

PLEASE TAKE NOTICE, this special meeting of the City Council has been called by the Mayor pursuant to Government Code section 54956. Public comments may be submitted by email at [publiccomments@cityofartesia.us](mailto:publiccomments@cityofartesia.us) before 12:00 p.m. on the date of the meeting.

**Special Meeting of the Artesia City Council**  
**City Council Chambers**  
**18747 Clarkdale Avenue**  
**Artesia, CA 90701**  
**(562) 865-6262**

**You may view this meeting live over the internet at**  
**<https://ca-artesia2.civicplus.com/241/City-Council-Meetings-Video>**

**Monday, January 26, 2026**  
**6:00 p.m.**

## **1. CALL TO ORDER**

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## **2. ROLL CALL**

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## **3. PUBLIC COMMENTS**

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Under California law, public comments at special meetings are limited to subjects on the agenda only. Public comments may also be submitted by email at [publiccomments@cityofartesia.us](mailto:publiccomments@cityofartesia.us) before 12:00 p.m. on the date of the meeting. Those wishing to speak are asked to add your information at the digital public kiosk located at the entrance of the Council Chamber.

3.A. Public Comments

## **4. PUBLIC HEARING**

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4.A. Introduction of an Ordinance Amending the Artesia Municipal Code Relating to the Mixed Use Overlay

- Recommendation: Waive Full Reading and Introduce by Title Only, Ordinance No. 26-980, Amending Sections of Title 48 (Mixed-Use Overlay Zone) of Chapter 2 (Zoning) of Title 9 (Planning and Zoning) of the Artesia Municipal Code and Finding the Ordinance Exempt From CEQA Pursuant To State CEQA Guidelines Section 15061(b)(3); And
- Direct Staff to File Notice of Exemption.

## **5. DISCUSSION**

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5.A. Transmittal of Annual Comprehensive Financial Report for Fiscal Year 2024-25

- Recommended Action: Receive and file.

## **6. COUNCILMEMBER COMMENTS**

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6.A. Councilmember Comments

## **7. ADJOURNMENT**

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The City of Artesia complies with the Americans with Disabilities Act of 1990. If you require special assistance to attend or participate in this meeting, please call the City Clerk's office at 562-865-6262 at least 72 hours prior to the meeting. Copies of Staff Reports are on file in the Office of the City Clerk and are available for inspection.

*Date Posted: January 23, 2026*



# CITY COUNCIL AGENDA REPORT

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**MEETING DATE:** January 26, 2026

**ITEM NO:** 4A.

**TO:** Mayor and Members of the City Council

**SUBJECT:** Introduction of an Ordinance Amending the Artesia Municipal Code Relating to the Mixed Use Overlay

**FROM:** Steven Valdez, Acting Planning Manager  
Paul Bollier, Community Development Director

**REVIEWED AND APPROVED BY:**

Melissa Burke, Deputy City Manager  
HongDao Nguyen, City Attorney  
Abel Avalos, City Manager

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**RECOMMENDATION:**

Planning Commission recommended approval to City Council, by motion:

1. Waive Full Reading and Introduce by Title Only, Ordinance No. 26-980, Amending Sections of Title 48 (Mixed-Use Overlay Zone) of Chapter 2 (Zoning) of Title 9 (Planning and Zoning) of the Artesia Municipal Code and Finding the Ordinance Exempt From CEQA Pursuant To State CEQA Guidelines Section 15061(b) (3); And
2. Direct Staff to File Notice of Exemption

**BACKGROUND:**

On May 20, 2025, the Planning Commission held a public hearing and adopted Resolution No. 2025-06P, recommending that the City Council adopt an ordinance establishing the Mixed-Use Overlay (MU-O) zone. On June 9, 2025, the City Council conducted a public hearing, considered the proposed MU-O zone, and approved Ordinance No. 25-970 establishing the MU-O zone (Article 48). The primary purpose of the MU-O is to implement the City of Artesia's 6th Cycle Housing Element of the Artesia General Plan, to encourage and to incentivize new mixed-use infill residential, retail, and commercial development to facilitate affordable multifamily housing. The MU-O's function is to provide sufficient density allowance for the City to accommodate its share of the Regional Housing Needs Allocation (RHNA) as determined by the Southern California Association of Governments (SCAG), and as directed by California housing law (Ca. Gov. Code Section 65580 et seq.). Unlike standard zoning, an "overlay" zone is applied over an existing zone, allowing a property owner or developer to develop a property in accordance with the existing underlying zone or the Overlay zone. A copy of the June 9, 2025, City Council staff report, which provides an analysis of the MU-O Zone is attached.

While the City of Artesia was working closely with the California State Department of Housing and Community Development to update its Housing Element, a recent court case (New Commune DTLA LLC v. City of Redondo Beach (2025)) required the City to amend the MU-O Zone it had recently adopted. The court's ruling invalidated Redondo Beach's housing plan, finding its use of residential overlay zones to be insufficient to meet state housing law requirements because the underlying zoning still allowed non-housing development. Since Overlay zoning is an elective option, when the underlying zoning is non-residential (e.g., General Commercial) and allows non-housing development, there is no assurance that the needed housing development will occur.

**ANALYSIS:**

The proposed amendments of the MU-O involve the following components:

**1. Residential or Mixed-Use Development to be mandatory.**

To demonstrate that jurisdictions have the proper zoning and density allowances to accommodate their share of RHNA, Housing Elements discuss and demonstrate their zoning capacity. If it's shown that a jurisdiction's zoning capacity cannot accommodate its share of RHNA, Housing Elements must identify sites that need to be rezoned to ensure sufficient capacity (plus a 15 to 30% buffer) to accommodate RHNA. The draft Housing Element has identified hundreds of parcels that can accommodate RHNA through the MU-O Zone. To be consistent with the court ruling, the proposed amendment eliminates the elective overlay zone option for parcels within the MU-O if they are identified as an Opportunity Site/Parcel in the Housing Element. The opportunity/site parcels are shown on the attached map. Any new development on the Opportunity Sites/Parcels can only be a residential or Mixed-Use project.

**2. Reduction of minimum density.**

The other key amendment to the MU-O concerns its minimum density standard. The adopted MU-O sets maximum density limits of 70 and 100 dwelling units per acre, depending on location. The adopted MU-O also set a minimum density of 70 dwelling units per acre. The State Department of Housing and Community Development (HCD) instructed the City to modify this standard, as it felt the minimum density was too high and could discourage housing projects. HCD agreed that a minimum density of 40 dwelling units per acre was acceptable. In addition to establishing a lower density limit, the amendment includes a provision allowing the City to consider densities lower than 40 dwelling units per acre, subject to legislative action and discretionary review. Instead of outright prohibiting projects that may be appropriate but fall just below the 40-unit threshold, HCD directed staff to modify the ordinance to allow lower density on a case-by-case basis, subject to legislative action and discretionary review.

**3. Other changes**

Other aspects of the amendment to the MU-O involve non-substantive changes that clarify various aspects of the MU-O, including definitions of specialized terms.

Exhibit A of the proposed Ordinance shows the proposed language (underlined) and the language to be removed in strike through.

**ENVIRONMENTAL ANALYSIS:**

Pursuant to the California Environmental Quality Act ("CEQA"), the Community Development Department has determined that the proposed amendments to the previously adopted Mixed-Use Overlay Zone is exempt from environmental review under the California Environmental Quality Act, (California Public Resources Code §§ 21000, et seq., ("CEQA") and the CEQA Guidelines (14 California Code of Regulations §§ 15000, et seq.) because the amendments consist of revisions to the minimum density standard and definitions of terms. The amendments do not change the existing allowable maximum densities and allowable uses, which were previously analyzed as part of an Environmental Impact Report for the Housing Element and the Mixed-Use Overlay Zone when it was first introduced and adopted. The amendment, therefore, is exempt from the requirements of CEQA under CEQA Guidelines Section 15061(b)(3), because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**PUBLIC NOTICE:**

Notice of the public hearing was published on January 16, 2026, in the *Los Cerritos Community News*.

**PLANNING COMMISSION MEETING:**



At the January 13, 2026, Special Meeting of the Planning Commission, after receiving a report from City Staff, conducting a public hearing, and deliberating, the Planning Commission adopted Resolution 2026-01P recommending the City Council amend sections of Title 48 (Mixed-Use Overlay Zone) of the Artesia Municipal Code and find the amendment to be exempt from the California Environmental Quality Act.

**RECOMMENDED COUNCIL ACTION:**

Planning Commission recommended approval to City Council, by motion:

1. Waive Full Reading and Introduce by Title Only, Ordinance No. 26-980, Amending Sections of Title 48 (Mixed-Use Overlay Zone) of Chapter 2 (Zoning) of Title 9 (Planning and Zoning) of the Artesia Municipal Code and Finding the Ordinance Exempt From CEQA Pursuant To State CEQA Guidelines Section 15061(b) (3); And
2. Direct Staff to File Notice of Exemption

**Attachments**

[Ordinance No. 26-980 to Amend the MU-O.pdf](#)

[Exhibit A to Ordinance No 26-980.pdf](#)

[Map - MUO Parcels - Building Height Limitations.pdf](#)

[PC Resolution No 2026-01P.pdf](#)

[City Council Staff Report 6-9-25.pdf](#)

[Public Hearing Notice - Ord 26-980.pdf](#)

## **ORDINANCE NO. 26-980**

### **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF ARTESIA, CALIFORNIA, AMENDING SECTIONS OF TITLE 48 (MIXED-USE OVERLAY ZONE) OF CHAPTER 2 (ZONING) OF TITLE 9 (PLANNING AND ZONING) OF THE ARTESIA MUNICIPAL CODE AND FINDING THE ORDINANCE EXEMPT FROM CEQA PURSUANT TO STATE CEQA GUIDELINES SECTION 15061(b)(3)**

**THE CITY COUNCIL OF THE CITY OF ARTESIA DOES ORDAIN AS FOLLOWS:**

#### **SECTION 1. Recitals.**

- A. The Artesia City Council, on July 14, 2025, adopted Ordinance No. 25-970 establishing a Mixed-Use Overlay (MU-O) Zone to accommodate new mixed-use infill residential, retail, and commercial development within the City, and to facilitate affordable multi-family housing for lower-income households.
- B. The adoption of the MU-O Zone fulfilled General Plan Land Use Policy Action LU 1.4.1, directs the City to amend the Zoning Code to implement mixed-use zoning districts that provide development standards for mixed-use development and is necessary to implement the City of Artesia's 6<sup>th</sup> Cycle Housing Element to ensure sufficient density allowance for the city to accommodate its share of the Regional Housing Needs allocation (RHNA) as determined by the Southern California Association of Governments (SCAG).
- C. Since the adoption of the MU-O Zone, a recent court case (*New Commune DTLA LLC v. City of Redondo Beach (2025)*) has necessitated the City to amend the MU-O Zone, as residential overlay zones are insufficient to meet state housing law requirements when underlying zoning allows non-housing development.
- D. The proposed amendments, in response to the Court Case, mandate that new development on parcels identified as a shortfall site (Opportunity Sites/Parcels) in the Housing Element must be residential or mixed-use.
- E. Government Code Section 65353 provides that an amendment to a zoning ordinance, which amendment modifies any regulations listed in Section 65850 theretofore imposed (e.g., the use of properties), must be adopted in the manner set forth in Government Code Sections 65854 to 65857, inclusive. Government Code Section 65854 provides that the Planning Commission must hold a noticed public hearing on a proposed amendment

to a zoning ordinance. Government Code Section 65855 provides that after the hearing, the Planning Commission must render its decision in the form of a written recommendation to the legislative body. The recommendation must include (1) the reasons for the recommendation, (2) the relationship of the proposed amendment to applicable general and specific plans.

- F. On January 13, 2026, the Planning Commission conducted a duly noticed public hearing to consider the proposed amendments to Article 48 (Mixed-Use Overlay Zone (MU-O) of Title 9 (Planning and Zoning) of the Artesia Municipal Code, and following receipt of all public testimony, closed the public hearing on that date and adopted Resolution No. 2026-01P.
- G. The City Council conducted a properly noticed public hearing on January 26, 2026, at which members of the public were afforded an opportunity to comment on this Ordinance, the recommendations of the Planning Commission and staff, and other public testimony.
- H. All legal preconditions to the adoption of this Ordinance have occurred.

**SECTION 2. Incorporation of Recitals.** The City Council hereby finds that the foregoing recitals are true and correct and incorporated herein as substantive findings of this Ordinance.

**SECTION 3. CEQA.** In accordance with the California Environmental Quality Act (Public Resources Code, §§ 21000 et seq., "CEQA"), the proposed amendments to the previously adopted Mixed-Use Overlay Zone are exempt from environmental review under the California Environmental Quality Act ( California Public Resources Code §§ 21000, et seq., ("CEQA") and the CEQA Guidelines ( 14 California Code of Regulations §§ 15000, et seq.) because the amendments consist of revisions to the minimum density standard and definitions of terms. The amendments do not change the existing allowable maximum densities and allowable uses, which were previously analyzed as part of an Environmental Impact Report for the Housing Element and the Mixed-Use Overlay Zone when it was first introduced and adopted. The amendment, therefore, is exempt from the requirements of CEQA under CEQA Guidelines Section 15061( b)( 3), because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**SECTION 4. Findings.** Government Code section 65860 requires a city's ordinance to be consistent with the general plan. Based on all evidence in the record, the City Council finds as follows:

- A. The proposed amendments are consistent with the goals and policies of the City's General Plan 2030. The proposed Zoning Code Amendment amends sections of Article 48 (Mixed-Use Overlay Zone (MU-O) of Title 9 (Planning and Zoning) of the Artesia Municipal Code. The proposed Zoning Code Amendment has been designed to be consistent with State Housing Law, the City's 6th Cycle Housing Element, and the City's General Plan 2030. The proposed Zoning Code

Amendment implements General Plan Community Development and Design Element, Land Use Sub-Element, Community Planning Principle LU 1, and Policy Vicinity Action LU 1.4.1. The proposed Zoning Code Amendment will not adversely affect or be detrimental to adjacent properties, as the standards of the Mixed Use Overlay Ordinance ensure the protection and enhancement of adjacent and future development. The proposed Zoning Code Amendment implements the following goals and policies contained in the City's General Plan 2030 Community Policy Program:

1. Community Policy LU 1.1 and Policy Action LU 1.1.1, which encourage the identification of appropriate locations for residential and non-residential development to accommodate growth through the year 2030 by evaluating amendments to the General Plan Land Use Map to consider the effect that such amendments will have on the City's ability to achieve its goals of a well planned community.
2. Community Policy LU 1.2 and Policy Action LU 1.2.1, which encourage a wide variety of commercial services in appropriate locations by analyzing the current inventory of developed and undeveloped commercial sites in the City in order to assess which are economically viable commercial developments that can be supported.
3. Community Policy LU 1.3 and Policy Action LU 1.3.1, which encourages active and inviting pedestrian-friendly street environments that include a variety of uses within commercial and mixed-use areas by enhancing access, safety and the streetscape experience for pedestrians, bicyclists, and transit riders; and focus improvements in areas with the highest need.
4. Community Policy LU 1.4 and Policy Action LU 1.4.1 and 1.4.2, which ensures mixed use developments are integrated with surrounding uses to become part of the neighborhood by utilizing cohesive architecture, lively streetscapes, interesting urban spaces, and attractive landscaping.

**SECTION 5. Amendment.** Sections of Article 48 (Mixed-Use Overlay Zone) of Chapter 2 (Zoning) of Title 9 (Planning and Zoning) is amended as shown in Exhibit A of this Ordinance.

**SECTION 6. Effective Date.** This Ordinance shall become effective 30 days after the City Council adopts this Ordinance.

**SECTION 7. Severability.** Should any provision of this Ordinance, or its application to any person or circumstance, be determined by a court of competent jurisdiction to be unlawful, unenforceable, or otherwise void, that determination shall have

no effect on any other provision of this Ordinance or the application of this Ordinance to any other person or circumstance, and, to that end, the provisions hereof are severable. The City Council of the City of Artesia declares that it would have adopted all the provisions of this Ordinance that remain valid if any provisions of this ordinance are declared invalid.

**SECTION 8. Adoption, Certification, and Publication.** The City Clerk of the City of Artesia shall certify the passage and adoption of this Ordinance and shall cause the same, or a summary thereof, to be published and/or posted in the manner required by law.

**SECTION 9. Record of Proceedings.** The documents and materials associated with this ordinance that constitute the record of proceedings on which these findings are based are located at 18747 Clarkdale Ave, Artesia, CA 90701. The City Clerk is the custodian of the record of proceedings.

**SECTION 10.** The Community Development Director shall certify to the adoption of this Resolution and shall forward a copy of it to the City Clerk and to the City Council.

**PASSED, APPROVED AND ADOPTED** this 26th day of January 2026.

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RENE TREVINO, MAYOR

ATTEST:

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JENNIFER ALDERETE, CITY CLERK

APPROVED TO FORM:

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BEST BEST & KRIEGER, CITY ATTORNEY

I, Jennifer Alderete, City Clerk of the City of Artesia, do hereby certify that the foregoing Ordinance was adopted at the City Council Meeting held on the 26th day of January 2026, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

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JENNIFER ALDERETE, CITY CLERK

**EXHIBIT “A”**

**AMENDMENTS TO ARTICLE 48 (MIXED-USE OVERLAY  
ZONE) OF TITLE 9 (PLANNING AND ZONING) OF THE  
ARTESIA MUNICIPAL CODE**

# Exhibit A

## Article 48 Mixed-Use Overlay Zone (MU-O)

### Key:

Normal Text = Existing unmodified language in the Code

~~Strikethrough Text~~ = Existing language proposed to be removed from the Code

Underlined Text = Proposed language to be added to the Code

### § 9-2.4801. Intent and Purpose (MU-O).

- (a) The Mixed-Use Overlay (MU-O) Zone is enacted to implement, in part, the City of Artesia 6th Cycle Housing Element of the Artesia General Plan, to encourage and incentivize new mixed-use infill residential, retail, and commercial development within the City, and to facilitate affordable multi-family housing for very-low and low-income classifications. This article further establishes a Community Benefit Program as set forth in Section 9-2.4809. Except as otherwise provided in Section 9-2.4802(b), ~~this article is not intended to alter development rights or standards applicable to the underlying zoning.~~
- (b) Specific goals of this article include:
  - (1) Accomplishing the housing needs of the City per the current Regional Housing Needs Assessment (RHNA) as issued by the Gateway Cities Council of Governments and the State of California;
  - (2) Affirmatively furthering fair housing for all income levels;
  - (3) Incentivizing affordable housing for lower-income and special-needs households;
  - (4) Incentivizing socially and economically inclusive housing;
  - (5) Increasing the opportunities for a variety of housing types;
  - (6) Facilitating walkable development with multi-modal transportation options;
  - (7) Creating new patterns for socially-and economically-inclusive housing that reduce, segregated living patterns and work towards truly integrated and balanced living patterns;
  - (8) Facilitating increased employment and multi-modal access to jobs in high-resource areas.

### § 9-2.4802. Applicability.

- (a) The MU-O Zone may be applied to all properties identified on Map A, which follows the text of this article. If a property is not identified on Map A, the MU-O Zone shall not be applied to that property unless a map amendment and overlay zone change are approved by the Artesia City Council.
- (b) At an applicant's election, properties within the MU-O Zone may be developed either in accordance with: (1) this article; or (2) the standards of the underlying



zoning district or Specific Plan, except development proposals on any of the Opportunity Sites/Parcels within any of the nine Opportunity Areas listed in the Housing Element must be developed in accordance with the MU-O Zone and minimum density of 40 du/ac. Projects proposing less than 40 du/ac on these parcels require a legislative approval subject to discretionary review.

- (c) Once an applicant elects to develop a property under the MU-O Zone or the underlying zoning district or Specific Plan, that choice governs all subsequent development and approvals.

### **§ 9-2.4803. Definitions.**

- (a) *Affordable housing.* "Affordable housing" for the purposes of this article means housing available and deed-restricted for low-income and very-low-income households.
- (b) The term "low-income ~~families~~ households" has the same meaning as provided in Section 50079.5 of the California Health and Safety Code. "Lower income households" include very low income and extremely low income households, defined in Section 3(b)(2)(A) of the Housing Act of 1937 as amended (42 U.S.C.1437a(b)(2)(A)).
- (c) The term "very-low-income ~~families~~ households" has the same meaning as provided in Section 50105 of the California Health and Safety Code. defined in Section 3(b)(2)(B) of the Housing Act of 1937 as amended (42 U.S.C.1437a(b)(2)(B)).
- (d) The term "extremely low-income ~~families~~ households " has the same meaning as provided in Section 50106 of the California Health and Safety Code. defined in Section 3(b)(2)(C) of the Housing Act of 1937 as amended (42 U.S.C.1437a(b)(2)(C)).
- (e) The term "Moderate income households" has the same meaning as provided in Section 50093 of the California Health and Safety Code. means income greater than the area median income (AMI) but not exceeding 120% of the AMI, as established by the California Department of Housing and Community Development, pursuant to California Health & Safety Code Section 50093.
- ~~(f) The term "lower income households" includes households of very low, low and moderate income families.~~
- ~~(f)(g)~~ *Mixed-Use.* "Mixed-use" means for purposes of this article a combination of commercial- retail, institutional, or office uses in the same structure as a multiple-family residential development.

### **§ 9-2.4804. Principal Uses Permitted.**

- (a) The following uses are allowed as principally permitted uses where the MU-O Zone applies, if the project or proposed use complies with all development standards of Section 9-2.4807:
  - (1) Multiple-Family Residential Development. Except as provided in Section 9-2.4807(b) below, multiple-family residential development that is limited to residential uses and is not "mixed use" pursuant to Section 9-2.4803~~(f)(g)~~ is permitted where the underlying zone is residential, or the underlying Specific

Plan permits stand-alone residential uses. Multiple-family development may consist of rental apartment units or condominium units;

- (2) Mixed-Use Development. Commercial or office uses may occupy the first story in a multi-story structure but shall not exceed 50% of the total usable floor area of the structure;
- (3) 100% affordable-housing development;
  - (4) Supportive housing;
  - (5) Employee housing;
  - (6) Transitional housing as defined in Government Code Section 65582(q);
  - (7) Single-room occupancy unit where the underlying zone is commercial or industrial, or if not commercial or industrial, the site abuts the underlying commercial or industrial zone within the Mixed-Use Overlay boundary;
  - (8) Emergency shelters as defined in Section 9-2.406, "E" Words and Phrases, of Title 9 of the Artesia Municipal Code where the underlying zone is commercial or industrial, or if not commercial or industrial, the site abuts the underlying commercial or industrial zone within the Mixed-Use Overlay boundary;
  - (9) Low-barrier navigation centers, in accordance with Government Code Sections 65660 et seq.;
  - (10) Restaurants, where the underlying zone is commercial or in conjunction with Mixed Use development and that do not both; (i) serve alcohol; and (ii) provide outdoor dining except on any of the Opportunity Sites/Parcels within the nine Opportunity Areas identified in the Housing Element, new construction must be part of a mixed-use development subject to the mixed-use development standards;
  - (11) All service and professional uses that are allowed as principal uses under Section 9- 2.3002 where the underlying zone is commercial or in conjunction with Mixed Use development or an approved Specific Plan, except on any of the Opportunity Sites/Parcels within the nine Opportunity Areas identified in the Housing Element, net new commercial construction must be part of a mixed-use development subject to the mixed-use development standards.

#### **§ 9-2.4805. Conditionally Permitted Uses.**

- (a) The following uses are allowed as Conditionally Permitted uses in the MU-O Zone, if the project or proposed use complies with all development standards of Section 9-2.4807 where the underlying zone is commercial or if not commercial, the site abuts the underlying commercial zone:
  - (1) Hotels and motels;
  - (2) Bars and cocktail lounges;
  - (3) Restaurants that serve alcohol and that provide outdoor dining.

#### **§ 9-2.4806. Temporary Uses.**

Under the MU-O Zone, the property may be used for temporary uses as set forth in

Section 9-2.4002 of Article 40 of this chapter subject to approval of a temporary use permit in accordance with Article 40 of this chapter.

### **§ 9-2.4807. Development Requirements and Standards.**

Projects seeking approval under this article shall be subject to the following development requirements and standards:

(a) *All Projects:*

- (1) Property development within the MU-O Zone is subject to the Community Benefit Program and in-lieu fees (Section 9-2.4809) whether it is developed under MU-O standards or according to the underlying zoning.
- (2) At least 10% of the residential units, or one unit, whichever is greater, in each project developed under this article shall be reserved for households earning no more than 80% of Los Angeles County area median income adjusted for family size appropriate to the unit. The units shall be rented or sold at an affordable housing cost, as defined in Sections 50052.5 and 50053 of the California Health and Safety Code. The units shall be rented or sold in accordance with California Government Code Section 65915.
- (3) A 100 percent residential development will be permitted as a use by-right if the development satisfies all of the following: (1) When a the property (i) is identified in the current Housing Element as an Opportunity Site/Parcel that was rezoned to accommodate RHNA for lower income households subject to a shortfall site (subject to Government Code Sections 65583.2(h) and (i)); (ii) (2) the project includes at least 20 percent affordable units in accordance with subsection (a)(4) below; has a site capacity for 16 dwelling units or more at the minimum density of 70 dwelling units per acre, 100% residential development is permitted by right consistent with Government Code Sections 65583.2(h) and (3) the site (inclusive of lot consolidations) has a capacity for 16 dwelling units. To qualify for by-right review and approval, the (i). Residential projects must shall be constructed to a minimum density of 4070 dwelling units per acre or the current MU-O minimum density as set forth in Section 9-2.4807, whichever is greater. For purposes of this subsection (a)(3), “use by right” has the same meaning as provided in Government Code section 65583.2(i).
- (4) Affordability. To qualify for by-right review approval under subsection (a)(3) above, A at least 20% of the project’s total dwelling units shortfall sites must be designated as affordable to lower-income households as in Section 9-2.4803.
- (5) Mixed-use developments that combine residential and commercial uses are permitted on Opportunity Sites/Parcels that were rezoned to accommodate lower income RHNA HE shortfall sites as follows:
  - (i) Residential uses must occupy a minimum of 50% of the total floor area of the project.
  - (ii) A minimum of 2030% of the total dwelling units shall be reserved for lower- income households on Opportunity Sites/Parcels HE shortfall sites.

(b) *Mixed-Use Developments:*

- (1) Commercial uses shall occupy at least 50% of the ground-floor area of mixed-use developments; however, if a project comprises 100% low or very low income units or a combination thereof then the ground-floor commercial requirement is waived. The ground-floor commercial requirement is also waived on properties that are required to be re-zoned to conform to Housing Element requirements.
- (2) Where low to very-low-income units are incorporated in a proposed mixed-use development, the minimum required commercial floor area may be decreased by 10%.

(c) *Multi-Family Developments:*

- (1) The Condominium Development Standards contained in Article 36 of Chapter 2 of Title 9 of the Artesia Municipal Code do not apply to multi-family developments developed under the MU-O Zone. This provision does not prohibit condominium development in the MU-O Zone.
- (2) Density. All residential uses within the MU-O Zone shall be developed at a minimum residential density of ~~40~~ 70 dwelling units per acre. Housing developments with less than 40 dwelling units per acre require legislative approval subject to discretionary review. The maximum residential density shall be as follows:
  - (i) Where the maximum allowable building height is five stories or more, including applicable Artesia Density Bonus stories, the maximum density is 100 dwelling units per acre.
  - (ii) Where maximum allowable building height is four stories or fewer, including applicable Artesia Density Bonus stories, the maximum density is 70 dwelling units per acre.
  - (iii) Where the underlying zoning or Specific Plan permits a residential density greater than the maximum allowed under subsections (i) and (ii), the greater density applies.
  - (iv) California Density Bonus provisions for additional increased density with varying proportions of affordable units (Government Code Sections 65915 et seq.) may be applied to any proposed multi-family development.
- (3) Artesia Density Bonus. The Artesia Density Bonus increases the maximum number of stories for multiple-family or mixed-use projects that incorporate a minimum percentage of affordable units. Projects are eligible for one additional story such that where the maximum building height is five stories, the Artesia Density Bonus permits six stories; where the maximum building height is four stories, the Artesia Density Bonus permits five stories; and where the maximum building height is three stories, the Artesia Density Bonus permits four stories. Projects are eligible for the Artesia Density Bonus if they incorporate low to moderate-income units as follows:
  - (i) 35% or greater of low to very-low income housing.
  - (ii) 45% or greater of moderate-income housing.
  - (iii) Projects proposing 100% market-rate units are not eligible for the Artesia

## Density Bonus.

Note: See Map A for height and density designations.

