount is all net position that does not meet the definition of "net investment in capital assets" or "restricted net position".

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position, Equity, or Fund Balance, Continued***

Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in the following categories:

*Nonspendable* - Items that cannot be spent because they are not in spendable form, such as prepaid items and inventories, 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 and the adoption of a formal resolution is required to establish a fund balance commitment.

The City has a contingency reserve to address major unforeseen expenditures such as damage to facilities or infrastructure. The reserve was established by the City Council through resolution 16-2606 and requires a three-fifths vote to expend the funds. The balance of this reserve as of June 30, 2022, was \$5,315,000.

*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 authorized the City Manager for that purpose.

*Unassigned* - This category is for any balances that have no restrictions placed upon them. The general fund is the only fund that reports a positive unassigned fund balance amount.

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued**

***D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position, Equity, or Fund Balance, Continued***

*Governmental Fund Balance*

When expenditures are incurred for purposes for which all restricted, committed, assigned, and unassigned fund balances are available, the City's policy is to apply in the following order, except for instances wherein an ordinance specifies the fund balance:

- Restricted
- Committed
- Assigned
- Unassigned

*Pensions*

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 City's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

*Leases Receivable*

GASB issued Statement No. 87 "Leases" to better meet the information needs of financial statements users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease asset and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this Statement a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. Implementation of GASB Statement No. 87 resulted in the City recognizing 3 property leases that are recognized under GASB Statement No. 87. The City recorded opening lease receivables of \$2,736,999 and deferred inflows related to leases of \$2,736,999.

***E. Use of Estimates***

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**2. CASH AND INVESTMENTS**

As of June 30, 2022, cash and investments were reported in the accompanying financial statements as follows:

	Government Wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Unrestricted assets:			
Cash and investments	\$ 20,253,352	\$ 770,021	\$ 21,023,373
Total cash and investments	<u>\$ 20,253,352</u>	<u>\$ 770,021</u>	<u>\$ 21,023,373</u>

Cash and investments on June 30, 2022, consisted of the following:

Cash on hand (petty cash)	\$ 500
Demand deposits	967,318
Investments	20,055,555
Total cash and investments	<u>\$ 21,023,373</u>

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

The City's Investment Policy is reviewed and adopted by the City Council each fiscal year. Regarding allowable investment types, the investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53600.5 of the California Government Code. Investment vehicles not specifically mentioned in the City's investment policy, are not authorized unless the policy is amended by the City Council or is approved as part of the provisions of the bond indentures. Investments are limited to:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
United States Treasury Notes	5 years	None	None
United States Government Sponsored Agency Securities:			
Treasury Bills	1 year	None	None
Treasury Bonds	5 years	None	None
Certificates of Deposit	5 years	30%	None
Passbook Savings Accounts	N/A	None	None
Local Agency Investment (LAIF)	N/A	None	\$75,000,000
N/A - Not Applicable			

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

The City's investment policy does not contain any specific provisions intended to limit the City's exposure to interest rate risk and concentration of credit risk.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**2. CASH AND INVESTMENTS, Continued**

**Investments Authorized by Debt Agreements**

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
United States Treasury Obligations	None	None	None
United States Government Sponsored			
Agency Securities	None	None	None
Banker's Acceptances	360 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	None	None	None
Local Agency Investment (LAIF)	None	None	None
Certificates of Deposit	None	None	None

N/A - Not Applicable

**Disclosures Relating to Interest Rate Risk**

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

Investment Type	<u>Remaining Maturity (in Years)</u>
Local Agency Investment Fund (LAIF)	<u>\$ 20,055,555</u>
Total Investments	<u><u>\$ 20,055,555</u></u>

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**2. CASH AND INVESTMENTS, Continued**

**Disclosures Relating to Credit Risk**

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

Investment Type	Total as of June 30, 2017	Minimum Legal Rating	AAA	Not Rated
Local Agency Investment Fund (LAIF)	\$ 20,055,555	N/A	\$ -	\$ 20,055,555
	\$ 20,055,555		\$ -	\$ 20,055,555

**Concentration of Credit Risk**

The City’s investment policy imposes restrictions for certain types of investments with any one issuer; however, external investment pools are excluded from this requirement. On June 30, 2022, the City’s investments were with LAIF and money market mutual funds held by fiscal agent which are exempt from this requirement.

**Custodial Credit Risk**

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. On June 30, 2022, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

## **2. CASH AND INVESTMENTS, Continued**

### **Investment in State Investment Pool**

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

### **Fair Value Measurements**

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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 similar observable assets either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The City's investment in the State Investment Pool (LAIF) is exempt from fair value measurements disclosure.

## **3. LOAN RECEIVABLE**

In November 1989, the City entered into an agreement with the Southern California Water Company for the installation of a domestic water system in an Artesia service area. As part of this agreement, the City loaned the Southern California Water Company \$139,925 with no interest to be repaid over 40 years. On June 30, 2022, the outstanding loan receivable is \$26,494.

## **4. LEASES RECEIVABLE**

The City has 3 lease agreements in place as of June 30, 2022. Revenue recognition is in accordance with GASB Statement No. 87. Summarized information for each lease is as follows:

### **Crown Castle Inc.**

In February 2006, the City entered into a lease with Crown Castle Inc. for property at 17203 Corby Avenue to be utilized as telecommunication infrastructure. The lease term extends through the fiscal year ended June 30, 2031. Rent payments are \$2,129 a month increasing by CPI every 5 years year under the terms of the lease.

### **Verizon Wireless**

In September 2020, the City entered into a lease with Verizon for property at 18747 Clarkdale Avenue to be utilized as telecommunication infrastructure. The lease term extends through the fiscal year ended June 30, 2045. Rent payments are \$3,060 a month increasing by CPI every year under the terms of the lease.

### **Outfront Media LLC**

In August 2016, the City entered into a lease with Outfront Media VW Communications, LLC. for property to be utilized for outdoor advertising. The lease term extends through the fiscal year ended June 30, 2038. Rent payments are \$12,500 a month and increase to \$16,638 a month by the end of the lease period under the terms of the lease.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**5. CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2022, is as follows:

	Balance as of June 30, 2021	Additions	Deletions	Transfers	Balance as of June 30, 2022
<b>Governmental Activities</b>					
Nondepreciable capital assets					
Land	\$ 8,735,828	\$ 1,272,608	\$ -	\$ -	\$ 10,008,436
Construction in progress	3,726,028	107,682		(3,255,433)	578,277
Total nondepreciable capital assets	<u>12,461,856</u>	<u>1,380,290</u>		<u>(3,255,433)</u>	<u>10,586,713</u>
Depreciable capital assets					
Buildings	1,841,797				1,841,797
Improvements other than buildings	1,493,952			803,565	2,297,517
Automobile equipment	1,301,935				1,301,935
Office furniture and equipment	311,588	11,207			322,795
Other equipment	1,048,151				1,048,151
Infrastructure	19,978,789			2,451,868	22,430,657
Total depreciable capital assets	<u>25,976,212</u>	<u>11,207</u>		<u>3,255,433</u>	<u>29,242,852</u>
Less accumulated depreciation					
Buildings	(1,000,497)	(31,393)			(1,031,890)
Improvements other than buildings	(839,797)	(86,444)			(926,241)
Automobile equipment	(682,321)	(122,194)			(804,515)
Office furniture and equipment	(298,198)	(10,319)			(308,517)
Other equipment	(854,415)	(27,345)			(881,760)
Infrastructure	(7,416,173)	(836,021)			(8,252,194)
Total accumulated depreciation	<u>(11,091,401)</u>	<u>(1,113,716)</u>			<u>(12,205,117)</u>
Net depreciable capital assets	<u>14,884,811</u>	<u>(1,102,509)</u>		<u>3,255,433</u>	<u>17,037,735</u>
Net capital assets	<u>\$ 27,346,667</u>	<u>\$ 277,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,624,448</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

General government	\$ 18,280
Public works	866,556
Parks and recreation	228,880
Total depreciation expense - governmental activities	<u>\$ 1,113,716</u>

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**5. CAPITAL ASSETS, Continued**

Capital asset activity for the fiscal year ended June 30, 2022, is as follows (continued):

	Balance as of June 30, 2021	Additions	Deletions	Balance as of June 30, 2022
<b>Business-type Activities</b>				
Depreciable capital assets				
Other equipment	\$ 254,958	\$ -	\$ -	\$ 254,958
Infrastructure	627,921			627,921
Total depreciable capital assets	882,879			882,879
Less accumulated depreciation				
Other equipment	(150,344)	(25,496)		(175,840)
Infrastructure	(190,704)	(26,896)		(217,600)
Total accumulated depreciation	(341,048)	(52,392)		(393,440)
Net depreciable capital assets	541,831	(52,392)		489,439
Net capital assets	\$ 541,831	\$ (52,392)	\$ -	\$ 489,439

Depreciation expense was charged to the Paid Parking enterprise fund (\$47,944) and Artesia Towne Center enterprise fund (\$4,448).

**6. LONG-TERM LIABILITIES**

The following is a schedule of changes in long-term liabilities of the City for the fiscal year ended June 30, 2022:

	Balance at June 30, 2021	Additions	Repayments	Balance at June 30, 2022	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 494,913	\$ 53,213	\$ (286,897)	\$ 261,229	\$ 81,187
Total	\$ 382,395	\$ 53,213	\$ (286,897)	\$ 261,229	\$ 81,187

**Compensated Absences**

The compensated absences payable has been accrued for governmental activities on the Government-Wide Financial Statements. Typically, the General Fund has been used to liquidate the liability for compensated absences. There is no fixed payment schedule to pay these liabilities. The total amount of compensated absences payable on June 30, 2022, was \$261,229.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund balances as of June 30, 2022, is as follows:

**Due To / Due From Other Funds**

On June 30, 2022, the City had the following due to/from other funds:

<u>Due To (payable)</u>	<u>Due From (receivable)</u>	<u>Amount</u>
Non-major Governmental Funds	General Fund	\$ 375,492
ARPA Special Revenue Fund	General Fund	1,985,656
		<u>\$ 2,361,148</u>

The above interfund balances resulted from temporary reclassifications made on June 30, 2022, to cover cash shortfalls.

**Interfund Transfers**

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Non-major Governmental Fund	\$ 60,238
ARPA Special Revenue Fund	General Fund	3,971,312
Non-major Governmental Fund	General Fund	100,000
		<u>4,131,550</u>

Transfers to and from the General Fund are to offset expenditures made in the General Fund for the non-major special revenue funds and vice versa. Transfers from the ARPA special revenue fund to the general fund are to reimburse the General Fund for grant related expenditures during the fiscal year.

**8. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES**

**Deficit Fund Balance**

Non-Major Special Revenue Fund:	
Air Quality	\$ (49,616)
Parks & Recreation Grants	(15,359)
Clean Air Bus Grant	(10,548)
Metro TOD 4	(19,228)
Cal Fire Urban Grant	(93,346)

The Special Revenue Funds with deficit fund balances will be reimbursed in future fiscal years for deficits incurred as part of operations from future revenues if available or the General Fund.

**8. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES, Continued**

**Excess of Expenditures over Appropriations**

There were no funds with expenditures over final appropriations during the fiscal year ended June 30, 2022.

**9. RETIREMENT PLANS**

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

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the City’s Miscellaneous Employee Pension Plan, cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plans’ provisions and benefits in effect on June 30, 2022, are summarized as follows:

	<u>Miscellaneous</u>	
	<u>Prior to January 1, 2023</u>	<u>On or After January 1, 2023</u>
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.25%
Required employer contribution rates	8.74%	6.25%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**9. RETIREMENT PLANS, Continued**

***B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions***

As of June 30, 2022, the City reported net pension liabilities for its proportionate shares of the net pension liability of the City Miscellaneous Plan as follows:

Proportionate Share of Net Pension Liability
<hr/>
\$ 2,124,013
<hr/>

The City's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. The City's proportionate share of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for each Plan as of June 30, 2020, and 2021 were as follows:

	City Miscellaneous Plan
	<hr/>
Proportion - June 30, 2020	0.08975%
Proportion - June 30, 2021	0.11186%
Change - Increase (Decrease)	<hr/> <u>0.02211%</u>

For the fiscal year ended June 30, 2022, the City recognized pension expense of \$233,135. On June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 318,726	\$ -
Net differences between projected and actual earnings on pension plan investments		(1,854,151)
Differences based on actual experience	238,185	
Differences between actual vs proportionate contribution		(479,817)
Adjustment due to differences in proportions	134,657	
Total	<hr/> <u>\$ 372,842</u>	<hr/> <u>\$ (2,333,968)</u>

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**9. RETIREMENT PLANS, Continued**

***B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued***

\$318,726 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 ending June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended		
June 30, 2023		
2023	\$	(507,833)
2024		(480,239)
2025		(460,661)
2026		(512,392)
Total	\$	<u>(1,961,125)</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	<u>Miscellaneous</u>
Measurement Date	30-Jun-20
Actuarial Cost Method	30-Jun-21
Actuarial Assumptions:	Entry-Age Normal Cost Method
Discount Rate	7.15%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	3.30%-14.20% (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019; valuation was based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can be found on the CalPERS' website.

9. RETIREMENT PLANS, Continued

*B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued*

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for all plans. The projection of cash flows used to determine the discount rate assumed the 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.

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

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

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

**9. RETIREMENT PLANS, Continued**

***B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions, Continued***

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

The following presents the City’s proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 4,272,570
Current Discount Rate	7.15%
Net Pension Liability	\$ 2,124,013
1% Increase	8.15%
Net Pension Liability	\$ 347,831

Pension Plan Fiduciary Net Position

Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS’ financial reports.

***C. Payable to the Pension Plan***

On June 30, 2022, the City had no outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2022.

**9. OTHER POST-EMPLOYMENT BENEFITS**

**Plan Description**

The City provides retiree medical benefits under the CalPERS health plan, which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements. Copies of the CalPERS’ annual financial report may be obtained at CalPERS’ Executive Office, 400 P Street, Sacramento, CA 95814.

**Benefits Provided**

Employees become eligible to retire under PEMHCA and receive lifetime City-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by attaining qualifying disability retirement status. The City contributes 100% of the cost of retiree coverage and 50% of the cost of dependent coverage, for medical and dental insurance. Vision insurance is offered on a self-paid basis. Survivor benefits are paid until all covered dependents are either deceased or no longer eligible because of age limitations.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS, Continued**

**Eligibility**

For employees hired before May 1, 2015 and retiring after that date, the City's contribution will be limited to the Cafeteria Plan contribution on behalf of active employees in the year of retirement. The 2022 contribution cap amounts are \$800 per month for single coverage, \$1,150 per month for employee plus one, and \$1,555 per month for family coverage.

Employees hired after May 1, 2015 must have at least 10 years of service to be eligible for City-paid retiree health benefits. Benefits for these retirees will be limited to \$770 per month for single coverage, \$1,190 per month for retiree plus one, and \$1,365 per month for family coverage. Regardless of date of hire or date of retirement, eligible retirees receive a minimum City contribution equal to the statutory minimum employer contribution under PEMHCA (\$143/mo. for 2021 and \$149/mo. for 2022). The City also pays a 0.23% of premium administrative fee on behalf of employees and retirees.

The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

Inactive plan members or beneficiaries currently receiving benefit payments	29
Active plan members	35

**Funding Policy**

The contribution requirements of Plan members and the City are established and amended by the City. The required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.

**Actuarial Method and Assumptions**

The total OPEB liability in the July 1, 2020, actuarial report was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

Actuarial cost method	Entry Age, Level Percent of Pay
Valuation of fiduciary net position	No assets held in an irrevocable trust as of the measurement date.
Recognition of deferred inflows and outflows of resources	Closed period equal to the average of the expected remaining service lives of all employees provided with OPEB
Salary increases	3.00 percent
Inflation rate	2.75 percent
Healthcare cost trend rate	5.60 percent for 2022, 5.40 percent for 2023, 5.20 percent for 2024-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.00 percent for all years.
Preretirement Mortality	Preretirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).
Postretirement Mortality	Post-retirement Mortality Rates for Public Agency Miscellaneous from CalPERS Experience Study (2000-2019).

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**9. OTHER POST-EMPLOYMENT BENEFITS, Continued**

**Total OPEB Liability**

The following tables show the components of the City’s annual OPEB cost, the amount paid by the employer as benefits came due, and changes in the OPEB liability for fiscal year June 30, 2022. The City’s total OPEB liability of \$6,760,267 was measured as of June 30, 2021, and was determined by an actuarial valuation as of July 1, 2020.

**Discount Rate**

Per GASB guidance, the single rate that produces the same present of expected benefit payments as 1) the expected long-term rate of return on plan assets during the period when projected assets are sufficient to pay future retiree benefits, and 2) the 20-year municipal bond rate after assets are projected to be exhausted. The Fidelity 20-year Municipal GO AA Index is used because it meets the GASB requirements and is based on a large amount municipal security data.

