

Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2024



www.cityofartesia.us

CITY OF ARTESIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS

I. INTRODUCTORY SECTION

Letter of Transmittali
 Organization Chart.....v
 Principal Officials.....vi

II. FINANCIAL SECTION

A. Independent Auditor’s Report 1
 B. Management’s Discussion and Analysis (Unaudited).....5
 C. Basic Financial Statements
 Government-wide Financial Statements:
 Statement of Net Position..... 15
 Statement of Activities 16
 Fund Financial Statements:
 Governmental Funds:
 Balance Sheet..... 19
 Reconciliation of the Balance Sheet of Governmental Funds
 to the Statement of Net Position20
 Statement of Revenues, Expenditures, and Changes in Fund Balances.....21
 Reconciliation of the Statement of Revenues, Expenditures, and
 Changes in Fund Balances of Governmental Funds to the Statement
 of Activities.....22
 Proprietary Funds:
 Statement of Net Position 23
 Statement of Revenues, Expenses, and Changes in Net Position24
 Statement of Cash Flows25
 Fiduciary Funds:
 Statement of Fiduciary Net Position27
 Statement of Changes in Net Position – Private-Purpose Trust Fund28
 Notes to Basic Financial Statements.....29
 D. Required Supplementary Information:
 Schedule of Proportionate Share of Net Pension Liability – City Misc Plan59
 Schedule of Pension Contributions – City Misc Plan.....60
 Schedule of Changes in Total OPEB Liability and Related Ratios 61
 Schedule of OPEB Employer Contributions62
 Note to Required Supplementary Information63
 General Fund – Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual.....64
 Billboard Fund – Schedule of Revenues, Expenditures, and Changes in
 Fund Balance – Budget and Actual.....65

CITY OF ARTESIA
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 Fiscal Year Ended June 30, 2024

TABLE OF CONTENTS

II.	FINANCIAL SECTION (Continued)	
	E. Other Supplemental Information	
	Capital Projects Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual.....	66
	Nonmajor Governmental Funds	
	Combining Balance Sheet	67
	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	69
	Schedules of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	
	State Gas Tax Special Revenue Fund	71
	CDBG Special Revenue Fund	72
	Proposition A Special Revenue Fund	73
	Proposition C Special Revenue Fund	74
	Air Quality Special Revenue Fund.....	75
	C.O.P.S. Grant Special Revenue Fund.....	76
	Measure R Special Revenue Fund.....	77
	Measure W Special Revenue Fund.....	78
	CFD Special Revenue Fund.....	79
	Housing Authority Special Revenue Fund.....	80
	Artesia Lighting District Special Revenue Fund	81
	Bicycle & Pedestrian Special Revenue Fund.....	82
	Measure M Special Revenue Fund	83
	SB1 Special Revenue Fund.....	84
	Cal Fire Urban Grant Special Revenue Fund.....	85
	Development Impact Fees Special Revenue Fund.....	86
	Metro TOD 4 Special Revenue Fund.....	87
	Parks and Recreation Grants Special Revenue Fund	88
III.	STATISTICAL SECTION	
	F. Description of Statistical Section	
	G. Financial Trends	
	Net Position by Component.....	89
	Changes in Net Position by Component.....	90
	Fund Balances of Governmental Funds	92
	Changes in Fund Balances of Governmental Funds	93
	H. Revenue Capacity	
	Governmental Activities Tax Revenues by Source.....	95
	Assessed Value of Taxable Property	96
	Assessed Value of Taxable Property by Use.....	97
	Direct and Overlapping Property Tax Rates.....	98
	Principal Property Taxpayers	99
	Property Tax Levies and Collections.....	100

III. STATISTICAL SECTION (Continued)

I.	Debt Capacity	
	Ratios of Outstanding Debt by Type	101
	Direct and Overlapping Bonded Debt	102
	Legal Debt Margin	103
J.	Demographic and Economic Information	
	Demographic and Economic Statistics	104
	Principal Employers	105
K.	Operating Information	
	Full Time Equivalent City Government Employees by Function/Program.....	106
	Capital Asset Statistics by Function	107



THE CITY OF ARTESIA, CALIFORNIA

18747 CLARKDALE AVENUE, ARTESIA, CALIFORNIA 90701

Telephone 562 / 865-6262

FAX 562 / 865-6240

"Service Builds Tomorrow's Progress"

February 10, 2025

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, 2024 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, 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, 2024. 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

Incorporated in 1959, the City of Artesia is 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. There are three major retail areas, one industrial area, and a multi-story office park. The current population is 16,019 according to the State of California Department of Finance.

The City is a general law city. 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.

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; 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.).

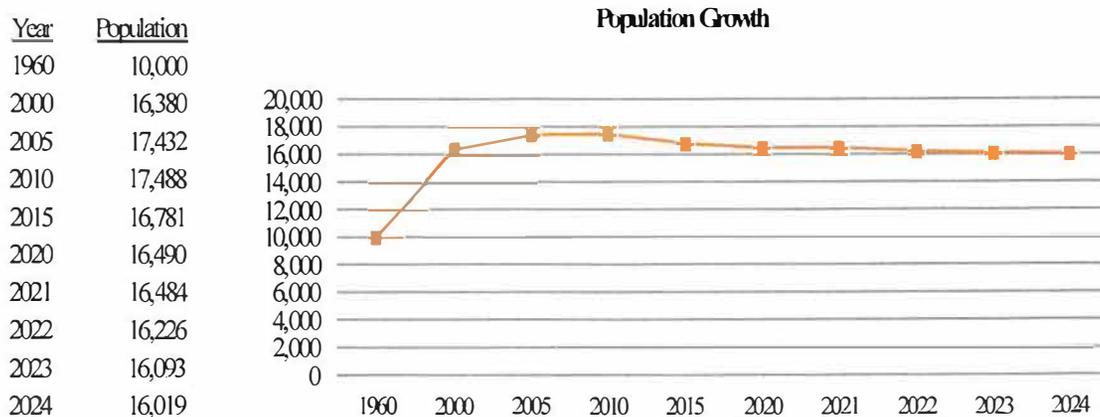
The Council is required to adopt a final budget by June 30th of each fiscal year. In Fiscal Year 2023-24, the Council adopted the annual budget on June 12, 2023, and the mid-year budget on February 12, 2024. The annual budget serves as the foundation for the City's financial planning and control. The budget is prepared by fund, program (e.g., public safety), and activity (e.g., law enforcement). This report includes all the funds of the City. The City Manager may appropriate resources up to \$39,325 from budgeted funds. Expenditures above this threshold requires 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

The City of Artesia incorporated on May 29, 1959 with the motto “Service Builds Tomorrow’s Progress”. In 1957, the community roads of Pioneer, South Street, and Artesia Boulevard were paved, two-lane roads. Over the years, the Public Works Department has maintained the City’s roads and infrastructure. In Fiscal Year 2023-24, the City made infrastructure improvements to address street repairs, implement traffic calming measures, and remediate tripping hazards on sidewalks.

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. The sales and use tax has been the leading tax source in the City. In recent years, the City has been focused on diversifying the City’s tax base to add additional revenue to provide resources with which to serve its residents.

The City’s economy has always relied on sales tax as the primary revenue source to support the purposes of the City’s government. Sales tax for Fiscal Year 2023-24 makes up more than one-third of the general fund revenues. A vibrant sector of the City’s economy is the Restaurant and Hotel major business group. In 2024, the City continued its tradition of supporting small businesses, bolstering the local economy and encouraging patronage of local food establishments through its Restaurant Week program. Restaurant Week saw a 58% increase in participation from local restaurants, with 38 establishments participating, bringing in residents and visitors to experience Artesia’s diverse cuisine. The City continues to work on attracting investors wishing to develop in Artesia, and the City hosted workshops with developers on proposed mixed-use projects on Pioneer Boulevard and South Street, to lay the groundwork for future economic growth.

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 2020 through November, 2024:

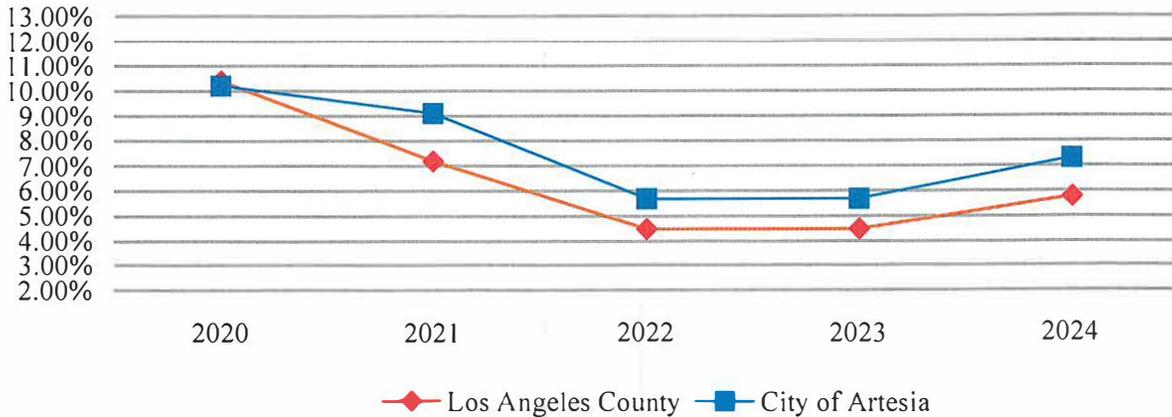
LOS ANGELES COUNTY AND CITY OF ARTESIA STATISTICAL AREA
 Civilian Labor Force, Employment, Unemployment and Unemployment Rate
 Annual Averages (000's) ⁽¹⁾

	2020		2021		2022		2023		2024	
	<u>County</u>	<u>City</u>								
Civilian Labor Force (2)	4,869	7.70	5,009	7.80	4,948	7.60	4,968	7.70	5,042	7.80
Employment	4,363	6.90	4,647	7.10	4,724	7.20	4,743	7.20	4,749	7.20
Unemployment	506	0.80	363	0.70	224	0.40	224	0.40	294	0.60
Unemployment Rate	10.40%	10.20%	7.20%	9.10%	4.50%	5.70%	4.50%	5.70%	5.80%	7.30%

⁽¹⁾ Not seasonally adjusted.

⁽²⁾ 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**



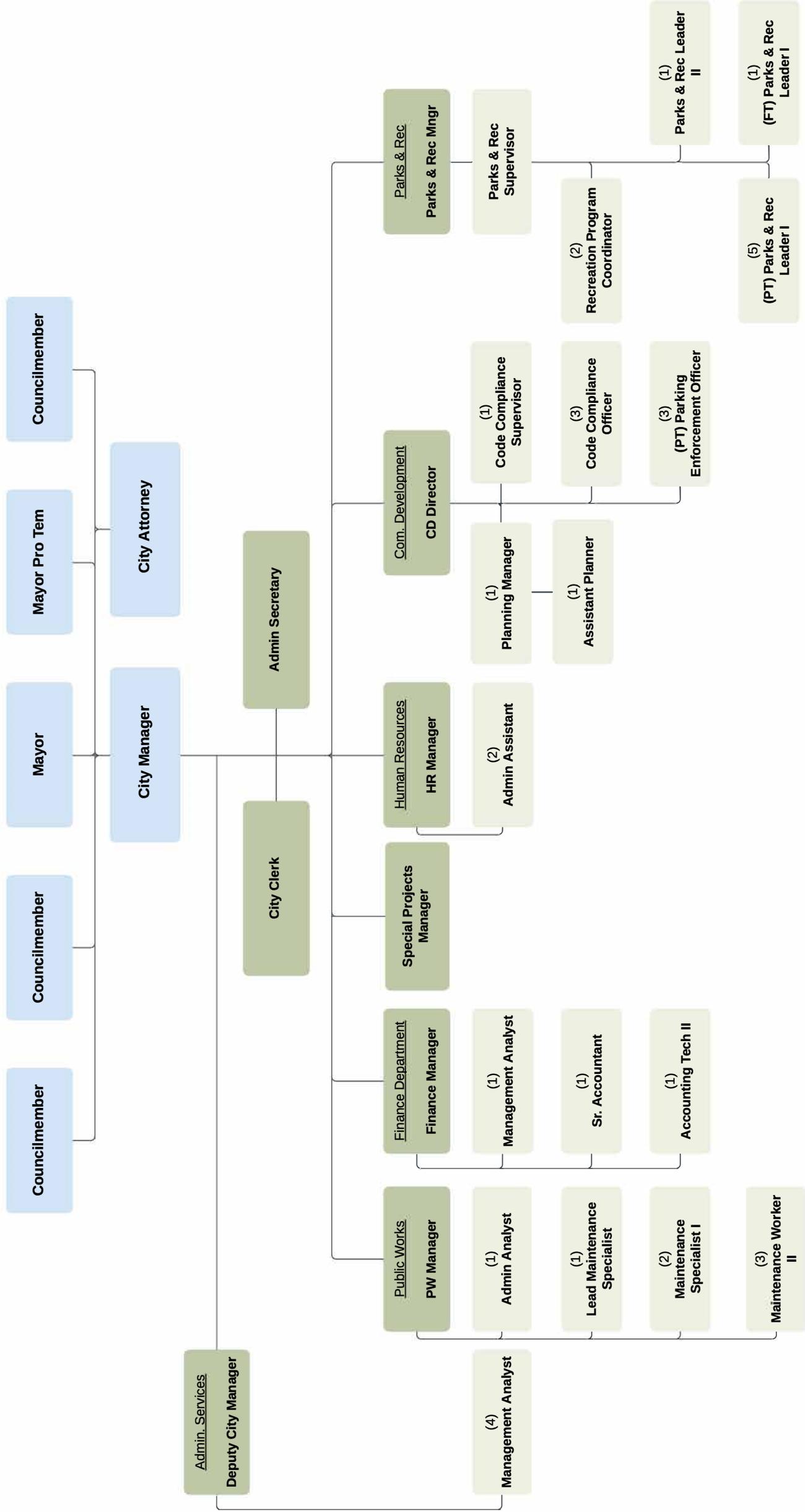
Source: Labor Market Information Division of the California State Employment Development Department.
 The City's average unemployment rate has been consistently lower than the Los Angeles County area average.

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,

Abel Avalos
 City Manager

City of Artesia Organizational Chart



CITY OF ARTESIA, CALIFORNIA
 List of Principal Officials
 2023-2024

<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>
Interim City Manager: * Melissa Burke	June 2022
Acting Deputy City Manager/Finance Manager: Jamie Murguia	June 2022
City Attorney: * HongDao Nguyen	December 2020
City Clerk: Jennifer Alderete	June 2022
City Treasurer: Jamie Murguia	June 2023
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

COMMERCIAL ACCOUNTING & TAX SERVICES

8383 WILSHIRE BLVD., SUITE 800
BEVERLY HILLS, CA 90211
TEL: 310.670.2745
FAX: 310.670.1689
www.mlhcpas.com

GOVERNMENTAL AUDIT SERVICES

5800 HANNUM AVE., SUITE E
CULVER CITY, CA 90230
TEL: 310.670.2745
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, 2024, 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, 2024, 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 – Billboard Special Revenue Fund, Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Pension Contributions, Schedule of Changes in Total OPEB Liability and Related Ratios, and Schedule of OPEB Employer Contributions on pages 59 through 65 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.

Supplementary 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 Schedule for the major Capital Projects fund; the Combining Financial Statements, and individual Budgetary Comparison Schedules 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 major Capital Projects fund, the Combining Financial Statements, and individual Budgetary Comparison Schedules 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 Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2025, 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, LLP
Culver City, CA
January 22, 2025

This page intentionally left blank.

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, 2024.

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 \$44,716,437 (*net position*). The Governmental Activities have unrestricted net position of \$6,281,938, which may be used to meet the government's ongoing obligations to residents and creditors.
- The City's net position for governmental activities increased by \$6,506,485 over the prior fiscal year.
- The City's net position for business-type activities decreased by \$1,223,434 over the prior fiscal year. This was related to the consolidation of operations from the enterprise funds into the General Fund.
- The total cost of all City activities was \$16,910,856 for the current fiscal year. Net cost of all activities was \$8,266,564.
- As of June 30, 2024, the City of Artesia's governmental funds reported combined ending fund balances of \$25,683,976, an increase of \$3,995,727 in comparison to the prior fiscal year. Approximately 31% 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 39% is legally restricted by resolution or 3rd party covenants.
- As of June 30, 2024, the unassigned fund balance for all governmental funds was \$6,907,041.

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 and required 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 33 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**
- **Billboard**
- **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 Billboard 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 funds account 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. 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.

Financial Analysis of the Government-wide Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of June 30, 2024, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$44,716,437.

By far the largest portion of the City of Artesia's net position, \$29,833,801 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 usually are not used to liquidate these liabilities.

An additional portion of net position (19%) represents resources that are subject to external restrictions on how it may be used, and therefore \$8,600,698 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 \$6,506,485, or 17% during the fiscal year as a result of revenues exceeding expenditures during this fiscal year. The total cost of all City activities was \$16,910,856. Net cost of all activities was \$8,266,564. 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

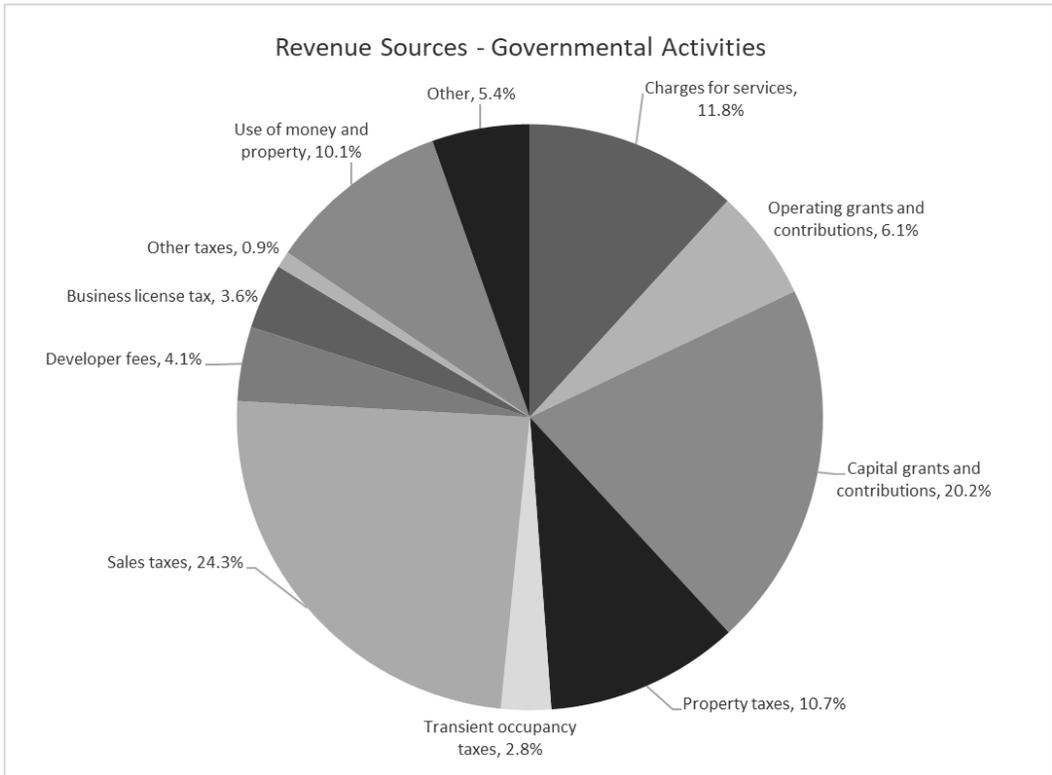
	2024	2023
Current and other assets	\$ 31,256,894	\$ 26,530,702
Capital assets	29,833,801	27,576,533
Total assets	<u>61,090,695</u>	<u>54,107,235</u>
Deferred outflows of resources	2,119,620	2,475,584
Long-term liabilities outstanding	11,486,933	11,096,895
Other liabilities	2,364,015	2,311,011
Total liabilities	<u>13,850,948</u>	<u>13,407,906</u>
Deferred inflows of resources	4,642,930	4,964,961
Net position:		
Net investment in capital assets	29,833,801	27,576,533
Restricted	8,600,698	8,952,613
Unrestricted	6,281,938	1,680,806
Total net position	<u>\$ 44,716,437</u>	<u>\$ 38,209,952</u>

The net position of the governmental activities represents 100% 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 decreased by \$351,915 or 4%.