- (4). Private outdoor living space. Each unit shall have private outdoor living space of at least 100 square feet. The outdoor living space may include rooftop decks, balconies, or patios and shall have a minimum dimension of 5 feet in every direction.
  - (4) Communal Open Space and Recreation Facilities. A minimum of 50 square feet per dwelling unit, with a total minimum area of 600 square feet, of communal open space and recreation facilities, shall be provided for exclusive use by multi-family or mixed-use development residents and their guests. This requirement may be satisfied by various facilities in separate locations within the residential or mixed-use building (for example, gym, garden, rooftop deck, plaza, forecourt); however, no single facility may be less than 500 square feet in area with minimum dimensions of 10 feet in every direction. Non-enclosed communal open space may be provided in setback areas.
  - (5) Distribution/Location of Low-Income Units. Units designated as affordable shall be reasonably dispersed throughout the development, shall contain on average the same number of bedrooms as the market-rate units, and shall be comparable with the market-rate units in terms of appearance, finish quality, and materials.
- (d) *Yards.* Except as otherwise provided in Article 9 of this chapter, the following yard requirements apply:
- (1) Front Yards. Front yards are not required.
  - (2) Side Yards.
    - (i) Each lot or parcel of land that has a side lot line adjoining property in a residential or agriculture zone shall have a side yard not less than 10 feet in width on the side adjoining such residential or agricultural lot or parcel of land.
    - (ii) Where a side lot line abuts a property not within the MU-O Zone that is developed with a residential use, the minimum setback for the first and second stories is 10 feet, and the minimum setback for the third and fourth stories is 15 feet. Additional stories above the fourth story that are granted pursuant to the City of Artesia Density Bonus Ordinance as affordable housing development concessions shall be subject to a minimum setback of 20 feet. Buildings may be stepped to achieve these setback requirements, or the developer may choose to set back the entire building to meet the largest setback requirement.
    - (iii) Where the side lot line of any lot or parcel of land adjoins property that is not within the MU-O Zone or that is not zoned for residential use, the side yard shall conform to the underlying zone of that lot or parcel.
  - (3) Rear Yards.
    - (i) Each lot or parcel of land which has a rear lot line adjoining property in a residential or agricultural zone shall have a rear yard not less than 10 feet

in depth.

- (ii) Where a rear setback abuts a residentially-zoned property not within the MU-O Zone, the minimum setback for the first and second stories is 10 feet, and the minimum setback for the third and fourth stories is 15 feet.
- (e) *Privacy.* Where a property abuts a residentially-zoned property that is not within the MU-O Zone:
  - (1) Private open spaces and communal open spaces that face residentially-zoned property shall include screening that is at least six feet above floor level. Screening is not to be considered part of the building for the purposes of measuring building height.
  - (2) All parts of windows on stories above ground level that face residentially-zoned property shall be at least six feet above the floor level in that story or shall be constructed with non-transparent material to obscure views into adjacent private yards (e.g., frosted or textured glass, or other solution to the satisfaction of the Community Development Director).
- (f) *Height Limits.* Height limits are established by the number of stories per parcel as shown on Map A, except that additional stories added pursuant to Section 9-2.4807(c)(3), Artesia Density Bonus, are allowed.
- (g) *Design Standards.*
  - (1) Facade Articulation. The facade of any building shall not have a single, unarticulated plane of more than 30 linear feet. Articulation of the facade shall be of a depth not less than two feet.
  - (2) Building Entrance. A building entrance or entrances shall be set back or projected forward from the main facade of the building by not less than six feet.
  - (3) Additional Design Criteria. Except where detailed in Subsections (g)(1) and (g)(2), above, development shall meet the objective design criteria applicable to the underlying zoning or Specific Plan except where the underlying zoning is a residential zone. If the underlying zoning is a residential zone, then the design standards applicable to the Commercial General (C-G) Zone apply.
  - (4) Shade and Shadow Analysis. New development projects shall not cast shadows with durations of more than three hours during the spring and fall equinoxes, or more than four hours during the winter and summer solstices. Evidence of shadow duration may be demonstrated by a project-specific shade and shadow computer analysis, a structural model, or other means acceptable to the Community Development Director or designee. Reducing a structure's shadow potential may require reducing some or all of a structure's height, regardless of the maximum height permitted in the MU-O Zone area.
- (h) *Off-Street Parking.* Each lot or parcel of land shall comply with the following parking location requirements:
  - (1) Location. The required parking facilities set forth in Subsection 3(i)(c) of this section shall be located entirely behind or within the building. Vehicle parking may not be located along any street frontage of the property. For the purposes of Subsection 3(i)(a) an alley is not a street.

(2) Additional requirements for above-grade parking:

- (i) Parking garage facades shall have decorative elements as follows:
  - (ii) Where a property has a depth of 120 feet or longer as measured from the property street frontage, the parking garage portion of the development shall incorporate on the building's street frontage developable space to accommodate retail, office, or other permitted uses along the street frontage and to screen the parking garage from the street.
  - (iii) Where a property has a depth of less than 120 feet as measured from the property street frontage, the parking garage facade shall incorporate screening elements, window displays, vertical landscaping, or a combination of one or more of these.
- (3) Parking garages shall have a street-accessible pedestrian entry/exit door. Access from the street shall be controlled by an electronic locking mechanism to prevent unauthorized entry.

(i) *Parking Spaces Required.*

(1) The following parking requirements apply:

- (i) Two standard spaces per each residential unit with two or more bedrooms.
- (ii) One standard space per each residential unit with one or fewer bedrooms (e.g., studio units);
- (iii) One quarter (1/4) space per each multi-family unit for guest parking. Multi-family guest parking shall be identified as such and kept separate from retail and commercial parking areas;
- (iv) For all commercial uses, including restaurants, retail, and service uses, parking requirements are one space per 250 square feet of floor area.
- (v) For all developments that include five or more affordable units, parking space requirements shall be reduced by 10%, excluding ADA parking space requirements. The number of parking spaces for such projects may be further reduced upon application to the Community Development Director.
- (vi) For residential uses exclusively accommodating senior housing, supportive or transitional housing, SROs, or other housing for individuals with physical or developmental disabilities, parking-space requirements shall be reduced by 20%, excluding ADA parking space requirements. The number of parking spaces for these uses may be further reduced upon application to the Community Development Director.
- (vii) Hotels are subject to the parking requirements in Article 11.

(j) *Bicycle Parking.*

- (1) For residential uses with ten or more units, one bicycle space for every four residential units or four total spaces, whichever is more, shall be provided in a secured location for exclusive use by residents and their guests.
- (2) For commercial uses, one bicycle space per 1,000 square feet of retail or service use floor space shall be provided in a location accessible to the public.

- (k) *Signs*. All signage shall comply with Title 9, Ch. 2 of Article 12 of the Artesia Municipal Code.
- (l) *Landscaping*. Except as modified by this article, landscaping shall comply with Article 15 of this chapter.
  - (1) Landscaping other than turfgrass (lawns) may be provided in any manner, including, but not limited to, ornamental planting at grade, including trees, shrubs, annual plants, decorative groundcover, etc., and ornamental planting in raised planters. Turfgrass shall not be used as a decorative groundcover or other non-functional application. Turfgrass may be used in common areas, but shall be subject to City or State water-conservation regulations. Landscaping may be included in rear and side setback areas.
  - (2) Article 15, Section 9-2.1502, Required Area, does not apply to properties developed according to the Mixed-Use Overlay.
- (m) *Trash Containers*. Trash enclosures shall comply with the trash enclosure standards applicable to the underlying zone or Specific Plan.
- (n) *Air Conditioning Units*. Exterior air conditioning unit locations shall comply with the Air Conditioning Unit standards applicable to the underlying zone or Specific Plan. If no standards are established by the underlying zone or Specific Plan, exterior air conditioning units shall be screened according to the development standards set forth in Artesia Municipal Code Title 9, Planning and Zoning, Article 29 Multiple Residential (M-R), Section 9-2.2904(k).
- (o) *Lighting*. All outdoor parking lot, security, and ornamental landscape lighting, except for ornamental landscape uplights designed to illuminate tree canopies, shall be shielded and directed downwards. Lamps shall be shielded such that their illumination does not exceed 0.5 foot-candle at any property boundary.
- (p) *Emissions Analysis*. Prior to issuance of building permits, project applicants shall estimate development projects' construction and operational emissions using the CalEEMod® Emissions Estimator or equivalent modeling tool, and shall incorporate emissions-reduction measures so that estimated construction and operational emissions do not exceed applicable regional and localized thresholds.



- (q) *Energy Efficiency.* Prior to issuance of building permits, project applicants shall demonstrate in their Title 24 energy calculations that Title 24 minimum requirements will be exceeded by 10%. Projects incorporating 100% affordable residential units are exempt from this requirement.
- (r) *Noise and Vibration Analysis.* Prior to issuance of building permits for any proposed construction activity requiring a building permit where pile drivers, pavement breakers, jack-hammers, compaction equipment such as vibratory rollers, or other equipment typically causing ground-borne vibration will be used, applicants shall evaluate the potential of construction equipment to cause vibration that would adversely affect people or structures. If the anticipated vibration would exceed 0.5 PPV, then vibration-dampening measures are required to reduce vibration to less than 0.5 PPV.

**§ 9-2.4808. Design Review.**

- (a) *Applicability.* Projects meeting the following criteria are subject to discretionary Design Review approval in accordance with Article 20 of this chapter:
  - (1) Any proposed development in the MU-O Zone without a housing component;
  - (2) Any proposed residential or mixed-use (commercial-residential) project that does not contain very-low-income, low income, or moderate-income units;
  - (3) All other projects except as enumerated in Section 9-2.4808(b) below.
  - (4) Residential or mixed-use projects that achieve a density less than 40 dwelling units per acre, require legislative approval subject to discretionary review and No Net Loss Law as outlined in Government Code section 65863.
- (b) *Exemptions.* The following development project categories are exempt from discretionary Design Review:
  - (1) Any proposed residential development in the MU-O Zone that is subject to ministerial review;
  - (2) Residential development incorporating four or fewer market-rate residential units;
  - (3) Multi-Family residential projects of five or more residential units that include affordable housing;
  - (4) Mixed-use development that are described by Government Code Section 65589.5(h)(2)(B) and that includes affordable housing;
  - (5) Residential projects comprising 100% low or very low income units or a combination thereof;
  - (6) Single room occupancy residential facilities;
  - (7) Emergency shelters;
  - (8) Employee housing;
  - (9) Transitional housing;

(10) Supportive housing;

(11) Residential projects designed to accommodate seniors (65+) or people with disabilities.

**§ 9-2.4809. Community Benefit Program.**

(a) *Community Benefit Program.* The Community Benefit Program is intended to balance development goals with community housing needs to take meaningful action to affirmatively further fair housing. The program features two Community Benefits, the Artesia Density Bonus, and the Affordable Housing In Lieu fee program. The Artesia Density Bonus permits increased residential height limits in exchange for affordable housing, and the "in-lieu" fee program permits market-rate development in exchange for contributing to developing affordable housing elsewhere in the City. All sites within the MU-O boundary are subject to the City's Community Benefit Program for Affordable Housing, as follows:

(1) Except as set forth below, projects that are entirely non-residential are exempt from providing affordable housing pursuant to this section.

(2) Applicability. The provisions of this section shall be applicable to all development projects within the MU-O Zone.

(b) *Artesia Density Bonus.* The Artesia Density Bonus as set forth in Section 9-2.4807(c)(3) may be utilized by all projects within the MU-O zone and is intended to facilitate the development of affordable housing in the City.

(c) *Affordable Housing In Lieu Fee.* The Affordable Housing In-Lieu fee shall be applied to development projects within the MU-O as set forth below.

(1) Application:

(i) Projects proposing a minimum of 15% very-low-income units, 15% low-income units, or 25% moderate-income units, or combination thereof, (calculated from base density) shall be exempt from the in-lieu fee;

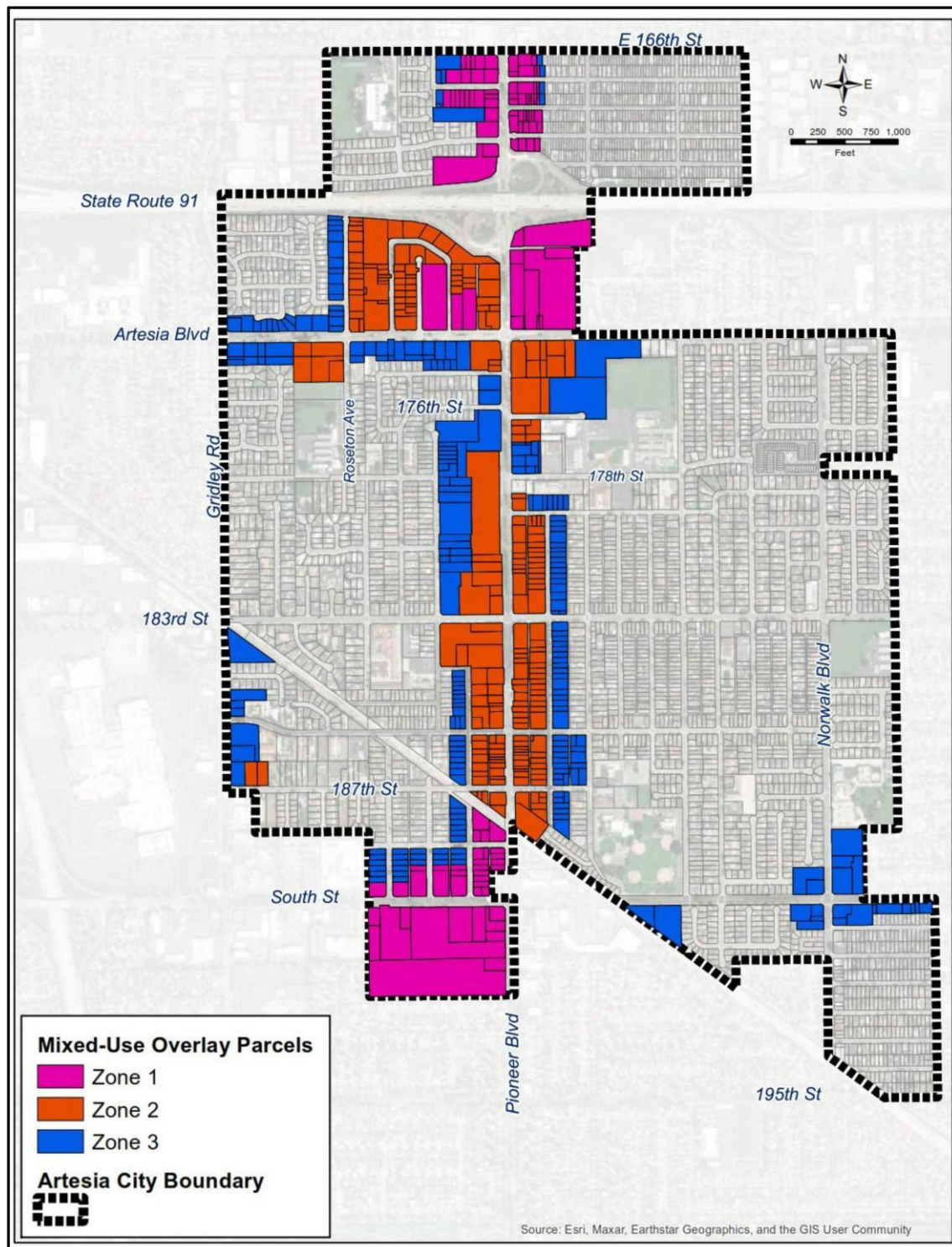
(ii) Projects proposing less than the affordability percentages in Section 9-2.4808(c)(1)(i) shall be subject to the corresponding proportional amount of the in-lieu fee as follows:

(A) Projects proposing less than 5% of very-low or low-income units, or less than 10% of moderate income units, shall be subject to 75% of the fee;

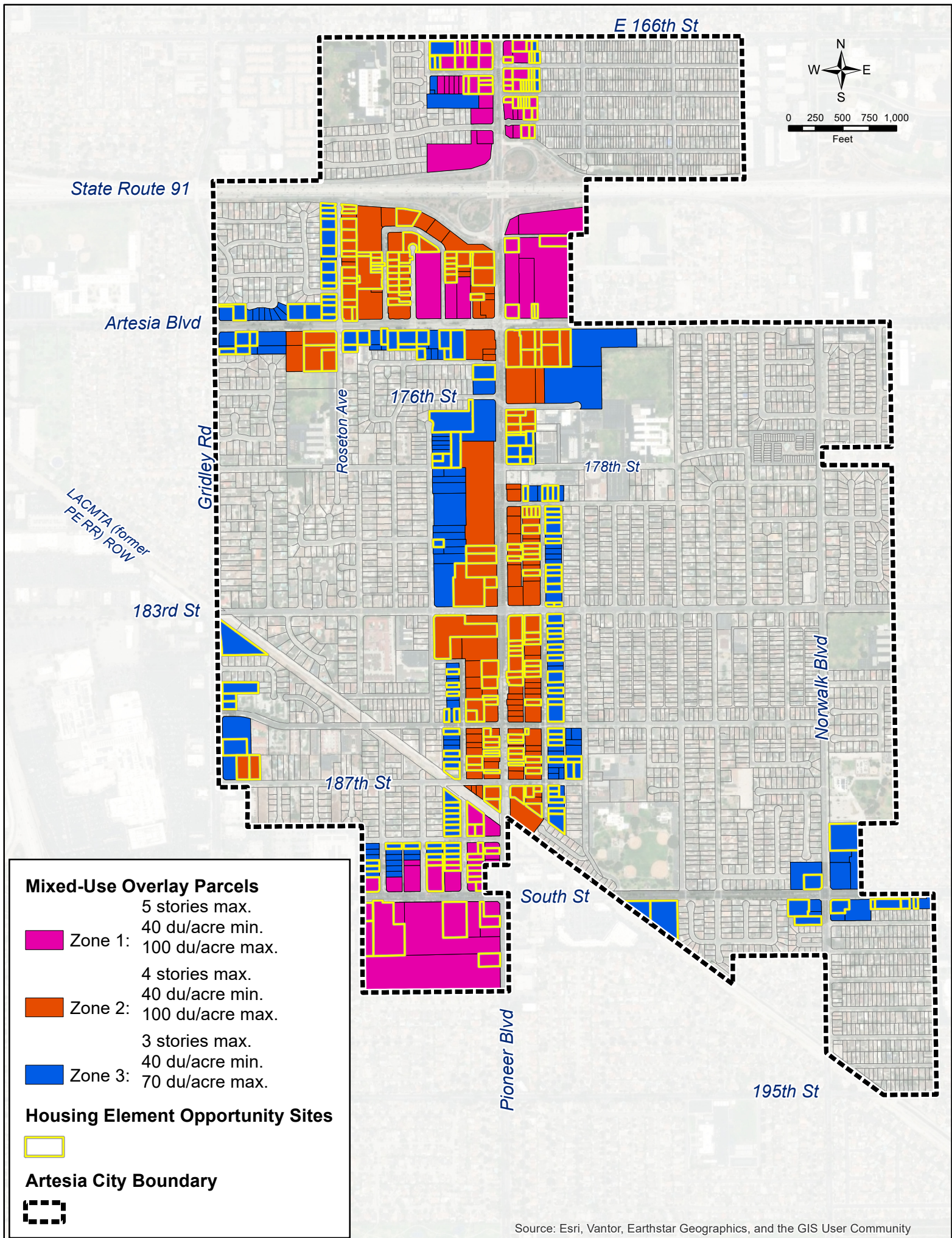
(B) Projects proposing between 5% and 10% of very-low or low-income units, or between 10% and 20% of moderate-income units, shall be subject to 50% of the fee;

- (C) Projects proposing between 10% and 15% of very-low-income or low-income units, or between 20% and 25% of moderate-income units, shall be subject to 25% of the fee.
  - (iii) Projects not proposing any affordable housing units shall be subject to 100% of the in-lieu fee.
  - (2) Amount of Fee. The amount of the in-lieu fee shall be set by resolution of the City Council.
  - (3) Timing of Payment. The fee required by this section shall be paid before issuance of a certificate of occupancy or final inspection.
  - (4) Basis for Fee. The fee shall be calculated according to the results of a City-initiated development fee study, and shall be increased periodically according to the Consumer Price Index or similar time-based escalator. There is a reasonable relationship to requiring properties that could otherwise include affordable residential units to offset the lack of affordable units in each project with the fee because the fee serves the important public purpose of facilitating affordable housing.
  - (5) Affordable Housing Trust Fund. Fees paid to fulfill the requirements of this chapter shall be placed in the City's Affordable Housing Trust Fund. The funds shall be used exclusively for projects that have a minimum of 60% of the dwelling units affordable to low-and moderate-income households, with at least 30% of the units available to low-income households. Only tax-exempt nonprofit corporations seeking to create or to preserve the housing in the city shall be eligible to apply to the Council for funding. The funds may, at the discretion of the Council, be used for pre-development costs, land or air rights acquisition, administrative costs, gap financing, or to lower the interest rate of construction loans or permanent financing. In a project that includes market-rate units, trust fund monies shall only be provided to assist in the acquisition or construction of those units affordable to lower- and moderate-income households.
- (d) *Affordable Housing Regulatory Agreement.* A legally binding agreement, in a form approved by the City Attorney, shall be executed and recorded against the property to ensure that the property complies with all of the requirements of state law and of this article, including, but not limited to, the requirement that affordable units be deed-restricted in accordance with state law requirements. If affordable units are not subject to a durational requirement imposed by state law, then such affordable units must be deed restricted for a period of not less than 35 years. The property owner shall record the regulatory agreement prior to recording any final map for the property, or prior to the issuance of any building permit for the project, whichever comes first. The regulatory agreement shall bind all future owners and successors in interests of the project.

Figure 1 City of Artesia Mixed -Use Overlay, Map A







**CITY OF ARTESIA  
PLANNING COMMISSION**

**RESOLUTION NO. 2026-01P**

**A RESOLUTION OF THE PLANNING COMMISSION OF  
THE CITY OF ARTESIA RECOMMENDING THAT THE CITY  
COUNCIL AMEND SECTIONS OF TITLE 48 (MIXED-USE  
OVERLAY ZONE) OF THE ARTESIA MUNICIPAL CODE  
AND FIND THE AMENDMENT TO BE EXEMPT FROM THE  
CALIFORNIA ENVIRONMENTAL QUALITY ACT**

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**THE PLANNING COMMISSION OF THE CITY OF ARTESIA DOES HEREBY  
FIND, ORDER AND RESOLVE AS FOLLOWS:**

**SECTION 1.** The Artesia City Council, on July 14, 2025, adopted Ordinance No. 25-970 establishing a Mixed-Use Overlay (MU-O) Zone to accommodate new mixed-use infill residential, retail, and commercial development within the City, and to facilitate affordable multi-family housing for lower-income households.

**SECTION 2.** The adoption of the MU-O Zone fulfilled General Plan Land Use Policy Action LU 1.4.1, directs the City to amend the Zoning Code to implement mixed-use zoning districts that provide development standards for mixed-use development and is necessary to implement the City of Artesia's 6<sup>th</sup> Cycle Housing Element to ensure sufficient density allowance for the city to accommodate its share of the Regional Housing Needs allocation (RHNA) as determined by the Southern California Association of Governments (SCAG).

**SECTION 3.** Since the adoption of the MU-O Zone, a recent court case (*New Commune DTLA LLC v. City of Redondo Beach (2025)*) has necessitated the City to amend the MU-O Zone, as residential overlay zones are insufficient to meet state housing law requirements when underlying zoning allows non-housing development.

**SECTION 4.** The proposed amendments, in response to the Court Case, mandate that new development on parcels identified as a shortfall site (Opportunity Sites/Parcels) in the Housing Element must be residential or mixed-use.

**SECTION 5.** Government Code Section 65353 provides that an amendment to a zoning ordinance, which amendment modifies any regulations listed in Section 65850 theretofore imposed (e.g., the use of properties), must be adopted in the manner set forth in Government Code Sections 65854 to 65857, inclusive. Government Code Section 65854 provides that the Planning Commission must hold a noticed public hearing on a proposed amendment to a zoning ordinance. Government Code Section 65855 provides that after the hearing, the Planning Commission must render its decision in the form of a written recommendation to the legislative body. The recommendation must include (1)

the reasons for the recommendation, (2) the relationship of the proposed amendment to applicable general and specific plans.

**SECTION 6.** On January 13, 2026, the Planning Commission conducted a duly noticed public hearing to consider the proposed amendments to Article 48 (Mixed-Use Overlay Zone (MU-O) of Title 9 (Planning and Zoning) of the Artesia Municipal Code and closed the public hearing.

**SECTION 7.** In accordance with the California Environmental Quality Act (Public Resources Code, §§ 21000 et seq., "CEQA"), the proposed amendments to the previously adopted Mixed-Use Overlay Zone are exempt from environmental review under the California Environmental Quality Act ( California Public Resources Code §§ 21000, et seq., ("CEQA") and the CEQA Guidelines ( 14 California Code of Regulations §§ 15000, et seq.) because the amendments consist of revisions to the minimum density standard and definitions of terms. The amendments do not change the existing allowable maximum densities and allowable uses, which were previously analyzed as part of an Environmental Impact Report for the Housing Element and the Mixed-Use Overlay Zone when it was first introduced and adopted. The Planning Commission hereby recommends that the City Council find that the amendment, therefore, is exempt from the requirements of CEQA under CEQA Guidelines Section 15061( b)( 3), because it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

**SECTION 8.** The Planning Commission hereby recommends that the City Council find that the proposed amendments are consistent with the goals and policies of the City's General Plan 2030. The proposed Zoning Code Amendment amends sections of Article 48 (Mixed-Use Overlay Zone (MU-O) of Title 9 (Planning and Zoning) of the Artesia Municipal Code. The proposed Zoning Code Amendment has been designed to be consistent with State Housing Law, the City's 6th Cycle Housing Element, and the City's General Plan 2030. The proposed Zoning Code Amendment implements General Plan Community Development and Design Element, Land Use Sub-Element, Community Planning Principle LU 1, and Policy Vicinity Action LU 1.4.1. The proposed Zoning Code Amendment will not adversely affect or be detrimental to adjacent properties, as the standards of the Mixed Use Overlay Ordinance ensure the protection and enhancement of adjacent and future development. The proposed Zoning Code Amendment implements the following goals and policies contained in the City's General Plan 2030 Community Policy Program:

- A. Community Policy LU 1.1 and Policy Action LU 1.1.1, which encourage the identification of appropriate locations for residential and non-residential development to accommodate growth through the year 2030 by evaluating amendments to the General Plan Land Use Map to consider the effect that such amendments will have on the City's ability to achieve its goals of a well planned community.
- B. Community Policy LU 1.2 and Policy Action LU 1.2.1, which encourage a wide variety of commercial services in appropriate locations by analyzing the current

inventory of developed and undeveloped commercial sites in the City in order to assess which are economically viable commercial developments that can be supported

- C. Community Policy LU 1.3 and Policy Action LU 1.3.1, which encourages active and inviting pedestrian-friendly street environments that include a variety of uses within commercial and mixed-use areas by enhancing access, safety and the streetscape experience for pedestrians, bicyclists, and transit riders; and focus improvements in areas with the highest need.
- D. Community Policy LU 1.4 and Policy Action LU 1.4.1 and 1.4.2, which ensures mixed use developments are integrated with surrounding uses to become part of the neighborhood by utilizing cohesive architecture, lively streetscapes, interesting urban spaces, and attractive landscaping.

**SECTION 9.** Based on the findings contained in Sections 1 through 8 above, and all other evidence in the record, the Planning Commission hereby recommends that the City Council adopt Ordinance No. 26-980 (attached hereto as Exhibit “A” and incorporated herein by reference).

**SECTION 10.** The Community Development Director shall certify to the adoption of this Resolution and shall forward a copy of it to the City Clerk and to the City Council.