**Changes in Total OPEB Liability**

Total OPEB Liability	
Service cost	397,388
Interest	164,271
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes in assumptions or other inputs	(1,830,773)
Benefit payments <sup>1</sup>	(256,822)
Net change in total OPEB liability	(1,525,936)
Total OPEB Liability - June 30, 2021	\$ 8,286,203
Total OPEB Liability - June 30, 2022	\$ 6,760,267

<sup>1</sup> Includes \$222,164 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of \$34,658.

There is sensitivity of the total OPEB liability due to changes in the discount rate and healthcare cost trend rates. The following presents the total OPEB liability of the City, as well as what the City’s total OPEB liability would be if it were calculated using the discount and trend rate that were 1 percentage point lower or 1 percentage point higher than the current discount and healthcare cost trend rates.

**Discount Rate**

	1% Decrease (2.69%)	Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	7,710,346	6,760,267	5,983,046

**Healthcare Trend Rate**

	1% Decrease <sup>2</sup>	Trend Rate	1% Increase <sup>3</sup>
Total OPEB Liability	6,114,788	6,760,267	7,386,851

<sup>2</sup> Trend rate for each future year reduced by 1.00%.

<sup>3</sup> Trend rate for each future year reduced by 1.00%.

## **10. LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION**

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

The City of Artesia is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The Authority began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors which operates through a nine-member Executive Committee.

## **10. LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION, Continued**

### ***B. Self-Insurance Programs of the Authority***

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

The total funding requirement for self-insurance programs is estimated using actuarial models and pre-funded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

**Liability:** In the liability program, claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers. For 2019-20, the Authority's pooled retention is \$2 million per occurrence, with reinsurance to \$20 million, and excess insurance to \$50 million. The Authority's reinsurance contracts are subject to the following additional pooled retentions: (a) 50% of the \$2.5 million annual aggregate deductible in the \$3 million x/s \$2 million layer, (b) 50% quota share of the \$3 million x/s \$2 million layer, and (c) \$3 million annual aggregate deductible in the \$5 million x/s \$10 million layer.

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

## **10. LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION, Continued**

### ***B. Self-Insurance Programs of the Authority, Continued***

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

For 2021-22 the Authority's pooled retention is \$2 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law.

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

### ***C. Purchased Insurance***

Pollution Legal Liability Insurance - The City of Artesia participates in the pollution legal liability insurance program (formerly called environmental insurance) which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Artesia. Coverage is on a claims-made basis. There is a \$50,000 deductible. The Authority has a limit of \$50 million for the 3-year period from July 1, 2021, through July 1, 2023. Each member of the Authority has a \$10 million sub-limit during the 3-year term of the policy.

Property Insurance - The City of Artesia participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Artesia property is currently insured according to a schedule of covered property submitted by the City of Artesia to the Authority. City of Artesia property currently has all-risk property insurance protection in the amount of \$50,000,000. There is a \$10,000 deductible per occurrence. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

Earthquake and Flood Insurance - The City of Artesia purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Artesia property currently has earthquake protection in the amount of \$18,531,170. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000. Premiums for the coverage are paid annually and are not subject to retrospective adjustments.

## **11. CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES**

Crime Insurance - The City of Artesia purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority. Premiums are paid annually and are not subject to retrospective adjustments.

### ***D. Adequacy of Protection***

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were no significant reductions in pooled or insured liability coverage in the fiscal year 2021-22.

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (“the Bill”) that provides for the dissolution of all redevelopment agencies in the State of California.

The Bill provides that upon dissolution of a redevelopment agency, either the city or other unit of local government will agree to serve as the “successor agency” to hold the assets units until they are distributed to other units of state and local government. On January 10, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of the City resolution number 2012-04.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter new projects, obligations or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence as of the date of the dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). Successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

## **12. SUCCESSOR AGENCY DISCLOSURES**

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency to the City of Artesia Redevelopment Agency on February 1, 2012 as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities. Disclosures related to these transactions are as follows:

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**12. SUCCESSOR AGENCY DISCLOSURES, Continued**

**Capital Assets**

There were no capital asset activities for the fiscal year ended June 30, 2022.

**Long-Term Liabilities**

	Balance at June 30, 2021	Additions	Repayments	Balance at June 30, 2022	Due Within One Year
2007 Tax Allocation Bonds	\$ 10,405,000	\$ -	\$ (10,405,000)	\$ -	\$ -
Less: Issuance Discount	(174,554)		174,554		
2009 Housing Tax Allocation Bonds	3,105,000		(3,105,000)		
2022 Tax Allocation Bonds		12,207,970		12,207,970	
Total	<u>\$ 13,335,446</u>	<u>\$ 12,207,970</u>	<u>\$ (13,335,446)</u>	<u>\$ 12,207,970</u>	<u>\$ -</u>

Long-term liabilities activity for the fiscal year ended June 30, 2022 were as follows:

2007 Tax Allocation Bonds

On December 5, 2007, the Agency issued \$12,920,000 in Tax Allocation Bonds for the purpose of financing certain redevelopment activities benefiting the Artesia Redevelopment Project Area in the City. The bonds mature annually on June 1, from 2008 to 2042, in amounts ranging from \$115,000 to \$600,000. The bonds have been refunded during the fiscal year ended June 30, 2022.

2009 Tax Allocation Bonds

On June 30, 2009, the Agency issued \$3,470,000 in Housing Tax Allocation Bonds for the purpose of financing low- and moderate-income housing projects of the Agency. The bonds mature annually on June 1, from 2012 to 2046, in amounts ranging from \$40,000 to \$265,000. Interest is payable semiannually on June 1 and December 1, with a yield of 7.70%. The bonds have been refunded during the fiscal year ended June 30, 2022.

2022 Tax Allocation Bonds

On May 25, 2022, the Agency issued \$12,207,970 in Taxable Tax Allocation Refunding Bonds for the purpose of refunding the 2007 and 2009 Tax Allocation Bonds. The bonds mature annually on June 1, from 2024 to 2046, in amounts ranging from \$177,210 to \$877,140. Interest is payable semiannually on June 1 and December 1, with a yield of 4.16% to 5.46%. The defeasance created a deferred loss on refunding totaling \$200,444. The deferred loss on refunding balance on June 30, 2022, was \$199,581. The balance outstanding on June 30, 2022, was \$12,207,970.

The 2022 Tax Allocation Bonds are payable solely from the taxes received by the Successor Agency on behalf of the former Redevelopment Agency. The total principal and interest remaining to be paid on the bonds is \$19,438,787. Principal and interest payments were not due during the fiscal year ended June 30, 2022. The annual requirements to amortize the 2022 Tax Allocation Bonds outstanding on June 30, 2022, are as follows:

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**12. SUCCESSOR AGENCY DISCLOSURES, Continued**

**Long-Term Liabilities, Continued**

2022 Tax Allocation Bonds, Continued

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 553,479	\$ 553,479
2024	185,000	544,405	729,405
2025	420,450	536,254	956,704
2026	442,140	517,881	960,021
2027	463,300	498,547	961,847
2028 - 2032	2,630,210	2,170,770	4,800,980
2033 - 2037	3,257,280	1,541,428	4,798,708
2038 - 2042	4,037,650	759,607	4,797,257
2043 - 2046	771,940	108,446	880,386
Totals	<u>\$ 12,207,970</u>	<u>\$ 7,230,817</u>	<u>\$ 19,438,787</u>

**13. COMMITMENTS AND 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 that these cases, in aggregate, are not expected to result in a material adverse financial impact on the City with the exception of the case noted below. Additionally, City management believes that the City’s insurance programs are sufficient to cover any potential losses should an unfavorable outcome materialize.

***B. Federal and State Grant Programs***

The City has received Federal and State grants for specific purposes that are subject to review and audit by the respective governments. Although such audits could result in expenditure disallowance under grant terms, any required reimbursements are not expected to be material.

**13. COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***C. Commitments***

As of June 30, 2022, the City did not have any commitments and, in the opinion of City management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the City.

#### **14. SUBSEQUENT EVENTS**

Subsequent to fiscal year-end, the City may be negatively impacted by the effects of the worldwide coronavirus pandemic. The City is closely monitoring its operations, liquidity, and reserves and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact on the City's financial position is not known.

Subsequent to the fiscal year-end, during the fiscal year ended June 30, 2023, the Interim City Manager has resigned. A permanent replacement was hired on November 29, 2022.

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# REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF ARTESIA  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2022**

**Schedule of Changes in the Net Pension Liability and Related Ratios - Last 10 Years\***

Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Proportion of the net pension liability	0.08975%	0.08975%	0.08571%	0.08207%	0.05112%	0.07287%	0.06597%	0.08779%
Proportionate share of the net pension liability	\$ 2,124,013	\$ 3,785,700	\$ 3,432,285	\$ 3,092,846	\$ 2,015,175	\$ 2,605,653	\$ 1,900,640	\$ 2,169,712
Covered-employee payroll	\$ 2,872,837	\$ 2,312,883	\$ 1,523,499	\$ 1,462,122	\$ 1,456,843	\$ 1,437,166	\$ 1,562,635	\$ 1,499,322
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	73.93%	163.68%	225.29%	211.53%	138.32%	181.30%	121.63%	144.71%
Plan's fiduciary net position	\$ 14,149,128	\$ 12,028,002	\$ 12,377,615	\$ 11,139,639	\$ 6,172,484	\$ 10,016,378	\$ 10,661,524	\$ 10,323,534
Plan's total pension liability	\$ 16,273,141	\$ 15,813,702	\$ 15,809,900	\$ 14,232,486	\$ 8,187,659	\$ 12,622,031	\$ 12,562,164	\$ 12,493,246
Plan fiduciary net position as a percentage of total pension liability	86.95%	76.06%	78.29%	78.27%	75.39%	79.36%	84.87%	82.63%

***Notes to Schedule***

**Change in Benefit Terms:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a Golden Handshakes).

**Change in Assumptions:** In the 2016 valuation, the accounting discount rate was reduced from 7.65 percent to 7.15 percent.

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only eight years are shown.

**CITY OF ARTESIA  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2022**

**Schedule of Pension Contributions – Last 10 Years\***

	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractual required contribution (actuarially determined)	\$ 318,726	\$ 233,135	\$ 164,630	\$ 193,376	\$ 105,958	\$ 99,359	\$ 102,746	\$ 122,602
Contributions in relation to the actuarially determined contributions	(318,726)	(233,135)	(164,630)	(193,376)	(105,958)	(99,359)	(102,746)	(122,602)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,911,455	\$ 2,872,837	\$ 2,312,883	\$ 1,523,499	\$ 1,462,122	\$ 1,456,843	\$ 1,437,166	\$ 1,562,635
Contributions as a percentage of covered employee payroll	10.95%	8.12%	7.12%	12.69%	7.25%	6.82%	7.15%	7.85%

***Notes to Schedule***

Valuation Date: June 30, 2020

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Asset Valuation Method	Market Value
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	7.50%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds

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

\*Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only eight years are shown.

**CITY OF ARTESIA  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2022**

**Schedule of Changes in Total OPEB Liability and Related Ratios – Last 10 Years\***

	Fiscal Year Ending 6/30/2022	Fiscal Year Ending 6/30/2021	Fiscal Year Ending 6/30/2020	Fiscal Year Ending 6/30/2019	Fiscal Year Ending 6/30/2018
<b>Total OPEB Liability</b>					
Service cost	\$ 397,388	\$ 344,922	\$ 247,789	\$ 218,038	\$ 211,687
Interest	164,271	186,267	213,975	222,388	214,547
Changes of assumptions	(1,830,773)	907,796	691,274	434,702	
Difference between expected and actual experience		(563,468)			
Benefit payments	(256,822)	(222,071)	(215,848)	(207,850)	(223,948)
<b>Net change in total OPEB liability</b>	<b>(1,525,936)</b>	<b>653,446</b>	<b>937,190</b>	<b>667,278</b>	<b>202,286</b>
<b>Total OPEB Liability - beginning of fiscal year</b>	<b>8,286,203</b>	<b>7,632,757</b>	<b>6,695,567</b>	<b>6,028,289</b>	<b>5,826,003</b>
<b>Total OPEB Liability - end of fiscal year</b>	<b>\$ 6,760,267</b>	<b>\$ 8,286,203</b>	<b>\$ 7,632,757</b>	<b>\$ 6,695,567</b>	<b>\$ 6,028,289</b>
<b>Covered payroll</b>	<b>\$ 3,023,854</b>	<b>\$ 2,828,429</b>	<b>\$ 2,354,019</b>	<b>\$ 2,312,883</b>	<b>\$ 2,087,473</b>
<b>Total OPEB Liability as a % of eligible payroll</b>	<b>223.6%</b>	<b>293.0%</b>	<b>324.2%</b>	<b>289.5%</b>	<b>288.8%</b>

***Notes to Schedule***

Funding Policy: The City funds the benefits on a pay-as-you-go basis. No assets are accumulated in a trust.

\*Fiscal year 2018 was the 1<sup>st</sup> year of implementation, therefore only five years are shown.

**CITY OF ARTESIA  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2022**

**Schedule of OPEB Employer Contributions – Last 10 Years\***

	<b>Fiscal Year Ending 6/30/2022</b>	<b>Fiscal Year Ending 6/30/2021</b>	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2019</b>	<b>Fiscal Year Ending 6/30/2018</b>
Actuarially determined contribution (ADC) <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the ADC	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A
OPEB-eligible payroll for reporting period (fiscal year)	\$ 3,023,854	\$ 2,828,429	\$ 2,354,019	\$ 2,312,883	\$ 2,087,473
Contributions as a percent of payroll	N/A	N/A	N/A	N/A	N/A

<sup>1</sup> Per GASB 75 paragraph 57c., these disclosures are only required if the employer calculates an Actuarially Determined Contribution (ADC). The City does not currently calculate an ADC.

\*Fiscal year 2018 was the 1<sup>st</sup> year of implementation, therefore only five years are shown.

**City of Artesia**  
**Note to Required Supplementary Information**  
**For the fiscal year ended June 30, 2022**

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**1. BUDGETARY INFORMATION**

The City Council has the responsibility for adoption of the City's budget. Budgets are adopted for governmental funds. From the effective date of the budget, the City Manager is authorized to transfer funds from one major expenditure category to another within the same department. Any revisions that alter the total expenditures of any department must be approved by the City Council.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended. Lease contracts entered into by the City are subject to annual review by the City Council; hence, they legally are one-year contracts with an option to renew for another fiscal year.

Budget accounts reported for the governmental funds of the City are adopted on a basis consistent with GAAP.

General Budget Policies

The City Council approves each fiscal year's budget submitted by the City Manager prior to the beginning of the new fiscal year. The Council conducts public meetings prior to its adoption. The budget is prepared by fund, function and activity and includes information on the past fiscal year, current fiscal year estimates and requested appropriations for the next fiscal year. Supplemental appropriations, when required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager. Expenditures may not exceed appropriations at the departmental level. At the fiscal year-end, all operating budget appropriations lapse. During the fiscal year, several supplementary appropriations were necessary.

The City did not adopt a budget for the following Major and Non-major Governmental Funds: Parks & Recreation Grants, Traffic Congestion, MAP 21 Exchange, Clean Air Bus Grant, Sheriff, SB1, HOME, and Development Impact Fees.

**City of Artesia**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the fiscal year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 7,044,154	\$ 7,044,154	\$ 7,044,154	\$ -
Resources (inflows):				
Taxes	7,716,281	7,953,381	9,018,489	1,065,108
Licenses and permits	478,590	500,590	525,901	25,311
Intergovernmental	300,460	343,678	553,913	210,235
Charges for services	561,900	1,593,122	1,061,970	(531,152)
Use of money and property	127,616	187,616	(10,366)	(197,982)
Fines and forfeitures	150,000	226,000	91,529	(134,471)
Other revenues		468,460	55,938	(412,522)
Amount available for appropriation	9,334,847	11,272,847	11,297,374	24,527
Charges to appropriations (outflows):				
General government	3,665,801	4,306,757	3,511,911	794,846
Public safety	4,140,838	4,468,413	4,421,661	46,752
Parks and recreation	828,400	1,272,557	1,074,049	198,508
Public works	715,773	917,673	636,672	281,001
Community development	687,574	1,365,350	925,612	439,738
Capital outlay		17,377	12,227	5,150
Total charges to appropriations	10,038,386	12,348,127	10,582,132	1,765,995
Transfers in	935,088	935,088	4,071,312	3,136,224
Transfers out	(60,238)	(60,238)	(60,238)	
Total transfers	874,850	874,850	4,011,074	3,136,224
Excess of resources over charges to appropriations	171,311	(200,430)	4,726,316	4,926,746
<b>Fund balance, June 30</b>	\$ 7,215,465	\$ 6,843,724	\$ 11,770,470	\$ 4,926,746

See accompanying note to required supplementary information.

