



CITY OF SANTA FE SPRINGS, CA

Annual Comprehensive FINANCIAL REPORT | 2022



JULY 1, 2021 TO JUNE 30, 2022



Annual Comprehensive Financial Report

City of Santa Fe Springs, CA
Year Ended June 30, 2022



City Council

Juanita Martin, Mayor
Jay Sarno, Mayor Pro-Tem
Annette Rodriguez, Councilmember
William K. Rounds, Councilmember
Joe Angel Zamora, Councilmember

Planning Commission

David Ayala
Francis Carbajal
Joseph Flores
Gabriel Jimenez
John M. Mora

Traffic Commission

Blake Carter
Johana Coca
Sally Gaitan
Felix Miranda
Linda Vallejo

Executive Management Team

Thomas R. Hatch, Interim City Manager
Ivy M. Tsai, City Attorney
Travis Hickey, Dir. of Fin. and Admn. Svcs
Maricela Balderas, Dir. of Com. Services
Chad A. Van Meeteren, Fire Chief
Wayne Morrell, Director of Planning
Yvette Kirrin, Interim Director of Public Works
Dino Torres, Director of Police Services

Prepared by:

Travis Hickey, Dir. of Fin. and Admn. Svcs
Lana Dich, Finance Manager
Donna Mack, Senior Accountant
Erlinda Gutierrez, Accountant
Michelle Prieto, Administrative Assistant II
Oscar Jimenez, Fin./Admn. Svcs Intern

CITY OF SANTA FE SPRINGS, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022
PREPARED BY FINANCE DEPARTMENT

**CITY OF SANTA FE SPRINGS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INTRODUCTORY SECTION

Letter of Transmittal	i
Organizational Chart	xxiv
GFOA Certificate of Achievement for Excellence in Financial Reporting	xxv

FINANCIAL SECTION

Independent Auditors' Report	1
Management's Discussion and Analysis (Required Supplementary Information – Unaudited)	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	13
Statement of Activities	14
Fund Financial Statements	
Balance Sheet—Governmental Funds	16
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	22
Statement of Net Position—Proprietary Funds	23
Statement of Revenues, Expenses, and Changes in Fund Net Position—Proprietary Funds	24
Statement of Cash Flows—Proprietary Funds	25
Statement of Fiduciary Net Position	26
Statement of Changes in Fiduciary Net Position	27
Notes to Basic Financial Statements	29

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Budgetary Comparison Schedule—General Fund	80
Budgetary Comparison Schedule—Low and Moderate Income Housing Assets Fund	81
Schedule of Changes in Net Pension Liability and Related Ratios — Miscellaneous Plan — Agent Multiple-Employer Plan	82
Schedule of Contributions—Miscellaneous Plan—Agent Multiple-Employer Plan	84
Schedule of Proportionate Share of the Net Pension Liability—Cost Sharing Safety Plan	86

**CITY OF SANTA FE SPRINGS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

Schedule of Contributions—Cost Sharing Safety Plan	88
Schedule of Changes in the Net OPEB Liability and Related Ratios	90
Schedule of Contributions—OPEB	91
Notes to Required Supplementary Information	92
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet—Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	100
Budgetary Comparison Schedules—Special Revenue Funds	
State Gas Tax	104
County Transit Tax	105
Street Lighting Maintenance District	106
Art in Public Places	107
Air Quality Improvement	108
Community Development Block Grant	109
Public Safety Augmentation	110
Supplemental Law Enforcement Services	111
Transportation Center Expansion Parking Lot	112
Measure W	113
Combining Statement of Fiduciary Net Position—Custodial Funds	116
Combining Statement of Changes in Fiduciary Net Position—Custodial Funds	117
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	120
Changes in Net Position	122
Fund Balances of Governmental Funds	126
Changes in Fund Balances of Governmental Funds	128
Assessed and Estimated Actual Value of Taxable Property	130
Direct and Overlapping Property Tax Rates	131
Principal Property Tax Payers	132
Property Tax Levies and Collections	133
Ratios of Outstanding Debt by Type	134
Ratio of General Bonded Debt Outstanding	135
Direct and Overlapping Debt	136
Legal Debt Margin Information	137

**CITY OF SANTA FE SPRINGS
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

Pledged-Revenue Coverage	140
Demographic and Economic Statistics	142
Principal Employers	143
Full-Time and Part-Time City Employees by Function	144
Operating Indicators by Function	145
Capital Asset Statistics by Function	146

(This page intentionally left blank)



11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org

"A great place to live, work, and play"

February 23, 2023

Honorable Mayor & City Council and
Residents of the City of Santa Fe Springs:

Introduction

It is our pleasure to submit for your information and consideration the Annual Comprehensive Financial Report of the City of Santa Fe Springs (City). The responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City's Department of Finance and Administrative Services. It is our opinion that the data as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds; and that all disclosures necessary to enable the reader to gain a full understanding of the financial activities have been included.

The enclosed financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) as recommended by the Governmental Accounting Standards Board (GASB) and include the report of the independent certified public accountants, CliftonLarsonAllen LLP. The complete report is divided into distinct sections:

Introduction-	Letter of transmittal, an organizational chart, and prior year award for financial reporting.
Financial -	Independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, accompanying notes to the financial statements, required supplementary information, and supplementary information. MD&A complements this letter of transmittal and should be read in conjunction with it.
Statistical -	Pertinent financial and non-financial data that present historical trends and other information about the City.

Juanita Martin, Mayor • Jay Sarno, Mayor Pro Tem
City Council
Annette Rodriguez • William K. Rounds • Joe Angel Zamora
Thomas R. Hatch, Interim City Manager

**Introduction
(cont.)**

This report presents the financial status of the City and its component units, the Successor Agency to the Community Development Commission, Housing Successor Agency, the Public Financing Authority, and Water Utility Authority as a single reporting entity. Although these component units are legally separate from the City, the City maintains significant financial accountability. Financial accountability is defined as appointment of a voting majority of the component unit's board and either (A) the ability of the primary government to impose its will on the component unit, or (B) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. For detailed information regarding the City and its component units, please refer to Notes to the Financial Statements section in this report..

**Accounting
System and
Budgetary
Control**

In developing and modifying the City's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute assurance regarding:

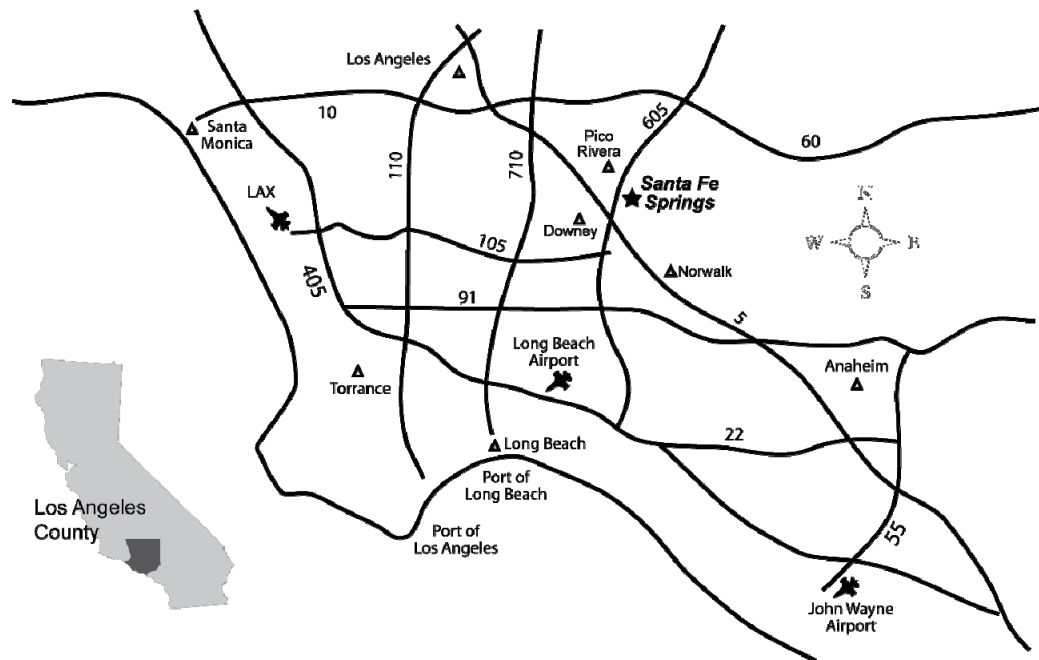
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived from it and that the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. The accounting system is maintained on a functional basis (activity/sub-activity) in order to reflect the services provided by the City.

The City maintains budgetary controls at the individual fund level to ensure compliance with the budget approved by the City Council. The budget includes estimated revenues and appropriations for the City's General Fund and certain Special Revenue Funds. Operating plans for the City's Water Utility Fund are also prepared as part of the budget.

Profile and Government Structure

The urban development of Santa Fe Springs began in the early 1950's as the result of a planned effort by a coalition of business community members and local residents. During the ensuing years, community pressures resulted in the incorporation of the City on May 15, 1957. The new City covered 4.9 square miles with a population of 11,787. The City of Santa Fe Springs now encompasses nine square miles, with about 84% of the land zoned for commercial and industrial use. The City's population is approximately 18,200; however, the daytime population is estimated at 95,000.



The City of Santa Fe Springs operates as a general law city under the council-manager form of government. Five City Council members are elected at-large for alternating four-year terms. The Mayor is selected annually from among the five members of the City Council. The City Council is responsible for the City's ordinances, operating resolutions, budget adoption and appointment of committee members. Overall, there are 11 standing committees, boards and commissions that provide input to the City Council. Among these are the Planning Commission and the Traffic Commission. The City Manager is responsible for administering the policies and directives approved by the City Council. The City Manager appoints the Executive Management Team, which is comprised of the Director of Finance & Administrative Services, Fire Chief, Director of Community Services, Director of Planning, Director of Police Services, and Director of Public Works.

**Local Economic
Outlook**

The City of Santa Fe Springs is strategically located in southeast Los Angeles County with access to major seaports, airports and transportation corridors. With the vast majority of the City zoned for commercial and industrial use, Santa Fe Springs has historically experienced strong development and redevelopment activity in the community. Sales taxes, transaction and use taxes, and utility user's taxes (UUT) revenues are the largest sources in the General Fund.

The City's sales tax base is comprised of businesses within the following categories: Business and Industry (Manufacturing and business-to-business sales), Building and Construction, Autos and Transportation, General Consumer Goods, Fuel and Service Stations, Restaurants and Hotels and Food and Drugs. Close to two-thirds of the total sales tax revenue is generated by manufacturing and construction businesses. In the past couple of years, the City's businesses have seen a growth in sales and has translated into increases in the City's sales tax.

The City's voters approved the additional 1% transactions and use tax (Measure Y) on November 2018, which became effective April 1, 2019. The additional tax has broadened the City's revenue base and added over \$10 million in General Fund revenue.

Although the COVID-19 pandemic and its economic impact were felt throughout our nation, the City was fortunate that our sales tax base was relatively unaffected by the pandemic as it had little to no effect on the City's revenue stream. In fact, the Stay-at-Home orders generated greater than anticipated online sales which played a pivotal role in the City's increased sales tax revenue. While the sales tax generated in FY 2020-21 was the highest the City had ever generated, the sales tax generated in FY 2021-22 surpassed last year's amount. The Sales Tax revenue and its growth are critical to the City's financial position as it represents nearly half of all of the City's General Fund revenues.

Additionally, this is the third full year of collecting the voter-approved Transaction & Use Tax (Measure Y) and its trend is favorable for the City. Measure Y has lessened some of the financial burdens that have threatened the City's strong financial position. Even during a global pandemic, Measure Y continues to be a consistent and reliable stream of revenue for our City. The Sales Tax and Measure Y combined represent 60% of the City's General Fund revenues.

The City is now in a position to accomplish its long-term goals given the City's financial resiliency during the pandemic. This improved financial position has allowed the City to fund several operational needs and will allow the City's financial position to remain stable barring any unforeseen economic downturns that are out of the City's control.

**Vision, Mission,
and Guiding
Values**

The City has a vision statement that affirms: “The City of Santa Fe Springs is a great place to live, work and play,” with the following mission statement: “The City of Santa Fe Springs is committed to enhancing the quality of life of its residents and businesses by providing: a safe environment, a thriving business community, quality family, youth, and senior services, and sound financial management of the community’s resources.” The guiding values are as follows:

- Personal integrity, honesty, and ethics
- Public service
- Compassion
- Responsibility, accessibility, and accountability
- Dedication

**Accomplishments
& Outlook**

Historically, the City has utilized a two-year operating budget during stable financial times and a six-year Capital Improvement Program (CIP) as some of the most significant planning tools to achieve the City’s vision and identified missions. The unprecedented events of recent years necessitated more swift and short-term actions. In moving past the “Great Recession” and the elimination of redevelopment, the City has begun to re-establish some of the above long-range planning tools along with strategic goals that will better guide the City into the future. This includes, as approved by the State, the ability to spend capital funding from previously-issued tax allocation bonds.

Public safety is the highest priority in the community. This is evidenced by the continued financial commitment provided to both Fire and Police Services. The Fire-Rescue and Police Services Departments continue to combine their manpower to provide the resources and tools to manage emergency and security issues that may arise in the community and region. The City continues to purchase specialized equipment with the use of grant funding. The following are some of the highlights by department:

Department of Fire- Rescue

The Department of Fire- Rescue is comprised of 57 members working from four fire stations providing not only the traditional services of fire suppression, hazardous materials response, fire prevention, and emergency medical services, but also a full-service Environmental Protection Division. The environmental protection and response components are considered model systems in the State of California. The City’s status as a Certified Unified Program Agency (CUPA) makes Santa Fe Springs a “one-stop-shop” in administering all the hazardous materials, hazardous waste, and tank programs in the City. The State has long held the City’s CUPA as one of the most regarded programs in the State. The CUPA Division utilizes the California Environmental Reporting System (CERS) allowing business residents to file their annual hazardous materials disclosures electronically. The Fire Prevention Division also provides many services, including code enforcement, plan checks, issuing permits, fire investigations, and public education events.

**Accomplishments
& Outlook (cont.)**

Fire-Rescue suppression personnel have implemented a business-friendly fire inspection program to annually inspect each business in the City to identify possible fire and life safety issues as well as update emergency contact information in the department's database. The Department of Fire Rescue conducted over 2200 business and residential inspections and responded to over 3,900 emergency calls in FY 2021-22.

The Department of Fire Rescue currently staffs a State Regional Urban Search and Rescue Team (US&R) designated at the highest level as a "Heavy" rescue team by the Office of Emergency Services (OES). Fire-Rescue also staffs a Type I Hazardous Materials Response Team with all staff trained to the Haz-Mat "Specialist" level. The City is currently one of only thirty Hazardous Material Teams in the State certified as a Type I Response Team and qualified to mitigate emergencies involving acts of terrorism and weapons of mass destruction. The Department houses and maintains an OES Fire Engine for local and statewide disaster response. The Department continues to support neighboring communities through the California Master Mutual Aid Agreement in response to major disasters and emergencies including brush fires, landslides, earthquakes, acts of terrorism, major disasters, etc. In FY 2021-22, the Department of Fire-Rescue assisted outside of their jurisdiction 12 times to major fire incidents and was reimbursed over \$1,200,000 in backfill expenses for labor and equipment to respond to these incidents.

The department, in partnership with Rio Hondo College, continues to manage the Regional Homeland Security Training Center located directly adjacent to the Headquarters' Fire Station. This state-of-the-art facility was built with grant funding for the purpose of assisting local fire and police agencies in increasing awareness and training regarding terrorist activity including building collapse, hazardous materials, rail car incidents, confined space, trench rescue, etc. The center has been recognized by the California State Training Institute (CSTI) as the primary training center for Hazardous Material Specialists Training in Southern California.

In FY 2021-22, the Fire-Rescue Department secured \$419,000 through the 2019 State of Homeland Security Grant Program (SHSGP). This funding supports the purchase of equipment and training for the Homeland Regional Training Center, the City's Type I Hazardous Materials Response Team, and the City's Urban Search and Rescue (USAR) Response Team. As in the past years, the use of grant funds has provided relief to the City budget as these vehicles, equipment, and training would typically have been funded through the City's General Fund.

**Accomplishments
& Outlook (cont.)****Department of Police Services**

Since October of 1995, the Department has partnered with the Whittier Police Department to deliver quality law enforcement services by combining Whittier Police Department's contract services with City personnel and management resources. The Santa Fe Springs Policing Team consists of City administrative personnel, Public Safety Officers, Code Enforcement Inspectors, Family & Youth Intervention staff and Whittier Police Department sworn personnel who focus on developing solutions to address community law enforcement issues and service needs. The team also places a strong emphasis on preventing youth from engaging in delinquent behavior and effectively maintains a safe and desirable and working environment for the City of Santa Fe Springs by addressing quality of life issues affecting the community.

Community-Police partnerships are essential in establishing trust, maintaining support and meeting the needs and expectations of our citizens. A proactive Community Oriented Policing approach continues to guide the department with the development and implementation of many unique and effective public safety programs and services.

During FY 2021-2022, the Department of Police Services continued to strive toward keeping crime and property loss rates at the lowest possible levels, maintain acceptable response times for emergency service calls, promote the use of technology, and enhance coordination between schools and the City. The policing team focused on enhancing community partnerships by providing a variety of programs, services and tools designed to deter and reduce crime, assist families with at-risk youth, and maintain the safety and well-being of all citizens within the community. Some of the Department efforts and accomplishments included:

- Whittier Police Department Officers responded to 14,329 calls for service throughout the City and provided 1,546 pro-active patrols. Additionally, a dedicated Traffic Enforcement Officer focused on traffic and pedestrian safety and field patrol officers responded to 3,106 traffic related incidents. Police officers also responded to several incidents involving Driving Under the Influence (DUI) offenses resulting in arrests and 37 citations were processed for cost recovery.
- The Investigative Bureau made 7 arrests in 5 homicide cases that were investigated. The unit also partnered regularly with LA County District Attorney Investigators (Community Violence Reduction Team) to conduct sweeps and address violators who jeopardize the safety of the community.
- Officers conducted 73 compliance searches in the City to address issues affecting public safety and quality of life issues

Accomplishments & Outlook (cont.)

- The Special Enforcement Team made 36 arrests for violations including weapons, narcotics and outstanding warrants. The team also conducted compliance checks on sex registrants.
- In an effort to increase traffic safety, the department focused on traffic enforcement operations and proactive traffic overtime enforcement. Over 500 hours were dedicated to traffic enforcement details, which resulted in 741 citation being issued for hazardous violations such as distracted driving, unsafe speed, disobeying signage, red light violations and unsafe movements.
- Traffic Officers also remained dedicated to monitoring high collision intersections. Enforcement efforts resulted in 742 citations for traffic violations observed during routine field patrol.
- Public Safety Officers (PSOs) played a critical role in the department's field operations. PSOs responded to approximately 5,439 calls for service and provided 4,627 pro-active patrols throughout the City. Calls for service included, but were not limited to parking violations, graffiti vandalism, safety hazards, non-criminal and criminal reports and other quality of life issue concerns. A total of 4,808 parking citations were issued.
- PSOs responded to 128 traffic collision related incidents; leaving sworn personnel available to respond to emergent calls for service and reducing overall response times for priority calls.
- Police response times to priority calls decreased by 22%, while response times to all calls for service reduced by 35%.
- Enhancing community-partnerships by improving community relations was also a key area of focus. The department introduced Cookies & Photos with Santa, Trick-or-Treat at the Police Services Center, and hosted information booths at community and City special events.
- The Bike Patrol Program was implemented. Public Safety Officers provided pro-active patrol on bicycles in residential neighborhoods, City facilities, and parks to improve citizen engagement and ensure a safe community.
- The department continued to focus on crime prevention efforts and subscribe to Crimereports.com; providing citizens with access to up-to date city crime statistics.
- The department partnered with Graffiti Tracker to aid with graffiti vandalism documentation and analytic services to help identify, track and prosecute graffiti vandals.
- Automatic License Plate Reader Cameras were installed throughout the City. These cameras are part of the latest technologies to aid in crime prevention and the apprehension of criminals. The use of the devices enhances productivity, effectiveness and officer safety.
- Additionally, security cameras were installed in select residential locations to help deter criminal activity and enhance neighborhood safety and security

Accomplishments & Outlook (cont.)

- Technological upgrades to improve efficiency were also an area of focus including the purchase of drones. Drone technology has been a reliable law enforcement tool that remains beneficial to officer safety and aiding in criminal investigations.
- The Family and Youth Intervention (FYIP) Team identified and worked with families experiencing relationship, behavioral challenges and youth engaging in delinquent behavior. Individual case plans were developed and services were coordinated. Additionally, 46 local families completed the Parent Project and 25 families completed the Loving Solutions Program.
- The Department remained dedicated to providing drug awareness and prevention education through partnerships with local schools through the Red Ribbon Campaign. The FYIP team worked with City leaders and schools to promote the Red Ribbon Campaign by producing a Red Ribbon Campaign video shared via social media platforms and school district websites.
- The annual Red Ribbon Campaign Art Contest was also conducted in October. Staff received hundreds of art entries from local students in grades pre-Kindergarten to High School.
- The “Every 15 Minutes” Program was delivered via virtual format. In partnership with Santa Fe High School and the California Highway Patrol, a powerful message was delivered by the City Council and youth were reminded about the life changing consequences of drinking and driving and the impact of poor decision making. Funding for the program was provided by a \$9,000 grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- The department emphasized crime prevention and disaster preparedness through the Safe Neighborhood Team (SNT). Meetings were held bimonthly throughout the year. Residents came together to learn and discuss crime prevention tips and strategies, crime trends, disaster preparedness, and share their public safety concerns in a public forum. Additionally, the department hosted a Neighborhood Safety Community Meeting at Los Nietos Park.
- SNT Community Block Parties were also held to bring community members together to get to know their neighbors and policing team in a relaxed environment.
- As part of the department’s emergency preparedness effort to raise awareness on the importance of having an emergency preparedness plan and practice safety during an earthquake, the Department led City staff as they participated in the “Great Shake Out” earthquake drill.
- An emergency preparedness EOC exercise was also held to give staff an opportunity to learn more about the City’s EOC and better understand their role and gain hands on experience in developing a disaster response plan in the event of a disaster.

Accomplishments & Outlook (cont.)

- In an effort to enhance our Emergency Notification System (ENS), the Department entered into a partnership with Everbridge for ENS services and training. The systems enhanced capabilities will allow alerts to reach a larger portion of the residential and business community.
- The Department partnered with the Southeast Area Animal Control Authority to host the annual Low-Cost Pet Vaccination. 188 animals were licensed, 305 received vaccinations and 26 pets were microchipped.
- Administrative staff issued 16 regulatory permits for catering food truck operations.

Code Enforcement is another significant component of the Department of Police Services that is responsible for enforcing Santa Fe Springs Municipal codes related to residential and business property maintenance standards, including business licensing. Code Enforcement Inspectors also enforce building code violations, zoning violations, health and safety standards related to environmental protection and neighborhood preservation. The Division works closely with all City departments to ensure community needs are met.

Code Enforcement activity for FY 2021-2022, included 147 new code enforcement cases initiated to address numerous violations related to property maintenance concerns, illegal garage conversions, illegal structures, hazardous property conditions, illegal business operations, inoperable and abandoned vehicles, and illegal land use activity.

Additional Code Enforcement activity included:

- Coordinated outreach and partnered with outside agencies to remove homeless encampments located on City property, Burlington Northern Santa Fe Railroad, Union Pacific Railroad, LA County Public Works, Caltrans and private properties. The team coordinated with these agencies and business owner's to assist with several homeless encampment cleanups. Although, these homeless encampments were located on outside agency property, they ran through the Santa Fe Springs jurisdiction and negatively impacted the residential and business community.
- Over 340 contacts were made with individuals experiencing homelessness.
- Code Enforcement Inspectors investigated 198 complaints received from the public, conducted 465 residential and commercial inspections and 1,288 follow-ups in an effort to get properties into compliance.
- Inspectors also issued 384 Notice of Violations and 136 Administrative Citations for various code violations.
- Code Enforcement staff also remained dedicated to participating in ongoing training. Inspectors participated in over 166 hours of enforcement continued education and officer safety trainings.
- Staff assisted the Fire Department with compliance inspections and addressing non-compliant businesses.

Accomplishments & Outlook (cont.)

- Code Enforcement Staff processed 5 Alcohol Sales Conditional Use Permits and Compliance Reviews.
- Staff also continued to work closely with the Planning Department to identify potential impacts and mitigate hazards of new and existing developments by developing conditions of approval to ensure safety and minimize negative impacts.

Department of Public Works

The City's Department of Public Works is responsible for efficiently developing, constructing and maintaining the City's infrastructure. The infrastructure consists of streets, facilities, parks, fleet, traffic signals and street lighting, and water distribution system. This encompasses routine and preventive maintenance items as well as responding to numerous citizen requests for service. The City prides itself in having a functional and well-maintained infrastructure that the community can enjoy.

The Engineering Division is responsible for the administration of the Capital Improvement Program (CIP), working closely with the Council CIP Subcommittee. In addition, traffic engineering and development review services are provided within the Engineering Division. In FY 2021-22, the Engineering Division issued approximately 300 total excavation and construction permits.