Governmental activities. Governmental activities increased the City of Artesia's net position by \$6,506,485. Key elements of this increase are as follows:

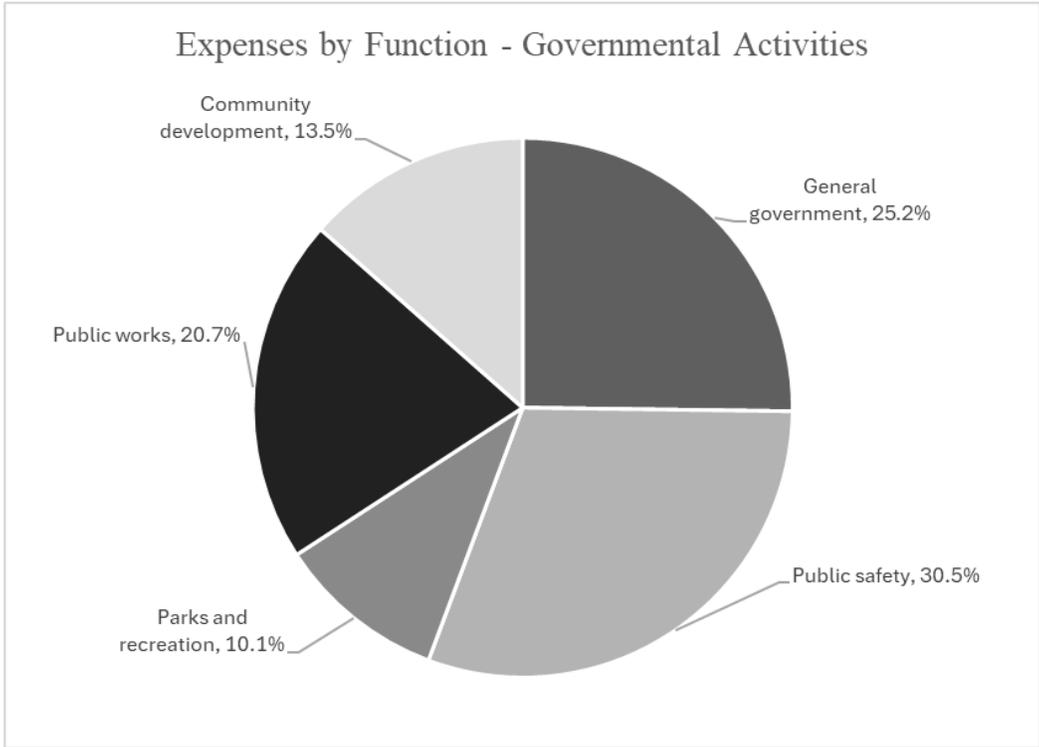
Governmental Activities Change in Net Position

	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ 2,671,922	\$ 1,237,756
Operating grants and contributions	1,393,028	1,864,706
Capital grants and contributions	4,579,342	1,248,758
General revenues:		
Property taxes	2,426,156	2,278,334
Transient occupancy taxes	626,137	595,622
Sales taxes	5,505,982	5,310,565
Developer Fees	930,602	943,404
Business license taxes	818,066	884,681
Other taxes	207,367	143,740
Use of money and property	2,289,377	724,831
Other	745,928	1,405,200
Transfers	1,223,434	-
Total revenues	23,417,341	16,637,597
Expenses		
General government	4,264,141	3,310,279
Public safety	5,152,508	4,671,915
Parks and recreation	1,713,630	1,403,087
Public works	3,499,726	2,914,580
Community development	2,280,851	2,533,642
Total expenses	16,910,856	14,833,503
Change in net position	6,506,485	1,804,094
Beginning net position	38,209,952	36,405,858
Ending net position	\$ 44,716,437	\$ 38,209,952



Taxes, operating grants and contributions and charges for services provide 60.2% 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).

Capital grants, and contributions increased from \$ 1,248,758 in the fiscal prior year to \$4,579,342.



Total expenses increased \$2,077,353 or 14% overall. This increase was anticipated during the budget process.

Business-type Activities

Business-type activities of the City consisted by Parking and Artesia Town Center in previous fiscal years. These functions have since become consolidated into the General Fund, therefore the City will not present any business-type activities going forward and current year activities consisted of transfers of assets to the General Fund as part of the consolidation process.

Business-Type Activities Net Position

	2024	2023
Current assets and other assets	\$ -	\$ 874,887
Capital assets		437,048
Total assets		1,311,935
Other liabilities		88,500
Total liabilities		88,500
Net position:		
Net investment in capital assets		437,048
Unrestricted		786,387
Total net position	\$ -	\$ 1,223,435

The net position of the business-type activities represents 0% of the City's total net position. Business-type net position decreased by \$1,223,435, consisting of transfers of assets to the General Fund as part of the consolidation process as discussed previously.

Business-type Change in Net Position

	2024	2023
Revenues		
Program revenues:		
Charges for services	\$ -	\$ 305,834
Total Revenues		305,834
Expenses		
Parking	390,345	203,441
Artesia Towne Center	46,702	219,648
Transfers Out	786,387	-
Total Expenses	1,223,434	423,089
Change in net position	(1,223,434)	(117,255)
Beginning net position	1,223,434	1,340,690
Ending net position	\$ -	\$ 1,223,434

The City's business-type program expenditures exceeded revenues by \$1,223,434, this activity only consisted of transfer of assets to the General Fund as part of the consolidation process.

Financial Analysis of the City's Funds

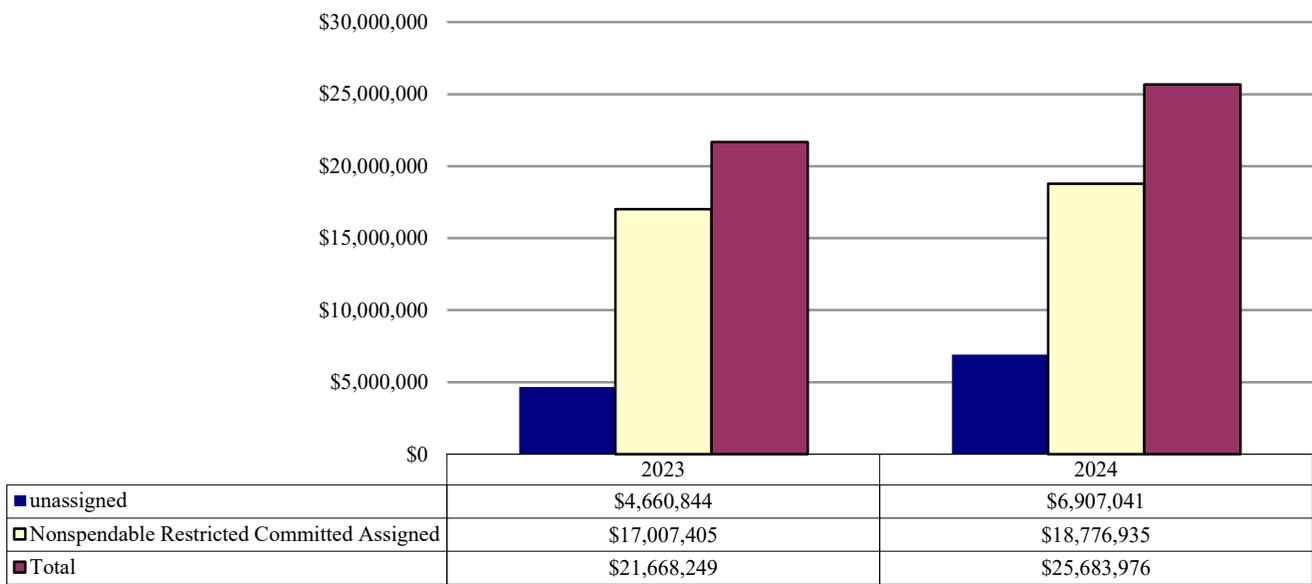
As noted earlier, the City of Artesia uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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 discretionary spending as this category of fund balance represents the portion of fund balance which has not yet been limited to use for a particular purpose by either and external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of the current fiscal year, the City of Artesia’s governmental funds reported combined ending fund balances of \$25,683,976, an increase of \$3,995,727 in comparison to the prior fiscal year. Of this amount, there is \$6,907,041 unassigned net fund balance available for spending at the government's discretion. All remaining fund balance is *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending. Approximately 21% of this amount is committed to indicate that it is not available because it has committed for contingency reserves. Another 39% is restricted for specific uses. Approximately 11% 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. Three 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, and Capital Projects Fund.

The following is a summary of fund balances of the governmental funds for fiscal years 2023-2024:



General Fund. The General Fund is the chief operating fund of the City of Artesia. At the end of Fiscal Year ended June 30, 2024, the total fund balance was \$14,277,195, with \$620,163 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 (\$7,126,547) to total fund expenditures is a measure of the general fund’s liquidity. Unassigned fund balance represents 46% of the total general fund revenue (\$15,465,944) and represents 52% of total general fund expenditures (\$13,690,132).

- The fund balance of the general fund increased by \$2,783,768 during the fiscal year. The surplus of available resources over budgeted available resources was \$746,983 during the fiscal year.

The Billboard Fund qualifies as a major fund in 2023-24. The Billboard Fund fund balance increased by \$120,633.

The Capital Projects Fund qualifies as a major fund in 2023-24. The Capital Projects Fund fund balance increased by \$538,560.

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 \$1,223,434 in the fiscal year. As previously discussed, the consolidation of the activities of the two enterprises fund into the General Fund resulted in these decreases in the current fiscal year.

General Fund Budgetary Highlights

In preparing the budget, the City attempts to estimate its revenues using realistic, but conservative, methods so as to budget its expenditure appropriations and activities in a prudent manner. As a result, the City Council adopts budget adjustments during the course of the fiscal year to reflect both changed priorities and availability of revenues to allow for the expansion of existing programs, if required.

There was an increase between the original budget and the final amended budget for total charges to appropriations of \$1,836,803, in anticipation of higher personnel, contract services, and unfunded liability expenditures. Actual amount available for appropriations were higher than the final budget by \$2,146,823.

Differences between the final appropriations and actual expenditures totaled \$871,564. Actual expenditures were more than budgeted in public safety, parks and recreation, and public works.

Capital Asset and Long-Term Liabilities

Capital assets. The City of Artesia’s investment in capital assets for its governmental activities as of June 30, 2024, amounts to \$ \$29,833,801 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, automobile equipment, office furniture and equipment, other equipment, and infrastructure. The following is a summary of capital assets (net of depreciation) as of June 30, 2024 and 2023:

	Capital Assets (net of depreciation)	
	2024	2023
Governmental activities		
Land	\$ 10,008,436	\$ 10,008,436
Buildings	747,870	778,514
Improvements other than buildings	1,257,398	1,288,207
Automobile equipment	454,211	584,142
Office furniture and equipment	12,214	13,245
Other equipment	201,404	191,667
Infrastructure	13,280,736	13,342,442
Construction in progress	3,871,532	1,369,880
Total governmental activities	\$ 29,833,801	\$ 27,576,533

Total capital assets net of depreciation increased by \$2,257,268 from the prior fiscal year. Major capital asset events during the fiscal year included the following:

- Construction in progress – several street projects were in process.
- Several street improvements were added to public works infrastructure
- Transfer of parking infrastructure from the enterprise funds to public works as part of the consolidation process.

Additional information on the City’s capital assets can be found in Note 5 of the Notes to the Financial Statements.

Long-Term Liabilities

The following is a summary of the outstanding debt at June 30, 2024 and 2023:

Long-Term Liabilities

	2024	2023
Governmental activities		
Compensated absences	357,698	342,388
Other post-employment benefits obligation (OPEB)	6,244,248	6,212,423
Net pension liability	<u>4,884,987</u>	<u>4,542,084</u>
Total governmental activities	<u>11,486,933</u>	<u>11,096,895</u>

At the end of the fiscal year, the City had total long-term liabilities outstanding of \$11,486,933. This includes compensated absences, other post-employment benefits and net pension liability. There was an increase in long-term debt of \$390,038 over the prior fiscal year.

- Compensated absences liability increased \$15,310 for accrued time off payable.
- OPEB liability increased \$31,825 for future benefits payable.
- Net pension liability increased \$342,903 for future retirement benefits payable.

Additional information on the City's long-term debt and other long-term liabilities can be found in notes 6, 9 and 10 of the *Notes to the Financial Statements*.

Economic Factors and Next Year's Budget

Local governments throughout the State of California are challenged with funding increasing costs of operations with constrained resources. 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. The City maintains a conservative approach to budgeting revenues and expenditures. Management takes an active role in monitoring the application of the budget during the fiscal year to apply necessary changes to projected revenues as well as appropriated expenditures.

The budget for fiscal year 2024-25 was projected with a General Fund structural spending deficit of \$480,297, or 4% over General Fund revenues. Two major increases in expenditures, an increase in law enforcement costs of \$356,820 and an increase in the City's insurance program are contributing factors to the structural spending deficit.

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: Jamie Murguia, Finance Manager, 18747 Clarkdale Avenue, Artesia, CA 90701.

This page intentionally left blank

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS AND DEFERRED OUTFLOWS			
Cash and investments	\$ 25,584,136	\$ -	\$ 25,584,136
Receivables:			
Accounts	1,576,270		1,576,270
Loan	19,554		19,554
Leases	3,327,079		3,327,079
Interest	128,666		128,666
Prepaid items	621,189		621,189
Total current assets	31,256,894		31,256,894
Capital assets:			
Nondepreciable assets	13,879,968		13,879,968
Depreciable assets, net	15,953,833		15,953,833
Total capital assets	29,833,801		29,833,801
Total assets	61,090,695		61,090,695
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - Pension related	1,862,679		1,862,679
Deferred outflows - OPEB related	256,941		256,941
Total deferred outflows of resources	2,119,620		2,119,620
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES			
Accounts payable	1,347,099		1,347,099
Deposits payable	1,016,916		1,016,916
Noncurrent liabilities:			
Other Postemployment benefit obligation	6,244,248		6,244,248
Net pension liability	4,884,987		4,884,987
Due within one year	55,558		55,558
Due in more than one year	302,140		302,140
Total liabilities	13,850,948		13,850,948
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - Pension related	298,282		298,282
Deferred inflows - OPEB related	1,135,745		1,135,745
Deferred inflows - leases related	3,208,903		3,208,903
Total deferred inflows of resources	4,642,930		4,642,930
NET POSITION			
Net investment in capital assets	29,833,801		29,833,801
Restricted for:			
Public safety	1,553,198		1,553,198
Street projects	5,465,576		5,465,576
Housing	887,785		887,785
Other purposes	694,139		694,139
Total restricted	8,600,698		8,600,698
Unrestricted	6,281,938		6,281,938
Total net position	\$ 44,716,437	\$ -	\$ 44,716,437

See Accompanying Notes to Basic Financial Statements.

City of Artesia
Statement of Activities
For the fiscal year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues			Total Program Revenues
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 4,264,141	\$ 972,461	\$ -	\$ -	\$ 972,461
Public safety	5,152,508		186,159		186,159
Parks and recreation	1,713,630	106,835			106,835
Public works	3,499,726		1,206,869	4,579,342	5,786,211
Community development	2,280,851	1,592,626			1,592,626
Total governmental activities	16,910,856	2,671,922	1,393,028	4,579,342	8,644,292
Business-type activities:					
Parking					
Artesia Towne Center					
Total business-type activities					
Total primary government	\$ 16,910,856	\$ 2,671,922	\$ 1,393,028	\$ 4,579,342	\$ 8,644,292

General revenues:

- Taxes:
 - Property taxes, levied for general purposes
 - Transient occupancy taxes
 - Sales taxes
 - Business licenses taxes
 - Other taxes
- Developer fees
- Use of money and property
- Other
- Transfers

Total general revenues and transfers

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
\$ (3,291,680)	\$ -	\$ (3,291,680)
(4,966,349)		(4,966,349)
(1,606,795)		(1,606,795)
2,286,485		2,286,485
(688,225)		(688,225)
(8,266,564)		(8,266,564)
(8,266,564)		(8,266,564)
2,426,156		2,426,156
626,137		626,137
5,505,982		5,505,982
818,066		818,066
207,367		207,367
930,602		930,602
2,289,377		2,289,377
745,928		745,928
1,223,434	(1,223,434)	
14,773,049	(1,223,434)	13,549,615
6,506,485	(1,223,434)	5,283,051
38,209,952	1,223,434	39,433,386
\$ 44,716,437	\$ -	\$ 44,716,437

FUND FINANCIAL STATEMENTS

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

GOVERNMENTAL FUND FINANCIAL STATEMENTS

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.

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

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

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.

