

**CITY OF DUARTE, CALIFORNIA**  
**FINANCIAL STATEMENTS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

**Prepared by:**  
**Finance Department**

**CITY OF DUARTE**  
**For the Fiscal Year Ended June 30, 2023**

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**For the Fiscal Year Ended June 30, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

Honorable Mayor and City Council  
City of Duarte, California

### **Opinions**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Duarte, California (City), as of and for the fiscal year ended June 30, 2023, 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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, 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 the 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; and for 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 whether 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, the budgetary comparison information for the General fund, the Schedule of Proportionate Share of the Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Net OPEB Liability and Related Ratios, and the Schedule of OPEB Contributions on pages 4 through 8 and 53 through 58, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2023, 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, California  
November 20, 2023

**City of Duarte  
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2023**

This discussion and analysis is intended to provide readers with a narrative overview of the City of Duarte's (City's) financial activities for the fiscal year ended June 30, 2023. This information should be considered in conjunction with the accompanying financial statements and the notes to those statements.

**Financial Highlights**

- At the close of the fiscal year, the City's assets exceeded its liabilities by \$85,602,828 (net position). A significant part of assets is the estimated value of cash and investments and infrastructure, which has been capitalized in accordance with the requirements of GASB 34.
- During the fiscal year, City program revenues exceeded expenses and the City's net position reflects an increase of \$10,758,136.
- The City's governmental funds had ending fund balances of \$46,102,780 which is an increase of \$4,588,867 over the prior year fund balance of \$41,513,913.
- This fiscal year, the City's General Fund experienced a net change in Fund Balance of \$3,886,786. This was primarily due to the increase in revenues such as property taxes, motor vehicle license fees and transient occupancy taxes related to the new City of Hope hotel. There were also reduced expenses due to delayed projects.
- The City's debt increased by \$334,149 during the fiscal year to \$4,250,604 due to the leases and subscriptions that were added to Long Term Liabilities reporting due to the implementation of GASB 87 and GASB 96, thus increasing the total amount. See Note #8 for further details.
- At June 30, 2023, the City reported a net pension liability of \$17,488,020 and related deferred outflows of \$7,049,101 and deferred inflows of \$235,214. See Note #11 for further details.
- At June 30, 2023, the City reported an OPEB liability of \$4,342,659 and related deferred outflows of \$2,346,251 and deferred inflows of \$3,924,804. See Note #12 for further details.

**Overview of the Basic Financial Statements**

The City's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the basic financial statements. In addition, required supplementary information is provided relating to the City's budgets for major funds.

***Government-wide Financial Statements***

The government-wide financial statements are found on pages 9 and 10 of this report. They are designed to give readers an overview of the City's financial position. These statements include all of the City's assets and liabilities, using the full accrual basis of accounting, which is similar to accounting methods used by most private sector companies. All of a fiscal year's revenues and expenses are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. As a result, assets, liabilities, and expenses are reported in these statements for some transactions that will result in cash flow in future fiscal periods.

The "Statement of Net Position" presents all of the City's assets and liabilities, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator for determining whether the financial position of the City is improving or deteriorating.

The “Statement of Activities” presents information showing the City’s revenues and expenses for the fiscal year. Functional activities are identified in this statement; whereby direct and indirect functional costs are shown net of related program revenue. This statement shows the extent to which the various functions depend on general taxes and non-program revenues for support.

The government-wide financial statements encompass the activities of four different legal entities: the City of Duarte, the Duarte Housing Authority, the Duarte Community Facilities Financing Authority and the Duarte Public Financing Authority. This is in keeping with generally accepted accounting principles, as the City’s elected officials have a continuing oversight responsibility for all four entities.

The City of Duarte provides an array of services to the public similar to those of other municipal governments. These include police protection, parks and recreation, planning and development, public works, code enforcement, animal control, transit services, and refuse collection. The Housing Authority is responsible for promoting the development of low and moderate-income housing. The function of both Financing Authorities is to facilitate the issuance of debt by both the City and the Housing Authority.

### ***Fund Financial Statements***

The fund financial statements can be found on pages 11 and 13 of this report. 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. Fund accounting is used to demonstrate compliance with finance related legal requirements. All of the funds of the City of Duarte can be divided into two categories: governmental 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. Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on the balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the City’s near-term financing requirements.

The City maintains twenty-one individual governmental funds. Three of these funds are considered “major” and, according to generally accepted accounting principles, are reported separately in the fund financial statements. The remaining eighteen funds are reported on a consolidated basis.

Because the focus of fund financial statements is narrower than that of the government-wide financial statements, it can be useful to compare the two. Comparisons may give readers a better understanding of the long-term impact of the City’s near-term financial decisions. On pages 12 and 14 of this report, statements are provided reconciling the “Governmental Fund Balance Sheet” and the “Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances” to 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 Duarte’s own programs. The Successor Agency Fund is a fiduciary fund; the City budgets for this fund to reflect the operations of the Successor Agency. Trust funds are set up to account for the resources held for bond payments and for recording transactions performed by appointed trustees. The City does not budget for the trustee activities. Please note that the Successor Agency was dissolved as of April 2022.

### ***Notes to the Basic Financial Statements***

This report includes notes to the basic financial statements. They provide additional information that is important to set a complete understanding of the data contained in the government-wide and fund financial statements. The notes can be found on pages 15 through 49 of the report.



## **Government-wide Financial Analysis**

The government-wide financial analysis focuses on net position and changes in net position for the City's governmental activities. A summary of net position as of June 30, 2023, is as follows:

### **Net Position**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2023</u>
Current and other assets	\$ 45,483,298	\$ 49,183,626
Capital assets	<u>57,455,899</u>	<u>60,331,043</u>
Total assets	<u>\$102,939,197</u>	<u>\$109,514,669</u>
Deferred Outflows of Resources	\$ <u>7,352,601</u>	\$ <u>9,395,352</u>
Current and other liabilities	\$ 3,231,604	\$ 2,762,263
Long-term debt outstanding	<u>22,101,799</u>	<u>26,081,283</u>
Total liabilities	<u>\$ 25,333,403</u>	<u>\$ 28,843,546</u>
Deferred Inflows of Resources	\$ <u>10,081,184</u>	\$ <u>4,463,647</u>
Net assets (liabilities):		
Net Investment in capital assets	\$ 54,916,313	\$ 57,168,359
Restricted	15,682,379	16,683,037
Unrestricted	<u>4,278,519</u>	<u>11,751,432</u>
Total net position	<u>\$ 74,877,211</u>	<u>\$ 85,602,828</u>

As discussed earlier in this analysis, net position may serve as an indicator of the City's financial position. At the end of the fiscal year 2023, assets exceeded liabilities by \$85,602,828.

The City's primary assets were cash - \$45,563,175, land held for resale - \$3,620,451 and capital assets - \$60,331,043. A significant portion of the City's cash is comprised by reserves and special funds for restricted uses and therefore is unavailable to pay for current general activities. Land held for resale represents the value of properties held by the City for future development purposes. The capital assets figure is the estimated value of all the equipment, land, buildings, and infrastructure owned by the City. It conforms to accounting rules requiring such assets be inventoried, valued, and depreciated.

The City's primary liabilities are its net pension liability - \$17,488,020, its net OPEB liability - \$4,342,659 and its long-term liabilities consisting of lease debt, subscription-based information technology arrangement debt, compensated absences, and bonded indebtedness - \$4,250,604.

A summary of the changes in the City's net position for the fiscal year ended June 30, 2023, is as follows:

### **Changes in Net Position**

	<u>Governmental Activities</u>	
	<u>2022</u>	<u>2023</u>
Revenues :		
Program revenues :		
Charges for services	\$8,678,501	\$3,314,721
Operating grants	5,250,142	5,956,844
Capital grants	908,953	1,671,746
General revenues:		
Taxes	15,350,977	15,695,783

Use of money and property	135,737	667,653
Intergovernmental	2,562,777	2,782,305
Miscellaneous	<u>220,874</u>	<u>661,744</u>
Total revenues	<u>33,107,961</u>	<u>30,750,796</u>
Expenses:		
General government	6,702,912	5,763,754
Safety	7,376,278	6,232,272
Development	5,655,481	3,082,968
Recreation and culture	3,562,084	2,159,749
Transportation	2,414,223	2,684,548
Interest expense	<u>70,092</u>	<u>69,369</u>
Total expenses	<u>25,781,070</u>	<u>19,992,660</u>
Change in net position	<u>7,326,891</u>	<u>10,758,136</u>
Net position - beginning of fiscal year	67,517,801	74,844,692
Prior period adjustments	<u>43,767</u>	
Net position – beginning of fiscal year, restated	<u>67,561,568</u>	
Net position - end of fiscal year	<u>\$74,844,692</u>	<u>\$85,602,828</u>

At fiscal year-end, the City's net position had increased by \$10,758,136.

### **City Fund Financial Analysis**

The City fund analysis focuses on governmental fund balances and on any restrictions or commitments that limit the availability of fund balances for future use.

As of June 30, 2023, the City's governmental funds had a total ending fund balance of \$46,102,780. This amount represents an increase of \$4,588,867, or 11% as compared to the prior fiscal year fund balance of \$41,513,913.

As discussed earlier, the increase in the General Fund was largely due to the increased property and transient occupancy tax revenues and Motor Vehicle License Fees and delayed project expenses. While most of the Special Revenue Funds had minor changes in fund balance, the exceptions are noted as follows. The Measure M and Measure W Funds spent little or nothing on project expenditures and as a result contributed to the respective fund balances. The Measure R Fund completed a large project reducing fund balance and the Town Center Debt Service made its final payment and transferred any remaining balance out of the Fund.

### **Capital Asset and Debt Administration**

#### ***Capital Assets***

At fiscal year-end, the City had \$60.3 million invested in a broad range of capital assets including buildings, parks, streets, sidewalks, traffic signals, sewers, storm drains, curbs and gutters, streetlights, vehicles, medians, leases, subscription-based information technology and other assets. This amount represents an overall increase (including additions, deductions and depreciation) of \$2,540,822 as compared to the prior fiscal year. Additional information can be found in Note 6.

### **Debt Administration**

At the end of the fiscal year, the City had both bonded and other long-term debt totaling \$4,250,604. A summary of the City's debt activity for the fiscal year ended is as follows:

#### **Outstanding Debt at Year-end**

	<u>2022</u>	<u>2023</u>	<u>Increase (Decrease)</u>
Certificates of participation	\$ 74,764	\$ 0	\$ (74,764)
US Bancorp Infrastructure Lease	2,438,140	2,276,306	(161,834)
CA Energy Comm Loan	66,698	48,344	(18,354)
Leases & Subscriptions	326,825	838,034	511,209
Accrued vacation & sick leave	<u>1,010,028</u>	<u>1,087,920</u>	<u>77,892</u>
Total debt	<u>\$ 3,916,455</u>	<u>\$ 4,250,604</u>	<u>334,149</u>

Additional information about the City's debt may be found in Note 8 to the basic financial statements.

### **Economic Factors and Next Year's Budget**

The General Fund cash balance ended fiscal year 2022/23 with \$29 million, which included \$4.9 million in funds for special one-time projects to be identified by the City Council, \$2 million in funds that are specifically restricted for improvements in the Town Center Specific Plan area, \$240,000 for public art and \$253,000 in restricted funds for storm drain, pension and vehicle replacement expenses.

This is a \$3 million increase in General Fund cash balance. A good portion of the positive change in fund balance is the result of one-time projects being delayed, thus reducing expenses. However, we know that delayed projects will only cost more in the future, and ongoing expenses continue to increase. The good news is that ongoing revenues such as property and transient occupancy tax grew this year and interest earnings made a great recovery. The City is constantly working towards balancing operating expenses with revenues and this year ended with a balanced sustainable budget.

### **Requests for Information**

These financial statements are designed to provide citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate accountability for the money it receives. If there are questions, or a need for more information, please contact the City of Duarte, 1600 Huntington Drive, Duarte, California, 91010, or call (626) 357-7931.

CITY OF DUARTE

STATEMENT OF NET POSITION  
JUNE 30, 2023

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 41,927,036
Receivables:	
Accounts	107,669
Taxes	2,369,439
Notes and loans, net	-
Accrued interest	275,007
Grants	410,257
Leases	314,594
Land held for resale	3,620,451
Restricted assets:	
Cash and investments with fiscal agent	159,173
Capital assets not being depreciated	23,437,465
Capital assets, net of accumulated depreciation	36,893,578
<b>Total Assets</b>	<b>109,514,669</b>
<b>Deferred Outflows of Resources:</b>	
Deferred OPEB related items	2,346,251
Deferred pension related items	7,049,101
<b>Total Deferred Outflows of Resources</b>	<b>9,395,352</b>
<b>Liabilities:</b>	
Accounts payable	1,573,881
Accrued liabilities	116,138
Accrued interest	41,687
Unearned revenue	459,993
Retention payable	158,486
Deposits payable	412,078
Noncurrent liabilities:	
Due within one year	458,035
Due in more than one year	3,792,569
Net OPEB liability	4,342,659
Net pension liability	17,488,020
<b>Total Liabilities</b>	<b>28,843,546</b>
<b>Deferred Inflows of Resources:</b>	
Deferred OPEB related items	3,924,804
Deferred pension related items	235,214
Lease receivable	303,629
<b>Total Deferred Inflows of Resources</b>	<b>4,463,647</b>
<b>Net Position:</b>	
Net investment in capital assets	57,168,359
Restricted for:	
Development projects	10,034,456
Storm drains	93,704
Transportation	6,087,143
Pensions	159,173
Recreation and cultural	308,561
Unrestricted	11,751,432
<b>Total Net Position</b>	<b>\$ 85,602,828</b>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Functions/Programs Primary Government:	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Governmental activities:					
General government	\$ 5,763,754	\$ 137,643	\$ 959,885	\$ -	\$ (4,666,226)
Safety	6,232,272	416,459	2,930,284	-	(2,885,529)
Development	3,082,968	2,404,354	252,208	28,400	(398,006)
Recreation and cultural	2,159,749	356,265	-	19,294	(1,784,190)
Transportation	2,684,548	-	1,814,467	1,624,052	753,971
Interest on long-term debt	69,369	-	-	-	(69,369)
<b>Total Governmental Activities</b>	<b>19,992,660</b>	<b>3,314,721</b>	<b>5,956,844</b>	<b>1,671,746</b>	<b>(9,049,349)</b>
<b>Total Primary Government</b>	<b>\$ 19,992,660</b>	<b>\$ 3,314,721</b>	<b>\$ 5,956,844</b>	<b>\$ 1,671,746</b>	<b>(9,049,349)</b>