**City of Artesia**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**ARPA Special Revenue Fund**

**For the fiscal year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1,</b>	\$ -	\$ -	\$ -	\$ -
Resources (inflows):				
Intergovernmental		3,971,312	3,971,312	
Amount available for appropriation		3,971,312	3,971,312	
Excess of resources over (under) charges to appropriations		3,971,312	3,971,312	
<b>Fund balance, June 30</b>	\$ -	\$ 3,971,312	\$ 3,971,312	\$ -

See accompanying note to required supplementary information.

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# **SUPPLEMENTARY INFORMATION**

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS

State Gas Tax - To account for any street or road purpose including maintenance and construction, engineering and administration apportioned under the Streets and Highways Code of the State of California.

Federal STP-L - To account for leftover County exchange of STPL monies for street related projects.

Bicycle & Pedestrian - To account for funds received for improvements made for planning and construction of bicycle and pedestrian facilities.

Proposition A - To account for the benefit of public transit such as dial-a-ride and recreation transportation programs.

Community Development Block Grant - To account for grant funds received for programs that assist low- and moderate-income residents with single family housing rehabilitation.

Parks and Recreation Grants - To receive grant funds used to update and make park improvements not accounted in other funds.

HOME - To receive and account for grant funds as part of the HOME program.

Proposition C - To account for the benefit of public transit with expanded street maintenance and improvements such as traffic signal, marking and striping, median maintenance, and matching dollars for street improvement grants.

Air Quality - To account for AB2766 Subvention Program funds to implement programs that reduce air pollution from motor vehicles.

California Street Grants - is a special revenue fund and accounts for grant funding of Federal awarded highway transportation and safety improvement projects.

California Beverage Recycling - To account for funds awarded by State to provide litter/recycling clean-up, education, and community outreach.

Measure W - To account for monitoring and implementing federal, state and local programs to ensure surface water quality, water conservation and recycling efforts, maintaining the storm water management plan, improving storm water drainage quality and maintaining the City-owned drainage system.

Development Impact Fees - To account for fees charged on specific developments for the purpose of defraying all or a portion of the cost of public facilities related to the development project.

SB1 - To account for revenue and expenditures associated with State Assembly Bill 1 funding for streets and roads.

Artesia Lighting District - To account for property tax direct assessments used for maintenance, operation, and repair of street lights and signal expenditures.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS (CONTINUED)

Traffic Congestion - To account for funding received for transportation projects that improve traffic mobility and relieve congestion.

MAP 21 Exchange - An exchange of City available Federal Surface Transportation Program-Local Funds (STP-L Funds) for like amount of Los Angeles County Metropolitan Transportation Authority (LACMTA Funds). These are flexible funds for transportation capital improvements that would normally qualify for the STP-L program.

Clean Air Bus Grant - To account for federal grant to purchase electric buses.

Measure M - To account for funds received for public transit system improvements.

Sheriff - To account for the forfeiture and seizure assets collected in the City of Artesia by the contract policing agency and primarily used for law enforcement equipment and training.

Metro TOD 4 - To account for grant funds received for transit-oriented development planning for downtown Artesia.

C.O.P.S. Grant - To account for supplemental law enforcement services funding of frontline law enforcement and juvenile justice programs.

Community Facility District - To account for taxes collected within the district which pay for public safety, flood, and storm protection services as well as maintenance of lighting, parkways, streets, roads, and open spaces.

Measure R - To account for the engineering, administrative, traffic median, and parking overflow improvements of transportation services.

Housing Authority - To account for the maintenance, planning, and improvements of all low-moderate income housing assets to assist low- and moderate-income housing families and seniors.

Cal Fire Urban Grant - To account for the State-funded grant received to help expand the City's Urban Forest and reduce greenhouse gasses and urban heat island impacts through tree planting.

**City of Artesia**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2022**

	Special Revenue															
	State Gas Tax	Federal STP-L	Bicycle & Pedestrian	Proposition A	Community Development Block Grant	Parks & Recreation Grants	HOME	Proposition C	Air Quality	California Street Grants	California Beverage Recycling	Measure W	Development Impact Fees	SB1	Artesia Lighting District	
<b>ASSETS</b>																
Cash and investments	\$ 440,387	\$ 64,967	\$ 6,206	\$ 1,319,852	\$ -	\$ -	\$ 3,159	\$ 356,498	\$ -	\$ 508,299	\$ 5,142	\$ 254,660	\$ 9,747	\$ 1,245,690	\$ 4,994	
Receivables:																
Accounts	30,848				276,982				5,422					57,378	4,256	
Prepaid items																
<b>Total assets</b>	<b>\$ 471,235</b>	<b>\$ 64,967</b>	<b>\$ 6,206</b>	<b>\$ 1,319,852</b>	<b>\$ 276,982</b>	<b>\$ -</b>	<b>\$ 3,159</b>	<b>\$ 356,498</b>	<b>\$ 5,422</b>	<b>\$ 508,299</b>	<b>\$ 5,142</b>	<b>\$ 254,660</b>	<b>\$ 9,747</b>	<b>\$ 1,303,068</b>	<b>\$ 9,250</b>	
<b>LIABILITIES AND FUND BALANCES</b>																
<b>Liabilities:</b>																
Accounts payable	\$ 24,249	\$ -	\$ -	\$ 17,419	\$ 26,917	\$ -	\$ -	\$ 30,733	\$ -	\$ -	\$ -	\$ 5,231	\$ -	\$ -	\$ -	
Deposits payable					202,368	15,359			55,038							
Due to other funds																
<b>Total liabilities</b>	<b>24,249</b>			<b>17,419</b>	<b>229,285</b>	<b>15,359</b>		<b>30,733</b>	<b>55,038</b>			<b>5,231</b>				
<b>Fund Balances:</b>																
Nonspendable																
Restricted for:																
Street projects	446,986	64,967											9,747	1,303,068	9,250	
Transportation projects			6,206	1,302,433				325,765		508,299						
Housing projects					47,697		3,159									
Public works											5,142	249,429				
Public safety																
Unassigned						(15,359)			(49,616)							
<b>Total fund balances</b>	<b>446,986</b>	<b>64,967</b>	<b>6,206</b>	<b>1,302,433</b>	<b>47,697</b>	<b>(15,359)</b>	<b>3,159</b>	<b>325,765</b>	<b>(49,616)</b>	<b>508,299</b>	<b>5,142</b>	<b>249,429</b>	<b>9,747</b>	<b>1,303,068</b>	<b>9,250</b>	
<b>Total liabilities and fund balances</b>	<b>\$ 471,235</b>	<b>\$ 64,967</b>	<b>\$ 6,206</b>	<b>\$ 1,319,852</b>	<b>\$ 276,982</b>	<b>\$ -</b>	<b>\$ 3,159</b>	<b>\$ 356,498</b>	<b>\$ 5,422</b>	<b>\$ 508,299</b>	<b>\$ 5,142</b>	<b>\$ 254,660</b>	<b>\$ 9,747</b>	<b>\$ 1,303,068</b>	<b>\$ 9,250</b>	

(Continued)

**City of Artesia**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds, Continued**  
**June 30, 2022**

	Special Revenue											Total Other Governmental Funds
	Traffic Congestion	MAP 21 Exchange	Clean Air Bus Grant	Measure M	Sheriff	Metro TOD 4	C.O.P.S Grant	Community Facility District	Measure R	Housing Authority	Cal Fire Urban Grant	
<b>ASSETS</b>												
Pooled cash and investments	\$ 20,389	\$ 179,406	\$ -	\$ 1,005,869	\$ 447	\$ -	\$ 185,293	\$ 30,616	\$ 630,214	\$ 775,959	\$ -	\$ 7,047,794
Receivables:												
Accounts							406					375,292
Prepaid items								8,628				8,628
<b>Total assets</b>	<u>\$ 20,389</u>	<u>\$ 179,406</u>	<u>\$ -</u>	<u>\$ 1,005,869</u>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ 185,293</u>	<u>\$ 31,022</u>	<u>\$ 638,842</u>	<u>\$ 775,959</u>	<u>\$ -</u>	<u>\$ 7,431,714</u>
<b>LIABILITIES AND FUND BALANCES</b>												
<b>Liabilities:</b>												
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,388	\$ -	\$ 20,395	\$ 162,332
Deposits payable									61,895			61,895
Due to other funds			10,548			19,228					72,951	375,492
<b>Total liabilities</b>			<u>10,548</u>			<u>19,228</u>			<u>37,388</u>	<u>61,895</u>	<u>93,346</u>	<u>599,719</u>
<b>Fund Balances:</b>												
Nonspendable								8,628				8,628
Restricted for:												
Street projects							31,022					1,865,040 x
Transportation projects	20,389	179,406						592,826				2,935,324 x
Housing projects									714,064			764,920 x
Public works												254,571 x
Public safety				1,005,869	447		185,293					1,191,609
Unassigned			(10,548)			(19,228)					(93,346)	(188,097)
<b>Total fund balances</b>	<u>20,389</u>	<u>179,406</u>	<u>(10,548)</u>	<u>1,005,869</u>	<u>447</u>	<u>(19,228)</u>	<u>185,293</u>	<u>31,022</u>	<u>601,454</u>	<u>714,064</u>	<u>(93,346)</u>	<u>6,831,995</u>
<b>Total liabilities and fund balances</b>	<u>\$ 20,389</u>	<u>\$ 179,406</u>	<u>\$ -</u>	<u>\$ 1,005,869</u>	<u>\$ 447</u>	<u>\$ -</u>	<u>\$ 185,293</u>	<u>\$ 31,022</u>	<u>\$ 638,842</u>	<u>\$ 775,959</u>	<u>\$ -</u>	<u>\$ 7,431,714</u>

**City of Artesia**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the fiscal year ended June 30, 2022**

	Special Revenue														
	State Gas Tax	Federal STP-L	Bicycle & Pedestrian	Proposition A	Community Development Block Grant	Parks & Recreation Grants	HOME	Proposition C	Air Quality	California Street Grants	California Beverage Recycling	Measure W	Development Impact Fees	SBI	Artesia Lighting District
<b>REVENUES:</b>															
Taxes	\$ -	\$ -	\$ -	\$ 416,422	\$ -	\$ -	\$ -	\$ 345,414	\$ -	\$ -	\$ -	\$ 211,863	\$ -	\$ -	\$ 136,517
Intergovernmental	392,910		33,536	19,570	286,870	30,000			19,903	40,000				358,573	
Use of money and property	2,443	283		5,408			13	1,502		1,470	31	890	42	4,214	
Other	3,389														
<b>Total revenues</b>	<b>398,742</b>	<b>283</b>	<b>33,536</b>	<b>441,400</b>	<b>286,870</b>	<b>30,000</b>	<b>13</b>	<b>346,916</b>	<b>19,903</b>	<b>41,470</b>	<b>31</b>	<b>212,753</b>	<b>42</b>	<b>362,787</b>	<b>136,517</b>
<b>EXPENDITURES:</b>															
Current:															
General government											2,540				
Public safety															
Public works	319,816			238,918				263,952				121,854			
Community Development					156,913										177,446
Capital outlay			33,536		26,511			50,972		18,397		18,860			
<b>Total expenditures</b>	<b>319,816</b>		<b>33,536</b>	<b>238,918</b>	<b>183,424</b>			<b>314,924</b>	<b>-</b>	<b>18,397</b>	<b>2,540</b>	<b>140,714</b>			<b>177,446</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>78,926</b>	<b>283</b>		<b>202,482</b>	<b>103,446</b>	<b>30,000</b>	<b>13</b>	<b>31,992</b>	<b>19,903</b>	<b>23,073</b>	<b>(2,509)</b>	<b>72,039</b>	<b>42</b>	<b>362,787</b>	<b>(40,929)</b>
<b>OTHER FINANCING SOURCES (USES):</b>															
Transfers in															60,238
Transfers out															
<b>Total other financing sources (uses)</b>															<b>60,238</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>78,926</b>	<b>283</b>		<b>202,482</b>	<b>103,446</b>	<b>30,000</b>	<b>13</b>	<b>31,992</b>	<b>19,903</b>	<b>23,073</b>	<b>(2,509)</b>	<b>72,039</b>	<b>42</b>	<b>362,787</b>	<b>19,309</b>
<b>FUND BALANCES:</b>															
Beginning of fiscal year	368,060	64,684	6,206	1,099,951	(55,749)	(45,359)	3,146	293,773	(69,519)	485,226	7,651	177,390	9,705	940,281	(10,059)
End of fiscal year	\$ 446,986	\$ 64,967	\$ 6,206	\$ 1,302,433	\$ 47,697	\$ (15,359)	\$ 3,159	\$ 325,765	\$ (49,616)	\$ 508,299	\$ 5,142	\$ 249,429	\$ 9,747	\$ 1,303,068	\$ 9,250

(Continued)

**City of Artesia**

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**

**Non-Major Governmental Funds, Continued**

**For the fiscal year ended June 30, 2022**

	Special Revenue										Total Other Governmental Funds	
	Traffic Congestion	MAP 21 Exchange	Clean Air Bus Grant	Measure M	Sheriff	Metro TOD 4	C.O.P.S. Grant	Community Facility District	Measure R	Housing Authority		Cal Fire Urban Grant
<b>REVENUES:</b>												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,237	\$ 259,018	\$ -	\$ -	\$ 1,375,471
Intergovernmental				293,109		3,254	100,000				147,573	1,725,298
Use of money and property	90	780		3,782			1,503		2,121	81,743		106,435
Other												3,389
<b>Total revenues</b>	<b>90</b>	<b>780</b>		<b>296,891</b>		<b>3,254</b>	<b>101,503</b>		<b>261,139</b>	<b>81,743</b>	<b>147,573</b>	<b>3,210,593</b>
<b>EXPENDITURES:</b>												
Current:												
General government												2,540
Public safety											120,773	120,773
Public works				8,259				10,712				963,511
Community Development									425			334,784
Capital outlay								43,754				192,030
<b>Total expenditures</b>				<b>8,259</b>				<b>54,466</b>	<b>425</b>	<b>120,773</b>		<b>1,613,638</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>90</b>	<b>780</b>		<b>288,632</b>		<b>3,254</b>	<b>101,503</b>		<b>206,673</b>	<b>81,318</b>	<b>26,800</b>	<b>1,596,955</b>
<b>OTHER FINANCING SOURCES (USES):</b>												
Transfers in												60,238
Transfers out							(100,000)					(100,000)
<b>Total other financing sources (uses)</b>							<b>(100,000)</b>					<b>(39,762)</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>90</b>	<b>780</b>		<b>288,632</b>		<b>3,254</b>	<b>1,503</b>		<b>206,673</b>	<b>81,318</b>	<b>26,800</b>	<b>1,557,193</b>
<b>FUND BALANCES:</b>												
Beginning of fiscal year	20,299	178,626	(10,548)	717,237	447	(22,482)	183,790	24,665	394,781	632,746	(120,146)	5,274,802
End of fiscal year	\$ 20,389	\$ 179,406	\$ (10,548)	\$ 1,005,869	\$ 447	\$ (19,228)	\$ 185,293	\$ 31,022	\$ 601,454	\$ 714,064	\$ (93,346)	\$ 6,831,995

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

### State Gas Tax

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 368,060	\$ 368,060	\$ 368,060	\$ -
Resources (inflows):				
Intergovernmental	623,205	748,205	392,910	(355,295)
Use of money and property		12,000	2,443	(9,557)
Other		1,000	3,389	2,389
Amount available for appropriation	623,205	761,205	398,742	(362,463)
Charges to appropriations (outflows):				
Public Works	622,213	698,214	319,816	378,398
Total charges to appropriations	622,213	698,214	319,816	378,398
Excess of resources over (under) charges to appropriations	992	62,991	78,926	15,935
<b>Fund balance, June 30</b>	\$ 369,052	\$ 431,051	\$ 446,986	\$ 15,935

**City of Artesia**

**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual  
Federal STP-L**

**For the fiscal year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 64,684	\$ 64,684	\$ 64,684	\$ -
Resources (inflows):				
Use of money and property		600	283	(317)
Amount available for appropriation		600	283	(317)
Excess of resources over (under) charges to appropriations		600	283	(317)
<b>Fund balance, June 30</b>	\$ 64,684	\$ 65,284	\$ 64,967	\$ (317)

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual CDBG

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ (55,749)	\$ (55,749)	\$ (55,749)	\$ -
Resources (inflows):				
Intergovernmental	500,000	1,025,416	286,870	(738,546)
Amount available for appropriation	500,000	1,025,416	286,870	(738,546)
Charges to appropriations (outflows):				
Community development	490,112	1,015,528	183,424	832,104
Total charges to appropriations	490,112	1,015,528	183,424	832,104
Excess of resources over (under) charges to appropriations	9,888	9,888	103,446	
<b>Fund balance, June 30</b>	\$ (45,861)	\$ (45,861)	\$ 47,697	\$ -