**PASSED, APPROVED AND ADOPTED this 13<sup>th</sup> day of January 2026.**

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**Victor Manalo, Chairperson**

**ATTEST:**

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**Paul Bollier, Community Development Director**



**ROLL CALL VOTE:**

<b>AYES:</b>	<b>COMMISSIONERS:</b>
<b>NOES:</b>	<b>COMMISSIONERS:</b>
<b>ABSENT:</b>	<b>COMMISSIONERS:</b>
<b>ABSTAIN:</b>	<b>COMMISSIONERS:</b>

**EXHIBIT “A”**

**DRAFT ORDINANCE NO. 26-980 AMENDMENTS TO  
ARTICLE 48 (MIXED-USE OVERLAY ZONE) OF TITLE 9  
(PLANNING AND ZONING) OF THE ARTESIA MUNICIPAL  
CODE**



# CITY COUNCIL AGENDA REPORT

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**MEETING DATE:** June 9, 2025

**ITEM NO:** 10E.

**TO:** Mayor and Members of the City Council

**SUBJECT:** Case No. 2023-01: Zoning Code Amendment, Zoning Text Amendment and Zone Map Amendment Pertaining To Mixed Use Overlay

**FROM:** Sal Lopez, Interim Community Development Director

**REVIEWED AND APPROVED BY:**

Abel Avalos, City Manager

HongDao Nguyen, City Attorney

Melissa Burke, Deputy City Manager

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**RECOMMENDATION:**

Staff is recommending that the City Council:

1. Adopt Resolution No. 25-3048, Approving a Proposed Zoning Code Amendment Establishing a Mixed-Use Overlay (Mu-O) Zone (Case No. 2023-01), Amend the City of Artesia Zoning Map, and Certify a Supplemental Environmental Impact Report for the Proposed Zoning Code Amendment;
2. Introduce and Waive the First Reading of Ordinance 25-970, adding article 46 (mixed-use overlay zone (MU-O)) of chapter 2 (zoning) of title 9 (planning and zoning) of the Artesia Municipal code
3. Direct Staff to File Notice of Determination

**PLANNING COMMISSION MEETING**

At the May 20, 2025 Planning Commission Meeting, after receiving public testimony and deliberating, the Planning Commission adopted Resolution 2025-06P recommending the City Council approve the proposed Zoning Code Amendment establishing a Mixed Use Overlay (MU-O) Zone, amend the City of Artesia Zoning Map, and certify a Supplemental Environmental Impact Report for the proposed Zoning Code Amendment (Case No. 2023-01).

**BACKGROUND:**

**PROJECT SUMMARY:**

**ADDRESS:** An approximately 232-acre portion of the City generally extending along Pioneer Boulev from South Street to E. 166th St., and along Artesia Boulevard from Gridley Road Clarkdale Avenue.

**ZONING:** Existing: Multiple

Proposed: Mixed Use Overlay (MU-O) Zone

ADJACENT DEVELOPMENT: NORTH: Residences and commercial uses

SOUTH: Single family residences and commercial shopping centers

EAST: Schools, a church, apartments, and single-family residences

WEST: Los Cerritos Center Mall, single-family residences, commercial businesses

EXISTING ISSUES: Multiple

ASSESSOR INFORMATION Multiple  
NO.

SIZE: 232 acres

### **ANALYSIS:**

The proposed Mixed-Use Overlay (MU-O) Zone is intended to implement key elements of the City of Artesia's 2030 General Plan, including the 6th Cycle Housing Element, Community Planning Principle LU 1, and Policy Action LU 1.4.1. The MU-O would encourage high-quality, mixed-use infill development, combining residential, retail, and commercial uses while facilitating the production of affordable multi-family housing for very-low and low-income households. The MU-O supports increased housing densities and diverse land use options in alignment with California housing law (Government Code § 65580 et seq.) and the Regional Housing Needs Allocation (RHNA) assigned by the Southern California Association of Governments (SCAG).

The proposed Mixed-Use Overlay Zone would also establish a Community Benefit Program that would enable the accomplishment of greater residential density by permitting one additional story above the maximum number of stories within the MU-O, provided that minimum percentages of affordable residential units (dwelling units, or dus) were included. The ordinance is not intended to alter development rights or standards applicable to the underlying zoning or Specific Plans. The City's Zoning Code (Artesia Municipal Code (AMC) § § 9-2.101 – 9-2.4508) does not assign zone-specific residential densities.

### **Zone Change/Zoning Code Amendment/Zoning Map Amendment**

#### **Mixed Use Overlay Zone**

##### **Purpose and Content**

The MU-O for the City of Artesia is primarily intended to implement, in part, the City of Artesia 6th Cycle Housing Element of the Artesia General Plan, to encourage and to incentivize new mixed-use infill residential, retail, and commercial development within the city, and to facilitate affordable multi-family housing for very-low and low-income classifications. This ordinance would also establish a Community Benefit Program that would increase residential density by permitting one additional story above the maximum number of stories within the MU-O. The ordinance is not intended to alter development rights or standards applicable to the underlying zoning or Specific Plans.

Implementing the MU-O would allow the City of Artesia to accomplish its housing needs per the current Regional Housing Needs Assessment (RHNA) as allocated by the Southern California Association of Governments (SCAG) and the State of California. This would affirmatively further housing for all income levels and incentivize affordable housing for lower-income and special-needs households. The RHNA for each city and county includes assigned values for housing units affordable to households of very low, low, moderate, and above-moderate incomes. Artesia's share of the RHNA is 1,069 units, including 312 very-low income, 168 low-income, 128 moderate income, and 461 above-moderate income units (SCAG, SCAG 6th Cycle Final RHNA Allocation Plan, available at <https://scag.ca.gov/rhna> (accessed April 1, 2025)).

The proposed Mixed-Use Overlay Zone encompasses, but does not change the underlying zoning, including Specific Plans and their respective visions/goals.

### Location and Setting

The parcels are generally located along Pioneer Boulevard from South Street to E. 166th St., and along Artesia Boulevard from Gridley Road to Clarkdale Avenue. The City proposes to amend the Zoning Code and Map to assign a "Mixed-Use Overlay" (MU-O) zone over 569 parcels (approximately 232 acres). The overlay would be organized in three overlay areas which would allow mixed residential-commercial uses, stand-alone multifamily residential uses under specific conditions, retail establishments, restaurants, and service and professional uses. Objective development standards set forth common zoning requirements such as setbacks, building height, shared areas, etc. Residential developments that incorporate specified percentages of affordable units would be exempt from the City's discretionary design review procedures.

### Existing Zoning Designations

Ag-SF	Agriculture-SF Residential
CG	Commercial General
CPD	Commercial Planned Development
CT	Commercial Transition
CD	Condominium
HMI	Heavy Manufacturing/Industrial
HD	Historic District
LMI	Light Manufacturing/Industrial
MDR	Medium-Density Residential
MC/SFR	Mixed Commercial/Single Family Residential
MFR	Multiple-Family Residential
OS	Open Space
SP	Service & Professional
SFR	Single Family Residential
AL-SP	Artesia Live Specific Plan
P-SP	Pioneer Specific Plan
SS SP	South Street Specific Plan
AB-SP	Artesia Blvd Specific Plan
ABC-SP	Artesia Blvd Corridor Specific Plan

### Document Organization

The Mixed-Use Overlay (MU-O) Ordinance is organized to provide a framework for development and guide the design of the mixed-use project. The following provides a description of the MU-O's components:

- Section 9-2.4601: Intent and Purpose – Explains the overall background, purpose, and goals of the Mixed-Use Overlay.

- Section 9-2.4602: Applicability - Articulates the application of the MU-O Zone on properties and details development requirements and standards.
- Section 9-2.4603: Definitions – The definitions section of the MU-O Zone ordinance clarifies key terms related to housing and development.
- Section 9-2.4604: Principal Uses Permitted – Describes the principal permitted uses in the MU-O Zone including multi-family residential developments, mixed-use developments, supportive housing, employee housing, transitional housing, single-room occupancy etc.
- Section 9-2.4605: Conditionally Permitted Uses – Explains the Conditionally Permitted uses in the MU-O Zone in compliance with the development standards in Section 9-2.4607.
- Section 9-2.4606: Temporary Uses – Explains how properties may be utilized for temporary uses as set forth in Section 9-2.4002.
- Section 9-2.4607: Development Requirements and Standards – The development requirements and standards for projects include several key provisions including participation in the Community Benefit Program, affordability, mixed-use development, etc.
- Section 9-2.4608: Design Review – Details the applicability and exemptions of proposed developments.
- Section 9-2.4609: Community Benefit Program – Describes the purpose of the program and Community Benefits (Artesia Density Bonus and the Affordable Housing in Lieu Fee)

### **California Environmental Quality Act Compliance**

The California Environmental Quality Act (CEQA) (Public Resources Code Section 21000 et seq) requires State and local agencies to evaluate the environmental consequences of projects subject to their discretionary approval. Environmental Impact Reports (EIRs), including Supplements to Program EIRs, provide critical information to decision-makers and the public regarding potential environmental impacts, mitigation measures, and project alternatives. The City of Artesia previously certified a Program EIR for the 2030 General Plan (State Clearinghouse No. 2008011004) in 2010. The proposed Mixed-Use Overlay (MU-O) Zone implements General Plan Policy Action LU 1.4.1, which commits the City to establishing an overlay zone to allow for mixed-use development. The City has prepared a Supplemental Environmental Impact Report (SEIR) to the General Plan Program EIR (GPPEIR) to analyze the environmental impacts associated with the MU-O Zone, including revisions to permitted uses, development standards, and design guidelines. The SEIR has been prepared in compliance with CEQA, the State CEQA Guidelines (California Code of Regulations, Title 14, Section 15000 et seq.), and the City's adopted CEQA procedures. The SEIR follows Section 15162 and 15163 of the CEQA Guidelines. As the CEQA Lead Agency, the City of Artesia determined that while the proposed zoning code amendments represent a minor change to the overall General Plan, a Supplement was warranted to address potential new or more severe impacts. An accompanying Initial Study and Environmental Checklist were prepared to support this analysis and identify any necessary additional mitigation measures, as set forth in the SEIR.

### **Zone Change and Zoning Code Amendment (Mixed-Use Overlay)**

Section 9-2.501 shall be applied to include the "Mixed-Use Overlay Zone" as an approved and established implementation to the General Plan Community Development and Design Element & Land Use Sub Element Community Planning – Principal LU 1 and to be designated on the Artesia Zoning Map.

### **Zoning Map Amendment**

The adoption of the MU-O Zone shall be accompanied by an amendment to the Zoning Map of the City of Artesia to change the zoning classification of the area covered by the MU-O Zone. The MU-O Zone shall be designated on the Zoning Map with the designation "MU-O" followed by a reference number that corresponds to the parcels.

There are 569 parcels, totaling approximately 232 acres that will be assigned the MU-O designation, in three areas identified as Overlay Zone areas 1, 2, and 3 as illustrated on Map A of the MU-O ordinance.

The City's Zoning Code (Artesia Municipal Code (AMC) § § 9-2.101 – 9-2.4508) does not assign zone-specific residential densities.

Staff believes that the proposed zoning amendments to the 2030 General Plan Land Use Element Policy Action LU 1.4.1 may have significant effects on the environment even with mitigation measures that have been incorporated to result in less than significant impacts, but that these significant effects are acceptable because the ordinance will address the current severe housing shortage as set forth in California Housing Law.

### **Findings Required.**

Cities may amend zoning ordinances to change properties from one zone to another in the manner provided for in Government Code Sections 65854-65857. Government Code Section 65855 states that the Planning Commission must make a written recommendation to the City Council on the applicant's proposed amendment to the City's Zoning Map. The recommendation must include the reasons for the recommendation and the relationship of the proposed zone reclassification to the General Plan 2030.

### **Findings.**

Based on the evidence and all other applicable information presented, Planning Staff recommends that the Planning Commission find and recommend to the City Council that the proposed amendment to the City's Zoning Code and Zoning Map (collectively the "proposed Zoning Amendments") to amend the existing Zoning Code and Zoning Map of the 569 parcels generally located along Pioneer Boulevard, Artesia Boulevard, and South Street corridors. Specific parcels are identified by Assessor's Information Number (AIN) in SEIR Appendix 2, to implement the Mixed-Use Overlay for the following reasons:

- A. The proposed Zoning Amendments are consistent with the General Plan 2030 goal of a well planned community with sufficient land uses and intensities to meet the needs of anticipated growth and achieve the community's vision (Community Goal LU 1) by creating a mixed land use pattern that will foster a strong community identity, enhance the City Center core, provide new employment, housing, shopping, and entertainment opportunities, and strengthen the City's tax base;
- B. The proposed Mixed-Use Overlay Zone will not adversely affect or be detrimental to adjacent properties as the development standards in the MU-O ordinance as well as those in the City of Artesia General Plan will apply to ensure the protection and enhancement of adjacent residential neighborhoods. The Supplement to the General Plan Program EIR prepared for the project identifies environmental impacts that can and cannot be mitigated. The Findings Report attached sets forth specific findings that describe impacts that cannot be mitigated to less than significant levels, but are justified because the Mixed Use Overlay Zone addresses the City's requirements to affirmatively further affordable housing; and
- C. The proposed Zoning Amendment is consistent with the following provisions of the General Plan 2030 Community Policy Program:
  - 1. Community Policy LU 1.1 and Policy Action LU 1.1.1, which encourage the identification of appropriate locations for residential and non-residential development to accommodate growth through the year 2030 by evaluating amendments to the General Plan Land Use Map to consider the effect that such amendments will have on the City's ability to achieve its goals of a well planned community;
  - 2. Community Policy LU 1.2 and Policy Action LU 1.2.1, which encourage a wide variety of commercial services in appropriate locations by analyzing the current inventory of developed and undeveloped commercial sites in the City in order to assess which are economically viable commercial developments that can be supported;
  - 3. Community Policy LU 1.3 and Policy Action LU 1.3.1, which encourages active and inviting pedestrian-friendly street environments that include a variety of uses within commercial and mixed-use areas by enhancing access, safety and the streetscape experience for pedestrians, bicyclists, and transit riders; and focus improvements in areas with the highest need;
  - 4. Community Policy LU 1.4 and Policy Action LU 1.4.1 and 1.4.2, which ensures mixed use developments are integrated with surrounding uses to become part of the neighborhood by utilizing cohesive architecture, lively streetscapes, interesting urban spaces, and attractive landscaping; and
  - 5. Community Policy LU 3.1, which encourages a mix of retail shops and services along the commercial corridors that better meet the needs of the area's present and future customers, by repurposing underperforming commercial properties in order to effectively transition them to a more viable land use.

## **LEGAL NOTICE REQUIREMENTS**

Notice of the public hearing was published on April 30, 2025 in the Los Cerritos Community News. The Notice of Availability of a Supplemental Environmental Impact Report was published in the Los Cerritos Community News and at the Los Angeles County Clerk Office on April 18, 2025 for a thirty (30) day public review and comment period for the project's Recirculated Draft, Supplemental Environmental Impact Report (SCH# 2010041003, beginning April 18, 2025 and ending on May 23 2025 at 4:30 p.m. The Supplemental EIR and Supporting Documents were uploaded to the State Clearinghouse CEQA Submit Database on April 17, 2025, returned for corrections, published on April 23, and circulated to State Agencies from April 23, 2025, to May 23, 2025.

## **ENVIRONMENTAL ASSESSMENT**

The Planning staff makes the following environmental findings and determinations in connection with this project:

- A. Pursuant to the California Environmental Quality Act ("CEQA") and the City's local CEQA Guidelines, City staff prepared a Supplemental Environmental Impact Report (EIR) to the 2030 General Plan EIR for the proposed Mixed-Use Overlay Zone (MU-O). The proposed overlay zone would be applied over an area generally extending along Pioneer Boulevard from South Street to E. 166th St., and along Artesia Boulevard from Gridley Road to Clarkdale Avenue.
- B. The Zoning Code Amendment will establish the MU-O. The proposed overlay zone and the amendment to the Artesia Zoning Map would add the MU-O to the existing underlying zones. These actions together constitute the "Project" evaluated pursuant to CEQA.

Based upon the findings contained in the Supplemental Environmental Impact Report (SEIR), City staff determined that adopting the MU-O could cause significant and unavoidable impacts to the environment in the areas of air quality, greenhouse gas emissions (GHG), utilities and service systems, and population and housing. There could be additional impacts associated with aesthetics, cultural resources, geology and soils, hazards and hazardous materials, land use and planning, noise and vibration, transportation, tribal cultural resources, but these impacts could be mitigated through application of mitigation measures from the General Plan EIR and new measures in the SEIR.

Planning Staff has reviewed the SEIR and any comments received to date during the April 18, 2025 - May 23, 2025 public comment period regarding the SEIR and, based on the whole record before it, finds: (i) that the SEIR was prepared in compliance with CEQA; and (ii) that the project will have a significant effect on the environment; but (iii) there are no feasible alternatives to the project or mitigation measures that will avoid or substantially lessen the significant environmental effects as identified in the Draft SEIR for project-specific significant and unavoidable impacts to air quality, GHG, utilities and service systems, and population and housing. Based on these findings, Planning Staff hereby recommends that the Planning Commission recommend that the City Council amend the Artesia Municipal Code, Title 9 Planning and Zoning 2.501, Established: to establish a Mixed-Use Overlay (MU-O) Zone.

- C. The custodian of records for the Initial Study, SEIR and all other materials which constitute the record of proceedings is the Planning Department of the City of Artesia. Those documents are available for public review in the Planning Department of the City of Artesia, located at 18747 Clarkdale Avenue, California 90701, telephone (562) 865-6262.

## **RECOMMENDED COUNCIL ACTION:**

Staff is recommending that the City Council:

1. Adopt Resolution No. 25-3048, Approving a Proposed Zoning Code Amendment Establishing a Mixed-Use Overlay (Mu-O) Zone (Case No. 2023-01), Amend the City of Artesia Zoning Map, and Certify a Supplemental Environmental Impact Report for the Proposed Zoning Code Amendment;
2. Introduce and Waive the First Reading of Ordinance 25-970, adding article 46 (mixed-use overlay zone (MU-O)) of chapter 2 (zoning) of title 9 (planning and zoning) of the Artesia Municipal code
3. Direct Staff to File Notice of Determination



**Attachments**

[Resolution No. 25-3048.pdf](#)

[Ordinance No. 25-970.pdf](#)

[Artesia Mixed Use Overlay SEIR Checklist.pdf](#)

[Artesia Mixed Use Overlay SEIR NOD.pdf](#)

[MUO SEIR MMRP.pdf](#)



# NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT the City Council of the City of Artesia will hold a Public Hearing in the City Council Chambers of Artesia City Hall located at 18747 Clarkdale Avenue, Artesia, California at **6:00 pm** on **Monday, January 26, 2026**, to consider the following:

**Project Description: Case No. 2025-31:** The Planning Commission recommends that the City Council approve Ordinance No. 26-980, an amendment to the Mixed Use Overlay (MU-O) Zone. The ordinance would amend Artesia Municipal Code Sections 9-2.4801 through 9-2.4805 and Sections 9-2.4807 through 9-2.4809 to reduce the minimum required residential density from 70 dwelling units per acre to 40 dwelling units per acre; update development standards and requirements; revise Design Review procedures; and make minor revisions to permitted uses, definitions, and ordinance applicability.

**Project Location:** Citywide

**Applicant:** City of Artesia

**CEQA:** The proposed Municipal Code amendments are exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15061(b)(3) (Common Sense Exemption), as the amendments do not approve a specific development project and it can be seen with certainty that there is no possibility that the amendments will have a significant effect on the environment.

In addition, the City previously prepared and certified a Supplement to the City of Artesia General Plan 2030 Environmental Impact Report (State Clearinghouse No. 2010041003), which was adopted by the City Council on July 14, 2025, in connection with Ordinance No. 25-970, amending the Artesia Municipal Code to add Article 48 (Mixed-Use Overlay Zone). The proposed amendments are consistent with, and within the scope of, the analysis contained in the previously certified environmental document.

Members from the public who would like to address the City Council may appear at the public hearing during the consideration of this item and state their opinion. If you have written comments that you wish to submit, please deliver them to the Artesia City Clerk's Office, 18747 Clarkdale Avenue, Artesia, CA, or by email: [planning@cityofartesia.us](mailto:planning@cityofartesia.us) prior to the start of the public hearing. If you have questions about this notice or the proposed action, please contact the Artesia Community Development Department at (562) 865-6262 or by the email above.

If you challenge any action related to this public hearing in court, you may be limited to raising only those issues you raised at the public hearing described in this notice, or in written correspondence delivered at, or prior to, the public hearing.

**PUBLISHED:** January 16, 2026

Paul Bollier, Community Development Director  
Phone: 562-865-6262 Ext. 200 or 224  
Email: [Planning@cityofartesia.us](mailto:Planning@cityofartesia.us)



# CITY COUNCIL AGENDA REPORT

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**MEETING DATE:** January 26, 2026

**ITEM NO:** 5A.

**TO:** Mayor and Members of the City Council

**SUBJECT:** Transmittal of Annual Comprehensive Financial Report for Fiscal Year 2024-25

**FROM:** Jamie Murguia, Finance Manager

**REVIEWED AND APPROVED BY:**

Melissa Burke, Deputy City Manager

Abel Avalos, City Manager

---

**RECOMMENDATION:**

It is recommended that the City Council receive and file the Transmittal of Annual Comprehensive Financial Report for Fiscal Year 2024-25

**BACKGROUND:**

Annually, the Finance Department prepares and publishes the City of Artesia ("City") Annual Comprehensive Financial Report (ACFR) following the completion of an independent and certified audit. The City's independent certified audit firm is Moss, Levy & Hartzheim LLP. The ACFR is an extensive report summarizing the financial activities of the City that occurred from July 1, 2024 through June 30, 2025.

The ACFR is prepared in compliance with the Governmental Accounting Standards Board (GASB) standards. Pursuant to GASB guidelines, the City's ACFR is divided into three sections: Introductory, Financial and Statistical. The Introductory section contains a Letter of Transmittal from the City Manager. This letter includes a brief profile of the City, and the City's economic condition and outlook.

The Financial section contains the independent auditor's report, Management's Discussion & Analysis (MD&A), and the basic financial statements. Moss, Levy & Hartzheim LLP has issued an unmodified ("clean") opinion of the financial statements for the fiscal year ended June 30, 2025. This means that their examination, testing and audit procedures concluded that the financial statements present fairly, in all material respects, the financial position of the City. This is the best opinion that the City can receive from its auditors.

The MD&A provides a narrative of how the financial report is presented and key highlights of some of the changes in financial position. The MD&A also provides tables showing comparative information from fiscal year ended June 30, 2024 to June 30, 2025, including changes in net position (difference in assets and liabilities). The final section of the ACFR is the Statistical Section. This section presents data useful in analyzing the City's financial and operational history for comparative purposes.

The City was awarded the Certificate of Achievement for Excellence in Financial Reporting (COA) for its Fiscal Year ended June 30, 2024 ACFR. The COA from the Government Finance Officer's Association (GFOA) is regarded as the highest form of recognition in governmental accounting and financial reporting. The recognition marks the first time the City has achieved this prestigious recognition since 2015, and is a significant accomplishment for the City. Staff will be submitting the ACFR for the Fiscal Year ended June 30, 2025 for consideration of the COA Program.

**FISCAL IMPACT:**

There is no fiscal impact associated with approval of this item.

**RECOMMENDED COUNCIL ACTION:**

It is recommended that the City Council receive and file the Transmittal of Annual Comprehensive Financial Report for Fiscal Year 2024-25

**Attachments**

[Final Artesia ACFR FY 25.pdf](#)



# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



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

CITY OF ARTESIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended June 30, 2025

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CITY OF ARTESIA  
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Fiscal Year Ended June 30, 2025

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"Service Builds Tomorrow's Progress"

## THE CITY OF ARTESIA, CALIFORNIA

18747 CLARKDALE AVENUE, ARTESIA, CALIFORNIA 90701

Telephone 562 / 865-6262

FAX 562 / 865-6240

January 26, 2026

To the Honorable Mayor, Members of the City Council,  
And Residents of the City of Artesia

The Annual Comprehensive Financial Report (ACFR) of the City of Artesia (City), California, for the year ended June 30, 2025 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, 2025. 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.

## **Single Audit**

The City is legally required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Uniform Guidance, Audits of State and Local Governments, if total federal grant expenditures exceed \$750,000 in a single year. Throughout the course of FY 2024-25, the City did not expend federal funds in excess of the \$750,000 threshold; therefore, no Single Audit will be required.

## **Spending Limitation**

Management foresees no problem for several years in complying with the spending limitation under the Gann Initiative passed by the California voters in 1979, which created Article XIII B of the State Constitution. The City's independent auditors have attested to the accuracy of the computation of the spending limitations for the current period, which indicated that the City's tax proceeds are substantially under the established Gann Limit and are not expected to reach that limit in the foreseeable future.

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

Incorporated in 1959, the City of Artesia is located within southeast Los Angeles County. The City encompasses an area of approximately 1.6 square miles, with a current population is 16,359 according to the State of California Department of Finance. There are three major retail areas, one industrial area, and a multi-story office park.

The City is a general law city and operates under the Council-Manager form of municipal government. The City Council is comprised of five members elected biannually, at large, to four-year alternating terms. The Mayor and Mayor Pro Tem are selected each year by the City Council. 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 budgets for an authorized staff of approximately 39.3 full-time equivalent positions.

The City provides a full range of municipal 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 30<sup>th</sup> of each fiscal year. In Fiscal Year 2024-25, the Council adopted the annual budget on June 17, 2024, and the mid-year budget on February 10, 2025. 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 \$42,144 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

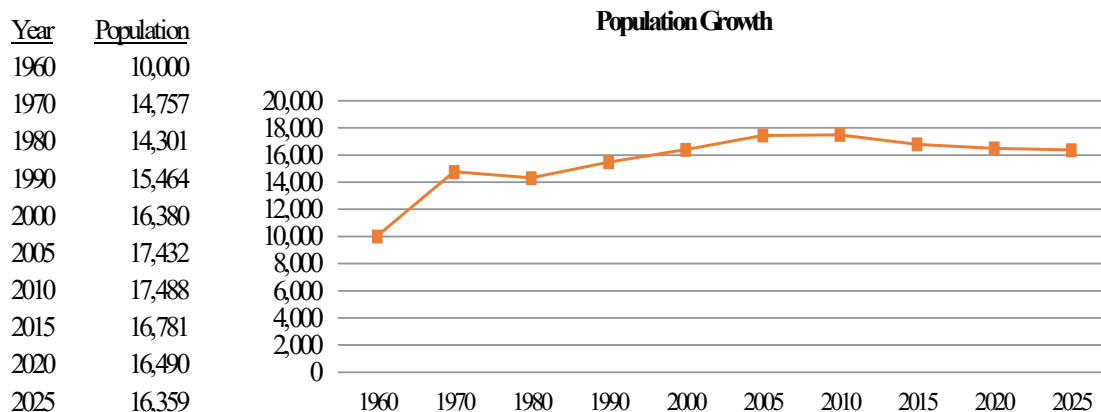
Board, the ACFR includes the financial activities of the City of Artesia, the primary government, and its component units, which are the Artesia Parking Authority and the Artesia Housing Authority. The operations of these units are included within the Basic Financial Statements of the City.

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 2024-25, 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 2024-25 makes up more than one-fourth of the general fund revenues. In 2025, the City saw diversity develop among its revenue

tax base. With overwhelming community support, Measure AAA (Transactions and Use Tax) was adopted in November 2024. The new 3/4 cent tax went into effect on April 1, 2025, bringing in an additional \$800,000 in new revenue to the City. The City's three cannabis retailers opened operations in the City, further diversifying the City's revenue tax base and providing funding for the Community Benefits Pilot Grant Program aimed at supporting local initiatives aligned with enhancing community services. A vibrant sector of the City's economy is the Restaurant and Hotel major business group. In 2025, the City continued its tradition of its dine local program, Restaurant Week, to encourage patronage at local food establishments and bolster the local economy. Restaurant week saw a 10.5% increase in participation from local restaurants, with 42 participating establishments attracting residents and visitors to enjoy Artesia's diverse eateries. Furthermore, the City approved the issuance of 170 new business licenses, an 86% increase from the previous year, contributing to a healthy local economy.