During FY 2021-22, the Department of Public Works coordinated a multitude of capital improvement projects including:

Facility Improvements

- Town Center Plaza Parking Lot
- Aquatic Center Roof Improvements
- Gus Velasco Neighborhood Center Playground Removal
- Gus Velasco Neighborhood Center Landscape Restoration Project
- Bridge Lighting Upgrade at the Telegraph Road
- Clarke Estate Carpet Improvements, Betty Wilson Center Flooring and Painting Improvements
- Police Service Center Carpet Improvements

Park Improvements

- Horseshoe Pits (Little Lake, Santa Fe Springs, & Los Nietos Parks)
- Interior/Exterior Painting Facilities (Santa Fe Springs, Los Nietos, & Little Lake Parks)
- Little Lake Park Bus Stop Improvements
- New Cabinets at SFS Park Recreation Building
- New Outdoor Fitness Court at Los Nietos Park
- Heritage Park Train Exhibit Improvements (Paint -Engine and Caboose)
- Heritage Park Train Exhibit Improvements (Box Car Rehabilitation)

Accomplishments & Outlook (cont.)

Street Improvements

- Florence Avenue Bridge over I-5 Freeway Widening Project

Street Light Improvements

- LED Residential Street Light Conversion (SCE Owned Street Lights)

Department of Planning and Development

The Planning and Development Department provides staff support to the City Planning Commission, Housing Successor, Successor Agency, and the City Council, and other development related activities. The Planning and Development Department is responsible for the following divisions: Planning (both current and long-range planning); Building & Safety (managing the plan check process, issuing permits, and conducting inspections); Economic Development (creating, retaining, attracting and expanding the business community) and Housing (improving the quality of our neighborhoods and providing affordable housing options and the managing and disposing of the assets of the former redevelopment agency).

The role of the department is to foster public involvement and creativity and assist decision makers and the public in formulating and implementing policies, which balance environmental, economic and social needs for the present, and future. The department is committed to playing a prominent role in shaping the community through high-quality standards citywide to preserve and cultivate smart and sustainable growth of the City's residential, commercial, and industrial areas. Through the regulation of land use and development, the Department of Planning and Development continually strives to protect and enhance the City's environment and quality of life, resulting in a diverse and livable community where residents, businesses, and visitors can thrive.

Planning Activities during FY 2021-2022

- 1) Total number of entitlements processed:
 - Discretionary entitlements: 57 total.
 - Administrative entitlements: 20 total (*wireless projects*).
- 2) Advance Planning projects completed:
 - Ordinance No. 1118 – Relating to Billboards along the Interstate 605.
 - Ordinance No, 1122 – Relating to Water-pumping and treatment plants within the M-2 zone.
 - Adopted the 2040 Santa Fe Springs General Plan on February 8, 2022.
- 3) Total number of plan checks completed:
 - 434 total.
- 4) Total number of Zone Certification Letters prepared:
 - 68 total.

**Accomplishments
& Outlook (cont.)**

- 5) Various miscellaneous permits processed:
 - 5 Office Trailer Permits.
 - 4 Home Occupation Permits.
 - 6 Preliminary Application Reviews.
 - 2 Banner Permits.
- 6) Total number of individuals assisted at the counter:
 - 797 total.

Building Activities during FY 2021-2022

- 1) Total permits issued:
 - 969 total
 - 450 building permits
 - 274 electrical permits
 - 112 mechanical permits
 - 110 plumbing permits
 - 14 sewer permits
 - 9 grading permits
- 2) Overall valuation of permits issued:
 - \$180,761,835 total
 - It should be noted that the Electrical, Mechanical, Plumbing and Grading permits do not have a valuation.
- 3) Total number of individuals assisted at the counter:
 - 522 total (increase of 489 or 1,581% from FY 2020-2021).

Economic Development Activities during FY 2021-22

- 1) A new Economic Development Element and Economic Development Implementation Plan were adopted as part of the 2040 Santa Fe Springs General Plan.
- 2) Approved entitlements for a new Chick-Fil-A drive-thru restaurant at 13225 Telegraph Road.
- 3) The Exclusive Negotiating Agreement (ENA) was extended for Parcel 1 (Sculpture Garden Site)
 - Proposed project by Westland to developed 10 – 2,500sf units, 5 – 100sf kiosks, outdoor dining, and an entertainment stage. The Project will be the catalyst for a new Downtown Santa Fe Springs.

Housing Activities during FY 2021-2022

- 1) The 2021-2029 Housing Element was adopted as part of the 2040 Santa Fe Springs General Plan.
 - The Housing Element was submitted to the California Department of Housing and Community Development (HCD).
 - The City received a findings letter from HCD and is working with our consultant to make final changes and bring the City's housing element into compliance with Article 10.6 of the Government Code.
- 2) Approved entitlements for a new 54-unit condominium project (Aspire by Melia Homes) at 11733 Florence Avenue. Construction activities are currently underway.

Accomplishments & Outlook (cont.)

- 3) Approved entitlements for a new 101-unit affordable housing project (The Richman Group) and 19-units of transitional/supportive housing (The Whole Child) at 13231 Lakeland Road.
- 4) Approved entitlements for a new 44-unit Single Room Occupancy (SRO) affordable housing project (Primestor) at 11350 Washington Boulevard.
- 5) Accessory Dwelling Units (ADUs) reviewed and approved: 24 total.

Upcoming Activities

In addition to what is listed above, staff is in the intermediate stages of completing the following projects:

- 1) Targeted Zoning Code Update
- 2) Creating ADU Guidelines;
- 3) Adopting a new Transportation Study Guidelines; and
Creating Objective Design Standards for multi-family residential developments.

Department of Community Services

The Department of Community Services includes the following Divisions: 1) Administration; 2) Parks and Recreation Services (PRS); 3) Library and Cultural Services (LCS); 4) Family and Human Services (FHS). It is one of the City departments that has the most direct impact to the residents of Santa Fe Springs. Programs and services are available to City residents, as well as business residents. These programs and services range from social, recreational, and cultural services. During Fiscal Year 2021/2022, the Department of Community Services achieved several significant accomplishments.

The following include a variety of in-person and virtual program accomplishments:

- Due to the ongoing COVID-19 pandemic and health and safety guidelines, a hybrid of virtual and in-person classes were offered in Fiscal Year 2021/2022. 126 classes were offered ranging from toddler classes, language classes, fitness classes, music lessons, sports, and many more. In total, 695 participants joined PRS classes.
- Youth Sports leagues and clinics were offered in basketball, soccer, flag football, boxing and pee wee sports with a total of 829 participants.
- The Adult Sports Program offered year-round basketball, volleyball and softball leagues. A total of 135 teams, which included an estimated 1,350 participants, registered for these programs.
- The Aquatics Program returned to full operation in the summer of 2021, and included group and private swim lessons, recreational swim, lap swim and rentals. In total, there were 957 participants. In the

**Accomplishments
& Outlook (cont.)**

summer of 2022, the Aquatic Center was closed due to renovations, and trips were scheduled to the beach and neighboring aquatic centers. 64 participants attended these trips.

- The Day Camp program operated in the summer of 2021 as a distanced program due to the on-going COVID-19 pandemic, and made a return to normal operation in the summer of 2022. Camps offered included Spring Camp, Summer Camp, Fall Camp, and a special 1-day Grinchmas themed camp. There were a total of 419 participants in the Day Camp Program.
- The Excursions Program returned in spring of 2022 for the first time since the beginning of the COVID-19 pandemic. Excursions included trips to the Anaheim Angels game, Hollywood Sight Seeing, and the USS Iowa. A total of 60 participants attended these trips.
- The 2021 Independence Day event was the first in-person special event since the beginning of the COVID-19 pandemic. While various municipalities in the County did not host an event due to the restrictions imposed by the County's health protocols, Santa Fe Springs was able to successfully deliver an event and fireworks display. Due to the County's COVID-19 protocols, capacity was limited to 1,500 attendees.
- The Fiestas Patrias event was held on Friday, September 10, 2021 at Los Nietos Park. The event featured dance performances, a re-enactment of El Grito, and a live performance by legendary Latin group, La Sonora Dinamita. Over 2,500 people attended.
- The Community Services Department hosted the annual Walk to School Day event on Wednesday, October 6, 2021. Five elementary schools from Little Lake City School District and Los Nietos School District participated. Walk to School Day is a global event participated in by over 40 countries around the world. It is estimated that 400 students participated in this program.
- The annual Halloween Carnival was held in-person at Los Nietos Park on Sunday, October 31, 2021 and included game booths for kids, an inflatable zone, and a costume parade. It is estimated 1,500 community members attended the event.
- The annual Tree Lighting Ceremony returned to an in-person event and was held on Saturday, December 4, 2021 at Town Center Plaza. The event featured a snow sledding area, pictures with Santa, food vendors, a holiday boutique, hot cocoa and cookies, and a train ride through Clarke Estate. There was also live musical performances by our local schools. An estimated 1,300 people attended.

Accomplishments & Outlook (cont.)

- In its 41st year, the Santa Float Program made its return to traditional form. During the two week period, the Float made 24 stops throughout Santa Fe Springs and 15 Home Visits. During the second night of stops, the Float had a special visit from one of the pioneers of the Santa Float, Parks and Recreation Advisory Committee Member and Planning Commissioner Ken Arnold and the Arnold family. It is estimated over 5,000 people visited Santa. 76 volunteers helped ensure the success of the program, and to acknowledge their support, a special volunteer recognition dinner was held on January 26, 2021.
- The Holiday Home Decorating Contest returned in 2021 and resulted in the most entries received in the past 10 years with 27 entries.
- In an effort to get community members ready for the Shamrock 5K Fun Run/Walk, the Parks and Recreation Division launched a 5K training program on Sunday, January 23, 2022. The Couch to 5K training program was a five week interval training program designed for beginner and intermediate levels. 27 participants registered for this program.
- The annual 5K Fun Run/Walk & Toddler ¼ Dash was held on Saturday, March 12, 2022. 515 runners registered for this program.
- The Community Services Department held a ribbon cutting for its newest park amenity, the Fitness Court at Los Nietos Park. The Fitness Court is an innovative outdoor bodyweight circuit training center designed to provide a full body workout in only seven minutes. Equipment usage is free and park visitors can also download the free Fitness Court App – a coach-in-your-pocket style platform – that transforms the gym into a digitally supported wellness ecosystem.
- Due to a rise in COVID-19 transmission, the Penny Carnival was again held online and drew 18 people to virtual trivia games and activities. The virtual trivia games and activities included American Trivia, Wheel of Fortune, Bingo, and Jeopardy.
- The Teens Empowered and Engaged in Neighborhood Services Program (T.E.E.N.S.) hosted a Community Garden cleanup event. There were over 100 volunteers from the Santa Fe High Eco Club, Santa Fe High Baseball team, Cal High Eco Club, our T.E.E.N.S. program, Starbucks, and the Youth Leadership Committee.
- Approximately 449 middle and high school students participated in our T.E.E.N.S. Program, which offered offered bi-weekly meetings that included holiday-themed games, trivia, and educational workshops.

Accomplishments & Outlook (cont.)

- A new event “Chalk It Out!” in which local youth were invited to create sidewalk chalk art, was held on Saturday, April 2, 2022 at Town Center Plaza. Recognizing that youth have been through a tough time, physically and emotionally due to the pandemic, a focus on mental health wellness is necessary for the youth community. Chalk art is a form of art expression that can provide youth an overall better mental health and a sense of comfort. Approximately 78 youth participated in the event.
- After a two year hiatus, Parks and Recreation Services hosted the Easter Eggstravaganza Event on Saturday, April 16, 2022 at Los Nietos Park. Staff stuffed approximately 10,000 eggs for the egg hunt and it is estimated that 1,500 people attended.
- The Library resumed in-person programming in September 2021. In addition to Preschool and bilingual Storytimes, we offered the following special programs:
 - First Friday – Our award-winning First Friday program resumed on April 1 with the Korean Classical Music and Dance Company. In June, we presented the Sakai Flamenco dancers.
 - Afternoon Tea – The event was hosted in April and focused on the rich history of Santa Fe Springs. Speaker Jaque Nunez highlighted Native American history, while attendees enjoyed a full three course tea service.
 - Battle of the Books – Literacy Services hosted a Battle with students from Rancho Santa Gertrudes Elementary School.
 - Author Day – Literacy Services invited students for a pizza lunch and to meet author Rex Ogle, who read an excerpt from his book *Free Lunch*.
 - Animal Sleepover – 27 children befriended a new stuffed animal and then left them in the Library to spend the night. The children watched their new friends on social media as they played throughout the Library.
 - STEAM Power – Aimed at elementary school age children, this new program explores science, technology, engineering, art, and math concepts through experiments and art activities.
 - Dia de los Niños – The Library received a \$500 grant to provide a Dia de los Niños program for children. This special bilingual program featured crafts, activities, and bilingual book giveaway.

Accomplishments & Outlook (cont.)

- In Fiscal Year 2020/21, the Library reclassified its Administrative Clerk II position to Librarian II – Technical Services. This professional position oversees all technology functions, including the administration of the Library’s public access computers, integrated Library system and all STEAM programming.
- The Library upgraded its public copier and began offering WI-FI printing. Patrons can now print in black and white or color from the Library’s computers or their personal devices.
- The Library began a new book group, Murder Ink. This group of true-crime book lovers meet monthly via Zoom. This brings the total of book clubs offered to six.
- The Library was awarded \$2,000 from the California State Library to implement the ZIP Books program. This program allows the library to fulfill physical book and audio book requests from patrons by purchasing the items from Amazon and sending them directly to the patron.
- The Library was awarded a grant of \$30,000 from the California State Library to transform the William C. Gordon Learning Center at Gus Velasco Neighborhood Center from a small circulating library with a few computers into a TechLab for Seniors. This new lab has 13 new computers, new computer furniture and equipment selected with senior needs in mind, a new printer and a new large TV monitor to facilitate computer classes. Scheduled to open in September 2022, lab users will be assisted by tech-savvy Library staff who can help seniors with lab computers and also assist with seniors’ personal devices.
- The Library has been pre-approved by the U.S. State Department to offer Passport Acceptance service. Individuals will be able to come to the Library to submit their application and documentation to receive a passport. We anticipate offering this in-demand service starting October 2022.
- The 2022 Summer Concert and Movie Series consisted of 5 concerts and 3 movie nights. It included the participation of the Abigail Barraza Foundation as well as the Police Services Department that hosted National Night Out. The final concert featured Mariachi Las Colibri. In total, the series had approximately 4,500-5,000 attendees across all 8 event dates with movies averaging 150-300 guests per event and concerts averaging 500-800 per event.
- The 2021 Día De Los Muertos event returned to an in-person event on Saturday, October 16th at Heritage Park. Approximately 1,200 guests visited the event, which offered food vendors, sugar skull crafts for kids,

Accomplishments & Outlook (cont.)

artisan items for sale, and a community ofrenda showcase. The live entertainment consisted of several dance groups, as well as a performance by Grammy Award-winning Mariachi Divas. A total 153 sugar skulls were sold to community members, and another 80 skulls were donated to the Gus Velasco Neighborhood Center (GVNC) for distribution to older adults, bringing the total to 233 skulls distributed.

- The annual Las Posadas was held Friday, December 10th. The event hosted the tradition of participants gathering at the north end of Heritage Park where they are led along the walkway knocking on three doors seeking shelter. Approximately 400 participants took part in the procession led by Mary and Joseph and a group of Mariachi singing “Pidiendo Posada” (asking for shelter) at each stop along the way. The event concluded with colorful folkloric dancers, Mariachi entertainment, crafts and an opportunity to see Santa Claus.
- After a two year hiatus, the Department of Community Services hosted its annual SFS Art Fest on Friday, May 6, 2022 at Clarke Estate. The event featured 112 artists exhibiting over 300 art pieces, as well as art vendors, non-profit organizations, entertainment, and food vendors. There were 2,500 participants throughout the entire evening with 1,100 of those participants being present at approximately 7:30 p.m. The Preview & Showcase Night was held on Thursday, May 5th with about 450 business and community residents enjoying an art mixer.
- The annual Pioneer Living Day returned to an in-person event on June 4th, and provided families and children an opportunity to go back in time to the early days of the pioneers. Approximately 200 participants enjoyed games, interactive experiences like panning for gold and arrowhead making, live demonstrations like blacksmithing and rope making, as well as crafts through the decades to celebrate the history of fun.
- Approximately 109 Santa Fe Springs Older Adult residents renewed their gym membership since the reopening of the Gus Velasco Neighborhood Center (GVNC) in March 2022.
- In July 2021, two outdoor exercise programs were reinstated. Movin' and Groovin', held at Los Nietos Park on Mondays and Wednesdays, had an attendance of 35 Older Adults. City Strollers, which was held at Heritage Park, had 16 participants who walked laps through park. Each month from June through August, the walker with the most laps received a \$30 gift card to Sketchers, donated by TEAM UP-Medical/Medicare representatives that frequent our senior activities.
- Following the reopening of the GVNC in February, 2022, 17 new and returning classes have been implemented.

Accomplishments & Outlook (cont.)

- During the GVNC closure, the Senior Buzz publication was mailed out every two months to 258 Santa Fe Springs Older Adults. The Buzz contains information on program updates, upcoming events, Coronavirus tips, puzzles, word searches, and healthy recipes, to mention a few. The Senior Buzz continues to be distributed at the GVNC since re-opening.
- Community Services Department, in partnership with the Rotary Club, provided a modified drive-through event where backpacks filled with school supplies were provided to 115 Santa Fe Springs children. Over \$9,000 was received in monetary donations from City businesses and school supplies from individuals and companies.
- The annual Volunteer Income Tax Assistance Program began in February 2022, and continued in a modified drop off format to help reduce the spread of COVID-19. A total of 300 tax returns were completed.
- Community Services Department continued to partner with the Southeast Area Social Services Funding Authority (SASSFA) to serve hot meals to seniors. During the GVNC closure, SASSFA continued to prep 796 frozen meals per month for homebound and congregate meal seniors in the city and surrounding communities. SASSFA's homebound meals increased to 96 meals (45 homebound and 51 congregate) per day and were home delivered to all registered participants. Since its return on May 23, 2022 to in-person service, an average of 30 meals are served daily in the congregate meal program and 45 meals continue to be delivered daily to homebound seniors.
- The Thankful Neighbor Holiday Basket program provided Thanksgiving Baskets to 115 low-income families and older adult residents. \$50 Northgate gift cards were also provided.
- The Neighborly Elf Program provided 126 holiday food baskets to low-income families and older adult residents. In addition, gift cards were provided to families:
 - Children ages 10 and under received a \$15.00 gift card
 - Youth ages 11-18 received a \$25.00 gift card
- In 2021-2022, Human Services Caseworkers provided assistance in completing forms to 221 individuals. The majority of the form assistance is provided to older adults in need of accessing or maintaining affordable housing, or government assistance to pay for needed services.
- The Human Services Caseworkers coordinated with numerous partners from local government and non-profit agencies to secure food,

**Accomplishments
& Outlook (cont.)**

supervision, income, medical care, and housing for a disabled adult, whose caregivers died of COVID-19 and left him without food or income.

- Human Services Case Workers responded to 144 inquiries for affordable housing, which is becoming increasingly in demand. Most of those who called are older adults and families who are homeless or at-risk of homelessness.
- Community Services Department sponsored 10 Santa Fe Springs children to attend a “sleep away camp” in partnership with Woodcraft Rangers.
- In partnership with Spiritt Family Services, the Family and Human Services Division hosted an in-person workshop, “Healthy Children, Healthy Families”, which provided families with strategies to prevent child abuse & neglect and strengthen their family’s protective factors to promote healthy families and communities.
- Family and Human Services continues to partner with United Way, Southern California Edison and So Cal Gas to provide utility assistance to low-income families at risk of having their utilities disconnected. Through this partnership, the Division processed 295 applications, totaling \$27,361 in utility assistance grants during FY 2021/2022. Case workers fielded 782 phone calls that were attributed to this program alone.
- Through the Family and Human Services Funds (FHS), the City provided \$1,579.89 in water utility assistance and \$480 in sponsorships to Santa Fe Springs residents experiencing financial hardship. The total amount of FHS funds used for direct client assistance was \$2,059.89.
- As Certified Application Counselors under Covered California, Case Workers provided enrollment in affordable health care to 20 uninsured families and individuals. They also provided information and education about Covered California to 53 individuals and families.
- The Family & Human Services Division continues to partner with United Way and Southern California Edison to provide utility assistance to low-income families. Through this partnership and funding, and overcoming the challenges of servicing virtually, by phone or email, the Division processed 214 applications totaling to \$33,593.36 in utility assistance grants during FY 2021/2022.
- Gus’ Kitchen Food Pantry and Community Closet located at the Gus Velasco Neighborhood Center was used by 144 clients, who were able to obtain food, clothing, and hygiene products. In addition, during the

**Accomplishments
& Outlook (cont.)**

Safer at Home order, items from Gus' Kitchen were donated to the local school districts and food banks.

City Manager

The City Manager is responsible for carrying out the policies and directives of the Council, for overseeing the City's daily operations, maintain the city budget and represent the municipality in a variety of settings, and supervise City departments. Additionally, the City Manager's Office also researches issues important to the city and advises the mayor and council on the best course of action.

Department of Finance and Administrative Services

The Department of Finance and Administrative Services is responsible for various different areas, including managing and safeguarding financial resources in accordance with specific principles and practices, administering information technology and risk management functions, as well as the City's Human Resources function. In addition to receiving the Government Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting again this year and over the last several decades, the department embarked on several initiatives this fiscal year.

The department is now in the third year of implementing the financial module of the new Enterprise Resource Planning (ERP) system. The department is planning to implement the payroll module next year.

During Fiscal Year 2021 through 2022, the City's operations were impacted by the pandemic. However, the City experienced little to no effect on revenue stream, and in fact, experienced greater than anticipated Sales Tax and Transaction Tax revenues.

**Long-Term
Financial Planning**

The City continued taking a number of steps to better position its long-term financial standing. City employees are paying their full share of City pension costs. This, coupled with "tiered" benefits providing future City employees with a reduced set of benefits and a greater share of the costs, will substantially help the City's future fiscal standing. In conjunction with subsequent pension reform earmarked changes adopted by the State, the effect should be the stabilization of employee costs.

**Debt
Administration**

The City continues to prefund Other Postemployment Benefits (OPEBs) through CalPERS' California Employers' Retiree Benefit Trust Fund (CERBT). It recognizes the benefit of "prefunding" through a trust rather than using the "pay as you go" method.

The City established California Employers Pension Prefunding Trust (CEPPT) on June 2021. This is a special trust fund for the purpose of allowing City to prefund the required pension contributions to a defined benefit pension plan by receiving and holding in the CEPPT amounts that are intended to be contributed to the Pension Plan at a later date.

Over the course of the next year, staff will be looking to further develop and formalize more long-term financial planning models. They should help provide a framework that helps identify future trends.

At June 30, 2022, the City of Santa Fe Springs oversaw six outstanding bond issues comprised of: three Consolidated Redevelopment Project tax allocation bond issues, two City water revenue bond issues, and one special assessment district bond.

The City works closely with public financial professionals to monitor opportunities to effectively administer the outstanding debt in a fluid public finance market. More detailed information about the debt is contained in the Management's Discussion and Analysis and in the Notes to Financial Statements.

Acknowledgements

We would like to extend our appreciation to the City Council, the City Council Audit Subcommittee, and City departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year. Specifically, we would like to thank the Department of Finance & Administrative Services for their consistent dedication and hard work.