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Proposition A

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 1,099,951	\$ 1,099,951	\$ 1,099,951	\$ -
Resources (inflows):				
Taxes	300,000	400,000	416,422	16,422
Intergovernmental	224,806	8,890	19,570	10,680
Use of money and property			5,408	5,408
Amount available for appropriation	524,806	408,890	441,400	32,510
Charges to appropriations (outflows):				
Public works	384,544	526,244	238,918	287,326
Total charges to appropriations	384,544	526,244	238,918	287,326
Excess of resources over (under) charges to appropriations	140,262	(117,354)	202,482	319,836
<b>Fund balance, June 30</b>	\$ 1,240,213	\$ 982,597	\$ 1,302,433	\$ 319,836

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Proposition C

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 293,773	\$ 293,773	\$ 293,773	\$ -
Resources (inflows):				
Taxes	270,000	334,000	345,414	11,414
Use of money and property			1,502	1,502
Amount available for appropriation	270,000	334,000	346,916	12,916
Charges to appropriations (outflows):				
Public works	268,542	478,000	263,952	214,048
Capital outlay		93,699	50,972	42,727
Total charges to appropriations	268,542	571,699	314,924	256,775
Excess of resources over (under) charges to appropriations	1,458	(237,699)	31,992	269,691
<b>Fund balance, June 30</b>	\$ 295,231	\$ 56,074	\$ 325,765	\$ 269,691

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

### Air Quality

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ (69,519)	\$ (69,519)	\$ (69,519)	\$ -
Resources (inflows):				
Intergovernmental	19,850	19,850	19,903	53
Amount available for appropriation	19,850	19,850	19,903	53
Charges to appropriations (outflows):				
Public works	15,882	15,882		15,882
Capital outlay	3,968	3,968		3,968
Total charges to appropriations	19,850	19,850		19,850
Excess of resources over (under) charges to appropriations			19,903	19,903
<b>Fund balance, June 30</b>	\$ (69,519)	\$ (69,519)	\$ (49,616)	\$ 19,903

# City of Artesia

## Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

### California Street Grants

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 485,226	\$ 485,226	\$ 485,226	\$ -
Resources (inflows):				
Intergovernmental		18,397	40,000	21,603
Use of money and property			1,470	1,470
Amount available for appropriation		18,397	41,470	23,073
Charges to appropriations (outflows):				
Capital outlay		18,397	18,397	
Total charges to appropriations		18,397	18,397	
Excess of resources over (under) charges to appropriations			23,073	23,073
<b>Fund balance, June 30</b>	\$ 485,226	\$ 485,226	\$ 508,299	\$ 23,073

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

### California Beverage Recycling

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 7,651	\$ 7,651	\$ 7,651	\$ -
Resources (inflows):				
Intergovernmental	5,000	5,000		
Use of money and property			31	31
Amount available for appropriation	5,000	5,000	31	(4,969)
Charges to appropriations (outflows):				
General government	5,000	5,000	2,540	2,460
Total charges to appropriations	5,000	5,000	2,540	2,460
Excess of resources over (under) charges to appropriations			(2,509)	(2,509)
<b>Fund balance, June 30</b>	\$ 7,651	\$ 7,651	\$ 5,142	\$ (2,509)

**City of Artesia**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**C.O.P.S. Grant**

**For the fiscal year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 183,790	\$ 183,790	\$ 183,790	\$ -
Resources (inflows):				
Intergovernmental	100,000	100,000	100,000	
Use of money and property			1,503	(1,503)
Amount available for appropriation	100,000	100,000	101,503	(1,503)
Charges to appropriations (outflows):				
Transfer out	(100,000)	(100,000)	(100,000)	
Total charges to appropriations	(100,000)	(100,000)	(100,000)	
Excess of resources over (under) charges to appropriations			1,503	(1,503)
<b>Fund balance, June 30</b>	\$ 183,790	\$ 183,790	\$ 185,293	\$ (1,503)

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Measure R

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 394,781	\$ 394,781	\$ 394,781	\$ -
Resources (inflows):				
Taxes	200,000	200,000	259,018	59,018
Use of money and property			2,121	2,121
Amount available for appropriation	200,000	200,000	261,139	61,139
Charges to appropriations (outflows):				
Public works	51,863	51,863	10,712	41,151
Capital outlay	148,137	286,137	43,754	242,383
Total charges to appropriations	200,000	338,000	54,466	283,534
Excess of resources over (under) charges to appropriations			206,673	344,673
<b>Fund balance, June 30</b>	\$ 394,781	\$ 394,781	\$ 601,454	\$ 344,673

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Measure W

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 177,390	\$ 177,390	\$ 177,390	\$ -
Resources (inflows):				
Taxes	347,133	482,266	211,863	(270,403)
Use of money and property		2,000	890	(1,110)
Amount available for appropriation	347,133	484,266	212,753	(271,513)
Charges to appropriations (outflows):				
Public works	190,387	190,387	121,854	68,533
Capital outlay	156,744	156,744	18,860	137,884
Total charges to appropriations	347,131	347,131	140,714	206,417
Excess of resources over (under) charges to appropriations	2	137,135	72,039	(65,096)
<b>Fund balance, June 30</b>	\$ 177,392	\$ 314,525	\$ 249,429	\$ (65,096)

**City of Artesia**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**

**Community Facility District**

**For the fiscal year ended June 30, 2022**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 24,665	\$ 24,665	\$ 24,665	\$ -
Resources (inflows):				
Taxes		6,500	6,237	(263)
Use of money and property		200	120	(80)
Amount available for appropriation		6,700	6,357	(343)
Excess of resources over (under) charges to appropriations		6,700	6,357	(343)
<b>Fund balance, June 30</b>	\$ 24,665	\$ 31,365	\$ 31,022	\$ (343)

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

### Housing Authority

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 632,746	\$ 632,746	\$ 632,746	\$ -
Resources (inflows):				
Use of money and property	82,432	91,364	81,743	(9,621)
Amount available for appropriation	82,432	91,364	81,743	(9,621)
Charges to appropriations (outflows):				
Community development	228,022	312,022	425	311,597
Total charges to appropriations	228,022	312,022	425	311,597
Excess of resources over (under) charges to appropriations	(145,590)	(220,658)	81,318	301,976
<b>Fund balance, June 30</b>	\$ 487,156	\$ 412,088	\$ 714,064	\$ 301,976

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

### Artesia Lighting District

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ (10,059)	\$ (10,059)	\$ (10,059)	\$ -
Resources (inflows):				
Taxes	138,025	138,025	136,517	(1,508)
Transfers in	60,238	60,238	60,238	
Amount available for appropriation	198,263	198,263	196,755	(1,508)
Charges to appropriations (outflows):				
Community development	198,263	198,263	177,446	20,817
Total charges to appropriations	198,263	198,263	177,446	20,817
Excess of resources over (under) charges to appropriations			19,309	19,309
<b>Fund balance, June 30</b>	\$ (10,059)	\$ (10,059)	\$ 9,250	\$ 19,309

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Bicycle & Pedestrian For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 6,206	\$ 6,206	\$ 6,206	\$ -
Resources (inflows):				
Intergovernmental	53,747	73,958	33,536	(40,422)
Amount available for appropriation	53,747	73,958	33,536	(40,422)
Charges to appropriations (outflows):				
Public works	38,309			
Capital outlay	15,438	110,154	33,536	76,618
Total charges to appropriations	53,747	110,154	33,536	76,618
Excess of resources over (under) charges to appropriations				
<b>Fund balance, June 30</b>	\$ 6,206	\$ 6,206	\$ 6,206	\$ -

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Measure M

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 717,237	\$ 717,237	\$ 717,237	\$ -
Resources (inflows):				
Intergovernmental	230,000	333,000	293,109	(39,891)
Use of money and property			3,782	3,782
Amount available for appropriation	230,000	333,000	296,891	(36,109)
Charges to appropriations (outflows):				
Public works	66,000	66,000	8,259	57,741
Capital outlay	164,000	164,000		164,000
Total charges to appropriations	230,000	230,000	8,259	221,741
Excess of resources over (under) charges to appropriations			288,632	185,632
<b>Fund balance, June 30</b>	\$ 717,237	\$ 717,237	\$ 1,005,869	\$ 185,632

# City of Artesia

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

### Metro TOD 4

For the fiscal year ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ (22,482)	\$ (22,482)	\$ (22,482)	\$ -
Resources (inflows):				
Intergovernmental	414,984	414,984	3,254	(411,730)
Amount available for appropriation	414,984	414,984	3,254	(411,730)
Charges to appropriations (outflows):				
Public works	414,984	414,984		414,984
Total charges to appropriations	414,984	414,984		414,984
Excess of resources over (under) charges to appropriations			3,254	
<b>Fund balance, June 30</b>	\$ (22,482)	\$ (22,482)	\$ (19,228)	\$ -

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**STATISTICAL SECTION  
(UNAUDITED)**

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# DESCRIPTION OF STATISTICAL SECTION CONTENTS

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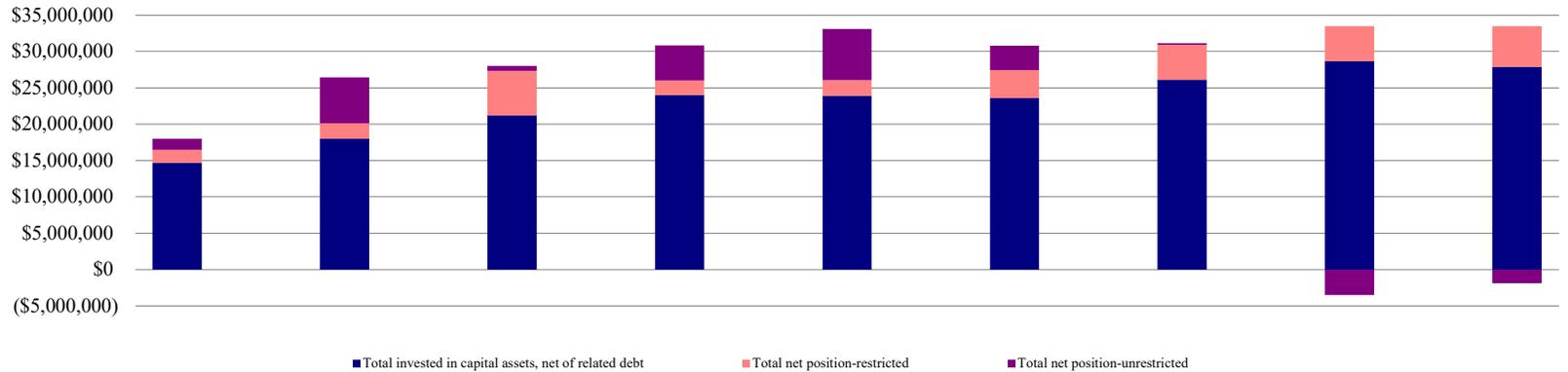
June 30, 2022

This part of the City of Artesia'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 say about the government's overall financial health.

Contents:	<u>Pages</u>
<u>Financial Trends</u> these schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	89
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	95
<u>Debt Capacity</u> these schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	100
<u>Demographic and Economic Information</u> these schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	104
<u>Operating Information</u> these schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	106

CITY OF ARTESIA, CALIFORNIA  
 Net Position by Component  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 14,667,103	\$ 18,001,637	\$ 21,212,739	\$ 23,993,612	\$ 23,272,375	\$ 22,965,519	\$ 25,467,097	\$ 28,076,375	\$ 27,346,667	\$ 27,624,448
Restricted	1,786,459	2,122,890	6,151,937	2,034,880	2,158,867	3,826,127	4,807,246	4,785,320	5,581,108	6,558,200
Unrestricted	1,522,408	6,351,742	625,980	4,763,585	6,065,087	2,096,004	(721,612)	(4,189,985)	(2,852,730)	2,223,210
Total governmental activities net position	<u>\$ 17,975,970</u>	<u>\$ 26,476,269</u>	<u>\$ 27,990,656</u>	<u>\$ 30,792,077</u>	<u>\$ 31,496,329</u>	<u>\$ 28,887,650</u>	<u>\$ 29,552,731</u>	<u>\$ 28,671,710</u>	<u>\$ 30,075,045</u>	<u>\$ 36,405,858</u>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ -	\$ -	\$ 658,243	\$ 623,339	\$ 640,474	\$ 594,223	\$ 541,831	\$ 489,439
Unrestricted	-	-	34,207	56,125	964,577	1,285,535	944,193	695,311	971,123	851,251
Total business-type activities net assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 34,207</u>	<u>\$ 56,125</u>	<u>\$ 1,622,820</u>	<u>\$ 1,908,874</u>	<u>\$ 1,584,667</u>	<u>\$ 1,289,534</u>	<u>\$ 1,512,954</u>	<u>\$ 1,340,690</u>
<b>Total net assts</b>										
Invested in capital assets, net of related debt	\$ 14,667,103	\$ 18,001,637	\$ 21,212,739	\$ 23,993,612	\$ 23,930,618	\$ 23,588,858	\$ 26,107,571	\$ 28,670,598	\$ 27,888,498	\$ 28,113,887
Restricted	1,786,459	2,122,890	6,151,937	2,034,880	2,158,867	3,826,127	4,807,246	4,785,320	5,581,108	6,558,200
Unrestricted	1,522,408	6,351,742	660,187	4,819,710	7,029,664	3,381,539	222,581	(3,494,674)	(1,881,607)	3,074,461
Total net assets	<u>\$ 17,975,970</u>	<u>\$ 26,476,269</u>	<u>\$ 28,024,863</u>	<u>\$ 30,848,202</u>	<u>\$ 33,119,149</u>	<u>\$ 30,796,524</u>	<u>\$ 31,137,398</u>	<u>\$ 29,961,244</u>	<u>\$ 31,587,999</u>	<u>\$ 37,746,548</u>



CITY OF ARTESIA, CALIFORNIA  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