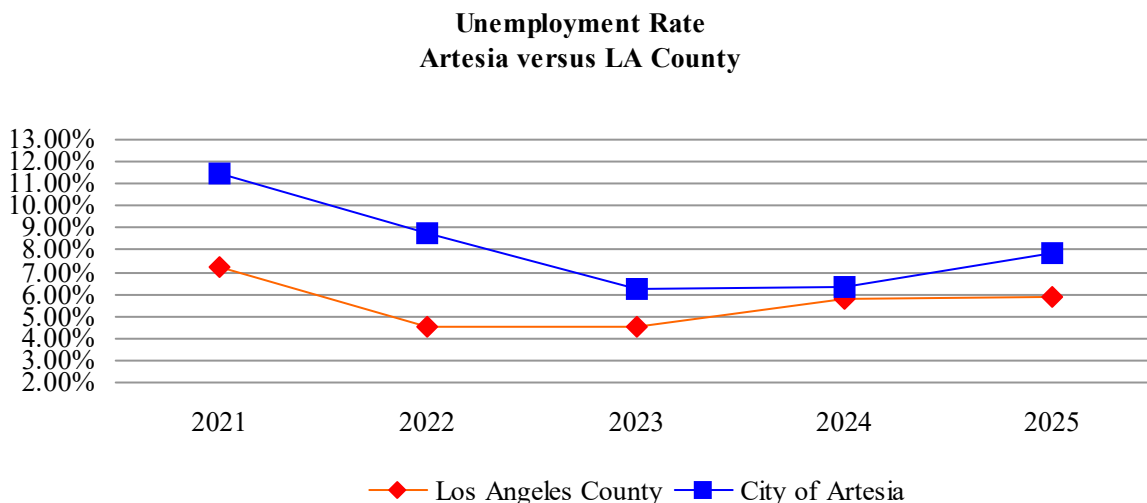
The City is included in the Los Angeles-Long Beach Metropolitan Statistical Area. The following table summarizes the civilian labor force, employment and unemployment, and employment rate in the County and the City for calendar years 2021 through September, 2025:

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

	2021		2022		2023		2024		2025	
	<u>County</u>	<u>City</u>	<u>County</u>	<u>City</u>	<u>County</u>	<u>City</u>	<u>County</u>	<u>City</u>	<u>County</u>	<u>City</u>
Civilian Labor Force (2)	5,009	7.80	4,948	7.60	4,968	7.70	5,042	7.80	5,042	7.90
Employment	4,647	7.10	4,724	7.20	4,743	7.20	4,749	7.20	4,749	7.30
Unemployment	363	0.70	224	0.40	224	0.40	294	0.60	294	0.60
Unemployment Rate	7.20%	11.50%	4.50%	8.80%	4.50%	6.20%	5.80%	6.30%	5.80%	7.90%

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

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



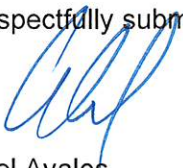
Source: Labor Market Information Division of the California State Employment Development Department.

## **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Artesia for its ACFR for the fiscal year ended June 30, 2024. This recognition marks the first time the City achieved this prestigious award since 2015. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report; this report must satisfy both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements.

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.

Respectfully submitted,



Abel Avalos  
City Manager



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Artesia  
California**

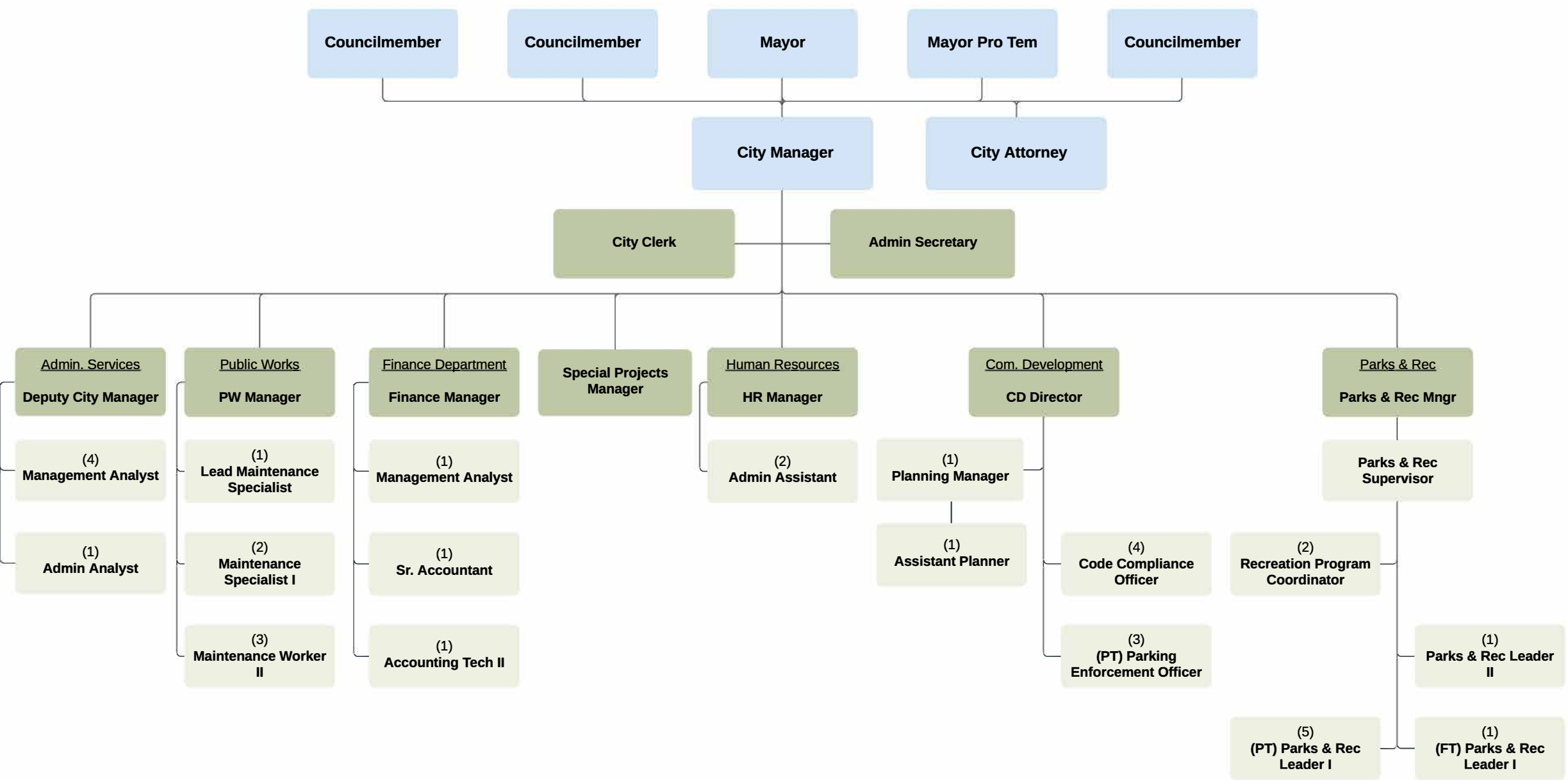
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

# City of Artesia Organizational Chart



CITY OF ARTESIA, CALIFORNIA

List of Principal Officials  
2024-2025

<b><u>Elected Officials</u></b>	<b><u>Term Expires</u></b>
Mayor: Ali Sajjad Taj	November 2026
Mayor Pro Tem: Rene Trevino	November 2026
Council Members: Melissa Ramoso Monica Manalo Zeel Ahir	November 2026 November 2028 November 2028
<b><u>Administrative Staff</u></b>	<b><u>Date of Hire</u></b>
City Manager: * Abel Avalos	October 2024
Deputy City Manager: Melissa Burke	June 2022
Finance Manager: Jamie Murguia	March 2021
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: Vacant	

\* Appointed by City Council

\*\* Appointed by Los Angeles County Fire District

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





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## 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, each major fund, and the aggregate remaining fund information of City of Artesia, California as of and for the fiscal year ended June 30, 2025, 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, each major fund, and the aggregate remaining fund information of the City of Artesia, California, as of June 30, 2025, and the respective changes in financial position 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 5 through 14, 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 53 through 59 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 20, 2026, 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 20, 2026

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## **Management's Discussion and Analysis**

As management of the City of Artesia, we offer readers of the City of Artesia's financial statements this narrative overview and analysis of the financial activities of the City of Artesia for the Fiscal Year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal and the City's basic financial statements for a more comprehensive overview of the City's financial status for the period ending June 30, 2025.

### **Financial Highlights**

The comparisons provided in this discussion and analysis are between Fiscal Year 2023-24 and Fiscal Year 2024-25; all increases and decreases are expressed relative to Fiscal Year 2023-24 amounts. Financial highlights for FY 2024-25 are summarized below. Details related to the highlights in this report are found in the remaining sections of this analysis.

#### Citywide

- The assets and deferred outflows of resources of the City of Artesia (City) exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$48,784,385 (*net position*).
- Of this amount, the City has unrestricted net position of \$6,818,180, which may be used to meet the government's ongoing obligations to residents and creditors.
- The City's net position increased by \$4,067,948 over the prior fiscal year and is largely attributed to revenues exceeding expenditures as report in the Statement of Activities. The remainder of this report will provide a more detailed analysis of the City's net position and operating activities that contributed to this increase.

#### Fund Level

- As of June 30, 2025, governmental funds reported combined ending fund balances of \$27,278,524, an increase of \$1,594,548 in comparison to the prior fiscal year. Approximately 33% 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 40% is legally restricted by resolution or third party covenants.
- As of June 30, 2025, the unassigned fund balance for all governmental funds was \$7,265,147.

### **Overview of the Financial Statements**

The Governmental Accounting Standards Board requires this discussion and analysis as required supplementary information. 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 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 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 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.

Fund balance is categorized into a hierarchy of five classifications: non-spendable, restricted, committed, assigned, and unassigned. These five categories facilitate analysis and understanding of the City's commitment of financial resources.

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 maintains several 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 all other 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 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 no proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements.

***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.

#### Supplementary Information

In addition to the basic financial statement and accompanying notes, this report also presents certain required supplementary information. Required supplementary information is found immediately following the notes to the basic financial statements.

Optional supplementary information is presented as combined and individual statements for other governmental and agency funds. This optional supplementary information can be found immediately following the required supplementary information.

## 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, 2025, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$48,784,385.

By far the largest portion of the City of Artesia's net position, \$32,047,928 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 (20%) represents resources that are subject to external restrictions on how it may be used, and therefore \$9,918,277 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 \$4,067,948, or 9% during the fiscal year as a result of revenues exceeding expenditures during this fiscal year. The total cost of all City activities was \$19,912,572. Net cost of all activities was \$11,907,473. 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.

<b>Governmental Activities Net Position</b>		
	2025	2024
Current and other assets	\$ 33,215,630	\$ 31,256,894
Capital assets	32,047,928	29,833,801
Total assets	65,263,558	61,090,695
Deferred outflows of resources	1,650,648	2,119,620
Long-term liabilities outstanding	10,859,282	11,486,933
Other liabilities	2,922,816	2,364,015
Total liabilities	13,782,098	13,850,948
Deferred inflows of resources	4,347,723	4,642,930
Net position:		
Net investment in capital assets	32,047,928	29,833,801
Restricted	9,918,277	8,600,698
Unrestricted	6,818,180	6,281,938
Total net position	\$ 48,784,385	\$ 44,716,437

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 increased by \$1,317,579 or 15%.



**Governmental activities.** Governmental activities increased the City of Artesia's net position by \$4,067,948. Key elements of this increase are as follows:

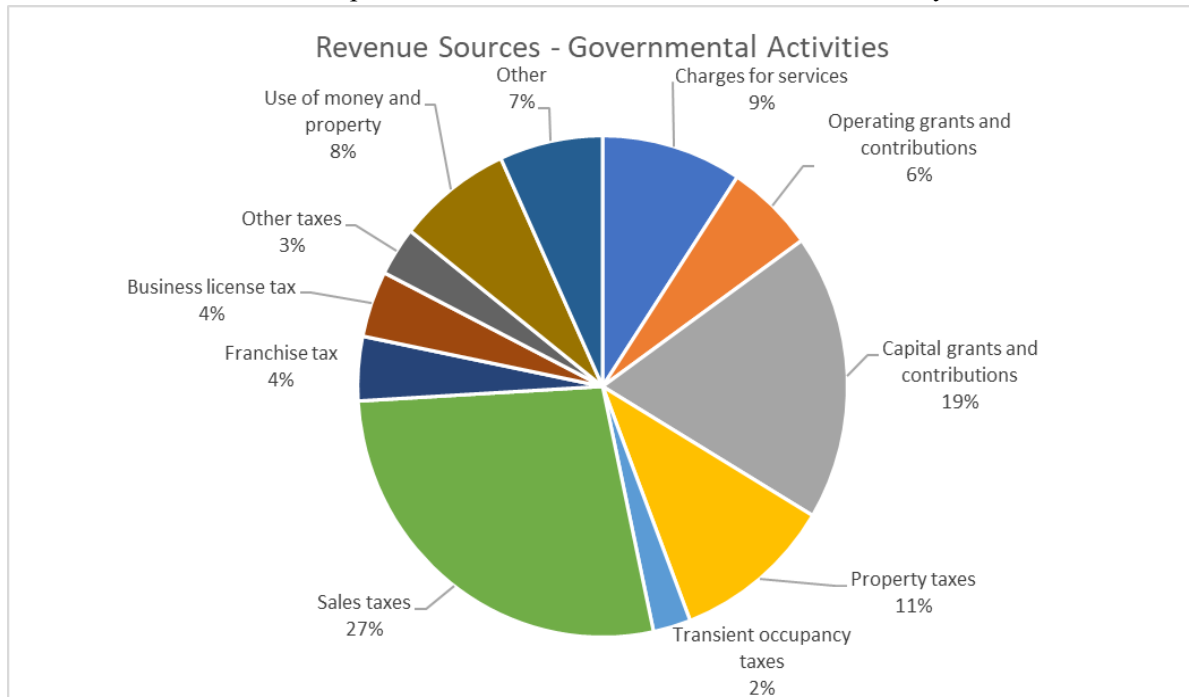
**Governmental Activities Change in Net Position**

	2025	2024
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 2,167,863	\$ 2,606,842
Operating grants and contributions	1,402,278	1,393,028
Capital grants and contributions	4,434,958	4,579,342
General revenues:		
Property taxes	2,535,284	2,426,156
Transient occupancy taxes	594,972	626,137
Sales taxes	6,572,790	5,505,982
Franchise taxes	993,686	995,682
Business license taxes	1,024,268	818,066
Other taxes	756,301	207,367
Use of money and property	1,807,068	2,289,377
Other	1,691,052	745,928
Total revenues	<u>23,980,520</u>	<u>22,193,907</u>
<b>Expenses</b>		
General government	4,651,889	4,264,141
Public safety	5,087,236	5,152,508
Parks and recreation	2,845,401	1,713,630
Public works	4,653,627	3,472,169
Community development	2,674,419	2,308,408
Total expenses	<u>19,912,572</u>	<u>16,910,856</u>
Change in net position	4,067,948	5,283,051
Transfers	-	1,223,434
Beginning net position	<u>44,716,437</u>	<u>38,209,952</u>
Ending net position	<u><u>48,784,385</u></u>	<u><u>44,716,437</u></u>

**Government-wide revenues** increased by \$1,786,613. Taxes, capital grants and contributions and charges for services provide 78.7% of the overall revenue sources of the governmental activities. Taxes include property, transient occupancy, sales, business license and other taxes (transfer tax, Measure V and AB1290).

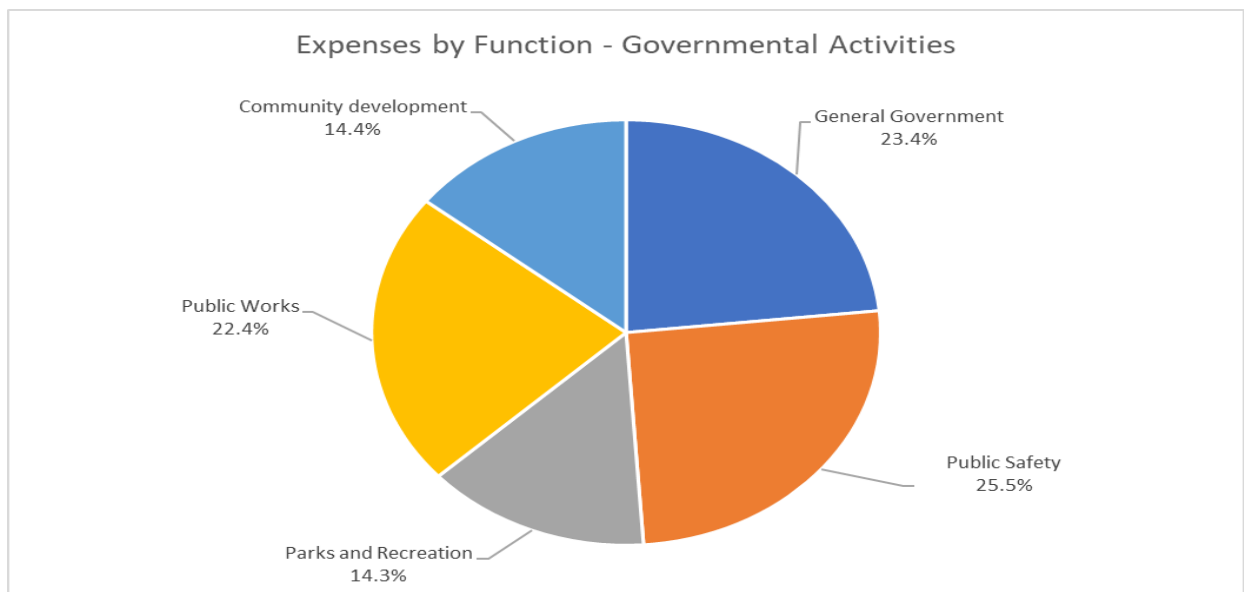
The largest increases in revenue were for Sales taxes which increased \$1,066,808 to \$6,572,790 due to increased sales tax revenue in the current fiscal year. Other general revenue increased by \$890,725 to \$1,636,653 compared to the prior year due to the receipt of development impact fees in the current year.

The table below is a visual representation of each revenue source for the fiscal year.



**Government-wide expenses** of all City programs increased by \$3,001,716 (or 18% overall) to \$19,912,572 for the fiscal year ended June 30, 2025. Expenses include adjustments for depreciation, long-term debt and pension costs. The net increase in expenses is spread across the City's programs with a decrease in Public Safety. The decrease in expenditures in Public Safety is a result of staffing shortages within the LA County Sheriff's Department, and not a reflection of the City's commitment to Public Safety. Expenses in Parks increases \$1,131,771 (from \$1,713,630 to 2,845,401) as a result of the AJ Padelford Park Expansion Project, in which the City acquired residential properties for the purpose of expanding the Park acreage.

The table below is a visual representation of each program's expenses for the fiscal year.



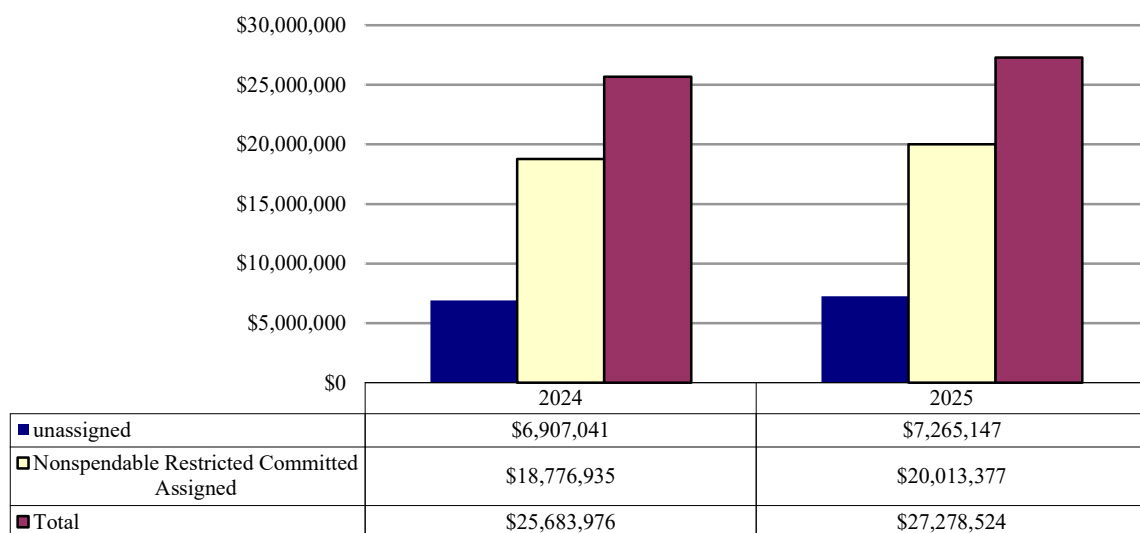
## Financial Analysis of the City's Funds

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 an 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 \$27,278,524, an increase of \$1,594,548 in comparison to the prior fiscal year. Of this amount, there is \$7,265,147 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 20% of this amount is committed to indicate that it is not available because it has committed for contingency reserves. Another 40% is restricted for specific uses. Approximately 13% 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 2024-2025:



**General Fund.** The General Fund is the chief operating fund of the City of Artesia. At the end of Fiscal Year June 30, 2025, the total fund balance was \$15,431,681, with \$107,140 non-spendable for prepaid items and leases, \$5,516,877 to funding future commitments, and \$2,092,370 assigned for specific projects. Comparing both total and unassigned fund balance (\$7,715,294) to total fund expenditures is a

measure of the general fund's liquidity. Unassigned fund balance represents 48% of the total general fund revenue (\$16,028,194) and represents 53% of total general fund expenditures (\$114,594,639).

- The fund balance of the general fund increased by \$1,154,486 during the fiscal year. The surplus of available resources over budgeted available resources was \$1,120,266 during the fiscal year.

The Billboard Fund qualifies as a major fund in 2024-25. The fund balance of the Billboard Fund decreased by \$96,073. The decrease was due to planned, budgeted expenditures of more than revenue for the fiscal year. The Fund was used for capital improvements to several structures at Artesia Park.

The Capital Projects Fund qualifies as a major fund in 2024-25. The fund balance of the Capital Projects Fund decreased by \$665,878. The decrease was due to planned, budgeted expenditures of more than revenue for the fiscal year. Expenditures included capital improvements to the City Council Chambers, Historical District Recreational Trails, and infrastructure improvements.

### **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 a decrease between the original budget and the final amended budget for total charges to appropriations of \$254,017, in anticipation of higher personnel, contract services, and unfunded liability expenditures. Actual amount available for appropriations were higher than the final budget by \$423,256.

Differences between the final appropriations and actual expenditures totaled \$717,230. Actual expenditures were less than budgeted in general government, public safety, public works and community development.

### **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, 2025, amounts to \$32,047,928 (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, 2025 and 2024:

**Capital Assets**  
**(net of depreciation)**

	2025	2024
<b>Governmental activities</b>		
Land	\$ 10,501,951	\$ 10,008,436
Buildings	1,868,396	747,870
Improvements other than buildings	1,975,087	1,257,398
Automobile equipment	308,047	454,211
Office furniture and equipment	9,982	12,214
Other equipment	436,473	201,404
Infrastructure	13,972,257	13,280,736
Construction in progress	2,975,735	3,871,532
Total governmental activities	<u>\$ 32,047,928</u>	<u>\$ 29,833,801</u>

Total capital assets net of depreciation increased by \$2,214,127 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
- Artesia Park improvements, including a new roof on the Community Center were added to parks buildings, improvements and equipment.

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, 2025 and 2024:

**Long-Term Liabilities**

	2025	2024
<b>Governmental activities</b>		
Compensated absences	379,235	357,698
Other post-employment benefits obligation (OPEB)	5,619,899	6,244,248
Net pension liability	<u>4,860,148</u>	<u>4,884,987</u>
Total governmental activities	<u>10,859,282</u>	<u>11,486,933</u>

At the end of the fiscal year, the City had total long-term liabilities outstanding of \$10,859,282. This includes compensated absences, other post-employment benefits and net pension liability. There was an decrease in long-term debt of \$627,651 over the prior fiscal year.

- Compensated absences liability increased \$21,537 for accrued time off payable.
- OPEB liability decreased \$624,349 for future benefits payable.
- Net pension liability decreased \$24,839 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 \$11,056, or 7% over General Fund revenues. While the mid-year budget was adopted with this deficit, the City did end the fiscal year with a fund balance surplus of \$1,154,486.

## **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.

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# BASIC FINANCIAL STATEMENTS

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

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

- Net investment in capital assets
- Restricted
- Unrestricted

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

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

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

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



**City of Artesia**  
**Statement of Net Position**  
**June 30, 2025**

	Governmental Activities
<b>ASSETS AND DEFERRED OUTFLOWS</b>	
Cash and investments	\$ 26,348,600
Receivables:	
Accounts	3,468,069
Loan	16,084
Leases	3,163,980
Interest	138,252
Prepaid items	80,645
Total current assets	33,215,630
Capital assets:	
Nondepreciable assets	13,477,686
Depreciable assets, net	18,570,242
Total capital assets	32,047,928
<b>Total assets</b>	<b>65,263,558</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred outflows - Pension related	1,471,909
Deferred outflows - OPEB related	178,739
<b>Total deferred outflows of resources</b>	<b>1,650,648</b>
<b>LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>	
Accounts payable	2,014,725
Deposits payable	908,091
Noncurrent liabilities:	
Other Postemployment benefit obligation	5,295,280
Net pension liability	4,860,148
Due within one year	421,264
Due in more than one year	282,590
<b>Total liabilities</b>	<b>13,782,098</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred inflows - Pension related	129,312
Deferred inflows - OPEB related	1,204,121
Deferred inflows - leases related	3,014,290
<b>Total deferred inflows of resources</b>	<b>4,347,723</b>
<b>NET POSITION</b>	
Net investment in capital assets	32,047,928
Restricted for:	
Public safety	1,615,073
Street projects	6,832,196
Housing	872,643
Other purposes	598,365
Total restricted	9,918,277
Unrestricted	6,818,180
<b>Total net position</b>	<b>\$ 48,784,385</b>

See Accompanying Notes to Basic Financial Statements.

**City of Artesia**  
**Statement of Activities**  
**For the fiscal year ended June 30, 2025**

Functions/Programs	Expenses	Program Revenues				
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Program Revenues	
Primary government:						
Governmental activities:						
General government	\$ 4,651,889	\$ 1,462,088	\$ -	\$ -	\$ 1,462,088	
Public safety	5,087,236		186,159		186,159	
Parks and recreation	2,845,401	106,835			106,835	
Public works	4,653,627		1,216,119	4,434,958	5,651,077	
Community development	2,674,419	598,940			598,940	
Total primary government	\$ 19,912,572	\$ 2,167,863	\$ 1,402,278	\$ 4,434,958	\$ 8,005,099	

**General revenues:**

Taxes:

Property taxes, levied for general purposes

Transient occupancy taxes

Sales taxes

Business licenses taxes

Other taxes

Franchise fees

Use of money and property

Other

**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.

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Net (Expense) Revenue and  
Changes in Net Position

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Governmental  
Activities

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\$	(3,189,801)
	(4,901,077)
	(2,738,566)
	997,450
	(2,075,479)
	<hr/> (11,907,473) <hr/>

2,535,284
594,972
6,572,790
1,024,268
756,301
993,686
1,807,068
1,691,052
<hr/> 15,975,421 <hr/>

4,067,948
44,716,437
<hr/>

\$	48,784,385
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# FUND FINANCIAL STATEMENTS

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*Governmental Fund Financial Statements*

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# GOVERNMENTAL FUND FINANCIAL STATEMENTS

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

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

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

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

**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 and Billboard fund are included in the required supplementary section. Budgetary comparison schedules for the capital projects fund and individual non-major funds are located in the supplemental information section of the financial statements.