This page intentionally left blank

City of Artesia
Balance Sheet
Governmental Funds
June 30, 2024

	General Fund	Special Revenue Fund Billboard	Capital Projects Fund Capital Projects	Non-major Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 14,060,853	\$ 588,758	\$ 1,500,125	\$ 9,434,400	\$ 25,584,136
Receivables:					
Accounts	1,317,442		7,079	251,749	1,576,270
Loan			19,554		19,554
Leases	947,475	2,379,604			3,327,079
Interest	128,666				128,666
Prepaid items	620,163			1,026	621,189
Due from other funds	226,452				226,452
Total assets	\$ 17,301,051	\$ 2,968,362	\$ 1,526,758	\$ 9,687,175	\$ 31,483,346
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 1,138,149	\$ 1,480	\$ 3,244	\$ 204,226	\$ 1,347,099
Deposit payable	955,021			61,895	1,016,916
Due to other funds				226,452	226,452
Total liabilities	2,093,170	1,480	3,244	492,573	2,590,467
Deferred inflows of resources:					
Leases	930,686	2,278,217			3,208,903
Total deferred inflows of resources	930,686	2,278,217			3,208,903
Fund balances:					
Nonspendable:					
Prepaid items	620,163			1,026	621,189
Leases	16,789	101,387			118,176
Restricted for:					
Housing projects				848,842	848,842
Street projects				1,686,744	1,686,744
Transportation projects				2,786,155	2,786,155
Public works				1,343,137	1,343,137
Parks and recreation		587,278		1,248,489	1,835,767
Public safety				1,499,715	1,499,715
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		1,523,514		1,723,514
CalPERS Net Pension Unfunded Liability	165,609				165,609
CalPERS Net Retiree Health Unfunded Liability	165,608				165,608
Unassigned	7,109,758			(219,506)	6,890,252
Total fund balances	14,277,195	688,665	1,523,514	9,194,602	25,683,976
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,301,051	\$ 2,968,362	\$ 1,526,758	\$ 9,687,175	\$ 31,483,346

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, 2024

Total Fund Balances - Total Governmental Funds \$ 25,683,976

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: 29,833,801

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

Compensated absences	(357,698)
Other Postemployment benefits payable (OPEB)	(6,244,248)
Deferred outflows of resources - OPEB Related	256,941
Deferred inflows of resources - OPEB Related	(1,135,745)
Total long-term liabilities and OPEB	(7,480,750)

Pension related debt applicable to the City governmental activities is not due and payable in the current period and accordingly is not reported as a fund liability. Deferred outflows of resources and deferred inflows of resources related to pensions 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	1,862,679
Deferred inflows of resources	(298,282)
Net Pension liability	(4,884,987)
Total pension related items	(3,320,590)

Net Position of Governmental Activities \$ 44,716,437

City of Artesia
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the fiscal year ended June 30, 2024

	General Fund	Special Revenue Fund Billboard	Capital Projects Fund Capital Projects	Non-major Governmental Funds	Total Governmental Funds
REVENUES:					
Taxes	\$ 9,583,708	\$ -	\$ -	\$ 1,206,869	\$ 10,790,577
Licenses and permits	1,371,826				1,371,826
Intergovernmental	222,543		728,760	3,814,198	4,765,501
Charges for services	1,284,672		15,424		1,300,096
Use of money and property	1,473,945	293,853	17,063	504,516	2,289,377
Fines and forfeitures	193,510				193,510
Developer fees	930,602				930,602
Other revenues	405,138			147,280	552,418
Total revenues	15,465,944	293,853	761,247	5,672,863	22,193,907
EXPENDITURES:					
Current:					
General government	4,503,604				4,503,604
Public safety	4,969,063			183,445	5,152,508
Parks and recreation	1,462,030			20,344	1,482,374
Public works	815,265		16,464	1,724,501	2,556,230
Community development	1,838,496	37,020		405,335	2,280,851
Capital outlay	101,674		206,223	2,701,103	3,009,000
Total expenditures	13,690,132	37,020	222,687	5,034,728	18,984,567
REVENUES OVER (UNDER) EXPENDITURES	1,775,812	256,833	538,560	638,135	3,209,340
OTHER FINANCING SOURCES (USES):					
Transfers in	1,072,587			64,631	1,137,218
Transfers out	(64,631)	(136,200)		(150,000)	(350,831)
Total other financing sources (uses)	1,007,956	(136,200)		(85,369)	786,387
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	2,783,768	120,633	538,560	552,766	3,995,727
FUND BALANCES:					
Beginning of fiscal year	11,493,427	568,032	984,954	8,641,836	21,688,249
End of fiscal year	\$ 14,277,195	\$ 688,665	\$ 1,523,514	\$ 9,194,602	\$ 25,683,976

See Accompanying Notes to Basic Financial Statements.

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, 2024

Net Change in Fund Balances - Total Governmental Funds \$ 3,995,727

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	3,009,000
Transfer of capital asset from Enterprise Funds	437,047

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. (1,203,198)

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	(15,310)
Change in other postemployment benefits and related deferred outflows and inflows	366,185

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. (97,385)

Change in Net Position of Governmental Activities \$ 6,506,485

**PROPRIETARY FUND
FINANCIAL STATEMENTS**

PROPRIETARY FUND FINANCIAL STATEMENTS

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, 2024

	Enterprise Funds		
	Paid Parking	Artesia Towne Center	Total
ASSETS			
Current assets:			
Cash and investments	\$ -	\$ -	\$ -
Total current assets	<u> </u>	<u> </u>	<u> </u>
Net position:			
Net investment in capital assets			
Unrestricted			
Total net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Notes to Basic Financial Statements.

City of Artesia
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the fiscal year ended June 30, 2024

	Enterprise Funds		Total
	Paid Parking	Artesia Towne Center	
OPERATING REVENUES:			
Charges for services	\$ -	\$ -	\$ -
Total revenues			
NON-OPERATING EXPENSES:			
Contributions to City	390,345	46,702	437,047
Total expenses	390,345	46,702	437,047
TRANSFERS:			
Transfers out	(519,325)	(267,062)	(786,387)
Total transfers	(519,325)	(267,062)	(786,387)
Change in net position	(909,670)	(313,764)	(1,223,434)
NET POSITION:			
Beginning of fiscal year	909,670	313,764	1,223,434
End of fiscal year	\$ -	\$ -	\$ -

See accompanying Notes to Basic Financial Statements.

City of Artesia
Statement of Cash Flows
Proprietary Funds
For the fiscal year ended June 30, 2024

	Enterprise Funds		Totals
	Paid Parking	Artesia Towne Center	
Cash flows from operating activities:			
Cash paid to suppliers for goods and services	\$ (17,703)	\$ (70,798)	\$ (88,501)
Net cash provided (used) by operating activities	<u>(17,703)</u>	<u>(70,798)</u>	<u>(88,501)</u>
Cash flows from non-capital financing activities:			
Transfers to other funds	<u>(519,325)</u>	<u>(267,061)</u>	<u>(786,386)</u>
Net cash used for non-capital financing activities	<u>(519,325)</u>	<u>(267,061)</u>	<u>(786,386)</u>
Net increase (decrease) in cash and cash equivalents	<u>(537,028)</u>	<u>(337,859)</u>	<u>(874,887)</u>
Cash and cash equivalents beginning of fiscal year	<u>537,028</u>	<u>337,859</u>	<u>874,887</u>
Cash and cash equivalents end of fiscal year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities			
Operating income (loss)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Change in operating assets and liabilities:			
Increase (decrease) in accounts payable	(17,703)	(4,468)	(22,171)
Increase (decrease) in deposits payable		(66,330)	(66,330)
Total adjustments	<u>(17,703)</u>	<u>(70,798)</u>	<u>(88,501)</u>
Net cash provided (used) by operating activities	<u>\$ (17,703)</u>	<u>\$ (70,798)</u>	<u>\$ (88,501)</u>

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND FINANCIAL STATEMENTS

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.

This page intentionally left blank

City of Artesia
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Successor Agency to the Artesia Redevelopment Agency Private Purpose Trust Fund
ASSETS	
Cash and investments	\$ 926,131
Total assets	<u>926,131</u>
DEFERRED INFLOW OF RESOURCES	
Deferred loss on refunding	<u>178,871</u>
Total deferred inflow of resources	<u>178,871</u>
LIABILITIES	
Deposits payable	292,721
Accrued interest payable	44,688
Long-term debt:	
Due within one year	420,450
Due in more than one year	<u>11,602,520</u>
Total liabilities	<u>12,360,379</u>
NET POSITION:	
Held in trust for other purposes	<u>\$ (11,255,377)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF ARTESIA
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the fiscal year ended June 30, 2024

	Successor Agency to the Artesia Redevelopment Agency Private Purpose Trust Fund
Additions:	
Property taxes	\$ 868,639
Use of money and property	893
Total additions	<u>869,532</u>
Deductions:	
Community development	6,600
Administrative expenses	250,000
Interest and fiscal charges	554,081
Total deductions	<u>810,681</u>
Change in net position	58,851
Net position - beginning	<u>(11,314,228)</u>
Net position - ending	<u>\$ (11,255,377)</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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 General 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 governmental funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance 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 90 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. During the fiscal year ended June 30, 2024, the operations of these two funds were transferred to the General Fund and these funds no longer meet the definition of proprietary funds.

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 parks and recreation programs for at-risk youth.
- 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 Fiduciary Fund of the Successor Agency to the Artesia Redevelopment Agency is held as a Private Purpose Trust Fund, which is used to account for activities of the Successor Agency.

C. Implementation of New Accounting Pronouncements

Implementation of New Accounting Pronouncements

GASB Statement No. 99 “Omnibus 2022

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The City did not report any significant accounting changes from the implementation of this Statement during the fiscal year ended June 30, 2024.

Upcoming Accounting and Reporting Changes

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

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

The provisions of Statement Number 102 “Certain Risk Disclosures” are effective for fiscal years beginning after June 15, 2024.

The provisions of Statement Number 103 “Financial Reporting Model Improvements” are effective for fiscal years beginning after June 15, 2025.

The provisions of Statement Number 104 “Disclosure of Certain Capital Assets” are effective for fiscal years beginning after June 15, 2025.

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 uncollectible. 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 90 days) to be used to pay liabilities of the current period.

Property Taxes

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, 2022 (the beginning of the measurement period ended June 30, 2023), 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 320 hours 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, with the exception of unrepresented management.

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, 2024, 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 \$3,488,492 and deferred inflows related to leases of \$3,399,066.

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, 2024

2. CASH AND INVESTMENTS

As of June 30, 2024, 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	\$ 25,584,136	\$ 926,131	\$ 26,510,267
Total cash and investments	<u>\$ 25,584,136</u>	<u>\$ 926,131</u>	<u>\$ 26,510,267</u>

Cash and investments on June 30, 2024, consisted of the following:

Cash on hand (petty cash)	\$ 500
Demand deposits	207,483
Investments	<u>26,302,284</u>
Total cash and investments	<u>\$ 26,510,267</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
California Asset Management Program (CAMP)	N/A	None	None
California CLASS JPA	N/A	None	None

* - 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, 2024

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.

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
California Asset Management Program (CAMP)	N/A	None	None
California CLASS JPA	N/A	None	None

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

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	Remaining Maturity (in Years)
	1 Year or Less
Local Agency Investment Fund (LAIF)	\$ 9,508,038
CLASS Investment Pool	8,040,653
CAMP Investment Pool	8,753,593
Total Investments	\$ 26,302,284

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

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, 2024	Minimum	AAA	Not
		Legal Rating		Rated
Local Agency Investment Fund (LAIF)	\$ 9,508,038	N/A	\$ -	\$ 9,508,038
CLASS Investment Pool	8,040,653	N/A		8,040,653
CAMP Investment Pool	8,753,593	N/A		8,753,593
	<u>\$ 26,302,284</u>		<u>\$ -</u>	<u>\$ 26,302,284</u>

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, 2024, the City’s investments were with LAIF, CAMP, and CLASS 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, 2024, the City deposits (bank balances) were insured by the Federal Deposit Insurance Corporation or collateralized as required under California Law.

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.

2. CASH AND INVESTMENTS, Continued

CAMP Investment Pool

The City is a voluntary participant in the California Asset Management Program (CAMP), a public joint powers authority formed to pool and invest the funds of public agencies. Cal-Trust invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601 and 53635. Investment guidelines adopted by the board of Trustees may further restrict the types of investments that are held by the Trust. Leveraging within the Trust's portfolios is prohibited. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio).

CLASS Investment Pool

The City is a voluntary participant in the California Cooperative Liquid Assets Securities System (CLASS), a public joint powers authority formed to pool and invest the funds of public agencies. CLASS invests in fixed income securities eligible for investment pursuant to California Government Code Sections 53601 and 53635. Investment guidelines adopted by the board of Trustees may further restrict the types of investments that are held by the Trust. Leveraging within the Trust's portfolios is prohibited. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by CLASS for the entire CLASS portfolio (in relation to the amortized cost of that portfolio).

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), CAMP, and CLASS are 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, 2024, the outstanding loan receivable is \$19,554.

4. LEASES RECEIVABLE

The City has 3 lease agreements in place as of June 30, 2024. 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, 2036. Rent payments are \$2,129 a month increasing by CPI every 5 years under the terms of the lease.

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

4. LEASES RECEIVABLE (CONTINUED)

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 \$13,750 a month and increase to \$16,638 a month by the end of the lease period under the terms of the lease.

5. CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2024, is as follows:

	Balance as of June 30, 2023	Additions	Deletions	Transfers	Balance as of June 30, 2024
Governmental Activities					
Nondepreciable capital assets					
Land	\$ 10,008,436	\$ -	\$ -	\$ -	\$ 10,008,436
Construction in progress	1,369,880	3,017,635		(515,983)	3,871,532
Total nondepreciable capital assets	11,378,316	3,017,635		(515,983)	13,879,968
Depreciable capital assets					
Buildings	1,841,797				1,841,797
Improvements other than buildings	2,297,517	46,703			2,344,220
Automobile equipment	1,518,588				1,518,588
Office furniture and equipment	322,795				322,795
Other equipment	1,099,263	59,406			1,158,669
Infrastructure	22,430,657	336,722		515,983	23,283,362
Total depreciable capital assets	29,510,617	442,831		515,983	30,469,431
Less accumulated depreciation					
Buildings	(1,063,283)	(30,644)			(1,093,927)
Improvements other than buildings	(1,009,310)	(77,512)			(1,086,822)
Automobile equipment	(934,446)	(129,931)			(1,064,377)
Office furniture and equipment	(309,550)	(1,031)			(310,581)
Other equipment	(907,596)	(49,669)			(957,265)
Infrastructure	(9,088,215)	(914,411)			(10,002,626)
Total accumulated depreciation	(13,312,400)	(1,203,198)			(14,515,598)
Net depreciable capital assets	16,198,217	(760,367)		515,983	15,953,833
Net capital assets	\$ 27,576,533	\$ 2,257,268	\$ -	\$ -	\$ 29,833,801

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

5. CAPITAL ASSETS, Continued

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

General government	\$ 14,027
Public works	957,915
Parks and recreation	231,256
Total depreciation expense - governmental activities	<u>\$ 1,203,198</u>

	Balance as of June 30, 2023	Additions	Deletions	Balance as of June 30, 2024
Business-type Activities				
Depreciable capital assets				
Other equipment	\$ 254,958	\$ -	\$ (254,958)	\$ -
Infrastructure	627,921		(627,921)	
Total depreciable capital assets	<u>882,879</u>		<u>(882,879)</u>	
Less accumulated depreciation				
Other equipment	(201,335)		201,335	
Infrastructure	(244,496)		244,496	
Total accumulated depreciation	<u>(445,831)</u>		<u>445,831</u>	
Net depreciable capital assets	<u>437,048</u>		<u>(437,048)</u>	
Net capital assets	<u>\$ 437,048</u>	<u>\$ -</u>	<u>\$ (437,048)</u>	<u>\$ -</u>

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, 2024:

	Balance at June 30, 2023	Additions	Repayments	Balance at June 30, 2024	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 342,388	\$ 70,868	\$ (55,558)	\$ 357,698	\$ 55,558
Total	<u>\$ 342,388</u>	<u>\$ 70,868</u>	<u>\$ (55,558)</u>	<u>\$ 357,698</u>	<u>\$ 55,558</u>

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, 2024, was \$357,698.

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances as of June 30, 2024, is as follows:

Due To / Due From Other Funds

On June 30, 2024, 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	\$ 226,452
		<u>\$ 226,452</u>

The above interfund balances resulted from temporary reclassifications made on June 30, 2024, to cover cash shortfalls.

Interfund Transfers

<u>Transfers Out</u>	<u>Transfers In</u>	<u>Amount</u>
General Fund	Artesia Lighting District	\$ 64,631
Billboard	General Fund	136,200
Non-major Governmental Funds	General Fund	150,000
Paid Parking Fund	General Fund	519,325
Artesia Towne Center	General Fund	267,062
		<u>\$ 1,137,218</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 Billboard special revenue fund to the general fund are to reimburse the General Fund for administrative expenditures during the fiscal year.

8. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

Deficit Fund Balance

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.

<u>Non-Major Special Revenue Fund:</u>	
Community Development Block Grant	\$ (22,497)
Clean Air Bus Grant	(10,548)
Metro TOD 4	(120,716)
Cal Fire Urban Grant	(19,840)
HUD	(29,762)
California Natural Resources Grant	(16,143)

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

8. OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES, Continued

Excess of Expenditures over Appropriations

The following funds had expenditures over final appropriations during the fiscal year ended June 30, 2024.

	Budgeted Amounts	Actual Amounts	Excess Expenditures Over Appropriations
Non-major Governmental Special Revenue Funds:			
Gas Tax	\$ 665,775	\$ 716,947	\$ (51,172)
CDBG	22,500	36,139	(13,639)
Proposition A	480,850	590,938	(110,088)
Measure R	300,000	500,088	(200,088)
SB1	437,600	1,392,484	(954,884)
Cal Fire Urban Grant	181,359	183,445	(2,086)
Development Impact Fees	-	29,039	(29,039)
Parks and Recreation Grants	-	20,344	(20,344)

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, 2024, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
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%

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

9. RETIREMENT PLANS, Continued

A. General Information about the Pension Plans (Continued)

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.

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

As of June 30, 2024, 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/>
\$ 4,884,987
<hr/> <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, 2023, 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, 2022, rolled forward to June 30, 2023, 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, 2022 and 2023 were as follows:

	City Miscellaneous Plan
Proportion - June 30, 2022	<hr/> 0.09707%
Proportion - June 30, 2023	0.09769%
Change - Increase (Decrease)	<hr/> <hr/> 0.00062%

For the fiscal year ended June 30, 2024, the City recognized pension expense of \$537,924. On June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

9. RETIREMENT PLANS, Continued

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 294,929	\$ -
Pension contributions subsequent to measurement date	565,987	
Net differences between projected and actual earnings on pension plan investments	790,923	
Differences based on actual experience	210,840	
Differences between actual vs proportionate contribution		(274,373)
Adjustment due to differences in proportions		(23,909)
Total	\$ 1,862,679	\$ (298,282)

\$565,987 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

	<u>Fiscal Year Ended</u>	
	2025	\$ 211,916
	2026	169,694
	2027	594,105
	2028	22,695
Totals		\$ 998,410

Actuarial Assumptions

The total pension liabilities in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	6/30/2022
Measurement Date	6/30/2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.75%
Projected Salary Increase	3.30%-14.20% (1)
Investment Rate of Return	6.80% (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

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 6.90% 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	Assumed Asset Allocation	Real Return Years 1 - 10(a) (b)
Global Equity - cap-weighted	30.00%	4.54%
Global Equity - non-cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(a) An expected inflation of 2.3% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

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	5.90%
Net Pension Liability	\$ 7,439,153
Current Discount Rate	6.90%
Net Pension Liability	\$ 4,884,987
1% Increase	7.90%
Net Pension Liability	\$ 2,782,688

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, 2024, the City had no outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2024.

10. 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, 2024

10. 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. 2024 contribution cap amounts are \$840 per month for single coverage, \$1,250 per month for employee plus one, and \$1,635 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 \$820 per month for single coverage, \$1,220 per month for retiree plus one, and \$1,455 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 (\$157/mo. For 2024). 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	31
Active plan members	33

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, 2022, 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	2.50 percent
Healthcare cost trend rate	5.50 percent for 2024, 5.25 percent for 2025-2029, 5.00 percent for 2030-2039, 4.75 percent for 2040-2049, 4.50 percent for 2050-2069, and 4.00 percent for 2070 and later years; Medicare ages: 4.50 percent for 2024-2029 and 4.00 percent for 2030 and later 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, 2024

10. 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, 2024. The City’s total OPEB liability of \$6,244,248 was measured as of June 30, 2024, and was determined by an actuarial valuation as of July 1, 2022.