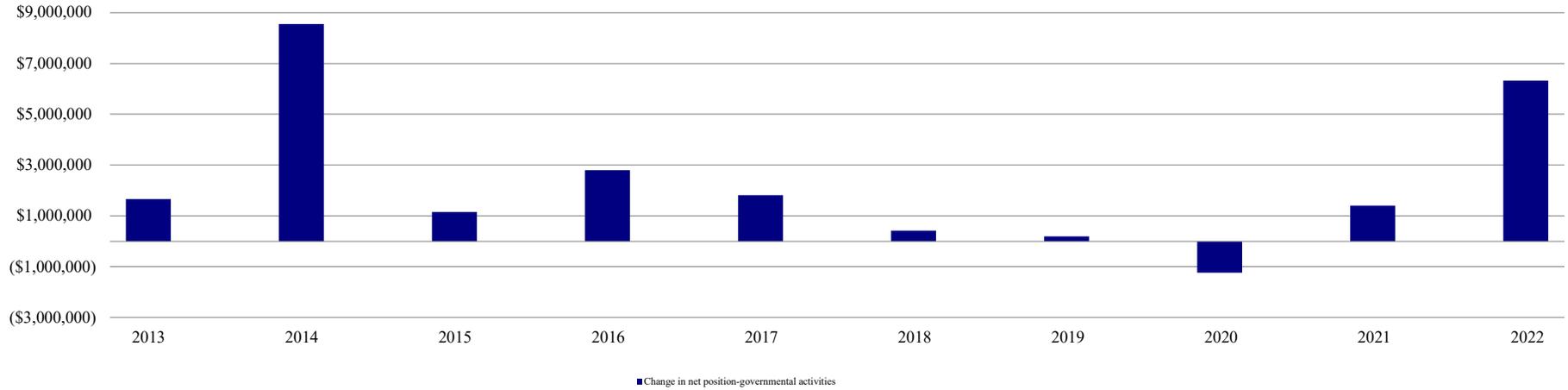
	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,447,935	\$ 3,321,825	\$ 1,657,600	\$ 2,458,793	\$ 2,641,676	\$ 2,522,576	\$ 3,955,102	\$ 4,187,313	\$ 4,523,432	\$ 3,854,973
Public safety	3,022,296	3,037,611	3,211,801	3,376,566	3,515,581	3,803,083	4,160,102	5,006,881	3,792,862	4,542,434
Parks and recreation	766,838	1,068,250	1,486,853	1,258,541	1,428,523	1,341,013	1,174,728	1,459,468	1,148,427	1,973,429
Public works	1,628,867	1,437,666	2,260,827	2,308,478	2,110,642	2,244,145	2,063,743	2,179,759	2,685,133	2,466,739
Community development	328,021	377,481	526,250	578,618	746,761	544,246	724,973	1,009,598	1,006,978	1,325,713
Interest on long-term debt	4,587	16,870	13,000	15,228	-	-	-	-	-	-
Total governmental activities expenses	<u>9,198,544</u>	<u>9,259,703</u>	<u>9,156,331</u>	<u>9,996,224</u>	<u>10,443,183</u>	<u>10,455,063</u>	<u>12,078,648</u>	<u>13,843,019</u>	<u>13,156,832</u>	<u>14,163,288</u>
<b>Business-type activities:</b>										
Residential refuse	-	-	905,433	376,870	-	-	-	-	-	-
Parking	-	-	-	-	162,474	174,845	261,551	200,947	149,334	239,508
Artesia Town Center	-	-	-	-	156,476	252,972	279,667	258,058	177,918	543,755
Total business-type activities expenses	<u>-</u>	<u>-</u>	<u>905,433</u>	<u>376,870</u>	<u>318,950</u>	<u>427,817</u>	<u>541,218</u>	<u>459,005</u>	<u>327,252</u>	<u>783,263</u>
Total expenses	<u>\$ 9,198,544</u>	<u>\$ 9,259,703</u>	<u>\$ 10,061,764</u>	<u>\$ 10,373,094</u>	<u>\$ 10,762,133</u>	<u>\$ 10,882,880</u>	<u>\$ 12,619,866</u>	<u>\$ 14,302,024</u>	<u>\$ 13,484,084</u>	<u>\$ 14,946,551</u>
<b>Program revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 349,938	\$ 494,057	\$ 60,149	\$ 551,206	\$ 686,391	\$ 598,180	\$ 636,224	\$ 486,898	\$ 562,013	\$ 404,801
Public safety	320,635	321,167	531,064	762,385	245,713	175,612	206,202	-	-	-
Parks and recreation	50,469	73,298	63,909	74,013	62,575	49,693	124,268	34,427	34,427	53,703
Public works	1,001,213	1,206,565	450,261	242,516	-	-	103,130	57,463	57,463	61,265
Community development	-	-	47,670	58,606	69,714	95,836	58,441	492,762	492,762	653,815
Operating grants and contributions	2,875,308	2,675,795	2,077,854	1,763,400	1,294,978	1,323,627	919,724	1,408,966	1,381,708	1,623,044
Capital grants and contributions	-	6,622,466	183,881	-	675,007	675,007	1,393,213	1,639,598	4,065,409	7,843,268
Total governmental activities program revenues	<u>4,597,563</u>	<u>11,393,348</u>	<u>3,414,788</u>	<u>3,452,126</u>	<u>3,034,378</u>	<u>2,917,955</u>	<u>3,441,202</u>	<u>4,120,114</u>	<u>6,593,782</u>	<u>10,639,896</u>
<b>Business-type activities:</b>										
Charges for services - Residential Refuse	-	-	939,640	398,788	7,578	7,387	3,935	-	-	-
Charges for services - Parking	-	-	-	-	238,450	163,427	208,646	120,292	175,610	164,295
Charges for services - Artesia Towne Center	-	-	-	-	486,297	543,057	482,621	403,107	375,062	446,704
Total business-type activities program revenues	<u>-</u>	<u>-</u>	<u>939,640</u>	<u>398,788</u>	<u>732,325</u>	<u>713,871</u>	<u>695,202</u>	<u>523,399</u>	<u>550,672</u>	<u>610,999</u>
Total program revenues	<u>\$ 4,597,563</u>	<u>\$ 11,393,348</u>	<u>\$ 4,354,428</u>	<u>\$ 3,850,914</u>	<u>\$ 3,766,703</u>	<u>\$ 3,631,826</u>	<u>\$ 4,136,404</u>	<u>\$ 4,643,513</u>	<u>\$ 7,144,454</u>	<u>\$ 11,250,895</u>
<b>Net (expense) revenue</b>										
Total net expense	<u>\$ (4,600,981)</u>	<u>\$ 2,133,645</u>	<u>\$ (5,707,336)</u>	<u>\$ (6,522,180)</u>	<u>\$ (6,995,430)</u>	<u>\$ (7,251,054)</u>	<u>\$ (8,483,462)</u>	<u>\$ (9,658,511)</u>	<u>\$ (6,339,630)</u>	<u>\$ (3,695,656)</u>
<b>General revenues</b>										
<b>Taxes:</b>										
Property taxes, levied for general purpose	\$ 1,601,017	\$ 1,645,258	\$ 1,698,157	\$ 1,778,796	\$ 1,846,489	\$ 1,809,817	\$ 1,896,335	\$ 1,999,302	\$ 2,085,778	\$ 2,146,321
Transient occupancy taxes	450,334	443,121	535,124	553,188	512,631	423,928	391,137	434,010	406,026	410,567
Sales taxes	2,729,358	2,938,867	3,096,626	3,038,340	3,784,651	3,690,349	4,137,499	3,989,411	3,272,693	5,551,693
Franchise taxes	369,843	390,601	407,926	2,696,612	706,034	766,423	846,786	893,480	888,495	909,908
Business license taxes	423,944	446,017	479,678	518,569	545,391	618,198	650,117	614,271	682,807	525,901
Other taxes	129,450	93,087	163,526	192,493	176,636	79,847	22,008	13,391	-	-
Motor vehicle licence fee collection in excess	9,026	7,470	7,216	6,798	7,563	8,852	-	-	-	-
Use of money and property	336,232	335,972	436,094	548,037	318,332	462,724	712,384	372,674	371,655	100,488
Other	215,319	123,984	70,907	12,686	41,075	94,258	168,070	165,818	258,931	209,327
Contribution from Successor Agency	-	-	-	-	1,283,731	-	-	-	-	-
Total governmental activities	<u>6,264,523</u>	<u>6,424,377</u>	<u>6,895,254</u>	<u>9,345,519</u>	<u>9,222,533</u>	<u>7,954,396</u>	<u>8,824,336</u>	<u>8,482,357</u>	<u>7,966,385</u>	<u>9,854,205</u>

(Continued) (Continued)

CITY OF ARTESIA, CALIFORNIA  
 Changes in Net Position  
 Last Ten Fiscal Years  
 (accrual basis of accounting)

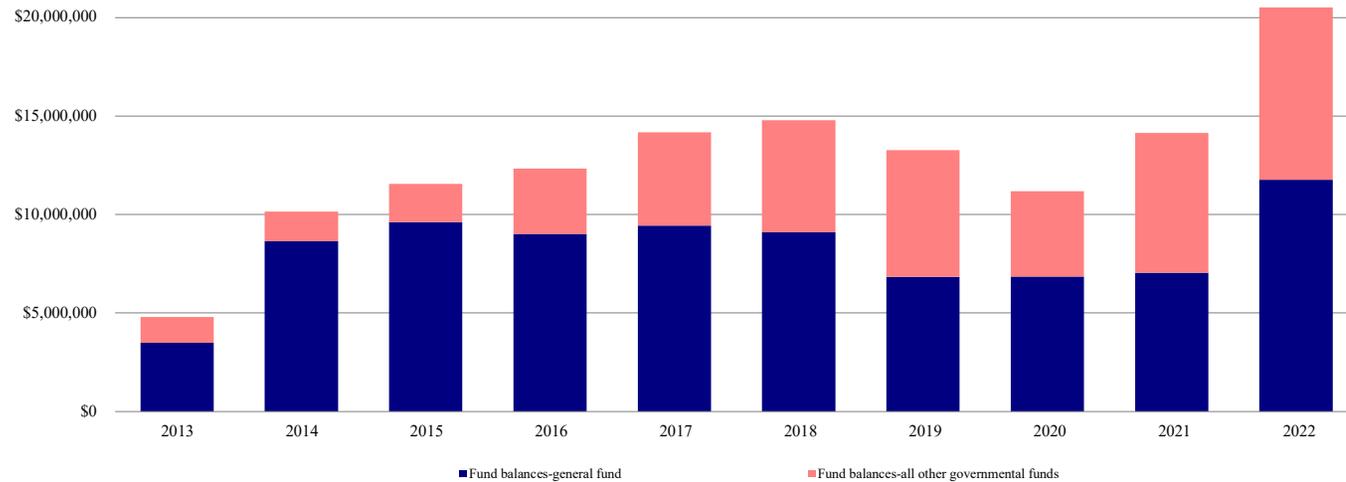
(Continued)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Change in net position</b>										
Governmental activities	\$ 1,663,542	\$ 8,558,022	\$ 1,153,711	\$ 2,801,421	\$ 1,813,728	\$ 417,288	\$ 186,890	\$ (1,240,548)	\$ 1,403,335	\$ 6,330,813
Business-type activities	-	-	34,207	21,918	413,375	286,054	153,984	64,394	223,420	(172,264)
Total changes in net position	<u>\$ 1,663,542</u>	<u>\$ 8,558,022</u>	<u>\$ 1,187,918</u>	<u>\$ 2,823,339</u>	<u>\$ 2,227,103</u>	<u>\$ 703,342</u>	<u>\$ 340,874</u>	<u>\$ (1,176,154)</u>	<u>\$ 1,626,755</u>	<u>\$ 6,158,549</u>



CITY OF ARTESIA, CALIFORNIA  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General fund</b>										
Nonspendable	\$ 300,557	\$ 46,486	\$ 59,725	\$ 19,505	\$ 29,805	\$ 22,301	\$ 23,664	\$ 28,735	\$ 21,901	\$ 88,581
Restricted	-	-	3,504,933	-	-	-	-	-	-	-
Committed	1,387,664	1,715,726	2,328,476	6,400,000	6,400,000	7,007,490	7,007,490	7,015,296	5,315,000	5,315,000
Assigned	-	326,375	301,000	2,595,240	4,689,393	1,533,000	1,533,000	1,893,000	977,782	1,215,485
Unassigned	1,798,957	6,557,352	3,434,199	-	(1,674,508)	540,052	(1,729,330)	(2,095,348)	729,471	5,151,404
Total general fund	<u>\$ 3,487,178</u>	<u>\$ 8,645,939</u>	<u>\$ 9,628,333</u>	<u>\$ 9,014,745</u>	<u>\$ 9,444,690</u>	<u>\$ 9,102,843</u>	<u>\$ 6,834,824</u>	<u>\$ 6,841,683</u>	<u>\$ 7,044,154</u>	<u>\$ 11,770,470</u>
<b>All other governmental funds</b>										
Nonspendable	-	-	-	-	-	7,063	-	7,063	8,063	8,628
Restricted	\$ 1,611,623	\$ 1,983,243	\$ 2,647,004	\$ 2,641,091	\$ 2,721,910	\$ 3,752,819	\$ 4,683,336	\$ 4,778,257	\$ 6,058,271	\$ 7,557,559
Assigned	102,124	130,847	-	-	-	2,043,148	1,998,832	1,349,697	1,367,839	1,371,179
Unassigned	(408,860)	(614,489)	(715,887)	676,056	2,025,342	(111,549)	(245,811)	(1,785,026)	(333,862)	(188,097)
Total all other governmental funds	<u>\$ 1,304,887</u>	<u>\$ 1,499,601</u>	<u>\$ 1,931,117</u>	<u>\$ 3,317,147</u>	<u>\$ 4,747,252</u>	<u>\$ 5,691,481</u>	<u>\$ 6,436,357</u>	<u>\$ 4,349,991</u>	<u>\$ 7,100,311</u>	<u>\$ 8,749,269</u>



CITY OF ARTESIA, CALIFORNIA  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

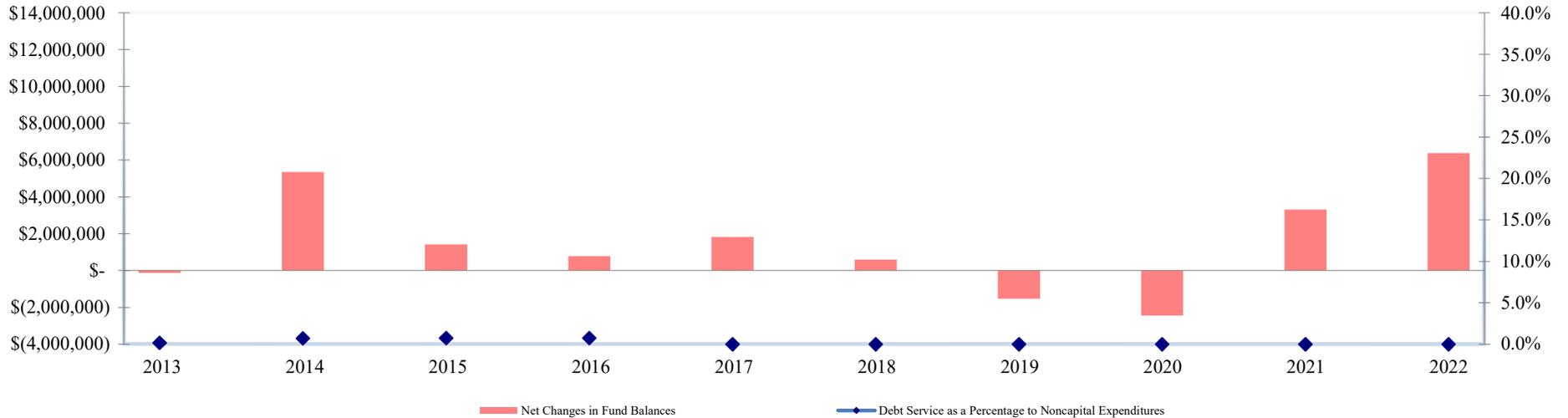
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Taxes	\$ 5,712,971	\$ 5,998,069	\$ 6,388,250	\$ 8,784,799	\$ 7,579,396	\$ 7,397,414	\$ 7,958,208	\$ 8,887,075	\$ 8,315,947	\$ 10,393,960
Licenses and permits	251,690	372,566	424,061	542,950	473,916	528,133	538,854	492,762	607,207	525,901
Intergovernmental	2,771,513	2,506,762	2,080,875	2,302,769	3,377,426	1,896,778	2,310,757	2,101,017	4,524,776	8,090,841
Charges for services	1,107,860	1,332,860	610,409	1,046,288	257,088	286,227	383,209	434,132	524,210	1,082,055
Use of money and property	326,205	330,117	436,087	548,034	318,331	462,724	712,384	372,674	371,655	100,488
Fines and forfeitures	318,726	321,167	70,913	40,883	163,675	156,981	206,202	144,656	15,248	91,529
Developer fees	42,539	153,495	47,667	58,606	69,713	-	-	-	-	-
Other	220,730	44,838	70,920	12,685	41,075	94,258	168,070	165,818	258,931	209,327
Reimbursement from successor agency	-	4,589,021	183,881	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>10,752,234</b>	<b>15,648,895</b>	<b>10,313,063</b>	<b>13,337,014</b>	<b>12,280,620</b>	<b>10,822,515</b>	<b>12,277,684</b>	<b>12,598,134</b>	<b>14,617,974</b>	<b>20,494,101</b>
<b>Expenditures</b>										
General government	4,081,505	2,925,100	1,460,175	2,337,561	2,339,459	2,685,531	3,613,960	3,099,787	3,375,189	3,514,451
Public safety	2,989,477	3,003,382	3,171,039	3,337,065	3,494,997	3,766,241	4,154,411	5,003,531	3,792,357	4,542,434
Parks and recreation	610,943	921,798	1,354,629	1,115,548	1,290,766	1,200,310	1,062,510	1,266,334	950,685	1,744,549
Public works	1,234,983	1,001,938	1,373,756	1,367,346	1,267,791	1,444,231	1,248,253	1,002,890	1,028,631	1,600,183
Community development	328,021	377,481	526,250	578,618	746,761	544,246	724,973	1,009,598	1,006,978	1,325,713
Capital outlay	1,618,131	2,005,358	953,448	3,762,730	766,558	579,574	3,474,911	4,015,028	1,151,343	1,391,497
Debt service:										
Principal	10,377	43,493	46,856	50,476	-	-	-	-	-	-
Interest and fiscal charges	4,587	16,870	13,000	15,228	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
<b>Total expenditures</b>	<b>10,878,024</b>	<b>10,295,420</b>	<b>8,899,153</b>	<b>12,564,572</b>	<b>9,906,332</b>	<b>10,220,133</b>	<b>14,279,018</b>	<b>15,397,168</b>	<b>11,305,183</b>	<b>14,118,827</b>
Excess of revenues over (under) expenditures	(125,790)	5,353,475	1,413,910	772,442	2,374,288	602,382	(2,001,334)	(2,799,034)	3,312,791	6,375,274

(Continued)

CITY OF ARTESIA, CALIFORNIA  
 Changes in Fund Balances of Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