**City of Artesia**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

	General Fund	Special Revenue Fund Billboard	Capital Projects Fund Capital Projects	Non-major Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments	\$ 14,484,595	\$ 469,415	\$ 845,287	\$ 10,549,303	\$ 26,348,600
Receivables:					
Accounts	2,365,547		7,571	1,094,951	3,468,069
Loan			16,084		16,084
Leases	925,298	2,238,682			3,163,980
Interest	138,252				138,252
Prepaid items	80,645				80,645
Due from other funds	817,301				817,301
<b>Total assets</b>	<b>\$ 18,811,638</b>	<b>\$ 2,708,097</b>	<b>\$ 868,942</b>	<b>\$ 11,644,254</b>	<b>\$ 34,032,931</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,634,958	\$ 18	\$ 11,306	\$ 368,443	\$ 2,014,725
Deposit payable	846,196			61,895	908,091
Due to other funds				817,301	817,301
<b>Total liabilities</b>	<b>2,481,154</b>	<b>18</b>	<b>11,306</b>	<b>1,247,639</b>	<b>3,740,117</b>
<b>Deferred inflows of resources:</b>					
Leases	898,803	2,115,487			3,014,290
<b>Total deferred inflows of resources</b>	<b>898,803</b>	<b>2,115,487</b>			<b>3,014,290</b>
<b>Fund balances:</b>					
Nonspendable:					
Prepaid items	80,645				80,645
Leases	26,495				26,495
Restricted for:					
Housing projects				787,217	787,217
Street projects				3,136,375	3,136,375
Transportation projects				2,622,221	2,622,221
Public works				1,534,482	1,534,482
Parks and recreation		592,592		1,176,899	1,769,491
Public safety				1,700,499	1,700,499
Committed to:					
Contingency reserve	5,516,877				5,516,877
Assigned to:					
CalPERS Rate Increase	100,609				100,609
Water District Consolidation Analysis	45,000				45,000
Sanitation District Consolidation Analysis	25,000				25,000
Preliminary Planning Projects	45,000				45,000
ADA Transition Plan	1,700				1,700
Pre Plan Improvement District	50,000				50,000
Organizational Development Plan	25,000				25,000
Economic Development	13,000				13,000
Artesia Towne Center Reserve	267,062				267,062
Public Service Center Construction	300,000				300,000
Community Development/Planning	145,000				145,000
Personnel/Labor Negotiations	130,000				130,000
City Facility Improvements	74,782				74,782
CERT Training	20,000				20,000
Council Chamber Phase II	125,000				125,000
Vehicle & Equipment Replacement	50,000				50,000
Specific Plan Development	20,000				20,000
Facility Deferred Maintenance	90,000				90,000
Risk Mitigation/Litigation	20,000				20,000
Street projects	200,000		857,636		1,057,636
CalPERS Net Pension Unfunded Liability	165,609				165,609
CalPERS Net Retiree Health Unfunded Liability	179,608				179,608
Unassigned	7,715,294			(561,078)	7,154,216
<b>Total fund balances</b>	<b>15,431,681</b>	<b>592,592</b>	<b>857,636</b>	<b>10,396,615</b>	<b>27,278,524</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 18,811,638</b>	<b>\$ 2,708,097</b>	<b>\$ 868,942</b>	<b>\$ 11,644,254</b>	<b>\$ 34,032,931</b>

See Accompanying Notes to Basic Financial Statements.

**City of Artesia**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2025**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 27,278,524</b>
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Amounts reported for governmental activities in the Statement of Net Position were different because:

Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the governmental funds. Nondepreciable assets and depreciable assets net of accumulated depreciation totals:	32,047,928
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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	(379,235)
Other Postemployment benefits payable (OPEB)	(5,619,899)
Deferred outflows of resources - OPEB Related	178,739
Deferred inflows of resources - OPEB Related	(1,204,121)
Total long-term liabilities and OPEB	(7,024,516)

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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	1,471,909
Deferred inflows of resources	(129,312)
Net Pension liability	(4,860,148)
Total pension related items	(3,517,551)

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<b>Net Position of Governmental Activities</b>	<b>\$ 48,784,385</b>
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**City of Artesia**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the fiscal year ended June 30, 2025**

	General Fund	Special Revenue Fund Billboard	Capital Projects Fund Capital Projects	Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Taxes	\$ 11,483,615	\$ -	\$ -	\$ 1,216,119	\$ 12,699,734
Licenses and permits	1,037,486				1,037,486
Intergovernmental	123,672		714,637	3,782,808	4,621,117
Charges for services	2,111,083		12,980		2,124,063
Use of money and property	945,286	221,990	3,784	636,008	1,807,068
Fines and forfeitures	134,509				134,509
Other revenues	192,543		20,230	1,343,770	1,556,543
<b>Total revenues</b>	<b>16,028,194</b>	<b>221,990</b>	<b>751,631</b>	<b>6,978,705</b>	<b>23,980,520</b>
<b>EXPENDITURES:</b>					
Current:					
General government	4,891,848				4,891,848
Public safety	5,016,329			59,898	5,076,227
Parks and recreation	1,293,543	250,000		1,012,975	2,556,518
Public works	994,589		352,382	2,288,196	3,635,167
Community development	2,253,586	68,063		352,770	2,674,419
Capital outlay	144,744		1,065,127	2,341,922	3,551,793
<b>Total expenditures</b>	<b>14,594,639</b>	<b>318,063</b>	<b>1,417,509</b>	<b>6,055,761</b>	<b>22,385,972</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,433,555</b>	<b>(96,073)</b>	<b>(665,878)</b>	<b>922,944</b>	<b>1,594,548</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in	304,891			583,960	888,851
Transfers out	(583,960)			(304,891)	(888,851)
<b>Total other financing sources (uses)</b>	<b>(279,069)</b>			<b>279,069</b>	
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,154,486</b>	<b>(96,073)</b>	<b>(665,878)</b>	<b>1,202,013</b>	<b>1,594,548</b>
<b>FUND BALANCES:</b>					
Beginning of fiscal year	14,277,195	688,665	1,523,514	9,194,602	25,683,976
End of fiscal year	\$ 15,431,681	\$ 592,592	\$ 857,636	\$ 10,396,615	\$ 27,278,524

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, 2025**

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<b>Net Change in Fund Balances - Total Governmental Funds</b>	<b>\$ 1,594,548</b>
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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	3,551,793
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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.

(1,298,767)
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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	(21,537)
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Change in other postemployment benefits and related deferred outflows and inflows	477,771
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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.

(196,961)
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 4,067,948</b>
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# FIDUCIARY FUND FINANCIAL STATEMENTS

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

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

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

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

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

**City of Artesia**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2025**

	Successor Agency to the Artesia Redevelopment Agency Private Purpose Trust Fund
<b>ASSETS</b>	
Cash and investments	\$ 626,432
<b>Total assets</b>	<b>626,432</b>
<b>DEFERRED INFLOW OF RESOURCES</b>	
Deferred loss on refunding	168,516
<b>Total deferred inflow of resources</b>	<b>168,516</b>
<b>LIABILITIES</b>	
Accrued interest payable	43,157
Long-term debt:	
Due within one year	442,140
Due in more than one year	11,160,380
<b>Total liabilities</b>	<b>11,645,677</b>
<b>NET POSITION:</b>	
Restricted for individuals, organizations and other governments	\$ (10,850,729)

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, 2025**

	Successor Agency to the Artesia Redevelopment Agency Private Purpose Trust Fund
Additions:	
Property taxes	\$ 990,511
Use of money and property	1,191
Total additions	991,702
Deductions:	
Community development	6,800
Administrative expenses	35,176
Interest and fiscal charges	545,078
Total deductions	587,054
Change in net position	404,648
Net position - beginning	(11,255,377)
Net position - ending	\$ (10,850,729)

See accompanying 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 Paid Parking Special Revenue 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 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.

#### 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.



**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. 101, Compensated Absences**

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave.

The implementation of this Statement did not have a financial impact on the City for the fiscal year ended June 30, 2025.

The provisions of Statement Number 102 “Certain Risk Disclosures” are effective for fiscal year ended June 30, 2025. The implementation of this Statement did not have a financial impact on the City for the fiscal year ended June 30, 2025.

**Upcoming Accounting and Reporting Changes**

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

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

The provisions of Statement No. 104 “Disclosure of Certain Capital Assets” are effective for fiscal years beginning after June 15, 2025.

The provisions of Statement No. 105 “Subsequent Events” are effective for fiscal years beginning after June 15, 2026.

**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 City uses the consumption method to account for these costs, whereby they are recorded as an asset when paid and recognized as an expenditure in the period in which the benefit is utilized.

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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

## 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 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 assets 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 actuarially 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 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 assets 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. 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, 2023 (the beginning of the measurement period ended June 30, 2024), 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, 2025, was \$5,516,877.

Assigned - Assigned fund balances represent amounts constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. The City Council has authorized the City Manager to assign amounts for specific purposes pursuant to the City's adopted GASB 54 Fund Balance Policy.

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.

***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, 2025**

**2. CASH AND INVESTMENTS**

As of June 30, 2025, 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	\$ 26,348,600	\$ 626,432	\$ 26,975,032
Total cash and investments	<u>\$ 26,348,600</u>	<u>\$ 626,432</u>	<u>\$ 26,975,032</u>

Cash and investments on June 30, 2025, consisted of the following:

Cash on hand (petty cash)	\$ 500
Demand deposits	422,752
Investments	<u>26,551,780</u>
Total cash and investments	<u>\$ 26,975,032</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, 2025**

**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 Months)				Total
	12 Months or Less	13-24 Months	25-60 Months	More than 60 Months	
Local Agency Investment Fund (LAIF)	\$ 7,119,173	\$ -	\$ -	\$ -	\$ 7,119,173
U.S. Treasury Notes	1,486,545	1,360,101	2,113,262		4,959,908
CLASS Investment Pool	6,990,840				6,990,840
CAMP Investment Pool	7,481,859				7,481,859
Total	\$ 23,078,417	\$ 1,360,101	\$ 2,113,262	\$ -	\$ 26,551,780



**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

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**2. CASH AND INVESTMENTS, Continued**

**Disclosures Relating to Credit Risk**

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

Investment Type	Total as of June 30, 2025	Minimum Legal Rating	AA	Not Rated
Local Agency Investment Fund (LAIF)	\$ 7,119,173	N/A	\$ -	\$ 7,119,173
U.S. Treasury Notes	4,959,908	N/A	4,959,908	
CLASS Investment Pool	6,990,840	N/A		6,990,840
CAMP Investment Pool	7,481,859	N/A		7,481,859
	<u>\$ 26,551,780</u>		<u>\$ -</u>	<u>\$ 21,591,872</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, 2025, 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, 2025, 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 establish 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 asset 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, 2025, the outstanding loan receivable is \$16,084.

## **4. LEASES RECEIVABLE**

The City has 3 lease agreements in place as of June 30, 2025. 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 year under the terms of the lease.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

**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, 2025, is as follows:

	Balance as of June 30, 2024	Additions	Deletions	Transfers	Balance as of June 30, 2025
<b>Governmental Activities</b>					
Nondepreciable capital assets					
Land	\$ 10,008,436	\$ 493,515	\$ -	\$ -	\$ 10,501,951
Construction in progress	3,871,532	2,686,223		(3,582,020)	2,975,735
Total nondepreciable capital assets	13,879,968	3,179,738		(3,582,020)	13,477,686
Depreciable capital assets					
Buildings	1,841,797	21,710		1,125,981	2,989,488
Improvements other than buildings	2,344,220			821,986	3,166,206
Automobile equipment	1,518,588				1,518,588
Office furniture and equipment	322,795				322,795
Other equipment	1,158,669	311,446			1,470,115
Infrastructure	23,283,362			1,634,053	24,917,415
Total depreciable capital assets	30,469,431	333,156		3,582,020	34,384,607
Less accumulated depreciation					
Buildings	(1,093,927)	(27,165)			(1,121,092)
Improvements other than buildings	(1,086,822)	(104,297)			(1,191,119)
Automobile equipment	(1,064,377)	(146,164)			(1,210,541)
Office furniture and equipment	(310,581)	(2,232)			(312,813)
Other equipment	(957,265)	(76,377)			(1,033,642)
Infrastructure	(10,002,626)	(942,532)			(10,945,158)
Total accumulated depreciation	(14,515,598)	(1,298,767)			(15,814,365)
Net depreciable capital assets	15,953,833	(965,611)		3,582,020	18,570,242
Net capital assets	\$ 29,833,801	\$ 2,214,127	\$ -	\$ -	\$ 32,047,928

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

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**5. CAPITAL ASSETS, Continued**

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

General government	\$	19,314
Public safety		11,009
Parks and recreation		288,883
Public works		979,561
Total depreciation expense - governmental activities	\$	<u>1,298,767</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, 2025:

	Balance at June 30, 2024	Additions	Repayments	Balance at June 30, 2025	Due Within One Year
Governmental Activities:					
Compensated absences	\$ 357,698	\$ 99,128	\$ (77,591)	\$ 379,235	\$ 96,645
Total	<u>\$ 357,698</u>	<u>\$ 99,128</u>	<u>\$ (77,591)</u>	<u>\$ 379,235</u>	<u>\$ 96,645</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, 2025, was \$379,235.

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

The composition of interfund balances as of June 30, 2025, is as follows:

**Due To / Due From Other Funds**

On June 30, 2025, the City had the following due to/from other funds:

Due To (payable)	Due From (receivable)	Amount
Non-major Governmental Funds	General Fund	\$ 817,301
		<u>\$ 817,301</u>

The above interfund balances resulted from temporary reclassifications made on June 30, 2025, to cover cash shortfalls.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

**7. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

**Interfund Transfers**

Transfers Out	Transfers In	Amount
General Fund	Artesia Lighting District	\$ 64,635
General Fund	Paid Parking	519,325
Non-major Governmental Funds	General Fund	304,891
		<u>\$ 888,851</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. Transfer from the General Fund to the Paid Parking special revenue fund was to establish the Paid Parking special revenue fund.

**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>	
State Gas Tax	\$ (110,931)
Community Development Block Grant	(27,727)
Clean Air Bus Grant	(10,548)
Metro TOD 4	(59,616)
Cal Fire Urban Grant	(79,738)
California Natural Resources Grant	(289,004)

**Excess of Expenditures over Appropriations**

The following funds had expenditures over final appropriations during the fiscal year ended June 30, 2025.

	<u>Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Excess Expenditures Over Appropriations</u>
Non-major Funds:			
Gas Tax	\$ 592,239	\$ 607,179	\$ (14,940)
Parks and Recreation Grants	726,224	835,468	(109,244)
Measure W	344,640	407,094	(62,454)
Artesia Lighting District	202,631	236,019	(33,388)
Housing Authority	36,049	198,018	(161,969)

## **9. RETIREMENT PLAN**

### ***A. General Information about the Pension Plan***

#### 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, 2025, 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%

#### Contributions

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

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

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**9. RETIREMENT PLAN, Continued**

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

As of June 30, 2025, 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
<u>\$ 4,860,148</u>

The City's net pension liability for its Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024, 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 plan relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 were as follows:

	City Miscellaneous Plan
Proportion - June 30, 2023	0.09769%
Proportion - June 30, 2024	0.10049%
Change - Increase (Decrease)	<u>0.00280%</u>

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$565,987. On June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 124,916	\$ -
Pension contributions subsequent to measurement date	643,371	
Net differences between projected and actual earnings on pension plan investments	279,793	
Differences based on actual experience	403,808	
Differences between actual vs proportionate contribution		(106,477)
Adjustment due to differences in proportions	20,021	(22,835)
Total	<u>\$ 1,471,909</u>	<u>\$ (129,312)</u>

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

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**9. RETIREMENT PLAN, Continued**

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

\$643,371 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, 2026. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended</u>	
2026	\$ 178,265
2027	612,015
2028	4,826
2029	(95,880)
Totals	<u>\$ 699,226</u>

Actuarial Assumptions

The total pension liabilities in the June 30, 2023, actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	6/30/2023
Measurement Date	6/30/2024
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

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.



## 9. RETIREMENT PLAN, Continued

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

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	\$ 7,570,530
Current Discount Rate	6.90%
Net Pension Liability	\$ 4,860,148
1% Increase	7.90%
Net Pension Liability	\$ 2,629,105

#### 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, 2025, the City had no outstanding amount of contributions to the pension plan required for the fiscal year ended June 30, 2025.

## 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. The plan is a single-employer defined benefit OPEB plan. 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.

## **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. 2025 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 (\$158/mo. for 2025). The City also pays a 0.24% 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.

Participants eligible for OPEB	
Inactive plan members currently receiving payments	30
Active plan members	31
Total	61

### **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, 2024, 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	7.00 percent for 2024 decreasing to 5.40 percent for 2029, 5.25 percent for 2030-2034, 4.60 percent for 2035-2049, 4.50 percent for 2050-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2075 and later years; Medicare ages: 4.50 percent for 2025-2064, 4.25 percent for 2065-2074, and 4.00 percent for 2075 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).

## 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, 2025. The City's total OPEB liability of \$5,619,899 was measured as of June 30, 2025, and was determined by an actuarial valuation as of July 1, 2024.

### 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	182,643
Interest	253,299
Changes of benefit terms	-
Difference between expected and actual experience	15,902
Changes in assumptions or other inputs	(751,574)
Benefit payments <sup>1</sup>	(324,619)
Net change in total OPEB liability	(624,349)
Total OPEB Liability - June 30, 2024	\$ 6,244,248
Total OPEB Liability - June 30, 2025	\$ 5,619,899

<sup>1</sup> Includes \$284,579 of pay-as-you-go contributions made from sources outside of trust, plus an implicit subsidy amount of \$40,040.

### Sensitivity of Total OPEB Liability

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 (4.20%)	Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB Liability	6,296,492	5,619,899	5,050,282

#### Healthcare trend rate

	1% Decrease	Trend Rate	1% Increase
Total OPEB Liability	5,167,689	5,619,899	6,076,687

## 10. OTHER POST-EMPLOYMENT BENEFITS, Continued

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

For the fiscal year ended June 30, 2025, the City recognized OPEB expense of \$153,152. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 1,204,121
Difference between expected and actual experience	178,739	
<b>Total</b>	<b>\$ 178,739</b>	<b>\$ 1,204,121</b>

Amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ending June 30:	Deferred Outflows (Inflows) of Resources
2026	\$ (220,063)
2027	(220,063)
2028	(220,063)
2029	(159,963)
2030	(109,272)
Thereafter	(95,958)
<b>Total</b>	<b>\$ (1,025,382)</b>

## 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.

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

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

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

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

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

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

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 2024-25 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.

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

### ***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.

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 2024-25.

## **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 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.

**City of Artesia**  
**Notes to Basic Financial Statements**  
**June 30, 2025**

### 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, 2025.

#### Long-Term Liabilities

Long-term liabilities activity for the fiscal year ended June 30, 2025 were as follows:

	Balance at June 30, 2024	Additions	Repayments	Balance at June 30, 2025	Due Within One Year
2022 Tax Allocation Bonds	\$ 12,022,970	\$ -	\$ (420,450)	\$ 11,602,520	\$ 442,140
Total	<u>\$ 12,022,970</u>	<u>\$ -</u>	<u>\$ (420,450)</u>	<u>\$ 11,602,520</u>	<u>\$ 442,140</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, 2025, was \$168,516. The balance outstanding on June 30, 2025, was \$11,602,520.

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 \$17,199,200. The annual requirements to amortize the 2022 Tax Allocation Bonds outstanding on June 30, 2025, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
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	522,710	435,039	957,749
2031 - 2035	2,988,440	1,809,686	4,798,126
2036 - 2040	3,707,810	1,093,007	4,800,817
2041 - 2045	2,279,980	295,656	2,575,636
2046	210,590	11,493	222,083
Totals	<u>\$ 11,602,520</u>	<u>\$ 5,596,680</u>	<u>\$ 17,199,200</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, 2025, 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.

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# REQUIRED SUPPLEMENTARY INFORMATION

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**CITY OF ARTESIA**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**JUNE 30, 2025**

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

Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the net pension liability	0.08571%	0.08207%	0.05112%	0.07287%	0.06597%
Proportionate share of the net pension liability	\$ 3,432,285	\$ 3,092,846	\$ 2,015,175	\$ 2,605,653	\$ 1,900,640
Covered payroll	\$ 1,523,499	\$ 1,462,122	\$ 1,456,843	\$ 1,437,166	\$ 1,562,635
Proportionate Share of the net pension liability as a percentage of covered payroll	225.29%	211.53%	138.32%	181.30%	121.63%
Plan's fiduciary net position	\$ 12,377,615	\$ 11,139,639	\$ 6,172,484	\$ 10,016,378	\$ 10,661,524
Plan's total pension liability	\$ 15,809,900	\$ 14,232,486	\$ 8,187,659	\$ 12,622,031	\$ 12,562,164
Plan fiduciary net position as a percentage of total pension liability	78.29%	78.27%	75.39%	79.36%	84.87%
Measurement Date	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Proportion of the net pension liability	0.10049%	0.09769%	0.09707%	0.11186%	0.08975%
Proportionate share of the net pension liability	\$ 4,860,148	\$ 4,884,987	\$ 4,542,084	\$ 2,124,013	\$ 3,785,700
Covered payroll	\$ 3,155,120	\$ 3,054,153	\$ 2,911,455	\$ 2,872,837	\$ 2,312,883
Proportionate Share of the net pension liability as a percentage of covered payroll	154.04%	159.95%	156.01%	73.93%	163.68%
Plan's fiduciary net position	\$ 15,225,623	\$ 14,000,388	\$ 13,726,794	\$ 14,149,128	\$ 12,028,002
Plan's total pension liability	\$ 20,085,771	\$ 18,885,374	\$ 18,268,878	\$ 16,273,141	\$ 15,813,702
Plan fiduciary net position as a percentage of total pension liability	75.80%	74.13%	75.14%	86.95%	76.06%

***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, 2025**

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

	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Contractual required contribution (actuarially determined)	\$ 164,630	\$ 193,376	\$ 105,958	\$ 99,359	\$ 102,746
Contributions in relation to the actuarially determined contributions	(164,630)	(193,376)	(105,958)	(99,359)	(102,746)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,312,883	\$ 1,523,499	\$ 1,462,122	\$ 1,456,843	\$ 1,437,166
Contributions as a percentage of covered payroll	7.12%	12.69%	7.25%	6.82%	7.15%
	June 30, 2025	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
Contractual required contribution (actuarially determined)	\$ 643,371	\$ 565,987	\$ 537,924	\$ 318,726	\$ 233,135
Contributions in relation to the actuarially determined contributions	(643,371)	(565,987)	(537,924)	(318,726)	(233,135)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,285,489	\$ 3,155,120	\$ 3,054,153	\$ 2,911,455	\$ 2,872,837
Contributions as a percentage of covered payroll	19.58%	17.94%	17.61%	10.95%	8.12%

**Notes to Schedule**

Valuation Date: June 30, 2023

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 <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds

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

**CITY OF ARTESIA  
REQUIRED SUPPLEMENTAL INFORMATION  
JUNE 30, 2025**

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

	<b>Fiscal Year Ending 6/30/2022</b>	<b>Fiscal Year Ending 6/30/2021</b>	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2019</b>	<b>Fiscal Year Ending 6/30/2018</b>
<b>Total OPEB Liability</b>					
Service cost	\$ 397,388	\$ 344,922	\$ 247,789	\$ 218,038	\$ 211,687
Interest	164,271	186,267	213,975	222,388	214,547
Changes of assumptions	(1,830,773)	907,796	691,274	434,702	
Difference between expected and actual experience		(563,468)			
Benefit payments	(256,822)	(222,071)	(215,848)	(207,850)	(223,948)
<b>Net change in total OPEB liability</b>	<b>(1,525,936)</b>	<b>653,446</b>	<b>937,190</b>	<b>667,278</b>	<b>202,286</b>
<b>Total OPEB Liability - beginning of fiscal year</b>	<b>8,286,203</b>	<b>7,632,757</b>	<b>6,695,567</b>	<b>6,028,289</b>	<b>5,826,003</b>
<b>Total OPEB Liability - end of fiscal year</b>	<b>\$ 6,760,267</b>	<b>\$ 8,286,203</b>	<b>\$ 7,632,757</b>	<b>\$ 6,695,567</b>	<b>\$ 6,028,289</b>
 <b>Covered-employee payroll</b>	 \$ 3,023,854	 \$ 2,828,429	 \$ 2,354,019	 \$ 2,312,883	 \$ 2,087,473
 <b>Total OPEB Liability as a % of eligible payroll</b>	 223.6%	 293.0%	 324.2%	 289.5%	 288.8%
	<b>Fiscal Year Ending 6/30/2025</b>	<b>Fiscal Year Ending 6/30/2024</b>	<b>Fiscal Year Ending 6/30/2023</b>		
<b>Total OPEB Liability</b>					
Service cost	\$ 182,643	\$ 166,262	\$ 168,254		
Interest	253,299	240,621	231,171		
Changes of assumptions	(751,574)		(951,924)		
Difference between expected and actual experience	15,902	(82,315)	310,855		
Benefit payments	(324,619)	(292,743)	(306,200)		
<b>Net change in total OPEB liability</b>	<b>(624,349)</b>	<b>31,825</b>	<b>(547,844)</b>		
<b>Total OPEB Liability - beginning of fiscal year</b>	<b>6,244,248</b>	<b>6,212,423</b>	<b>6,760,267</b>		
<b>Total OPEB Liability - end of fiscal year</b>	<b>\$ 5,619,899</b>	<b>\$ 6,244,248</b>	<b>\$ 6,212,423</b>		
 <b>Covered-employee payroll</b>	 \$ 3,159,517	 \$ 2,612,422	 \$ 2,417,440		
 <b>Total OPEB Liability as a % of eligible payroll</b>	 177.9%	 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 1<sup>st</sup> year of implementation, therefore only eight years are shown.

**CITY OF ARTESIA**  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**JUNE 30, 2025**

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

	<b>Fiscal Year Ending 6/30/2022</b>	<b>Fiscal Year Ending 6/30/2021</b>	<b>Fiscal Year Ending 6/30/2020</b>	<b>Fiscal Year Ending 6/30/2019</b>	<b>Fiscal Year Ending 6/30/2018</b>
Actuarially determined contribution (ADC) <sup>1</sup>	N/A	N/A	N/A	N/A	N/A
Contributions in relation to the ADC	N/A	N/A	N/A	N/A	N/A
Contribution deficiency (excess)	N/A	N/A	N/A	N/A	N/A
Covered-employee payroll	\$ 3,023,854	\$ 2,828,429	\$ 2,354,019	\$ 2,312,883	\$ 2,087,473
Contributions as a percent of covered-employee payroll	N/A	N/A	N/A	N/A	N/A
	<b>Fiscal Year Ending 6/30/2025</b>	<b>Fiscal Year Ending 6/30/2024</b>	<b>Fiscal Year Ending 6/30/2023</b>		
Actuarially determined contribution (ADC) <sup>1</sup>	N/A	N/A	N/A		
Contributions in relation to the ADC	N/A	N/A	N/A		
Contribution deficiency (excess)	N/A	N/A	N/A		
Covered-employee payroll	N/A	N/A	N/A		
Contributions as a percent of covered-employee payroll	\$ 3,159,517	\$ 2,612,422	\$ 2,417,440		
	N/A	N/A	N/A		

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

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

**City of Artesia**  
**Note to Required Supplementary Information**  
**For the fiscal year ended June 30, 2025**

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**1. BUDGETARY INFORMATION**

The City follows these procedures in establishing the budgetary data reflected in the financial statements.

- 1) The annual budget is adopted by the City Council after a public hearing and provides for the general operation of the City. The operating budget includes proposed expenditures and the means of financing them.
- 2) Budgets for the General and Special Revenue Funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America. Accordingly, actual revenues and expenditures can be compared with related budget amounts without any significant reconciling items.
- 3) Budget control is maintained over all accounts, and expenditures are not allowed to exceed appropriations at the fund level (i.e. General Fund, Special Revenue Fund, etc.), except as approved by the City Council.
- 4) The City Council approves all significant budgetary changes.
- 5) Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, or returned to the taxpayers through revised tax rates or revised fee schedules, or an excess in one year may be offset against a deficit in following year.