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	166,262
Interest	240,621
Changes of benefit terms	0
Difference between expected and actual experience	0
Changes in assumptions or other inputs	(82,315)
Benefit payments ¹	(292,743)
Net change in total OPEB liability	31,825
Total OPEB liability – June 30, 2023 (a)	\$6,212,423
Total OPEB liability – June 30, 2024 (b)	\$6,244,248

¹ Includes \$253,019 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of \$39,724.

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 (2.97%)	Discount Rate (3.97%)	1% Increase (4.97%)
Total OPEB liability	7,057,811	6,244,248	5,566,195

Healthcare Trend Rate

	1% Decrease ²	Trend Rate	1% Increase ³
Total OPEB liability	5,588,675	6,244,248	6,904,610

² Trend rate for each future year reduced by 1.00%.

³ Trend rate for each future year increased by 1.00%.

11. 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.

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.

11. 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 2023-24 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, 2023, through July 1, 2025. 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. LIABILITY, PROPERTY, AND WORKERS' COMPENSATION PROTECTION, Continued

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 2023-24.

12. CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES

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.

13. 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:

Capital Assets

There were no capital asset activities for the fiscal year ended June 30, 2024.

City of Artesia
Notes to Basic Financial Statements
June 30, 2024

13. SUCCESSOR AGENCY DISCLOSURES, Continued

Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2024 were as follows:

	Balance at June 30, 2023	Additions	Repayments	Balance at June 30, 2024	Due Within One Year
2022 Tax Allocation Bonds	\$ 12,207,970	\$ -	\$ (185,000)	\$ 12,022,970	\$ 420,450
Total	<u>\$ 12,207,970</u>	<u>\$ -</u>	<u>\$ (185,000)</u>	<u>\$ 12,022,970</u>	<u>\$ 420,450</u>

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 \$185,000 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, 2024, was \$178,871. The balance outstanding on June 30, 2024, was \$12,022,970.

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 \$18,115,903. The annual requirements to amortize the 2022 Tax Allocation Bonds outstanding on June 30, 2024, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2025	\$ 420,450	\$ 536,254	\$ 956,704
2026	442,140	517,881	960,021
2027	463,300	498,547	961,847
2028	483,920	478,277	962,197
2029	503,630	457,094	960,724
2030 - 2034	2,864,790	1,935,341	4,800,131
2035 - 2039	3,545,170	1,248,862	4,794,032
2040 - 2044	2,890,550	426,851	3,317,401
2045 - 2047	409,020	33,826	442,846
Totals	<u>\$ 12,022,970</u>	<u>\$ 6,132,933</u>	<u>\$ 18,155,903</u>

14. 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.

C. Commitments

As of June 30, 2024, 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.

This page intentionally left blank

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF ARTESIA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2024**

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

Measurement Date	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan
Proportion of the net pension liability	0.08207%	0.05112%	0.07287%	0.06597%	0.08779%
Proportionate share of the net pension liability	\$ 3,092,846	\$ 2,015,175	\$ 2,605,653	\$ 1,900,640	\$ 2,169,712
Covered-employee payroll	\$ 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	211.53%	138.32%	181.30%	121.63%	144.71%
Plan's fiduciary net position	\$ 11,139,639	\$ 6,172,484	\$ 10,016,378	\$ 10,661,524	\$ 10,323,534
Plan's total pension liability	\$ 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	78.27%	75.39%	79.36%	84.87%	82.63%
Measurement Date	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan	Miscellaneous Plan
Proportion of the net pension liability	0.09769%	0.09707%	0.11186%	0.08975%	0.08571%
Proportionate share of the net pension liability	\$ 4,884,987	\$ 4,542,084	\$ 2,124,013	\$ 3,785,700	\$ 3,432,285
Covered-employee payroll	\$ 3,054,153	\$ 2,911,455	\$ 2,872,837	\$ 2,312,883	\$ 1,523,499
Proportionate Share of the net pension liability as a percentage of covered-employee payroll	159.95%	156.01%	73.93%	163.68%	225.29%
Plan's fiduciary net position	\$ 14,000,388	\$ 13,726,794	\$ 14,149,128	\$ 12,028,002	\$ 12,377,615
Plan's total pension liability	\$ 18,885,374	\$ 18,268,878	\$ 16,273,141	\$ 15,813,702	\$ 15,809,900
Plan fiduciary net position as a percentage of total pension liability	74.13%	75.14%	86.95%	76.06%	78.29%

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.

In 2023, the accounting discount rate reduced from 7.15% to 6.90%.

**CITY OF ARTESIA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2024**

Schedule of Pension Contributions – Last 10 Years*

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractual required contribution (actuarially determined)	\$ 193,376	\$ 105,958	\$ 99,359	\$ 102,746	\$ 122,602
Contributions in relation to the actuarially determined contributions	<u>(193,376)</u>	<u>(105,958)</u>	<u>(99,359)</u>	<u>(102,746)</u>	<u>(122,602)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered employee payroll	\$ 1,523,499	\$ 1,462,122	\$ 1,456,843	\$ 1,437,166	\$ 1,562,635
Contributions as a percentage of covered employee payroll	12.69%	7.25%	6.82%	7.15%	7.85%
Contractual required contribution (actuarially determined)	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Contributions in relation to the actuarially determined contributions	<u>Miscellaneous Plan</u>				
Contribution deficiency (excess)	\$ 565,987	\$ 537,924	\$ 318,726	\$ 233,135	\$ 164,630
Covered employee payroll	<u>(565,987)</u>	<u>(537,924)</u>	<u>(318,726)</u>	<u>(233,135)</u>	<u>(164,630)</u>
	<u>\$ -</u>				
Contributions as a percentage of covered employee payroll	\$ 3,155,120	\$ 3,054,153	\$ 2,911,455	\$ 2,872,837	\$ 2,312,883
Contributions as a percentage of covered employee payroll	17.94%	17.61%	10.95%	8.12%	7.12%

Notes to Schedule

Valuation Date: June 30, 2022

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	2.30%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	6.80%, net of pension plan investment and administrative Expenses; includes Inflation
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds

⁽¹⁾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.

**CITY OF ARTESIA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2024**

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

	<u>Fiscal Year Ending 6/30/2022</u>	<u>Fiscal Year Ending 6/30/2021</u>	<u>Fiscal Year Ending 6/30/2020</u>	<u>Fiscal Year Ending 6/30/2019</u>	<u>Fiscal Year Ending 6/30/2018</u>
Total OPEB Liability					
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)
Net change in total OPEB liability	(1,525,936)	653,446	937,190	667,278	202,286
Total OPEB Liability - beginning of fiscal year	8,286,203	7,632,757	6,695,567	6,028,289	5,826,003
Total OPEB Liability - end of fiscal year	\$ 6,760,267	\$ 8,286,203	\$ 7,632,757	\$ 6,695,567	\$ 6,028,289
Covered payroll	\$ 3,023,854	\$ 2,828,429	\$ 2,354,019	\$ 2,312,883	\$ 2,087,473
Total OPEB Liability as a % of eligible payroll	223.6%	293.0%	324.2%	289.5%	288.8%
Total OPEB Liability				<u>Fiscal Year Ending 6/30/2024</u>	<u>Fiscal Year Ending 6/30/2023</u>
Service cost				\$ 166,262	\$ 168,254
Interest				240,621	231,171
Changes of assumptions					(951,924)
Difference between expected and actual experience				(82,315)	310,855
Benefit payments				(292,743)	(306,200)
Net change in total OPEB liability				31,825	(547,844)
Total OPEB Liability - beginning of fiscal year				6,212,423	6,760,267
Total OPEB Liability - end of fiscal year				\$ 6,244,248	\$ 6,212,423
Covered payroll				\$ 2,612,422	\$ 2,417,440
Total OPEB Liability as a % of eligible payroll				239.0%	257.0%

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 1st year of implementation, therefore only seven years are shown.

**CITY OF ARTESIA
REQUIRED SUPPLEMENTAL INFORMATION
JUNE 30, 2024**

Schedule of OPEB Employer Contributions – 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
Actuarially determined contribution (ADC) ¹	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
Actuarially determined contribution (ADC) ¹				Fiscal Year Ending 6/30/2024	Fiscal Year Ending 6/30/2023
Contributions in relation to the ADC				N/A	N/A
Contribution deficiency (excess)				N/A	N/A
OPEB-eligible payroll for reporting period (fiscal year)				N/A	N/A
Contributions as a percent of payroll				\$ 2,612,422	\$ 2,417,440
				N/A	N/A

¹ 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 1st year of implementation, therefore only seven years are shown.

City of Artesia
Note to Required Supplementary Information
For the fiscal year ended June 30, 2024

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 Non-major Governmental Funds: Traffic Congestion, MAP 21 Exchange, Clean Air Bus Grant, Sheriff, HOME, California Natural Resources Grant, HUD, California Beverage Recycling, California Street Grants, Federal STP-L, Recycled Oil Grant and Cal Recycle Grant funds.

City of Artesia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 11,493,427	\$ 11,493,427	\$ 11,493,427	\$ -
Resources (inflows):				
Taxes	9,206,600	9,151,600	9,583,708	432,108
Licenses and permits	1,116,978	1,116,978	1,371,826	254,848
Intergovernmental	773,460	773,460	222,543	(550,917)
Charges for services	1,166,500	1,140,959	1,284,672	143,713
Use of money and property	67,600	1,245,497	1,473,945	228,448
Fines and forfeitures	184,000	184,000	193,510	9,510
Developer fees		144,500	930,602	786,102
Other revenues	57,000	961,967	405,138	(556,829)
Amount available for appropriation	12,572,138	14,718,961	15,465,944	746,983
Charges to appropriations (outflows):				
General government	3,896,874	4,974,091	4,503,604	470,487
Public safety	4,922,446	4,922,446	4,969,063	(46,617)
Parks and recreation	1,510,059	1,402,449	1,462,030	(59,581)
Public works	712,457	732,456	815,265	(82,809)
Community development	1,263,557	1,907,404	1,838,496	68,908
Capital outlay	419,500	622,850	101,674	521,176
Total charges to appropriations	12,724,893	14,561,696	13,690,132	871,564
Transfers in	1,075,302	410,000	1,072,587	662,587
Transfers out	(60,238)	(64,631)	(64,631)	
Total transfers	1,015,064	345,369	1,007,956	662,587
Excess of resources over charges to appropriations	862,309	502,634	2,783,768	2,281,134
Fund balance, June 30	\$ 12,355,736	\$ 11,996,061	\$ 14,277,195	\$ 2,281,134

See accompanying note to required supplementary information.

SUPPLEMENTARY INFORMATION

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 568,032	\$ 568,032	\$ 568,032	\$ -
Resources (inflows):				
Use of money and property	165,000	165,000	293,853	128,853
Amount available for appropriation	165,000	165,000	293,853	128,853
Charges to appropriations (outflows):				
Community development	16,500	16,500	37,020	(20,520)
Capital Outlay	79,000	79,000		79,000
Transfers out	160,000	160,000	136,200	23,800
Total charges to appropriations	255,500	255,500	173,220	82,280
Excess of resources over (under) charges to appropriations	(90,500)	(90,500)	120,633	211,133
Fund balance, June 30	\$ 477,532	\$ 477,532	\$ 688,665	\$ 211,133

See accompanying note to required supplementary information.

NON-MAJOR GOVERNMENTAL FUNDS

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.

NON-MAJOR GOVERNMENTAL FUNDS

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.

Recycled Oil - To account for the State-funded grant received to help disposal and recycling of used oil.

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.

California Natural Resources Grant - To account for the State-funded grant received to help expand the City's environmental and community services.

HUD - To account for the Federally funded grants received to help expand the City's Housing and Urban Development.

Cal Recycle Grant - To account for the State-funded grant received to help the State reach its climate change goals.

City of Artesia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual Capital Projects For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1,	\$ 984,954	\$ 984,954	\$ 984,954	\$ -
Resources (inflows):				
Charges for Services	20,000	20,000	15,424	(4,576)
Use of Money and Property	500	500	17,063	16,563
Intergovernmental	2,189,297	2,189,297	728,760	(1,460,537)
Amount available for appropriation	2,209,797	2,209,797	761,247	(1,448,550)
Charges to appropriations (outflows):				
Public works			16,464	(16,464)
Capital outlay	1,594,297	612,000	206,223	405,777
Total charges to appropriations	1,594,297	612,000	222,687	389,313
Excess of resources over (under) charges to appropriations	615,500	1,597,797	538,560	(1,059,237)
Fund balance, June 30	\$ 1,600,454	\$ 2,582,751	\$ 1,523,514	\$ (1,059,237)

City of Artesia
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

	Special Revenue														
	State Gas Tax	Federal SIP-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
ASSETS															
Cash and investments	\$ 11,044	\$ 69,160	\$ 1,091	\$ 1,126,365	\$ -	\$ 1,220,493	\$ 3,363	\$ 593,840	\$ 334,550	\$ 422,295	\$ 5,474	\$ 808,685	\$ 830,189	\$ 783,005	\$ 123,419
Receivables:															
Accounts	38,766			1,990		27,996		28,032	5,414					34,322	3,116
Prepaid items									1,026						
Total assets	\$ 49,810	\$ 69,160	\$ 1,091	\$ 1,128,355	\$ -	\$ 1,248,489	\$ 3,363	\$ 621,872	\$ 340,990	\$ 422,295	\$ 5,474	\$ 808,685	\$ 830,189	\$ 817,327	\$ 126,535
LIABILITIES AND FUND BALANCES															
Liabilities:															
Accounts payable	\$ 31,040	\$ -	\$ -	\$ 28,799	\$ -	\$ -	\$ -	\$ 12,004	\$ 2,600	\$ -	\$ -	\$ 14,351	\$ -	\$ 48,702	\$ -
Deposits payable															
Due to other funds					22,497										
Total liabilities	31,040			28,799	22,497			12,004	2,600			14,351		48,702	
Fund Balances:															
Nonspendable									1,026						
Restricted for:															
Street projects	18,770	69,160		1,099,556				609,868		422,295			830,189	768,625	
Transportation projects			1,091												
Housing projects							3,363								
Public works									337,364		5,474	794,334			126,535
Parks and recreation						1,248,489									
Public safety															
Unassigned					(22,497)										
Total fund balances	18,770	69,160	1,091	1,099,556	(22,497)	1,248,489	3,363	609,868	338,390	422,295	5,474	794,334	830,189	768,625	126,535
Total liabilities and fund balances	\$ 49,810	\$ 69,160	\$ 1,091	\$ 1,128,355	\$ -	\$ 1,248,489	\$ 3,363	\$ 621,872	\$ 340,990	\$ 422,295	\$ 5,474	\$ 808,685	\$ 830,189	\$ 817,327	\$ 126,535

(Continued)

City of Artesia
Combining Balance Sheet
Non-Major Governmental Funds, Continued
June 30, 2024

	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	Recycled Oil	Cal Fire Urban Grant	California Natural Resources Grant	HUD		Cal Recycle Grant
ASSETS																
Pooled cash and investments	\$ 21,705	\$ 190,987	\$ -	\$ 1,111,975	\$ 447	\$ -	\$ 308,867	\$ 54,515	\$ 426,127	\$ 907,374	\$ 5,077	\$ -	\$ -	\$ -	\$ 74,353	\$ 9,434,400
Receivables:																
Accounts				23,906		67,116		5	21,086							251,749
Prepaid items																1,026
Total assets	<u>\$ 21,705</u>	<u>\$ 190,987</u>	<u>\$ -</u>	<u>\$ 1,135,881</u>	<u>\$ 447</u>	<u>\$ 67,116</u>	<u>\$ 308,867</u>	<u>\$ 54,520</u>	<u>\$ 447,213</u>	<u>\$ 907,374</u>	<u>\$ 5,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,353</u>	<u>\$ 9,687,175</u>
LIABILITIES AND FUND BALANCES																
Liabilities:																
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,743	\$ -	\$ -	\$ 6,560	\$ -	\$ -	\$ 18,870	\$ 27,557	\$ -	\$ -	\$ 204,226
Deposits payable									61,895							61,895
Due to other funds			10,548			174,089						970	2,205	16,143		226,452
Total liabilities			<u>10,548</u>			<u>187,832</u>			<u>6,560</u>	<u>61,895</u>		<u>19,840</u>	<u>29,762</u>	<u>16,143</u>		<u>492,573</u>
Fund Balances:																
Nonspendable																1,026
Restricted for:																
Street projects																1,686,744
Transportation projects	21,705	190,987						440,653								2,786,155
Housing projects									845,479							848,842
Public works										5,077					74,353	1,343,137
Parks and recreation																1,248,489
Public safety				1,135,881	447		308,867	54,520								1,499,715
Unassigned			(10,548)			(120,716)						(19,840)	(29,762)	(16,143)		(219,506)
Total fund balances	<u>21,705</u>	<u>190,987</u>	<u>(10,548)</u>	<u>1,135,881</u>	<u>447</u>	<u>(120,716)</u>	<u>308,867</u>	<u>54,520</u>	<u>440,653</u>	<u>845,479</u>	<u>5,077</u>	<u>(19,840)</u>	<u>(29,762)</u>	<u>(16,143)</u>	<u>74,353</u>	<u>9,194,602</u>
Total liabilities and fund balances	<u>\$ 21,705</u>	<u>\$ 190,987</u>	<u>\$ -</u>	<u>\$ 1,135,881</u>	<u>\$ 447</u>	<u>\$ 67,116</u>	<u>\$ 308,867</u>	<u>\$ 54,520</u>	<u>\$ 447,213</u>	<u>\$ 907,374</u>	<u>\$ 5,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,353</u>	<u>\$ 9,687,175</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, 2024

	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
REVENUES:															
Taxes	\$ -	\$ -	\$ -	\$ 430,255	\$ -	\$ -	\$ -	\$ 356,886	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 138,667
Intergovernmental	451,052				328,398	1,278,153			21,647			457,542		417,114	
Use of money and property	7,880	2,876	158	52,899		13,403	140	24,744	13,743	21,230	228	26,397	32,235	75,162	1,766
Other	9,206												138,074		
Total revenues	468,138	2,876	158	483,154	328,398	1,291,556	140	381,630	35,390	21,230	228	483,939	170,309	492,276	140,433
EXPENDITURES:															
Current:															
Public safety															
Parks and recreation						20,344									
Public works	636,947			498,946				210,972				138,268	29,039		76,008
Community Development					36,139										
Capital outlay	80,000		5,399	91,992				54,356	10,009	117,539				1,392,484	
Total expenditures	716,947		5,399	590,938	36,139	20,344		265,328	10,009	117,539		138,268	29,039	1,392,484	76,008
REVENUES OVER (UNDER) EXPENDITURES	(248,809)	2,876	(5,241)	(107,784)	292,259	1,271,212	140	116,302	25,381	(96,309)	228	345,671	141,270	(900,208)	64,425
OTHER FINANCING SOURCES (USES):															
Transfers in															64,631
Transfers out															
Total other financing sources (uses)															64,631
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(248,809)	2,876	(5,241)	(107,784)	292,259	1,271,212	140	116,302	25,381	(96,309)	228	345,671	141,270	(900,208)	129,056
FUND BALANCES:															
Beginning of fiscal year	267,579	66,284	6,332	1,207,340	(314,756)	(22,723)	3,223	493,566	313,009	518,604	5,246	448,663	688,919	1,668,833	(2,521)
End of fiscal year	\$ 18,770	\$ 69,160	\$ 1,091	\$ 1,099,556	\$ (22,497)	\$ 1,248,489	\$ 3,363	\$ 609,868	\$ 338,390	\$ 422,295	\$ 5,474	\$ 794,334	\$ 830,189	\$ 768,625	\$ 126,535