**General revenues:**

Taxes:

Property taxes, levied for general purposes	3,305,032
Transient occupancy tax	736,148
Sales taxes	9,824,985
Franchise taxes	1,441,317
Business license taxes	388,301
Motor vehicle in lieu - unrestricted	2,782,305
Use of money and property	667,653
Other	661,744

**Total general revenue**

**19,807,485**

Change in net position

10,758,136

Net position, beginning of fiscal year

74,844,692

**Net position, end of fiscal year**

**\$ 85,602,828**

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

**BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	<u>General</u>	<u>Community Improvement Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>				
Pooled cash and investments	\$ 28,141,978	\$ 995,044	\$ 12,790,014	\$ 41,927,036
Receivables:				
Accounts	107,669	-	-	107,669
Taxes	2,305,399	-	64,040	2,369,439
Notes and loans, Net	-	-	-	-
Accrued interest	275,007	-	-	275,007
Grants	233,402	25,500	151,355	410,257
Leases	314,594	-	-	314,594
Due from other funds	28,184	-	-	28,184
Land held for resale	2,738,698	-	881,753	3,620,451
Restricted assets:				
Cash and investments - fiscal agents	159,173	-	-	159,173
<b>Total assets</b>	<b>\$ 34,304,104</b>	<b>\$ 1,020,544</b>	<b>\$ 13,887,162</b>	<b>\$ 49,211,810</b>
<b>Liabilities:</b>				
Accounts payable	\$ 1,118,067	\$ -	\$ 455,814	\$ 1,573,881
Accrued liabilities	115,598	-	540	116,138
Unearned revenue	251,300	208,693	-	459,993
Retention payable	65,427	-	93,059	158,486
Deposits payable	412,078	-	-	412,078
Due to other funds	-	-	28,184	28,184
<b>Total liabilities</b>	<b>1,962,470</b>	<b>208,693</b>	<b>577,597</b>	<b>2,748,760</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	56,641	-	-	56,641
Lease	303,629	-	-	303,629
<b>Total deferred inflows of resources</b>	<b>360,270</b>	<b>-</b>	<b>-</b>	<b>360,270</b>
<b>Fund balances:</b>				
<b>Nonspendable:</b>				
Land held for resale	2,738,698	-	-	2,738,698
Lease receivable	10,965	-	-	10,965
<b>Restricted for:</b>				
Development projects	2,050,236	811,851	7,172,369	10,034,456
Recreation and culture	-	-	68,861	68,861
Transportation	-	-	6,087,143	6,087,143
Storm drains	93,704	-	-	93,704
Pensions	159,173	-	-	159,173
Public art	239,700	-	-	239,700
Debt service	-	-	-	-
<b>Committed to:</b>				
Vehicle replacement	58,408	-	-	58,408
<b>Assigned</b>				
Special projects	4,873,903	-	-	4,873,903
<b>Unassigned</b>	<b>21,756,577</b>	<b>-</b>	<b>(18,808)</b>	<b>21,737,769</b>
<b>Total fund balances</b>	<b>31,981,364</b>	<b>811,851</b>	<b>13,309,565</b>	<b>46,102,780</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 34,304,104</b>	<b>\$ 1,020,544</b>	<b>\$ 13,887,162</b>	<b>\$ 49,211,810</b>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Fund balances of governmental funds		\$ 46,102,780
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Capital assets net of depreciation and right to use assets arising from leasing activities, and right to use assets for subscriptions have not been included as financial resources in the governmental fund activity.		60,331,043
<p>Long-term debt and compensated absences have not been included in the governmental fund activity:</p>		
U.S. Bancorp lease	\$ (2,276,306)	
CA Energy Commission loan	(48,344)	
Lease Liabilities	(321,677)	
Subscription Liabilities	(516,357)	
Compensated absences	<u>(1,087,920)</u>	(4,250,604)
<p>Other post employment related debt applicable to the City governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as changes to these amounts only effect the government wide statements for governmental activities.</p>		
Deferred outflows of resources	2,346,251	
Deferred inflows of resources	(3,924,804)	
Net OPEB liability	<u>(4,342,659)</u>	(5,921,212)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(41,687)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		56,641
<p>Governmental funds report all pension contributions as expenditures; however, in the statement of net position, the excess of the total pension liability over the plan fiduciary net position is reported as a net pension liability. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the statement of net position as changes to these amounts only effect the government wide statements for governmental activities.</p>		
Net pension liability	(17,488,020)	
Deferred inflows related to pensions	(235,214)	
Deferred outflows related to pensions	<u>7,049,101</u>	(10,674,133)
Net position of governmental activities		<u><u>\$ 85,602,828</u></u>

See Accompanying Notes to Financial Statements.

CITY OF DUARTE

STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General	Community Improvement Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 15,695,783	\$ -	\$ -	\$ 15,695,783
Assessments	-	-	1,001,446	1,001,446
Licenses and permits	1,385,144	-	-	1,385,144
Intergovernmental	5,894,732	582,046	3,922,748	10,399,526
Charges for services	441,546	-	31,951	473,497
Use of money and property	387,361	13,625	266,665	667,651
Fines and forfeitures	454,635	-	-	454,635
Miscellaneous	601,234	-	60,510	661,744
<b>Total revenues</b>	<b>24,860,435</b>	<b>595,671</b>	<b>5,283,320</b>	<b>30,739,426</b>
<b>Expenditures:</b>				
Current:				
General government	6,456,386	-	-	6,456,386
Safety	6,830,732	-	165,926	6,996,658
Development	2,695,700	-	1,345,584	4,041,284
Recreation and cultural	3,029,965	-	-	3,029,965
Transportation	-	-	1,402,956	1,402,956
Capital outlay	2,473,505	114,000	1,819,102	4,406,607
Debt service:				
Principal retirement	235,536	-	252,364	487,900
Interest and fiscal charges	12,763	-	60,197	72,960
<b>Total expenditures</b>	<b>21,734,587</b>	<b>114,000</b>	<b>5,046,129</b>	<b>26,894,716</b>
Excess (deficiency) of revenues over (under) expenditures	3,125,848	481,671	237,191	3,844,710
<b>Other financing sources (uses):</b>				
Lease and subscription proceeds	744,157	-	-	744,157
Transfers in	773,739	-	757,011	1,530,750
Transfers out	(756,958)	-	(773,792)	(1,530,750)
<b>Total other financing sources (uses)</b>	<b>760,938</b>	<b>-</b>	<b>(16,781)</b>	<b>744,157</b>
Net change in fund balances	3,886,786	481,671	220,410	4,588,867
Fund balances, beginning of fiscal year	28,094,578	330,180	13,089,155	41,513,913
Fund balances, end of fiscal year	<b>\$ 31,981,364</b>	<b>\$ 811,851</b>	<b>\$ 13,309,565</b>	<b>\$ 46,102,780</b>

See Accompanying Notes to Financial Statements.



**CITY OF DUARTE**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

Net change in fund balances - total governmental funds \$ 4,588,867

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays, lease acquisitions, and subscription liabilities as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives and reported as depreciation and amortization expense. The amount by which depreciation and amortization exceeded capital outlays in the current period:

Capital outlay	\$ 4,406,607	
Donation of traffic signals	46,198	
Construction in progress disposed during the year	(116,689)	
Amounts not recorded as capital outlays that were capitalized	64,075	
Depreciation and amortization	<u>(1,859,369)</u>	2,540,822

Repayment of bond and loan principal and lease and subscription payments are expenditures in the governmental funds, but the repayment reduce long-term liabilities in the statement of net position.

Principal repayments		487,900
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Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 3,591

Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This is the net change for the current period. (77,892)

Lease and subscription liabilities are considered to be acquisition of long-term debt and are reported as other financing sources in the governmental funds. In the statement of net position the amounts are reported as liabilities. (744,157)

Other post employment benefits reported in the governmental funds includes cash payments made into the trust fund and payments on behalf of retirees. In the statement of activities, OPEB expense includes the change in the net OPEB liability, and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources. 149,335

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental activities. (34,828)

Pension obligation expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. 3,844,498

Change in net position of governmental activities \$ 10,758,136

## **CITY OF DUARTE**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023**

#### **Note 1: Summary of Significant Accounting Policies**

The City of Duarte, California (the City) was incorporated August 22, 1957. The City operates under a Council-Manager form of government. The City's major operations include police, code enforcement, animal control, parks and recreation, planning and development, public works, transit services, refuse collection, and general administrative services.

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America 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.

#### **Reporting Entity**

The reporting entity, "City of Duarte", is comprised of the various funds of the City of Duarte (City), the Duarte Public Finance Authority (Finance Authority), the Duarte Housing Authority (Housing Authority), and the Duarte Community Facilities Financing Authority (DCFFA). As required by generally accepted accounting principles in the United States of America, these financial statements present the City of Duarte (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City. These entities are legally separate from each other. However, the City of Duarte elected officials have a continuing oversight responsibility over the Finance Authority and Housing Authority.

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bond debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the City's or the component unit provides services almost entirely to the City.

#### **Blended Component Units**

The Duarte Public Financing Authority (the Authority) was organized in 1988 for the specific purpose of facilitating the issuance of debt instruments. It has no separate existence and has acted as a conduit between the issuer (the City) and the underwriters. Separate financial statements of the Public Financing Authority were not prepared.

The Duarte Housing Authority (the Housing Authority) was established pursuant to California Housing Authorities Law (Health and Safety Code Sections 34200 et seq.) on March 22, 2011. The purpose of the Housing Authority is to provide safe and sanitary housing opportunities for Duarte residents. Although the Housing Authority is legally separate, it is reported as if it were part of the City because the City Council also serves as the governing board of the Housing Authority. Separate financial statements of the Housing Authority were not prepared.

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 1: Summary of Significant Accounting Policies (Continued)

##### Organizations Other Than Component Units:

Other governmental agencies, such as the County of Los Angeles, the Duarte Unified School District, etc. provide services within the City. However, each of these agencies is governed by an independently elected governing board. Accordingly, their financial information is not included within the scope of this financial report, because the City Council does not have a continuing oversight responsibility over them, nor are their financial operation closely related thereto.

##### Government-wide and Fund Financial Statements

The City's government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. The City does not have any business-type activities; therefore, only governmental activities are reported.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities present 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. Certain types of transactions are reported as program revenues for the City in three categories: (1) charges for services, (2) operating grant and contributions and (3) capital grants and contributions. Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated.

##### Government-wide and Fund Financial Statements

The City uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. These statements provide information about the government's funds, including its fiduciary funds and blended component units. Separate statements for each fund category- governmental and fiduciary- are presented.

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 separate self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures/expenses.

Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The minimum number of funds is maintained consistent with legal and managerial requirements.

##### Funds

The City reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the City which accounts for all or most of the City's general activities and financial resources except those that are required to be accounted for in another fund.

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 1: Summary of Significant Accounting Policies (Continued)

Community Improvement Capital Projects Fund – This fund accounts for resources received from the ATP Cycle 4 Grant and the Measure M Grant, along with in lieu fees from the City of Hope. These funds will be used for PA&ED, PS&E and/or construction.

Additionally, the City reports the following fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the revenues derived from specific revenue sources, which are restricted by law or administrative regulation for specified purposes.

Capital Projects Funds – Capital project funds are used to account for financial resources to be used for the acquisition and construction of capital assets.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for the periodic payment of principal and interest on long-term debt.

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the government-wide financial statements. The City has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balance presents increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. The Reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements if provided to explain the differences created by the integrated approach of GASB Statement No. 34.

#### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year for which all eligibility requirements have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, except for principal and interest on long-term liabilities, claims and judgments, and employee leave benefits, which are recognized as expenditures when they are due and payable.

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 1: Summary of Significant Accounting Policies (Continued)

Property taxes, franchise taxes, licenses, intergovernmental revenue, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Amounts reported as program revenues include 1) charges to members, customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, and then use unrestricted resources as needed.

#### **Assets, Deferred Outflows, Liabilities, Deferred Inflows, and Net Position or Equity**

##### Cash and Cash Equivalents

The City has defined cash and cash equivalents to include cash on hand, demand deposits, as well as cash with fiscal agents. Additionally, each fund's equity in the City's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

##### Investments

Investments are stated at fair value, (generally quoted market prices). The City's policy is to hold investments until maturity or until market values equal or exceed cost.

##### 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.

##### Land Held for Resale

Land Held for Resale is an inventory of land purchased, which will be sold. The land is recorded at the lower of the acquisition cost or market.

##### Lease Receivable

The City's lease receivables are measured at the present value of payments expected to be received during the lease term. Under the lease agreements, the City receives variable lease payments as each lease has an annual increase in payment of 1% to 4%. See Note #5.

##### Capital Assets

Capital assets, which include land, intangible assets (e.g., easements and rights of way), buildings, improvements, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the City as assets with a purchase cost of over \$5,000 and have a useful life of two years or more. Assets are recorded at actual historical cost or estimated historical cost. Donated capital assets are recorded at fair value at the date of donation. 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.

# CITY OF DUARTE

## NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

### Note 1: Summary of Significant Accounting Policies (Continued)

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

Buildings	60 years
Sewer System	60 years
Machinery & Equipment	5 – 35 years
Improvements	10 – 20 years
Other infrastructure	10 – 50 years

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the City.

#### Right to use assets

The City has recorded right to use lease assets as a result of implementing Governmental Accounting Standards Board Statement (GASB) Number 87 “Leases” and GASB Statement Number 96 “Subscription-Based Information Technology Arrangements” (SBITAs). The right to use assets are initially measured at an amount equal to the initial measurement of the related lease or subscription liability plus any lease or subscription payments made prior to the lease or subscription term, less lease or subscription incentives, and plus ancillary charges necessary to place the lease or subscription asset into service. The right to use assets are amortized on a straight-line basis over the life of the related lease or subscription asset.

#### Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The government has two items that qualify for reporting in this category. They are deferred outflows relating to the net pension obligation, and the net OPEB obligation reported in the government-wide statement of net position. These outflows are the results of contributions made after the measurement period, which are expensed in the following fiscal year, of adjustments due to difference in proportions which are deferred and amortized over the expected average remaining service lifetime, and the difference between the amortization on a straight-line basis of the deferred inflows related to leases over the lifetime of the lease agreement versus the payment schedule.