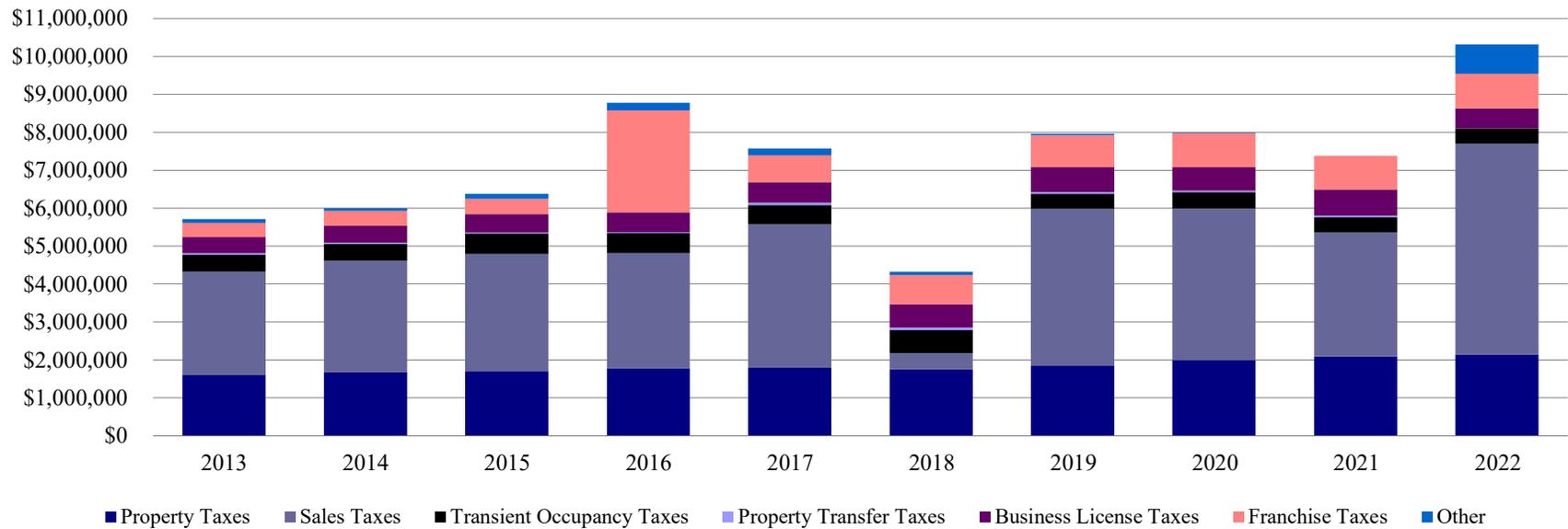
(Continued)

Other financing sources (uses)	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Transfers in	\$ 133,295	\$ 375,643	\$ 299,599	\$ 4,317,595	\$ 45,402	\$ 35,597	\$ 629,791	\$ 519,598	\$ 113,023	\$ 4,131,550
Transfers out	(133,295)	(375,643)	(299,599)	(4,317,595)	(603,484)	(35,597)	(151,600)	(160,071)	(113,023)	(4,131,550)
Bond discount	-	-	-	-	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(558,082)	-	478,191	359,527	-	-
Extraordinary loss from dissolution of Redevelopment Agency	(9,896,525)	-	-	-	-	-	-	-	-	-
Net changes in fund balances	\$ (125,790)	\$ 5,353,475	\$ 1,413,910	\$ 772,442	\$ 1,816,206	\$ 602,382	\$ (1,523,143)	\$ (2,439,507)	\$ 3,312,791	\$ 6,375,274
Debt service as a percentage of noncapital expenditures	0.2%	0.7%	0.8%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



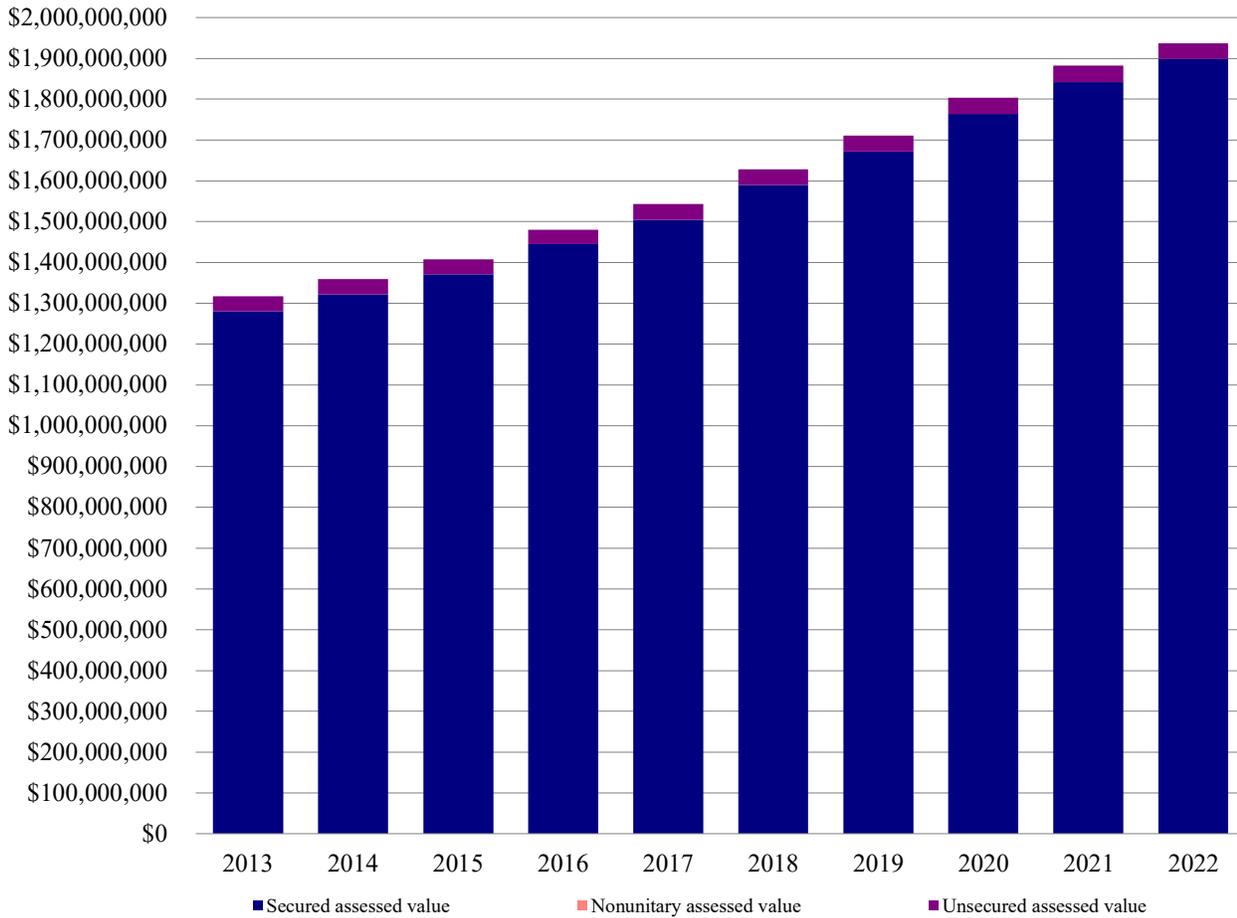
CITY OF ARTESIA, CALIFORNIA  
 General Governmental Tax Revenues by Source  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Transient Occupancy Taxes	Property Transfer Taxes	Business License Taxes	Franchise Taxes	Other Taxes	Total
2013	1,601,017	2,729,358	450,334	39,475	423,944	369,843	99,000	5,712,971
2014	1,678,906	2,938,867	443,121	29,529	446,017	390,601	71,028	5,998,069
2015	1,698,157	3,096,626	535,124	32,642	479,678	407,926	130,884	6,381,037
2016	1,778,796	3,038,340	520,533	32,655	518,569	2,696,612	192,493	8,777,998
2017	1,792,172	3,784,651	512,631	54,317	545,391	706,034	184,200	7,579,396
2018	1,752,303	3,690,349	423,928	57,514	618,198	766,423	88,699	7,397,414
2019	1,844,788	4,137,499	391,137	51,547	650,117	846,786	36,334	7,958,208
2020	1,999,302	3,989,411	434,010	42,690	614,271	893,480	13,391	7,986,555
2021	2,085,778	3,272,693	406,026	43,545	682,807	888,495	-	7,379,344
2022	2,146,321	5,551,693	410,567	79,540	525,901	909,908	770,030	10,393,960



CITY OF ARTESIA, CALIFORNIA  
Assessed Value of Taxable Property  
Last Ten Fiscal Years

Fiscal Year	Assessed Value <sup>(1)</sup>				Total Effective Rate (2)
	Secured	Nonunitary	Unsecured	Total	
2013	1,280,561,503	-	37,136,241	1,317,697,744	1.9066%
2014	1,321,986,275	-	37,252,902	1,359,239,177	0.6563%
2015	1,371,438,382	-	36,461,776	1,407,900,158	0.6566%
2016	1,444,454,184	-	35,572,647	1,480,026,831	0.6571%
2017	1,504,821,751	-	38,979,785	1,543,801,536	0.6573%
2018	1,589,872,425	-	38,378,560	1,628,250,985	0.6573%
2019	1,672,317,291	-	39,091,161	1,711,408,452	0.6582%
2020	1,764,086,354	-	40,248,565	1,804,334,919	0.6585%
2021	1,841,922,554	-	40,456,330	1,882,378,884	0.6587%
2022	1,899,479,654	-	37,538,774	1,937,018,428	0.6590%



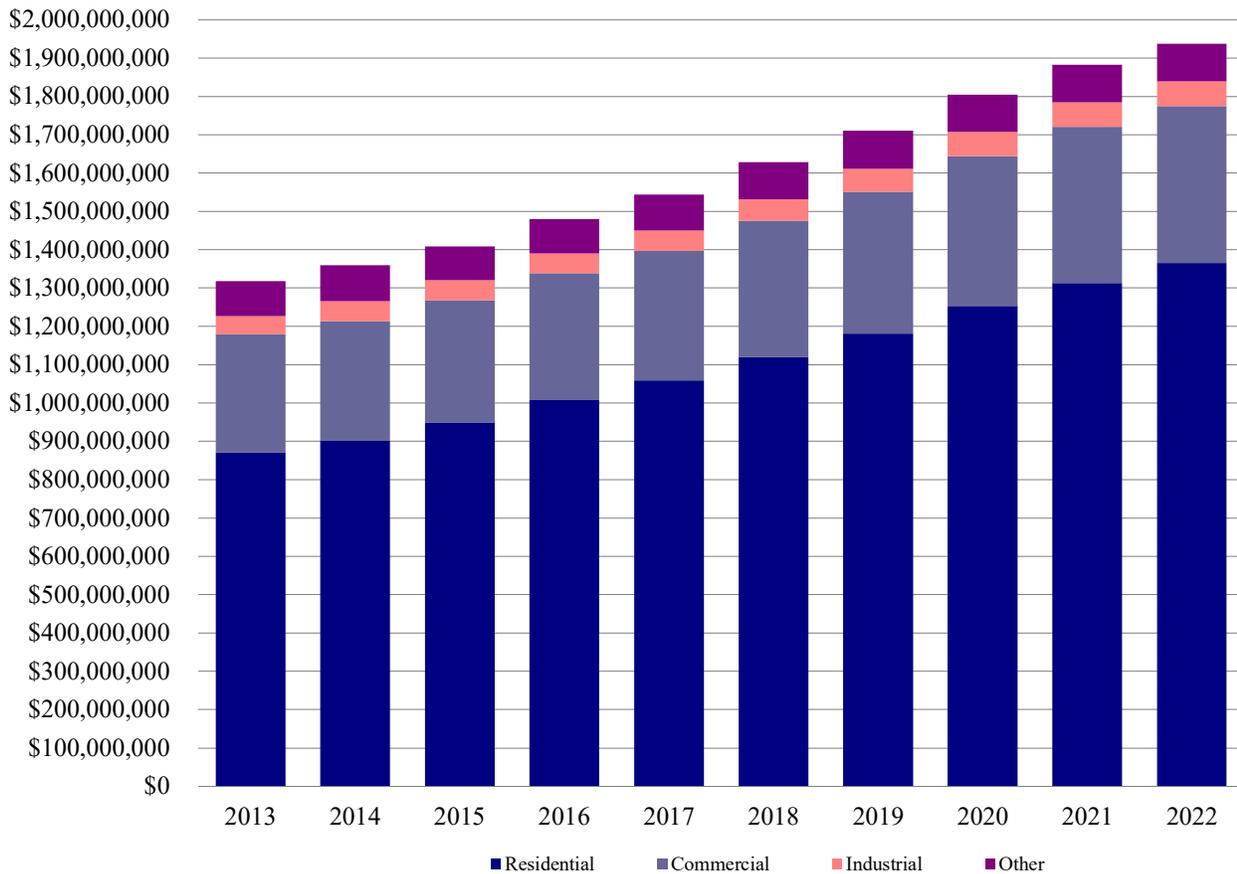
<sup>(1)</sup> Net of exemptions

<sup>(2)</sup> Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical section by the total revenue base.

Source: Los Angeles County/Hdl Companies

CITY OF ARTESIA, CALIFORNIA  
Assessed Value of Taxable Property by Use  
Last Ten Fiscal Years

Fiscal Year	Assessed Value <sup>(1)</sup>					Total Effective Rate (2)
	Residential	Commercial	Industrial	Other	Total	
2013	871,147,363	308,021,383	47,592,443	90,936,555	1,317,697,744	1.9066%
2014	901,286,264	311,754,506	52,408,817	93,789,590	1,359,239,177	0.6563%
2015	948,906,951	319,382,443	52,441,154	87,169,610	1,407,900,158	0.6566%
2016	1,009,152,736	329,584,977	52,095,299	89,193,819	1,480,026,831	0.6571%
2017	1,058,706,264	338,230,423	52,874,890	93,989,959	1,543,801,536	0.6573%
2018	1,119,486,714	356,504,771	55,586,834	96,672,666	1,628,250,985	0.6573%
2019	1,180,780,891	370,883,525	59,402,802	100,341,234	1,711,408,452	0.6582%
2020	1,252,584,691	391,879,135	62,474,763	97,396,330	1,804,334,919	0.6585%
2021	1,313,136,749	407,314,525	63,675,586	98,252,024	1,882,378,884	0.6587%
2022	1,365,326,692	409,261,464	64,579,385	97,850,887	1,937,018,428	0.6590%



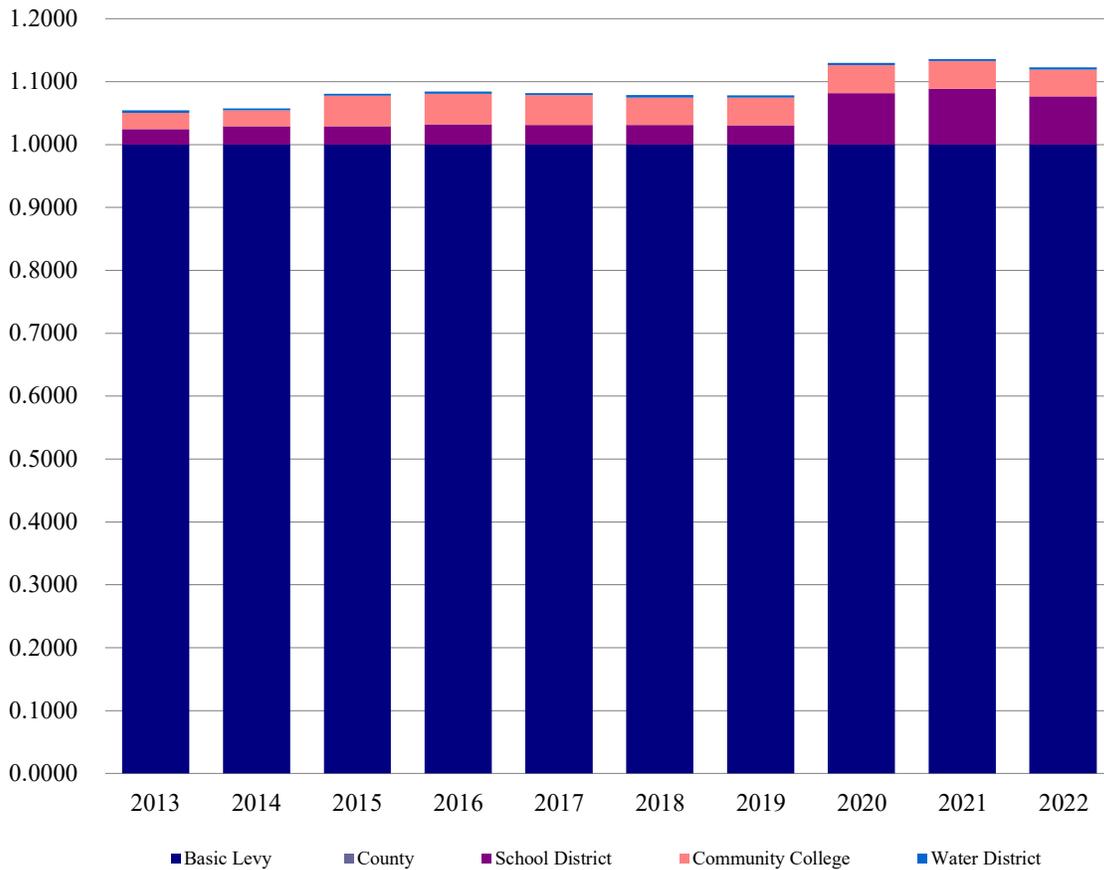
<sup>(1)</sup> Net of exemptions

<sup>(2)</sup> Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical section by the total revenue base.