The City did not adopt a budget for the following Non-major Governmental Funds: Federal STP-L, HOME, California Street Grants, Paid Parking, Traffic Congestion, MAP 21 Exchange, Clean Air Bus Grant, Sheriff, 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, 2025**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 14,277,195	\$ 14,277,195	\$ 14,277,195	\$ -
Resources (inflows):				
Taxes	9,967,584	10,741,009	11,483,615	742,606
Licenses and permits	992,600	994,576	1,037,486	42,910
Intergovernmental	135,350	109,350	123,672	14,322
Charges for services	1,599,127	1,859,607	2,111,083	251,476
Use of money and property	1,328,011	705,386	945,286	239,900
Fines and forfeitures	215,000	215,000	134,509	(80,491)
Developer fees	185,000	185,000		(185,000)
Other revenues	62,000	98,000	192,543	94,543
Amount available for appropriation	14,484,672	14,907,928	16,028,194	1,120,266
Charges to appropriations (outflows):				
General government	5,147,619	4,901,119	4,891,848	9,271
Public safety	5,735,133	5,137,933	5,016,329	121,604
Parks and recreation	1,376,600	1,531,870	1,293,543	238,327
Public works	898,860	1,056,804	994,589	62,215
Community development	2,219,374	2,536,097	2,253,586	282,511
Capital outlay	188,300	148,046	144,744	3,302
Total charges to appropriations	15,565,886	15,311,869	14,594,639	717,230
Transfers in		457,516	304,891	(152,625)
Transfers out	(60,238)	(64,631)	(583,960)	(519,329)
Total transfers	(60,238)	392,885	(279,069)	(671,954)
Excess of resources over charges to appropriations	(1,141,452)	(11,056)	1,154,486	1,165,542
<b>Fund balance, June 30</b>	\$ 13,135,743	\$ 14,266,139	\$ 15,431,681	\$ 1,165,542

See accompanying note to required 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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 688,665	\$ 688,665	\$ 688,665	\$ -
Resources (inflows):				
Use of money and property	170,000	180,000	221,990	41,990
Amount available for appropriation	170,000	180,000	221,990	41,990
Charges to appropriations (outflows):				
Parks and recreation	250,000	250,000	250,000	
Community development	18,300	77,853	68,063	9,790
Total charges to appropriations	268,300	327,853	318,063	9,790
Excess of resources over (under) charges to appropriations	(98,300)	(147,853)	(96,073)	51,780
<b>Fund balance, June 30</b>	\$ 590,365	\$ 540,812	\$ 592,592	\$ 51,780

See accompanying note to required supplementary information.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Paid Parking - To account for revenue and expenditures associated with the Artesia Parking Authority.

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# NON-MAJOR GOVERNMENTAL FUNDS

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## SPECIAL REVENUE FUNDS (CONTINUED)

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

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Fund balance, July 1,</b>	<u>\$ 1,523,514</u>	<u>\$ 1,523,514</u>	<u>\$ 1,523,514</u>	<u>\$ -</u>
Resources (inflows):				
Charges for Services	20,000	20,000	12,980	(7,020)
Use of Money and Property	7,000	7,000	3,784	(3,216)
Intergovernmental	2,269,922	2,269,922	714,637	(1,555,285)
Other revenue			20,230	20,230
Amount available for appropriation	<u>2,296,922</u>	<u>2,296,922</u>	<u>751,631</u>	<u>(1,545,291)</u>
Charges to appropriations (outflows):				
Public works	489,016	640,310	352,382	287,928
Capital outlay	<u>1,945,475</u>	<u>1,943,593</u>	<u>1,065,127</u>	<u>878,466</u>
Total charges to appropriations	<u>2,434,491</u>	<u>2,583,903</u>	<u>1,417,509</u>	<u>1,166,394</u>
Excess of resources over (under)				
charges to appropriations	<u>(137,569)</u>	<u>(286,981)</u>	<u>(665,878)</u>	<u>(378,897)</u>
<b>Fund balance, June 30</b>	<u><u>\$ 1,385,945</u></u>	<u><u>\$ 1,236,533</u></u>	<u><u>\$ 857,636</u></u>	<u><u>\$ (378,897)</u></u>

**City of Artesia**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2025**

	Special Revenue														Paid Parking	Artesia Lighting District
	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		
<b>ASSETS</b>																
Cash and investments	\$ -	\$ 72,941	\$ 1,151	\$ 457,656	\$ -	\$ 520,984	\$ 3,547	\$ 706,568	\$ 322,584	\$ 553,019	\$ 5,773	\$ 707,115	\$ 1,951,683	\$ 1,074,249	\$ 381,515	\$ 110,434
Receivables:																
Accounts	43,103			16,463	2,375	660,117			5,576					37,502		3,399
<b>Total assets</b>	<u>\$ 43,103</u>	<u>\$ 72,941</u>	<u>\$ 1,151</u>	<u>\$ 474,119</u>	<u>\$ 2,375</u>	<u>\$ 1,181,101</u>	<u>\$ 3,547</u>	<u>\$ 706,568</u>	<u>\$ 328,160</u>	<u>\$ 553,019</u>	<u>\$ 5,773</u>	<u>\$ 707,115</u>	<u>\$ 1,951,683</u>	<u>\$ 1,111,751</u>	<u>\$ 381,515</u>	<u>\$ 113,833</u>
<b>LIABILITIES AND FUND BALANCES</b>																
<b>Liabilities:</b>																
Accounts payable	\$ 67,733	\$ -	\$ -	\$ 29,316	\$ -	\$ 4,202	\$ -	\$ 31,656	\$ -	\$ -	\$ -	\$ 63,054	\$ -	\$ -	\$ -	\$ 17,686
Deposits payable																
Due to other funds	86,301				30,102											
<b>Total liabilities</b>	<u>154,034</u>			<u>29,316</u>	<u>30,102</u>	<u>4,202</u>		<u>31,656</u>				<u>63,054</u>			<u>-</u>	<u>17,686</u>
<b>Fund Balances:</b>																
Restricted for:																
Street projects		72,941											1,951,683	1,111,751		
Transportation projects			1,151	444,803				674,912		553,019						
Housing projects							3,547									
Public works									328,160		5,773	644,061			381,515	96,147
Parks and recreation						1,176,899										
Public safety																
Unassigned	(110,931)				(27,727)											
<b>Total fund balances</b>	<u>(110,931)</u>	<u>72,941</u>	<u>1,151</u>	<u>444,803</u>	<u>(27,727)</u>	<u>1,176,899</u>	<u>3,547</u>	<u>674,912</u>	<u>328,160</u>	<u>553,019</u>	<u>5,773</u>	<u>644,061</u>	<u>1,951,683</u>	<u>1,111,751</u>	<u>381,515</u>	<u>96,147</u>
<b>Total liabilities and fund balances</b>	<u>\$ 43,103</u>	<u>\$ 72,941</u>	<u>\$ 1,151</u>	<u>\$ 474,119</u>	<u>\$ 2,375</u>	<u>\$ 1,181,101</u>	<u>\$ 3,547</u>	<u>\$ 706,568</u>	<u>\$ 328,160</u>	<u>\$ 553,019</u>	<u>\$ 5,773</u>	<u>\$ 707,115</u>	<u>\$ 1,951,683</u>	<u>\$ 1,111,751</u>	<u>\$ 381,515</u>	<u>\$ 113,833</u>

(Continued)

**City of Artesia**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds, Continued**  
**June 30, 2025**

	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	\$ 22,891	\$ 201,426	\$ -	\$ 1,457,828	\$ 447	\$ -	\$ 221,347	\$ 85,426	\$ 726,096	\$ 883,977	\$ 7,052	\$ -	\$ -	\$ -	\$ 73,594	\$ 10,549,303
Receivables:																
Accounts						31,639							253,998	40,779		1,094,951
Total assets	<u>\$ 22,891</u>	<u>\$ 201,426</u>	<u>\$ -</u>	<u>\$ 1,457,828</u>	<u>\$ 447</u>	<u>\$ 31,639</u>	<u>\$ 221,347</u>	<u>\$ 85,426</u>	<u>\$ 726,096</u>	<u>\$ 883,977</u>	<u>\$ 7,052</u>	<u>\$ -</u>	<u>\$ 253,998</u>	<u>\$ 40,779</u>	<u>\$ 73,594</u>	<u>\$ 11,644,254</u>
LIABILITIES AND FUND BALANCES																
Liabilities:																
Accounts payable	\$ -	\$ -	\$ -	\$ 64,549	\$ -	\$ 1,203	\$ -	\$ -	\$ 2,077	\$ 38,412	\$ 1,820	\$ 4,930	\$ 41,805	\$ -	\$ -	\$ 368,443
Deposits payable										61,895						61,895
Due to other funds			10,548			90,052						74,808	501,197	24,293		817,301
Total liabilities			<u>10,548</u>	<u>64,549</u>		<u>91,255</u>			<u>2,077</u>	<u>100,307</u>	<u>1,820</u>	<u>79,738</u>	<u>543,002</u>	<u>24,293</u>		<u>1,247,639</u>
Fund Balances:																
Restricted for:																
Street projects																3,136,375
Transportation projects	22,891	201,426							724,019							2,622,221
Housing projects										783,670						787,217
Public works											5,232				73,594	1,534,482
Parks and recreation																1,176,899
Public safety				1,393,279	447		221,347	85,426								1,700,499
Unassigned			(10,548)			(59,616)						(79,738)	(289,004)	16,486		(561,078)
Total fund balances	<u>22,891</u>	<u>201,426</u>	<u>(10,548)</u>	<u>1,393,279</u>	<u>447</u>	<u>(59,616)</u>	<u>221,347</u>	<u>85,426</u>	<u>724,019</u>	<u>783,670</u>	<u>5,232</u>	<u>(79,738)</u>	<u>(289,004)</u>	<u>16,486</u>	<u>73,594</u>	<u>10,396,615</u>
Total liabilities and fund balances	<u>\$ 22,891</u>	<u>\$ 201,426</u>	<u>\$ -</u>	<u>\$ 1,457,828</u>	<u>\$ 447</u>	<u>\$ 31,639</u>	<u>\$ 221,347</u>	<u>\$ 85,426</u>	<u>\$ 726,096</u>	<u>\$ 883,977</u>	<u>\$ 7,052</u>	<u>\$ -</u>	<u>\$ 253,998</u>	<u>\$ 40,779</u>	<u>\$ 73,594</u>	<u>\$ 11,644,254</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, 2025

	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	Paid Parking	Artesia Lighting District
<b>REVENUES:</b>																
Taxes	\$ -	\$ -	\$ -	\$ 438,723	\$ -	\$ -	\$ -	\$ 350,253	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 137,177
Intergovernmental	460,520				8,075	730,306			21,352	105,785		215,199		445,942		
Use of money and property		3,781	60	46,631		33,572	184	33,849	17,342	24,939	299	41,622	101,751	48,751		3,819
Other	16,958												1,272,413		54,399	
<b>Total revenues</b>	<b>477,478</b>	<b>3,781</b>	<b>60</b>	<b>485,354</b>	<b>8,075</b>	<b>763,878</b>	<b>184</b>	<b>384,102</b>	<b>38,694</b>	<b>130,724</b>	<b>299</b>	<b>256,821</b>	<b>1,374,164</b>	<b>494,693</b>	<b>54,399</b>	<b>140,996</b>
<b>EXPENDITURES:</b>																
Current:																
Public safety																
Parks and recreation						256,468										
Public works	607,179			572,585				264,864	41,689			155,190	162,670	2,082	192,209	236,019
Community Development					13,305											
Capital outlay				567,522		579,000		54,194	7,235			251,904	90,000	149,485		
<b>Total expenditures</b>	<b>607,179</b>			<b>1,140,107</b>	<b>13,305</b>	<b>835,468</b>		<b>319,058</b>	<b>48,924</b>			<b>407,094</b>	<b>252,670</b>	<b>151,567</b>	<b>192,209</b>	<b>236,019</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(129,701)</b>	<b>3,781</b>	<b>60</b>	<b>(654,753)</b>	<b>(5,230)</b>	<b>(71,590)</b>	<b>184</b>	<b>65,044</b>	<b>(10,230)</b>	<b>130,724</b>	<b>299</b>	<b>(150,273)</b>	<b>1,121,494</b>	<b>343,126</b>	<b>(137,810)</b>	<b>(95,023)</b>
<b>OTHER FINANCING SOURCES (USES):</b>																
Transfers in															519,325	64,635
Transfers out																
<b>Total other financing sources (uses)</b>															<b>519,325</b>	<b>64,635</b>
<b>REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</b>	<b>(129,701)</b>	<b>3,781</b>	<b>60</b>	<b>(654,753)</b>	<b>(5,230)</b>	<b>(71,590)</b>	<b>184</b>	<b>65,044</b>	<b>(10,230)</b>	<b>130,724</b>	<b>299</b>	<b>(150,273)</b>	<b>1,121,494</b>	<b>343,126</b>	<b>381,515</b>	<b>(30,388)</b>
<b>FUND BALANCES:</b>																
Beginning 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
End of fiscal year	\$ (110,931)	\$ 72,941	\$ 1,151	\$ 444,803	\$ (27,727)	\$ 1,176,899	\$ 3,547	\$ 674,912	\$ 328,160	\$ 553,019	\$ 5,773	\$ 644,061	\$ 1,951,683	\$ 1,111,751	\$ 381,515	\$ 96,147

(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, 2025**

	Special Revenue															Total Other
	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	Governmental Funds
REVENUES:																
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	27,324	\$ 262,642	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,216,119
Intergovernmental				297,564		177,343	194,663		16,590		5,000		1,046,636	57,833		3,782,808
Use of money and property	1,186	10,439		69,918			22,708	3,582	31,132	136,209	239				3,995	636,008
Other																1,343,770
Total revenues	1,186	10,439		367,482		177,343	217,371	30,906	310,364	136,209	5,239		1,046,636	57,833	3,995	6,978,705
EXPENDITURES:																
Current:																
Public safety												59,898				59,898
Parks and recreation													756,507			1,012,975
Public works				22,373					21,498		5,084				4,754	2,288,196
Community Development						116,243				198,018				25,204		352,770
Capital outlay				87,711					5,500				549,371			2,341,922
Total expenditures				110,084		116,243			26,998	198,018	5,084	59,898	1,305,878	25,204	4,754	6,055,761
REVENUES OVER (UNDER) EXPENDITURES	1,186	10,439		257,398		61,100	217,371	30,906	283,366	(61,809)	155	(59,898)	(259,242)	32,629	(759)	922,944
OTHER FINANCING SOURCES (USES):																
Transfers in																583,960
Transfers out							(304,891)									(304,891)
Total other financing sources (uses)							(304,891)									279,069
REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	1,186	10,439		257,398		61,100	(87,520)	30,906	283,366	(61,809)	155	(59,898)	(259,242)	32,629	(759)	1,202,013
FUND BALANCES:																
Beginning 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
End of fiscal year	\$ 22,891	\$ 201,426	\$ (10,548)	\$ 1,393,279	\$ 447	\$ (59,616)	\$ 221,347	\$ 85,426	\$ 724,019	\$ 783,670	\$ 5,232	\$ (79,738)	\$ (289,004)	\$ 16,486	\$ 73,594	\$ 10,396,615



# 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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 18,770	\$ 18,770	\$ 18,770	\$ -
Resources (inflows):				
Intergovernmental	455,079	463,346	460,520	(2,826)
Use of money and property	8,000	8,000		(8,000)
Other	10,000	10,000	16,958	6,958
Amount available for appropriation	473,079	481,346	477,478	(3,868)
Charges to appropriations (outflows):				
Public Works	502,451	592,239	607,179	(14,940)
Capital outlay	100,000			
Total charges to appropriations	602,451	592,239	607,179	(14,940)
Excess of resources over (under) charges to appropriations	(129,372)	(110,893)	(129,701)	(18,808)
<b>Fund balance, June 30</b>	\$ (110,602)	\$ (92,123)	\$ (110,931)	\$ (18,808)

# City of Artesia

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

### Bicycle & Pedestrian

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 1,091	\$ 1,091	\$ 1,091	\$ -
Resources (inflows):				
Intergovernmental	16,533	16,533		(16,533)
Use of money and property			60	60
Amount available for appropriation	16,533	16,533	60	(16,473)
Charges to appropriations (outflows):				
Capital outlay	16,533	16,533		16,533
Total charges to appropriations	16,533	16,533		16,533
Excess of resources over (under)				
charges to appropriations			60	60
<b>Fund balance, June 30</b>	\$ 1,091	\$ 1,091	\$ 1,151	\$ 60

# City of Artesia

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

### Proposition A

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 1,099,556	\$ 1,099,556	\$ 1,099,556	\$ -
Resources (inflows):				
Taxes	452,642	452,642	438,723	(13,919)
Use of money and property			46,631	46,631
Amount available for appropriation	452,642	452,642	485,354	32,712
Charges to appropriations (outflows):				
Public works	964,933	1,004,932	572,585	432,347
Capital outlay	300,000	941,992	567,522	374,470
Total charges to appropriations	1,264,933	1,946,924	1,140,107	806,817
Excess of resources over (under)				
charges to appropriations	(812,291)	(1,494,282)	(654,753)	839,529
<b>Fund balance, June 30</b>	\$ 287,265	\$ (394,726)	\$ 444,803	\$ 839,529

# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ (22,497)	\$ (22,497)	\$ (22,497)	\$ -
Resources (inflows):				
Intergovernmental	90,824	272,472	8,075	(264,397)
Amount available for appropriation	90,824	272,472	8,075	(264,397)
Charges to appropriations (outflows):				
Community development	90,824	272,472	13,305	259,167
Total charges to appropriations	90,824	272,472	13,305	259,167
Excess of resources over (under) charges to appropriations			(5,230)	(5,230)
<b>Fund balance, June 30</b>	\$ (22,497)	\$ (22,497)	\$ (27,727)	\$ (5,230)

# 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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 1,248,489	\$ 1,248,489	\$ 1,248,489	\$ -
Resources (inflows):				
Intergovernmental	709,724	726,224	730,306	4,082
Use of money and property			33,572	33,572
Amount available for appropriation	709,724	726,224	763,878	37,654
Charges to appropriations (outflows):				
Parks and recreation	130,170	146,670	256,468	(109,798)
Capital outlay	579,554	579,554	579,000	554
Total charges to appropriations	709,724	726,224	835,468	(109,244)
Excess of resources over (under) charges to appropriations			(71,590)	(71,590)
<b>Fund balance, June 30</b>	\$ 1,248,489	\$ 1,248,489	\$ 1,176,899	\$ (71,590)

# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 609,868	\$ 609,868	\$ 609,868	\$ -
Resources (inflows):				
Taxes	375,455	375,455	350,253	(25,202)
Use of money and property			33,849	33,849
Amount available for appropriation	375,455	375,455	384,102	8,647
Charges to appropriations (outflows):				
Public works	295,500	335,515	264,864	70,651
Capital outlay	75,180	100,180	54,194	45,986
Total charges to appropriations	370,680	435,695	319,058	116,637
Excess of resources over (under) charges to appropriations	4,775	(60,240)	65,044	125,284
<b>Fund balance, June 30</b>	\$ 614,643	\$ 549,628	\$ 674,912	\$ 125,284

# City of Artesia

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

### Air Quality

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 338,390	\$ 338,390	\$ 338,390	\$ -
Resources (inflows):				
Intergovernmental	19,850	19,850	21,352	1,502
Use of money and property			17,342	17,342
Amount available for appropriation	19,850	19,850	38,694	18,844
Charges to appropriations (outflows):				
Public works	4,386	4,386	41,689	(37,303)
Capital outlay	19,850	161,850	7,235	154,615
Total charges to appropriations	24,236	166,236	48,924	117,312
Excess of resources over (under) charges to appropriations	(4,386)	(146,386)	(10,230)	136,156
<b>Fund balance, June 30</b>	\$ 334,004	\$ 192,004	\$ 328,160	\$ 136,156

# City of Artesia

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

### Cal Recycle Grant

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 74,353	\$ 74,353	\$ 74,353	\$ -
Resources (inflows):				
Intergovernmental	75,000	75,000		(75,000)
Use of money and property			3,995	3,995
Amount available for appropriation	75,000	75,000	3,995	(71,005)
Charges to appropriations (outflows):				
Public works	75,000	75,000	4,754	70,246
Total charges to appropriations	75,000	75,000	4,754	70,246
Excess of resources over (under)				
charges to appropriations			(759)	(759)
<b>Fund balance, June 30</b>	\$ 74,353	\$ 74,353	\$ 73,594	\$ (759)



# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 794,334	\$ 794,334	\$ 794,334	\$ -
Resources (inflows):				
Intergovernmental		215,199	215,199	
Use of money and property			41,622	41,622
Amount available for appropriation		215,199	256,821	41,622
Charges to appropriations (outflows):				
Public works	192,374	187,896	155,190	32,706
Capital outlay	156,744	156,744	251,904	(95,160)
Total charges to appropriations	349,118	344,640	407,094	(62,454)
Excess of resources over (under) charges to appropriations	(349,118)	(129,441)	(150,273)	(20,832)
<b>Fund balance, June 30</b>	\$ 445,216	\$ 664,893	\$ 644,061	\$ (20,832)

# 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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 830,189	\$ 830,189	\$ 830,189	\$ -
Resources (inflows):				
Use of money			101,751	101,751
Other	3,765,879	1,317,315	1,272,413	(44,902)
Transfer In	73,685	73,685		(73,685)
Amount available for appropriation	3,839,564	1,391,000	1,374,164	(16,836)
Charges to appropriations (outflows):				
Public works	74,298	170,164	162,670	7,494
Capital outlay	1,990,000	1,990,000	90,000	1,900,000
Total charges to appropriations	2,064,298	2,160,164	252,670	1,907,494
Excess of resources over (under)				
charges to appropriations	1,775,266	(769,164)	1,121,494	1,890,658
<b>Fund balance, June 30</b>	\$ 2,605,455	\$ 61,025	\$ 1,951,683	\$ 1,890,658

# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 768,625	\$ 768,625	\$ 768,625	\$ -
Resources (inflows):				
Intergovernmental	421,967	414,012	445,942	31,930
Use of money and property	35,000	35,000	48,751	13,751
Amount available for appropriation	456,967	449,012	494,693	45,681
Charges to appropriations (outflows):				
Public works	300,000	300,000	2,082	297,918
Capital outlay	300,000	300,000	149,485	150,515
Total charges to appropriations	600,000	600,000	151,567	448,433
Excess of resources over (under) charges to appropriations	(143,033)	(150,988)	343,126	494,114
<b>Fund balance, June 30</b>	\$ 625,592	\$ 617,637	\$ 1,111,751	\$ 494,114

# 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 126,535	\$ 126,535	\$ 126,535	\$ -
Resources (inflows):				
Taxes	137,996	137,996	137,177	(819)
Use of money and property			3,819	3,819
Transfers in	64,635	64,635	64,635	
Amount available for appropriation	202,631	202,631	205,631	3,000
Charges to appropriations (outflows):				
Public Works	202,631	202,631	236,019	(33,388)
Total charges to appropriations	202,631	202,631	236,019	(33,388)
Excess of resources over (under) charges to appropriations			(30,388)	(30,388)
<b>Fund balance, June 30</b>	\$ 126,535	\$ 126,535	\$ 96,147	\$ (30,388)

# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 1,135,881	\$ 1,135,881	\$ 1,135,881	\$ -
Resources (inflows):				
Intergovernmental	319,136	319,136	297,564	(21,572)
Use of money and property	23,000	23,000	69,918	46,918
Amount available for appropriation	342,136	342,136	367,482	25,346
Charges to appropriations (outflows):				
Public works	86,600	86,600	22,373	64,227
Capital outlay	300,000	300,000	87,711	212,289
Total charges to appropriations	386,600	386,600	110,084	276,516
Excess of resources over (under) charges to appropriations	(44,464)	(44,464)	257,398	301,862
<b>Fund balance, June 30</b>	\$ 1,091,417	\$ 1,091,417	\$ 1,393,279	\$ 301,862

# 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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ (120,716)	\$ (120,716)	\$ (120,716)	\$ -
Resources (inflows):				
Intergovernmental	430,997	430,997	177,343	(253,654)
Amount available for appropriation	430,997	430,997	177,343	(253,654)
Charges to appropriations (outflows):				
Community development	430,997	430,997	116,243	314,754
Total charges to appropriations	430,997	430,997	116,243	314,754
Excess of resources over (under) charges to appropriations			61,100	61,100
<b>Fund balance, June 30</b>	\$ (120,716)	\$ (120,716)	\$ (59,616)	\$ 61,100

# 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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 308,867	\$ 308,867	\$ 308,867	\$ -
Resources (inflows):				
Intergovernmental	185,000	195,000	194,663	(337)
Use of money and property	7,000	7,000	22,708	15,708
Amount available for appropriation	192,000	202,000	217,371	15,371
Charges to appropriations (outflows):				
Transfer out	(192,000)	(304,891)	(304,891)	
Total charges to appropriations	(192,000)	(304,891)	(304,891)	
Excess of resources over (under) charges to appropriations			(87,520)	15,371
<b>Fund balance, June 30</b>	\$ 308,867	\$ 308,867	\$ 221,347	\$ 15,371

# 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 54,520	\$ 54,520	\$ 54,520	\$ -
Resources (inflows):				
Taxes	21,356	21,356	27,324	5,968
Use of money and property	1,500	1,500	3,582	2,082
Amount available for appropriation	22,856	22,856	30,906	8,050
Charges to appropriations (outflows):				
Community Development	24,000	24,000		24,000
Total charges to appropriations	24,000	24,000		24,000
Excess of resources over (under) charges to appropriations	(1,144)	(1,144)	30,906	32,050
<b>Fund balance, June 30</b>	\$ 53,376	\$ 53,376	\$ 85,426	\$ 32,050



# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ 440,653	\$ 440,653	\$ 440,653	\$ -
Resources (inflows):				
Taxes	281,591	281,591	262,642	(18,949)
Intergovernmental			16,590	16,590
Use of money and property	10,000	10,000	31,132	21,132
Amount available for appropriation	291,591	291,591	310,364	18,773
Charges to appropriations (outflows):				
Public works	50,000	62,000	21,498	40,502
Capital outlay	250,000	350,000	5,500	344,500
Total charges to appropriations	300,000	412,000	26,998	385,002
Excess of resources over (under) charges to appropriations	(8,409)	(120,409)	283,366	403,775
<b>Fund balance, June 30</b>	\$ 432,244	\$ 320,244	\$ 724,019	\$ 403,775

# City of Artesia

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

### Housing Authority

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ 845,479	\$ 845,479	\$ 845,479	\$ -
Resources (inflows):				
Use of money and property	104,358	104,358	136,209	31,851
Amount available for appropriation	104,358	104,358	136,209	31,851
Charges to appropriations (outflows):				
Community development	98,231	36,049	198,018	(161,969)
Total charges to appropriations	98,231	36,049	198,018	(161,969)
Excess of resources over (under) charges to appropriations	6,127	68,309	(61,809)	(130,118)
<b>Fund balance, June 30</b>	\$ 851,606	\$ 913,788	\$ 783,670	\$ (130,118)

# 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, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive/ (Negative)
	Original	Final		
<b>Fund balance, July 1</b>	\$ (19,840)	\$ (19,840)	\$ (19,840)	\$ -
Charges to appropriations (outflows):				
Public safety	62,545	62,545	59,898	2,647
Total charges to appropriations	62,545	62,545	59,898	2,647
Excess of resources over (under) charges to appropriations	(62,545)	(62,545)	(59,898)	2,647
<b>Fund balance, June 30</b>	\$ (82,385)	\$ (82,385)	\$ (79,738)	\$ 2,647

# City of Artesia

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

### California Natural Resources Grant

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ (29,762)	\$ (29,762)	\$ (29,762)	\$ -
Resources (inflows):				
Intergovernmental	2,150,000	2,150,000	1,046,636	(1,103,364)
Amount available for appropriation	2,150,000	2,150,000	1,046,636	(1,103,364)
Charges to appropriations (outflows):				
Parks and recreation	2,057,500	1,950,755	756,507	1,194,248
Capital outlay		32,907	549,371	(516,464)
Total charges to appropriations	2,057,500	1,983,662	1,305,878	677,784
Excess of resources over (under) charges to appropriations	92,500	166,338	(259,242)	(425,580)
<b>Fund balance, June 30</b>	\$ 62,738	\$ 136,576	\$ (289,004)	\$ (425,580)

# City of Artesia

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

For the fiscal year ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive/ (Negative)
<b>Fund balance, July 1</b>	\$ (16,143)	\$ (16,143)	\$ (16,143)	\$ -
Resources (inflows):				
Intergovernmental	25,000	30,000	57,833	27,833
Amount available for appropriation	25,000	30,000	57,833	27,833
Charges to appropriations (outflows):				
Community development	25,000	30,000	25,204	4,796
Total charges to appropriations	25,000	30,000	25,204	4,796
Excess of resources over (under) charges to appropriations			32,629	32,629
<b>Fund balance, June 30</b>	\$ (16,143)	\$ (16,143)	\$ 16,486	\$ 32,629

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# DESCRIPTION OF STATISTICAL SECTION CONTENTS

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June 30, 2024

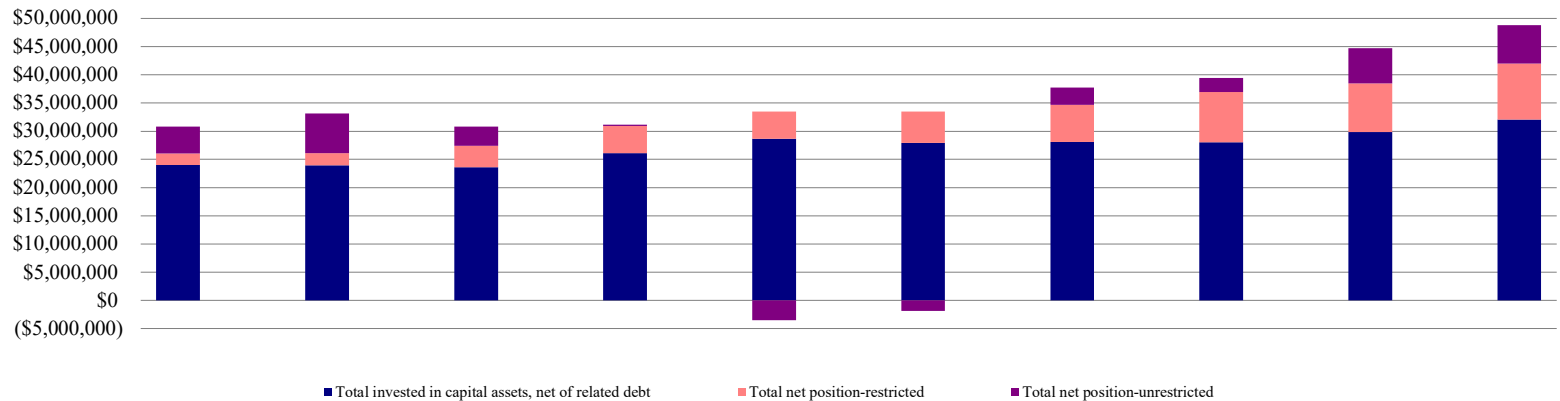
This part of the City of Artesia's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

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.	87
<u>Revenue Capacity</u> these schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	93
<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.	98
<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.	102
<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.	104

Note: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year. Property tax information is sourced from the Los Angeles County Auditor-Controller's Office. Demographic and economic statistics are based on data from the California Department of Finance, U.S. Census Bureau, and the State of California Employment Development Department.