In addition to liabilities, the Statement of Financial Position and Governmental Fund Balance Sheet will sometimes reports separate section for deferred inflows of resources. The separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. Deferred inflows related to leases represent the difference between the actual payments received on the lease each fiscal year and the straight-line amortization over the lifetime of the lease. The deferred inflows of unavailable revenues arises only under a modified accrual basis of accounting. Accordingly, the item, unavailable revenue, is reported in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: sales taxes and grant revenues. These amounts are deferred and recognized as an inflow of resources in the period that amounts become available. In addition, the government has two items that qualify for reporting in this category which are deferred inflows in relation to the net pension obligation and the net OPEB obligation reported in the government-wide statements of net position. These inflows are the results of the

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 1: Summary of Significant Accounting Policies (Continued)

net difference between projected and actual earnings on pension plan investments, difference between actual contributions and plan's share of contributions, and adjustment due to differences in proportions. These amounts are deferred and amortized over the expected remaining service life.

#### Property Tax Revenues

In general, property taxes in California are levied in accordance with Article 13B of the State Constitution at 1% of county-wide assessed valuations. This one percent is allocated pursuant to State law to the appropriate units of local government, including the City.

Property taxes are levied during July of each fiscal year and are due on November 1 and February 1. Property taxes become delinquent after December 10 and April 10 for the first and second installments, respectively. The lien date is January 1. The City accrues property tax received within 60 days after fiscal year-end in the fund financial statements.

#### Net Position Flow Assumption

Sometimes the government 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 financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

#### Fund Balance Flow Assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted sources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the Governmental Fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### Pension Plan

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the CalPERS' Financial Office. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 1: Summary of Significant Accounting Policies (Continued)

##### Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

##### Compensated Absences

The City accrues accumulated unpaid vacation, sick leave, and associated employee-related costs when earned (or estimated to be earned) by the employee. The amount estimated to be used in subsequent fiscal years for governmental funds is maintained separately and represents a reconciling item between the fund and government-wide presentations.

##### Interfund Activities

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as reimbursement. All other interfund transactions are treated as transfers.

##### Net Position and Fund Balances

In the government-wide financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets:* This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

*Restricted Net Position:* This component of net position represents external restrictions imposed by creditors, grantors, contributors, or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position:* This component of net position represents the net position that does not meet the definition of "restricted" or "net investment in capital assets."

In the fund financial statements, governmental funds are classified in the following categories:

*Nonspendable Fund Balance* – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventories, prepaid amounts, the portion of the lease receivable in excess of the deferred inflow of resources for the lease receivable, and long-term notes receivable.



**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 1: Summary of Significant Accounting Policies (Continued)**

*Restricted Fund Balance* – includes amounts that are restricted for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

*Committed Fund Balance* – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City taking the same formal action that imposed the constraint originally (for example: resolution).

*Assigned Fund Balance* – includes amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by (a) City Council or (b) a body (a budget, finance committee, or management (City Wide Leadership team, which consists of City Manager and Executive Department Heads)) to which the assigned amounts are to be used for specific purposes. Assigned amounts also include all residual amounts in governmental funds (except negative amounts) other than the General Fund that are not classified as nonspendable, restricted, or committed.

*Unassigned Fund Balance* – the residual classification for the General Fund and includes all amounts not contained in the other classifications. Governmental funds report residual negative balances as unassigned fund balance.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses. Actual results could differ from those estimates.

Deficit Fund Balances or Net Position

The following funds have a deficit fund balance at June 30, 2023:

Nonmajor Fund - Park Dev Special Revenue Fund	\$ 18,808
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The City expects to eliminate these deficits with anticipated future revenues from grants, deferred payments, and reimbursements.

Budgets

The following funds exceeded appropriations at the fund level and by amount of excess:

Supplemental Law Enforcement Special Revenue Fund	\$ 5,826
Measure R LR Transit Special Revenue Fund	\$ 2,882

# CITY OF DUARTE

## NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

### Note 1: Summary of Significant Accounting Policies (Continued)

#### GASB Statement Number 96 “Subscription-Based Information Technology Arrangements” Implementation

GASB Statement No. 96 “*Subscription-Based Information Technology Arrangements*” provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users. Under this statement, a government should generally recognize a right-to-use subscription asset and a corresponding subscription liability. This statement had no impact on the opening balances of the City. Please see Note #6 and Note #8 for further information.

#### Future Accounting Pronouncements

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

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

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

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

### Note 2: Cash and Investments

#### *Cash and Investments*

Cash and investments as of June 30, 2023, are classified in the accompanying financial statements as follows:

#### Statement of Net Position:

Cash on hand	\$	3,025
Demand deposits		6,512,841
Investments		35,411,170
Restricted:		
Cash and investments with fiscal agents		159,173
Total cash and investments Governmental Activities	\$	<u>42,086,209</u>

#### *Deposits*

At June 30, 2023, the carrying amount of the City’s deposits was \$6,512,841 and the bank balance was \$6,652,095. The \$139,254 difference represents the outstanding checks and outstanding deposits.

The California Government Code requires California banks and savings and loans associations to secure the City’s deposits by pledging government securities with a fair value of 110% of the City’s deposits. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes have a fair value of 150% of the City’s total deposits. The City Treasurer may waive the collateral requirement for deposits which are fully insured up to \$250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized Agent of Depository recognized

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

***Deposits (Continued)***

by the State of California Department of Banking. The collateral of deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an “Agent of Depository” has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository are considered to be held or, and in the name of, the local government agency.

**Investments**

**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. The investment policy does not address investment of debt proceeds held by a bond trustee investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. All investments held by a bond trustee are invested in U.S. Treasury Money Market Funds. The table below identifies the allowable investment types authorized by the California Government Code and the City’s adopted Investment Policy (the “Investment Policy”). The table also identifies certain restrictions related to interest rate risk and concentration of credit risk. The Investment Policy restricts the Treasurer to invest in only the types of investments listed herein, which is more restrictive than the Government Code

Investment Types Authorized Investment By State Law	Authorized by Investment Policy	Maximum Maturity		Maximum Percentages of Portfolio		Maximum Investment	
		CGC	City	CGC	City	CGC	City
California State Bonds	Yes	5 years	5 years	None	None	None	None
Federal Agency and U.S- Government Sponsored Enterprise Obligations	Yes	5 years	5 years	None	None	None	None
U.S. Treasury Securities	Yes	5 years	5 years	None	None	None	None
Certificates of Deposit	Yes	5 years	5 years	30%	30%	None	None
Time Deposits	Yes	5 years	5 years	None	None	None	None
Local Agency Investment Fund (LAIF)	Yes	N/A	N/A	None	None	\$ 75 million	\$ 75 million

Information about the sensitivity of the fair values of the City’s restricted money market investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Remaining Maturity (in months) 6 Months or Less
Restricted Cash with fiscal agents: U.S. Bank Money Market Mutual Fund	\$ <u>159,173</u>

## **CITY OF DUARTE**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023**

#### **Note 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. The City's LAIF investment of \$35,411,170 does not have a rating provided by a nationally recognized statistical rating organization. The City's restricted cash of \$159,173 held in U.S. Bank Money Market Mutual Fund does not have a rating by a nationally recognized statistical rating organization.

##### **Concentration of Credit Risk**

The entire investment balance of the City is invested in the LAIF external investment pool.

##### **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 a 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 to 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 fair value of 150% of the secured public deposits.

As of June 30, 2023, \$6,402,095 of the City's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts. As of June 30, 2023, the Fiduciary trust fund's deposits with financial institutions were not in excess of federal depository insurance limits.

##### **Fair Value Measurements**

Investments are stated as fair value and are valued on a yearly basis. The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using other observable inputs such as matrix pricing techniques or based on quoted prices for assets in markets that are not active. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Level 3 are valued using the income approach such as discounted cash flow techniques. Investment in an external government pool is not subject to reporting within the level hierarchy. The entire balance of investments is in an external government pool. Please see additional information in "Investment in State Investment Pool".

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Investment in State Investment Pool**

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code 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 are recorded on an amortized cost basis. The City’s LAIF balance at June 30, 2023 was \$35,411,170 which reflected a loss of \$545,517 for the current fiscal year.

The total amount invested by all public agencies in LAIF as of June 30, 2023, was \$40.8 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2023 has a balance of \$168.1 billion (59.91% was invested in government securities). The average maturity of PMIA investments was 260 days as of June 30, 2023.

**Note 3: Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2023, is as follows:

**Due to/Due from other funds:**

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b><u>Major Funds:</u></b>		
General	\$ 28,184	-
<b><u>Nonmajor Special Revenue Funds:</u></b>		
Community Development Block Grant	-	6,048
Park Development Grant	-	22,136
Total	<u>\$ 28,184</u>	<u>\$ 28,184</u>

The purpose of Due to/Due from is to eliminate negative cash balances at fiscal year-end in various funds.

**Transfers In/Transfers Out:**

	<u>(Transfers Out)</u>		
	General Fund	Nonmajor Funds	Total
<u>Transfers In</u>			
General Fund	\$ -	\$ 773,739	\$ 773,739
Nonmajor Funds	756,958	53	757,011
Total	<u>\$ 756,958</u>	<u>\$ 773,792</u>	<u>\$ 1,530,750</u>

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### **Note 3: Interfund Receivables, Payables, and Transfers (Continued)**

Transfers Out in the amount of \$756,958 were made out of the General Fund into the Lighting and Landscaping Fund (\$536,121) for capital and administrative costs, and the Infrastructure Debt Service fund (\$220,837) for debt payment costs. Transfers In in the amount of \$773,739 were made to reimburse the General Fund for expenditures paid on behalf of the Gas Tax Fund (\$111,129), Lighting and Landscape Fund (\$343,200), Proposition A Fund (\$46,800), the Proposition C Transit Fund (\$38,101), Measure R LR Transit Fund (\$116,814) SB1/RMRA Fund (\$83,507), and the Town Center Debt Fund (\$34,188). Transfers In in the amount of \$53 were made out of the SB1/RMRA Fund to pay for and reduce the negative fund balance to zero for a prior fiscal year expenditure posted to the Bicycle and Pedestrian Fund that was an eligible expenditure of the SB1/RMRA fund.

#### **Note 4: Notes Receivable**

Notes and loans receivables as of June 30, 2023, are comprised of the following:

##### **Affordable Housing**

As part of development agreements with certain builders and in order to assist those individuals and families who are the most in need, the Housing Authority of the City of Duarte provides loans to low-and-moderate-income level residents for the acquisition and rehabilitation of residences. As a part of the agreement, the Housing Authority accepted second trust deeds from eligible buyers so that the buyers could purchase the property. The second trust deeds are cancelable after 25 years should the buyers remain in the property. If the property is sold, the Housing Authority recovers its second trust deed and interest to be calculated within certain limits. Since the amount, if any, the Housing Authority will receive is unknown, the City has recorded an allowance for doubtful accounts for the full amount of the receivables. The City will record income if the property is sold. The City has \$15,000 of these note receivables outstanding at June 30, 2023.

As part of the Estoppel Certificate, Consent & Agreement, a note was established on December 4, 2013, between the City, Southern California Presbyterian Homes, and Andres Duarte Terrace II. L.P. for the development of a 43-unit affordable housing project located within the City. The note will not be repaid for 57 years. The City recorded an allowance for doubtful accounts of \$1,200,000 due to the large number of years until the balloon payment on the note is due.

The balance of all notes and loans receivable at June 30, 2023 is \$1,215,000 with an allowance for doubtful accounts of \$1,215,000 for net notes and loans receivable of \$0 as of June 30, 2023.

#### **Note 5: Leases Receivable**

The City has 6 cell tower lease agreements in place as of June 30, 2023. Revenue recognition is in accordance with GASB Statement No. 87. Summarized information for each lease is as follows:

##### **SBA - Buena Vista Lease**

In October 2018, the City entered into a lease with Nextel to allow a portion of their property to be utilized for a cellular tower. The original lease term was for 5 years and includes five additional optional 5-year terms. When the 3<sup>rd</sup> option was exercised the City received a \$10,000 one-time payment. If the fourth option is exercised, the lease would end in September 2033. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$700 a month increasing by 4% each October under the terms of the lease. Payments received during the fiscal year were \$1,725 from July 2022 through September 2022 and \$1,794 from October 2022 through June 2023. The current 5-year term will expire in September 2028.

## **CITY OF DUARTE**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023**

#### **Note 5: Leases Receivable (Continued)**

##### **SBA - Otis Gordon Lease**

In December 2004, the City entered into a lease with Nextel to allow a portion of their property to be utilized for a cellular tower. The original lease term was for 5 years and includes three additional optional 5-year terms. If the third option is exercised, the lease would end in November 2024. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,900 a month increasing by 4% each December under the terms of the lease. Payments received during the fiscal year were \$3,701 from July 2022 through November 2022 and \$3,849 from December 2022 through June 2023. The current 5-year term will expire November 2024.

##### **Verizon Wireless - Starcrest Lease**

In October 2008, the City entered into a lease with Verizon to allow a portion of their property to be utilized for a cellular tower commencing in March 2009. The original lease term was for 5 years and includes three additional optional 5-year terms. If the third option is exercised, the lease would end in February 2029. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,200 a month increasing 4% each March under the terms of the lease. Payments received during the fiscal year were \$2,539 from July 2022 through February 2023 and \$2,641 from March 2023 through June 2023. The current 5-year term will expire in February 2024.

##### **Verizon Wireless – Royal Oaks Lease**

In April 2019, the City entered into a lease with Verizon to allow a portion of their property to be utilized for a cellular tower commencing in November 2019. The original lease term was for 5 years and includes four additional optional 5-year terms. If the fourth option is exercised, the lease would end in October 2044. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,750 a month increasing 1% each November under the terms of the lease. Payments received during the fiscal year were \$1,785 from July 2022 through October 2022 and \$1,803 from November 2022 through June 2023. The current 5-year term will expire in October 2024.