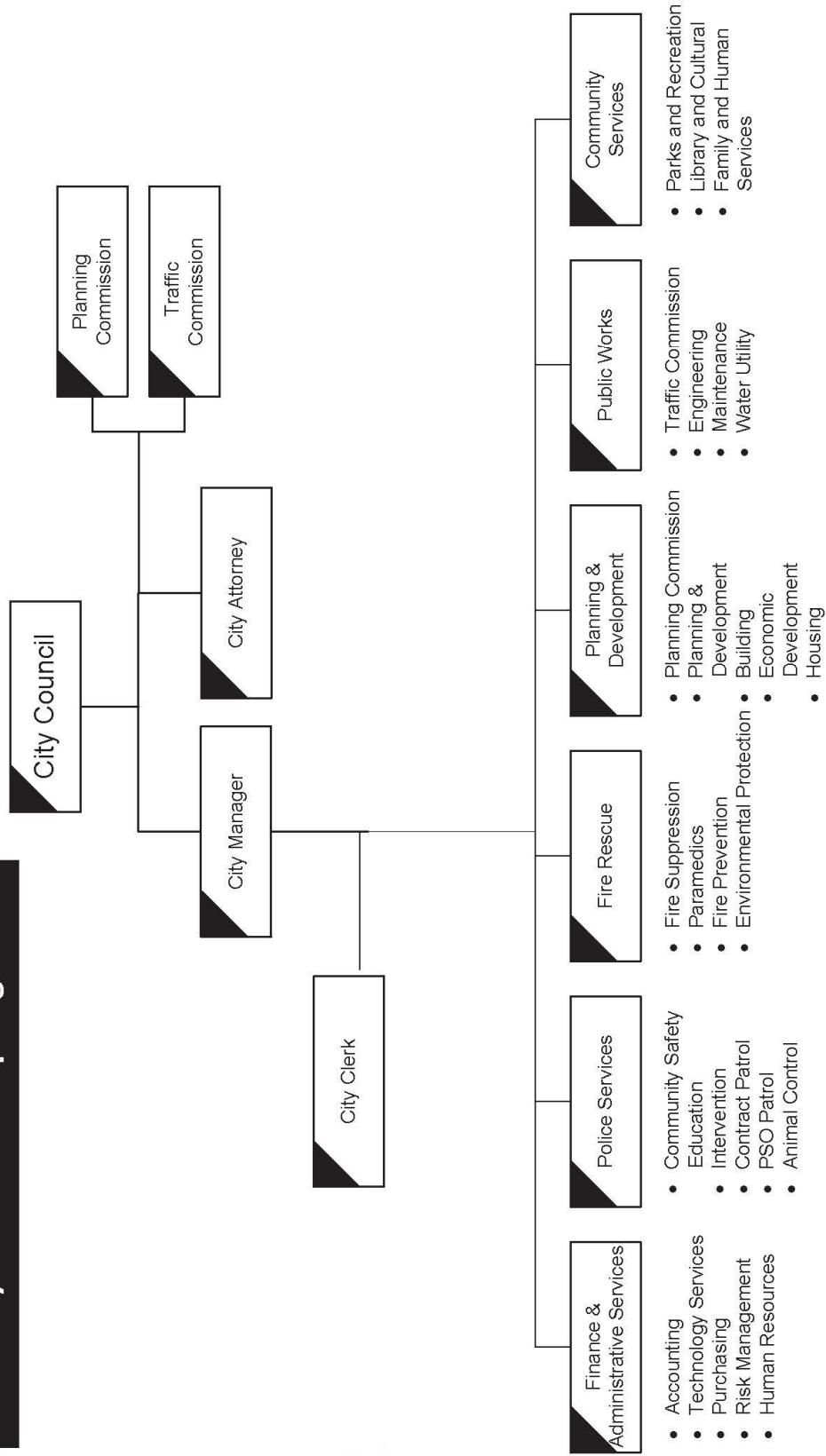
Thomas R. Hatch
Interim City Manager



Travis Hickey
Director of Finance and Administrative Services

Organizational Chart

City of Santa Fe Springs





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Santa Fe Springs
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

(This page intentionally left blank)



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members of the City Council
City of Santa Fe Springs
Santa Fe Springs, California

Report on the Audit of the Financial Statements ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the 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 (GAAS) 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City's 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.

Change in Accounting Principle

As described in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, GASB No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities 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 auditors' 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 GAAS 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 GAAS 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 schedules for the General Fund and Low and Moderate Income Housing Assets Fund, the schedules of changes in the net pension liability and related ratios for the agent multiple-employer miscellaneous plan, the schedule of plan contributions for the agent multiple-employer miscellaneous plan, the schedule of proportionate share of the net pension liability for the cost sharing safety plan, the schedule of plan contributions for the cost sharing safety plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions for OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Honorable Mayor and Members of the City Council
City of Santa Fe Springs

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 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 solely 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 the effectiveness of the City's 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 City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
February 23, 2023

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

This is management's discussion and analysis (MD&A) of the financial performance of the City of Santa Fe Springs (City) for the fiscal year ended June 30, 2022. This should be read in conjunction with the transmittal letter that can be found in the introductory section of this report and with the City's financial statements, which follow this discussion.

Financial Highlights

- The City's total net position increased over the course of the fiscal year by \$21.6 million to \$176.3 million. The governmental net position increased by \$19.20 million or 14.2%, while the business-type net position increased by \$2.4 million or 13.0%.
- The general fund, on the current financial resources basis, reported an increase in fund balance of \$8.0 million to \$68.3 million. Excluding transfers and other financing sources/uses, the general fund reported \$16.6 million excess of revenues over expenditures. Revenues increased by \$8.2 million or 10.6% and expenditures increased by \$3.6 million or 5.5% when compared to prior year. Increase in revenues was primarily due to increase in revenues provided by sales, use, and transaction taxes and charges for services, this was partially offset by the decrease in interest and rentals income. Increases in expenditures were mainly due to rising costs related to the City of Whittier's Police Services contract.
- At the close of the fiscal year, unassigned fund balance for the general fund was \$28,046,008 or 35.4% of total general fund expenditures and transfers.

Overview of the Financial Statements

This annual report consists of several parts: an introductory section, management's discussion and analysis, the basic financial statements, required supplementary information, supplementary information and a statistical section. The basic financial statements include two kinds of statements that present different views of the City: government-wide financial statements and fund financial statements.

Government-wide Financial Statements

The government-wide financial statements provide both short and long-term information about the City's overall financial status in a manner similar to a private sector business.

- The statement of net position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. In time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.
- The statement of activities presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The governmental activities of the City include general government, public safety, community development, public works, culture and leisure, human services and Interest on Long-Term debt. The City's Water Utility operates as a proprietary fund and is reported as the City's only business-type activity in the government-wide statements.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

- Governmental funds statements tell how general government services such as public works, community services, police and fire were financed in the short term, as well as what remains for future spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.
- Proprietary fund statements offer short and long-term financial information about the City's Water Utility Enterprise fund and internal service funds.
- Fiduciary funds statements provide information about the financial relationships in which the City acts solely in a trustee or custodial capacity for the benefit of others, to whom the resources belong. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by certain required supplementary information concerning the City's budgetary comparison schedules for its general fund and the City's pension and other post-employment benefits obligation to its employees. In addition to these required elements, we have included supplementary statements and schedules that provide details about the City's non-major governmental funds.

Financial Analysis of the Government-wide Statements

The government-wide financial statements provide short and long-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The statement of net position includes all of the City's assets and deferred outflows, and liabilities and deferred inflows. All current year revenues and expenses are reported in the statement of activities, regardless of when cash is received or paid.

The two government-wide financial statements report the City's net position and how it has changed during the fiscal year. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

City of Santa Fe Springs
Summary of Net Position
June 30, 2021 and 2022
(in millions)

	Governmental Activities		Business- type Activities		Total		Total Percent Change
	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	
Current and other assets	\$ 124.9	\$ 166.9	\$ 15.5	\$ 17.5	\$ 140.4	\$ 184.4	31.3%
Capital assets, net	<u>167.7</u>	<u>165.9</u>	<u>26.3</u>	<u>25.6</u>	<u>194.0</u>	<u>191.5</u>	-1.3%
Total assets	292.6	332.8	41.8	43.1	334.4	375.9	12.4%
Deferred outflows	22.8	24.1	1.5	1.5	24.3	25.6	5.3%
Long-term liabilities	165.2	125.0	20.8	17.9	186.0	142.9	-23.2%
Other liabilities	<u>7.7</u>	<u>12.1</u>	<u>2.7</u>	<u>2.6</u>	<u>10.4</u>	<u>14.7</u>	41.3%
Total liabilities	172.9	137.1	23.5	20.5	196.4	157.6	-19.8%
Deferred inflows	7.1	65.2	0.5	2.4	7.6	67.6	789.5%
Net position							
Net investment in							
capital assets	163.1	162.3	19.1	18.6	182.2	180.9	-0.7%
Restricted	30.9	32.3	-	-	30.9	32.3	4.5%
Unrestricted	<u>(58.6)</u>	<u>(40.0)</u>	<u>0.2</u>	<u>3.1</u>	<u>(58.4)</u>	<u>(36.9)</u>	-36.8%
	<u>\$ 135.4</u>	<u>\$ 154.6</u>	<u>\$ 19.3</u>	<u>\$ 21.7</u>	<u>\$ 154.7</u>	<u>\$ 176.3</u>	14.0%

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Santa Fe Springs, assets and deferred outflows exceed liabilities and deferred inflows by \$176.3 million at the close of the fiscal year. The largest portion of the City's net position 102.6%, is invested in capital assets, net of related debt. Approximately (20.9 %) of the City's net position is unrestricted. Unrestricted net position is at a deficit of \$36.9 million, a decrease of \$21.5 million from the prior year. An additional portion of the City's net position, \$32.3 million, represents resources that are subject to external restrictions on how they may be used.

During the fiscal year, the City's ending net position increased by \$21.6 million, when compared to the prior year, revenues increased by \$6.9 million to \$108.2 million. Expenses increased by \$2.9 million to \$86.6 million. Total revenues outpaced total expenses primarily due to increase in sales, use, and transaction taxes and charges for services program revenues.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Changes in Net Position
For the Fiscal Years Ended June 30, 2021 and 2022
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2021	2022	2021	2022	2021	2022	
Revenues							
Program revenues:							
Charges for services	\$ 9.5	\$ 11.6	\$ 14.4	\$ 15.6	\$ 23.9	\$ 27.2	13.8%
Operating grants and contributions	5.7	6.2	-	0.1	5.7	6.3	10.5%
Capital grants and contributions	3.3	0.6	-	-	3.3	0.6	-81.8%
General revenues:							
Sales and use taxes	32.3	39.5	-	-	32.3	39.5	22.3%
Transaction and use taxes	13.7	15.7	-	-	13.7	15.7	14.6%
Property taxes	6.0	5.7	-	-	6.0	5.7	-5.0%
Franchise taxes	3.5	3.8	-	-	3.5	3.8	8.6%
Motor vehicle in lieu	2.3	2.3	-	-	2.3	2.3	0.0%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	6.9	7.8	-	-	6.9	7.8	13.0%
Other taxes	0.2	0.2	-	-	0.2	0.2	0.0%
Investment income	1.3	(3.0)	0.2	0.1	1.5	(2.9)	-293.3%
Other	1.1	1.1	0.1	0.1	1.2	1.2	0.0%
Total revenues	<u>86.6</u>	<u>92.3</u>	<u>14.7</u>	<u>15.9</u>	<u>101.3</u>	<u>108.2</u>	6.8%
Expenses							
Governmental activities:							
General government	8.5	7.6	-	-	8.5	7.6	-10.6%
Public safety	35.2	40.5	-	-	35.2	40.5	15.1%
Community development	2.7	2.7	-	-	2.7	2.7	0.0%
Public works	16.8	16.3	-	-	16.8	16.3	-3.0%
Culture and leisure	5.5	5.5	-	-	5.5	5.5	0.0%
Human services	1.6	1.6	-	-	1.6	1.6	0.0%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	13.3	12.3	13.3	12.3	-7.5%
Total expenses	<u>70.4</u>	<u>74.3</u>	<u>13.3</u>	<u>12.3</u>	<u>83.7</u>	<u>86.6</u>	3.5%
Excess (deficiency) before transfers	16.2	18.0	1.4	3.6	17.6	21.6	22.7%
Transfers	1.2	1.2	(1.2)	(1.2)	-	-	
Increase (decrease) in net position	<u>17.4</u>	<u>19.2</u>	<u>0.2</u>	<u>2.4</u>	<u>17.6</u>	<u>21.6</u>	22.7%
Net position - beginning	118.0	135.4	19.1	19.3	137.1	154.7	12.8%
Net position - ending	<u>\$ 135.4</u>	<u>\$ 154.6</u>	<u>\$ 19.3</u>	<u>\$ 21.7</u>	<u>\$ 154.7</u>	<u>\$ 176.3</u>	14.0%

The City's total revenues were \$108.2 million for the fiscal year ended June 30, 2022. Revenues from governmental activity totaled \$92.3 million and revenues from business-type activities totaled \$15.9 million. Program revenues comprise 31.5% of total revenues with the largest portion of this, \$27.2 million, resulting from charges for services. Sales, use, and transaction taxes comprise 51.0% of total revenues and other general revenues comprise the remaining 17.5%. Total revenues increased by 6.8%, primarily due to increase in program charges for services, sales, use, and transaction taxes during the fiscal year.

- Charges for services includes culture and leisure programs, and facilities rentals. Increased in charges for services due to an increase in the demand to use city's programs and services.
- The Stay-at-home orders during fiscal year 2021-22 generated greater than anticipated online sales which resulted in the City's increased sales, use, and transaction taxes.

Some of the increases were partially offset by the decrease in investment incomes.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Expenses of the City for the year totaled \$86.6 million. Governmental activity expenses totaled \$74.3 million, or 85.8% of total expenses. The following table summarizes the total cost and net cost of the City's governmental activities by function type.

Net Cost of Governmental Activities

(in millions)

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2021</u>	<u>2022</u>		<u>2021</u>	<u>2022</u>	
General government	\$ 8.5	\$ 7.6	-10.6%	\$ 3.1	\$ 1.8	-41.9%
Public safety	35.2	40.5	15.1%	31.4	35.8	14.0%
Community development	2.7	2.7	0.0%	0.9	0.4	-55.6%
Public works	16.8	16.3	-3.0%	9.8	11.8	20.4%
Culture and leisure	5.5	5.5	0.0%	5.0	4.4	-12.0%
Human services	1.6	1.6	0.0%	1.6	1.6	0.0%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	<u>\$ 70.4</u>	<u>\$ 74.3</u>	<u>5.5%</u>	<u>\$ 51.9</u>	<u>\$ 55.9</u>	<u>7.7%</u>

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled \$15.7 million, and investment and other income totaled an additional \$0.2 million. Expenses of the Water Utility were \$12.3 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$3.6 million. Transfers out totaled \$1.2 million. This amount was transferred to the City's general fund for use of the City's rights of way and maintenance of the City's extensive infrastructure. The cost of capital improvements is reported in the statement of net position, rather than as expenses in the statement of activities. Capital assets of \$25.6 million (net of accumulated depreciation) decreased by approximately \$0.7 million.

Financial Analysis of the Fund Statements

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of City government, reporting the City's operations in more detail than the government-wide statements.

The City's governmental funds provide information on near-term inflows, outflows and the balance of available resources. The City's governmental funds reported combined fund balances at June 30, 2022, of \$134.6 million, an increase of approximately \$21.6 million from the previous fiscal year. The primary reason for the increase was due to revenues exceeding expenditures in the General Fund resulting from increase in sales, use, and transaction taxes and charges for services program incomes.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

The General Fund is the chief operating fund of the City. At June 30, 2022, the General Fund's unassigned fund balance was \$28.0 million. Additional General Fund balances were: nonspendable \$2.8 million, restricted \$1.8 million, committed \$0.2 million, and assigned \$35.4 million. Revenues increased by approximately \$8.2 million and expenditures increased by \$3.5 million when compared to prior year. The revenue increase is a combination of increases in sales, use, and transaction taxes and utility uses. The expenditure increase is reflective of rising costs related to the City of Whittier's Police Services contract and pension costs, this was offset by decrease in pension obligation bonds payment. The pension obligation bonds were paid off during fiscal year June 30, 2020. During the fiscal year ended June 30, 2022, the overall fund balance in the General Fund increased by \$8.0 million.

Within the governmental funds designation, the City has four other major funds: the Low and Moderate Income Housing Assets Special Revenue Fund, the Capital Improvement Capital Projects Fund, the Prefunded Capital Projects Fund, and the Successor Agency Bond Funded Capital Projects Fund.

The Low and Moderate Income Housing Assets Special Revenue Fund was created during FY 2011-12 to account for the assets of the housing fund of the former redevelopment agency. Under the redevelopment dissolution bills, the City acts as housing successor to the former redevelopment agency and will retain the rights and obligations to administer the assets of the fund. The assets of the fund total \$12.1 million consisting primarily of cash and investments, notes and loans, advances receivable, and land and buildings held for resale. During fiscal year 2021-22 the fund expended \$0.2 million in housing administration costs.

The Capital Improvement Capital Projects Fund is used to account for expenditures on various capital improvement projects and the related revenues to finance the projects. The revenues and expenditures of the fund may vary significantly from year to year depending on the activity each year. The assets of the fund total \$4.4 million primarily consisting of receivables expected to be received from various governmental agencies. During the fiscal year ended June 30, 2022, the overall fund balance increased by \$3.0 million to \$17 thousand. The increase was due to reimbursements from various government agencies for completed projects during prior year were collected this year. These receivables are outstanding beyond the available period and have not been recognized as revenues.

The Prefunded Capital Projects Fund was created during fiscal year 2012-13 to account for the City's Capital Improvement Program in the post-redevelopment era. The former redevelopment agency was a significant source of funding prior to dissolution. Without the redevelopment agency, the General Fund became the main source of future funds for the Capital Improvement Program. Through a combination of revenue enhancements (i.e. increase in the utility users tax rate) and cost containment and reduction measures, the General Fund will annually budget a transfer to the Prefunded Capital Projects Fund to build the base from which the Capital Improvement Program will operate. Additionally, one time revenues will be considered for allocation to the fund. For the fiscal year ended June 30, 2022 the General Fund transferred \$11.8 million into the Prefunded Capital Projects fund to restore a portion of the CIP target funding. The fund has increased by \$7.2 million to \$35.8 million as of the fiscal year-end. The increase was primarily due to additional funding transferred from General Fund. City staff, in conjunction with the CIP Subcommittee of the City Council, work together throughout the year to plan and manage the projects financed through this fund.

The Successor Agency Bond Funded Capital Projects Fund was created in fiscal year 2014-15 to account for the unspent bond proceeds of the former redevelopment agency. With approval from the California Department of Finance, the Successor Agency transferred approximately \$19.6 million in unspent proceeds to the City as of July 1, 2014. Under a Bond Expenditure Agreement between the City and the Successor Agency, the City manages the projects for which the bond proceeds are to be used. During fiscal year 2021-22 the City expended approximately \$0.1 million on projects. As of fiscal

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

year-end the fund balance decreased by \$0.2 million to \$7.8 million. The decrease was due lower interest income on investments. The balance accumulated in the fund is to be used on future projects.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a \$2.7 million increase or 3.8%. The final amended budget exceeded actual expenditures by approximately 6.2% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded the budget amount by \$9.5 million, primarily due sales, use, and transaction taxes growth more than anticipated during the pandemic. Increases were seen in other revenue categories, including UUT, and franchise taxes. Increases were partially offset by the investment lost during the year. The Notes to the Required Supplementary Information provides more details regarding budgeting policies and practice.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2022, amounts to \$165.9 million (net of accumulated depreciation), a decrease of approximately \$1.8 million from the previous year. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment and infrastructure. Note 7 –Capital Assets provides more detailed information on the capital assets.

The City's investment in capital assets for its business-type activities, the Water Utility Fund, as of June 30, 2022, amounts to \$25.6 million (net of accumulated depreciation), a decrease of \$0.7 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

At June 30, 2022, the City's governmental activities long-term liabilities decreased by \$40.2 million to \$126.1 million. The City's business-type activities long-term liabilities decreased by \$2.8 million to \$18.4 million. The long-term liabilities consisted of bonds, compensated absences, OPEB obligation, Pension obligation, and other loans/leases are summarized in the table below and more detailed information is included in Note 8 – Long-Term Liabilities, Note 9 - Compensated Absences, Note 11 – Pension Plan Obligations and Note 12 – Post-Employment Health Care Benefits.

During FY 2012-13 the City's business-type activity Water Utility Fund issued \$6.89 million in water revenue bonds to refund the existing 2003 water revenue bonds at lower interest rates and provide approximately \$2.1 million in additional proceeds to be used for water infrastructure projects. During FY 2017-18, Water Utility Authority issued \$1.8 million in water revenue bonds to refund the existing 2005 water revenue bonds at lower interest rates and provide a reduction of approximately \$0.4 million in total debt service payments.

**CITY OF SANTA FE SPRINGS
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

**Outstanding Debt
(in millions)**

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2021	2022	2021	2022	2021	2022	
Revenue bonds	\$ 0.0	\$ 0.0	\$ 8.0	\$ 7.7	\$ 8.0	\$ 7.7	-3.8%
Compensated absences	2.6	1.9	0.3	0.4	2.9	2.3	-20.7%
OPEB obligation	35.8	26.3	3.5	2.6	39.3	28.9	-26.5%
Pension obligation	124.1	94.4	9.4	7.7	133.5	102.1	-23.5%
Other loans/leases	3.8	3.5	0.0	0.0	3.8	3.5	-7.9%
Total	<u>\$ 166.3</u>	<u>\$ 126.1</u>	<u>\$ 21.2</u>	<u>\$ 18.4</u>	<u>\$ 187.5</u>	<u>\$ 144.5</u>	-22.9%

All water revenue and pension obligation bonds are insured issues.

Economic Factors and Next Year's Budgets

The City of Santa Fe Springs has dealt with many difficult decisions stemming from the downturn in the economy in the late 2000's, the dissolution of redevelopment agencies and tax increment financing and more recently the COVID-19 pandemic. The City's condition, despite the impacts of the pandemic, is improving due to revenue enhancements coupled with cost containment and reduction measures but still faces significant financial challenges in the years ahead. Major factors expected to affect the budget include:

- Slow recovery of state and local economies.
- Funding capital improvements without the Redevelopment Agency, which historically funded the majority of capital projects prior to the dissolution of redevelopment.
- Funding for significantly increasing retirement contributions rates caused by a number of factors including the reduced number of active employees, actuarial assumption changes related to mortality and expected investment returns, and poor investment performance of the pension plan during the economic downturn in 2008 and the recent COVID-19 downturn.
- Increasing demands for public services, including unfunded mandates by both federal and state governments.
- The inflation rates have led to sharp increases in the cost of living throughout our community and it has also increased the cost to deliver City's programs and services.

All of these factors were considered in adopting the Fiscal Year 2022-23 operational budget.

Requests for Information

This financial report is designed to provide a general overview of the City of Santa Fe Springs finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to the Director of Finance and Administrative Services, City of Santa Fe Springs, 11710 Telegraph Road, Santa Fe Springs, California.

**CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-Type Activity	Total
CURRENT ASSETS			
Cash and Investments	\$ 112,647,590	\$ 14,961,308	\$ 127,608,898
Receivables:			
Accounts	2,629,476	1,711,494	4,340,970
Interest	248,447	2,662	251,109
Leases	436,464	-	436,464
Deposits and Other Assets	1,441,880	-	1,441,880
Due from Other Governments	13,609,195	-	13,609,195
Inventories	1,068,702	273,585	1,342,287
Restricted Assets:			
Cash with Fiscal Agent	13,837,743	556,299	14,394,042
Total Current Assets	<u>145,919,497</u>	<u>17,505,348</u>	<u>163,424,845</u>
NONCURRENT ASSETS			
Notes and Loans, Net of Allowances	1,867,432	-	1,867,432
Leases Receivable	18,519,199	-	18,519,199
Land and Buildings Held for Resale	520,032	-	520,032
Capital Assets not Being Depreciated/Amortized	61,026,149	8,380,566	69,406,715
Capital Assets, Net of Depreciation/Amortization	<u>104,898,662</u>	<u>17,311,838</u>	<u>122,210,500</u>
Total Noncurrent Assets	<u>186,831,474</u>	<u>25,692,404</u>	<u>212,523,878</u>
Total Assets	<u>332,750,971</u>	<u>43,197,752</u>	<u>375,948,723</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Charge on Refunding	-	50,444	50,444
Deferred Pension-Related Items	19,875,238	1,029,496	20,904,734
Deferred OPEB-Related Items	<u>4,221,333</u>	<u>417,495</u>	<u>4,638,828</u>
Total Deferred Outflows of Resources	<u>24,096,571</u>	<u>1,497,435</u>	<u>25,594,006</u>
CURRENT LIABILITIES			
Accounts Payable	2,521,768	1,289,670	3,811,438
Accrued Liabilities	1,370,480	125,449	1,495,929
Accrued Interest	35,608	46,006	81,614
Unearned Revenue	3,370,292	-	3,370,292
Deposits Payable	1,848,507	918,293	2,766,800
Due to Other Governments	1,787,144	-	1,787,144
Contracts Payable	7,322	-	7,322
Compensated Absences	440,000	60,000	500,000
Bonds, Notes, and Lease Payable	<u>734,005</u>	<u>213,700</u>	<u>947,705</u>
Total Current Liabilities	<u>12,115,126</u>	<u>2,653,118</u>	<u>14,768,244</u>
NONCURRENT LIABILITIES			
Compensated Absences	1,459,853	199,003	1,658,856
Bonds, Notes, and Lease Payable	2,813,969	7,394,076	10,208,045
Net OPEB Liability	26,344,625	2,605,513	28,950,138
Net Pension Liability	<u>94,355,756</u>	<u>7,659,770</u>	<u>102,015,526</u>
Total Noncurrent Liabilities	<u>124,974,203</u>	<u>17,858,362</u>	<u>142,832,565</u>
Total Liabilities	<u>137,089,329</u>	<u>20,511,480</u>	<u>157,600,809</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension-Related Items	36,692,861	1,460,285	38,153,146
Deferred OPEB-Related Items	9,542,870	943,800	10,486,670
Deferred Leases-Related Items	<u>18,955,663</u>	<u>-</u>	<u>18,955,663</u>
Total Deferred Inflows of Resources	<u>65,191,394</u>	<u>2,404,085</u>	<u>67,595,479</u>
NET POSITION			
Net Investment in Capital Assets	162,283,010	18,669,402	180,952,412
Restricted - Nonexpendable	244,676	-	244,676
Restricted - Expendable:			
Community Development Projects	94,945	-	94,945
Public Safety	194,231	-	194,231
Public Works	8,346,735	-	8,346,735
Capital Projects	7,840,329	-	7,840,329
Low and Moderate Income Housing	12,108,006	-	12,108,006
Art in Public Places - Expendable	1,628,048	-	1,628,048
Waste Management	1,614,370	-	1,614,370
Environmental Programs	203,908	-	203,908
Unrestricted	<u>(39,991,439)</u>	<u>3,110,220</u>	<u>(36,881,219)</u>
Total Net Position	<u>\$ 154,566,819</u>	<u>\$ 21,779,622</u>	<u>\$ 176,346,441</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 7,629,048	\$ 3,306,540	\$ 2,483,042	\$ -
Public Safety	40,445,624	4,298,393	300,534	-
Community Development	2,728,716	2,336,477	-	-
Public Works	16,318,672	1,317,122	2,585,370	622,474
Culture and Leisure	5,486,877	275,337	813,119	-
Human Services	1,637,533	40,073	28,278	-
Interest on Long-Term Debt	67,435	-	-	-
Total Governmental Activities	74,313,905	11,573,942	6,210,343	622,474
Business-Type Activity:				
Water Fund	12,347,405	15,627,075	72,774	5,287
Total	<u>\$ 86,661,310</u>	<u>\$ 27,201,017</u>	<u>\$ 6,283,117</u>	<u>\$ 627,761</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
Governmental Activities:			
General Government	\$ (1,839,466)	\$ -	\$ (1,839,466)
Public Safety	(35,846,697)	-	(35,846,697)
Community Development	(392,239)	-	(392,239)
Public Works	(11,793,706)	-	(11,793,706)
Culture and Leisure	(4,398,421)	-	(4,398,421)
Human Services	(1,569,182)	-	(1,569,182)
Interest on Long-Term Debt	(67,435)	-	(67,435)
Total Governmental Activities	(55,907,146)	-	(55,907,146)
Business-Type Activity:			
Water Fund	-	3,357,731	3,357,731
Total	(55,907,146)	3,357,731	(52,549,415)
GENERAL REVENUES			
Taxes			
Property Taxes,			
Levied for General Purpose	5,724,154	-	5,724,154
Transaction and Use Taxes	15,661,416	-	15,661,416
Sales and Use Taxes	39,572,185	-	39,572,185
Franchise Taxes	3,790,928	-	3,790,928
Business Operation Taxes	809,418	-	809,418
Utility Users Tax	7,824,051	-	7,824,051
Other Taxes	158,797	-	158,797
Intergovernmental Revenues -			
Motor Vehicle in Lieu	2,359,894	-	2,359,894
Interest and Rentals	(2,976,930)	118,355	(2,858,575)
Other	963,042	84,237	1,047,279
Sale of Capital Assets	55,786	-	55,786
Transfers	1,153,809	(1,153,809)	-
Total General Revenues and Transfers	75,096,550	(951,217)	74,145,333
CHANGE IN NET POSITION	19,189,404	2,406,514	21,595,918
Net Position - Beginning of Year	135,377,415	19,373,108	154,750,523
NET POSITION - END OF YEAR	<u>\$ 154,566,819</u>	<u>\$ 21,779,622</u>	<u>\$ 176,346,441</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS
JUNE 30, 2022