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities</b>										
Net Investment in capital assets	\$ 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	\$ 32,047,928
Restricted	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	9,918,277
Unrestricted	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	6,818,180
Total governmental activities net position	<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>	<u>\$ 48,784,385</u>
<b>Business-type activities</b>										
Net Investment in capital assets	\$ -	\$ 658,243	\$ 623,339	\$ 640,474	\$ 594,223	\$ 541,831	\$ 489,439	\$ 437,048	\$ -	\$ -
Unrestricted	56,125	964,577	1,285,535	944,193	695,311	971,123	851,251	786,387	-	-
Total business-type activities net assets	<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>	<u>\$ -</u>
<b>Total net assts</b>										
Net Investment in capital assets	\$ 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	\$ 32,047,928
Restricted	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	9,918,277
Unrestricted	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	6,818,180
Total net assets	<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>	<u>\$ 48,784,385</u>





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

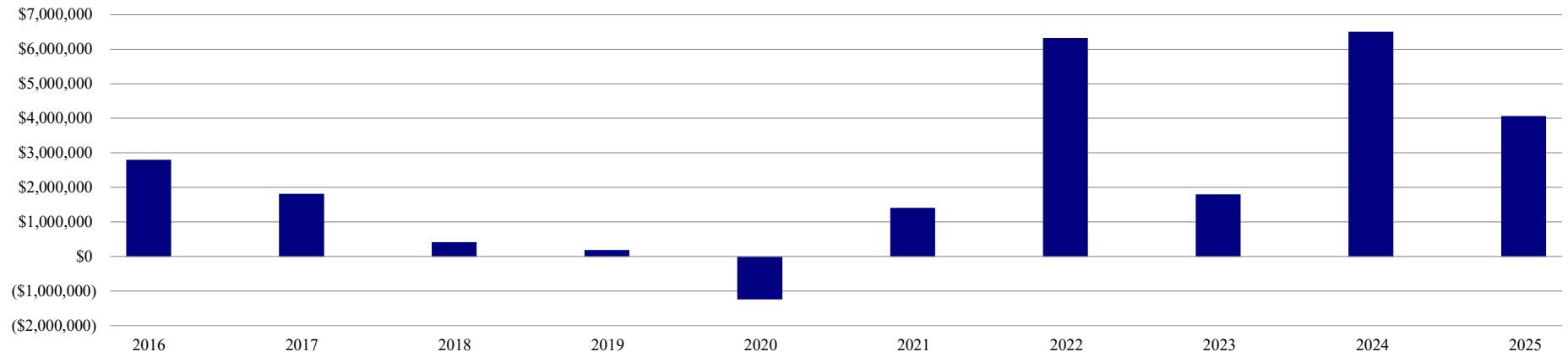
	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Expenses</b>										
Governmental activities:										
General government	\$ 2,458,793	\$ 2,641,676	\$ 2,522,576	\$ 3,955,102	\$ 4,187,313	\$ 4,523,432	\$ 3,854,973	\$ 3,310,279	\$ 4,264,141	\$ 4,651,889
Public safety	3,376,566	3,515,581	3,803,083	4,160,102	5,006,881	3,792,862	4,542,434	4,671,915	5,152,508	5,087,236
Parks and recreation	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	2,845,401
Public works	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	4,653,627
Community development	578,618	746,761	544,246	724,973	1,009,598	1,006,978	1,325,713	2,533,642	2,280,851	2,674,419
Interest on long-term debt	15,228	-	-	-	-	-	-	-	-	-
Total governmental activities expenses	9,996,224	10,443,183	10,455,063	12,078,648	13,843,019	13,156,832	14,163,288	14,833,503	16,910,856	19,912,572
Business-type activities:										
Residential refuse	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	376,870	318,950	427,817	541,218	459,005	327,252	783,263	423,089	-	-
Total expenses	\$ 10,373,094	\$ 10,762,133	\$ 10,882,880	\$ 12,619,866	\$ 14,302,024	\$ 13,484,084	\$ 14,946,551	\$ 15,256,592	\$ 16,910,856	\$ 19,912,572
<b>Program revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 551,206	\$ 686,391	\$ 598,180	\$ 636,224	\$ 486,898	\$ 562,013	\$ 404,801	\$ 1,118,242	\$ 972,461	\$ 1,462,088
Public safety	762,385	245,713	175,612	206,202	-	-	-	-	-	-
Parks and recreation	74,013	62,575	49,693	124,268	34,427	34,427	53,703	87,352	106,835	106,835
Public works	242,516	-	-	103,130	57,463	57,463	61,265	-	-	-
Community development	58,606	69,714	95,836	58,441	492,762	492,762	653,815	975,566	1,592,626	598,940
Operating grants and contributions	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	1,402,278
Capital grants and contributions	-	675,007	675,007	1,393,213	1,639,598	4,065,409	7,843,268	1,248,758	4,579,342	4,434,958
Total governmental activities program revenues	3,452,126	3,034,378	2,917,955	3,441,202	4,120,114	6,593,782	10,639,896	5,294,624	8,644,292	8,005,099
Business-type activities:										
Charges for services - Residential Refuse	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	398,788	732,325	713,871	695,202	523,399	550,672	610,999	305,834	-	-
Total program revenues	\$ 3,850,914	\$ 3,766,703	\$ 3,631,826	\$ 4,136,404	\$ 4,643,513	\$ 7,144,454	\$ 11,250,895	\$ 5,600,458	\$ 8,644,292	\$ 8,005,099
<b>Net (expense) revenue</b>										
Total net expense	\$ (6,522,180)	\$ (6,995,430)	\$ (7,251,054)	\$ (8,483,462)	\$ (9,658,511)	\$ (6,339,630)	\$ (3,695,656)	\$ (9,656,134)	\$ (8,266,564)	\$ (11,907,473)
<b>General revenues</b>										
Taxes:										
Property taxes, levied for general purpose	\$ 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	\$ 2,535,284
Transient occupancy taxes	553,188	512,631	423,928	391,137	434,010	406,026	410,567	595,622	626,137	594,972
Sales taxes	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	6,572,790
Franchise taxes	2,696,612	706,034	766,423	846,786	893,480	888,495	909,908	143,740	207,367	993,686
Business license taxes	518,569	545,391	618,198	650,117	614,271	682,807	525,901	884,681	818,066	1,024,268
Other taxes	192,493	176,636	79,847	22,008	13,391	-	-	-	930,602	756,301
Motor vehicle licence fee collection in excess	6,798	7,563	8,852	-	-	-	-	-	-	-
Use of money and property	548,037	318,332	462,724	712,384	372,674	371,655	100,488	724,831	2,289,377	1,807,068
Other	12,686	41,075	94,258	168,070	165,818	258,931	209,327	1,405,200	745,928	1,691,052
Transfer-In	-	-	-	-	-	-	-	-	1,223,434	-
Contribution from Successor Agency	-	1,283,731	-	-	-	-	-	-	-	-
Total governmental activities	9,345,519	9,222,533	7,954,396	8,824,336	8,482,357	7,966,385	9,854,205	11,342,973	14,773,049	15,975,421

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

(Continued)

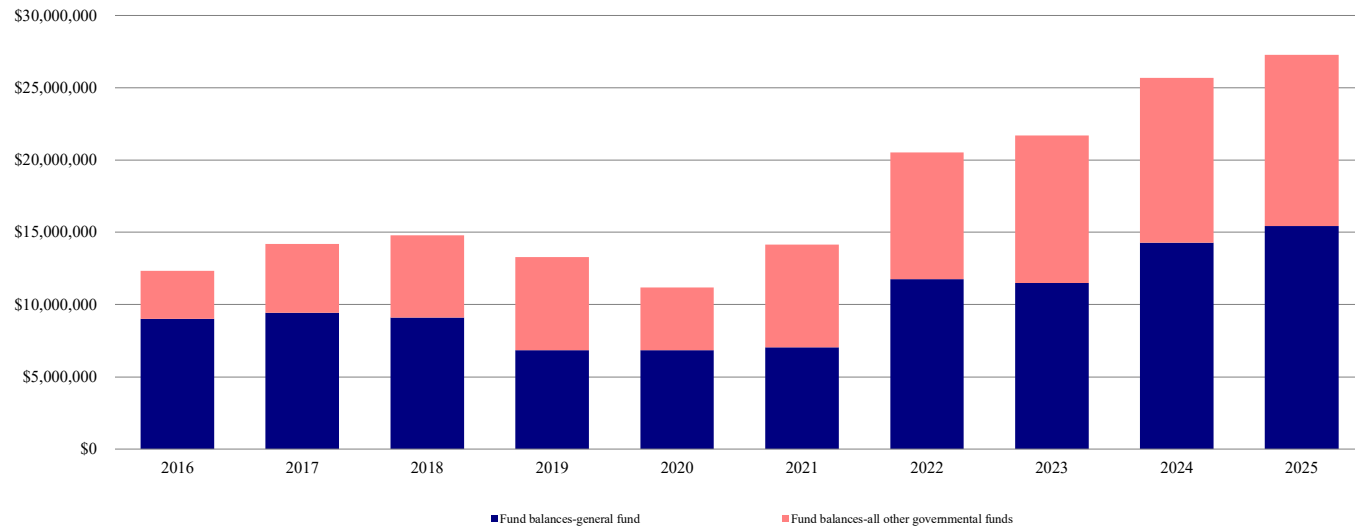
	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General revenues (cont'd)</b>										
Business-type activities:										
Transfer-Out	-	-	-	-	-	-	-	-	(1,223,434)	-
<b>Change in net position</b>										
Governmental activities	\$ 2,801,421	\$ 1,813,728	\$ 417,288	\$ 186,890	\$ (1,240,548)	\$ 1,403,335	\$ 6,330,813	\$ 1,804,094	\$ 6,506,485	\$ 4,067,948
Business-type activities	21,918	413,375	286,054	153,984	64,394	223,420	(172,264)	(117,255)	-	-
Total changes in net position	<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>\$ 6,506,485</u>	<u>\$ 4,067,948</u>



■ Change in net position-governmental activities

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General fund</b>										
Nonspendable	\$ 19,505	\$ 29,805	\$ 22,301	\$ 23,664	\$ 28,735	\$ 21,901	\$ 88,581	\$ 243,022	\$ 636,952	\$ 107,140
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	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	5,516,877
Assigned	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	2,092,370
Unassigned	-	(1,674,508)	540,052	(1,729,330)	(2,095,348)	729,471	5,151,404	4,719,920	7,109,758	7,715,294
Total general fund	<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>	<u>\$ 15,431,681</u>
<b>All other governmental funds</b>										
Nonspendable	-	-	\$ 7,063	-	\$ 7,063	\$ 8,063	\$ 8,628	\$ 20,000	\$ 102,413	\$ -
Restricted	\$ 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	11,439,354
Assigned	-	-	2,043,148	1,998,832	1,349,697	1,367,839	1,371,179	984,954	1,523,514	857,636
Unassigned	676,056	2,025,342	(111,549)	(245,811)	(1,785,026)	(333,862)	(188,097)	(59,076)	(219,506)	(450,147)
Total all other governmental funds	<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>	<u>\$ 11,846,843</u>



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

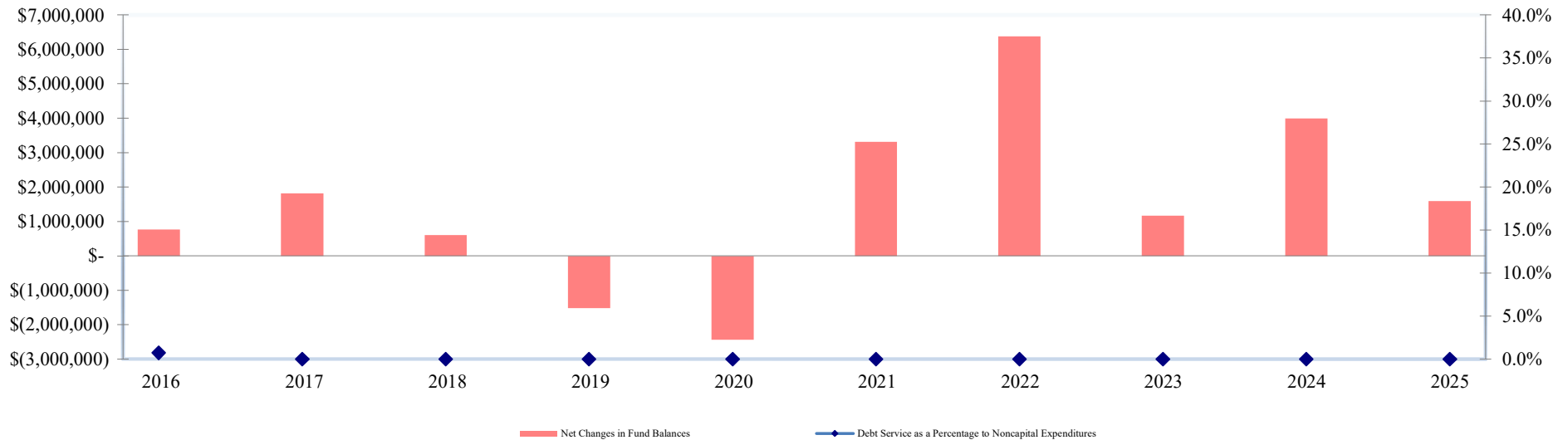
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Revenues</b>										
Taxes	\$ 8,784,799	\$ 7,579,396	\$ 7,397,414	\$ 7,958,208	\$ 8,887,075	\$ 8,315,947	\$ 10,393,960	\$ 10,460,337	\$ 10,790,577	\$ 12,699,734
Licenses and permits	542,950	473,916	528,133	538,854	492,762	607,207	525,901	815,390	1,371,826	1,037,486
Intergovernmental	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	4,621,117
Charges for services	1,046,288	257,088	286,227	383,209	434,132	524,210	1,082,055	1,365,770	1,300,096	2,124,063
Use of money and property	548,034	318,331	462,724	712,384	372,674	371,655	100,488	724,831	2,289,377	1,807,068
Fines and forfeitures	40,883	163,675	156,981	206,202	144,656	15,248	91,529	186,566	193,510	134,509
Developer fees	58,606	69,713	-	-	-	-	-	-	930,602	-
Other	12,685	41,075	94,258	168,070	165,818	258,931	209,327	1,218,634	552,418	1,556,543
Total revenues	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	23,980,520
<b>Expenditures</b>										
General government	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	4,891,848
Public safety	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	5,076,227
Parks and recreation	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	2,556,518
Public works	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	3,635,167
Community development	578,618	746,761	544,246	724,973	1,009,598	1,006,978	1,325,713	2,533,642	2,280,851	2,674,419
Capital outlay	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	3,551,793
Debt service:										-
Principal	50,476	-	-	-	-	-	-	-	-	-
Interest and fiscal charges	15,228	-	-	-	-	-	-	-	-	-
Cost of issuance	-	-	-	-	-	-	-	-	-	-
Total expenditures	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	22,385,972
Excess of revenues over (under) expenditures	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	1,594,548

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

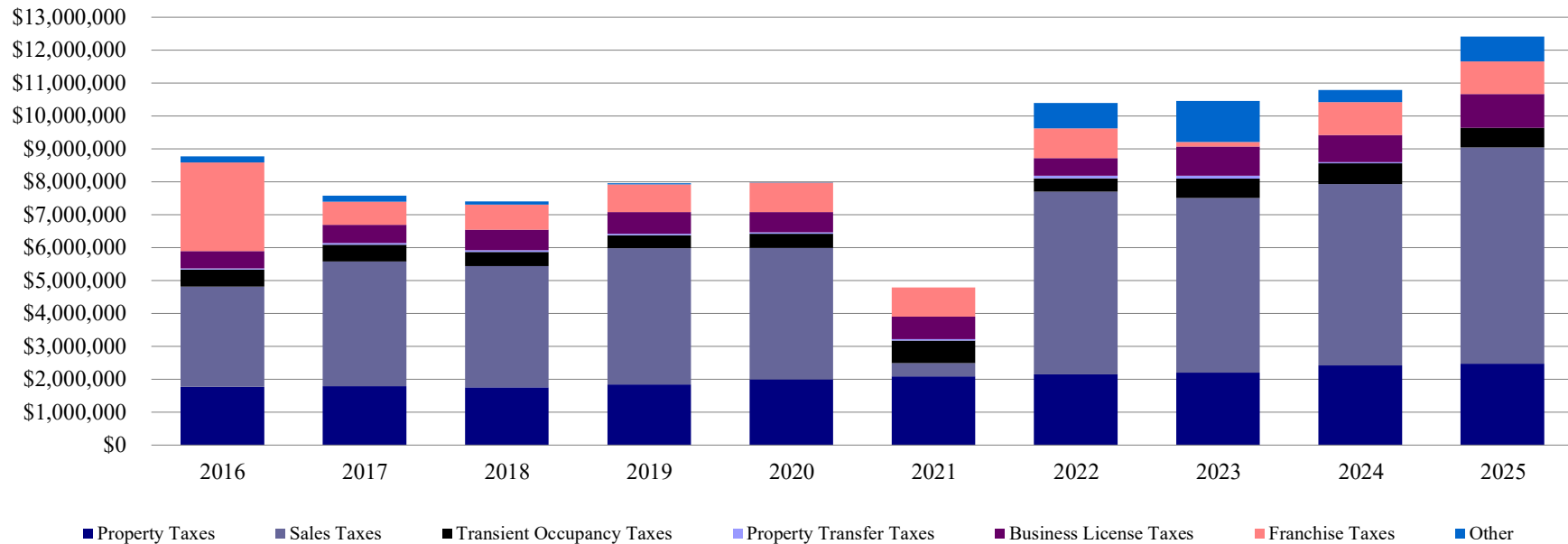
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Other financing sources (uses)	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Transfers in	\$ 4,317,595	\$ 45,402	\$ 35,597	\$ 629,791	\$ 519,598	\$ 113,023	\$ 4,131,550	\$ 284,438	\$ 1,137,218	\$ 888,851
Transfers out	(4,317,595)	(603,484)	(35,597)	(151,600)	(160,071)	(113,023)	(4,131,550)	(284,438)	(350,831)	(888,851)
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	\$ 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	\$ 1,594,548
Debt service as a percentage of noncapital expenditures	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%



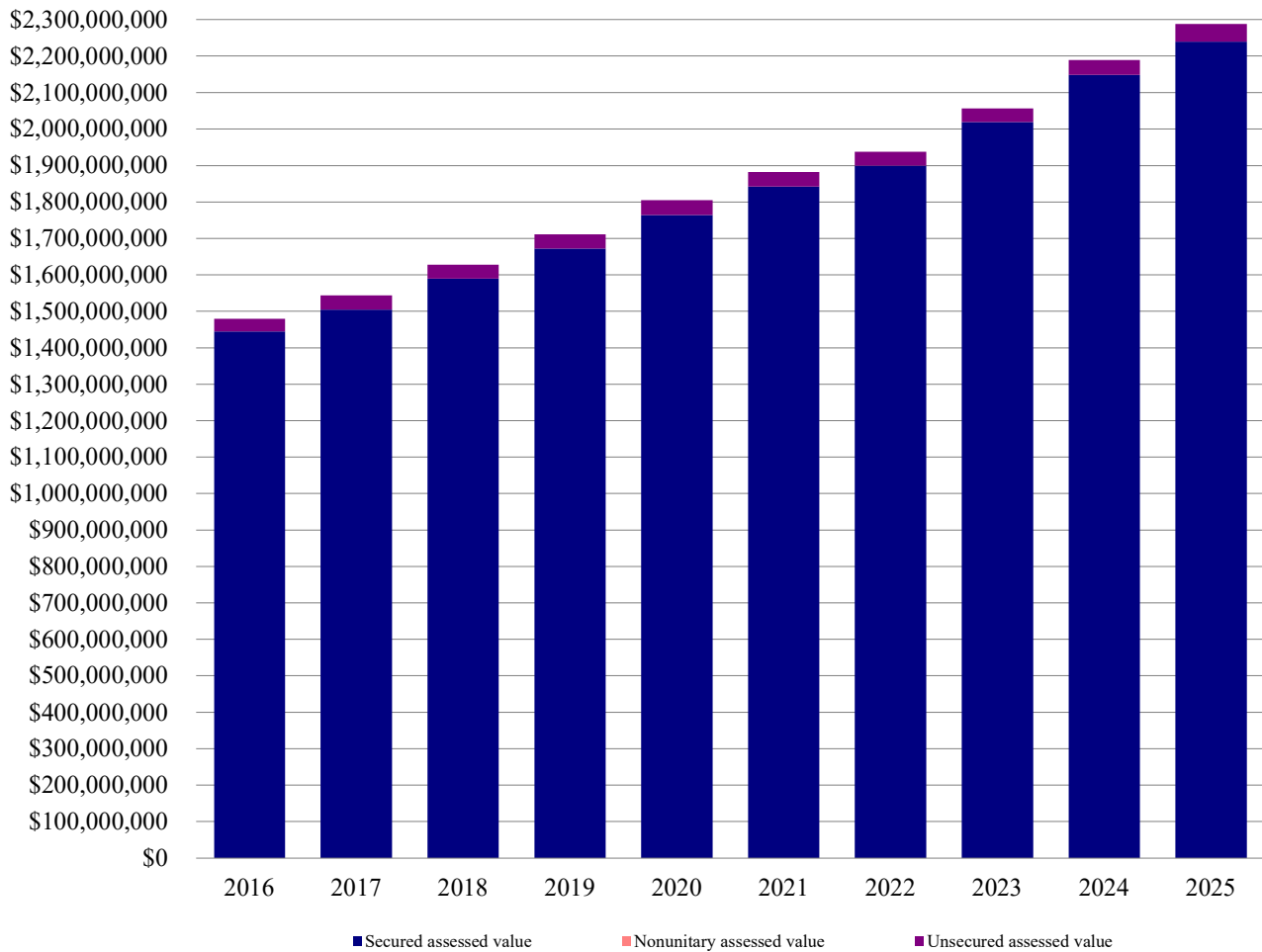
CITY OF ARTESIA, CALIFORNIA  
General Governmental Tax Revenues by Source  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

Fiscal Year	Property Taxes	Sales Taxes	Transient Occupancy Taxes	Property Transfer Taxes	Business License Taxes	Franchise Taxes	Other Taxes	Total
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
2025	2,471,994	6,572,790	594,972	63,290	1,024,268	993,686	756,301	12,477,301



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

Fiscal Year	Assessed Value <sup>(1)</sup>				Total Effective Rate (2)
	Secured	Nonunitary	Unsecured	Total	
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%
2025	2,239,670,290	-	48,381,744	2,288,052,034	0.6598%



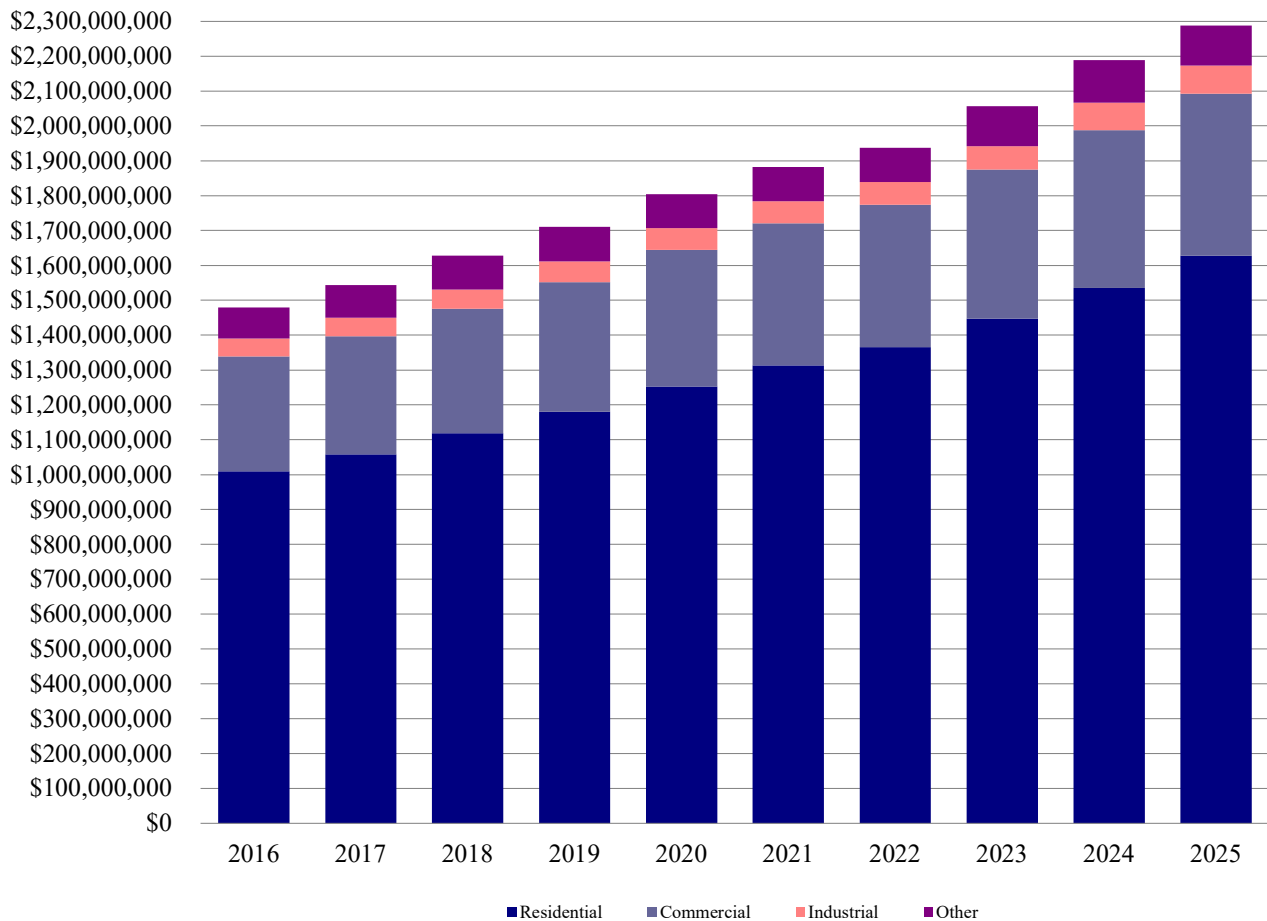
<sup>(1)</sup> Net of exemptions

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

Source: Los Angeles County/Hdl Companies

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

Fiscal Year	Assessed Value <sup>(1)</sup>					Total Effective Rate (2)
	Residential	Commercial	Industrial	Other	Total	
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%
2025	1,628,242,847	463,899,049	80,805,197	115,104,941	2,288,052,034	0.6598%