##### **AT&T Tower Lease**

In February 2010, the City entered into a lease with AT&T to allow a portion of their property to be utilized for a cellular tower commencing in March 2010. The original lease term was for 5 years and includes three additional optional 5-year terms. If the third option is exercised, the lease would end in February 2030. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,200 a month and the City was prepaid \$57,600 at the start of the lease. The monthly rent increased by 3% in the thirty-third month of the initial lease and annually thereafter each December. Payments received during the fiscal year were \$1,613 from July 2022 through November 2022 and \$1,661 from December 2022 through June 2023. The current 5-year term will expire in February 2025.

##### **T-Mobile Tower Lease**

In February 2010, the City entered into a lease with AT&T to allow a portion of their property to be utilized for a cellular tower commencing in March 2010. The original lease term was for 5 years and includes three

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 5: Leases Receivable (Continued)**

**T-Mobile Tower Lease (Continued)**

additional optional 5-year terms. If the third option is exercised, the lease would end in February 2030. The options to extend are exercised unless written notification of cancellation occurs within 90 days prior to the expiration of the existing term. Initial rent payments were \$1,200 and the monthly rent increases by 3% each March. Payments received during the fiscal year were \$1,661 from July 2022 through February 2023 and \$1,711 from March 2023 through June 2023. The current 5-year term will expire in February 2025.



**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 6: Capital Assets**

A summary of changes in capital asset activity for the fiscal year ended June 30, 2023, is as follows:

	Balance July 1, 2022	Increases	Decreases	Transfers	Balance June 30, 2023
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 21,737,333	\$ -	\$ -	\$ -	\$ 21,737,333
Construction in progress	1,276,905	3,434,424	116,689	2,894,508	1,700,132
Total capital assets, not being depreciated	<u>23,014,238</u>	<u>3,434,424</u>	<u>116,689</u>	<u>2,894,508</u>	<u>23,437,465</u>
Capital assets, being depreciated:					
Structures and improvements	9,808,619	-	-	1,608,016	11,416,635
Machinery and equipment	3,151,464	266,801	250,874	-	3,167,391
Infrastructure	64,607,188	46,198	1,522,343	1,286,492	64,417,535
Total capital assets, being depreciated	<u>77,567,271</u>	<u>312,999</u>	<u>1,773,217</u>	<u>2,894,508</u>	<u>79,001,561</u>
Less accumulated depreciation:					
Structures and improvements	4,249,445	190,277	-	-	4,439,722
Machinery and equipment	1,482,936	201,080	242,367	-	1,441,649
Infrastructure	37,393,229	1,272,209	1,522,343	-	37,143,095
Total accumulated depreciation	<u>43,125,610</u>	<u>1,663,566</u>	<u>1,764,710</u>	<u>-</u>	<u>43,024,466</u>
Total capital assets, being depreciated, net	<u>34,441,661</u>	<u>(1,350,567)</u>	<u>8,507</u>	<u>2,894,508</u>	<u>35,977,095</u>
Lease Assets					
Leased vehicles	303,702	138,944	-	-	442,646
Leased office space	41,214	-	41,214	-	-
Leased parking	24,199	-	-	-	24,199
Leased equipment	80,169	-	-	-	80,169
Total lease assets, being amortized	<u>449,284</u>	<u>138,944</u>	<u>41,214</u>	<u>-</u>	<u>547,014</u>
Less accumulated amortization:					
Leased vehiclees	62,582	76,829	-	-	139,411
Leased office space	24,728	16,486	41,214	-	-
Leased parking	8,541	8,541	-	-	17,082
Leased equipment	19,111	20,620	-	-	39,731
Total accumulated amortization	<u>114,962</u>	<u>122,476</u>	<u>41,214</u>	<u>-</u>	<u>196,224</u>
Total lease assets, being amortized, net	<u>334,322</u>	<u>16,468</u>	<u>-</u>	<u>-</u>	<u>350,790</u>
Subscription-Based Information Technology Arrangements *					
Subscription-Based Information Technology Arrangements	-	630,513	-	-	630,513
Less accumulated amortization:	-	64,820	-	-	64,820
Total Subscription-Based Information Technology Arrangements being amortized, net	<u>-</u>	<u>565,693</u>	<u>-</u>	<u>-</u>	<u>565,693</u>
Governmental activities capital assets, net	<u>\$ 57,790,221</u>	<u>\$ 2,666,018</u>	<u>\$ 125,196</u>	<u>\$ -</u>	<u>\$ 60,331,043</u>

\*New category for the City's subscription-based information technology arrangement assets, and the related accumulated amortization, have been added due to the implementation of GASB Statement No. 96, "Subscription-Based Information Technology Arrangements."

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 6: Capital Assets (Continued)**

Depreciation and amortization expense was charged to functions of the primary government as follows:

Governmental activities:	
General government	\$ 254,669
Safety	15,877
Development	12,498
Recreation and culture	325,666
Transportation	<u>1,242,152</u>
Total	<u>\$ 1,850,862</u>

**Right to Use Leased Assets**

The City has recorded 16 leased cars, 1 leased building, 1 leased parking lot, and 2 leased office equipment right to use assets. The related leases are discussed in the long-term liabilities Note 8. The right to use leased assets are amortized on a straight-line basis over the terms of the related leases.

**Note 7: Deferred Inflows/Outflows of Resources**

Unavailable revenues are deferred in accordance with GASB Statements No. 23 and No. 65. The City has unavailable revenues of intergovernmental receivables. The balance of unavailable revenues reported as deferred inflows of resources at June 30, 2023, was \$56,641. The balance of lease receivables reported as deferred inflows of resources at June 30, 2023, was \$303,629. This represents the amount of lease revenue deferred related to the receivable which is amortized on a straight-line basis for the life of the lease. For information about deferred inflows and outflows related to pensions, see Note 11. For information about deferred inflows and outflows related to OPEB, see Note 12.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 8: Long-Term Liabilities**

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2023:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities					
General Obligation Bond					
2013 COP	\$ 74,764	\$ -	\$ 74,764	\$ -	\$ -
U.S. Bancorp Infrastructure					
Lease	2,438,140	-	161,834	2,276,306	165,750
CA Energy Commission Loan	66,698	-	18,354	48,344	18,905
Total direct placement and					
direct borrowings	2,579,602	-	254,952	2,324,650	184,655
Enterprise Leases	233,031	113,644	72,782	273,893	87,011
Canon Lease	56,116	-	17,973	38,143	18,190
Chamber Lease	16,849	-	16,849	-	-
Edison Parking Lot Lease	15,504	-	8,673	6,831	6,831
Mail Meter Lease	5,325	-	2,515	2,810	2,591
Subscriptions**	-	630,513	114,156	516,357	111,240
Compensated Absences	1,010,028	578,607	500,715	1,087,920	43,517
Total Long term debt	<u>\$ 3,916,455</u>	<u>\$ 1,322,764</u>	<u>\$ 988,615</u>	<u>\$ 4,250,604</u>	<u>\$ 454,035</u>

\*\* New category for the City's subscription liabilities have been added due to the implementation of GASB Statement No. 96, "Subscription-Based Information Technology Arrangements".

Debt service payments for direct placement and direct borrowings come due as follows:

**Certificates of Participation**

**2013 Certificates of Participation (2001 Refunding)**

In April 2013, the City of Duarte issued \$1,337,750 in Certificates of Participation (Series A) with an interest rate of 2.01%. The City issued the bonds to refund \$1,245,000 for the 2001 Certificates of Participation on a current basis and pay for issuance costs. The City pledged as collateral property consisting of the Duarte Civic Center Complex and a Senior Citizens/Community Center. The Civic Center consists of the City Hall, the Community Center, the Fitness Center, two swimming pools and a pool service building, totaling 28,600 square feet. The Senior Center is also located at the Civic Center Complex, and contains approximately 12,000 square feet, with multi-purpose rooms for classes meetings, recreational uses, and meals, and office space for on-site staff, and storage area. The Series A Certificates of Participation mature on August 1, 2022, and bear interest at 2.01% per annum. Interest on the bonds is payable semi-annually every August 1 and February 1. The liability as of June 30, 2023 is \$0.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 8: Long-Term Liabilities (Continued)**

**U.S. Bancorp Infrastructure Lease**

The City of Duarte entered into a lease/purchase agreement with U.S. Bancorp Government Leasing and Finance, Inc. on September 27, 2019, to fund a project to upgrade lighting systems, HVAC system installation, control upgrades, and to install a Solar PV system in various City buildings and structures for \$2,750,427. The City pledged as collateral property consisting of the Duarte Civic Center Complex and a Senior Citizens/Community Center. The Civic Center consists of the City Hall, the Community Center, the Fitness Center, two swimming pools and a pool service building, totaling 28,600 square feet. The Senior Center is also located at the Civic Center Complex, and contains approximately 12,000 square feet, with multi-purpose rooms for classes meetings, recreational uses, and meals, and office space for on-site staff, and storage area. Lease payments are to be unconditional. In the event of a default, the City must provide the leased property back to the U.S. Bancorp or continue to make the lease payments until the property is provided to U.S. Bancorp. The lease matures on September 27, 2034, and bears interest at 2.95% per annum. Interest and principal are due annually every September 27. The liability as of June 30, 2023, is \$2,276,306.

Fiscal year ending <u>June 30,</u>	<u>U.S. Bankcorp Infrastructure Lease</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 165,750	\$ 55,087
2025	169,762	51,075
2026	173,870	46,967
2027	178,078	42,759
2028	182,387	38,450
2029 - 2033	980,316	123,869
2034 - 2036	<u>426,143</u>	<u>15,531</u>
Totals	<u>\$ 2,276,306</u>	<u>\$ 373,738</u>

**California Energy Resources Conservation and Development Commission Loan**

The State of California Energy Resources Conservation and Development Commission issued a loan to the City for an Energy Efficiency project to be completed in July 2011. The Loan was issued in October 2011 in the amount of \$218,847. The liability as of June 30, 2023 is \$48,344. The loan matures on December 22, 2025, and bear interest at 3% per annum. Principal and Interest on the loan is payable semi-annually every December and June.

Fiscal year ending <u>June 30,</u>	<u>CA Energy Commission Loan</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 18,905	\$ 1,313
2025	19,480	739
2026	<u>9,959</u>	<u>150</u>
Totals	<u>\$ 48,344</u>	<u>\$ 2,202</u>

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 8: Long-Term Liabilities (Continued)**

**Enterprise Leases**

On February 27, 2020, the City entered into a master lease agreement with Enterprise Fleet Management to replace all of the City's vehicles. The City intends to replace the vehicles on a rolling basis on a 5-year schedule. Each fiscal year the City will trade in their owned vehicles as part of signing a lease for a new replacement vehicle. During the fiscal year 2020-2021 the City entered into 12 such lease agreements. During the fiscal year 2021-2022 the City entered into 1 such lease agreement. During the fiscal year 2022-2023 the City entered into 3 such lease agreements. Additional leases are expected over the next few fiscal years as per the City's replacement plan. The vehicles are leased for 5-years and then will be traded in for new replacement vehicles. The interest rate on these leases range from 0.27% to 3.59%. The first payment is due upon delivery for each vehicle and payments continue for a total of 60 months. Monthly payments range from \$170 to \$1,013 on a per vehicle basis. The debt matures as follows:

Fiscal year ending June 30,	Enterprise Leases	
	Principal	Interest
2024	\$ 87,011	\$ 4,258
2025	88,156	3,115
2026	57,257	1,970
2027	25,693	1,019
2028	15,776	253
Totals	<u>\$ 273,893</u>	<u>\$ 10,615</u>

**Canon Lease**

On August 9, 2021, the City entered into a lease with Canon Solutions America, Inc. to lease a copy machine. The lease payments are \$1,545 a month for 48 months with an interest rate of 1.20%. The debt matures as follows:

Fiscal year ending June 30,	Canon Lease	
	Principal	Interest
2024	\$ 18,190	\$ 358
2025	18,409	138
2026	1,544	2
Totals	<u>\$ 38,143</u>	<u>\$ 498</u>

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 8: Long-Term Liabilities (Continued)**

**Chamber Lease**

On March 1, 2017 the City entered into a lease to rent office space on Huntington Drive for three-years with the option to extend the lease for three additional one-year periods beginning on March 1, 2020 . The City exercised the option to renew on March 1, 2020, March 1, 2021, and on March 1, 2022. Monthly rent was \$1,600. The lease term ended in February 2023 and the tenant is now renting month to month.

**Edison Parking Lot Lease**

The City has entered into several leases with Southern California Edison in 2006, 2011, 2016, and the latest lease on May 1, 2019 for land associated with a parking lot located at 1220 Highland Avenue. The term is for 5-years with the lease expiring on April 30, 2024. The quarterly rent is due on the 1<sup>st</sup> day of each quarter and begins at \$2,048 increases to \$2,305 for the final year of the lease. The City paid three payments of \$2,109 for the beginning of the fiscal year and \$2,173 for the last quarter of the fiscal year. The interest rate is 3%. The debt matures as follows:

Fiscal year ending June 30,	Edison Parking Lot Lease	
	Principal	Interest
2024	\$ 6,831	\$ 86
Totals	\$ 6,831	\$ 86

**Mail Meter Lease**

On August 30, 2018, the City entered into a lease agreement with MailFinance to lease a postage meter commencing on May 22, 2019 for 63 months for a monthly payment of \$220. The lease matures on August 21, 2024. The interest rate is 3%. The debt matures as follows:

Fiscal year ending June 30,	Mail Meter Lease	
	Principal	Interest
2024	\$ 2,591	\$ 49
2025	219	1
Totals	\$ 2,810	\$ 50

**Subscription-Based Information Technology Arrangements**

The City has entered into subscription-based information technology arrangements (SBITAs) involving:

Productivity tools designed to facilitate collaboration and communication within the City.

Website hosting.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 8: Long-Term Liabilities (Continued)**

**Subscription-Based Information Technology Arrangements (Continued)**

Software utilized to identify persons involved in emergency incidents.

Public works permit software.

Building permit software.

Code enforcement and animal control software.

City Council meeting streaming software.

Online aerial maps.

Online bidding management software.

Accounting systems software.

The software arrangements mature as follows:

Fiscal year ending	Subscriptions	
	Principal	Interest
June 30,		
2024	\$ 111,240	\$ 16,666
2025	121,711	12,580
2026	132,893	8,112
2027	150,513	3,150
Totals	<u>\$ 516,357</u>	<u>\$ 40,508</u>

**Compensated Absences**

The City accrues accumulated unpaid vacation, sick leave and associated employee-related costs when earned (or estimated to be earned) by the employee as described in Note 1. The City at June 30, 2023, had an outstanding accrued balance of unpaid vacation, sick leave, and associated employee related costs of \$1,087,920 that will be liquidated from various funding sources in future years.