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
ASSETS				
Pooled Cash and Investments	\$ 45,636,148	\$ 8,692,383	\$ 2,342,604	\$ 35,896,566
Restricted Cash with Fiscal Agent	13,837,743	-	-	-
Receivables:				
Accounts	2,579,678	29,098	20,408	-
Notes and Loans, Net of Allowances	302,727	1,435,308	-	-
Leases	18,955,663	-	-	-
Accrued Interest	214,276	-	-	-
Deposits and Other Assets	1,441,880	-	-	-
Due from Other Governments	10,968,295	-	2,069,276	142,435
Due from Other Funds	1,804,647	-	-	-
Advances to Other Funds	-	1,437,861	-	-
Inventories	1,068,702	-	-	-
Land and Buildings Held for Resale	-	520,032	-	-
Total Assets	<u>\$ 96,809,759</u>	<u>\$ 12,114,682</u>	<u>\$ 4,432,288</u>	<u>\$ 36,039,001</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 2,418,756	\$ 3,598	\$ 50,643	\$ 48,739
Accrued Liabilities	1,358,310	3,078	2,610	6,095
Unearned Revenues	1,230,592	-	-	-
Deposits Payable	1,247,946	-	600,561	-
Due to Other Governments	1,721,550	-	65,594	-
Due to Other Funds	1,901	-	1,618,891	-
Advances from Other Funds	1,437,861	-	-	-
Contracts Payable	-	-	7,322	-
Total Liabilities	<u>9,416,916</u>	<u>6,676</u>	<u>2,345,621</u>	<u>54,834</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	109,710	-	2,069,276	142,435
Deferred Leases-Related Items	18,955,663	-	-	-
Total Deferred Inflows of Resources	<u>19,065,373</u>	<u>-</u>	<u>2,069,276</u>	<u>142,435</u>
FUND BALANCES				
Nonspendable:				
Inventory	1,068,702	-	-	-
Notes and Loans	302,727	-	-	-
Deposits and Other Assets	1,441,880	-	-	-
Permanent Fund Principal	-	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Projects	-	-	-	-
Low and Moderate Income Housing	-	12,108,006	-	-
Art in Public Places	-	-	-	-
Waste Management	1,614,370	-	-	-
Environmental Programs	203,908	-	-	-
Committed to:				
Capital Projects	225,000	-	-	-
Assigned to:				
Capital Projects	-	-	-	35,841,732
Facility Improvement	25,193	-	-	-
Equipment Replacement	4,555,954	-	-	-
Economic Uncertainty	7,725,000	-	-	-
Employee Benefits	3,377,785	-	-	-
Risk Management	903,200	-	-	-
Unfunded Liability	18,837,743	-	-	-
Unassigned	28,046,008	-	17,391	-
Total Fund Balances	<u>68,327,470</u>	<u>12,108,006</u>	<u>17,391</u>	<u>35,841,732</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 96,809,759</u>	<u>\$ 12,114,682</u>	<u>\$ 4,432,288</u>	<u>\$ 36,039,001</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 7,696,398	\$ 12,383,491	\$ 112,647,590
Restricted Cash with Fiscal Agent	-	-	13,837,743
Receivables:			
Accounts	-	292	2,629,476
Notes and Loans, Net of Allowances	110,147	19,250	1,867,432
Leases	-	-	18,955,663
Accrued Interest	34,171	-	248,447
Deposits and Other Assets	-	-	1,441,880
Due from Other Governments	-	429,189	13,609,195
Due from Other Funds	-	1,901	1,806,548
Advances to Other Funds	-	-	1,437,861
Inventories	-	-	1,068,702
Land and Buildings Held for Resale	-	-	520,032
Total Assets	<u>\$ 7,840,716</u>	<u>\$ 12,834,123</u>	<u>\$ 170,070,569</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ 32	\$ 2,521,768
Accrued Liabilities	387	-	1,370,480
Unearned Revenues	-	2,139,700	3,370,292
Deposits Payable	-	-	1,848,507
Due to Other Governments	-	-	1,787,144
Due to Other Funds	-	185,756	1,806,548
Advances from Other Funds	-	-	1,437,861
Contracts Payable	-	-	7,322
Total Liabilities	<u>387</u>	<u>2,325,488</u>	<u>14,149,922</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	80,000	2,401,421
Deferred Leases-Related Items	-	-	18,955,663
Total Deferred Inflows of Resources	<u>-</u>	<u>80,000</u>	<u>21,357,084</u>
FUND BALANCES			
Nonspendable:			
Inventory	-	-	1,068,702
Notes and Loans	-	-	302,727
Deposits and Other Assets	-	-	1,441,880
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	94,945	94,945
Public Safety	-	194,231	194,231
Public Works	-	8,346,735	8,346,735
Capital Projects	7,840,329	-	7,840,329
Low and Moderate Income Housing	-	-	12,108,006
Art in Public Places	-	1,628,048	1,628,048
Waste Management	-	-	1,614,370
Environmental Programs	-	-	203,908
Committed to:			
Capital Projects	-	-	225,000
Assigned to:			
Capital Projects	-	-	35,841,732
Facility Improvement	-	-	25,193
Equipment Replacement	-	-	4,555,954
Economic Uncertainty	-	-	7,725,000
Employee Benefits	-	-	3,377,785
Risk Management	-	-	903,200
Unfunded Liability	-	-	18,837,743
Unassigned	-	(80,000)	27,983,399
Total Fund Balances	<u>7,840,329</u>	<u>10,428,635</u>	<u>134,563,563</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,840,716</u>	<u>\$ 12,834,123</u>	<u>\$ 170,070,569</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances of Governmental Funds	\$ 134,563,563
--	-----------------------

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

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore are not reported in the fund financial statements.

Capital Assets not Being Depreciated	\$ 61,026,149	
Capital Assets Being Depreciated	245,445,723	
Accumulated Depreciation	<u>(140,547,061)</u>	165,924,811

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances at June 30, 2021 are:

Notes and Lease Payable	(3,547,974)	
Compensated Absences	<u>(1,899,853)</u>	(5,447,827)

Pension and OPEB related debt applicable to the City's 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 pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources - Pension Related	19,875,238	
Deferred Inflows of Resources - Pension Related	(36,692,861)	
Net Pension Liability	(94,355,756)	
Deferred Outflows of Resources - OPEB Related	4,221,333	
Deferred Inflows of Resources - OPEB Related	(9,542,870)	
Net OPEB Liability	<u>(26,344,625)</u>	(142,839,541)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(35,608)
--	----------

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.

	<u>2,401,421</u>
--	------------------

Net Position of Governmental Activities	<u>\$ 154,566,819</u>
--	------------------------------

(This page intentionally left blank)

CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
REVENUES				
Taxes	\$ 75,540,244	\$ -	\$ -	\$ -
Licenses and Permits	2,913,256	-	-	-
Intergovernmental	926,186	-	3,343,745	52,328
Charges for Services	7,539,315	-	19,057	-
Interest and Rentals	(2,617,216)	150,565	-	-
Fines and Forfeitures	446,114	-	-	-
Contributions	260,407	-	-	-
Miscellaneous	866,654	-	284,305	3,825
Total Revenues	85,874,960	150,565	3,647,107	56,153
EXPENDITURES				
Current				
General Government	8,984,761	-	-	-
Public Safety	36,135,015	-	-	-
Community Development	3,040,862	213,405	-	-
Public Works	11,997,660	-	-	441,716
Culture and Leisure	5,759,396	-	-	-
Human Services	1,757,065	-	-	-
Capital Outlay	854,658	-	782,046	4,111,707
Debt Service				
Principal Retirement	675,015	-	-	-
Interest and Fiscal Charges	76,193	-	-	-
Total Expenditures	69,280,625	213,405	782,046	4,553,423
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,594,335	(62,840)	2,865,061	(4,497,270)
OTHER FINANCING SOURCES (USES)				
Transfers In	2,674,208	-	190,364	11,823,726
Transfers Out	(11,800,000)	-	-	(107,285)
Sale of Capital Assets	55,786	-	-	-
Lease Obligation	454,612	-	-	-
Total Other Financing Sources (Uses)	(8,615,394)	-	190,364	11,716,441
NET CHANGE IN FUND BALANCES	7,978,941	(62,840)	3,055,425	7,219,171
Fund Balances - Beginning of Year	60,348,529	12,170,846	(3,038,034)	28,622,561
FUND BALANCES - END OF YEAR	<u>\$ 68,327,470</u>	<u>\$ 12,108,006</u>	<u>\$ 17,391</u>	<u>\$ 35,841,732</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Capital Projects Funds	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ -	\$ -	\$ 250,889	\$ 75,791,133
Licenses and Permits	-	-	-	2,913,256
Intergovernmental	-	-	4,691,973	9,014,232
Charges for Services	-	-	-	7,558,372
Interest and Rentals	(149,653)	-	65,773	(2,550,531)
Fines and Forfeitures	-	-	-	446,114
Contributions	-	-	669,055	929,462
Miscellaneous	900	-	-	1,155,684
Total Revenues	(148,753)	-	5,677,690	95,257,722
EXPENDITURES				
Current				
General Government	-	-	725	8,985,486
Public Safety	-	-	360,203	36,495,218
Community Development	-	-	-	3,254,267
Public Works	-	-	-	12,439,376
Culture and Leisure	-	-	25,706	5,785,102
Human Services	-	-	-	1,757,065
Capital Outlay	61,144	-	-	5,809,555
Debt Service				
Principal Retirement	-	-	-	675,015
Interest and Fiscal Charges	-	-	-	76,193
Total Expenditures	61,144	-	386,634	75,277,277
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(209,897)	-	5,291,056	19,980,445
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	14,688,298
Transfers Out	-	-	(1,627,204)	(13,534,489)
Sale of Capital Assets	-	-	-	55,786
Lease Obligation	-	-	-	454,612
Total Other Financing Sources (Uses)	-	-	(1,627,204)	1,664,207
NET CHANGE IN FUND BALANCES	(209,897)	-	3,663,852	21,644,652
Fund Balances - Beginning of Year	8,050,226	-	6,764,783	112,918,911
FUND BALANCES - END OF YEAR	<u>\$ 7,840,329</u>	<u>\$ -</u>	<u>\$ 10,428,635</u>	<u>\$ 134,563,563</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 21,644,652

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital Outlay	\$ 5,420,268	
Depreciation	<u>(7,213,503)</u>	(1,793,235)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.

Principal Payment	675,015	
Lease Obligation Issuance	<u>(454,612)</u>	220,403

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		8,758
--	--	-------

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 the governmental funds.		655,353
--	--	---------

Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.		(2,397,909)
---	--	-------------

Other postemployment benefit expense reported in the governmental funds includes payment of premiums for the current year. In the OPEB expense includes the change in the net other postemployment benefit liability and OPEB related deferred inflows of resources.		3,815,390
--	--	-----------

Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the revenues in the governmental fund activity.		<u>(2,964,008)</u>
---	--	--------------------

Change in Net Position of Governmental Activities		<u><u>\$ 19,189,404</u></u>
--	--	-----------------------------

CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION—PROPRIETARY FUNDS
JUNE 30, 2022

	Business-Type Activity - Enterprise Fund <u>Water Fund</u>
ASSETS	
Current Assets	
Pooled Cash and Investments	\$ 14,961,308
Receivables	
Accounts	1,711,494
Accrued interest	2,662
Inventories	273,585
Restricted:	
Cash with Fiscal Agent	556,299
Total Current Assets	<u>17,505,348</u>
NONCURRENT ASSETS	
Capital Assets not Being Depreciated/Amortized	8,380,566
Capital Assets, Net of Depreciation/Amortization	17,311,838
Total Noncurrent Assets	<u>25,692,404</u>
Total Assets	43,197,752
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	50,444
Deferred Pension-Related Items	1,029,496
Deferred OPEB-Related Items	417,495
Total Deferred Outflows of Resources	<u>1,497,435</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,289,670
Accrued Liabilities	125,449
Accrued Interest	46,006
Deposits Payable	918,293
Compensated Absences	60,000
Bonds, Notes and Lease Payable	213,700
Total Current Liabilities	<u>2,653,118</u>
NONCURRENT LIABILITIES	
Compensated Absences	199,003
Bonds, Notes and Lease Payable	7,394,076
Net OPEB Liability	2,605,513
Net Pension Liability	7,659,770
Total Noncurrent Liabilities	<u>17,858,362</u>
Total Liabilities	20,511,480
DEFERRED INFLOWS OF RESOURCES:	
Deferred Pension-Related Items	1,460,285
Deferred OPEB-Related Items	943,800
Total Deferred Inflows of Resources	<u>2,404,085</u>
NET POSITION	
Net Investment in Capital Assets	18,669,402
Unrestricted	3,110,220
Total Net Position	<u><u>\$ 21,779,622</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION—
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
OPERATING REVENUES	
Sales and Service Charges	\$ 15,627,075
Other Water Revenue	<u>84,237</u>
Total Operating Revenues	15,711,312
OPERATING EXPENSES	
Source of Supply	6,962,310
System Maintenance and Operation	2,260,946
Billing and Collection	1,037,713
Administration	1,129,346
Depreciation/Amortization Expense	<u>648,321</u>
Total Operating Expenses	<u>12,038,636</u>
OPERATING INCOME	3,672,676
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	118,355
Interest Expense	(308,769)
Intergovernmental Revenue	<u>72,774</u>
Total Nonoperating Revenues (Expenses)	<u>(117,640)</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	3,555,036
Contributions	5,287
Transfers Out	<u>(1,153,809)</u>
CHANGE IN NET POSITION	2,406,514
Net Position - Beginning of Year	<u>19,373,108</u>
NET POSITION - END OF YEAR	<u><u>\$ 21,779,622</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activity - Enterprise Fund Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 15,697,192
Cash Paid to Suppliers for Goods and Services	(10,349,299)
Cash Paid to Employees for Services	(1,930,866)
Cash Received from Others	84,237
Net Cash Provided by Operating Activities	3,501,264
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Transfers Out	(1,153,809)
Cash Received from Other Governments	72,774
Net Cash Used by Noncapital Financing Activities	(1,081,035)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Principal Paid on Capital Debt	(206,829)
Interest Paid on Capital Debt	(280,936)
Net Cash Used by Capital and Related Financing Activities	(487,765)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	118,176
Net Cash Provided by Investing Activities	118,176
NET INCREASE IN CASH AND CASH EQUIVALENTS	2,050,640
Cash and Cash Equivalents - Beginning of Year	13,466,967
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 15,517,607</u>
CASH AND CASH EQUIVALENTS:	
Pooled Cash and Investments	\$ 14,961,308
Cash with Fiscal Agent	556,299
Total Cash and Cash Equivalents	<u>\$ 15,517,607</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 3,672,676
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization Expense	648,321
(Increase) Decrease in Assets:	
Accounts Receivable	44,756
Inventory	3,631
Prepaid Expense	5,767
Deferred Outflows for Pension-Related Items	(111,512)
Deferred Outflows for OPEB-Related Items	69,738
Increase (Decrease) in Liabilities:	
Accounts Payable	(70,988)
Accrued Liabilities	20,510
Deposits Payable	25,361
Compensated Absences	(89,435)
Deferred Inflows for Pension-Related Items	1,460,285
Deferred Inflows for OPEB-Related Items	492,548
Net Pension Liability	(1,730,761)
Other Postemployments Benefits	(939,633)
Net Cash Provided by Operating Activities	<u>\$ 3,501,264</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributed Capital Assets Received	<u>\$ 5,287</u>
Amortization of Bond Discounts, and Deferred Charges	<u>\$ 28,650</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2022**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Pooled Cash and Investments	\$ 686,238	\$ 199,804
Receivables:		
Accounts	8,858	18,773
Notes and Loans	-	61,438
Due from Other Governments	-	47,236
Land and Buildings Held for Resale	-	4,251,851
Restricted Assets:		
Cash and Investments with Fiscal Agents	169,438	11,880,191
Capital Assets:		
Capital Assets not Being Depreciated	-	415,530
Total Assets	<u>864,534</u>	<u>16,874,823</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	-	194,956
Total Deferred Outflows of Resources	<u>-</u>	<u>194,956</u>
LIABILITIES		
Accounts Payable	-	4,956
Accrued Liabilities	-	7,055
Accrued Interest	-	1,528,660
Deposits Payable	-	48,300
Due to Other Governments	8,858	16,742
Long-Term Liabilities:		
Due in One Year	-	7,380,198
Due in More Than One Year	-	43,995,214
Total Liabilities	<u>8,858</u>	<u>52,981,125</u>
NET POSITION		
Held for Bondholders	855,676	-
Held in Trust for Other Purposes	<u>-</u>	<u>(35,911,346)</u>
Total Net Position	<u>\$ 855,676</u>	<u>\$ (35,911,346)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Custodial Funds</u>	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
ADDITIONS		
Taxes	\$ -	\$ 10,267,738
Special Assessments or Special Taxes Collected From Property Owners	216,588	-
Interest and Change in Fair Value of Investments	34	1,644
Total Additions	<u>216,622</u>	<u>10,269,382</u>
DEDUCTIONS		
Administrative Expenses	-	250,952
Program Expenses	-	41,966
Payment for Special Assessment or Special Tax Debt	164,986	-
Interest Expense	-	1,971,623
Total Deductions	<u>164,986</u>	<u>2,264,541</u>
CHANGE IN NET POSITION	51,636	8,004,841
Net Position - Beginning of Year, as Restated	<u>804,040</u>	<u>(43,916,187)</u>
NET POSITION - END OF YEAR	<u><u>\$ 855,676</u></u>	<u><u>\$ (35,911,346)</u></u>

See accompanying Notes to Basic Financial Statements.

(This page intentionally left blank)

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

The City of Santa Fe Springs (City) was incorporated on May 15, 1957, under the general laws of the state of California and enjoys all the rights and privileges pertaining to such "General Law" cities and is governed by an elected five-member City Council. As required by accounting principles generally accepted in the United States of America, these financial statements present the City (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 elected officials have a continuing accountability for fiscal matters of the other entities. The financial reporting entity consists of: (1) the City, (2) organizations for which the City is financially accountable, and (3) organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete.

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 bonded 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 and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit, or the component unit provides services almost entirely to the City.

In accordance with Assembly Bill 1X 26 (the Dissolution Act), the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency) was created on February 1, 2012 to serve as a custodian for the assets and to wind down the affairs of the former Agency. The Successor Agency is a legally separate public entity from the City and as a private-purpose trust fund.

In general, the Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, the Successor Agency will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former Agency until all enforceable obligations of the former Agency have been paid in full and all assets have been liquidated. Based upon the nature of the Successor Agency's custodial role, the Successor Agency is reported in a fiduciary fund (private-purpose trust fund). See Note 16 for further detail regarding the dissolution.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Blended Component Units

The City of Santa Fe Springs Public Financing Authority (PFA) was organized under a joint exercise of power agreement on August 24, 1989. The purpose of this authority is to provide, through the issuance of debt, financing for public capital improvements. The board of directors is appointed by the City Council. The PFA has no activity in the current year.

The Santa Fe Springs Water Utility Authority (WUA) was organized under a joint exercise of power agreement on July 1, 2009. The purpose of this authority is to provide an entity to assist in financing, leasing, owning, operating, and maintaining the water operation. The City Council members are designated as board of directors of the WUA. The WUA has debt outstanding reported in the Water Proprietary Fund and Water Proprietary Fund revenues are pledged to the payment of the debt.

Separate Successor Agency, PFA, and WUA financial statements are not available.

Joint Powers Agreements

Joint Fire Dispatching Center

The City is a participant in the Joint Fire Dispatching Center (Center). The Center is currently comprised of four member cities and is organized under a Joint Powers Agreement. Each member City provides an annually determined contribution towards the ongoing operation. The purpose of the Center is to provide centralized fire dispatching for the participating cities. The communication system is located in and operated by the City of Downey. The payments from the participating cities for the fiscal year ended June 30, 2022, were based on the following percentages:

Downey	34.62 %
Santa Fe Springs	16.17 %
Compton	39.28 %
Vernon	9.93 %

During the fiscal year ended June 30, 2022, the City contributed \$254,121 for the operation of the Center. Separate audited financial statements are not prepared for the Center. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Joint Powers Agreements (Continued)

Southeast Water Coalition

The City is a participant in the Southeast Water Coalition (Coalition). The Coalition is currently comprised of several municipal entities in the County of Los Angeles and is organized under a Joint Powers Agreement. The purpose of the Coalition is to maintain groundwater quality within the Central and West Coast Basins (Basins), maintain secure groundwater supplies within the Basins, manage the use of groundwater within the Basins, coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery, facilitate the implementation of a conjunctive use program by water purveyors, coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality, and work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region. Each member of the Coalition shares financial responsibility equally. Each member is required to make a contribution at the beginning of each year. The contribution requirement for the fiscal year ended June 30, 2022 was \$5,000. Financial statements can be obtained from the City of Whittier. City Hall is located at 13230 Penn Street, Whittier, California.

Basis of Accounting and Measurement Focus

The basic financial statements of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information about the primary government and component units as a whole, except for its fiduciary activities. These statements report separately for governmental and business-type activities of the primary government (including its blended component units). Governmental activities are normally financed primarily by taxes and intergovernmental revenues. Business-type activities are financed primarily by fees charged for goods or services.

Certain indirect costs have been allocated and are included as part of the program expenses reported for the various functional activities. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other service charges between the City's water utility and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Government-Wide Financial Statements (Continued)

These statements are presented on an “economic resources” measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Accordingly, all of the City’s assets and liabilities, including capital assets and infrastructure as well as long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Using the accrual basis of accounting, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been satisfied. The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues are reported in three categories: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grants and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Governmental Funds Financial Statements

The accounting records of the City are organized on the basis of funds. Each fund is a separate accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The governmental funds financial statements include a balance sheet and a statement of revenues, expenditures, and changes in fund balances for all major governmental funds and aggregated nonmajor funds. An accompanying schedule is presented to reconcile and explain the differences in fund balances as presented in these statements to the net position presented in the government-wide financial statements.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Governmental Funds Financial Statements (Continued)

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days, except sales tax revenues, which is 90 days. Sales taxes, property taxes, franchise fees, gas taxes, motor vehicle in lieu fees, highway user’s taxes, transient occupancy taxes, grants and investment income associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims payable are recorded only when payment is due.

The City reports the following major governmental funds:

The General Fund is the City’s primary operating fund. This fund accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Low and Moderate Income Housing Assets Special Revenue Fund is used to account for the receipts and expenditures relating to the Housing Successor in accordance with the California Health and Safety Code.

The Capital Improvement Capital Projects Fund is used to account for monies received from the General Fund, special revenue funds, private developers and from outside governmental entities. These funds are subsequently used for the construction or rehabilitation of streets, bridges, traffic signals, public facilities and a variety of other construction or improvement projects.