(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, 2024

	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	Recycled Oil	Cal Fire Urban Grant	California Natural Resources Grant	HUD		Cal Recycle Grant
REVENUES:																
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,480	\$ 267,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,206,869
Intergovernmental				302,156		208,003	186,159	83,974			5,000				75,000	3,814,198
Use of money and property	903	7,943		58,662			16,129	1,957	23,263	118,890	56	3,314			538	504,516
Other																147,280
Total revenues	903	7,943		360,818		208,003	202,288	15,437	374,818	118,890	5,056	3,314			75,538	5,672,863
EXPENDITURES:																
Current:																
Public safety												183,445				183,445
Parks and recreation																20,344
Public works				980				132,156							1,185	1,724,501
Community Development						307,182			43,666			2,205	16,143			405,335
Capital outlay				553,835				367,932				27,557				2,701,103
Total expenditures				554,815		307,182		500,088	43,666			183,445	29,762	16,143	1,185	5,034,728
REVENUES OVER (UNDER) EXPENDITURES	903	7,943		(193,997)		(99,179)	202,288	15,437	(125,270)	75,224	5,056	(180,131)	(29,762)	(16,143)	74,353	638,135
OTHER FINANCING SOURCES (USES):																
Transfers in																64,631
Transfers out							(150,000)									(150,000)
Total other financing sources (uses)							(150,000)									(85,369)
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	903	7,943		(193,997)		(99,179)	52,288	15,437	(125,270)	75,224	5,056	(180,131)	(29,762)	(16,143)	74,353	552,766
FUND BALANCES:																
Beginning of fiscal year	20,802	183,044	(10,548)	1,329,878	447	(21,537)	256,579	39,083	565,923	770,255	21	160,291				8,641,836
End of fiscal year	\$ 21,705	\$ 190,987	\$ (10,548)	\$ 1,135,881	\$ 447	\$ (120,716)	\$ 308,867	\$ 54,520	\$ 440,653	\$ 845,479	\$ 5,077	\$ (19,840)	\$ (29,762)	\$ (16,143)	\$ 74,353	\$ 9,194,602

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 267,579	\$ 267,579	\$ 267,579	\$ -
Resources (inflows):				
Intergovernmental	471,600	471,600	451,052	(20,548)
Use of money and property	1,000	1,000	7,880	6,880
Other	5,000	5,000	9,206	4,206
Amount available for appropriation	477,600	477,600	468,138	(9,462)
Charges to appropriations (outflows):				
Public Works	585,775	585,775	636,947	(51,172)
Capital outlay	80,000	80,000	80,000	-
Total charges to appropriations	665,775	665,775	716,947	(51,172)
Excess of resources over (under) charges to appropriations	(188,175)	(188,175)	(248,809)	(60,634)
Fund balance, June 30	\$ 79,404	\$ 79,404	\$ 18,770	\$ (60,634)

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ (314,756)	\$ (314,756)	\$ (314,756)	\$ -
Resources (inflows):				
Intergovernmental	117,642	117,642	328,398	210,756
Amount available for appropriation	117,642	117,642	328,398	210,756
Charges to appropriations (outflows):				
Community development	22,500	22,500	36,139	(13,639)
Total charges to appropriations	22,500	22,500	36,139	(13,639)
Excess of resources over (under) charges to appropriations	95,142	95,142	292,259	197,117
Fund balance, June 30	\$ (219,614)	\$ (219,614)	\$ (22,497)	\$ 197,117

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 1,207,340	\$ 1,207,340	\$ 1,207,340	\$ -
Resources (inflows):				
Taxes	468,900	468,900	430,255	(38,645)
Intergovernmental	5,000	5,000	-	(5,000)
Use of money and property	30,000	30,000	52,899	22,899
Amount available for appropriation	503,900	503,900	483,154	(20,746)
Charges to appropriations (outflows):				
Public works	480,850	480,850	498,946	(18,096)
Capital outlay			91,992	(91,992)
Total charges to appropriations	480,850	480,850	590,938	(110,088)
Excess of resources over (under) charges to appropriations	23,050	23,050	(107,784)	(130,834)
Fund balance, June 30	\$ 1,230,390	\$ 1,230,390	\$ 1,099,556	\$ (130,834)

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 493,566	\$ 493,566	\$ 493,566	\$ -
Resources (inflows):				
Taxes	389,000	389,000	356,886	(32,114)
Use of money and property	15,000	15,000	24,744	9,744
Amount available for appropriation	404,000	404,000	381,630	(22,370)
Charges to appropriations (outflows):				
Public works	292,500	292,500	210,972	81,528
Capital outlay	48,675	48,675	54,356	(5,681)
Total charges to appropriations	341,175	341,175	265,328	75,847
Excess of resources over (under) charges to appropriations	62,825	62,825	116,302	53,477
Fund balance, June 30	\$ 556,391	\$ 556,391	\$ 609,868	\$ 53,477

City of Artesia

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

Air Quality

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 313,009	\$ 313,009	\$ 313,009	\$ -
Resources (inflows):				
Intergovernmental	18,250	18,250	21,647	3,397
Use of money and property	3,000	3,000	13,743	10,743
Amount available for appropriation	21,250	21,250	35,390	14,140
Charges to appropriations (outflows):				
Public works	15,882	15,882		15,882
Capital outlay	21,250	21,250	10,009	11,241
Total charges to appropriations	37,132	37,132	10,009	27,123
Excess of resources over (under) charges to appropriations	(15,882)	(15,882)	25,381	41,263
Fund balance, June 30	\$ 297,127	\$ 297,127	\$ 338,390	\$ 41,263

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 256,579	\$ 256,579	\$ 256,579	\$ -
Resources (inflows):				
Intergovernmental	168,911	168,911	186,159	17,248
Use of money and property			16,129	16,129
Amount available for appropriation	168,911	168,911	202,288	33,377
Charges to appropriations (outflows):				
Transfer out	(168,911)	(168,911)	(150,000)	18,911
Total charges to appropriations	(168,911)	(168,911)	(150,000)	18,911
Excess of resources over (under) charges to appropriations			52,288	52,288
Fund balance, June 30	\$ 256,579	\$ 256,579	\$ 308,867	\$ 52,288

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 565,923	\$ 565,923	\$ 565,923	\$ -
Resources (inflows):				
Taxes	291,700	291,700	267,581	(24,119)
Intergovernmental			83,974	83,974
Use of money and property	10,000	10,000	23,263	13,263
Amount available for appropriation	301,700	301,700	374,818	73,118
Charges to appropriations (outflows):				
Public works	50,000	50,000	132,156	(82,156)
Capital outlay	250,000	250,000	367,932	(117,932)
Total charges to appropriations	300,000	300,000	500,088	(200,088)
Excess of resources over (under) charges to appropriations	1,700	1,700	(125,270)	(126,970)
Fund balance, June 30	\$ 567,623	\$ 567,623	\$ 440,653	\$ (126,970)

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 448,663	\$ 448,663	\$ 448,663	\$ -
Resources (inflows):				
Intergovernmental	220,000	220,000	457,542	237,542
Use of money and property			26,397	26,397
Amount available for appropriation	220,000	220,000	483,939	263,939
Charges to appropriations (outflows):				
Public works	158,550	199,136	138,268	60,868
Capital outlay	156,744	156,744		156,744
Total charges to appropriations	315,294	355,880	138,268	217,612
Excess of resources over (under) charges to appropriations	(95,294)	(135,880)	345,671	481,551
Fund balance, June 30	\$ 353,369	\$ 312,783	\$ 794,334	\$ 481,551

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 39,083	\$ 39,083	\$ 39,083	\$ -
Resources (inflows):				
Taxes	23,937	23,937	13,480	(10,457)
Use of money and property	200	200	1,957	1,757
Amount available for appropriation	24,137	24,137	15,437	(8,700)
Charges to appropriations (outflows):				
Community Development	23,937	23,937		23,937
Total charges to appropriations	23,937	23,937		23,937
Excess of resources over (under) charges to appropriations	200	200	15,437	15,237
Fund balance, June 30	\$ 39,283	\$ 39,283	\$ 54,520	\$ 15,237

City of Artesia

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

Housing Authority

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 770,255	\$ 770,255	\$ 770,255	\$ -
Resources (inflows):				
Use of money and property	98,500	98,500	118,890	20,390
Amount available for appropriation	98,500	98,500	118,890	20,390
Charges to appropriations (outflows):				
Community development	112,283	112,283	43,666	68,617
Total charges to appropriations	112,283	112,283	43,666	68,617
Excess of resources over (under) charges to appropriations	(13,783)	(13,783)	75,224	89,007
Fund balance, June 30	\$ 756,472	\$ 756,472	\$ 845,479	\$ 89,007

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ (2,521)	\$ (2,521)	\$ (2,521)	\$ -
Resources (inflows):				
Taxes	138,000	138,000	138,667	667
Use of money and property			1,766	1,766
Transfers in	64,631	64,631	64,631	
Amount available for appropriation	202,631	202,631	205,064	2,433
Charges to appropriations (outflows):				
Public Works	202,631	202,631	76,008	126,623
Total charges to appropriations	202,631	202,631	76,008	126,623
Excess of resources over (under) charges to appropriations			129,056	129,056
Fund balance, June 30	\$ (2,521)	\$ (2,521)	\$ 126,535	\$ 129,056

City of Artesia

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

Bicycle & Pedestrian

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 6,332	\$ 6,332	\$ 6,332	\$ -
Resources (inflows):				
Intergovernmental	25,000	25,000		(25,000)
Use of money and property			158	158
Amount available for appropriation	25,000	25,000	158	(24,842)
Charges to appropriations (outflows):				
Capital outlay	25,000	25,000	5,399	19,601
Total charges to appropriations	25,000	25,000	5,399	19,601
Excess of resources over (under) charges to appropriations			(5,241)	(5,241)
Fund balance, June 30	\$ 6,332	\$ 6,332	\$ 1,091	\$ (5,241)

City of Artesia

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

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 1,329,878	\$ 1,329,878	\$ 1,329,878	\$ -
Resources (inflows):				
Intergovernmental	330,600	330,600	302,156	(28,444)
Use of money and property	25,000	25,000	58,662	33,662
Amount available for appropriation	355,600	355,600	360,818	5,218
Charges to appropriations (outflows):				
Public works	66,600	66,600	980	65,620
Capital outlay	514,848	514,848	553,835	(38,987)
Total charges to appropriations	581,448	581,448	554,815	26,633
Excess of resources over (under) charges to appropriations	(225,848)	(225,848)	(193,997)	31,851
Fund balance, June 30	\$ 1,104,030	\$ 1,104,030	\$ 1,135,881	\$ 31,851

City of Artesia

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual SB1

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 1,668,833	\$ 1,668,833	\$ 1,668,833	\$ -
Resources (inflows):				
Intergovernmental	407,600	407,600	417,114	9,514
Use of money and property	30,000	30,000	75,162	45,162
Amount available for appropriation	437,600	437,600	492,276	54,676
Charges to appropriations (outflows):				
Public works	407,600	307,600		307,600
Capital outlay	130,000	130,000	1,392,484	(1,262,484)
Total charges to appropriations	537,600	437,600	1,392,484	(954,884)
Excess of resources over (under) charges to appropriations	(100,000)		(900,208)	(900,208)
Fund balance, June 30	\$ 1,568,833	\$ 1,668,833	\$ 768,625	\$ (900,208)

City of Artesia

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

Cal Fire Urban Grant

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 160,291	\$ 160,291	\$ 160,291	\$ -
Resources (inflows):				
Intergovernmental	84,260	84,260		(84,260)
Use of money and property			3,314	3,314
Amount available for appropriation	84,260	84,260	3,314	(80,946)
Charges to appropriations (outflows):				
Public safety	181,359	181,359	183,445	(2,086)
Total charges to appropriations	181,359	181,359	183,445	(2,086)
Excess of resources over (under) charges to appropriations	(97,099)	(97,099)	(180,131)	(83,032)
Fund balance, June 30	\$ 63,192	\$ 63,192	\$ (19,840)	\$ (83,032)

City of Artesia
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
Development Impact Fees
For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ 688,919	\$ 688,919	\$ 688,919	\$ -
Resources (inflows):				
Use of money			32,235	32,235
Other	900,000	900,000	138,074	(761,926)
Amount available for appropriation	900,000	900,000	170,309	(729,691)
Charges to appropriations (outflows):				
Public works			29,039	(29,039)
Total charges to appropriations			29,039	(29,039)
Excess of resources over (under) charges to appropriations	900,000	900,000	141,270	(758,730)
Fund balance, June 30	\$ 1,588,919	\$ 1,588,919	\$ 830,189	\$ (758,730)

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, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ (21,537)	\$ (21,537)	\$ (21,537)	\$ -
Resources (inflows):				
Intergovernmental	430,997	430,997	208,003	(222,994)
Amount available for appropriation	430,997	430,997	208,003	(222,994)
Charges to appropriations (outflows):				
Community development	430,997	430,997	307,182	123,815
Total charges to appropriations	430,997	430,997	307,182	123,815
Excess of resources over (under) charges to appropriations			(99,179)	(99,179)
Fund balance, June 30	\$ (21,537)	\$ (21,537)	\$ (120,716)	\$ (99,179)

**STATISTICAL SECTION
(UNAUDITED)**

DESCRIPTION OF STATISTICAL SECTION CONTENTS

June 30, 2024

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

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

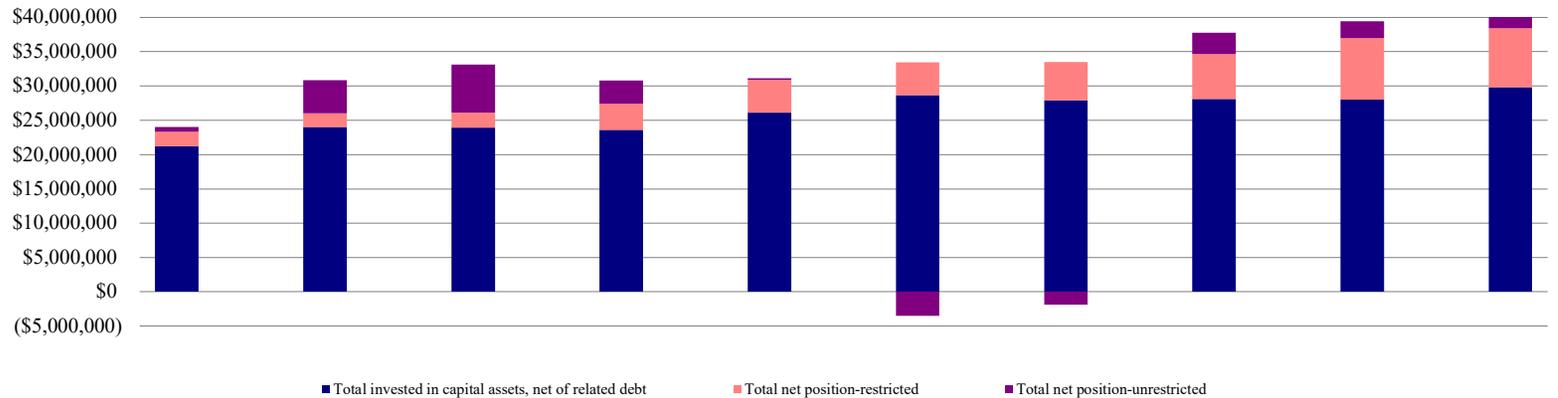
Parks and Recreation Grants

For the fiscal year ended June 30, 2024

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
Fund balance, July 1	\$ (22,723)	\$ (22,723)	\$ (22,723)	\$ -
Resources (inflows):				
Intergovernmental	95,039	95,039	1,278,153	1,183,114
Use of money and property			13,403	13,403
Amount available for appropriation	95,039	95,039	1,291,556	1,196,517
Charges to appropriations (outflows):				
Parks and recreation			20,344	(20,344)
Total charges to appropriations			20,344	(20,344)
Excess of resources over (under) charges to appropriations	95,039	95,039	1,271,212	1,176,173
Fund balance, June 30	\$ 72,316	\$ 72,316	\$ 1,248,489	\$ 1,176,173

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

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental activities										
Invested in capital assets, net of related debt	\$ 21,212,739	\$ 23,993,612	\$ 23,272,375	\$ 22,965,519	\$ 25,467,097	\$ 28,076,375	\$ 27,346,667	\$ 27,624,448	\$ 27,576,533	\$ 29,833,801
Restricted	6,151,937	2,034,880	2,158,867	3,826,127	4,807,246	4,785,320	5,581,108	6,558,200	8,952,613	8,600,698
Unrestricted	625,980	4,763,585	6,065,087	2,096,004	(721,612)	(4,189,985)	(2,852,730)	2,223,210	1,680,806	6,281,938
Total governmental activities net position	<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>	<u>\$ 38,209,952</u>	<u>\$ 44,716,437</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ -	\$ -	\$ 658,243	\$ 623,339	\$ 640,474	\$ 594,223	\$ 541,831	\$ 489,439	\$ 437,048	\$ -
Unrestricted	34,207	56,125	964,577	1,285,535	944,193	695,311	971,123	851,251	786,387	-
Total business-type activities net assets	<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>	<u>\$ 1,223,435</u>	<u>\$ -</u>
Total net assts										
Invested in capital assets, net of related debt	\$ 21,212,739	\$ 23,993,612	\$ 23,930,618	\$ 23,588,858	\$ 26,107,571	\$ 28,670,598	\$ 27,888,498	\$ 28,113,887	\$ 28,013,581	\$ 29,833,801
Restricted	2,122,890	2,034,880	2,158,867	3,826,127	4,807,246	4,785,320	5,581,108	6,558,200	8,952,613	8,600,698
Unrestricted	660,187	4,819,710	7,029,664	3,381,539	222,581	(3,494,674)	(1,881,607)	3,074,461	2,467,193	6,281,938
Total net assets	<u>\$ 23,995,816</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>	<u>\$ 39,433,387</u>	<u>\$ 44,716,437</u>