**Note 9: Liability, Worker’s Compensation, and Purchased Insurance**

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

The City of Duarte is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 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

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 9: Liability, Worker's Compensation, and Purchased Insurance

##### Description of Self-Insurance Pool Pursuant to Joint Powers Agreement (Continued)

covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

##### Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

##### Primary 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 \$100,000 for each occurrence and is evaluated as a percentage of pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools>.

##### 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 \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2022-23 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.



## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 9: Liability, Worker's Compensation, and Purchased Insurance (Continued)

##### **Purchased Insurance**

###### Pollution Legal Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

###### Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$26,451,901. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

###### Earthquake and Flood Insurance

The City 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 property currently has earthquake protection in the amount of \$6,085,875. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

###### Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

###### Special Event Tenant User Liability Insurance

The City further protects against liability damages by requiring tenant users of certain property to purchase low-cost tenant user liability insurance for certain activities on City property. The insurance premium is paid by the tenant user and is paid to the City according to a schedule. The City then pays for the insurance. The insurance is facilitated by the Authority.

##### **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 also no significant reductions in pooled or insured liability coverage in 2022-23.

#### Note 10: Deferred Compensation Plan

The City has made available to its employees a deferred compensation plan, whereby employees authorize the City to withhold funds from salaries to be invested in individual investment accounts. Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The amount held by trustees for the employees at June 30, 2023, was \$3,208,911. These amounts are not recorded in the books of the City and as such not included in these financial statements.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 11: Retirement Plan**

**Plan Description**

All qualified 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 a publicly available report that includes 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 or 52 with statutorily reduced benefits depending on the retirement tier. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is 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 Plan’s provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Tier 1*	Tier 2	PEPRA
Hire date/CalPers Enrollment Date	Prior to January 1, 2010	After January 1, 2010	After January 1, 2013
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits as a % of eligible compensation	50 yrs - 63+ yrs 1.425% - 2.418%	50 yrs - 63+ yrs 1.092% - 2.418%	52 yrs - 67+ yrs 1.000% - 2.500%
Required employee contribution rates	7.96%	6.92%	7.25%
Required employer contribution rates	12.99%	9.30%	7.73%

\* Plan closed to new entrants

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 11: Retirement Plan (Continued)**

**Contribution Description**

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees 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 the Plan are determined annually on an actuarial basis 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.

For the fiscal year ended June 30, 2023, the contributions recognized as part of pension expense for the Plan were as follow:

	<u>Miscellaneous</u>
Contributions – employer	\$ 1,552,245

**Pension Liabilities, Pension Expense, and Deferred Outflows, and Deferred Inflows of Resources Related to Pensions**

As of June 30, 2023, the City reported net pension liabilities for its proportionate share of the net position liability of the Plan as follows:

	<u>Proportionate Share of Net Pension Liability</u>
Miscellaneous	\$ 17,488,020

The City's net pension liability for the 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, 2022, 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, 201 rolled forward to June 30, 2022 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The City's proportionate share of the net pension liability for the Plan as of June 30, 2021 and 2022 was as follows:

	<u>Miscellaneous</u>
Proportion – June 30, 2021	0.27327%
Proportion – June 30, 2022	<u>0.24768%</u>
Change - Decrease	<u><u>0.000256%</u></u>

For the fiscal year ended June 30, 2023, the City recognized pension income of \$3,844,498. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 11: Retirement Plan (Continued)**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after the measurement date	\$ 1,702,553	\$ -
Difference between expected and actual experience	351,194	-
Change in assumptions	1,792,013	-
Difference in actual to proportionate share contribution	-	235,214
Net difference between projected and actual earnings on pension plan investments	3,203,341	-
Total	\$ 7,049,101	\$ 235,214

\$1,702,553 reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions and will be recognized as pension expense as follows:

Fiscal year ending June 30,	Deferred Outflows (Inflows) of Resources
2024	\$ 1,333,057
2025	1,168,068
2026	650,936
2027	1,959,273
Totals	\$ 5,111,334

**Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liabilities were determined by rolling forward the total pension liability determined in the June 30, 2021 actuarial valuation to June 30, 2022. The June 30, 2022, total pension liability was based on the following actuarial methods and assumptions:

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 11: Retirement Plan (Continued)**

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal cost method
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Payroll growth	Varies by entry age/service
Projected salary increases	Varies by age/service
Investment rate of return	6.90%
Mortality	Data for all Funds (1)

(1) The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS' website.

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plans 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 pension plan investments was applied to all periods of projects benefit payments to determine the total pension liability.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with the risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

The expected real rates of return by asset class can be found in CalPERS' Annual Comprehensive Financial Report (CAFR) for the fiscal year ended June 30, 2022.

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	<u>Miscellaneous</u>
1.0% Decrease	5.90%
Net Pension Liability	\$ 25,346,584
Current Discount Rate	6.90%
Net Pension Liability	\$ 17,488,020
1.0% Increase	7.90%
Net Pension Liability	\$ 11,022,373

## **CITY OF DUARTE**

### **NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023**

#### **Note 11: Retirement Plan (Continued)**

##### **Pension Plan Fiduciary Net Position**

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

#### **Note 12: Other Post-Employment Benefits**

##### **Plan Description**

The City has established a retiree healthcare plan (HC Plan) The HC Plan provides employees healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMCHA) as a single-employer defined-benefit post-employment healthcare plan. PEMCHA governs health care provided to employees and retirees under health care plans administered by CalPERS. All public agencies providing health care to their active employees through CalPERS PEMCHA plans are also required to offer health care under those plans to their retirees. The rules regarding retiree health care are found in sections 22892 and 22893 of the Government Code.

Under PEMCHA, the City will provide medical insurance coverage for retirees and their dependents through the PERS system. To be eligible, employees must retire within one hundred and twenty days of their separation from employment with the City on or after age 50 (age 52 for PEPRAs new hires) with at least 5 years of CalPERS service. Eligible employees receive up to a maximum amount determined each year as a contribution toward the cost of monthly health premiums if the eligible retiree is covered in a CalPERS' health plan. As of June 30, 2023, the maximum coverage rates are \$738.49 a month, \$1,477.00 a month, and \$1,920.11 a month for a retiree only, retiree plus 1, and retiree family tiers, respectively. The same equal benefit must be provided to retirees as active employees. Benefits are paid for the lifetime of the retiree as long as he or she continues to participate in PEMCHA, with continuation to the surviving spouse, if any.

The City also pays an administrative fee of 0.31% of premium on behalf of all active employees and retirees. Retirees who waive medical insurance coverage and provide proof of other coverage will be reimbursed by the City in a tiered schedule ranging from \$218 to \$566 per month.

The City joined the Public Agencies Post-Retirement Health Care Plan Trust (Trust) in September of 2007 for the purpose of prefunding other post-employment benefits for past services. The Trust is a public agency multiple-employer trust that was established to provide member public agencies economies of scale and efficiency of administration in the funding of each agency's respective other post-employment benefit obligation.

As of the June 30, 2023 actuarial valuation, the Plan was providing benefits to 97 beneficiaries consisting of 52 active employees and 45 inactive employees or their beneficiaries.

A direct employer payment toward the cost of OPEB benefits is referred to as an "explicit subsidy". In addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB Statement No. 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

## CITY OF DUARTE

### NOTES TO THE BASIC FINANCIAL STATEMENTS JUNE 30, 2023

#### Note 12: Other Post-Employment Benefits (Continued)

##### Contributions

The City Council establishes health care coverage rates each fiscal year by Memoranda of Understanding with the applicable employee bargaining units. The City currently pays the benefits as they come due on behalf of the beneficiaries. In addition, the City makes an additional voluntary contribution to the Trust at a rate set during the budget process. During FY 2022- 2023 the City paid \$459,831 in post-employment healthcare costs directly to PERS and an additional contribution of \$572,000 into the Trust during FY 2022-2023 for a total contribution amount of \$1,031,831.

##### Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement date. The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless other specified:

Salary increases	3.00%
Investment rate of return	6.00%
Inflation	2.50%
Healthcare cost trend rates	
Pre-Medicare	5.00%
Medicare	10.55%

##### Actuarial Methods and Assumptions

Demographic actuarial assumptions used in the valuation are based on the CalPERS' 2021 Experience Study report issued in November 2021. The mortality improvement scale was updated from 80% Scale MP 2020 (published by the Society of Actuaries) to MacLeod Watts Scale, reflecting continued updates in available information. There were no changes between the measurement date and the report date that are expected to have a significant effect on the total OPEB liability.

The Trust published an expected return of 5.89% to 6.0%, reflecting updated long-term rates of returned provided by PARS in June 2023. The return rate was determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class (expected returns, net of OPEB plan investment expense and inflation). These ranges are combined to produce the long-term expected rate of return by weighting the expected real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or in excess of the target rate.

##### Discount Rate and Long-Term Expected Rate of Return

GASB Statement No. 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the OPEB trust set aside to pay benefits, if the plan sponsor makes regular contributions to the trust such that the assets are not depleted at any point in the future. If the OPEB plan's actuary determines that contributions are not sufficient to keep the trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the trust funds are not sufficient to cover benefit payments. Based on this requirement, the discount rate used to measure the total OPEB liability is 6.00%.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 12: Other Post-Employment Benefits (Continued)**

**Changes in the OPEB Liability**

The following table shows the changes in the net OPEB liability as follows:

Service Cost	\$	459,669
Interest		790,303
Changes due to plan experience		(4,196,475)
Changes due to assumption changes		392,831
Benefit payments		<u>(459,831)</u>
<b>Net change in total OPEB liability</b>		<b>(3,013,503)</b>
<b>Total OPEB liability - beginning</b>		<b><u>13,187,959</u></b>
<b>Total OPEB liability - ending (a)</b>	<b>\$</b>	<b><u><u>10,174,456</u></u></b>
 <b>Plan fiduciary net position</b>		
Contributions - employer (1)	\$	1,031,831
Net investment income		300,420
Change due to investment experience		144,868
Benefit payments (1)		<u>(459,831)</u>
<b>Net Change in plan fiduciary net position</b>		<b>1,017,288</b>
<b>Plan fiduciary net position - beginning</b>		<b><u>4,814,509</u></b>
<b>Plan fiduciary net position - ending (b)</b>		<b><u><u>5,831,797</u></u></b>
 <b>Net OPEB liability - ending (a) - (b)</b>	 <b>\$</b>	 <b><u><u>4,342,659</u></u></b>

(1) Amount includes implicit subsidy associated with benefits paid.

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following presents the Net OPEB liability of the City, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.00%) or 1 percentage point higher (7.00%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 5,775,565	\$ 4,342,659	\$ 3,170,583

**Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates**

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (9.95% graded down to 2.90%) than the healthcare trend rate or 1 percentage point higher (11.95% graded down to 4.90%) than the current healthcare cost trend rates assumed to be 10.95% effective January 2024 and graded down to 3.90% for 20 years and 75 thereafter:



**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 12: Other Post-Employment Benefits (Continued)**

	<u>1% Decrease</u>	<u>Healthcare Cost Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 2,744,150	\$ 4,342,659	\$ 5,629,421
<b>OPEB Plan Fiduciary Net Position</b>			

**Statement of Fiduciary Net Position - June 30, 2023**

**Assets**

Investments	
Managed account	\$ <u>5,831,797</u>
<b>Total Assets</b>	<u><u>5,831,797</u></u>

<b>Net position restricted for post-employment benefits other than pensions</b>	<u><u>\$ 5,831,797</u></u>
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**Statement of Changes in Fiduciary Net Position for the Fiscal Year Ended June 30, 2023**

**Additions**

Employer Contributions (1)	\$ 1,031,831
Investment income:	300,420
Change due to investment experience	<u>144,868</u>
<b>Total Additions</b>	<u>1,477,119</u>

**Deductions**

Benefit payments (1)	<u>(459,831)</u>
<b>Total Deductions</b>	<u>(459,831)</u>

**Net increase in net position** 1,017,288

**Net position restricted for post-employment  
benefits other than pensions**

Beginning of fiscal year	<u>4,814,509</u>
End of fiscal year	<u><u>\$ 5,831,797</u></u>

(1) Includes \$382,873 of pay-as-you-go contributions made from sources outside of the trust, plus an implicit subsidy amount of \$76,958.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 12: Other Post-Employment Benefits (Continued)**

**Investments**

The City’s policy regarding the allocation of the plan’s invested assets is established and may be amended by the management of the City. The primary objective is to maximize total Plan return, subject to the risk and quality constraints set forth in the investment guidelines. The investment objective the City has selected is the Balance Strategy, which seeks to provide growth of principal and income. The asset allocation ranges for this objective as of June 30, 2023, are listed below:

	<b>PARS Balanced HighMark Plus Portfolio</b>	
	<u>Expected Rate of Return</u>	
	<u>Target</u>	<u>Target</u>
	<u>Allocation</u>	<u>Allocation</u>
Equity - Large Cap Core	32.00%	7.70%
Equity - Mid Cap Core	6.00%	8.00%
Equity - Small Cap Core	9.00%	8.50%
Equity - Real Estate	2.00%	6.60%
Equity - International	7.00%	7.50%
Equity - Emerging Markets	4.00%	7.50%
Fixed Income - Short Term Bond	6.75%	3.30%
Fixed Income - Intermediate Term Bond	27.00%	4.00%
Fixed Income - High Yield	1.25%	5.70%
Cash	5.00%	2.60%

Market conditions may cause the account’s asset allocation to vary from the stated range from time to time. The investment manager (assisting the City) will rebalance the portfolio no less than quarterly and/or when the actual weighting differs substantially from the strategic range, if appropriate and consistent with the objectives.

For the fiscal year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 6.90 percent. The money-weighted rate of return expresses investment performance, net of investment expense adjusted for the changing amounts invested.