The Prefunded Capital Projects Fund was established in fiscal year 2013. It is used to account for the accumulation of resources used for various construction, rehabilitation, and improvement projects similar to the Capital Improvement Fund. This fund differs from the Capital Improvement Capital Projects Fund in that resources are typically accumulated in the fund prior to undertaking the projects.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Governmental Funds Financial Statements (Continued)

The Successor Agency Bond Funded Capital Projects Fund is used to account for the expenditure of unspent bond proceeds of the Successor Agency used for various construction, rehabilitation, and improvement projects within the Consolidated Project Area of the former Community Development Commission. All unspent bond proceeds were transferred to the City during fiscal year 2014-15 in accordance with a Bond Expenditure Agreement between the City and Successor Agency.

Additionally, the City reports the following fund types:

Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Permanent Funds account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support specific programs.

Proprietary Funds Financial Statements

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for sales and services. Operating expenses for the proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major proprietary fund:

The Water Fund is used to account for the operations of the City owned water system.

Fiduciary Fund Financial Statements

Fiduciary funds are accounted for on the accrual basis of accounting as are the proprietary funds explained above. The City reports the following fiduciary funds, which are excluded from the government-wide financial statements:

The Private-Purpose Trust Fund accounts for the custodial responsibilities that are assigned to the Successor Agency pursuant to the Dissolution Act.

The City reports the following Custodial funds:

The Assessment Districts Fund is used to account for special assessments received by the City as agent for payment of special assessment district bonds.

The Community Facilities Assessment Districts Fund is used to account for special assessments received by the City as agent for payment of community facilities district debt and expenses.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Functional Classifications

General government - includes the legislative activities, which have a primary objective of providing legal and policy guidance for industrial and residential issues within the City. Also included in this classification are those activities, which provide management or support services across more than one functional area.

Public safety - includes those activities, which have a primary objective of protecting people and property other than health related perils.

Community development - includes those activities which have a primary objective of enhancing the general quality of life in the City. This encompasses aesthetic, as well as economical and structural activities.

Public works - includes all maintenance and engineering of streets, parks, and other public facilities.

Culture and leisure - includes those activities, which have a primary objective of providing recreational and educational endeavors.

Human services - includes those activities, which have a primary objective of maintaining or improving the physical and/or mental health of residents of the community, improving the employment status of unemployed or underemployed residents, and otherwise serving the needs of the less privileged.

Adoption of New Accounting Standards

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning fund balance or net position as a result of the implementation of this standard. The City is reporting lease receivables and deferred inflows of resources related to leases disclosed in Note 3, right-to-use assets in Note 7, and lease liabilities in Note 8.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Inventory and Prepaid Items

Inventory (General Fund and Water Fund) is valued utilizing the average cost method. Inventory items are considered expenditures or expenses when used under the consumption method.

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. These prepaid items are reflected in the financial statements as deposits and other assets and are accounted for under the consumption method.

Property Taxes

Under California law, the assessment, levy and collection of property taxes are the responsibility of the County of Los Angeles. The City records property taxes as revenue in the year for which they are levied, and in the governmental fund statements when received from the County within 60 days of year-end. Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien	January 1
Levy period	July 1 - June 30
Due	November 1 - 1st installment
	February 1 - 2nd installment
Delinquent	December 11 - 1st installment
	April 11 - 2nd installment

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. In addition, funds invested in the City's cash and investment pool are considered cash equivalents.

Investments

All investments are stated at fair value (the value at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale), except for money market investments, which have a remaining maturity of less than one year when purchased, which are stated at amortized cost. Money market investments are short-term, highly liquid debt instruments including commercial paper, bankers' acceptances, and U.S. Treasury and agency obligations.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, sidewalks, drainage systems, lighting systems, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide and enterprise fund financial statements. These assets are stated at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets, the measurement of which is discussed below). The City conducted an infrastructure valuation in conjunction with the implementation of GASB No. 34 during the fiscal year ended June 30, 2002. Current replacement costs were calculated for infrastructure assets and discounted back to the original construction dates and the corresponding accumulated depreciation was calculated. Donated capital assets are stated at their estimated acquisition value on the date received. The capitalization threshold is \$20,000, except for vehicles, equipment and streetlights which is \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of assets are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide and enterprise fund financial statements on a straight-line basis over the useful life of the assets as follows:

	<u>Assets</u>	<u>Years</u>
Computer		3
Furniture		10
Machinery and equipment		3 to 20
Vehicles		8
Water service meters and hydrants		10 to 50
Water transmission and distribution mains		10 to 50
Infrastructure		20 to 75

Leases

Lessee

The City is a lessee for a noncancellable lease of equipment. The City recognizes a lease liability and a right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Leases (Continued)

Lessee (Continued)

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long- term debt on the statement of net position.

Lessor

The City is a lessor for noncancellable leases of land and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the governmental activities of the statement of net position and in the governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Leases (Continued)

Lessor (Continued)

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Land and Buildings Held for Resale

Land and related buildings acquired by the former Community Development Commission (former Commission) and held for resale are accounted for as an investment and are recorded at the lower of cost or estimated realizable value, as determined upon the execution of a disposition and development agreement. Upon the dissolution of the former Commission, land and buildings held for resale were transferred to respective Low and Moderate Income Housing Assets Fund and Successor Agency Private-Purpose Trust Fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet reports 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 category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Note 11 and 12.

In addition to liabilities, the statement of net position and balance sheet reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The City's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Note 11 and 12. The statement of net position and the governmental funds balance sheet report a deferred inflow of resources related to leases.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Unearned Revenue

Unearned revenues are reported in connection with resources that have been received but not yet earned.

Compensated Absences

The cost of earned but unused vacation and sick leave, for which the City has a future obligation to pay, is recognized in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have become due and payable as a result of employee resignations or retirements. For sick leave, Fire Safety personnel will receive 25% of the employee's current hourly pay upon normal service retirement, if the member reaches 90% service credit with CalPERS.

Pension Plans

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 (including refunds of employee contributions) 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.

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 City's OPEB Plan, the assets of which are held by California Employers' Retiree Benefit Trust (CERBT), and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

- Net investment in capital assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- Restricted - This category represents restricted assets reduced by liabilities related to those assets. Restrictions can be imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- Unrestricted - This category represents net position of the City, not restricted for any project or other purpose.

Use of Restricted Resources

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2022, fund balances for government funds are made up of the following:

- 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: inventory, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance - includes amounts that can be spent only for the specific purposes stipulated by external resource 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 resolution of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City adopting a resolution.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Fund Balances (Continued)

- Assigned Fund Balance - comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to which the City Council has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned Fund Balance - is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other four fund balance categories.

In circumstances when expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) fund balances are available, the City's policy is to first apply restricted fund balance. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to first apply committed fund balance. It is at the discretion of the Council's designee to then apply the remaining expenditures to assigned or unassigned fund balance.

The City Council delegates to the City Manager and Director of Finance and Administrative Services the authority to assign unrestricted fund balance amounts where the City's intent is for those amounts to be used for specific purposes. This delegation of authority is for the sole purpose of reporting these amounts in the annual financial statements.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Endowments

The City has been the recipient of endowments that are recorded in Permanent Funds. The endowments are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs or specific restrictions that were placed on the endowment when the donation to the City was made.

Stewardship, Compliance and Accountability

Deficit Fund Balance

At June 30, 2022 the Capital Improvement fund had a deficit fund balance of \$89,894 and the Fire Grants fund had a deficit fund balance of \$79,999. These funds are on a cost reimbursement basis. The deficit resulted from timing differences between when expenditures are incurred and the recognition of grant revenue. These funds will be replenished with reimbursements from grantor.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Stewardship, Compliance and Accountability (Continued)

Expenditures in Excess of Appropriations

The following funds reported expenditures in excess of the adopted budget:

- Community Development Block Grant (\$9,206)

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, are classified in the accompanying financial follows:

Statement of Net Position:

Pooled Cash and Investments	\$ 127,608,898
Cash and Investments with Fiscal Agent	14,394,042
Fiduciary Funds:	
Pooled Cash and Investments	886,042
Cash and Investments with Fiscal Agent	12,049,629
Total	<u>\$ 154,938,611</u>

Cash and investments were comprised of the following as of June 30, 2022:

Cash on Hand	\$ 57,627
Deposits with Financial Institutions	3,858,686
California Employers' Pension Prefunding Trust*	13,837,744
Investments	137,184,554
Total	<u>\$ 154,938,611</u>

* Disclosures related to investments in CalPERS' California Employers' Pension Prefunding Trust related to interest rate risk and fair value are available online.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy

The City's Statement of Investment Policy (investment policy), is adopted by the City Council. The investment policy is more conservative and restrictive than the investment vehicles authorized by Section 53601 of the California Government Code. The City's investment policy does not allow investments in stocks, inverse floaters, range notes, mortgage-derived, interest-only strips, or any security that could result in zero interest accrual if held to maturity. Investment vehicles not specifically mentioned in the City's investment policy are not authorized unless the policy is amended by the City Council or are approved as part of the provisions of the bond indentures. Investments are limited to:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio*</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Municipal Obligations	5 years	30%	5%
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	10%
Medium-Term Notes	5 years	30%	5%
Time Certificates of Deposit	3 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Supranationals	5 years	30%	None
Asset-Backed Securities	5 years	20%	5%
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
Los Angeles County Pooled Fund	N/A	None	None
Local Government Investment Pools (LGIPs)	N/A	None	None

*Excluding amounts held by bond trustee that are subject to California Code restrictions

Investments Authorized by Debt Agreements

Investments of debt proceeds held by 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. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Bankers' Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Money Market Mutual Funds	N/A	None	None
Investment Contracts	30 years	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

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

Information about the sensitivity of the fair values of the City investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table:

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>					<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 36 Months</u>	<u>37 to 48 Months</u>	<u>48 to 60 Months</u>	
U.S. Treasury Obligations	\$ -	\$ 3,785,455	\$ 4,505,021	\$ 4,776,703	\$ 2,861,621	\$ 15,928,800
U.S. Agency Securities:						
Federal Home Loan						
Mortgage Corporation (FHLMC)	-	883,207	-	634,711	-	1,517,918
Federal National Mortgage						
Association (FNMA)	-	-	270,618	730,693	-	1,001,311
Federal Home Loan Bank (FHLB)	-	306,517	-	-	-	306,517
Municipal Obligations	70,000	121,770	381,828	239,012	-	812,610
Medium-Term Notes	730,217	2,270,428	3,132,680	932,882	1,213,382	8,279,589
Negotiable Certificates of Deposit (CD)	250,035	-	-	-	-	250,035
Supranationals	-	192,593	311,975	-	-	504,568
Federal Agency Collateralized						
Mortgage Obligation	593,765	3,498	306,794	-	-	904,057
Asset-Backed Securities	-	421,912	278,371	845,447	1,274,875	2,820,605
Money Market Funds	323,941	-	-	-	-	323,941
Local Agency Investment Fund (LAIF)	91,928,674	-	-	-	-	91,928,674
Held by Bond Trustee:						
Money Market Funds	12,605,929	-	-	-	-	12,605,929
Total	\$ 106,502,561	\$ 7,985,380	\$ 9,187,287	\$ 8,159,448	\$ 5,349,878	\$ 137,184,554

Credit Risk

The City's investment policy limits investments to a rating of "A-1" or higher for California state and local agency obligations, banker acceptances, and commercial paper that is (i) organized within the United States as a special purpose corporation, trust, or limited liability company and (ii) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit. The City's investment policy limits investments to a rating of "A-1" or higher for other state obligations, medium-term notes, asset backed securities and commercial paper that is (i) organized and operating in the United States as a general corporation and (ii) has total assets in excess of five hundred million dollars (\$500,000,000). The City's investment policy limits investments to a rating of "AA" or higher for supranational. As of June 30, 2022, the City's investments in external investment pools and money market mutual funds are unrated.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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. The City's investments are rated by the following nationally recognized statistical rating organization as follows:

<u>Investment Type</u>	<u>Total as of June 30, 2022</u>	<u>Minimum Legal Rating</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>BBB</u>	<u>Not Rated</u>
U.S. Treasury Obligations	\$ 15,928,800	N/A	\$ -	\$ 15,928,800	\$ -	\$ -	\$ -
U.S. Agency Securities:							
FHLMC	1,517,918	N/A	-	1,517,918	-	-	-
FNMA	1,001,311	N/A	-	1,001,311	-	-	-
FHLB	306,517	N/A	-	306,517	-	-	-
Municipal Obligations	812,610	A	-	620,840	-	-	191,770
Medium-Term Notes	8,279,589	A	-	1,578,183	5,834,032	867,374	-
Negotiable CD	250,035	A	-	-	250,035	-	-
Supranationals	504,568	AA	504,568	-	-	-	-
Federal Agency Collateralized							
Mortgage Obligation	904,057	AA	-	904,057	-	-	-
Asset-Backed Securities	2,820,605	AA	2,438,249	-	-	-	382,356
Money Market Funds	323,941	N/A	323,941	-	-	-	-
LAIF	91,928,674	N/A	-	-	-	-	91,928,674
Held by Bond Trustee:							
Money Market Funds	12,605,929	AAA	12,605,929	-	-	-	-
Total	\$ 137,184,554		\$ 15,872,687	\$ 21,857,626	\$ 6,084,067	\$ 867,374	\$ 92,502,800

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. There are no investments held that represent 5% or more in any one issuer other than external investment pools and money market funds at June 30, 2022.

Custodial Credit Risk

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

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

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

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs); Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2022:

<u>Investment Type</u>	<u>Totals</u>	<u>Level</u>	
		<u>1</u>	<u>2</u>
U.S. Treasury Obligations	\$ 15,928,800	\$ 15,928,800	\$ -
U.S. Agency Securities:			
FHLMC	1,517,918	-	1,517,918
FNMA	1,001,311	-	1,001,311
FHLB	306,517	-	306,517
Municipal Obligations	812,610	-	812,610
Medium-Term Notes	8,279,589	-	8,279,589
Negotiable Certificates of Deposit	250,035	-	250,035
Supranationals	504,568	-	504,568
Federal Agency Collateralized			
Mortgage Obligation	904,057	-	904,057
Asset-Backed Securities	2,820,605	-	2,820,605
Totals	32,326,010	<u>\$ 15,928,800</u>	<u>\$ 16,397,210</u>
Not Subject to Fair Value Measurement			
Hierarchy:			
Money Market Funds	323,941		
Local Agency Investment Fund (LAIF)	91,928,674		
Held by Bond Trustee:			
Money Market Funds	12,605,929		
Total Investments	<u>\$ 137,184,554</u>		

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 LEASES RECEIVABLE

On March 1, 2003, the City (Landlord) and SFSHP Investors I, LLC and SFSHP Investors II, LLC (collectively, Tenant) entered into an Amended, Restated and Consolidated Ground Lease for 23 buildings as described in the lease agreement. The ground lease has an amended term of 64 years expiring on December 31, 2067. The annual rent as of July 1, 2021, was \$824,000, and is paid in equal monthly installments. The annual rent increases based on defined increases in the Consumer Price Index every five years starting January 1, 2005, with a maximum increase of 35%.

In addition to the ground lease noted above, the City, acting as lessor, leases other land and buildings under long-term noncancelable lease agreements. The leases expire at various dates and provide for renewal options ranging up to 25 years. As of July 1, 2021, the City restated the financial statements to include \$19,393,469 in leases receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2022, the City recognized \$437,806 and \$736,400 in lease revenue and interest revenue, respectively, pursuant to all of its lease agreements.

Total Future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 436,464	\$ 738,961
2024	419,417	729,263
2025	231,708	720,259
2026	212,747	711,844
2027	220,052	703,301
2028-2032	1,137,036	3,379,924
2033-2037	1,276,293	3,142,224
2038-2042	1,608,982	2,857,081
2043-2047	1,898,239	2,499,716
2048-2052	2,007,814	2,112,185
2053-2057	2,451,534	1,668,465
2058-2062	2,993,314	1,126,685
2063-2067	3,654,827	465,172
2068-2072	407,236	4,764
Total	<u>\$ 18,955,663</u>	<u>\$ 20,859,844</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 LOANS AND NOTES RECEIVABLE

The loans and notes receivable balance consist of the following:

Fund	<u>Balance</u>
Governmental Funds	
General Fund	\$ 302,727
Low and Moderate Income Housing Assets Special Revenue Fund	1,435,308
Successor Agency Bond Funded Capital Projects Fund	110,147
Nonmajor Governmental Funds	<u>19,250</u>
Total Funds	<u>\$ 1,867,432</u>

The General Fund has loans and notes receivable in the amount of \$20,329 representing monies advanced to City employees for home computer purchases. These loans are required to be repaid within two years and bear no interest. Notes receivable in the amount of \$282,398 relate to monies advanced to Community Facilities District 2002-1 for infrastructure improvements. This loan bears an interest rate of 5.75% per annum.

The Low and Moderate Income Housing Assets Special Revenue Fund has 10 notes outstanding related to housing for qualified buyers. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home if such a transaction occurs within 45 years. A portion of the loan balance is forgiven each year beginning five years after issuance and is completely forgiven after 45 years. An allowance for the full amount of the loans has been recorded as the expectation is for the homeowners to keep the properties for the entire term of the agreement. The balance outstanding at June 30, 2022 is \$822,510 with a net carrying value of zero. The loans do not accrue interest. Lastly, the Low and Moderate Income Housing Assets Special Revenue Fund has notes outstanding to Santa Fe Springs Housing Partners in the amount of \$1,435,308 at June 30, 2022. The loan agreement calls for annual payments based on a calculation of residual receipts. The residual receipts are calculated based on the project revenues less approved expenses. The residual receipts payment is applied first to interest and then to principal. The outstanding principal accrues interest at a rate of 3%.

The Successor Agency Bond Funded Capital Projects Fund has a note receivable in the amount of \$110,147 related to monies advanced by the former Commission to Community Facilities District 2004-1 for infrastructure improvements. This loan bears interest at a rate of 5.75% per annum.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 LOANS AND NOTES RECEIVABLE (CONTINUED)

The Nonmajor Governmental Funds have two notes receivable outstanding from homeowners through the CDBG housing program. The loans have zero interest and do not require repayment. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2022, is \$19,250.

NOTE 5 DUE FROM OTHER GOVERNMENTS

Due from other governments primarily consists of grants due from the Federal government, the State of California and the County of Los Angeles.

NOTE 6 INTERFUND ACTIVITY

The following is a summary of interfund transfers for the fiscal year ended June 30, 2022:

	Transfers Out:				Total
	General Fund	Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
<u>Transfers In:</u>					
General Fund	\$ -	\$ -	\$ 1,520,399	\$ 1,153,809	\$ 2,674,208
Capital Improvement	-	107,285	83,079	-	190,364
Prefunded Capital Projects Fund	11,800,000	-	23,726	-	11,823,726
Total	<u>\$ 11,800,000</u>	<u>\$ 107,285</u>	<u>\$ 1,627,204</u>	<u>\$ 1,153,809</u>	<u>\$ 14,688,298</u>

The General Fund transferred \$11,800,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects.

The Water Fund transferred \$1,000,000 into the General Fund in connection with the lease agreement between the City and the City's Water Utility Authority and \$153,809 for NPDES street purposes and other computer replacements.

Prefunded Capital Projects Fund transferred \$107,285 into Capital Improvement Fund for cost related to a capital project.

Nonmajor Governmental Funds transferred \$1,520,399 into the General Fund for various purposes including eligible expenditures incurred related to public safety, Gas Tax, Metro Grants, Art in Public Places activities, \$83,079 into Capital Improvement and \$23,726 into the Prefunded Capital Projects Fund for costs incurred related to capital projects.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 INTERFUND ACTIVITY (CONTINUED)

Due to/from other funds at June 30, 2022, were as follows:

Due from	Due to			Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
General Fund	\$ -	1,618,891	185,756	\$ 1,804,647
Nonmajor Governmental Funds	1,901	-	-	1,901
Total	<u>\$ 1,901</u>	<u>\$ 1,618,891</u>	<u>\$ 185,756</u>	<u>\$ 1,806,548</u>

The due to/from other funds balances resulted from reimbursable expenditures occurring while the revenues with which to reimburse those expenditures had not yet been received. All balances are expected to be reimbursed within the subsequent year.

Advances from other funds and advances to other funds at June 30, 2022, consist of loans as follows:

Advances to	Advances from
	Low and Moderate Income Housing Assets Fund
General Fund	<u>\$ 1,437,861</u>

An advance payable/receivable was set up between the General Fund and the Low and Moderate Income Housing Assets Fund (Housing Fund) to account for costs originally charged to the Housing Fund but later determined to belong to the General Fund. The advance does not bear interest. Currently, there is no date set for the repayment of the advance.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2022:

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Governmental Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land	\$ 56,295,501	\$ -	\$ -	\$ 56,295,501
Construction in Process	5,231,072	4,730,649	5,231,073	4,730,648
Total Capital Assets not Being Depreciated/Amortized	61,526,573	4,730,649	5,231,073	61,026,149
Capital Assets, Being Depreciated/Amortized:				
Buildings	34,208,518	-	-	34,208,518
Improvements	26,622,980	4,890,978	-	31,513,958
Equipment	16,772,878	575,102	719,659	16,628,321
Infrastructure	162,640,314	-	-	162,640,314
Right-to-Use Leased Equipment	-	454,612	-	454,612
Total Capital Assets, Being Depreciated/Amortized	240,244,690	5,920,692	719,659	245,445,723
Less Accumulated Depreciation/Amortization:				
Buildings	15,007,492	649,758	-	15,657,250
Improvements	19,934,113	891,570	-	20,825,683
Equipment	11,896,244	1,065,744	719,659	12,242,329
Infrastructure	87,215,368	4,559,076	-	91,774,444
Right-to-Use Leased Equipment	-	47,355	-	47,355
Total Accumulated Depreciation/Amortization	134,053,217	7,213,503	719,659	140,547,061
Total Capital Assets, Being Depreciated/Amortized, Net	106,191,473	(1,292,811)	-	104,898,662
Government Activities Capital Assets, Net	<u>\$ 167,718,046</u>	<u>\$ 3,437,838</u>	<u>\$ 5,231,073</u>	<u>\$ 165,924,811</u>

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2021	Additions	Deletions	Balance June 30, 2022
Business-Type Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land and Water Rights	\$ 3,384,974	\$ -	\$ -	\$ 3,384,974
Construction in Process	4,990,305	5,287	-	4,995,592
Total Capital Assets not Being Depreciated/Amortized	8,375,279	5,287	-	8,380,566
Capital Assets, Being Depreciated/Amortized:				
Source of Supply Plant	4,622,244	-	-	4,622,244
Transmission and Distribution Plant	37,585,159	-	-	37,585,159
Pumping and Treatment Plant	111,016	-	-	111,016
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	-	18,942	-	18,942
Total Capital Assets, Being Depreciated/Amortized	43,414,554	18,942	-	43,433,496
Less Accumulated Depreciation/Amortization:				
Source of Supply Plant	2,556,273	87,837	-	2,644,110
Transmission and Distribution Plant	21,715,288	556,098	-	22,271,386
Pumping and Treatment Plant	105,641	2,492	-	108,133
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	-	1,894	-	1,894
Total Accumulated Depreciation/Amortization	25,473,337	648,321	-	26,121,658
Total Capital Assets, Being Depreciated/Amortized, Net	17,941,217	(629,379)	-	17,311,838
Water Utility Capital Assets, Net	\$ 26,316,496	\$ (624,092)	\$ -	\$ 25,692,404

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

	Governmental Activities	Business-Type Activities
General Government	\$ 384,655	\$ -
Public Safety	969,394	-
Community Development	67,671	-
Transportation	4,843,114	-
Culture and Leisure	700,772	-
Human Services	247,897	-
Water Utility		648,321
Total Governmental Activities	\$ 7,213,503	\$ 648,321

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES

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

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities:					
Direct Borrowing - Notes Payable:					
Fire Equipment	\$ 3,306,000	\$ -	\$ 448,199	\$ 2,857,801	\$ 455,998
Fire Air and Light Vehicle	263,491	-	85,430	178,061	87,808
Motorola Radios 2018	198,886	-	97,497	101,389	101,391
Lease Payable	-	454,612	43,889	410,723	88,808
Total	<u>\$ 3,768,377</u>	<u>\$ 454,612</u>	<u>\$ 675,015</u>	<u>\$ 3,547,974</u>	<u>\$ 734,005</u>
Business-Type Activities:					
Water Revenue Bonds Payable:					
2013 Series A	\$ 6,890,000	\$ -	\$ -	\$ 6,890,000	\$ -
2018 Subordinate Bonds	1,025,000	-	205,000	820,000	210,000
Issuance Discount/Premiums	(125,304)	-	5,967	(119,337)	-
Lease Payable	-	18,942	1,829	17,113	3,700
Total	<u>\$ 7,789,696</u>	<u>\$ 18,942</u>	<u>\$ 212,796</u>	<u>\$ 7,607,776</u>	<u>\$ 213,700</u>

The total annual debt service requirements to maturity on bonds and loans are as follows:

Governmental Activities		
	Notes Payable	
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 645,197	\$ 58,732
2024	554,185	44,304
2025	472,005	33,719
2026	480,218	25,506
2027	488,573	17,150
2028	497,073	8,649
Total	<u>\$ 3,137,251</u>	<u>\$ 188,060</u>
Business-Type Activities		
	Revenue Bonds	
<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 210,000	\$ 276,036
2024	215,000	271,017
2025	220,000	265,878
2026	240,000	260,620
2026	300,000	254,488
2028-2032	1,655,000	1,118,688
2033-2037	1,970,000	801,563
2038-2042	2,370,000	396,300
2043-2045	530,000	21,200
Total	<u>\$ 7,710,000</u>	<u>\$ 3,665,790</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Fire Equipment Note Payable

In November 2020, the City entered into a financed purchase agreement for \$3,306,000 with Bank of America to purchase a fire engine and fire equipment. Payments are due annually in the amount of \$505,724 on November 17 each year at an annual interest rate of 1.74% with the lease expiring on November 17, 2027. The current balance outstanding for this note payable is \$2,857,801.