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

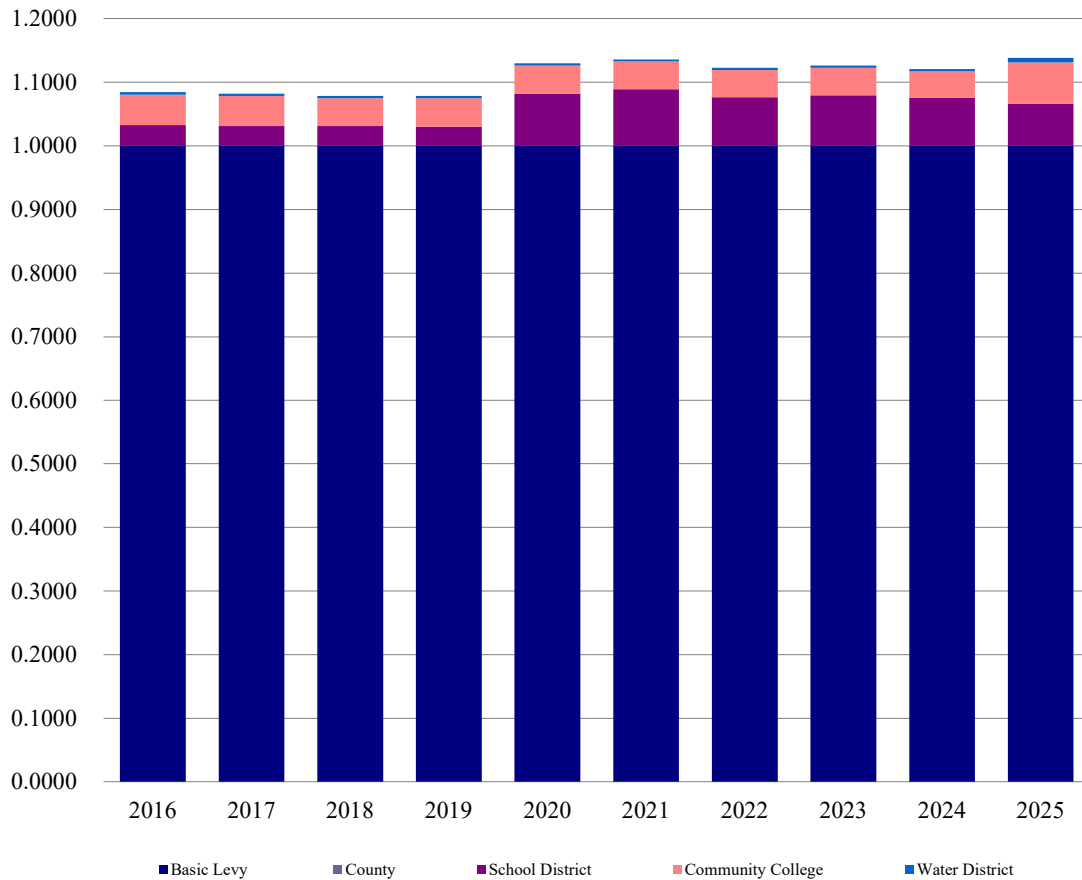
<sup>(2)</sup> Because of California's complicated taxing structure where different values are taxed at different rates due to Proposition 13 and Redevelopment dissolution statutes, we have used an effective rate. The rate has been calculated by dividing total revenue for the government preparing the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

Source: Los Angeles County/Hdl Companies



CITY OF ARTESIA, CALIFORNIA  
Direct and Overlapping Property Tax Rates <sup>(1)</sup>  
Last Ten Fiscal Years  
(Rate per \$100 of Assessed Value)

Fiscal Year	Basic Levy <sup>(2)</sup>	County			School District <sup>(3)</sup>	Community		Total Effective Rate <sup>(5)</sup>
		Detention Facilities	Flood Control	Total		College District <sup>(4)</sup>	Water District	
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%
2025	1.0000	0.0000	0.0000	0.0000	0.0664	0.0649	0.0070	0.6598%



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

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

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

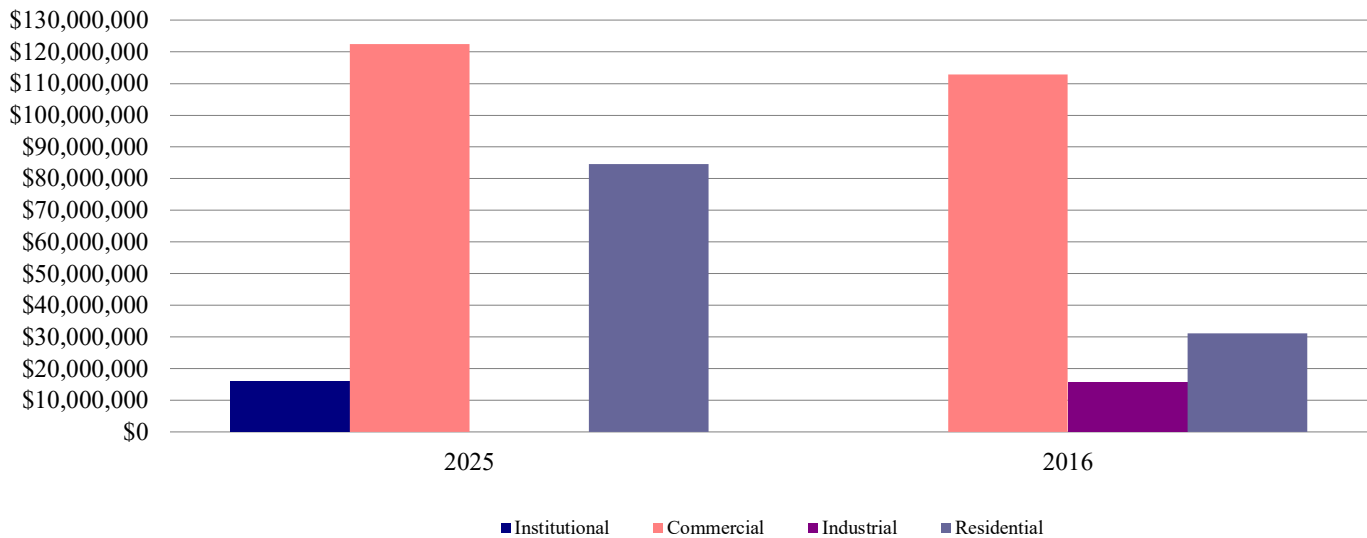
<sup>(4)</sup> Cerritos Community College District .

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

CITY OF ARTESIA, CALIFORNIA  
Principal Property Owners  
June 30, 2025

Taxpayer	Primary Use	2025				2016			
		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>		Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value <sup>(1)</sup>	
Eaves Artesia LP	Residential	\$ 36,640,397	1	1.60%		31,127,274	1	1.38%	
Artesia Partners LLC	Commercial	35,350,000	2	1.54%		29,266,757	2	1.98%	
YSM Investment No 3 LLC	Commercial	35,250,000	3	1.54%		21,850,000	3	0.97%	
Pioneerlux Associates, LP	Commercial	22,313,656	4	0.98%		-	-	-	
183 Pioneer and Arline LLC	Residential	19,551,172	5	0.85%		-	-	-	
NNC WP 186th Street LLC	Residential	16,557,814	6	0.72%		-	-	-	
11900 East Artesia Boulevard LLC	Institutional	16,056,856	7	0.70%		13,627,321	7	0.92%	
Maya Inn and Suites	Commercial	15,092,313	8	0.66%		-	-	-	
Haw Lay I LLC	Commercial	14,425,287	9	0.63%		12,245,633	8	0.83%	
La Belle Chateau LLC	Residential	11,782,842	10	0.51%		-	-	-	
California Milk Producers	Industrial	-	-	-		15,674,954	4	1.06%	
Realty Specialties Inc	Commercial	-	-	-		14,510,605	5	0.98%	
BSREP Socal 91 Freeway LLC	Commercial	-	-	-		14,183,716	6	0.63%	
Egari Family Trust	Commercial	-	-	-		10,758,122	9	0.73%	
Eastland Estate LLC	Commercial	-	-	-		10,020,690	10	0.68%	
Total		<u>\$ 223,020,337</u>		<u>9.75%</u>		<u>\$ 173,265,072</u>		<u>10.15%</u>	

**Principal Property Owners**



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

Source: Los Angeles County/Hdl Companies

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year <sup>(2)</sup>	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Note (3) Total Collections to Date	
		Amount <sup>(2)</sup>	Percent of Levy		Amount	Percent of Levy
2016	844,497	732,978	86.8%	N/A	N/A	N/A
2017	870,625	870,625	100.0%	N/A	N/A	N/A
2018	912,132	903,094	99.0%	N/A	N/A	N/A
2019	955,470	933,541	97.7%	N/A	N/A	N/A
2020	996,741	970,140	97.3%	N/A	N/A	N/A
2021	1,039,175	1,005,854	96.8%	N/A	N/A	N/A
2022	1,074,233	1,063,592	99.0%	N/A	N/A	N/A
2023	1,138,723	1,077,769	94.6%	N/A	N/A	N/A
2024	1,161,497	1,158,016	99.7%	N/A	N/A	N/A
2025	1,239,154	1,224,342	98.8%	N/A	N/A	N/A

<sup>(1)</sup> Includes only City general property taxes of the General Fund

<sup>(2)</sup> Includes secured and unsecured property tax levies exclusive of homeowner exemption

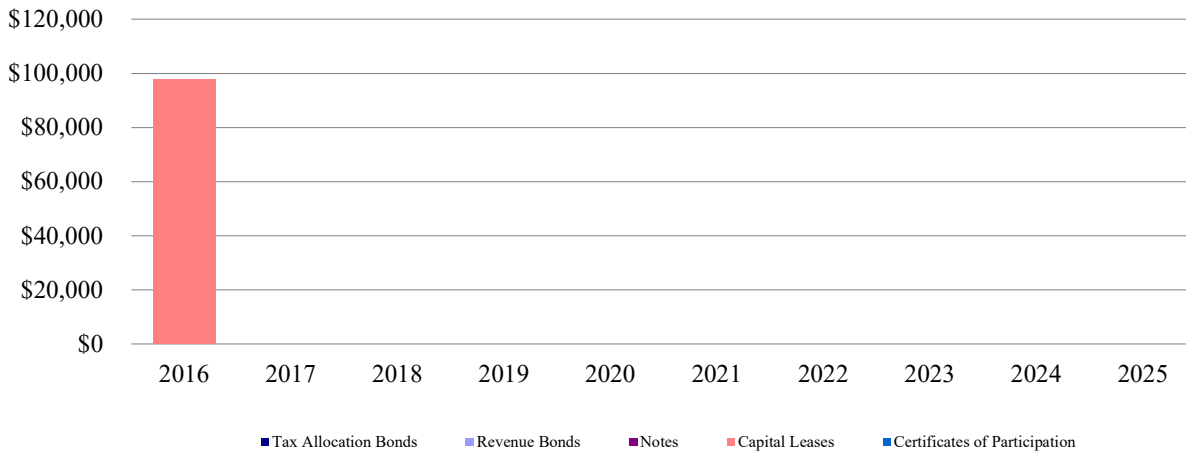
<sup>(3)</sup> Los Angeles County does not provide detail of prior year collections. Therefore, the information about subsequent collections is not available.

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 <sup>(1)</sup>	Percentage of Debt Per Capita <sup>(1)</sup>
	Tax Allocation Bonds <sup>(2)</sup>	Notes	Capital Leases			
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%
2025	-	-	-	-	0.00%	0.00%

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



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

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

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

CITY OF ARTESIA, CALIFORNIA  
Computation of Direct and Overlapping Bonded Debt  
As of June 30, 2025

2024-25 Assessed Valuation	\$ 2,288,052,034		
	Net General Activities Bonded and Capital Lease Debt Outstanding	Percentage Applicable to City of Artesia <sup>(1)</sup>	Amount Applicable to City of Artesia
<b>Jurisdiction</b>			
<u>Overlapping Tax and Assessment Debt:</u>			
Metropolitan Water District	\$ 17,155,000	0.056%	\$ 9,607
Cerritos Community College District	510,110,300	3.548%	18,098,713
ABC Unified School District	175,060,042	11.153%	19,524,446
Total Direct and Overlapping Tax and Assessment Debt			<u>\$ 37,632,766</u>
<u>Overlapping General Fund Debt:</u>			
Los Angeles County General Fund Obligations	\$ 3,036,637,390	0.109%	\$ 3,309,935
Los Angeles Superintendent of Schools Certificates of Participation	2,331,775	0.109%	2,542
City of Artesia	-		-
Total Direct and Overlapping Tax and Assessment Debt			<u>\$ 3,312,477</u>
<u>Overlapping Tax Increment Debt (Successor Agencies):</u>	\$ 11,602,520	100%	<u>\$ 11,602,520</u>
<b>Total Direct Debt</b>			-
Total Overlapping Debt			<u>\$ 52,547,763</u>
Combined Total Debt			<u>\$ 52,547,763</u>

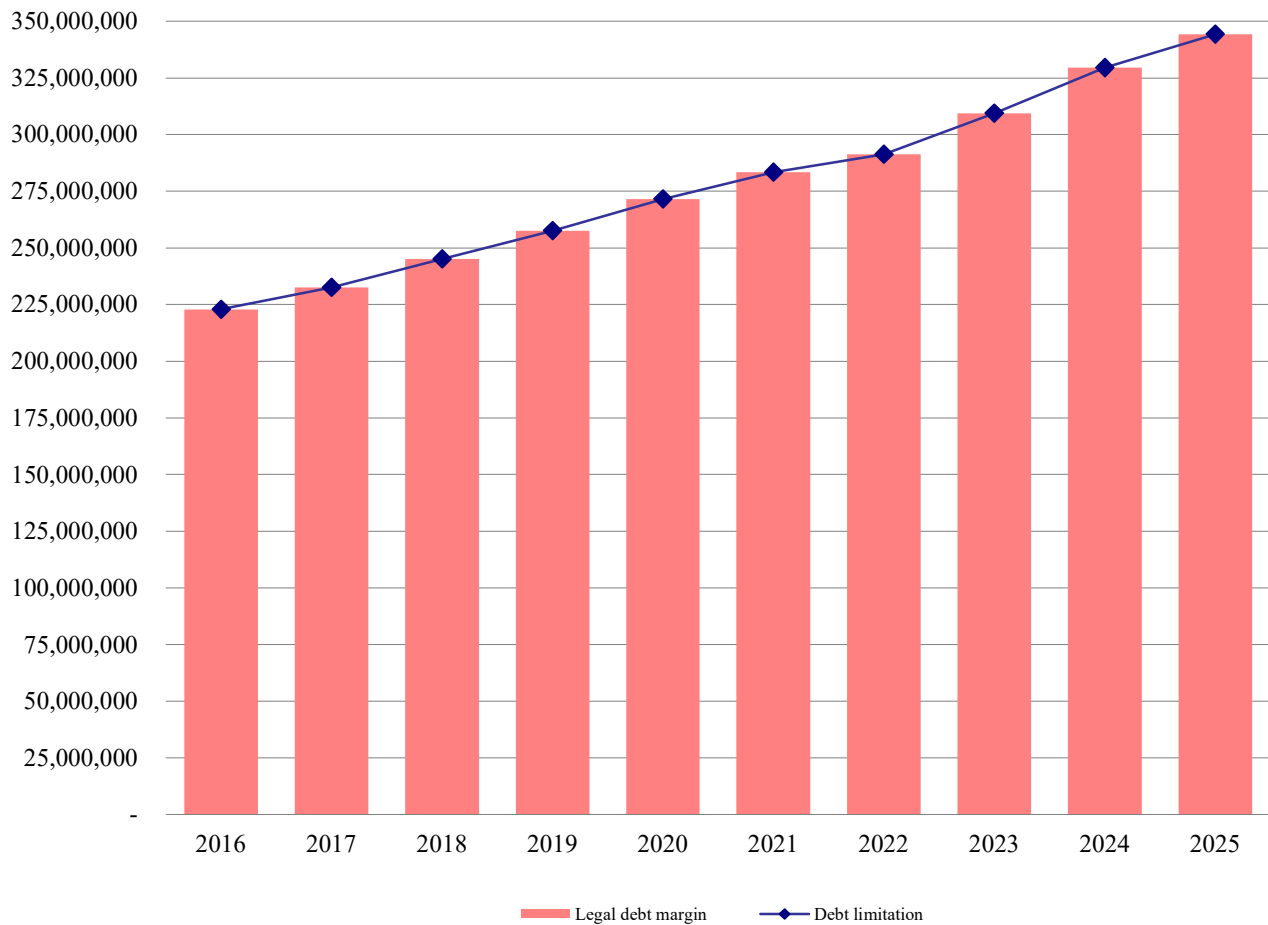
Notes:

<sup>(1)</sup> 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.

<sup>(2)</sup> 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

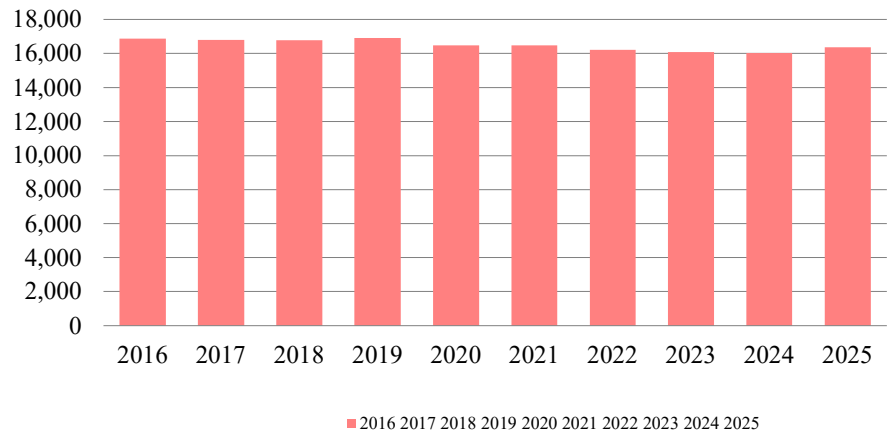
Fiscal Year	Assessed Valuations			Legal Debt Margin		
	Assessed Value	Add Exemptions	Total Assessed Value	Debt Limitation- 15% of Total Assessed Value	Total Debt Applicable to Limitation	Legal Debt Margin
2016	1,480,026,831	6,276,033	1,486,302,864	222,945,430	-	222,945,430
2017	1,543,801,536	6,276,033	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
2025	2,288,052,034	7,173,902	2,295,225,936	344,283,890	-	344,283,890



CITY OF ARTESIA, CALIFORNIA  
Demographic and Economic Statistics

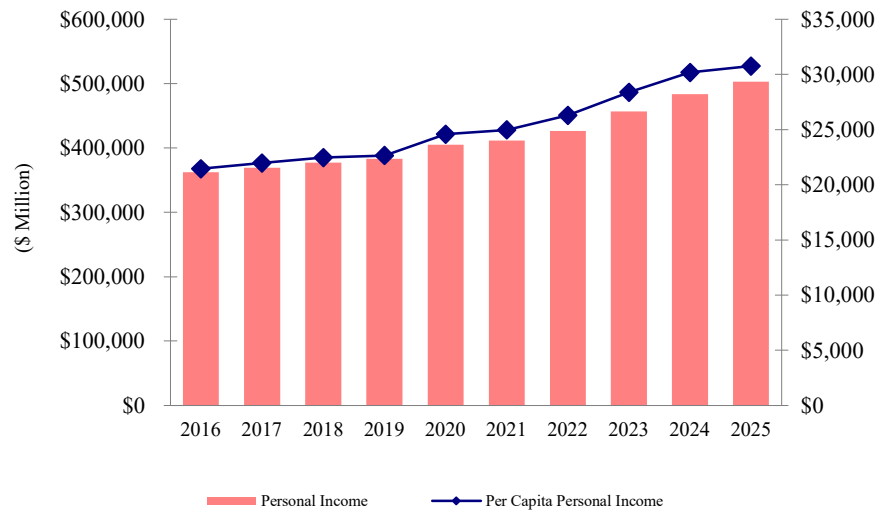
Last Ten Fiscal Years

Year	Population <sup>(1)</sup>
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
2025	16,359



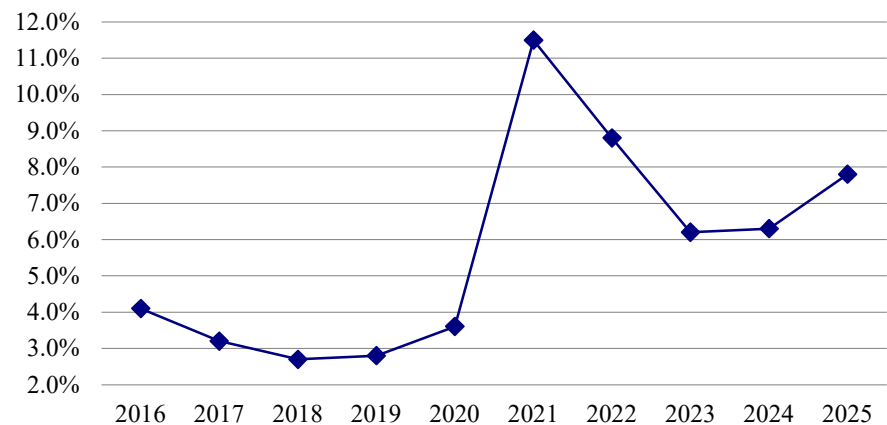
Last Ten Fiscal Years

Year	Personal Income <sup>(2)</sup> (\$ Thousand)	Per Capita Personal Income <sup>(2)</sup>
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
2025	503,084	30,752



Last Ten Fiscal Years

Year	Unemployment Rate <sup>(2)</sup>
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%
2025	7.8%



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

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

## CITY OF ARTESIA, CALIFORNIA

## Principal Employers

As of June 30, 2025

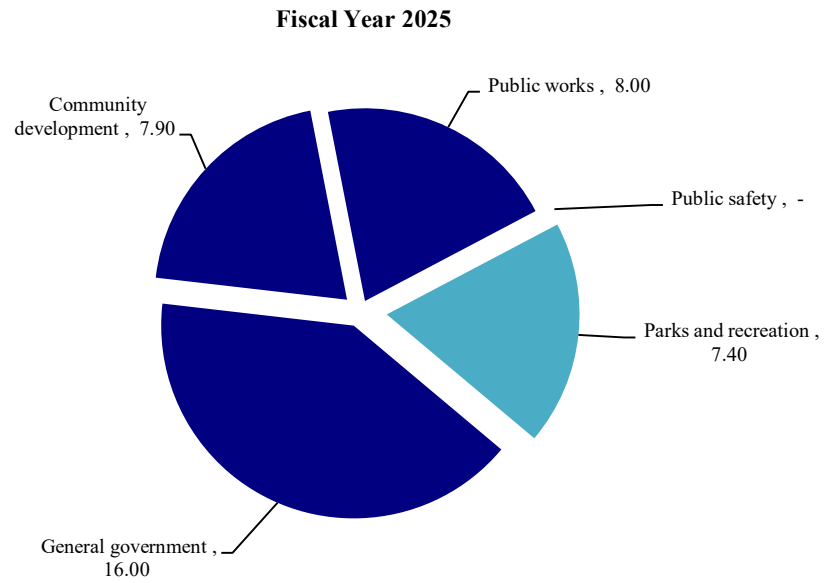
Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Automobile Club of Southern California	50	1	10.27%	52	6	2.46%
CITY OF ARTESIA	39	2	8.01%			
CARE MERIDIAN	29	3	5.95%			
TSANG & ASSOCIATES, A PROFESSIONAL LAW CORP	23	4	4.72%			
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%			
SAGE M. HUMPHRIES D.D.S, M.S.	12	9	2.46%			
Artesia Christian Homes, Inc				139	1	6.56%
Tawa Supermarket, Inc				93	2	4.39%
California Dairies, Inc.				90	3	4.25%
Stater Bros. Market				81	4	3.82%
Prime Grill Corporation				62	5	2.93%
Dejon Enterprises				52	7	2.46%
Don Jose Restaurant				50	8	2.36%
Aspen Healthcare Corporation				48	9	2.27%
Hygieia Home Health Corporation				43	10	2.03%
AMBITIONS CALIFORNIA INC	10	10	2.05%			
	230		47.23%	710		33.52%
Total number of employees	487			5,641		
Number of businesses	899			1,054		

Source: Finance Department, HdL



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

		Last Ten Fiscal Years									
		2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
		Total	Total	Total	Total	Total	Total	Total	Total	Total	Total
General government		19.00	16.29	15.01	19.60	19.00	20.00	20.00	22.00	16.00	16.00
Community development		-	5.88	8.33	3.00	4.00	4.00	4.00	4.00	7.90	7.90
Public works		7.00	2.93	3.03	7.00	7.00	6.00	6.00	7.00	8.00	8.00
Public safety		2.85	0.95	2.22	4.38	3.90	4.90	4.90	1.90	-	-
Parks and recreation		8.00	10.95	11.46	9.15	10.15	9.40	9.40	7.40	7.40	7.40
Total full-time equivalent positions		36.85	37.00	40.05	43.13	44.05	44.30	44.30	42.30	39.30	39.30



Source: Finance Department

## CITY OF ARTESIA, CALIFORNIA

Operating Indicators by Function <sup>(1)</sup>

Last Three Fiscal Years

	2023 <sup>(2)</sup>	2024	2025
<b>General Government</b>			
City Council			
Regular Election	1	-	1
Ballot Measures Processed	0	0	2
Ordinances Processed	18	8	15
Resolutions Processed	57	49	58
Public Records Requests Processed	151	211	263
Public Meetings Held	36	42	37
Business Licenses issued	1,165	1,225	1,231
Passports			
Accepted	457	442	530
Finance			
Payroll Checks Issued	1,134	1,217	1,277
Accounts Payable Checks Issued	1,778	1,688	1,489
Purchase Orders Issued	83	199	137
Community Development			
Building Permits Issued	716	835	434
Planning Reviews	656	437	123
<b>Park and Recreation</b>			
Facility Use Permits	46	30	34
Field Use Permits	4	3	4
Number of Youth Programs	14	15	19
Number of Adult Programs	7	10	11
Number of Senior Programs	4	4	11
Number of Family Excursions	5	13	3
Number of Senior Excursions	12	13	13
Number of Teen Excursions	5	4	2
Special Events	44	25	40
<b>Public Works</b>			
Tons collected	7	14	13
Illegal Dumping Pick-Up	246	437	422
Number of Graffiti Removal Locations	1,040	1,352	1,645
Vines Trimmed (in linear feet)	65,076	65,076	53,800
<b>Public Safety-Code Enforcement</b>			
Number of Parking Violations	5,478	4,652	4,475
Number of Parking Stations Maintained	24	24	24
Number of Code Enforcement Cases	960	577	438
Number of Notices of Violation	1,432	821	580

<sup>(1)</sup> Information provided by various departments<sup>(2)</sup> Information prior to this year is not available

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

	<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>	<u>2025</u>
<b>General government</b>										
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
<b>Park and Recreation</b>										
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
<b>Maintenance/Public works</b>										
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	38.33	38.33	38.33
Number of Traffic Signals	25	25	25	25	25	25	25	26	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
<b>Public safety</b>										
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

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