**Recognition of Deferred Outflows and Deferred Inflows of Resources**

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the fiscal year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense. Liability changes due to plan experience which differs from what was assumed in the prior measurement period and/or from assumption changes during the period are recognized over the OPEB plan’s Expected Average Remaining Service Life (EARSL). EARSL periods used for changes arising in this current measurement period were seven years. Changes in the Fiduciary Net Position due to investment performance different from the assumed earnings rate are always recognized over 5 years. Liability changes attributable to benefit changes occurring during the period are recognized immediately.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 12: Other Post-Employment Benefits (Continued)**

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

For the fiscal year ended June 30, 2023, the City recognized OPEB income of \$149,335 and reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Change of Assumptions	\$ 1,381,182	\$ 371,960
Differences Between Expected and Actual Experience	759,851	3,552,844
Net Differences Between Projected and Actual Earnings on Investments	<u>205,218</u>	<u>-</u>
Total	<u>\$ 2,346,251</u>	<u>\$ 3,924,804</u>

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

<u>Fiscal Year Ended June 30:</u>	<u>Deferred Outflows (Inflows) of Resources</u>
2024	(69,822)
2025	(94,689)
2026	(215,499)
2027	(400,205)
2028	(494,980)
Thereafter	(303,358)

**Note 13: Conduit Debt Obligations**

**Financial Cooperation Agreements**

The City from time to time has provided financial assistance to health care providers for the acquisition of equipment and facilities deemed to be in the public interest. The agreements are secured by the property financed and are payable solely from payments received on the underlying security liens. Upon repayment of the debt, ownership of the property transfers to the private-sector entity served by the loan agreement, neither the Agency, the City of Duarte, nor any political subdivision thereof is obligated in any manner for repayment of the debt. Accordingly, such debt is not reported as liabilities in the accompanying financial statements.

**CITY OF DUARTE**

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**Note 14: Commitments and Contingencies**

**Grant Audits**

Under the terms of federal and state grants, periodic audits are required, and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. City Management believes disallowance, if any, will be immaterial.

**Memorandum of Understanding with Foothill Transit**

On September 21, 2017, the City entered into a memorandum of understanding (MOU) with Foothill Transit (Transit) in which Transit will purchase three electric 35-foot electric buses for operation of the City's transit service. The City reimbursed the cost of two of the buses utilizing Prop A funds. The City will reimburse Transit for the cost of the third bus through monthly payments financed over a period of ten years at an annual interest rate of three percent. On April 1, 2019, the third bus was acquired by Transit for a base cost of \$731,908 with interest over the next ten years of \$116,175 for a total cost of \$848,083. There is a monthly payment of both principal and interest totaling \$7,067.

The MOU has an initial base term of four years, with two three-year extensions. If the MOU is not extended and is terminated before the end of the ten-year financing period, the City will have the choice of either continuing the financing of the bus, paying the remaining balance on the bus; or transferring the ownership of the bus to Transit, who would then reimburse the City for the amount paid to date.

**Contractual Commitments**

On July 1, 2023, the City entered into a contract with the Los Angeles Sheriff's Department to provide city law enforcement services for the 2022-2023 fiscal year for an estimated cost of \$5.4 million.

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 28,094,578	\$ 28,094,578	\$ 28,094,578	\$ -
<b>Resources (Inflows):</b>				
Taxes	15,455,000	15,455,000	15,695,783	240,783
Licenses and permits	1,858,000	1,858,000	1,385,144	(472,856)
Intergovernmental	5,415,800	5,415,800	5,894,732	478,932
Charges for services	431,900	431,900	441,546	9,646
Use of money and property	114,000	114,000	387,361	273,361
Fines and forfeitures	310,000	310,000	454,635	144,635
Miscellaneous	255,500	255,500	601,234	345,734
Lease proceeds	-	-	744,157	744,157
Transfers in	700,200	700,200	773,739	73,539
<b>Amounts Available for Appropriations</b>	<b>52,634,978</b>	<b>52,634,978</b>	<b>54,472,909</b>	<b>1,837,931</b>
<b>Charges to Appropriations (Outflows):</b>				
Current:				
General government	6,772,720	7,150,100	6,456,386	693,714
Safety	6,914,091	6,916,616	6,830,732	85,884
Development	3,196,500	3,219,600	2,695,700	523,900
Recreation and cultural	2,781,800	2,974,800	3,029,965	(55,165)
Capital outlay	2,597,209	2,320,592	2,473,505	(152,913)
Debt service:				
Principal retirement	235,564	235,564	235,536	28
Interest and fiscal charges	12,717	12,717	12,763	(46)
Transfers out	771,200	846,200	756,958	89,242
<b>Total Charges to Appropriations</b>	<b>23,281,801</b>	<b>23,676,189</b>	<b>22,491,545</b>	<b>1,184,644</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 29,353,177</b>	<b>\$ 28,958,789</b>	<b>\$ 31,981,364</b>	<b>\$ 3,022,575</b>

See Note to Required Supplementary Information

**CITY OF DUARTE**

**REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years (\*)**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

	FY 15 Measurement Date <u>June 30, 2014</u>	FY 16 Measurement Date <u>June 30, 2015</u>	FY 17 Measurement Date <u>June 30, 2016</u>	FY 18 Measurement Date <u>June 30, 2017</u>	FY 19 Measurement Date <u>June 30, 2018</u>
City's proportion of the net pension liability	0.30890%	0.291010%	0.30027%	0.29560%	0.28309%
City's proportionate share of the net pension liability	\$ 8,486,349	\$ 10,578,290	\$ 12,675,786	\$ 14,098,986	\$ 13,503,297
City's covered payroll	\$ 2,467,539	\$ 3,706,684	\$ 3,970,085	\$ 4,047,472	\$ 4,004,164
City's proportionate share of the net pension liability as a percentage of it's covered payroll	343.9%	285.4%	319.3%	348.3%	337.2%
Plan's fiduciary net position as a percentage of the total pension liability	78.40%	79.82%	75.87%	73.31%	77.69%
	FY 20 Measurement Date <u>June 30, 2019</u>	FY 21 Measurement Date <u>June 30, 2020</u>	FY 22 Measurement Date <u>June 30, 2021</u>	FY 23 Measurement Date <u>June 30, 2022</u>	
City's proportion of the net pension liability	0.27900%	0.27813%	0.27327%	0.24768%	
City's proportionate share of the net pension liability	\$ 14,091,516	\$ 15,108,868	\$ 9,811,894	\$ 17,488,020	
City's covered payroll	\$ 4,272,731	\$ 4,338,950	\$ 4,381,600	\$ 3,985,824	
City's proportionate share of the net pension liability as a percentage of it's covered payroll	329.8%	348.2%	223.9%	438.8%	
Plan's fiduciary net position as a percentage of the total pension liability	77.73%	77.71%	90.49%	78.19%	

**CITY OF DUARTE**

**REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years (\*)**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
(Continued)**

Notes to the Schedule:

In Fiscal Year 2016-17, the discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent. Deferred outflows of resources for changes of assumptions represented the unamortized portion of this assumption change.

In fiscal year 2022-2023, the discount rate was lowered from 7.15 percent to 6.90 percent.

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

**CITY OF DUARTE**

**REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years (\*)**

**SCHEDULE OF PENSION CONTRIBUTIONS**

	Measurement Date June 30, 2014 <u>Miscellaneous</u>	Measurement Date June 30, 2015 <u>Miscellaneous</u>	Measurement Date June 30, 2016 <u>Miscellaneous</u>	Measurement Date June 30, 2017 <u>Miscellaneous</u>	Measurement Date June 30, 2018 <u>Miscellaneous</u>
Actuarially determined contribution (a)	\$ 262,412	\$ 285,477	\$ 400,604	\$ 421,885	\$ 449,981
Contribution in relation to the actuarially determined contribution (b)	<u>(262,412)</u>	<u>(285,477)</u>	<u>(400,604)</u>	<u>(421,885)</u>	<u>(449,981)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll (c)	\$ 2,352,312	\$ 2,467,539	\$ 3,706,684	\$ 3,970,085	\$ 4,047,472
Contributions as a percentage of covered payroll	11.16%	11.57%	10.81%	10.63%	11.12%
	Measurement Date June 30, 2019 <u>Miscellaneous</u>	Measurement Date June 30, 2020 <u>Miscellaneous</u>	Measurement Date June 30, 2021 <u>Miscellaneous</u>	Measurement Date June 30, 2022 <u>Miscellaneous</u>	
Actuarially determined contribution (a)	\$ 459,105	\$ 537,636	\$ 525,340	\$ 505,435	
Contribution in relation to the actuarially determined contribution (b)	<u>(459,105)</u>	<u>(537,636)</u>	<u>(525,340)</u>	<u>(505,435)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Covered payroll (c)	\$ 4,004,164	\$ 4,272,231	\$ 4,338,950	\$ 4,381,600	
Contributions as a percentage of covered payroll	11.47%	12.58%	12.11%	11.54%	

- (a) Historical information is required only for measurement periods for which GASB Statement No. 68 is applicable.
- (b) Some employers may choose to make additional contributions towards their unfunded liability. Contributions for such plans exceed the actuarially determined contributions.
- (c) Covered payroll represented above is based on pensionable earnings provided by the employer. However, GASB 68 defines covered payroll as the total payroll of employee's pension plan. Accordingly, if pensionable earnings are different that total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.



**CITY OF DUARTE**

**REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Cost Sharing Multiple-Employer Defined Benefit Pension Plan  
Last 10 Fiscal Years (\*)**

**SCHEDULE OF PENSION CONTRIBUTIONS (Continued)**

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal year 2021-2022 were from June 30, 2021 public agency valuations.

Actuarial cost method	Entry age normal cost method
Amortization method	Level percent of payroll
Average remaining period	18 years as of the valuation date
Asset valuation method	30-year direct rate smoothing
Actuarial assumptions	
Discount rate	6.90%
Inflation	2.30%
Projected salary increases	Varies by entry age and service
Payroll growth	2.75%
Individual salary growth	A merit scale varying in duration of employment coupled with an assumed annual inflation growth of 2.5% and an annual production growth of 0.25%
Retirement age	The probabilities of retirement are based on the 2015 CalPERS experience study for the period 1997 to 2011.
Mortality	The probabilities of mortality are based on CalPERS' specific data. The rate incorporates Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study that can be found on the CalPERS website.

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

CITY OF DUARTE

REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS  
Last Ten Fiscal Years\*

	Measurement Period					
	2018	2019	2020	2021	2022	2023
<b>Total OPEB Liability</b>						
Service cost	\$ 258,408	\$ 266,160	\$ 327,023	\$ 389,582	\$ 447,366	\$ 459,669
Interest on the total OPEB liability	464,777	495,518	575,620	633,116	748,420	790,303
Differences between expected and actual experience	983,161	65,900	-	1,285,548	35,353	-
Changes of assumptions	-	2,167,125	(331,435)	(419,273)	583,430	392,831
Changes due to plan experience	-	-	-	-	-	(4,196,475)
Benefit payments (1)	(662,583)	(359,809)	(365,155)	(431,406)	(462,219)	(459,831)
<b>Net change in total OPEB liability</b>	<b>1,043,763</b>	<b>2,634,894</b>	<b>206,053</b>	<b>1,457,567</b>	<b>1,352,350</b>	<b>(3,013,503)</b>
<b>Total OPEB liability - beginning</b>	<b>6,493,332</b>	<b>7,537,095</b>	<b>10,171,989</b>	<b>10,378,042</b>	<b>11,835,609</b>	<b>13,187,959</b>
<b>Total OPEB liability - ending (a)</b>	<b>\$ 7,537,095</b>	<b>\$10,171,989</b>	<b>\$10,378,042</b>	<b>\$11,835,609</b>	<b>\$13,187,959</b>	<b>\$10,174,456</b>
<b>Plan Fiduciary Net Position</b>						
Contribution - employer (1)	\$ 915,033	\$ 651,809	\$ 741,655	\$ 876,406	\$ 868,219	\$ 1,031,831
Net Increase (decrease) in fair value of investments	189,196	176,444	81,965	996,936	(688,055)	300,420
Benefit payments (1)	(662,583)	(359,809)	(365,155)	(431,406)	(462,219)	(459,831)
Change due to investment experience	-	-	-	-	-	144,868
Administrative expense	(13,347)	-	-	(24,255)	(29,705)	-
<b>Net Change in plan fiduciary net position</b>	<b>428,299</b>	<b>468,444</b>	<b>458,465</b>	<b>1,417,681</b>	<b>(311,760)</b>	<b>1,017,288</b>
<b>Plan fiduciary net position - beginning</b>	<b>2,353,380</b>	<b>2,781,679</b>	<b>3,250,123</b>	<b>3,708,588</b>	<b>5,126,269</b>	<b>4,814,509</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>\$ 2,781,679</b>	<b>\$ 3,250,123</b>	<b>\$ 3,708,588</b>	<b>\$ 5,126,269</b>	<b>\$ 4,814,509</b>	<b>\$ 5,831,797</b>
<b>Net OPEB liability (a) - (b)</b>	<b>\$ 4,755,416</b>	<b>\$ 6,921,866</b>	<b>\$ 6,669,454</b>	<b>\$ 6,709,340</b>	<b>\$ 8,373,450</b>	<b>\$ 4,342,659</b>
Plan fiduciary net position as a percentage of total OPEB liability	36.91%	31.95%	35.73%	43.31%	36.51%	57.32%
Covered-employee payroll	\$ 4,211,793	\$ 3,926,264	\$ 4,325,247	\$ 3,579,723	\$ 3,613,652	\$ 4,422,484
Net OPEB liability as a percentage of covered-employee payroll	112.91%	176.30%	154.20%	187.43%	231.72%	98.20%

(1): Amount includes implicit subsidy associated with benefits paid.

\*Fiscal Year 2018 was the 1<sup>st</sup> year of implementation therefore only 6 years are shown.

**CITY OF DUARTE**

**REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**SCHEDULE OF OPEB CONTRIBUTIONS  
Last Ten Fiscal Years\***

	Fiscal Year 6/30/2018	Fiscal Year 6/30/2019	Fiscal Year 6/30/2020	Fiscal Year 6/30/2021	Fiscal Year 6/30/2022	Fiscal Year 6/30/2023
Contractually Determined Contribution (CDC)	\$1,491,134	\$ 782,535	\$ 803,739	\$ 876,406	\$ 868,219	\$1,031,831
Contributions in relation to the CDC	(915,033)	(651,809)	(741,655)	(876,406)	(868,219)	(1,031,831)
Contribution deficiency (excess)	<u>\$ 576,101</u>	<u>\$ 130,726</u>	<u>\$ 62,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$4,211,793	\$3,926,264	\$4,325,247	\$3,579,723	\$3,613,652	\$4,422,484
Contributions as a percentage of covered-employee payroll	21.73%	16.60%	17.15%	24.48%	24.03%	23.33%

\*Fiscal Year 2018 was the 1<sup>st</sup> year of implementation therefore only 6 years are shown.