Source: Los Angeles County/Hdl Companies

CITY OF ARTESIA, CALIFORNIA  
Property Tax Rates <sup>(1)</sup>  
Direct and Overlapping Governments  
Last Ten Fiscal Years

Fiscal Year	Basic Levy <sup>(2)</sup>	County			School District <sup>(3)</sup>	Community		Total Effective Rate <sup>(5)</sup>
		Detention Facilities	Flood Control	Total		College District <sup>(4)</sup>	Water District	
2013	1.0000	0.0000	0.0000	0.0000	0.0245	0.0259	0.0035	1.9066%
2014	1.0000	0.0000	0.0000	0.0000	0.0289	0.0250	0.0035	0.6563%
2015	1.0000	0.0000	0.0000	0.0000	0.0292	0.0481	0.0035	0.6566%
2016	1.0000	0.0000	0.0000	0.0000	0.0324	0.0483	0.0035	0.6571%
2017	1.0000	0.0000	0.0000	0.0000	0.0313	0.0470	0.0035	0.6573%
2018	1.0000	0.0000	0.0000	0.0000	0.0311	0.0437	0.0035	0.6573%
2019	1.0000	0.0000	0.0000	0.0000	0.0302	0.0445	0.0035	0.6582%
2020	1.0000	0.0000	0.0000	0.0000	0.0819	0.0445	0.0035	0.6585%
2021	1.0000	0.0000	0.0000	0.0000	0.0890	0.0435	0.0035	0.6587%
2022	1.0000	0.0000	0.0000	0.0000	0.0766	0.0425	0.0035	0.6590%



<sup>(1)</sup> Per \$100 of assessed value

<sup>(2)</sup> Basic levy for City (\$0.067), County (\$0.329), LA Consolidated Fire District (\$0.183), ABC Unified School District (\$0.19), Educational Rev Aug. Fund(\$0.203) and other agencies (\$0.028).

<sup>(3)</sup> ABC Unified School District .

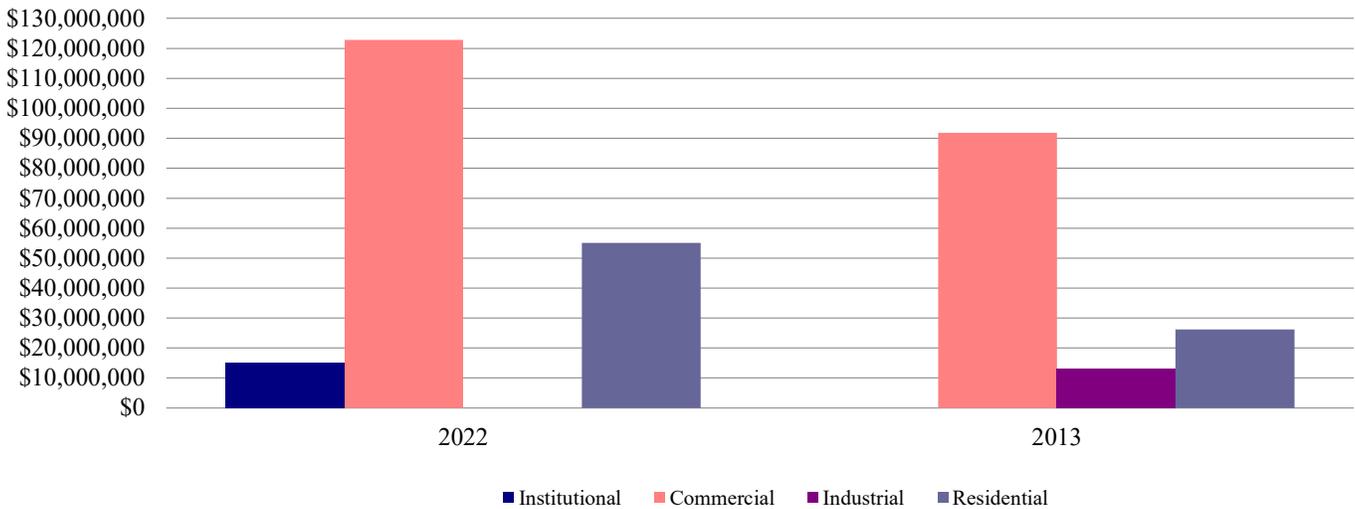
<sup>(4)</sup> Cerritos Community College District .

<sup>(5)</sup> Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the statistical section by the total revenue base.

CITY OF ARTESIA, CALIFORNIA  
Principal Property Owners  
June 30, 2022

Taxpayer	Primary Use	2022			2013		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>
Eaves Artesia LP	Residential	\$ 34,434,060	1	1.78%	26,206,113	2	1.16%
Artesia Partners LLC	Commercial	31,000,000	2	1.60%	28,196,962	1	1.25%
YSM Investment No 3 LLC	Commercial	31,000,000	3	1.60%	21,850,000	3	1.66%
Pioneerlux Associates, LP	Commercial	21,026,661	4	1.09%	-	-	-
Realty Specialties Inc	Residential	20,671,625	5	1.07%	-	-	-
11900 East Artesia Boulevard LLC	Institutional	15,130,737	6	0.78%	19,822,964	4	1.50%
Maya Inn and Suites	Commercial	14,221,826	7	0.73%	-	-	-
Artesia and Flallon, LLC	Industrial	13,706,720	8	0.71%	-	-	-
Haw Lay I LLC	Commercial	13,593,278	9	0.70%	11,717,292	7	0.89%
Egari Family Trust	Commercial	11,944,964	10	0.62%	-	-	-
California Milk Producers	Industrial	-	-	-	13,054,626	5	0.99%
BSREP Socal 91 Freeway LLC	Commercial	-	-	-	12,350,000	6	0.55%
Eastand Estate	Commercial	-	-	-	8,923,920	8	0.68%
Mei H Chu Trust	Commercial	-	-	-	8,829,231	9	0.67%
Artesia Towne Center	Cross-Reference	-	-	-	8,398,731	10	0.64%
<b>Total</b>		<b>\$ 206,729,871</b>		<b>10.67%</b>	<b>\$ 159,349,839</b>		<b>9.99%</b>

**Principal Property Owners**



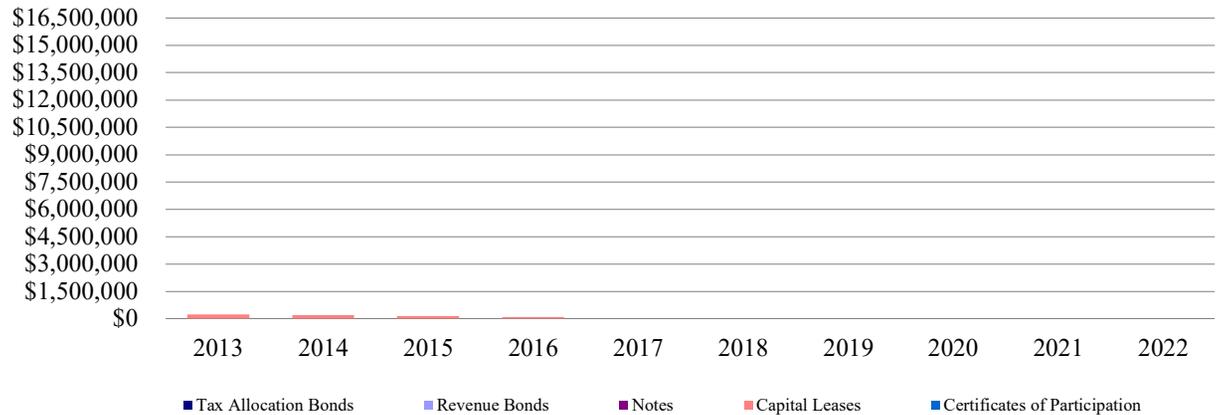
<sup>(1)</sup> Total assessed valuation of taxable property exclusive of exemptions.

Source: Los Angeles County/Hdl Companies

CITY OF ARTESIA, CALIFORNIA  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Total	Percentage of Personal Income <sup>(1)</sup>	Percentage of Debt Per Capita <sup>(1)</sup>
	Tax Allocation Bonds <sup>(2)</sup>	Notes	Capital Leases			
2013	-	-	238,733	238,733	147.62%	6.99%
2014	-	-	195,240	195,240	188.19%	8.59%
2015	-	-	148,385	148,385	244.67%	11.31%
2016	-	-	97,908	97,908	369.89%	17.24%
2017	-	-	-	-	0.00%	0.00%
2018	-	-	-	-	0.00%	0.00%
2019	-	-	-	-	0.00%	0.00%
2020	-	-	-	-	0.00%	0.00%
2021	-	-	-	-	0.00%	0.00%
2022	-	-	-	-	0.00%	0.00%

**Outstanding Debt by Type-Last Ten Fiscal Years**



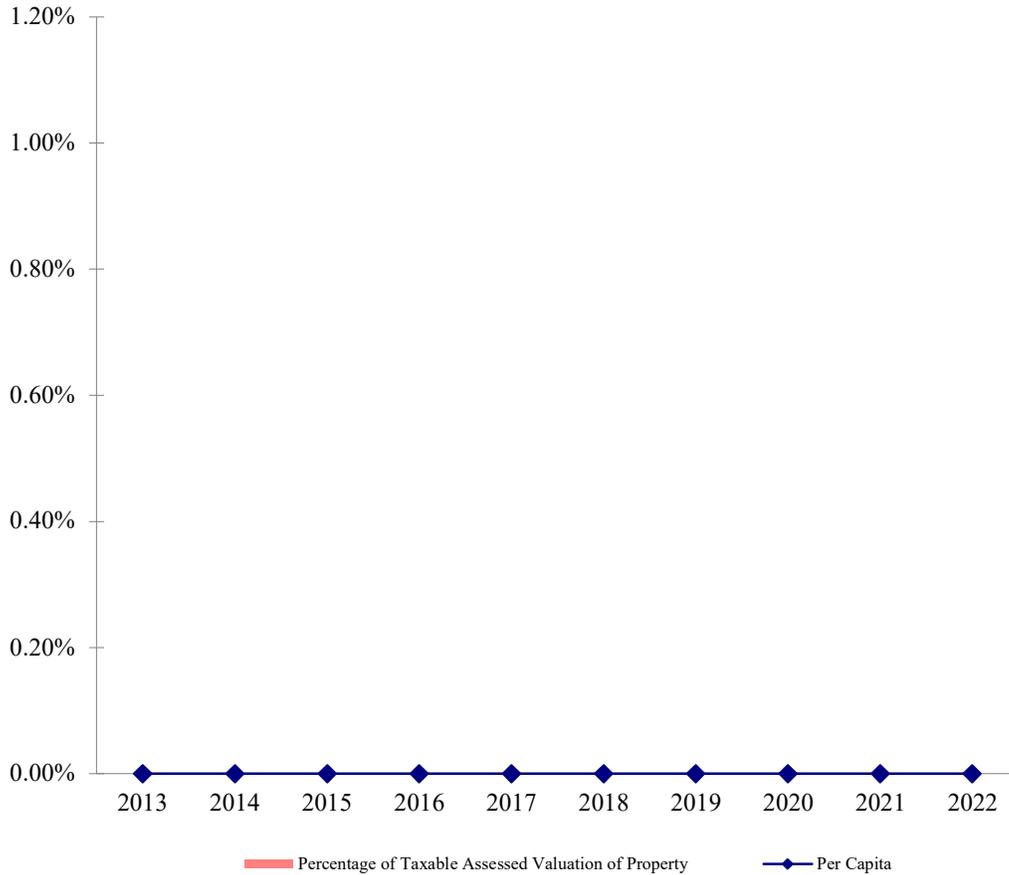
Note: Details regarding the City's outstanding debt can be found in the *notes to the financial statements*.

<sup>(1)</sup> See Demographic Statistics on Demographic and Economic Statistics Schedule

<sup>(2)</sup> Due to the dissolution of the Artesia Redevelopment Agency, the debt related to tax allocation bonds is no longer rep

CITY OF ARTESIA, CALIFORNIA  
Ratios of Net General Bonded Debt Outstanding  
Last Ten Fiscal Years

Fiscal Year	Tax Allocation Bonds <sup>(3)</sup>	Less Amounts Available in Debt Service Fund	Total	Percentage of Taxable Assessed Valuation <sup>(1)</sup> of Property	Per Capita <sup>(2)</sup>
2013	-	-	-	0.00%	0.00%
2014	-	-	-	0.00%	0.00%
2015	-	-	-	0.00%	0.00%
2016	-	-	-	0.00%	0.00%
2017	-	-	-	0.00%	0.00%
2018	-	-	-	0.00%	0.00%
2019	-	-	-	0.00%	0.00%
2020	-	-	-	0.00%	0.00%
2021	-	-	-	0.00%	0.00%
2022	-	-	-	0.00%	0.00%



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

<sup>(1)</sup> See Assessed Value of Taxable Property-Last Ten Fiscal Years Schedule .

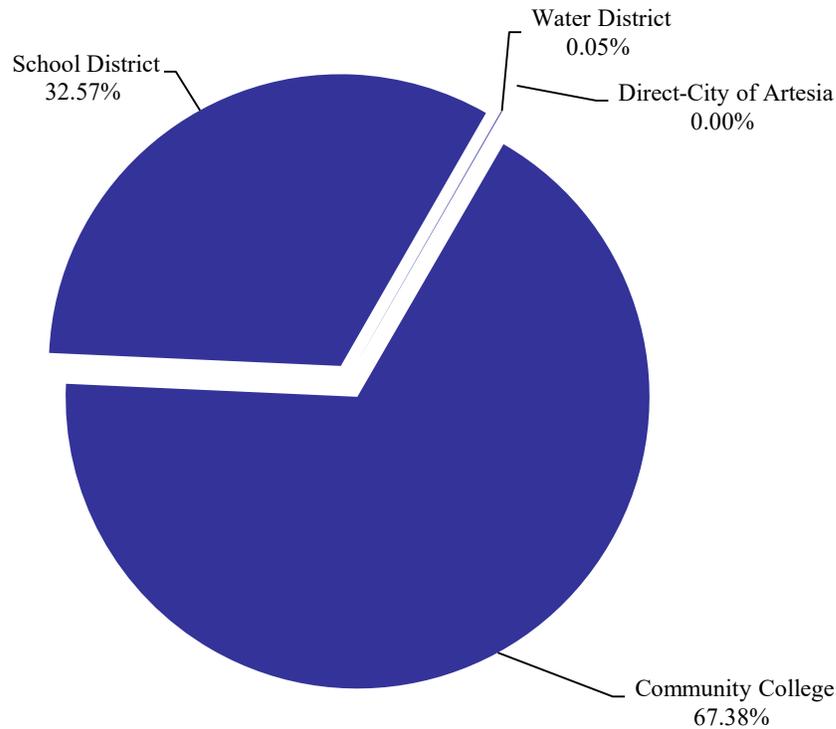
<sup>(2)</sup> See Demographic and Economic Statistics Schedule

<sup>(3)</sup> Due to the dissolution of the Artesia Redevelopment Agency, Tax Allocation Bonded Debt is no longer reported on this schedule.