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

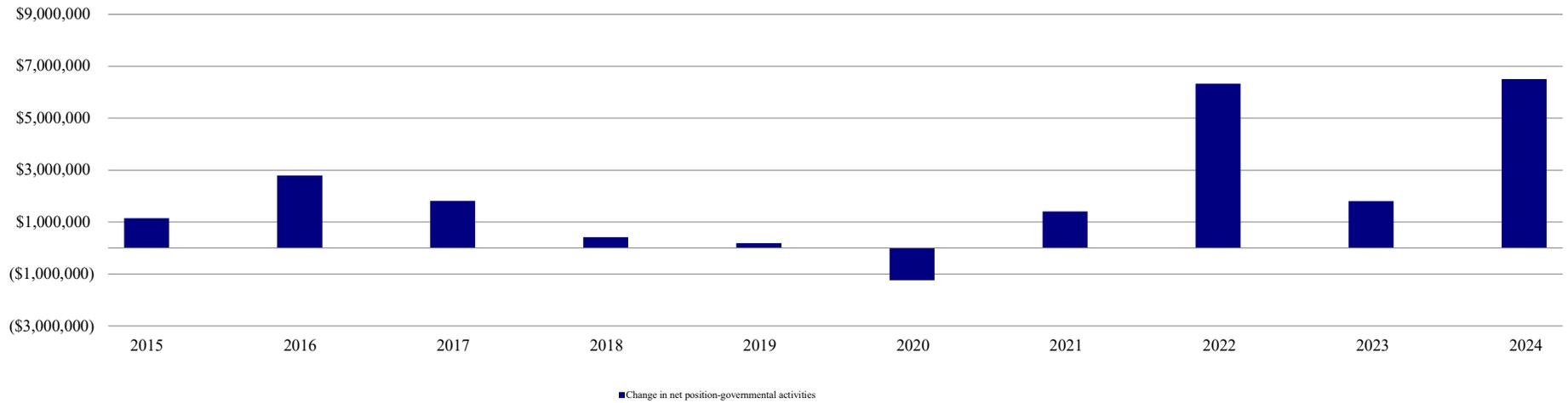
	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental activities:										
General government	\$ 1,657,600	\$ 2,458,793	\$ 2,641,676	\$ 2,522,576	\$ 3,955,102	\$ 4,187,313	\$ 4,523,432	\$ 3,854,973	\$ 3,310,279	\$ 4,264,141
Public safety	3,211,801	3,376,566	3,515,581	3,803,083	4,160,102	5,006,881	3,792,862	4,542,434	4,671,915	5,152,508
Parks and recreation	1,486,853	1,258,541	1,428,523	1,341,013	1,174,728	1,459,468	1,148,427	1,973,429	1,403,087	1,713,630
Public works	2,260,827	2,308,478	2,110,642	2,244,145	2,063,743	2,179,759	2,685,133	2,466,739	2,914,580	3,499,726
Community development	526,250	578,618	746,761	544,246	724,973	1,009,598	1,006,978	1,325,713	2,533,642	2,280,851
Interest on long-term debt	13,000	15,228	-	-	-	-	-	-	-	-
Total governmental activities expenses	<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>	<u>14,833,503</u>	<u>16,910,856</u>
Business-type activities:										
Residential refuse	905,433	376,870	-	-	-	-	-	-	-	-
Parking	-	-	162,474	174,845	261,551	200,947	149,334	239,508	203,441	-
Artesia Town Center	-	-	156,476	252,972	279,667	258,058	177,918	543,755	219,648	-
Total business-type activities expenses	<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>	<u>423,089</u>	<u>-</u>
Total expenses	<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>	<u>\$ 15,256,592</u>	<u>\$ 16,910,856</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 60,149	\$ 551,206	\$ 686,391	\$ 598,180	\$ 636,224	\$ 486,898	\$ 562,013	\$ 404,801	\$ 1,118,242	\$ 972,461
Public safety	531,064	762,385	245,713	175,612	206,202	-	-	-	-	-
Parks and recreation	63,909	74,013	62,575	49,693	124,268	34,427	34,427	53,703	87,352	106,835
Public works	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	975,566	1,592,626
Operating grants and contributions	2,077,854	1,763,400	1,294,978	1,323,627	919,724	1,408,966	1,381,708	1,623,044	1,864,706	1,393,028
Capital grants and contributions	183,881	-	675,007	675,007	1,393,213	1,639,598	4,065,409	7,843,268	1,248,758	4,579,342
Total governmental activities program revenues	<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>	<u>5,294,624</u>	<u>8,644,292</u>
Business-type activities:										
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	77,730	-
Charges for services - Artesia Towne Center	-	-	486,297	543,057	482,621	403,107	375,062	446,704	228,104	-
Total business-type activities program revenues	<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>	<u>305,834</u>	<u>-</u>
Total program revenues	<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>	<u>\$ 5,600,458</u>	<u>\$ 8,644,292</u>
Net (expense) revenue										
Total net expense	<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>	<u>\$ (9,656,134)</u>	<u>\$ (8,266,564)</u>
General revenues										
Taxes:										
Property taxes, levied for general purpose	\$ 1,698,157	\$ 1,778,796	\$ 1,846,489	\$ 1,809,817	\$ 1,896,335	\$ 1,999,302	\$ 2,085,778	\$ 2,146,321	\$ 2,278,334	\$ 2,426,156
Transient occupancy taxes	535,124	553,188	512,631	423,928	391,137	434,010	406,026	410,567	595,622	626,137
Sales taxes	3,096,626	3,038,340	3,784,651	3,690,349	4,137,499	3,989,411	3,272,693	5,551,693	5,310,565	5,505,982
Franchise taxes	407,926	2,696,612	706,034	766,423	846,786	893,480	888,495	909,908	143,740	207,367
Business license taxes	479,678	518,569	545,391	618,198	650,117	614,271	682,807	525,901	884,681	818,066
Other taxes	163,526	192,493	176,636	79,847	22,008	13,391	-	-	-	930,602
Motor vehicle licence fee collection in excess	7,216	6,798	7,563	8,852	-	-	-	-	-	-
Use of money and property	436,094	548,037	318,332	462,724	712,384	372,674	371,655	100,488	724,831	2,289,377
Other	70,907	12,686	41,075	94,258	168,070	165,818	258,931	209,327	1,405,200	745,928
Transfer-In	-	-	-	-	-	-	-	-	-	1,223,434
Contribution from Successor Agency	-	-	1,283,731	-	-	-	-	-	-	-
Total governmental activities	<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>	<u>11,342,973</u>	<u>14,773,049</u>

(Continued)

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

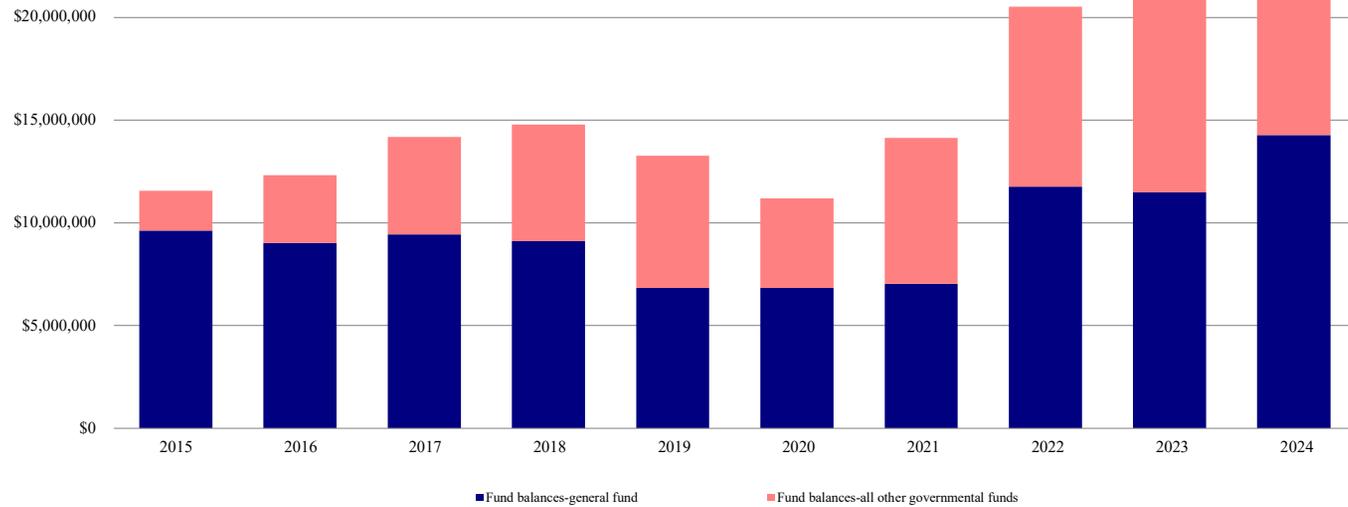
(Continued)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General revenues (cont'd)										
Business-type activities:										
Transfer-Out	-	-	-	-	-	-	-	-	-	(1,223,434)
Change in net position										
Governmental activities	\$ 1,153,711	\$ 2,801,421	\$ 1,813,728	\$ 417,288	\$ 186,890	\$ (1,240,548)	\$ 1,403,335	\$ 6,330,813	\$ 1,804,094	\$ 6,506,485
Business-type activities	34,207	21,918	413,375	286,054	153,984	64,394	223,420	(172,264)	(117,255)	(1,223,434)
Total changes in net position	<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>	<u>\$ 1,686,839</u>	<u>\$ 5,283,051</u>



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 59,725	\$ 19,505	\$ 29,805	\$ 22,301	\$ 23,664	\$ 28,735	\$ 21,901	\$ 88,581	\$ 243,022	\$ 636,952
Restricted	3,504,933	-	-	-	-	-	-	-	-	-
Committed	2,328,476	6,400,000	6,400,000	7,007,490	7,007,490	7,015,296	5,315,000	5,315,000	5,315,000	5,315,000
Assigned	301,000	2,595,240	4,689,393	1,533,000	1,533,000	1,893,000	977,782	1,215,485	1,215,485	1,215,485
Unassigned	3,434,199	-	(1,674,508)	540,052	(1,729,330)	(2,095,348)	729,471	5,151,404	4,719,920	7,109,758
Total general fund	<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>	<u>\$ 11,493,427</u>	<u>\$ 14,277,195</u>
All other governmental funds										
Nonspendable	-	-	-	7,063	-	7,063	8,063	8,628	20,000	102,413
Restricted	\$ 2,647,004	\$ 2,641,091	\$ 2,721,910	\$ 3,752,819	\$ 4,683,336	\$ 4,778,257	\$ 6,058,271	\$ 7,557,559	\$ 9,248,944	\$ 10,000,360
Assigned	-	-	-	2,043,148	1,998,832	1,349,697	1,367,839	1,371,179	984,954	1,523,514
Unassigned	(715,887)	676,056	2,025,342	(111,549)	(245,811)	(1,785,026)	(333,862)	(188,097)	(59,076)	(219,506)
Total all other governmental funds	<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>	<u>\$ 10,194,822</u>	<u>\$ 11,406,781</u>



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

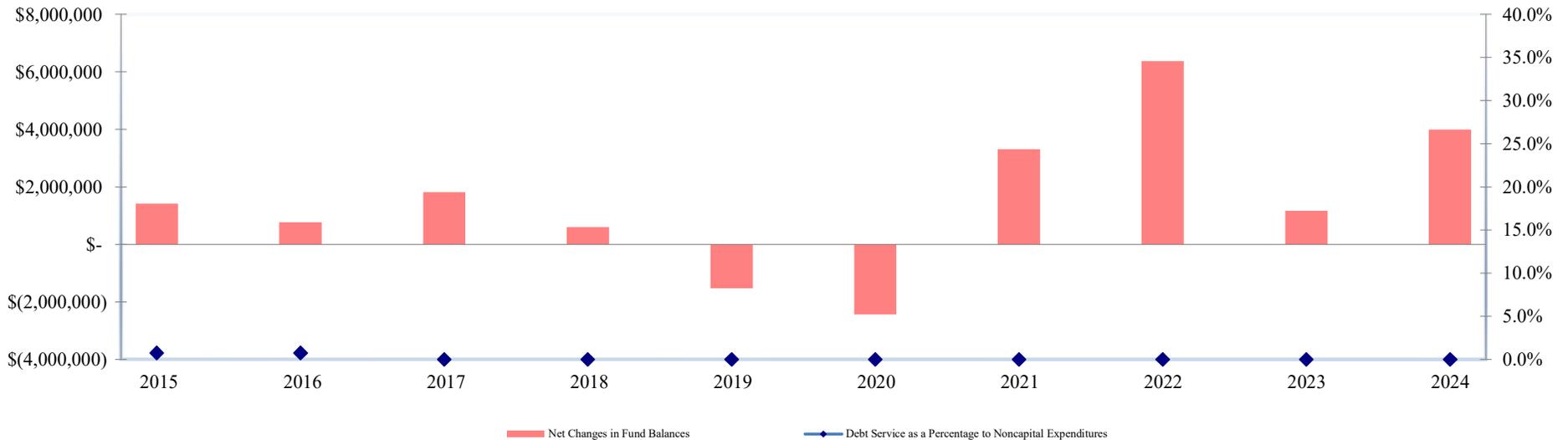
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	\$ 6,388,250	\$ 8,784,799	\$ 7,579,396	\$ 7,397,414	\$ 7,958,208	\$ 8,887,075	\$ 8,315,947	\$ 10,393,960	\$ 10,460,337	\$ 10,790,577
Licenses and permits	424,061	542,950	473,916	528,133	538,854	492,762	607,207	525,901	815,390	1,371,826
Intergovernmental	2,080,875	2,302,769	3,377,426	1,896,778	2,310,757	2,101,017	4,524,776	8,090,841	1,866,069	4,765,501
Charges for services	610,409	1,046,288	257,088	286,227	383,209	434,132	524,210	1,082,055	1,365,770	1,300,096
Use of money and property	436,087	548,034	318,331	462,724	712,384	372,674	371,655	100,488	724,831	2,289,377
Fines and forfeitures	70,913	40,883	163,675	156,981	206,202	144,656	15,248	91,529	186,566	193,510
Developer fees	47,667	58,606	69,713	-	-	-	-	-	-	930,602
Other	70,920	12,685	41,075	94,258	168,070	165,818	258,931	209,327	1,218,634	552,418
Reimbursement from successor agency	183,881	-	-	-	-	-	-	-	-	-
Total revenues	10,313,063	13,337,014	12,280,620	10,822,515	12,277,684	12,598,134	14,617,974	20,494,101	16,637,597	22,193,907
Expenditures										
General government	1,460,175	2,337,561	2,339,459	2,685,531	3,613,960	3,099,787	3,375,189	3,514,451	3,975,649	4,503,604
Public safety	3,171,039	3,337,065	3,494,997	3,766,241	4,154,411	5,003,531	3,792,357	4,542,434	4,671,915	5,152,508
Parks and recreation	1,354,629	1,115,548	1,290,766	1,200,310	1,062,510	1,266,334	950,685	1,744,549	1,170,687	1,482,374
Public works	1,373,756	1,367,346	1,267,791	1,444,231	1,248,253	1,002,890	1,028,631	1,600,183	1,973,188	2,556,230
Community development	526,250	578,618	746,761	544,246	724,973	1,009,598	1,006,978	1,325,713	2,533,642	2,280,851
Capital outlay	953,448	3,762,730	766,558	579,574	3,474,911	4,015,028	1,151,343	1,391,497	1,144,006	3,009,000
Debt service:										
Principal	46,856	50,476	-	-	-	-	-	-	-	-
Interest and fiscal charges	13,000	15,228	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
Total expenditures	8,899,153	12,564,572	9,906,332	10,220,133	14,279,018	15,397,168	11,305,183	14,118,827	15,469,087	18,984,567
Excess of revenues over (under) expenditures	1,413,910	772,442	2,374,288	602,382	(2,001,334)	(2,799,034)	3,312,791	6,375,274	1,168,510	3,209,340

(Continued)

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

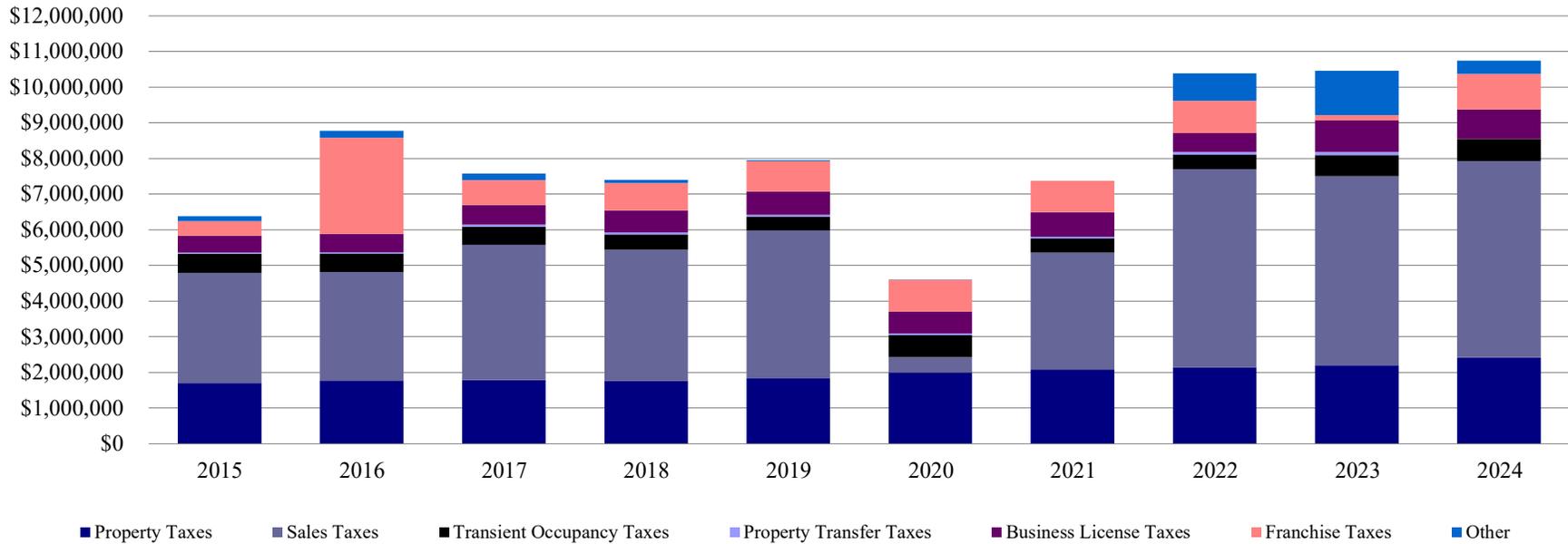
(Continued)

Other financing sources (uses)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Transfers in	\$ 299,599	\$ 4,317,595	\$ 45,402	\$ 35,597	\$ 629,791	\$ 519,598	\$ 113,023	\$ 4,131,550	\$ 284,438	\$ 1,137,218
Transfers out	(299,599)	(4,317,595)	(603,484)	(35,597)	(151,600)	(160,071)	(113,023)	(4,131,550)	(284,438)	(350,831)
Bond discount	-	-	-	-	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(558,082)	-	478,191	359,527	-	-	-	786,387
Extraordinary loss from dissolution of Redevelopment Agency	-	-	-	-	-	-	-	-	-	-
Net changes in fund balances	\$ 1,413,910	\$ 772,442	\$ 1,816,206	\$ 602,382	\$ (1,523,143)	\$ (2,439,507)	\$ 3,312,791	\$ 6,375,274	\$ 1,168,510	\$ 3,995,727
Debt service as a percentage of noncapital expenditures	0.8%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