**CITY OF DUARTE**

**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

**Note 1: Budgets and Budgetary Accounting**

The City adopts an annual budget prepared in accordance with accounting principles generally accepted in the United States of America and on the modified accrual basis of accounting for its governmental funds. The City Manager or designee is authorized to transfer budgeted amounts between the accounts of any department. Any revisions that alter the total appropriations of any department or fund must be approved by the City Council. Prior year appropriations lapse unless they are approved for carryover into the following fiscal year. Expenditures may not legally exceed appropriations at the fund level.

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY IMPROVEMENT CAPITAL PROJECTS FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 330,180	\$ 330,180	\$ 330,180	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	1,951,000	1,951,000	582,046	(1,368,954)
Use of money and property	700	700	13,625	12,925
<b>Amounts Available for Appropriations</b>	<u>2,281,880</u>	<u>2,281,880</u>	<u>925,851</u>	<u>(1,356,029)</u>
<b>Charges to Appropriations (Outflows):</b>				
Transportation	150,000	150,000	-	150,000
Capital outlay	<u>1,801,000</u>	<u>1,801,000</u>	<u>114,000</u>	<u>1,687,000</u>
<b>Total Charges to Appropriations</b>	<u>1,951,000</u>	<u>1,951,000</u>	<u>114,000</u>	<u>1,837,000</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 330,880</u>	<u>\$ 330,880</u>	<u>\$ 811,851</u>	<u>\$ 480,971</u>

See Note to Required Supplementary Information

CITY OF DUARTE

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2023

	Special Revenue Funds			
	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant	Supplemental Law Enforcement
<b>Assets:</b>				
Pooled cash and investments	\$ 2,226,277	\$ 198,955	\$ -	\$ 11,613
Receivables:				
Taxes	47,817	16,223	-	-
Grants	-	-	37,681	-
<b>Total Assets</b>	<b>\$ 2,274,094</b>	<b>\$ 215,178</b>	<b>\$ 37,681</b>	<b>\$ 11,613</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 108,779	\$ 118,533	\$ 1,539	\$ 11,613
Accrued liabilities	-	-	-	-
Retention payable	15,732	-	30,094	-
Due to other funds	-	-	6,048	-
<b>Total Liabilities</b>	<b>124,511</b>	<b>118,533</b>	<b>37,681</b>	<b>11,613</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Development projects	-	96,645	-	-
Recreation and culture	-	-	-	-
Transportation	2,149,583	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances (deficits)</b>	<b>2,149,583</b>	<b>96,645</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,274,094</b>	<b>\$ 215,178</b>	<b>\$ 37,681</b>	<b>\$ 11,613</b>

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2023

	Special Revenue Funds			
	Air Quality Management	Measure M	Quimby Act	Prop A Transit
<b>Assets:</b>				
Pooled cash and investments	\$ 143,745	\$ 1,081,960	\$ 68,861	\$ 1,012,308
Receivables:				
Taxes	-	-	-	-
Grants	7,090	-	-	-
<b>Total Assets</b>	<b>\$ 150,835</b>	<b>\$ 1,081,960</b>	<b>\$ 68,861</b>	<b>\$ 1,012,308</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 63,118
Accrued liabilities	-	-	-	297
Retention payable	-	-	-	-
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>63,415</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Development projects	-	-	-	-
Recreation and culture	-	-	68,861	-
Transportation	150,835	1,081,960	-	948,893
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (deficits)</b>	<b>150,835</b>	<b>1,081,960</b>	<b>68,861</b>	<b>948,893</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 150,835</b>	<b>\$ 1,081,960</b>	<b>\$ 68,861</b>	<b>\$ 1,012,308</b>

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

	Special Revenue Funds			
	Housing Authority	Prop C Transit	PEG	Measure R LR Transit
<b>Assets:</b>				
Pooled cash and investments	\$ 2,053,300	\$ 313,161	\$ 34,858	\$ 679,832
Receivables:				
Taxes	-	-	-	-
Grants	-	-	7,666	-
<b>Total Assets</b>	<b>\$ 2,053,300</b>	<b>\$ 313,161</b>	<b>\$ 42,524</b>	<b>\$ 679,832</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 51,962	\$ 1,256	\$ -
Accrued liabilities	-	243	-	-
Retention payable	-	-	-	27,584
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>52,205</b>	<b>1,256</b>	<b>27,584</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Development projects	2,053,300	-	41,268	-
Recreation and culture	-	-	-	-
Transportation	-	260,956	-	652,248
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (deficits)</b>	<b>2,053,300</b>	<b>260,956</b>	<b>41,268</b>	<b>652,248</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 2,053,300</b>	<b>\$ 313,161</b>	<b>\$ 42,524</b>	<b>\$ 679,832</b>

(Continued)



CITY OF DUARTE

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023

	Special Revenue Funds				
	Park Dev	Measure W	SB1/ RMRA	Bicycle and Pedestrian	Low and Moderate Housing
<b>Assets:</b>					
Pooled cash and investments	\$ -	\$ 342,985	\$ 865,741	\$ -	\$ 3,218,326
Receivables:					
Taxes	-	-	-	-	-
Grants	14,146	-	84,772	-	-
Land held for resale	-	-	-	-	881,753
<b>Total Assets</b>	<b>\$ 14,146</b>	<b>\$ 342,985</b>	<b>\$ 950,513</b>	<b>\$ -</b>	<b>\$ 4,100,079</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 10,818	\$ -	\$ 88,196	\$ -	-
Accrued liabilities	-	-	-	-	-
Retention payable	-	-	19,649	-	-
Due to other funds	22,136	-	-	-	-
<b>Total Liabilities</b>	<b>32,954</b>	<b>-</b>	<b>107,845</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Restricted for:</b>					
Development projects	-	342,985	-	-	4,100,079
Recreation and culture	-	-	-	-	-
Transportation	-	-	842,668	-	-
<b>Unassigned</b>	<b>(18,808)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (deficits)</b>	<b>(18,808)</b>	<b>342,985</b>	<b>842,668</b>	<b>-</b>	<b>4,100,079</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 14,146</b>	<b>\$ 342,985</b>	<b>\$ 950,513</b>	<b>\$ -</b>	<b>\$ 4,100,079</b>

(Continued)

CITY OF DUARTE

COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
 JUNE 30, 2023

	Capital Project Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	Inclusionary Housing	Town Center Debt Service	Infrastructure Debt Service	
<b>Assets:</b>				
Pooled cash and investments	\$ 538,092	\$ -	\$ -	\$ 12,790,014
Receivables:				
Taxes	-	-	-	64,040
Grants	-	-	-	151,355
Land held for resale	-	-	-	881,753
<b>Total Assets</b>	<b>\$ 538,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,887,162</b>
<b>Liabilities and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ -	\$ -	455,814
Accrued liabilities	-	-	-	540
Retention payable	-	-	-	93,059
Due to other funds	-	-	-	28,184
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>577,597</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Development projects	538,092	-	-	7,172,369
Recreation and culture	-	-	-	68,861
Transportation	-	-	-	6,087,143
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(18,808)</b>
<b>Total Fund Balances (deficits)</b>	<b>538,092</b>	<b>-</b>	<b>-</b>	<b>13,309,565</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 538,092</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 13,887,162</b>

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	State Gasoline Tax	Lighting and Landscaping	Community Development Block Grant	Supplemental Law Enforcement
<b>Revenues:</b>				
Assessments	\$ -	\$ 1,001,446	\$ -	\$ -
Intergovernmental	548,865	-	638,865	165,271
Charges for services	-	-	-	-
Use of money and property	40,616	-	-	655
Miscellaneous	-	24,700	-	-
<b>Total Revenues</b>	<b>589,481</b>	<b>1,026,146</b>	<b>638,865</b>	<b>165,926</b>
<b>Expenditures:</b>				
Current:				
Safety	-	-	-	165,926
Development	-	1,224,998	-	-
Transportation	555,642	-	-	-
Capital outlay	-	-	637,102	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>555,642</b>	<b>1,224,998</b>	<b>637,102</b>	<b>165,926</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,839	(198,852)	1,763	-
<b>Other Financing Sources: (Uses):</b>				
Transfers in	-	536,121	-	-
Transfers out	(111,129)	(343,200)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(111,129)</b>	<b>192,921</b>	<b>-</b>	<b>-</b>
Net Changes in Fund Balances	(77,290)	(5,931)	1,763	-
Fund Balances (Deficits), Beginning of Fiscal Year	2,226,873	102,576	(1,763)	-
Fund Balances (Deficits), End of Fiscal Year	<b>\$ 2,149,583</b>	<b>\$ 96,645</b>	<b>\$ -</b>	<b>\$ -</b>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Air Quality Management	Measure M	Quimby Act	Prop A Transit
<b>Revenues:</b>				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	35,119	396,784	-	563,991
Charges for services	-	-	-	-
Use of money and property	2,490	17,192	1,213	18,000
Miscellaneous	-	-	-	19,696
<b>Total Revenues</b>	<b>37,609</b>	<b>413,976</b>	<b>1,213</b>	<b>601,687</b>
<b>Expenditures:</b>				
Current:				
Safety	-	-	-	-
Development	-	-	-	-
Transportation	-	-	-	467,758
Capital outlay	3,105	-	-	46,646
Debt service:				
Principal retirement	15,766	-	-	-
Interest and fiscal charges	443	-	-	-
<b>Total Expenditures</b>	<b>19,314</b>	<b>-</b>	<b>-</b>	<b>514,404</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	18,295	413,976	1,213	87,283
<b>Other Financing Sources: (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(46,800)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(46,800)</b>
Net Changes in Fund Balances	18,295	413,976	1,213	40,483
Fund Balances (Deficits), Beginning of Fiscal Year	132,540	667,984	67,648	908,410
Fund Balances (Deficits), End of Fiscal Year	<u>\$ 150,835</u>	<u>\$ 1,081,960</u>	<u>\$ 68,861</u>	<u>\$ 948,893</u>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Housing Authority	Prop C Transit	PEG	Measure R LR Transit
<b>Revenues:</b>				
Assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	467,814	-	350,760
Charges for services	-	-	31,951	-
Use of money and property	75,238	5,600	564	17,630
Miscellaneous	-	16,114	-	-
<b>Total Revenues</b>	<b>75,238</b>	<b>489,528</b>	<b>32,515</b>	<b>368,390</b>
<b>Expenditures:</b>				
Current:				
Safety	-	-	-	-
Development	22,327	-	-	-
Transportation	-	379,556	-	-
Capital outlay	-	38,165	40,377	584,068
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>22,327</b>	<b>417,721</b>	<b>40,377</b>	<b>584,068</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	52,911	71,807	(7,862)	(215,678)
<b>Other Financing Sources: (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	(38,101)	-	(116,814)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(38,101)</b>	<b>-</b>	<b>(116,814)</b>
Net Changes in Fund Balances	52,911	33,706	(7,862)	(332,492)
Fund balances (Deficits), Beginning of Fiscal Year	2,000,389	227,250	49,130	984,740
Fund Balances (Deficits), End of Fiscal Year	<b>\$ 2,053,300</b>	<b>\$ 260,956</b>	<b>\$ 41,268</b>	<b>\$ 652,248</b>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Special Revenue Funds				
	Park Dev	Measure W	SB1/ RMRA	Bicycle and Pedestrian	Low and Moderate Housing
<b>Revenues:</b>					
Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	19,294	252,208	483,777	-	-
Charges for services	-	-	-	-	-
Use of money and property	-	3,839	17,332	-	56,742
Miscellaneous	-	-	-	-	-
<b>Total Revenues</b>	<b>19,294</b>	<b>256,047</b>	<b>501,109</b>	<b>-</b>	<b>56,742</b>
<b>Expenditures:</b>					
Current:					
Safety	-	-	-	-	-
Development	-	89,764	-	-	8,495
Transportation	-	-	-	-	-
Capital outlay	38,102	14,055	417,482	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total Expenditures</b>	<b>38,102</b>	<b>103,819</b>	<b>417,482</b>	<b>-</b>	<b>8,495</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,808)	152,228	83,627	-	48,247
<b>Other Financing Sources:</b>					
<b>(Uses):</b>					
Transfers in	-	-	-	53	-
Transfers out	-	-	(83,560)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(83,560)</b>	<b>53</b>	<b>-</b>
Net Changes in Fund Balances	(18,808)	152,228	67	53	48,247
Fund balances (Deficits), Beginning of Fiscal Year	-	190,757	842,601	(53)	4,051,832
Fund Balances (Deficits), End of Fiscal Year	<u>\$ (18,808)</u>	<u>\$ 342,985</u>	<u>\$ 842,668</u>	<u>\$ -</u>	<u>\$ 4,100,079</u>

(Continued)

CITY OF DUARTE

COMBINING STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES (DEFICITS)  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Capital Project Fund	Debt Service Funds		Total Nonmajor Governmental Funds
	Inclusionary Housing	Town Center Debt Service	Infrastructure Debt Service	
<b>Revenues:</b>				
Assessments	\$ -	\$ -	\$ -	\$ 1,001,446
Intergovernmental	-	-	-	3,922,748
Charges for services	-	-	-	31,951
Use of money and property	9,483	71	-	266,665
Miscellaneous	-	-	-	60,510
<b>Total Revenues</b>	<b>9,483</b>	<b>71</b>	<b>-</b>	<b>5,283,320</b>
<b>Expenditures:</b>				
Current:				
Safety	-	-	-	165,926
Development	-	-	-	1,345,584
Transportation	-	-	-	1,402,956
Capital outlay	-	-	-	1,819,102
Debt service:				
Principal retirement	-	74,764	161,834	252,364
Interest and fiscal charges	-	751	59,003	60,197
<b>Total Expenditures</b>	<b>-</b>	<b>75,515</b>	<b>220,837</b>	<b>5,046,129</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,483	(75,444)	(220,837)	237,191
<b>Other Financing Sources: (Uses):</b>				
Transfers in	-	-	220,837	757,011
Transfers out	-	(34,188)	-	(773,792)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(34,188)</b>	<b>220,837</b>	<b>(16,781)</b>
Net Changes in Fund Balances	9,483	(109,632)	-	220,410
Fund balances (Deficits), Beginning of Fiscal Year	528,609	109,632	-	13,089,155
Fund Balances (Deficits), End of Fiscal Year	\$ <b>538,092</b>	\$ -	\$ -	\$ <b>13,309,565</b>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
STATE GASOLINE TAX  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,226,873	\$ 2,226,873	\$ 2,226,873	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	625,600	625,600	548,865	(76,735)
Use of money and property	2,800	2,800	40,616	37,816
<b>Amounts Available for Appropriations</b>	<u>2,855,273</u>	<u>2,855,273</u>	<u>2,816,354</u>	<u>(38,919)</u>
<b>Charges to Appropriations (Outflows):</b>				
Transportation	591,000	724,000	555,642	168,358
Capital outlay	10,000	10,000	-	10,000
Transfers out	120,200	147,200	111,129	36,071
<b>Total Charges to Appropriations</b>	<u>721,200</u>	<u>881,200</u>	<u>666,771</u>	<u>214,429</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 2,134,073</u>	<u>\$ 1,974,073</u>	<u>\$ 2,149,583</u>	<u>\$ 175,510</u>



CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
LIGHTING AND LANDSCAPING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 102,576	\$ 102,576	\$ 102,576	\$ -
<b>Resources (Inflows):</b>				
Assessments	986,500	986,500	1,001,446	14,946
Miscellaneous	-	25,000	24,700	(300)
Transfers in	550,300	625,300	536,121	(89,179)
<b>Amounts Available for Appropriations</b>	<b>1,639,376</b>	<b>1,739,376</b>	<b>1,664,843</b>	<b>(74,533)</b>
<b>Charges to Appropriations (Outflows):</b>				
Development	1,245,100	1,345,100	1,224,998	120,102
Transfers out	343,200	343,200	343,200	-
<b>Total Charges to Appropriations</b>	<b>1,588,300</b>	<b>1,688,300</b>	<b>1,568,198</b>	<b>120,102</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 51,076</b>	<b>\$ 51,076</b>	<b>\$ 96,645</b>	<b>\$ 45,569</b>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
COMMUNITY DEVELOPMENT BLOCK GRANT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance (Deficit), July 1	\$ (1,763)	\$ (1,763)	\$ (1,763)	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	<u>750,000</u>	<u>750,000</u>	<u>638,865</u>	<u>(111,135)</u>
<b>Amounts Available for Appropriations</b>	<u>748,237</u>	<u>748,237</u>	<u>637,102</u>	<u>(111,135)</u>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	<u>750,000</u>	<u>750,000</u>	<u>637,102</u>	<u>112,898</u>
<b>Total Charges to Appropriations</b>	<u>750,000</u>	<u>750,000</u>	<u>637,102</u>	<u>112,898</u>
<b>Budgetary Fund Balance, June 30</b>	<u><u>\$ (1,763)</u></u>	<u><u>\$ (1,763)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,763</u></u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
 SUPPLEMENTAL LAW ENFORCEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	160,000	160,000	165,271	5,271
Use of money and property	100	100	655	555
<b>Amounts Available for Appropriations</b>	<u>160,100</u>	<u>160,100</u>	<u>165,926</u>	<u>5,826</u>
<b>Charges to Appropriations (Outflows):</b>				
Safety	<u>160,100</u>	<u>160,100</u>	<u>165,926</u>	<u>(5,826)</u>
<b>Total Charges to Appropriations</b>	<u>160,100</u>	<u>160,100</u>	<u>165,926</u>	<u>(5,826)</u>
<b>Budgetary Fund Balance, June 30</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
AIR QUALITY MANAGEMENT DISTRIBUTION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 132,540	\$ 132,540	\$ 132,540	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	28,000	28,000	35,119	7,119
Use of money and property	200	200	2,490	2,290
<b>Amounts Available for Appropriations</b>	<u>160,740</u>	<u>160,740</u>	<u>170,149</u>	<u>9,409</u>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	4,191	4,191	3,105	1,086
Debt service:				
Principal retirement	15,766	15,766	15,766	-
Interest and fiscal charges	443	443	443	-
<b>Total Charges to Appropriations</b>	<u>20,400</u>	<u>20,400</u>	<u>19,314</u>	<u>1,086</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 140,340</u>	<u>\$ 140,340</u>	<u>\$ 150,835</u>	<u>\$ 10,495</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
MEASURE M  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 667,984	\$ 667,984	\$ 667,984	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	369,100	369,100	396,784	27,684
Use of money and property	500	500	17,192	16,692
<b>Amounts Available for Appropriations</b>	<u>1,037,584</u>	<u>1,037,584</u>	<u>1,081,960</u>	<u>44,376</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 1,037,584</u>	<u>\$ 1,037,584</u>	<u>\$ 1,081,960</u>	<u>\$ 44,376</u>

CITY OF DUARTE

BUDGETARY COMPARISON SCHEDULE  
 QUIMBY ACT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 67,648	\$ 67,648	\$ 67,648	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	100	100	1,213	1,113
<b>Amounts Available for Appropriations</b>	<u>67,748</u>	<u>67,748</u>	<u>68,861</u>	<u>1,113</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 67,748</u>	<u>\$ 67,748</u>	<u>\$ 68,861</u>	<u>\$ 1,113</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION A TRANSIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 908,410	\$ 908,410	\$ 908,410	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	561,500	561,500	563,991	2,491
Use of money and property	1,600	1,600	18,000	16,400
Miscellaneous	-	-	19,696	19,696
<b>Amounts Available for Appropriations</b>	<b>1,471,510</b>	<b>1,471,510</b>	<b>1,510,097</b>	<b>38,587</b>
<b>Charges to Appropriations (Outflows):</b>				
Transportation	414,300	470,900	467,758	3,142
Capital outlay	46,700	46,700	46,646	54
Transfers out	46,800	46,800	46,800	-
<b>Total Charges to Appropriations</b>	<b>507,800</b>	<b>564,400</b>	<b>561,204</b>	<b>3,196</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 963,710</b>	<b>\$ 907,110</b>	<b>\$ 948,893</b>	<b>\$ 41,783</b>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
HOUSING AUTHORITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 2,000,389	\$ 2,000,389	\$ 2,000,389	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	2,000	2,000	75,238	73,238
<b>Amounts Available for Appropriations</b>	<u>2,002,389</u>	<u>2,002,389</u>	<u>2,075,627</u>	<u>73,238</u>
<b>Charges to Appropriations (Outflows):</b>				
Development	90,200	90,200	22,327	67,873
<b>Total Charges to Appropriations</b>	<u>90,200</u>	<u>90,200</u>	<u>22,327</u>	<u>67,873</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 1,912,189</u>	<u>\$ 1,912,189</u>	<u>\$ 2,053,300</u>	<u>\$ 141,111</u>



CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
PROPOSITION C TRANSIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 227,250	\$ 227,250	\$ 227,250	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	434,200	434,200	467,814	33,614
Use of money and property	400	400	5,600	5,200
Miscellaneous	-	-	16,114	16,114
<b>Amounts Available for Appropriations</b>	<b>661,850</b>	<b>661,850</b>	<b>716,778</b>	<b>54,928</b>
<b>Charges to Appropriations (Outflows):</b>				
Transportation	342,400	382,400	379,556	2,844
Capital outlay	38,200	38,200	38,165	35
Transfers out	38,100	38,100	38,101	(1)
<b>Total Charges to Appropriations</b>	<b>418,700</b>	<b>458,700</b>	<b>455,822</b>	<b>2,878</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 243,150</b>	<b>\$ 203,150</b>	<b>\$ 260,956</b>	<b>\$ 57,806</b>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
PEG  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 49,130	\$ 49,130	\$ 49,130	\$ -
<b>Resources (Inflows):</b>				
Charges for services	33,000	33,000	31,951	(1,049)
Use of money and property	-	-	564	564
<b>Amounts Available for Appropriations</b>	<u>82,130</u>	<u>82,130</u>	<u>81,645</u>	<u>(485)</u>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	-	45,000	40,377	4,623
<b>Total Charges to Appropriations</b>	<u>-</u>	<u>45,000</u>	<u>40,377</u>	<u>4,623</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 82,130</u>	<u>\$ 37,130</u>	<u>\$ 41,268</u>	<u>\$ 4,138</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
MEASURE R LR TRANSIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 984,740	\$ 984,740	\$ 984,740	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	325,700	325,700	350,760	25,060
Use of money and property	1,700	1,700	17,630	15,930
<b>Amounts Available for Appropriations</b>	<u>1,312,140</u>	<u>1,312,140</u>	<u>1,353,130</u>	<u>40,990</u>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	550,000	582,000	584,068	(2,068)
Transfers out	110,000	116,000	116,814	(814)
<b>Total Charges to Appropriations</b>	<u>660,000</u>	<u>698,000</u>	<u>700,882</u>	<u>(2,882)</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 652,140</u>	<u>\$ 614,140</u>	<u>\$ 652,248</u>	<u>\$ 38,108</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
 PARK DEVELOPMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	<u>576,000</u>	<u>576,000</u>	<u>19,294</u>	<u>(556,706)</u>
<b>Amounts Available for Appropriations</b>	<u>576,000</u>	<u>576,000</u>	<u>19,294</u>	<u>(556,706)</u>
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	<u>576,000</u>	<u>576,000</u>	<u>38,102</u>	<u>537,898</u>
<b>Total Charges to Appropriations</b>	<u>576,000</u>	<u>576,000</u>	<u>38,102</u>	<u>537,898</u>
<b>Budgetary Fund Balance (Deficit), June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (18,808)</u>	<u>\$ (18,808)</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
MEASURE W  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 190,757	\$ 190,757	\$ 190,757	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	250,000	250,000	252,208	2,208
Use of money and property	-	-	3,839	3,839
<b>Amounts Available for Appropriations</b>	<u>440,757</u>	<u>440,757</u>	<u>446,804</u>	<u>6,047</u>
<b>Charges to Appropriations (Outflows):</b>				
Development	14,000	14,000	89,764	(75,764)
Capital outlay	400,000	400,000	14,055	385,945
<b>Total Charges to Appropriations</b>	<u>414,000</u>	<u>414,000</u>	<u>103,819</u>	<u>310,181</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 26,757</u>	<u>\$ 26,757</u>	<u>\$ 342,985</u>	<u>\$ 316,228</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
SB1/RMRA  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 842,601	\$ 842,601	\$ 842,601	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental	489,100	489,100	483,777	(5,323)
Use of money and property	600	600	17,332	16,732
<b>Amounts Available for Appropriations</b>	<u>1,332,301</u>	<u>1,332,301</u>	<u>1,343,710</u>	<u>11,409</u>
<b>Charges to Appropriations (Outflows):</b>				
Capital outlay	400,000	473,644	417,482	56,162
Transfers out	80,000	80,000	83,560	(3,560)
<b>Total Charges to Appropriations</b>	<u>480,000</u>	<u>553,644</u>	<u>501,042</u>	<u>52,602</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 852,301</u>	<u>\$ 778,657</u>	<u>\$ 842,668</u>	<u>\$ 64,011</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
BICYCLE AND PEDESTRIAN  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance (Deficit), July 1	\$ (53)	\$ (53)	\$ (53)	\$ -
<b>Resources (Inflows):</b>				
Transfers in	20,200	20,200	53	(20,147)
<b>Amounts Available for Appropriations</b>	20,147	20,147	-	(20,147)
<b>Charges to Appropriations (Outflow):</b>				
Capital outlay	20,200	20,200	-	20,200
<b>Total Charges to Appropriations</b>	20,200	20,200	-	20,200
<b>Budgetary Fund Balance (Deficit), June 30</b>	<u>\$ (53)</u>	<u>\$ (53)</u>	<u>\$ -</u>	<u>\$ 53</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
LOW AND MODERATE HOUSING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,051,832	\$ 4,051,832	\$ 4,051,832	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	5,700	5,700	56,742	51,042
<b>Amounts Available for Appropriations</b>	<b>4,057,532</b>	<b>4,057,532</b>	<b>4,108,574</b>	<b>51,042</b>
<b>Charges to Appropriations (Outflows):</b>				
Development	8,600	8,600	8,495	105
<b>Total Charges to Appropriations</b>	<b>8,600</b>	<b>8,600</b>	<b>8,495</b>	<b>105</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 4,066,132</b>	<b>\$ 4,048,932</b>	<b>\$ 4,100,079</b>	<b>\$ 51,147</b>



CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
INCLUSIONARY HOUSING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 528,609	\$ 528,609	\$ 528,609	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	700	700	9,483	8,783
<b>Amounts Available for Appropriations</b>	<u>529,309</u>	<u>529,309</u>	<u>538,092</u>	<u>8,783</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 529,309</u>	<u>\$ 529,309</u>	<u>\$ 538,092</u>	<u>\$ 8,783</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
TOWN CENTER  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 109,632	\$ 109,632	\$ 109,632	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	-	-	71	71
<b>Amounts Available for Appropriations</b>	<u>109,632</u>	<u>109,632</u>	<u>109,703</u>	<u>71</u>
<b>Charges to Appropriations (Outflows):</b>				
Principal retirement	800	75,000	74,764	236
Interest and fiscal charges	2,500	2,500	751	1,749
Transfers out	-	-	34,188	(34,188)
<b>Total Charges to Appropriations</b>	<u>3,300</u>	<u>77,500</u>	<u>109,703</u>	<u>(32,203)</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 106,332</u>	<u>\$ 32,132</u>	<u>\$ -</u>	<u>\$ (32,132)</u>

CITY OF DUARTE

**BUDGETARY COMPARISON SCHEDULE  
INFRASTRUCTURE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ -	\$ -	\$ -	\$ -
<b>Resources (Inflows):</b>				
Transfers in	220,900	220,900	220,837	(63)
<b>Amounts Available for Appropriations</b>	220,900	220,900	220,837	(63)
<b>Charges to Appropriations (Outflows):</b>				
Principal retirement	161,900	161,900	161,834	66
Interest and fiscal charges	59,000	59,000	59,003	(3)
<b>Total Charges to Appropriations</b>	220,900	220,900	220,837	63
<b>Budgetary Fund Balance, June 30</b>	\$ -	\$ -	\$ -	\$ -