Fire Air & Light Vehicle Note Payable

In September 2017, the City entered into a financed purchase agreement for \$598,911 with Community First National Bank to purchase an Air & Light Vehicle for the Fire department. Payments are due annually in the amount of \$92,765 on September 1, each year at an annual interest rate of 2.73%; with the lease expiring on September 1, 2023. The current balance outstanding for this note payable is \$178,061.

Motorola Radios Note Payable

In November 2018, the City entered into a financed purchase agreement for \$488,231 with Community First National Bank to purchase Motorola radios for the Police department. Payments are due annually in the amount of \$105,440 on November 20, each year at an annual interest rate of 3.92%; with the lease expiring on November 20, 2022. The current balance outstanding for this note payable is \$101,389.

Lease Payable

The City leases equipment under a noncancelable lease agreement. A portion of this lease is allocated to the Water Fund. The lease expires in 2027 and does not have a renewal option. Total future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2023	\$ 88,808	\$ 5,752	\$ 3,700	\$ 240
2024	90,198	4,362	3,758	182
2025	91,609	2,950	3,817	123
2026	93,043	1,517	3,877	63
2027	47,065	213	1,961	9
Total	<u>\$ 410,723</u>	<u>\$ 14,794</u>	<u>\$ 17,113</u>	<u>\$ 617</u>

Business-Type Activities

Water Refunding Revenue Bonds, 2013

In May 2013, in order to take advantage of a low interest rate market and to capture economic savings, the City "currently refunded" the 2003 Water Revenue Bond Series A. The 2013 Revenue Bonds were issued to (1) provide funds for the refunding of the PFA's 2003 Water Revenue Bond Series A; (2) finance improvements to the water utility enterprise; (3) fund a deposit to a debt service reserve fund for the 2013 bonds; and (4) pay the costs of issuance associated with the issuance and sale of the 2013 Revenue Bonds.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Water Refunding Revenue Bonds, 2013 (Continued)

The 2013 Revenue Bonds are due from 2026 through 2043 in annual principal installments of \$65,000 to \$530,000. Interest rates range from 3% to 4% and interest is payable semiannually on November 1 and May 1. The total outstanding principal as of June 30, 2022, is \$6,890,000.

The 2013 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$4,320,997 against debt service payments of \$256,438.

If any event of default shall occur, then the Trustee may, and at the written direction of the owners of a majority in aggregate principal amount of the 2013 Revenue Bonds then outstanding, shall declare the principal of the 2013 Revenue Bonds, together with the accrued interest thereon, to be due and payable immediately.

Water Refunding Revenue Bonds, 2018

In January 2018, in order to take advantage of a low interest rate market and to capture economic savings, the City "currently refunded" the 2005 Water Revenue Bond Series A. The 2018 Revenue Bonds were issued to (1) provide funds for the refunding of the PFA's 2005 Water Revenue Bond Series A; (2) finance improvements to the water utility enterprise; and (3) pay the costs of issuance associated with the issuance and sale of the 2018 Revenue Bonds.

The 2018 Revenue Bonds are due from 2018 through 2026 in annual principal installments of \$175,000 to \$220,000. The interest rate is 2.39% and interest is payable semiannually on May 1 and November 1. The total outstanding principal as of June 30, 2022, is \$820,000.

The 2018 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities on a subordinate basis to the 2013 Revenue Bonds. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$4,320,997 against debt service payments of \$229,498.

If any event of default shall occur, then the Trustee may, and at the written direction of the owners of a majority in aggregate principal amount of the 2018 Revenue Bonds then outstanding, shall declare the principal of the 2018 Revenue Bonds, together with the accrued interest thereon, to be due and payable immediately.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 COMPENSATED ABSENCES

Compensated absences consist of amounts due to employees for earned but unused vacation and sick leave balances. Compensated absences are primarily liquidated from the General Fund.

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Governmental Activities	\$ 2,555,206	\$ 223,795	\$ 879,148	\$ 1,899,853	\$ 440,000
Business-Type Activities	348,438	30,449	119,884	259,003	60,000
Total Compensated Absences	<u>\$ 2,903,644</u>	<u>\$ 254,244</u>	<u>\$ 999,032</u>	<u>\$ 2,158,856</u>	<u>\$ 500,000</u>

NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Santa Fe Springs 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 California JPIA began 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 the 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.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM
(CONTINUED)**

Primary Self-Insurance Programs of the Authority (Continued)

Primary Liability Program (Continued)

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a \$50 million per occurrence limit. The coverage structure 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/>.

Primary 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 2021-22 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.

Purchased Insurance

Pollution Legal Liability Insurance

The City of Santa Fe Springs 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 of Santa Fe Springs. 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 of Santa Fe Springs City of Santa Fe Springs participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Santa Fe Springs property is currently insured according to a schedule of covered property submitted by the City of Santa Fe Springs to the Authority. City of Santa Fe Springs property currently has all-risk property insurance protection in the amount of \$120,456,866. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM
(CONTINUED)**

Purchased Insurance (Continued)

Earthquake and Flood Insurance

The City of Santa Fe Springs purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Santa Fe Springs property currently has earthquake protection in the amount of \$55,644,900. There is a deductible of 5% per unit of value with a minimum deductible of \$100,000.

Crime Insurance

The City of Santa Fe Springs purchases crime insurance coverage in the amount of \$5,000,000 with a \$2,500 deductible. The fidelity coverage is provided through 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 2021-22.

NOTE 11 PENSION PLAN OBLIGATIONS

a. General Information About the Pension Plan

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer defined benefit pension plan for the miscellaneous employees and a cost-sharing multiple-employer public employee defined benefit pension plan for the public safety employees that acts as a common investment and administrative agent for participating public entities within the state of California. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. All full-time employees are eligible to participate in PERS. Part-time employees are not eligible to participate in PERS retirement system but participate in a defined contribution plan. Benefit provisions for the Plans are established by State Statute's and City resolution. Copies of PERS' annual financial report may be obtained from its executive office: 400 P Street, Sacramento, California 95814.

Benefits Provided

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

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan provisions and benefits for the fiscal year ended June 30, 2022, are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2*	PEPRA
	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Hire Date			
Benefit Formula	2.7%@55	2.0%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	52
Monthly Benefits, as a % of Eligible Compensation	2.000% - 2.700%, 50 yrs - 55+ yrs,	1.426% - 2.418%, 50 yrs - 63+ yrs,	1.000% - 2.500%, 52 yrs - 67+ yrs,
Required Employee Contribution Rates	8.00%	7.00%	6.50%
Required Employer Contribution Rates	11.350%	11.350%	6.450%

	Safety Cost-Sharing Rate Plans		
	Tier 1*	Tier 2*	PEPRA
	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Hire Date			
Benefit Formula	3.0%@50	3.0%@55	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	50
Monthly Benefits, as a % of Eligible Compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs,	2.000% - 2.700%, 50 yrs - 57+ yrs,
Required Employee Contribution Rates	9.000%	9.000%	13.750%
Required Employer Contribution Rates	25.590%	22.470%	13.980%

*Plan is closed to new entrants. The PEPRA plan was enacted for new members hired after January 1, 2013.

Employees Covered

For the measurement period ended June 30, 2021, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active Members	116
Transferred Members	36
Terminated Members	29
Retired Members and Beneficiaries	222
Total	403

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions. The liability for governmental activities is primarily liquidated from the general fund and the liability for business-type activities is liquidated from the water enterprise fund.

Employer contributions for the miscellaneous and safety plans for fiscal year ended June 30, 2022, was \$7,068,663 and \$5,345,973, respectively.

b. Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the subsequent page.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

Varies by entry age and service.

(1) Varies by entry age and service.

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

(3) The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

Long-Term Expected Rate of Return

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

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

In determining the long term expected rate of return, CalPERS took into account both short term and long term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long-term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00 %	2.62 %
Inflation Assets	-	0.77 %	1.81 %
Private Equity	8.00	6.30 %	7.23 %
Real Assets	13.00	3.75 %	4.93 %
Liquidity	1.00	- %	(0.92)%
Total	100.00 %		

- (a) In the CalPERS Annual Report, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (b) An expected inflation of 2.00% used for this period
- (c) An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Subsequent Events

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous Plan.

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	<u>\$ 184,565,461</u>	<u>\$ 106,311,037</u>	<u>\$ 78,254,424</u>
Changes in the Year:			
Service Cost	1,766,312	-	1,766,312
Interest on the Total Pension Liability	13,033,238	-	13,033,238
Differences Between Actual and Expected Experience	2,313,861	-	2,313,861
Contribution - Employer	-	6,557,278	(6,557,278)
Contribution - Employee	-	911,222	(911,222)
Net Investment Income	-	24,174,117	(24,174,117)
Administrative Expenses		(106,198)	106,198
Benefit Payments, Including Refunds of Employee Contributions	(10,958,843)	(10,958,843)	-
Net Changes	<u>6,154,568</u>	<u>20,577,576</u>	<u>(14,423,008)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 190,720,029</u>	<u>\$ 126,888,613</u>	<u>\$ 63,831,416</u>

As of June 30, 2022, the City Safety Plan reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Safety Plan	<u>\$ 38,184,110</u>

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

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability (Continued)

The City's proportionate share of the net pension liability for the Safety Plan as of measurement period ended June 30, 2020 and 2021, was as follows:

<u>Safety Cost-Sharing Plan</u>	
Safety Cost-Sharing Plan	
Proportion - June 30, 2020	0.82961%
Proportion - June 30, 2021	1.08803%
Change - Increase (Decrease)	<u>0.25842%</u>

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

The following presents the net pension liability of the Plan's as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan	\$ 86,377,418	\$ 63,831,416	\$ 44,959,620
Safety Plan	62,191,332	38,184,110	18,465,142
Total Net Pension Liability	<u>\$ 148,568,750</u>	<u>\$ 102,015,526</u>	<u>\$ 63,424,762</u>

Pension Plan Fiduciary Net Position

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Annual Comprehensive Financial Report closing and final reconciled reserves. Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. See CalPERS website for additional information.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

d. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2022, the City recognized pension expense of \$3,885,421 and \$10,545,133 for the Miscellaneous and Safety Plan, respectively. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,068,663	\$ -
Differences Between Expected and Actual Experience	1,510,483	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(12,169,042)
Total	<u>\$ 8,579,146</u>	<u>\$ (12,169,042)</u>
	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,345,973	\$ -
Difference Between Expected and Actual Experiences	6,523,722	-
Change in Assumptions	-	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(22,726,886)
Change in Employer's Proportion	455,893	(125,642)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(3,131,576)
Total	<u>12,325,588</u>	<u>(25,984,104)</u>
Total All Plans	<u>\$ 20,904,734</u>	<u>\$ (38,153,146)</u>

\$7,068,663 and \$5,345,973 reported in the Miscellaneous and Safety Plans, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2023.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

d. Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions
(Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2023	\$ (2,205,609)	\$ (3,559,371)	\$ (5,764,980)
2024	(2,208,626)	(4,102,020)	(6,310,646)
2025	(2,903,885)	(5,088,976)	(7,992,861)
2026	(3,340,438)	(6,254,122)	(9,594,560)
2027	-	-	-
Thereafter	-	-	-
Total	<u>\$ (10,658,558)</u>	<u>\$ (19,004,489)</u>	<u>\$ (29,663,047)</u>

e. Payable to the Pension Plans

At June 30, 2022, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2022.

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS

The City provides an agent multiple-employer OPEB plan to retirees through the California Employers' Retiree Benefit Trust (CERBT). Information on the plan is available from CalPERS on their website www.calpers.ca.gov.

a. Plan Description

The City contributes to the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer public employee defined postemployment benefit plan. The City provides retiree medical benefits under the PERS health plan, which provides medical insurance benefits to eligible retirees and their beneficiaries in accordance with various labor agreements. Copies of the PERS' annual financial report may be obtained from the PERS Executive Office, 400 P Street, Sacramento, California 95814.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

b. Eligibility and Employees Covered

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) with five years or service and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. At measurement date ended June 30, 2021, the benefit terms covered the following employees:

	Management	Miscellaneous	Fire	Total
Retirees and Beneficiaries				
Receiving Benefits	50	103	85	238
Retirees and Beneficiaries Entitled to but not yet Receiving Benefits	-	9	2	11
Active Plan Members	34	79	51	164
Total	<u>84</u>	<u>191</u>	<u>138</u>	<u>413</u>

These amounts do not reflect current retirees not enrolled in the PERS health plan that are eligible to enroll in the plan at a later date.

c. Contributions

The City currently contributes the full Actuarially Determined Contribution (ADC) to the CERBT OPEB trust, in addition to paying benefit payments outside the trust. For the fiscal year ended June 30, 2022, the City's contributed \$609,000 to the CERBT, paid \$2,849,828 for current premiums, paid \$7,261 of nontrust admin expenses, and the estimated implied subsidy was \$717,000, resulting in total contributions of \$4,183,089.

d. Investments

The CERBT was established for public agencies to pre-fund other postemployment benefit obligations. Employers may choose amount three different investment strategies. The City of Santa Fe Springs has selected Strategy 1. Compared with CERBT Strategy 2 and Strategy 3, this portfolio consists of a higher percentage of equities than bonds and other assets. The following was the investment committee approved asset allocation targets as of October 1, 2018:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	59.0 %	4.56 %
U.S. Fixed Income	25.0	0.78
TIPS	5.0	(0.08)
Commodities	3.0	1.22
REITs	8.0	4.06
Total	<u>100.0 %</u>	

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

e. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Contribution Policy	City contributes full ADC
Discount Rate	6.25%
Inflation	2.50%
Salary Increases	Aggregate - 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Healthcare Cost Trend Rates	For 2023, 6.50% for Non-Medicare, 5.65% for Medicare (Non-Kaiser), and 4.60% for Medicare (Kaiser); all decreasing to an ultimate rate of 3.75% in 2076
Mortality Rate	Mortality Rate projected fully generational with Scale MP-2021
Mortality, Retirement, Disability, Terminations	CalPERS 2000-2019 Experience Study

The actuarial assumptions used in the June 30, 2021, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

f. Discount Rate

The discount rate used to measure the total OPEB liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

g. Changes in the Net OPEB

The changes in the Net OPEB Liability for the Plan are as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c)=(a)-(b)
Balance at June 30, 2020 (Measurement Date)	\$ 61,376,067	\$ 21,985,562	\$ 39,390,505
Changes Recognized for the Measurement Period:			
Service Cost	978,905	-	978,905
Interest on Total OPEB Liability	4,094,287	-	4,094,287
Changes of Assumptions	572,595	-	572,595
Difference Between Actual vs. Expected Experience	(4,911,693)	-	(4,911,693)
Contributions-Employer	-	5,011,731	(5,011,731)
Net Investment Income	-	6,178,247	(6,178,247)
Benefit Payments, Including Refunds of Employee Contributions	(3,397,735)	(3,397,735)	-
Administrative Expense	-	(15,517)	15,517
Net Changes	<u>(2,663,641)</u>	<u>7,776,726</u>	<u>(10,440,367)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 58,712,426</u>	<u>\$ 29,762,288</u>	<u>\$ 28,950,138</u>

(1) Contributions-employer amount includes implicit subsidy associated with benefits paid

h. Change in Assumptions

Change in assumptions included the following: discount rate was updated based on newer capital market assumptions; Medicare Advantage plan implied subsidy excluded; updated to CalPERS 2000-2019 Experience Study; decreased inflation, which reduced discount rate, medical trend, and salary increases; decreased medical trend frate for Kaiser Senior Advantage; and mortality improvement scale was updated to Scale MP-2021.

i. Subsequent Events

CalPERS approved new CERBT asset allocations in March 2022. This is not expected to impact the expected long-term rate of return assumption for CERBT Strategy 1. Effective January 1, 2022, the Miscellaneous cap is set equal to the Kaiser Family non-Medicare premiums, and the Fire cap is set equal to the PORACmul Family non-Medicare premium (CalPERS Region 3). The expected impact is an increase to the total OPEB liability of about \$4 million.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

j. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	Discount Rate -1% 5.25%	Current Discount 6.25%	Discount Rate + 1% 7.25%
Net OPEB Liability (Asset)	\$ 36,479,705	\$ 28,950,138	\$ 22,737,713

k. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost 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 or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend Rate -1% 5.50% / 4.65% / 3.60%	Trend Rate 6.50% / 5.65% / 4.60%	Trend Rate + 1% 7.50% / 6.65% / 5.60%
Net OPEB Liability (Asset)	\$ 22,373,059	\$ 28,950,138	\$ 36,952,308

l. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2022, the City recognized OPEB income of \$72,648. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Contributions Made Subsequent to Measurement Date	\$ 4,183,089	\$ -
Differences Between Expected and Actual Experience	-	(6,345,832)
Changes of Assumptions	455,739	(749,754)
Net Difference Between Projected and Actual Earnings on Plan Investments	-	(3,391,084)
Total	<u>\$ 4,638,828</u>	<u>\$ (10,486,670)</u>

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

- m. Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

\$4,183,089 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of of Resources</u>
2023	\$ (3,548,570)
2024	(2,876,194)
2025	(1,878,097)
2026	(1,728,070)
2027	-
Thereafter	-
Total	<u>\$ (10,030,931)</u>

NOTE 13 DEFINED CONTRIBUTION PLAN

Employees hired by the City on a part-time, seasonal or temporary basis whose wages do not qualify for Social Security deductions or membership in a qualified pension plan are required to participate in the Part-Time, Seasonal and Temporary (PST) Employee Retirement Program. The City administers PST, an eligible 457 plan under the Internal Revenue Code. Employees' mandatory PST contributions amount to 7.5% of gross wages on a pretax basis. Employees are fully vested upon enrollment and are entitled to 100% of the account upon separation from the City. The City does not make any contributions to the PST. The PST assets are held in a trust account for the sole benefit of the employees and their beneficiaries and have been excluded from the City's reported assets accordingly.

NOTE 14 COMMITMENTS AND CONTINGENCIES

Claims

Various claims for personal injury and for property damage are pending against the City. It is the opinion of the City Attorney that any liability arising out of such claims is adequately covered under insurance agreements.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 15 CONDUIT OBLIGATION DEBT

The City issued \$2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The outstanding balance at June 30, 2022, is \$1,240,000.

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 (the Bill) that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Santa Fe Springs (City) that previously had reported a redevelopment agency within the reporting entity of the City as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. As of February 1, 2012, the City Council, by operation of law, became the Successor Agency to the Community Development Commission for the City of Santa Fe Springs (Successor Agency) in accordance with the Bill.

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

Loans and Notes Receivable

The loans and notes receivable balance in the Successor Agency Fund consist of an installment note in the amount of \$61,438 relate to an advance of former Commission monies to property owners to clean up hazardous materials on private property. This note bears an interest rate of 9.0% per annum.

Capital Assets

Additions and deletions in the Successor Agency's capital assets were as follows:

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022
Capital Assets, not Being Depreciated:				
Land	\$ 415,530	\$ -	\$ -	\$ 415,530
Total Capital Assets, Not Being Depreciated	<u>\$ 415,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,530</u>

CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Long-Term Liabilities

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

	Balance June 30, 2021	Additions	Reductions	Balance June 30, 2022	Due Within One Year
Private-Purpose Activities:					
Consolidated Redevelopment					
Project Tax Allocation Bonds:					
2006 Issue	\$ 20,626,370	\$ -	\$ 1,853,399	\$ 18,772,971	\$ 1,745,198
Accreted Interest on					
Capital Appreciation Bonds	18,843,111	-	37,122	18,805,989	-
2016 Refunding Issue	6,875,000	-	2,670,000	4,205,000	2,275,000
2017 Refunding Issue	6,645,000	-	3,285,000	3,360,000	3,360,000
Issuance Discounts/Premiums	(76,558)	-	15,312	(61,246)	-
Direct Borrowings:					
Tax Increment Loan from					
Los Angeles County	6,455,251	33,799	196,352	6,292,698	-
Total	<u>\$ 59,368,174</u>	<u>\$ 33,799</u>	<u>\$ 8,057,185</u>	<u>\$ 51,375,412</u>	<u>\$ 7,380,198</u>

<u>Year Ending June 30,</u>	<u>Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 7,830,198	\$ 96,927
2024	6,359,492	24,572
2025	4,998,770	8,381
2026	4,040,748	-
2027	2,069,997	-
2028-2030	1,038,766	-
Total	<u>26,337,971</u>	<u>\$ 129,880</u>

Cumulative Accretion Interest on Capital Appreciation Bonds	18,805,989
Total Principal, June 30, 2022	<u>\$ 45,143,960</u>

Consolidated Redevelopment Project 2006 Tax Allocation Bonds

In December 2006, the former Commission issued serial bonds (Series A) in the amount of \$27,658,493. Series A bonds are structured with a mix of current interest bonds and accreted interest on capital appreciation bonds. Serial bonds totaling \$4,710,000 are payable annually on each September 1 ranging from \$10,000 to \$2,195,000 through September 1, 2020. Interest is payable on September 1 and March 1 in each year at rates of 3.75% to 5.0% per annum. Capital appreciation bonds have serial maturities in 2020 through 2028 payable annually on September 1 each year with a value at maturity ranging from \$920,000 to \$11,805,000. The current interest bonds are optionally callable at par on September 1, 2016. The capital appreciation bonds are noncallable. The serial bonds were fully refunded in fiscal year 2016-17 with the issuance of the 2016 Subordinate Tax Allocation Refunding Bonds.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Consolidated Redevelopment Project 2006 Tax Allocation Bonds (Continued)

In December 2006, the former Commission issued serial bonds (Series B) in the amount of \$18,760,000. Series B bonds have current interest term bonds of \$5,230,000 and \$13,530,000 due September 1, 2011 and September 1, 2018, respectively. The interest rates range from 5.18% to 5.35%. The bonds are optionally callable at par on September 1, 2016. The serial bonds were fully refunded in fiscal year 2016-17 with the issuance of the 2016 Subordinate Tax Allocation Refunding Bonds.

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2022, is \$37,578,960 including \$18,805,989 of accreted interest.

2016 Subordinate Tax Allocation Refunding Bonds

In July 2016, the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the Successor Agency) issued \$25,270,000 in 2016 Subordinate Tax Allocation Refunding Bonds to redeem and defease all amounts outstanding under the following five series of bonds issued by the former Community Development Commission of the City of Santa Fe Springs:

- \$28,845,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2001 Series A.
- \$50,915,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2002 Series A.
- \$6,530,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2003 Series A (Housing Tax Revenues).
- \$4,710,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A, issued as current interest bonds.
- \$18,760,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2006 Series B.

**CITY OF SANTA FE SPRINGS
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Subordinate Tax Allocation Refunding Bonds (Continued)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$487,390, of which the outstanding amount at June 30, 2022 is \$194,956, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2025 and principal is payable on September 1 each year, commencing September 1, 2017. Total amount outstanding as of June 30, 2022, is \$4,205,000.

2017 Subordinate Tax Allocation Refunding Bonds

In December 2017, the Successor Agency to the Community Development Commission of the City of Santa Fe Springs (the Successor Agency) issued \$16,215,000 in 2017 Subordinate Tax Allocation Refunding Bonds to redeem and defease all amounts outstanding under the following series of bonds issued by the former Community Development Commission of the City of Santa Fe Springs:

- \$43,015,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds.

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$146,855, which is fully amortized as of June 30, 2022. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2018. The certificates mature in 2023 and principal is payable on September 1 each year, commencing September 1, 2018. Total amount outstanding as of June 30, 2022, is \$3,360,000.

Tax Increment Loan Payable

A loan of property tax increment was issued by the County of Los Angeles, California, to the former Washington Boulevard Redevelopment Project Debt Service Fund at a variable interest rate equivalent to the Los Angeles County Annual Treasury Pool rate as calculated annually by the County Auditor-Controller. Principal and interest payments on this loan were originally to be deferred until such time as the former Washington Boulevard Project has received a combined total of \$10,750,000 in monies from sales tax increment, and property tax increment. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the loan was transferred to the Successor Agency. The repayment schedule is not fixed and will be dependent upon the availability of RPTTF to be used for that purpose, subject to the approval of the Oversight Board, Los Angeles County Auditor-Controller, and California Department of Finance. Total amount outstanding as of June 30, 2022, is \$6,292,698.