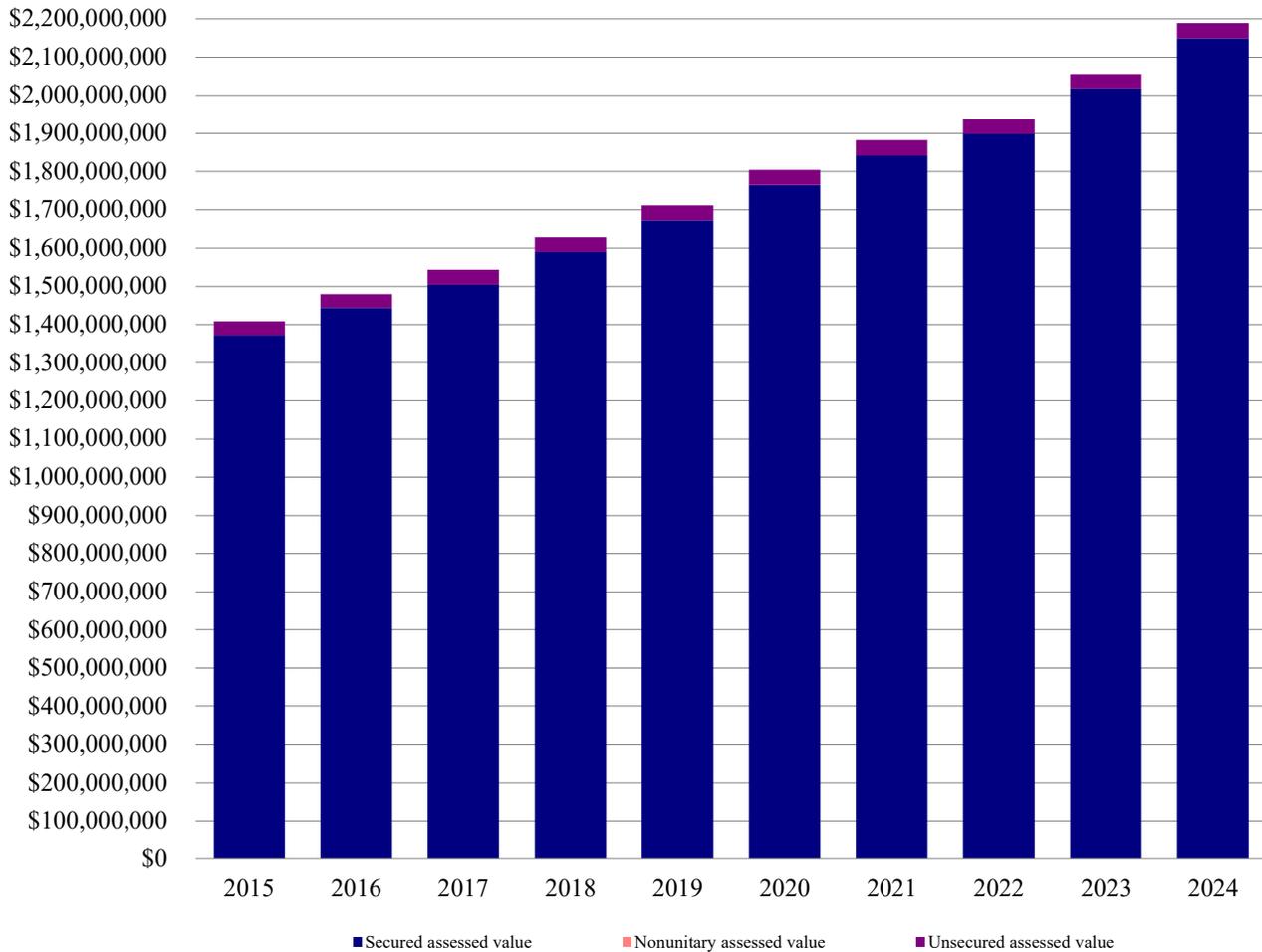
CITY OF ARTESIA, CALIFORNIA
 General Governmental Tax Revenues by Source
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	Sales Taxes		Transient	Property	Business	Franchise	Other	Total
	Property Taxes	Sales Taxes	Occupancy Taxes	Transfer Taxes	License Taxes	Taxes	Taxes	
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
2023	2,197,203	5,310,565	595,622	81,131	884,681	143,740	1,247,395	10,460,337
2024	2,426,156	5,505,982	626,137	44,504	818,066	995,662	374,070	10,790,577



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

Fiscal Year	Assessed Value ⁽¹⁾				Total Effective Rate (2)
	Secured	Nonunitary	Unsecured	Total	
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%
2023	2,018,889,130	-	37,268,831	2,056,157,961	0.6593%
2024	2,149,081,067	-	40,484,323	2,189,565,390	0.6596%



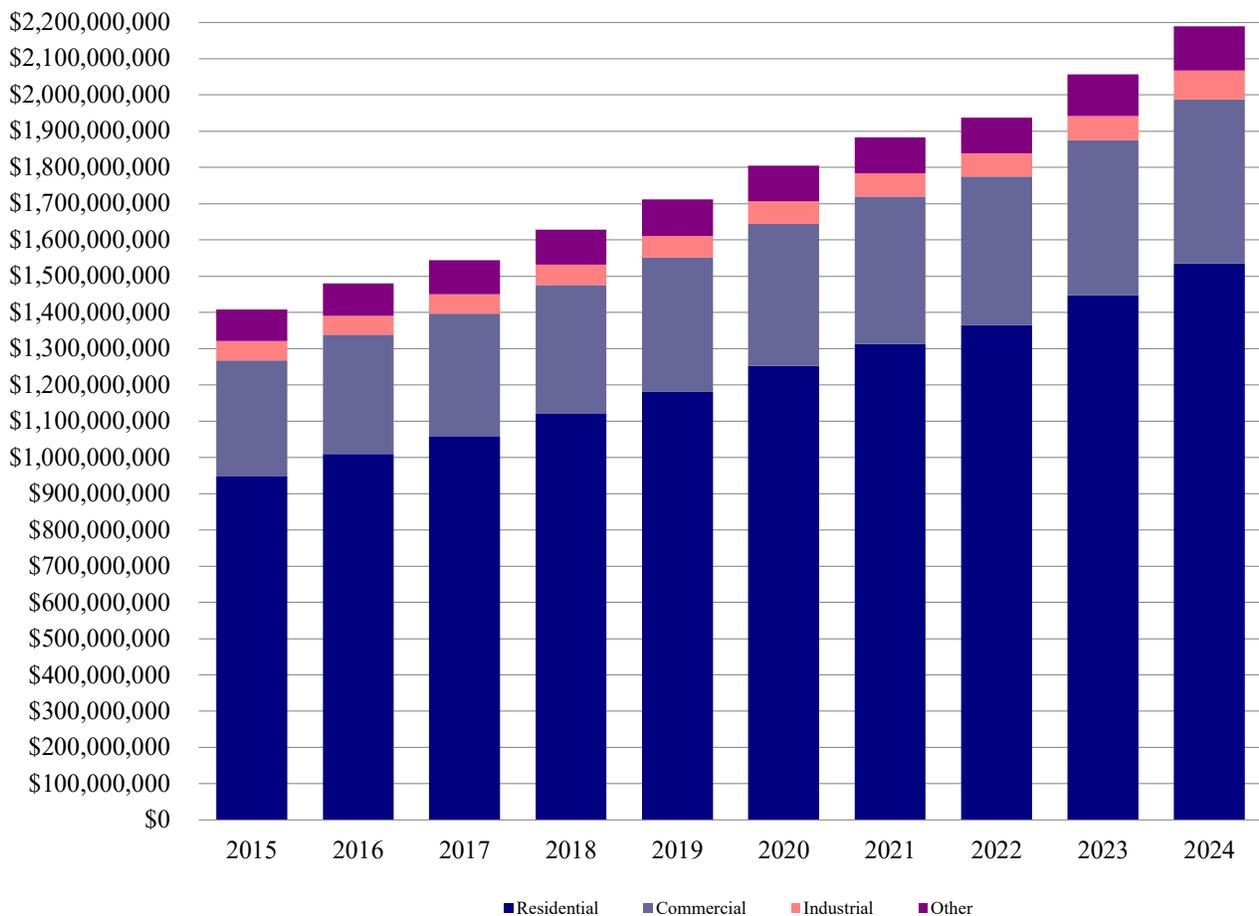
⁽¹⁾ Net of exemptions

⁽²⁾ 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 ⁽¹⁾				Total	Total Effective Rate (2)
	Residential	Commercial	Industrial	Other		
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%
2023	1,447,244,217	427,658,253	66,447,381	114,808,110	2,056,157,961	0.6593%
2024	1,535,428,217	452,411,924	79,671,254	122,053,995	2,189,565,390	0.6596%



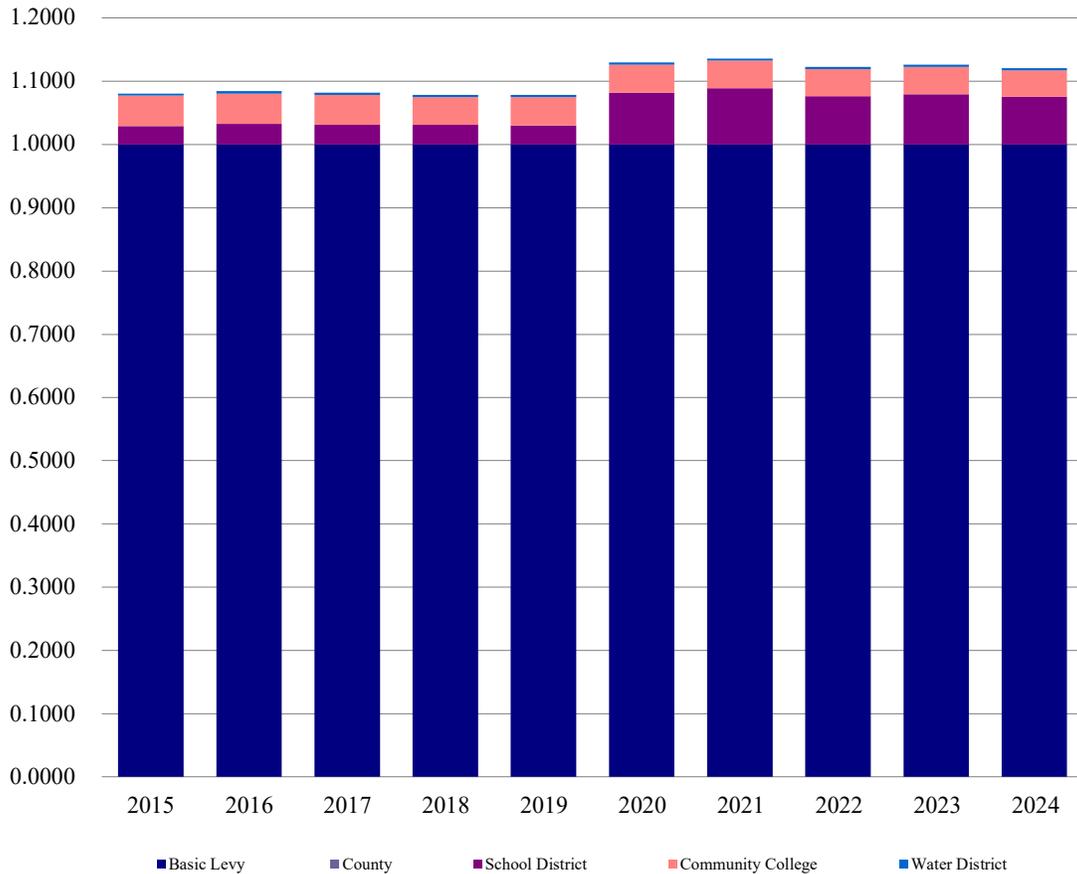
⁽¹⁾ Net of exemptions

⁽²⁾ 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
 Direct and Overlapping Property Tax Rates ⁽¹⁾
 Last Ten Fiscal Years
 (Rate per \$100 of Assessed Value)

Fiscal Year	Basic Levy ⁽²⁾	County			School District ⁽³⁾	Community		Total Effective Rate ⁽⁵⁾
		Detention Facilities	Flood Control	Total		College District ⁽⁴⁾	Water District	
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%
2023	1.0000	0.0000	0.0000	0.0000	0.0793	0.0436	0.0035	0.6593%
2024	1.0000	0.0000	0.0000	0.0000	0.0751	0.0423	0.0035	0.6596%

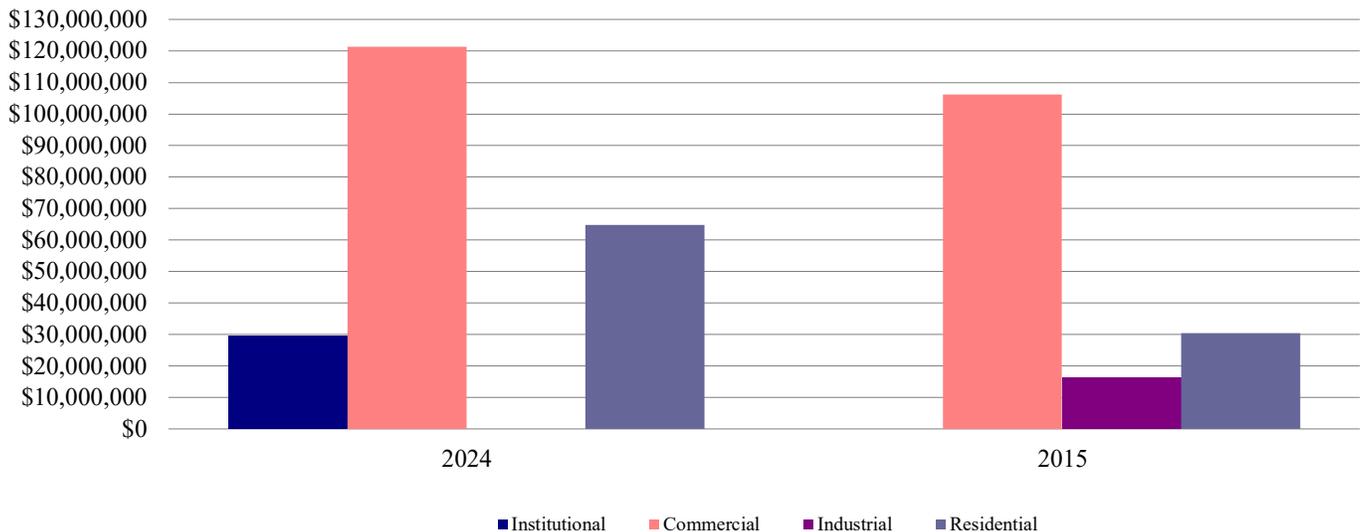


⁽¹⁾ Per \$100 of assessed value
⁽²⁾ Basic levy for City (\$0.067), County (\$0.329), LA Consolidated Fire District (\$0.183), ABC Unified School District (\$0.19), Educational Rev Aug. Fund(\$0.203) and other agencies (\$0.028).
⁽³⁾ ABC Unified School District .
⁽⁴⁾ Cerritos Community College District .
⁽⁵⁾ 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
Principal Property Owners
June 30, 2024

Taxpayer	Primary Use	2024			2015		
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value ⁽¹⁾
Eaves Artesia LP	Residential	\$ 35,858,157	1	1.64%	30,404,560	1	1.35%
Artesia Partners LLC	Commercial	35,350,000	2	1.61%	28,810,994	2	2.05%
YSM Investment No 3 LLC	Commercial	35,250,000	3	1.61%	21,850,000	3	0.97%
Pioneerlux Associates, LP	Commercial	21,876,135	4	1.00%	-	-	-
NNC WP 186th Street LLC	Residential	16,331,210	5	0.75%	-	-	-
11900 East Artesia Boulevard LLC	Institutional	15,742,017	6	0.72%	13,360,381	6	0.95%
Maya Inn and Suites	Commercial	14,796,386	7	0.68%	-	-	-
Haw Lay I LLC	Commercial	14,142,440	8	0.65%	12,005,820	7	0.85%
Artesia Christian Home Inc	Institutional	13,915,759	9	0.64%	-	-	-
Realty Specialties Inc	Residential	12,548,999	10	0.57%	-	-	-
California Milk Producers	Industrial	-	-	-	16,390,279	4	1.16%
BSREP Socal 91 Freeway LLC	Commercial	-	-	-	14,200,000	5	0.63%
Roy and Shahnaz Egari Trust	Commercial	-	-	-	10,484,646	8	0.74%
Eastand Estate	Commercial	-	-	-	9,824,400	9	0.70%
Mei H Chu Trust	Commercial	-	-	-	9,046,700	10	0.64%
Total		\$ 215,811,103		9.86%	\$ 166,377,780		10.05%

Principal Property Owners

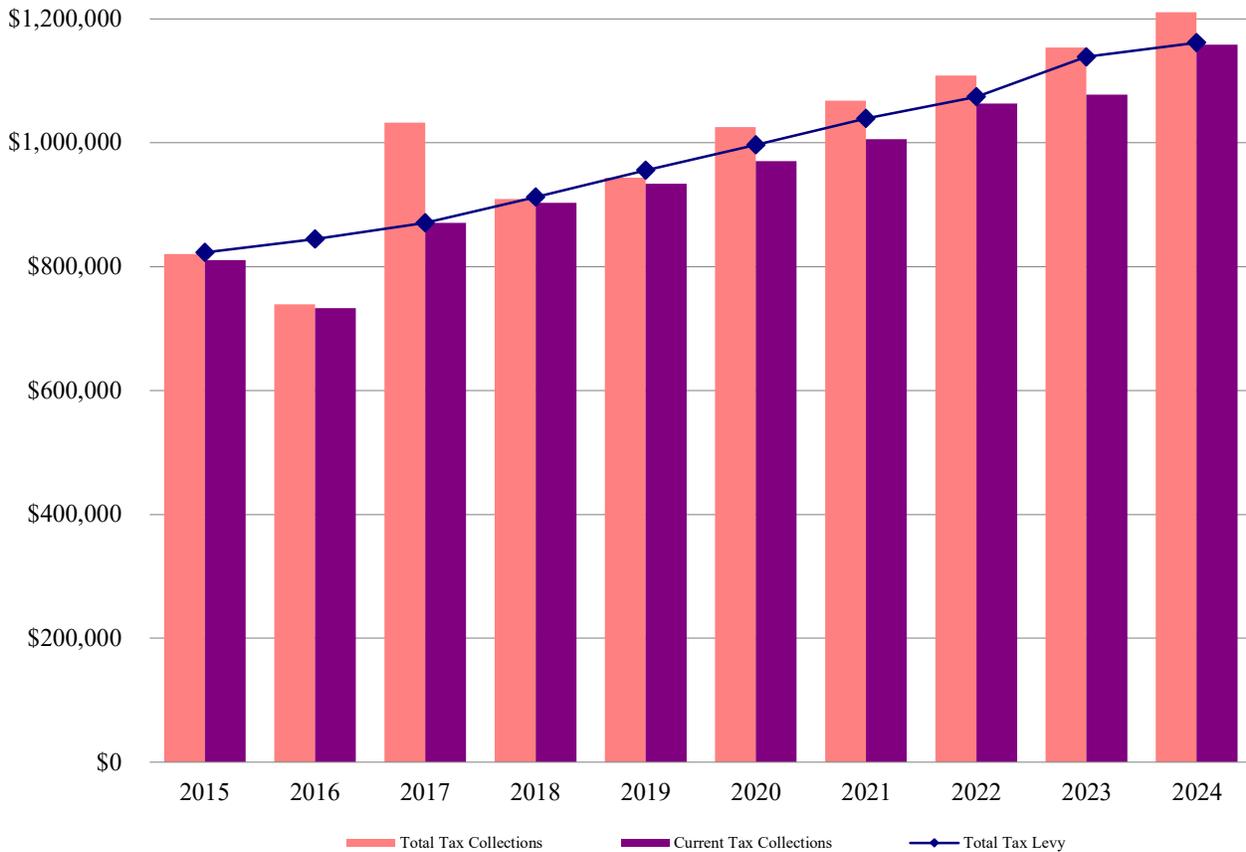


⁽¹⁾ Total assessed valuation of taxable property exclusive of exemptions.