CITY OF ARTESIA, CALIFORNIA  
Direct and Overlapping Governmental Activities Bonded Debt  
As of June 30, 2022

Jurisdiction	Net General Activities Bonded and Capital Lease Debt Outstanding	Percentage Applicable to City of Artesia <sup>(2)</sup>	Amount Applicable to City of Artesia
Direct-City of Artesia <sup>(1)</sup>	\$ -	100.000%	\$ -
Overlapping:			
Water District:			
Metropolitan Water District	9,835,780	0.117%	11,508
College:			
Cerritos CCD DS 2004 Series 2012D	30,896,885	3.540%	1,093,750
Cerritos CCD DS 2012 Series 2014A	73,900,000	3.540%	2,616,060
Cerritos CCD DS 2014 Ref Bonds Series 2014A	72,380,000	3.540%	2,562,252
Cerritos CCD DS 2014 Ref Bonds Series 2014B	5,255,000	3.540%	186,027
Cerritos CCD DS 2012 Ref Bonds Series 2018B	52,770,000	3.540%	1,868,058
Cerritos CCD DS 2012 Series 2019C	93,325,000	3.540%	3,303,705
Cerritos CCD DS 2020 Ref Bonds	51,350,000	3.540%	1,817,790
Cerritos CCD DS 2012 Series 2021D	75,000,000	3.540%	2,655,000
School District:			
ABC Unified 2003 Refund Bond Series A	170,000	11.030%	18,751
ABC Unified DS 1997 Series B	21,102,080	11.030%	2,327,559
ABC Unified DS 2018 Series A	49,310,000	11.030%	<u>5,438,893</u>
Total direct and overlapping debt			<u>\$ 23,899,353</u>

**Amount Applicable to City of Artesia**



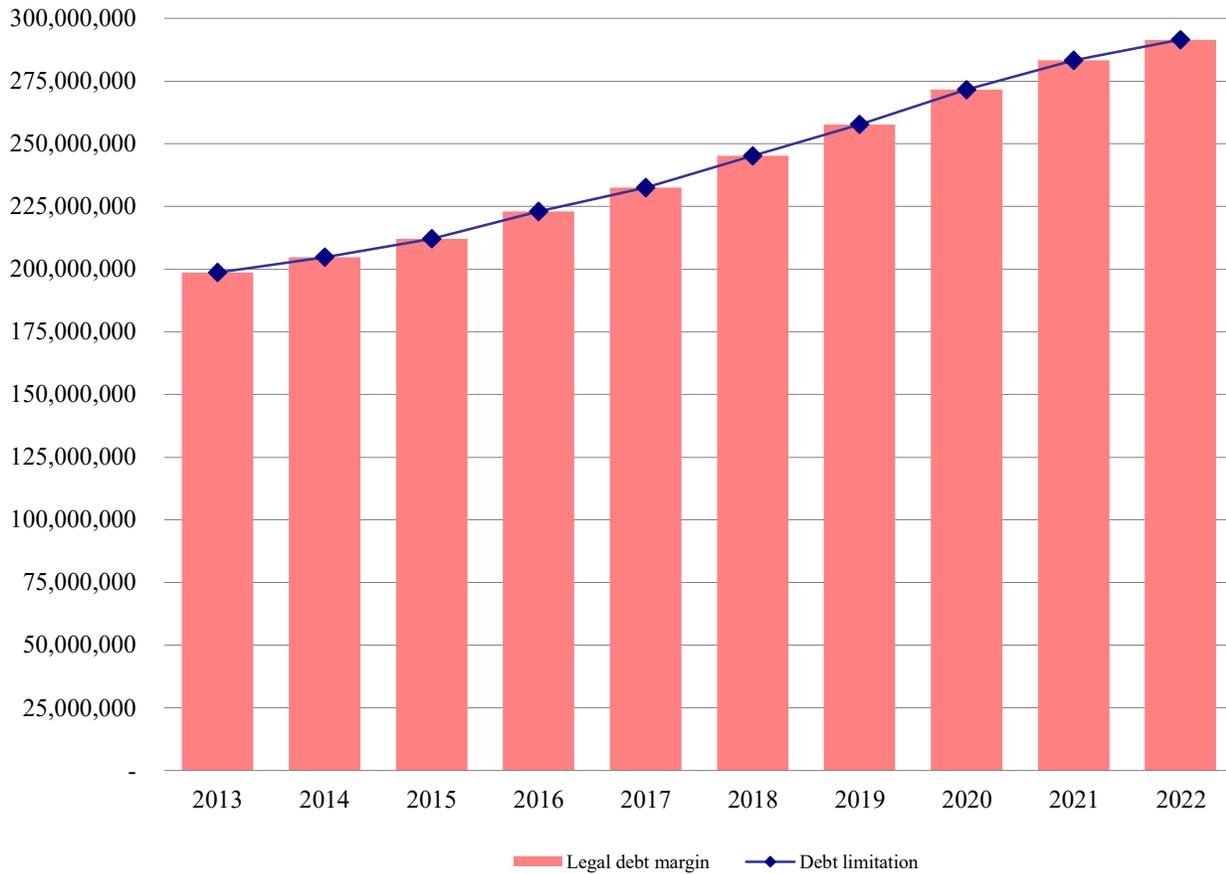
<sup>(1)</sup> Includes governmental activities debt reported in the Ratios of Outstanding Debt by Type Schedule.

<sup>(2)</sup> 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: Los Angeles County/Hdl Companies

CITY OF ARTESIA, CALIFORNIA  
 Legal Debt Margin Information  
 Last Ten Fiscal Years

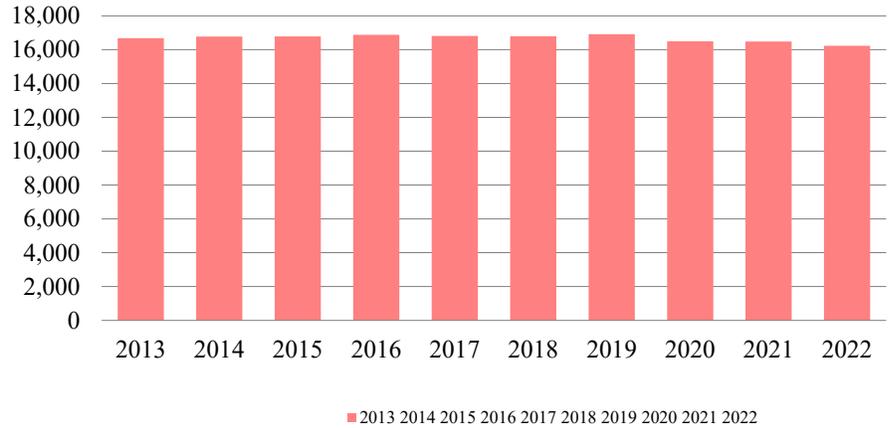
Fiscal Year	Assessed Valuations			Legal Debt Margin		
	Assessed Value	Add Exemptions	Total Assessed Value	Debt Limitation- 15% of Total Assessed Value	Total Debt Applicable to Limitation	Legal Debt Margin
2013	1,317,697,744	6,649,145	1,324,346,889	198,652,033	-	198,652,033
2014	1,359,239,177	6,276,033	1,365,515,210	204,827,282	-	204,827,282
2015	1,407,900,158	6,276,033	1,414,176,191	212,126,429	-	212,126,429
2016	1,480,026,831	6,276,033	1,486,302,864	222,945,430	-	222,945,430
2017	1,543,801,536	6,276,033	1,550,077,569	232,511,635	-	232,511,635
2018	1,628,250,985	6,276,033	1,634,527,018	245,179,053	-	245,179,053
2019	1,711,408,452	6,276,033	1,717,684,485	257,652,673	-	257,652,673
2020	1,804,334,919	6,533,855	1,810,868,774	271,630,316	-	271,630,316
2021	1,882,378,884	6,451,377	1,888,830,261	283,324,539	-	283,324,539
2022	1,937,018,428	6,451,377	1,943,469,805	291,520,471	-	291,520,471



CITY OF ARTESIA, CALIFORNIA  
Demographic and Economic Statistics

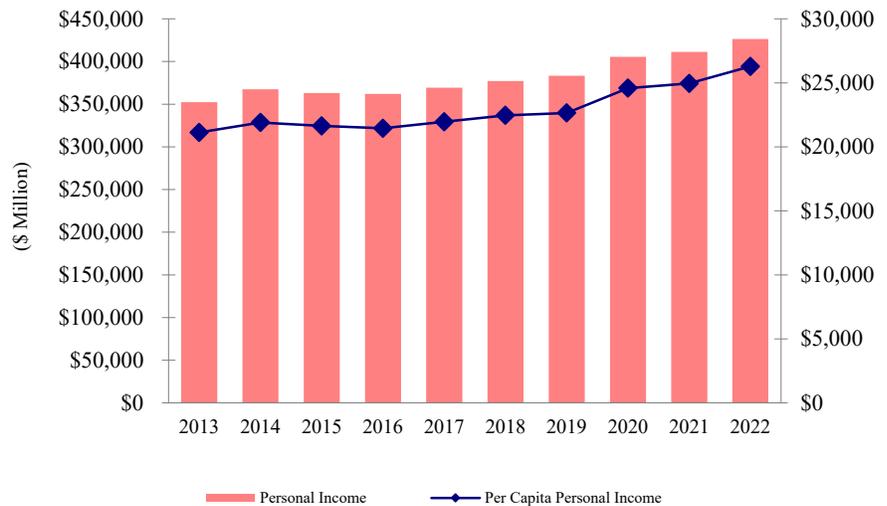
Last Ten Fiscal Years

Year	Population <sup>(1)</sup>
2013	16,681
2014	16,776
2015	16,781
2016	16,883
2017	16,816
2018	16,792
2019	16,919
2020	16,490
2021	16,484
2022	16,226



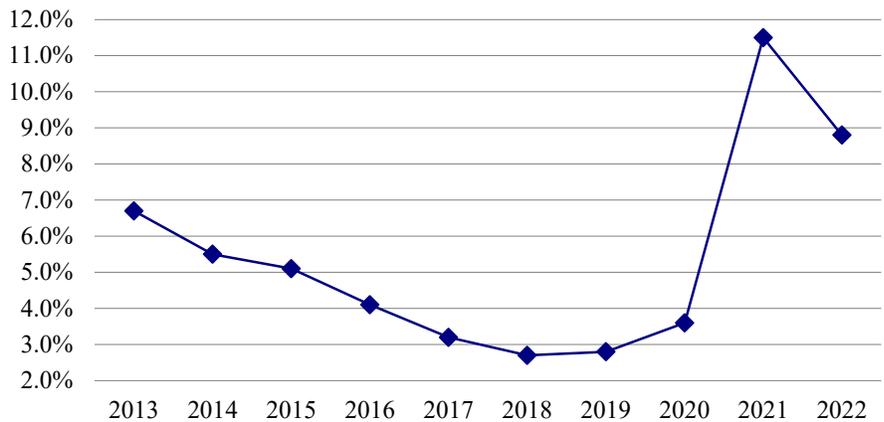
Last Ten Fiscal Years

Year	Personal Income <sup>(2)</sup> (\$ Thousand)	Per Capita Personal Income <sup>(2)</sup>
2013	352,419	21,127
2014	367,428	21,902
2015	363,057	21,635
2016	362,149	21,450
2017	369,249	21,958
2018	377,241	22,465
2019	383,243	22,651
2020	405,497	24,590
2021	411,323	24,952
2022	426,436	26,281



Last Ten Fiscal Years

Year	Unemployment Rate <sup>(2)</sup>
2013	6.7%
2014	5.5%
2015	5.1%
2016	4.1%
2017	3.2%
2018	2.7%
2019	2.8%
2020	3.6%
2021	11.5%
2022	8.8%



<sup>(1)</sup> State Department of Finance.

<sup>(2)</sup> HdL, Coren & Cone.

CITY OF ARTESIA, CALIFORNIA  
Principal Employers <sup>(1)</sup>  
As of June 30, 2022

Employer	2022		
	Employees	Rank	Percentage of Total City Employment
SDKJ FOREVER LLC	52	1	10.18%
BORBA INVESTMENT REALTY, INC.	46	2	9.00%
CITY OF ARTESIA	38	3	7.44%
SK ENTER BKING PR INC TX AUDIT PRES	20	4	3.91%
ANGELES INSTITUTE, LLC	20	5	3.91%
KUMON MATH & READING CENTER OF ARTESIA	20	6	3.91%
TOPANGA HOSPICE CARE, INC.	18	7	3.52%
NURSES PLUS HOSPICE INC	16	8	3.13%
SMILE ADULT DAY HEALTH CENTER	15	9	2.94%
SAGE M. HUMPHRIES D.D.S, M.S.	9	10	1.76%
	<u>254</u>		<u>49.71%</u>
Total number of employees	<u>511</u>		
Number of businesses	859		

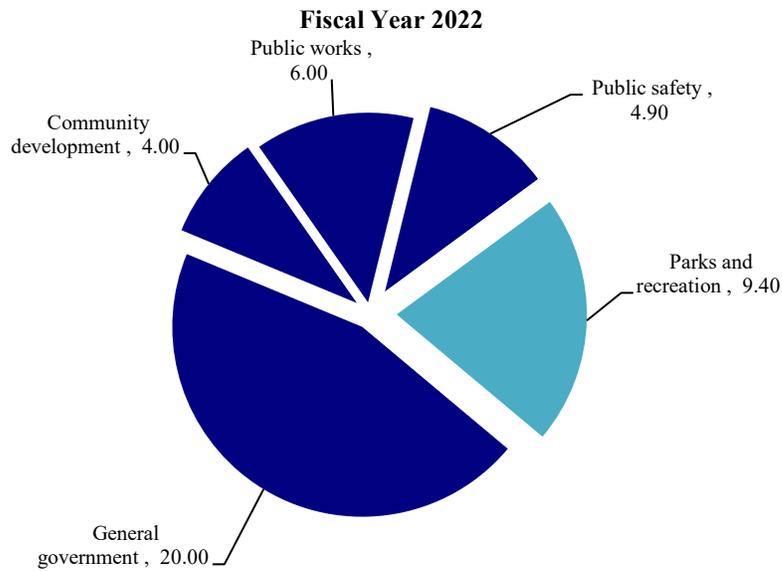
(1) No principal employer information available prior to 2014.

Source: Finance Department, HdL

CITY OF ARTESIA, CALIFORNIA  
Full-time Equivalent City Government Employees by Function <sup>(1)</sup>

	Last Nine Fiscal Years								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
	Total	Total	Total	Total	Total	Total	Total	Total	Total
General government	18.00	17.00	19.00	16.29	15.01	19.60	19.00	20.00	20.00
Community development	-	-	-	5.88	8.33	3.00	4.00	4.00	4.00
Public works	8.00	8.00	7.00	2.93	3.03	7.00	7.00	6.00	6.00
Public safety	3.00	3.00	2.85	0.95	2.22	4.38	3.90	4.90	4.90
Parks and recreation	8.00	8.00	8.00	10.95	11.46	9.15	10.15	9.40	9.40
<b>Total full-time equivalent positions</b>	<b>37.00</b>	<b>36.00</b>	<b>36.85</b>	<b>37.00</b>	<b>40.05</b>	<b>43.13</b>	<b>44.05</b>	<b>44.30</b>	<b>44.30</b>

<sup>(1)</sup> No full-time equivalent positions information available prior to 2014.



Source: Finance Department

CITY OF ARTESIA, CALIFORNIA  
 Operating Indicators by Function <sup>(1)</sup>  
 Last Two Fiscal Years

	<u>2022 (2)</u>
<b>General Government</b>	
City Council	
Regular Election	-
New or Amended Ordinances	12
Business Licenses issued	
Passports	
Accepted	175
Finance	
Payroll Checks Issued	1,010
Accounts Payable Checks Issued	1,527
Purchase Orders Issued	117
Community Development	
Building Permits Issued	
Planning Reviews	
<b>Park and Recreation</b>	
Facility Use Permits	37
Field Use Permits	13
Number of Youth Programs	10
Number of Adult Programs	9
Number of Senior Programs	5
Number of Family Excursions	8
Number of Senior Excursions	12
Number of Teen Excursions	5
Special Events	42
Hours of Service to Public	4,004
<b>Public Works</b>	
Tons collected	486
Illegal Dumping Pick-Up	208
Number of Graffiti Removal Locations	1,040
Vines Trimmed (in linear feet)	65,076
<b>Public Safety-Code Enforcement</b>	
Number of Parking Violations	4,235
Number of Parking Stations Maintained	24
Number of Code Enforcement Cases	753
Number of Notices of Violation	1,057

<sup>(1)</sup> Information provided by various departments

<sup>(2)</sup> Information prior to this year is not available

CITY OF ARTESIA, CALIFORNIA  
 Capital Asset Statistics by Function <sup>(1)</sup>  
 Last Nine Fiscal Years

	<u>2014</u> <sup>(2)</sup>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>General government</b>									
Number of Buildings - City Hall	1	1	1	1	1	1	1	1	1
Number of Historical Museums	2	2	2	2	2	2	2	2	2
Historical Water Tower	1	1	1	1	1	1	1	1	1
General Government Vehicles	2	2	2	2	2	2	2	2	2
<b>Park and Recreation</b>									
Number of Buildings - Community Centers	5	5	5	5	5	5	5	5	5
Number of Buildings - Library	1	1	1	1	1	1	1	1	1
Acres of Park Space	16.98	16.98	16.98	16.98	16.98	16.98	16.98	16.98	16.98
Park Trees	202	202	202	202	202	202	202	202	202
Parks	3	3	3	3	3	3	3	3	3
Recreation Transit Vehicles	2	2	2	2	2	2	2	2	2
Playground Areas	5	5	5	5	5	5	5	5	5
Baseball Fields	7	7	7	7	7	7	7	7	7
Basketball Courts	3	3	3	3	3	3	3	3	3
Roller Hockey Rinks	1	1	1	1	1	1	1	1	1
Handball Court	1	1	1	1	1	1	1	1	1
Tennis Courts	1	1	1	1	1	1	1	1	1
<b>Maintenance/Public works</b>									
Number of Buildings	1	1	1	1	1	1	1	1	1
Street Trees	1,662	1,652	1,652	1,652	1,652	1,652	1,652	1,652	1,652
Miles of Streets and Service Roads	30.09	30.09	30.09	30.09	30.09	30.09	30.09	30.09	30.09
Number of Traffic Signals	23	25	25	25	25	25	25	25	25
Number of Street Lights	85	136	136	136	136	136	136	136	136
Vehicles	11	11	11	11	11	11	11	11	11
<b>Public safety</b>									
Number of Parking Pay Stations	29	28	28	28	28	28	28	28	28
Public Safety Vehicles	4	4	4	4	4	4	4	4	4

<sup>(1)</sup> Information provided by various departments

<sup>(2)</sup> Information prior to this year is not available