(This page intentionally left blank)

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 61,863,490	\$ 62,863,490	\$ 75,540,244	\$ 12,676,754
Licenses and Permits	1,890,200	2,290,200	2,913,256	623,056
Intergovernmental	809,300	809,300	926,186	116,886
Charges for Services	3,197,900	6,216,300	7,539,315	1,323,015
Interest and Rentals	2,380,580	2,250,580	(2,617,216)	(4,867,796)
Fines and Forfeitures	557,000	557,000	446,114	(110,886)
Contributions	113,900	113,900	260,407	146,507
Miscellaneous	748,200	1,303,200	866,654	(436,546)
Total Revenues	71,560,570	76,403,970	85,874,960	9,470,990
EXPENDITURES				
General Government	10,176,900	10,476,843	8,984,762	1,492,081
Public Safety	35,363,300	37,034,611	36,135,015	899,596
Community Development	2,905,900	2,905,900	3,040,862	(134,962)
Public Works	12,592,200	13,113,516	11,997,660	1,115,856
Culture and Leisure	6,266,300	6,327,800	5,759,396	568,404
Human Services	1,885,200	1,912,100	1,757,065	155,035
Capital Outlay	1,292,500	1,382,544	854,658	527,886
Debt Service:				
Principal Retirement	631,200	631,200	675,014	(43,814)
Interest and Fiscal Charges	73,000	73,000	76,193	(3,193)
Total Expenditures	71,186,500	73,857,515	69,280,625	4,576,890
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	374,070	2,546,455	16,594,335	14,047,880
OTHER FINANCING SOURCES (USES)				
Transfers In	3,478,800	2,549,300	2,674,208	124,908
Transfers Out	(2,816,000)	(2,816,000)	(11,800,000)	(8,984,000)
Capital Leases	-	-	454,612	454,612
Sale of Capital Asset	30,000	30,000	55,786	25,786
Total Other Financing Sources (Uses)	692,800	(236,700)	(8,615,394)	(8,378,694)
NET CHANGE IN FUND BALANCE	1,066,870	2,309,755	7,978,941	5,669,186
Fund Balance - Beginning of Year	60,348,529	60,348,529	60,348,529	-
FUND BALANCE - END OF YEAR	<u>\$ 61,415,399</u>	<u>\$ 62,658,284</u>	<u>\$ 68,327,470</u>	<u>\$ 5,669,186</u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING ASSETS FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest and Rentals	\$ 100,000	\$ 100,000	\$ 150,565	\$ 50,565
Total Revenues	100,000	100,000	150,565	50,565
EXPENDITURES				
Community Development	205,700	255,000	213,405	41,595
Total Expenditures	205,700	255,000	213,405	41,595
NET CHANGE IN FUND BALANCE	(105,700)	(155,000)	(62,840)	92,160
Fund Balance - Beginning of Year	12,170,846	12,170,846	12,170,846	-
FUND BALANCE - END OF YEAR	<u>\$ 12,065,146</u>	<u>\$ 12,015,846</u>	<u>\$ 12,108,006</u>	<u>\$ 92,160</u>

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:			
Service Cost	\$ 1,766,312	\$ 1,567,189	\$ 1,609,236
Interest on Total Pension Liability	13,033,238	12,629,742	12,378,733
Differences Between Expected and Actual Experience	2,313,861	268,043	2,131,720
Changes in Assumptions	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,958,843)	(10,975,249)	(10,473,500)
Net Change in Total Pension Liability	6,154,568	3,489,725	5,646,189
Total Pension Liability - Beginning of Year	184,565,461	181,075,736	175,429,547
Total Pension Liability - End of Year (a)	<u>\$ 190,720,029</u>	<u>\$ 184,565,461</u>	<u>\$ 181,075,736</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 6,557,278	\$ 5,957,285	\$ 5,182,712
Contributions - Employee	911,222	855,704	783,946
Net Investment Income	24,174,117	5,199,591	6,740,766
Benefit Payments	(10,958,843)	(10,975,249)	(10,473,500)
Net Plan to Plan Resource Movement	-	-	-
Other Miscellaneous Income (Expense)	-	-	242
Administrative Expense	(106,198)	(148,620)	(73,690)
Net Change in Plan Fiduciary Net Position	20,577,576	888,711	2,160,476
Plan Fiduciary Net Position - Beginning of Year	106,311,037	105,422,326	103,261,850
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 126,888,613</u>	<u>\$ 106,311,037</u>	<u>\$ 105,422,326</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 63,831,416</u>	<u>\$ 78,254,424</u>	<u>\$ 75,653,410</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.53%	57.60%	58.22%
Covered Payroll	\$ 9,998,155	\$ 9,185,973	\$ 8,249,634
Net Pension Liability as Percentage of Covered Payroll	638.43%	851.89%	917.05%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2019 to June 30, 2022:

There were no changes in assumptions.

Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 1,796,886	\$ 1,697,844	\$ 1,501,984	\$ 1,544,341	\$ 1,578,729
Interest on Total Pension Liability	11,973,513	11,756,269	11,766,386	11,550,084	11,142,267
Differences Between Expected and Actual Experience	(299,522)	(3,198,739)	(1,620,555)	714,618	-
Changes in Assumptions	(953,019)	9,199,362	-	(2,672,769)	-
Benefit Payments, Including Refunds of Employee Contributions	(9,808,276)	(8,617,142)	(8,887,931)	(8,362,515)	(8,292,893)
Net Change in Total Pension Liability	2,709,582	10,837,594	2,759,884	2,773,759	4,428,103
Total Pension Liability - Beginning of Year	172,719,965	161,882,371	159,122,487	156,348,728	151,920,625
Total Pension Liability - End of Year (a)	<u>\$ 175,429,547</u>	<u>\$ 172,719,965</u>	<u>\$ 161,882,371</u>	<u>\$ 159,122,487</u>	<u>\$ 156,348,728</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 4,673,836	\$ 4,174,840	\$ 3,728,926	\$ 3,368,960	\$ 2,513,465
Contributions - Employee	873,584	957,530	932,924	945,614	1,210,652
Net Investment Income	8,481,211	10,317,843	500,787	2,213,275	14,964,552
Benefit Payments	(9,808,276)	(8,617,142)	(8,887,931)	(8,362,515)	(8,292,893)
Net Plan to Plan Resource Movement	(242)	-	-	-	-
Other Miscellaneous Income (Expense)	(294,413)	-	-	-	-
Administrative Expense	(155,035)	(137,006)	(58,860)	(108,707)	-
Net Change in Plan Fiduciary Net Position	3,770,665	6,696,065	(3,784,154)	(1,943,373)	10,395,776
Plan Fiduciary Net Position - Beginning of Year	99,491,185	92,795,120	96,579,274	98,522,647	88,126,871
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 103,261,850</u>	<u>\$ 99,491,185</u>	<u>\$ 92,795,120</u>	<u>\$ 96,579,274</u>	<u>\$ 98,522,647</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 72,167,697</u>	<u>\$ 73,228,780</u>	<u>\$ 69,087,251</u>	<u>\$ 62,543,213</u>	<u>\$ 57,826,081</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.86%	57.60%	57.32%	60.69%	63.01%
Covered Payroll	\$ 8,771,632	\$ 9,696,909	\$ 9,040,284	\$ 9,086,236	\$ 8,979,508
Net Pension Liability as Percentage of Covered Payroll	822.74%	755.18%	764.22%	688.33%	643.98%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 7,068,663	\$ 6,557,278	\$ 5,952,729
Contributions in Relation to the Actuarially Determined Contributions	(7,068,663)	(6,557,278)	(5,952,729)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 10,510,114	\$ 9,998,155	\$ 9,185,973
Contributions as a Percentage of Covered Payroll	67.26%	65.58%	64.80%
Notes to Schedule:			
Valuation Date	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 2.7% at 55, 2% at 55 and 2% at 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF SANTA FE SPRINGS
MISCELLANEOUS PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 5,182,369	\$ 4,669,275	\$ 4,174,840	\$ 3,728,926	\$ 3,554,823
Contributions in Relation to the Actuarially Determined Contributions	<u>(5,182,369)</u>	<u>(4,669,275)</u>	<u>(4,174,840)</u>	<u>(3,728,926)</u>	<u>(3,554,823)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 8,249,634	\$ 8,771,632	\$ 9,696,909	\$ 9,040,284	\$ 9,086,236
Contributions as a Percentage of Covered Payroll	62.82%	53.23%	43.05%	41.25%	39.12%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Fair Value Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 2.7% at 55, 2% at 55 and 2% at 62

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only seven years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability	1.08803%	0.82961%	0.81779%
Plan's Proportionate Share of the Net Pension Liability	\$ 38,184,110	\$ 55,271,784	\$ 51,050,543
Plan's Covered Payroll	\$ 6,644,007	\$ 6,934,844	\$ 6,607,330
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	574.72%	797.02%	772.63%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	78.59%	68.36%	75.26%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2019 to June 30, 2022:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.80993%	0.78353%	0.79447%	0.77891%	0.70334%
Plan's Proportionate Share of the Net Pension Liability	\$ 47,522,971	\$ 46,817,505	\$ 41,147,225	\$ 32,094,633	\$ 26,382,020
Plan's Covered Payroll	\$ 6,994,713	\$ 6,971,540	\$ 6,843,585	\$ 6,502,095	\$ 6,188,907
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	679.41%	671.55%	601.25%	493.60%	426.28%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 5,345,973	\$ 4,786,061	\$ 4,372,591
Contributions in Relation to the Actuarially Determined Contributions	(5,345,973)	(4,786,061)	(4,372,591)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,764,920	\$ 6,644,007	\$ 6,934,844
Contributions as a Percentage of Covered Payroll	79.02%	72.04%	63.05%
Notes to Schedule:			
Valuation Date	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 3% at 50, 3% at 55 and 2.7% at 57.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

**CITY OF SANTA FE SPRINGS
COST SHARING SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS (CONTINUED)
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 3,701,766	\$ 3,247,068	\$ 2,887,172	\$ 1,166,499	\$ 1,892,765
Contributions in Relation to the Actuarially Determined Contributions	(3,701,766)	(3,247,068)	(2,887,172)	(1,166,499)	(1,892,765)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,607,330	\$ 6,994,713	\$ 6,971,540	\$ 6,843,585	\$ 6,502,095
Contributions as a Percentage of Covered Payroll	56.03%	46.42%	41.41%	17.05%	29.11%
Notes to Schedule:					
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Fair Value Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

(2) Depending on age, service and type of employment.

(3) Net of pension plan investment expense, including inflation.

(4) 3% at 50, 3% at 55 and 2.7% at 57.

(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

CITY OF SANTA FE SPRINGS
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:					
Service Cost	\$ 978,905	\$ 966,145	\$ 1,105,368	\$ 1,073,173	\$ 1,042,000
Interest on Total OPEB Liability	4,094,287	4,051,589	4,408,354	4,254,334	4,100,000
Changes of Benefit Terms	-	-	(24,586)	-	-
Differences Between					
Expected and Actual Experience	(4,911,693)	-	(7,005,009)	-	-
Changes of Assumptions	572,595	(1,048,245)	(397,546)	-	-
Benefit Payments	(3,397,735)	(3,301,649)	(3,163,861)	(2,992,000)	(2,786,000)
Net Change in Total OPEB Liability	(2,663,641)	667,840	(5,077,280)	2,335,507	2,356,000
Total OPEB Liability - Beginning of Year	61,376,067	60,708,227	65,785,507	63,450,000	61,094,000
Total OPEB Liability - End of Year (a)	<u>\$ 58,712,426</u>	<u>\$ 61,376,067</u>	<u>\$ 60,708,227</u>	<u>\$ 65,785,507</u>	<u>\$ 63,450,000</u>
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 5,011,731	\$ 5,033,207	\$ 4,995,349	\$ 4,616,000	\$ 5,223,000
Net Investment Income	6,178,247	793,628	1,101,136	1,119,324	1,216,000
Benefit Payments	(3,397,735)	(3,301,649)	(3,163,861)	(2,992,000)	(2,786,000)
Administrative Expenses	(15,517)	(17,396)	(10,164)	(26,012)	(6,000)
Net Change in Plan Fiduciary Net Position	7,776,726	2,507,790	2,922,460	2,717,312	3,647,000
Plan Fiduciary Net Position -					
Beginning of Year	21,985,562	19,477,772	16,555,312	13,838,000	10,191,000
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 29,762,288</u>	<u>\$ 21,985,562</u>	<u>\$ 19,477,772</u>	<u>\$ 16,555,312</u>	<u>\$ 13,838,000</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 28,950,138</u>	<u>\$ 39,390,505</u>	<u>\$ 41,230,455</u>	<u>\$ 49,230,195</u>	<u>\$ 49,612,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	50.69%	35.82%	32.08%	25.17%	21.81%
Covered - Employee Payroll	\$ 19,983,477	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018	\$ 18,626,195
Net OPEB Liability as Percentage of Covered - Employee Payroll	144.87%	218.73%	240.72%	255.65%	266.36%

Notes to Schedule:

Benefit Changes:

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in benefits.

From fiscal year June 30, 2019 to June 30, 2020:

Life insurance benefit for grandfathered retirees was terminated.

From fiscal year June 30, 2020 to June 30, 2022:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2018 to June 30, 2019:

There were no changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

The mortality improvement scale was updated from Scale MP-2017 to MP-2019 and the healthcare trend changed from 7.50% non-medicare and 6.50% medicare to 7.25% non-medicare and 6.30% medicare.

From fiscal year June 30, 2020 to June 30, 2021:

Removal of ACA Excise Tax.

From fiscal year June 30, 2021 to June 30, 2022:

Decreased inflation reduced discount rate, medical trend, and salary increases, decreased medical trend rate for Kaiser Senior Advantage, Medicare Advantage plan implied subsidy excluded, mortality improvement scale updated to Scale MP-2021.

* Fiscal year 2018 was the first year of implementation and therefore only five years are shown.

**CITY OF SANTA FE SPRINGS
SCHEDULE OF CONTRIBUTIONS—OPEB
LAST TEN FISCAL YEARS***

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 4,266,000	\$ 4,141,000	\$ 5,047,000	\$ 4,900,000	\$ 4,737,000
Contributions in Relation to the Actuarially Determined Contributions	(4,183,089)	(5,074,731)	(5,033,207)	(4,995,349)	(4,616,000)
Contribution Deficiency (Excess)	<u>\$ 82,911</u>	<u>\$ (933,731)</u>	<u>\$ 13,793</u>	<u>\$ (95,349)</u>	<u>\$ 121,000</u>
Covered - Employee Payroll	\$ 21,555,073	\$ 19,983,477	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018
Contributions as a Percentage of Covered - Employee Payroll	19.41%	25.39%	27.95%	29.17%	23.97%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2017
----------------	-----------	-----------	-----------	-----------	-----------

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Amortization Period	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Healthcare Trend Rates	(4)	(4)	(4)	(4)	(3)
Mortality	(6)	(6)	(6)	(6)	(5)

(1) Level percentage of payroll.

(2) Investment gains/losses spread over 5-year rolling period.

(3) Non-Medicare 7.5%, decreasing to an ultimate rate of 4% in 2076.

Medicare - 6.5%, decreasing to an ultimate rate of 4% in 2076.

(4) Non-Medicare 7.25%, decreasing to an ultimate rate of 4% in 2076.

Medicare - 6.3%, decreasing to an ultimate rate of 4% in 2076.

(5) CalPERS 1997-2011 experience study.

(6) CalPERS 1997-2015 experience study.

* Fiscal year 2018 was the first year of implementation and therefore only five years are shown.

CITY OF SANTA FE SPRINGS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022

Budgetary Comparison Information

Summary of Budgetary Policies

The budget is prepared by the City Manager in accordance with City Code Section 31.13 and is legally adopted by the City Council. The budget includes activities for the General Fund.

Budgets for capital projects funds are not presented because they are budgeted on a project life basis. Revisions to the originally adopted budget were made during the year and have been incorporated into the budgetary amounts presented within the financial statements.

The basis for budgeting in the General Fund and Special Revenue Funds is substantially consistent with accounting principles generally accepted in the United States of America, except that payments made on financing leases are recorded as functional expenditures. The lease agreements are not budgeted as a financing source and the acquisition price of the acquired asset is not budgeted as an expenditure.

The legal level of control is considered to be at the fund level since management can reassign resources within a fund without special approval from City Council.

The budget is formally integrated into the accounting system and employed as a management control tool during the year. At fiscal year-end, unexpended appropriations lapse, with the exception of capital improvements. All appropriations for capital improvements are carried forward until such time as the project is completed or terminated by action of the City Council.

The following funds do not have a legally adopted budget:

- Heritage Springs Street Maintenance District
- Business License Surcharge
- Fire Grants
- Community Development Block Grant Program Income Fund
- Narcotics Forfeitures/Seizures
- State Coronavirus Relief Fund
- Heritage Art Education Endowment Fund

**CITY OF SANTA FE SPRINGS
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS**

Nonmajor governmental funds reported in the governmental fund financial statements include the following:

SPECIAL REVENUE FUNDS

State Gas Tax

This fund is used to account for gasoline taxes received under Sections 2105, 2106, 2107 and 2107.5 of the Street and Highways Code. These funds are utilized solely for street related purposes such as new construction, rehabilitation, or maintenance.

County Transit Tax

This fund is used to account for the City's share of an additional one-half percent sales tax, which was approved by the electorate in November 1980, restricted to financing transportation projects. This fund is also used to account for the City's share of an additional one-half percent sales tax, which was approved by the electorate in November 1990, restricted to financing transit projects within the City.

Street Lighting Maintenance District

This fund is used to account for revenues received and costs incurred for street lighting services in selected areas within the City. Funds are derived from property-related assessments collected by the County. Financing for the district is provided by assessing areas of benefit under the 1972 Lighting and Maintenance District Art.

Heritage Springs Street Maintenance District

This fund is used to account for revenues received and costs incurred for street maintenance and repair services in selected areas within the City. Funds are derived from property-related assessments collected by the County. Financing for the district is provided by assessing areas of benefit under the 1913 Municipal Improvement Act.

Art in Public Places

This fund is used to account for Heritage Artwork Program fees imposed upon new development at 1% of the building permit valuation for the purpose of increasing public art and providing art educational programs.

Business License Surcharge

This fund is used to account for state mandated \$1 surcharge applied to all business licenses issued in the City. Under SB 1186 the revenue is restricted for Certified Access Specialists (CAsp) programs, assisting businesses to become American with Disabilities Act (ADA) compliant and developing tools to help educate the businesses community on expanding ADA access.

Air Quality Improvement

This fund is used to account for additional motor vehicle registration fees imposed by the South Coast Air Quality Management District to finance the implementation of mobile source emission reduction programs and the provisions of the California Clean Air Act.

**CITY OF SANTA FE SPRINGS
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**

Community Development Block Grant

This fund is used to account for expenditures funded by the Community Development Block Grant Program authorized by Title I of the Housing and Community Development Act of 1974 for the purpose of developing viable urban communities, including decent housing and suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.

Fire Grants

This fund is used to account for various federal and state grants administered by the Department of Fire-Rescue which provide funding for labor, operating, and capital expenditures.

Public Safety Augmentation

This fund is used to account for the City's share of the one-half percent sales tax, which was approved by the electorate in November of 1993. The proceeds are earmarked exclusively for public safety purposes.

Supplemental Law Enforcement Services

This fund is used to account for a State of California block grant providing for community oriented policing programs. The funds are to be spent on new programs supporting "front-line" law enforcement activities.

Community Development Block Grant Program Income

This fund is used to account for the receipt of repayments received by the City from loans funded by the Community Development Block Grant program. These funds may be retained by the City but must be expended under the Community Development Block Grant program.

Narcotics Forfeitures/Seizures

This fund is used to account for assets received for direct local law enforcement participation in investigations or prosecutions resulting in a forfeiture.

Transportation Center Expansion Parking Lot Fund

This fund is used to account for lease income from City of Norwalk for the vacant parcel at the Transportation Center that is being developed. The fund is being earmarked for transportation purposes.

State Coronavirus Relief Fund

This fund is used to account for expenditures funded by the State Coronavirus Relief Fund.

Measure W

This fund is used to account for stormwater activities.

PERMANENT FUND

Heritage Art Education Endowment Fund

This fund is used to account for an endowment held by the City to be used for the purpose of providing art education programs.

(This page intentionally left blank)

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
ASSETS					
Pooled Cash and Investments	\$ 654,299	\$ 4,008,327	\$ 184,892	\$ 183,007	\$ 1,409,503
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	144,909	13,475	13,815	-	-
Due from other Funds	-	-	1,901	-	-
Total Assets	<u>\$ 799,208</u>	<u>\$ 4,021,802</u>	<u>\$ 200,608</u>	<u>\$ 183,007</u>	<u>\$ 1,409,503</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	13,475	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	13,475	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	799,208	4,008,327	200,608	183,007	-
Art in Public Places	-	-	-	-	1,409,503
Unassigned	-	-	-	-	-
Total Fund Balances	<u>799,208</u>	<u>4,008,327</u>	<u>200,608</u>	<u>183,007</u>	<u>1,409,503</u>
Total Liabilities and Fund Balances	<u>\$ 799,208</u>	<u>\$ 4,021,802</u>	<u>\$ 200,608</u>	<u>\$ 183,007</u>	<u>\$ 1,409,503</u>

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET (CONTINUED)—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
ASSETS					
Pooled Cash and Investments	\$ 75,435	\$ 222,246	\$ -	\$ -	\$ -
Receivables:					
Accounts	292	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	5,963	2,126	140,388	43,242
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 75,727</u>	<u>\$ 228,209</u>	<u>\$ 2,126</u>	<u>\$ 140,388</u>	<u>\$ 43,242</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 32	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	2,126	140,388	43,242
Total Liabilities	32	-	2,126	140,388	43,242
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	80,000	-
Total Deferred Inflows of Resources	-	-	-	80,000	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	75,695	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	228,209	-	-	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	(80,000)	-
Total Fund Balances	<u>75,695</u>	<u>228,209</u>	<u>-</u>	<u>(80,000)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 75,727</u>	<u>\$ 228,209</u>	<u>\$ 2,126</u>	<u>\$ 140,388</u>	<u>\$ 43,242</u>

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET (CONTINUED)—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund
ASSETS					
Pooled Cash and Investments	\$ 63,772	\$ -	\$ 65,188	\$ 41,002	\$ 2,126,225
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	19,250	-	-	-
Due from Other Governments	65,271	-	-	-	-
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 129,043</u>	<u>\$ 19,250</u>	<u>\$ 65,188</u>	<u>\$ 41,002</u>	<u>\$ 2,126,225</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	-	2,126,225
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	2,126,225
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	19,250	-	-	-
Public Safety	129,043	-	65,188	-	-
Public Works	-	-	-	41,002	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>129,043</u>	<u>19,250</u>	<u>65,188</u>	<u>41,002</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 129,043</u>	<u>\$ 19,250</u>	<u>\$ 65,188</u>	<u>\$ 41,002</u>	<u>\$ 2,126,225</u>

**CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET (CONTINUED)—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
ASSETS			
Pooled Cash and Investments	\$ 2,886,374	\$ 463,221	\$ 12,383,491
Receivables:			
Accounts	-	-	292
Notes and Loans	-	-	19,250
Due from Other Governments	-	-	429,189
Due from other Funds	-	-	1,901
	<u>-</u>	<u>-</u>	<u>1,901</u>
Total Assets	<u>\$ 2,886,374</u>	<u>\$ 463,221</u>	<u>\$ 12,834,123</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 32
Unearned Revenues	-	-	2,139,700
Due to Other Funds	-	-	185,756
	<u>-</u>	<u>-</u>	<u>185,756</u>
Total Liabilities	-	-	2,325,488
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	-	-	80,000
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>80,000</u>
FUND BALANCES			
Nonspendable:			
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	-	94,945
Public Safety	-	-	194,231
Public Works	2,886,374	-	8,346,735
Art in Public Places	-	218,545	1,628,048
Unassigned	-	-	(80,000)
Total Fund Balances	<u>2,886,374</u>	<u>463,221</u>	<u>10,428,635</u>
Total Liabilities and Fund Balances	<u>\$ 2,886,374</u>	<u>\$ 463,221</u>	<u>\$ 12,834,123</u>

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	796,907	1,481,517	194,062	-	-
Interest and Rentals	4,308	28,601	2	-	10,994
Contributions	-	-	-	-	669,055
Miscellaneous	-	-	-	-	-
Total Revenues	801,215	1,510,118	194,064	-	680,049
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	801,215	1,510,118	194,064	-	680,049
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(283,079)	(357,098)	(183,000)	-	(440,779)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(283,079)	(357,098)	(183,000)	-	(440,779)
NET CHANGE IN FUND BALANCES	518,136	1,153,020	11,064	-	239,270
Fund Balances - Beginning of Year	281,072	2,855,307	189,544	183,007	1,170,233
FUND BALANCES - END OF YEAR	\$ 799,208	\$ 4,008,327	\$ 200,608	\$ 183,007	\$ 1,409,503

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
REVENUES					
Taxes	\$ 14,263	\$ -	\$ -	\$ -	\$ 236,626
Intergovernmental	-	23,129	25,706	548,502	-
Interest and Rentals	-	1,727	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	14,263	24,856	25,706	548,502	236,626
EXPENDITURES					
Current:					
General Government	725	-	-	-	-
Public Safety	-	-	-	360,203	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	25,706	-	-
Total Expenditures	725	-	25,706	360,203	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	13,538	24,856	-	188,299	236,626
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	-	-	-	(26,622)	(236,626)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	(26,622)	(236,626)
NET CHANGE IN FUND BALANCES	13,538	24,856	-	161,677	-
Fund Balances - Beginning of Year	62,157	203,353	-	(241,677)	-
FUND BALANCES - END OF YEAR	\$ 75,695	\$ 228,209	\$ -	\$ (80,000)	\$ -