Source: Los Angeles County/Hdl Companies

CITY OF ARTESIA, CALIFORNIA
Property Tax Levies and Collections ⁽¹⁾
Last Ten Fiscal Years

Fiscal Year	Total Tax Levy ⁽²⁾	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Total Tax Collections	Percent of Total Tax Collections to Total Tax Levy
2015	822,968	810,542	98.5%	9,866	820,408	99.7%
2016	844,497	732,978	86.8%	6,200	739,178	87.5%
2017	870,625	870,625	100.0%	162,375	1,033,000	118.7%
2018	912,132	903,094	99.0%	6,372	909,466	99.7%
2019	955,470	933,541	97.7%	9,866	943,407	98.7%
2020	996,741	970,140	97.3%	55,112	1,025,252	102.9%
2021	1,039,175	1,005,854	96.8%	62,123	1,067,977	102.8%
2022	1,074,233	1,063,592	99.0%	45,002	1,108,594	103.2%
2023	1,138,723	1,077,769	94.6%	76,232	1,154,001	101.3%
2024	1,161,497	1,158,016	99.7%	52,757	1,210,773	104.2%



⁽¹⁾ Includes only City general property taxes of the General Fund

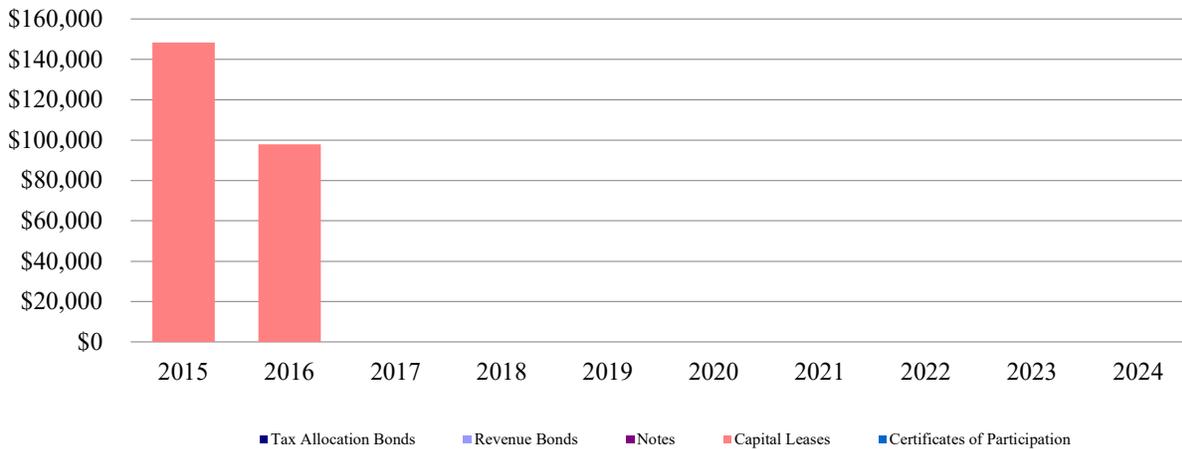
⁽²⁾ Includes secured and unsecured property tax levies exclusive of homeowner exemption

Source: Los Angeles County.

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

Fiscal Year	Governmental Activities			Total	Percentage of Personal Income ⁽¹⁾	Percentage of Debt Per Capita ⁽¹⁾
	Tax Allocation Bonds ⁽²⁾	Notes	Capital Leases			
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%
2023	-	-	-	-	0.00%	0.00%
2024	-	-	-	-	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*.

⁽¹⁾ See Demographic Statistics on Demographic and Economic Statistics Schedule

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

CITY OF ARTESIA, CALIFORNIA
 Computation of Direct and Overlapping Bonded Debt
 As of June 30, 2024

2023-24 Assessed Valuation	\$ 2,189,565,390		
Jurisdiction	Net General Activities Bonded and Capital Lease Debt Outstanding	Percentage Applicable to City of Artesia ⁽¹⁾	Amount Applicable to City of Artesia
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 18,210,000.00	0.057%	\$ 10,380
Cerritos Community College District	433,766,921	3.558%	15,433,427
ABC Unified School District	116,814,373	11.176%	13,055,174
Total Direct and Overlapping Tax and Assessment Debt			<u>\$ 28,498,981</u>
<u>Overlapping General Fund Debt:</u>			
Los Angeles County General Fund Obligations	\$ 2,479,229,730.00	0.109%	\$ 2,702,360
Los Angeles Superintendent of Schools Certificates of Participation	2,857,300	0.109%	3,114
City of Artesia	-		-
Total Direct and Overlapping Tax and Assessment Debt			<u>\$ 2,705,474</u>
<u>Overlapping Tax Increment Debt (Successor Agencies):</u>	\$ 12,022,970	100%	<u>\$ 12,022,970</u>
Total Direct Debt			-
Total Overlapping Debt			<u>\$ 43,227,425</u>
Combined Total Debt			<u>\$ 43,227,425</u>

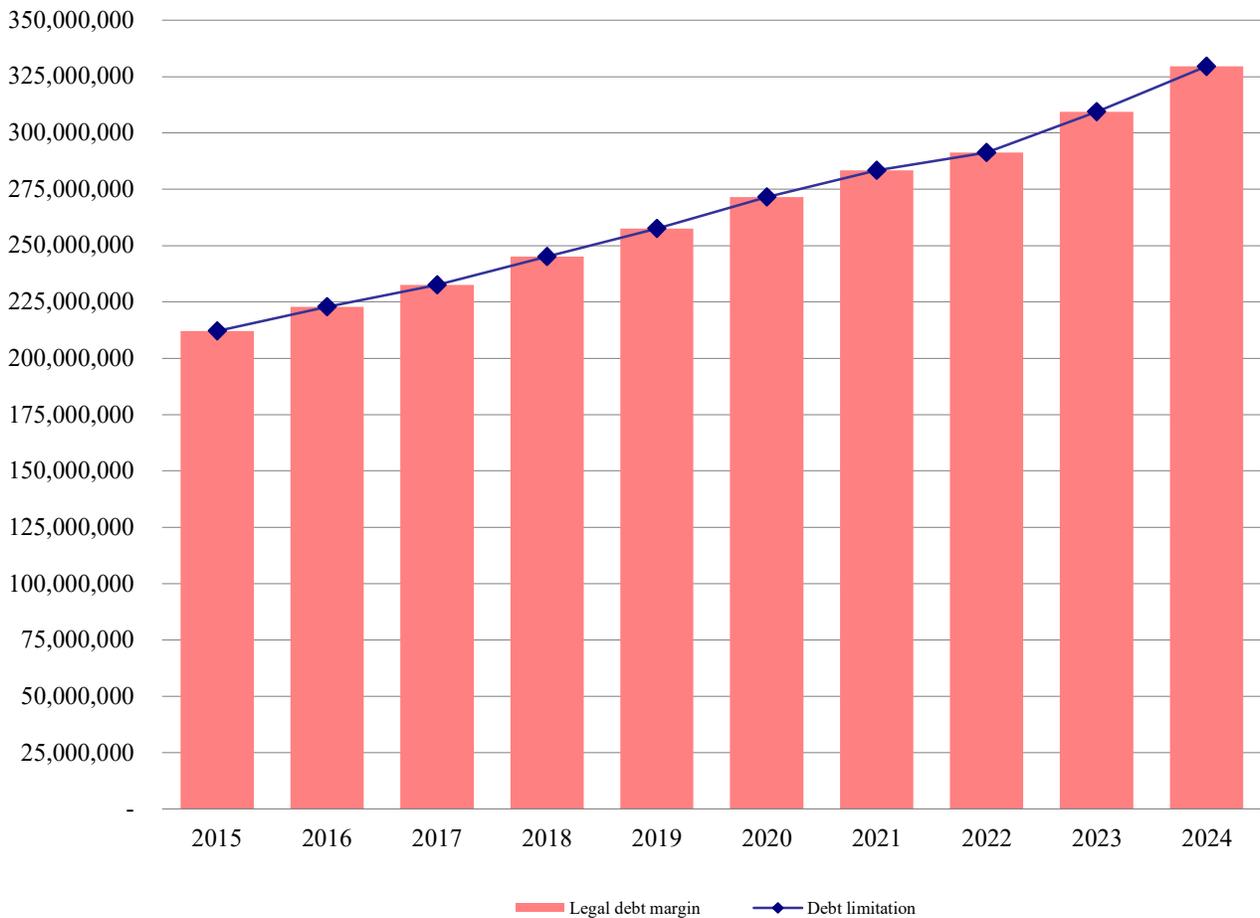
Notes:

⁽¹⁾ The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

⁽²⁾ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and

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

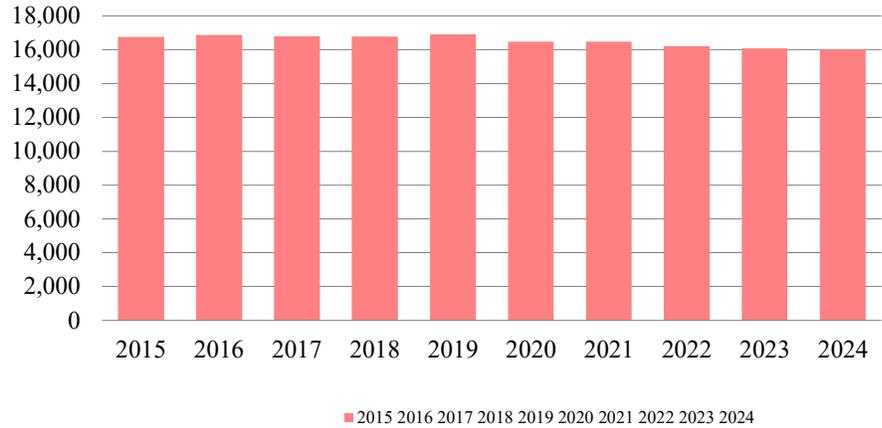
Fiscal Year	Assessed Valuations			Legal Debt Margin		
	Assessed Value	Add Exemptions	Total Assessed Value	Debt Limitation- 15% of Total Assessed Value	Total Debt Applicable to Limitation	Legal Debt Margin
2015	1,407,900,158	6,276,033	1,414,176,191	212,126,429	-	212,126,429
2016	1,480,026,831	6,276,033	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	4,799,444	1,941,817,872	291,272,681	-	291,272,681
2023	2,056,157,961	6,451,377	2,062,609,338	309,391,401	-	309,391,401
2024	2,189,565,390	7,280,026	2,196,845,416	329,526,812	-	329,526,812



CITY OF ARTESIA, CALIFORNIA
Demographic and Economic Statistics

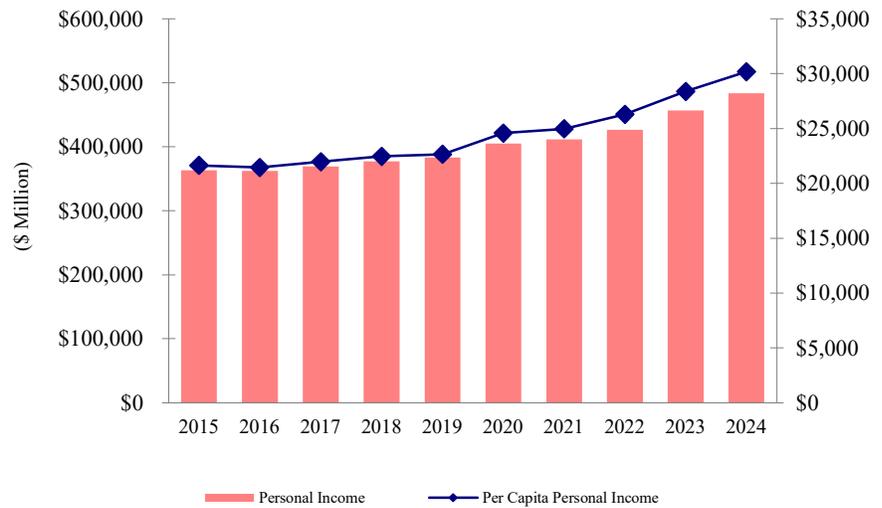
Last Ten Fiscal Years

Year	Population ⁽¹⁾
2015	16,781
2016	16,883
2017	16,816
2018	16,792
2019	16,919
2020	16,490
2021	16,484
2022	16,226
2023	16,093
2024	16,019



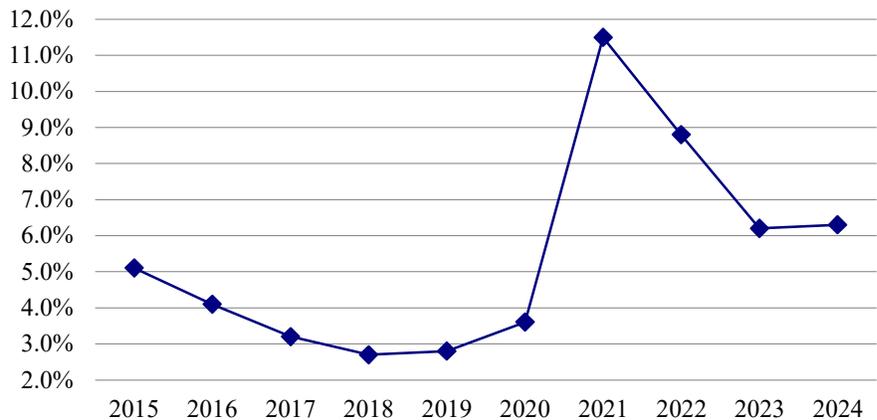
Last Ten Fiscal Years

Year	Personal Income ⁽²⁾ (\$ Thousand)	Per Capita Personal Income ⁽²⁾
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
2023	456,631	28,374
2024	483,554	30,186



Last Ten Fiscal Years

Year	Unemployment Rate ⁽²⁾
2015	5.1%
2016	4.1%
2017	3.2%
2018	2.7%
2019	2.8%
2020	3.6%
2021	11.5%
2022	8.8%
2023	6.2%
2024	6.3%



⁽¹⁾ State Department of Finance.

⁽²⁾ HdL, Coren & Cone.

CITY OF ARTESIA, CALIFORNIA

Principal Employers

As of June 30, 2024

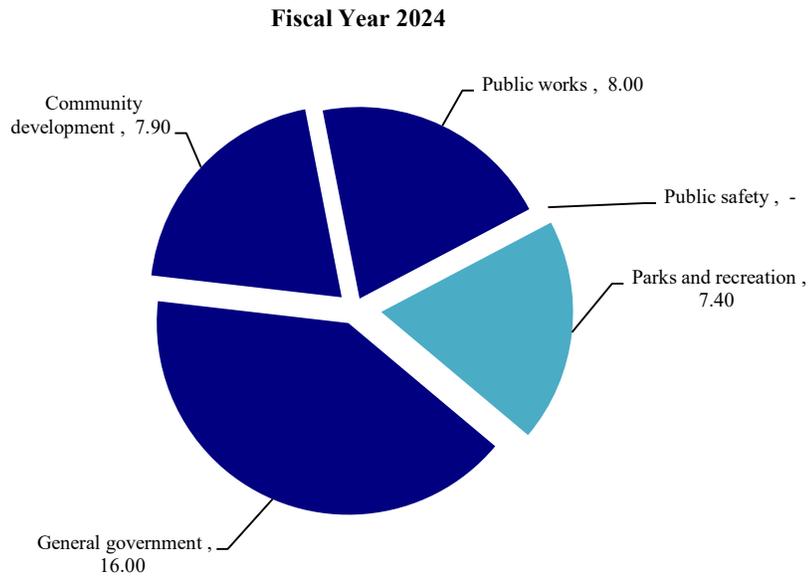
Employer	2024			2014		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
AUTOMOBILE CLUB OF SOUTHERN CA	50	1	10.27%	845	2	39.90%
CITY OF ARTESIA	39	2	8.01%	249	5	11.76%
CARE MERIDIAN	29	3	5.95%	307	3	14.49%
TSANG & ASSOCIATES, A PROFESSIONAL LAW CORPORATION	23	4	4.72%	2,494	1	117.75%
SK ENTER BKING PR INC TX AUDIT PRES	21	5	4.31%			
ANGELES INSTITUTE, LLC	20	6	4.11%			
NURSES PLUS HOSPICE INC	14	7	2.87%			
KUMON MATH & READING CENTER OF ARTESIA	12	8	2.46%	205	10	9.68%
SAGE M. HUMPHRIES D.D.S, M.S.	12	9	2.46%	218	8	10.29%
AMBITIONS CALIFORNIA INC	10	10	2.05%	277	4	13.08%
	<u>230</u>		<u>47.23%</u>	<u>4,595</u>		<u>216.95%</u>
Total number of employees	<u>487</u>			<u>2,118</u>		
Number of businesses	899			1,041		

Source: Finance Department, HdL

CITY OF ARTESIA, CALIFORNIA
Full-time Equivalent City Government Employees by Function

Last Ten Fiscal Years

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
	Total									
General government	17.00	19.00	16.29	15.01	19.60	19.00	20.00	20.00	22.00	16.00
Community development	-	-	5.88	8.33	3.00	4.00	4.00	4.00	4.00	7.90
Public works	8.00	7.00	2.93	3.03	7.00	7.00	6.00	6.00	7.00	8.00
Public safety	3.00	2.85	0.95	2.22	4.38	3.90	4.90	4.90	1.90	-
Parks and recreation	8.00	8.00	10.95	11.46	9.15	10.15	9.40	9.40	7.40	7.40
Total full-time equivalent positions	36.00	36.85	37.00	40.05	43.13	44.05	44.30	44.30	42.30	39.30



Source: Finance Department

CITY OF ARTESIA, CALIFORNIA
 Capital Asset Statistics by Function ⁽¹⁾
 Last Ten Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General government										
Number of Buildings - City Hall	1	1	1	1	1	1	1	1	1	1
Number of Historical Museums	2	2	2	2	2	2	2	2	2	2
Historical Water Tower	1	1	1	1	1	1	1	1	1	1
General Government Vehicles	2	2	2	2	2	2	2	2	2	2
Park and Recreation										
Number of Buildings - Community Centers	5	5	5	5	5	5	5	5	5	5
Number of Buildings - Library	1	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	16.98
Park Trees	202	202	202	202	202	202	202	202	202	202
Parks	3	3	3	3	3	3	3	3	3	3
Recreation Transit Vehicles	2	2	2	2	2	2	2	2	2	2
Playground Areas	5	5	5	5	5	5	5	5	5	5
Baseball Fields	7	7	7	7	7	7	7	7	7	7
Basketball Courts	3	3	3	3	3	3	3	3	3	3
Roller Hockey Rinks	1	1	1	1	1	1	1	1	1	1
Handball Court	1	1	1	1	1	1	1	1	1	1
Tennis Courts	1	1	1	1	1	1	1	1	1	1
Maintenance/Public works										
Number of Buildings	1	1	1	1	1	1	1	1	1	1
Street Trees	1,652	1,652	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	38.33	38.33
Number of Traffic Signals	25	25	25	25	25	25	25	25	26	26
Number of Street Lights	136	136	136	136	136	136	136	136	136	136
Vehicles	11	11	11	11	11	11	11	11	11	11
Public safety										
Number of Parking Pay Stations	28	28	28	28	28	28	28	28	28	28
Public Safety Vehicles	4	4	4	4	4	4	4	4	4	4

⁽¹⁾ Information provided by various departments