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	165,271	-	16,244	-	-
Interest and Rentals	791	-	462	1	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	166,062	-	16,706	1	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	166,062	-	16,706	1	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(100,000)	-	-	-	-
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(100,000)	-	-	-	-
NET CHANGE IN FUND BALANCES	66,062	-	16,706	1	-
Fund Balances - Beginning of Year	62,981	19,250	48,482	41,001	-
FUND BALANCES - END OF YEAR	\$ 129,043	\$ 19,250	\$ 65,188	\$ 41,002	\$ -

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
REVENUES			
Taxes	\$ -	\$ -	\$ 250,889
Intergovernmental	1,440,635	-	4,691,973
Interest and Rentals	15,077	3,810	65,773
Contributions	-	-	669,055
Miscellaneous	-	-	-
Total Revenues	1,455,712	3,810	5,677,690
EXPENDITURES			
Current:			
General Government	-	-	725
Public Safety	-	-	360,203
Public Works	-	-	-
Culture and Leisure	-	-	25,706
Total Expenditures	-	-	386,634
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,455,712	3,810	5,291,056
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	-	(1,627,204)
Sale of Capital Assets	-	-	-
Total Other Financing Sources (Uses)	-	-	(1,627,204)
NET CHANGE IN FUND BALANCES	1,455,712	3,810	3,663,852
Fund Balances - Beginning of Year	1,430,662	459,411	6,764,783
FUND BALANCES - END OF YEAR	<u>\$ 2,886,374</u>	<u>\$ 463,221</u>	<u>\$ 10,428,635</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STATE GAS TAX
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 750,900	\$ 750,900	\$ 796,907	\$ 46,007
Interest and Rentals	-	-	4,308	4,308
Total Revenues	750,900	750,900	801,215	50,315
OTHER FINANCING SOURCES (USES)				
Transfers Out	(200,000)	(200,000)	(283,079)	(83,079)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(283,079)	(83,079)
NET CHANGE IN FUND BALANCE	550,900	550,900	518,136	(32,764)
Fund Balance - Beginning of Year	281,072	281,072	281,072	-
FUND BALANCE - END OF YEAR	<u>\$ 831,972</u>	<u>\$ 831,972</u>	<u>\$ 799,208</u>	<u>\$ (32,764)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COUNTY TRANSIT TAX
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,100,000	\$ 1,100,000	\$ 1,481,517	\$ 381,517
Interest and Rentals	-	-	28,601	28,601
Total Revenues	1,100,000	1,100,000	1,510,118	410,118
OTHER FINANCING SOURCES (USES)				
Transfers Out	(702,700)	(702,700)	(357,098)	345,602
Total Other Financing Sources (Uses)	(702,700)	(702,700)	(357,098)	345,602
NET CHANGE IN FUND BALANCE	397,300	397,300	1,153,020	755,720
Fund Balance - Beginning of Year	2,855,307	2,855,307	2,855,307	-
FUND BALANCE - END OF YEAR	<u>\$ 3,252,607</u>	<u>\$ 3,252,607</u>	<u>\$ 4,008,327</u>	<u>\$ 755,720</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STREET LIGHTING MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 194,062	\$ (938)
Interest and Rentals	-	-	2	2
Total Revenues	195,000	195,000	194,064	(936)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(183,000)	(183,000)	(183,000)	-
Total Other Financing Sources (Uses)	(183,000)	(183,000)	(183,000)	-
NET CHANGE IN FUND BALANCE	12,000	12,000	11,064	(936)
Fund Balance - Beginning of Year	189,544	189,544	189,544	-
FUND BALANCE - END OF YEAR	<u>\$ 201,544</u>	<u>\$ 201,544</u>	<u>\$ 200,608</u>	<u>\$ (936)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and Rentals	\$ -	\$ -	\$ 10,994	\$ 10,994
Contributions	300,000	300,000	669,055	369,055
Total Revenues	300,000	300,000	680,049	380,049
OTHER FINANCING SOURCES (USES)				
Transfers Out	(474,700)	(474,700)	(440,779)	33,921
Total Other Financing Sources (Uses)	(474,700)	(474,700)	(440,779)	33,921
NET CHANGE IN FUND BALANCE	(174,700)	(174,700)	239,270	413,970
Fund Balance - Beginning of Year	1,170,233	1,170,233	1,170,233	-
FUND BALANCE - END OF YEAR	<u>\$ 995,533</u>	<u>\$ 995,533</u>	<u>\$ 1,409,503</u>	<u>\$ 413,970</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 23,129	\$ 3,129
Interest and Rentals	-	-	1,727	1,727
Total Revenues	20,000	20,000	24,856	4,856
Fund Balance - Beginning of Year	203,353	203,353	203,353	-
FUND BALANCE - END OF YEAR	<u>\$ 223,353</u>	<u>\$ 223,353</u>	<u>\$ 228,209</u>	<u>\$ 4,856</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 25,706	\$ 9,206
Total Revenues	16,500	16,500	25,706	9,206
EXPENDITURES				
Culture and Leisure	16,500	16,500	25,706	(9,206)
Total Expenditures	16,500	16,500	25,706	(9,206)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 186,500	\$ 186,500	\$ 236,626	\$ 50,126
Total Revenues	186,500	186,500	236,626	50,126
OTHER FINANCING SOURCES (USES)				
Transfers Out	(186,500)	(186,500)	(236,626)	(50,126)
Total Other Financing Sources (Uses)	(186,500)	(186,500)	(236,626)	(50,126)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
SUPPLEMENTAL LAW ENFORCEMENT SERVICES
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 165,271	\$ 15,271
Interest and Rentals	-	-	791	791
Total Revenues	150,000	150,000	166,062	16,062
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(100,000)	-
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(100,000)	-
NET CHANGE IN FUND BALANCE	50,000	50,000	66,062	16,062
Fund Balance - Beginning of Year	62,981	62,981	62,981	-
FUND BALANCE - END OF YEAR	<u>\$ 112,981</u>	<u>\$ 112,981</u>	<u>\$ 129,043</u>	<u>\$ 16,062</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
TRANSPORTATION CENTER EXPANSION PARKING LOT
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and Rentals	\$ 12,000	\$ 12,000	\$ 1	\$ (11,999)
Total Revenues	12,000	12,000	1	(11,999)
Fund Balance - Beginning of Year	41,001	41,001	41,001	-
FUND BALANCE - END OF YEAR	<u>\$ 53,001</u>	<u>\$ 53,001</u>	<u>\$ 41,002</u>	<u>\$ (11,999)</u>

**CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
MEASURE W
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,600,000	\$ 1,600,000	\$ 1,440,635	\$ (159,365)
Interest and Rentals	-	-	15,077	15,077
Total Revenues	1,600,000	1,600,000	1,455,712	(144,288)
Fund Balance - Beginning of Year	1,430,662	1,430,662	1,430,662	-
FUND BALANCE - END OF YEAR	<u>\$ 3,030,662</u>	<u>\$ 3,030,662</u>	<u>\$ 2,886,374</u>	<u>\$ (144,288)</u>

(This page intentionally left blank)

**CITY OF SANTA FE SPRINGS
DESCRIPTION OF FIDUCIARY FUNDS**

Fiduciary funds are used to account for resources held for the benefits of parties outside the government. The resources of fiduciary funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

CUSTODIAL FUNDS

Assessment District Funds

This fund is used to account for special assessments received by the City as agent for payment of special assessment district bonds.

Community Facilities Assessment Districts Fund

This fund is used to account for special assessments received by the City as agent for payment of community facilities district debt and expenses.

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
JUNE 30, 2022**

	Assessment Districts	Community Facilities Assessment Districts	Total
ASSETS			
Pooled Cash and Investments	\$ 618,586	\$ 67,652	\$ 686,238
Receivables:			
Accounts	-	8,858	8,858
Restricted Assets:			
Cash and Investment with Fiscal Agents	169,438	-	169,438
Total Assets	<u>788,024</u>	<u>76,510</u>	<u>864,534</u>
LIABILITIES			
Due to Other Governments	-	8,858	8,858
Total Liabilities	<u>-</u>	<u>8,858</u>	<u>8,858</u>
NET POSITION			
Held for Bondholders	788,024	67,652	855,676
Total Net Position	<u>\$ 788,024</u>	<u>\$ 67,652</u>	<u>\$ 855,676</u>

**CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2022**

	Assessment Districts	Community Facilities Assessment Districts	Total
ADDITIONS			
Special Assessments or Special Taxes Collected From Property Owners	\$ 216,588	\$ -	\$ 216,588
Interest and Change in Fair Value of Investments	<u>34</u>	<u>-</u>	<u>34</u>
Total Additions	<u>216,622</u>	<u>-</u>	<u>216,622</u>
DEDUCTIONS			
Payment for Special Assessment or Special Tax Debt	<u>164,986</u>	<u>-</u>	<u>164,986</u>
Total Deductions	<u>164,986</u>	<u>-</u>	<u>164,986</u>
CHANGE IN NET POSITION	51,636	-	51,636
Net Position - Beginning of Year	<u>736,388</u>	<u>67,652</u>	<u>804,040</u>
NET POSITION - END OF YEAR	<u><u>\$ 788,024</u></u>	<u><u>\$ 67,652</u></u>	<u><u>\$ 855,676</u></u>

(This page intentionally left blank)

**CITY OF SANTA FE SPRINGS
STATISTICAL SECTION**

This part of the City of Santa Fe Springs comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, not disclosures, and required supplementary information says about the government's overall financial health.

	Page
Financial Trends – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	120
Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	130
Debt Capacity – These schedules present information to help the reader assess the Affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	134
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	142
Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the Services the City provides and the activities it performs.	145

**CITY OF SANTA FE SPRINGS
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
Governmental activities:				
Net investment in capital assets	\$ 159,461,487	\$ 163,745,920	\$ 163,742,164	\$ 159,942,690
Restricted	9,905,210	9,651,144	29,208,112	32,373,440
Unrestricted	27,007,854	37,672,916	(50,143,910)	(49,235,190)
Total governmental activities net position	<u>\$ 196,374,551</u>	<u>\$ 211,069,980</u>	<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>
Business-type activities:				
Net investment in capital assets	\$ 15,742,624	\$ 16,386,459	\$ 15,541,573	\$ 17,182,873
Restricted	-	-	-	-
Unrestricted	3,375,412	3,952,242	(2,072,299)	(728,889)
Total business type activities net position	<u>\$ 19,118,036</u>	<u>\$ 20,338,701</u>	<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>
Primary government:				
Net investment in capital assets	\$ 175,204,111	\$ 180,132,379	\$ 179,283,737	\$ 177,125,563
Restricted	9,905,210	9,651,144	29,208,112	32,373,440
Unrestricted	30,383,266	41,625,158	(52,216,209)	(49,964,079)
Total primary government net position	<u>\$ 215,492,587</u>	<u>\$ 231,408,681</u>	<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
NET POSITION BY COMPONENT (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 158,121,201	\$ 156,001,364	\$ 154,315,020	\$ 162,029,958	\$ 163,949,669	162,283,010
33,145,221	32,820,873	34,775,125	30,978,812	30,905,794	32,275,248
(52,203,681)	(90,543,090)	(89,116,900)	(75,019,083)	(59,478,048)	(39,991,439)
<u>\$ 139,062,741</u>	<u>\$ 98,279,147</u>	<u>\$ 99,973,245</u>	<u>\$ 117,989,687</u>	<u>\$ 135,377,415</u>	<u>\$ 154,566,819</u>
\$ 17,533,898	\$ 18,890,862	\$ 18,754,383	\$ 18,028,340	\$ 19,156,150	18,669,402
817,087	536,194	558,184	559,019	-	-
331,570	(1,190,788)	(324,355)	526,956	218,253	3,110,220
<u>\$ 18,682,555</u>	<u>\$ 18,236,268</u>	<u>\$ 18,988,212</u>	<u>\$ 19,114,315</u>	<u>\$ 19,374,403</u>	<u>\$ 21,779,622</u>
\$ 175,655,099	\$ 174,892,226	\$ 173,069,403	\$ 180,058,298	\$ 183,105,819	\$ 180,952,412
33,962,308	33,357,067	35,333,309	31,537,831	30,905,794	32,275,248
(51,872,111)	(91,733,878)	(89,441,255)	(74,492,127)	(59,259,795)	(36,881,219)
<u>\$ 157,745,296</u>	<u>\$ 116,515,415</u>	<u>\$ 118,961,457</u>	<u>\$ 137,104,002</u>	<u>\$ 154,751,818</u>	<u>\$ 176,346,441</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
Expenses:				
Governmental activities:				
General government	\$ 5,773,716	\$ 5,941,165	\$ 5,614,730	\$ 5,692,938
Public safety	28,371,664	25,903,765	28,215,907	31,438,552
Community development	3,420,343	4,050,792	3,794,506	4,020,001
Public works	22,545,319	16,997,746	14,269,841	9,510,398
Culture and leisure	7,916,483	7,690,481	7,681,363	8,103,268
Human services	2,664,800	2,881,556	3,133,900	3,326,615
Unallocated depreciation	64,246	-	-	-
Interest on long term liabilities	343,881	213,286	239,719	207,917
Total governmental activities expenses	<u>71,100,452</u>	<u>63,678,791</u>	<u>62,949,966</u>	<u>62,299,689</u>
Business type activities:				
Water utility	<u>9,738,082</u>	<u>10,781,780</u>	<u>10,911,725</u>	<u>10,056,785</u>
Total primary government expenses	<u>80,838,534</u>	<u>74,460,571</u>	<u>73,861,691</u>	<u>72,356,474</u>
Program revenues:				
Governmental activities:				
Charges for Services:				
General government	746,832	2,027,076	1,975,162	2,067,142
Public safety	2,792,442	2,937,252	2,985,378	3,485,203
Community development	4,018,338	2,460,571	1,953,691	2,558,688
Public works	260,835	756,730	753,510	824,258
Culture and leisure	636,462	556,566	533,242	516,907
Human services	579,073	522,881	520,428	450,564
Operating grants and contributions	4,714,266	3,405,177	2,090,135	2,414,716
Capital grants and contributions	<u>36,562,363</u>	<u>18,887,861</u>	<u>6,801,309</u>	<u>596,380</u>
Total governmental activities program revenues	<u>50,310,611</u>	<u>31,554,114</u>	<u>17,612,855</u>	<u>12,913,858</u>
Business type activities:				
Charges for services:				
Water utility	13,063,973	13,139,026	12,252,452	11,445,171
Operating grants and contributions	-	-	-	-
Capital grants and contributions	<u>4,002,420</u>	<u>632,638</u>	<u>111,777</u>	<u>796,442</u>
Total business type activities program revenues	<u>17,066,393</u>	<u>13,771,664</u>	<u>12,364,229</u>	<u>12,241,613</u>
Total primary government program revenues	<u>67,377,004</u>	<u>45,325,778</u>	<u>29,977,084</u>	<u>25,155,471</u>
Net revenues (expenses):				
Governmental activities	(20,789,841)	(32,124,677)	(45,337,111)	(49,385,831)
Business type activities	<u>7,328,311</u>	<u>2,989,884</u>	<u>1,452,504</u>	<u>2,184,828</u>
Total net revenues (expenses)	<u>(13,461,530)</u>	<u>(29,134,793)</u>	<u>(43,884,607)</u>	<u>(47,201,003)</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 6,910,410	\$ 4,251,432	\$ 6,896,856	\$ 8,544,252	\$ 8,482,800	\$ 7,629,048
31,961,957	34,034,478	33,932,658	34,743,488	35,296,588	40,445,624
4,347,313	4,116,962	2,955,522	2,795,648	2,674,722	2,728,716
9,160,460	17,219,492	15,558,408	17,572,927	16,766,663	16,318,672
9,185,643	6,982,622	6,689,566	6,539,103	5,501,644	5,486,877
3,190,530	2,790,840	2,000,692	1,777,281	1,612,973	1,637,533
-	-	-	-	-	-
160,610	121,322	112,477	56,935	51,054	67,435
64,916,923	69,517,148	68,146,179	72,029,634	70,386,444	74,313,905
10,437,631	11,192,617	11,124,404	11,310,735	13,282,916	12,347,405
75,354,554	80,709,765	79,270,583	83,340,369	83,669,360	86,661,310
2,474,664	2,038,573	2,131,444	2,246,355	3,121,333	3,306,540
3,191,717	3,561,042	3,433,078	3,222,786	3,580,227	4,298,393
2,577,415	1,723,739	1,818,544	2,005,242	1,760,519	2,336,477
791,941	1,046,597	757,476	1,478,915	995,335	1,317,122
609,553	453,369	624,126	256,996	34,487	275,337
409,783	311,394	39,913	12,063	1,149	40,073
2,313,540	5,261,361	4,215,071	4,378,318	5,694,683	6,210,343
708,569	3,883,123	161,836	2,116,919	3,351,016	622,474
13,077,182	18,279,198	13,181,488	15,717,594	18,538,749	18,406,759
12,760,330	13,491,332	12,611,914	12,406,103	14,430,951	15,627,075
-	-	-	-	-	72,774
762,739	-	-	63,014	22,074	5,287
13,523,069	13,491,332	12,611,914	12,469,117	14,453,025	15,705,136
26,600,251	31,770,530	25,793,402	28,186,711	32,991,774	34,111,895
(51,839,741)	(51,237,950)	(54,964,691)	(56,312,040)	(51,847,695)	(55,907,146)
3,085,438	2,298,715	1,487,510	1,158,382	1,170,109	3,357,731
(48,754,303)	(48,939,235)	(53,477,181)	(55,153,658)	(50,677,586)	(52,549,415)

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 23,655,903	\$ 26,096,479	\$ 26,432,547	\$ 25,518,717
Transaction and use taxes	-	-	-	-
Property taxes	3,150,294	3,601,771	4,088,687	3,425,637
Franchise taxes	2,443,761	2,779,357	2,978,360	3,034,652
Motor vehicle in lieu tax - general purpose	1,542,531	1,595,953	1,686,499	1,716,181
Business operations taxes	778,483	768,575	780,747	801,658
Utility users taxes	6,095,190	6,634,353	6,836,360	6,669,155
Other taxes	890,344	416,269	567,503	531,045
Investment income	1,384,050	1,416,003	1,440,422	1,807,176
Other	1,413,449	2,216,285	2,692,622	2,988,717
Gain (Loss) on disposal of asset	-	42,312	-	-
Transfers to Successor Agency	(1,181,525)	-	-	-
Transfers	1,633,857	1,597,099	1,224,700	1,073,642
Extraordinary gain		(2,249,862)	19,954,190	-
Total governmental activities	<u>41,806,337</u>	<u>44,914,594</u>	<u>68,682,637</u>	<u>47,566,580</u>
Business type activities:				
Investment income	9,809	11,929	15,849	27,006
Other		107,631	240,554	156,955
Transfers	(1,633,857)	(1,597,099)	(1,224,700)	(1,073,642)
Total business type activities	<u>(1,624,048)</u>	<u>(1,477,539)</u>	<u>(968,297)</u>	<u>(889,681)</u>
Total primary government	<u>40,182,289</u>	<u>43,437,055</u>	<u>67,714,340</u>	<u>46,676,899</u>
Changes in Net Position:				
Governmental activities	21,016,496	12,789,917	23,345,526	(1,819,251)
Business type activities	<u>5,704,263</u>	<u>1,512,345</u>	<u>484,207</u>	<u>1,295,147</u>
Total primary government	<u>\$ 26,720,759</u>	<u>\$ 14,302,262</u>	<u>\$ 23,829,733</u>	<u>\$ (524,104)</u>

**CITY OF SANTA FE SPRINGS
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 25,076,235	\$ 26,093,872	\$ 28,360,308	\$ 30,689,739	\$ 32,305,008	\$ 39,572,185
-	-	3,044,712	13,083,262	13,682,006	15,661,416
3,949,731	4,130,663	4,587,444	4,958,288	5,961,342	5,724,154
2,915,926	3,180,671	3,377,884	3,495,821	3,550,280	3,790,928
1,767,500	1,863,969	1,960,317	2,148,113	2,297,474	2,359,894
807,702	789,379	831,717	752,800	771,642	809,418
6,406,684	6,523,816	6,517,423	6,484,575	6,907,100	7,824,051
522,091	628,828	564,638	132,232	172,204	158,797
1,874,492	2,189,573	4,263,013	4,308,252	1,303,072	(2,976,930)
2,269,170	675,977	1,996,198	1,496,137	1,089,993	963,042
-	-	-	292,655	40,878	55,786
-	-	-	-	-	-
1,168,892	1,163,587	1,155,135	1,156,300	1,154,424	1,153,809
-	-	-	-	-	-
47,821,542	47,240,335	56,658,789	68,998,174	69,235,423	75,096,550
62,836	118,561	218,248	306,513	181,503	118,355
249,189	1,791,077	201,321	111,085	61,605	84,237
(1,168,892)	(1,163,587)	(1,155,135)	(1,156,300)	(1,154,424)	(1,153,809)
(856,867)	746,051	(735,566)	(738,702)	(911,316)	(951,217)
46,964,675	47,986,386	55,923,223	68,259,472	68,324,107	74,145,333
(4,018,199)	(3,997,615)	1,694,098	12,686,134	17,387,728	19,189,404
2,228,571	3,044,766	751,944	419,680	258,793	2,406,514
\$ (1,789,628)	\$ (952,849)	\$ 2,446,042	\$ 13,105,814	\$ 17,646,521	\$ 21,595,918

**CITY OF SANTA FE SPRINGS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2013	2014	2015	2016
General fund:				
Nonspendable	\$ 5,224,843	\$ 5,585,494	\$ 4,753,064	\$ 12,721,050
Restricted		98,801	98,821	322,843
Committed	225,000	225,000	225,000	225,000
Assigned	9,337,498		2,399,700	630,000
Unassigned	15,744,237	18,583,574	20,027,817	21,301,702
Total general fund	<u>\$ 30,531,578</u>	<u>\$ 24,492,869</u>	<u>\$ 27,504,402</u>	<u>\$ 35,200,595</u>
All other governmental funds:				
Nonspendable	\$ 1,018,291	\$ 5,688,704	\$ 4,330,950	\$ -
Restricted	8,894,627	3,863,639	25,059,379	32,050,597
Assigned	4,579,545	7,794,387	9,480,556	15,036,492
Unassigned	-	(40,661)	(16,968)	(13,040)
Total all other governmental funds	<u>\$ 14,492,463</u>	<u>\$ 17,306,069</u>	<u>\$ 38,853,917</u>	<u>\$ 47,074,049</u>

In fiscal year 2013, the City elected to separately report employee benefits and equipment replacement activities as internal service funds, which were previously reported in the general fund. Periods reported prior to fiscal year 2013 have not been restated to reflect this change.

Source: City of Santa Fe Springs Finance and Administrative Services Department

CITY OF SANTA FE SPRINGS
FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 11,441,321	\$ 7,809,238	\$ 1,828,548	\$ 2,224,444	\$ 2,340,616	\$ 2,813,309
869,331	1,070,451	1,194,990	1,344,838	1,612,762	1,818,278
225,000	225,000	225,000	225,000	225,000	225,000
3,629,664	6,585,155	10,997,012	22,126,736	31,285,627	35,424,875
21,868,047	21,730,547	22,675,644	24,121,539	24,884,524	28,046,008
<u>\$ 38,033,363</u>	<u>\$ 37,420,391</u>	<u>\$ 36,921,194</u>	<u>\$ 50,042,557</u>	<u>\$ 60,348,529</u>	<u>\$ 68,327,470</u>
\$ -	\$ 244,676	\$ 244,673	\$ 244,676	\$ 244,676	\$ 244,676
32,275,890	31,750,422	33,580,135	28,278,390	26,982,856	30,212,294
14,316,725	13,256,233	17,598,708	22,501,686	28,622,561	35,841,732
(13,413)	(3,913,948)	(3,222,614)	(1,679,312)	(3,279,711)	(62,609)
<u>\$ 46,579,202</u>	<u>\$ 41,337,383</u>	<u>\$ 48,200,905</u>	<u>\$ 49,345,440</u>	<u>\$ 52,570,382</u>	<u>\$ 66,236,093</u>

CITY OF SANTA FE SPRINGS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2013	2014	2015	2016
Revenues:				
Taxes	\$ 36,999,332	\$ 40,296,804	\$ 41,684,204	\$ 39,980,864
Licenses and permits	2,969,902	2,747,847	2,206,324	2,536,719
Fines, forfeitures and seizures	344,325	491,503	529,250	515,632
Interest and rentals	1,398,990	1,416,003	1,440,422	1,807,176
From other agencies	35,766,822	23,165,769	11,054,345	5,257,715
Charges for current services	4,965,080	5,147,329	5,250,369	6,078,535
Other	3,907,821	2,493,091	2,855,254	3,146,736
Total revenues	<u>86,352,272</u>	<u>75,758,346</u>	<u>65,020,168</u>	<u>59,323,377</u>
Expenditures:				
Current:				
General government	5,629,632	5,064,465	5,483,276	5,449,398
Public safety	25,846,858	25,203,933	26,968,072	28,407,173
Community development	3,346,701	3,991,264	3,755,596	3,876,256
Public works	4,240,659	4,456,233	4,591,234	4,553,769
Culture and leisure	7,130,910	6,974,428	6,995,907	7,337,952
Human services	2,481,419	2,579,037	2,798,407	3,022,969
Capital outlay	32,091,957	21,383,923	9,745,411	2,621,810
Loss on sale of property				
Debt service:				
Interest	310,664	278,854	240,815	209,663
Principal retirement	789,060	983,524	1,045,658	988,940
Total expenditures	<u>81,867,860</u>	<u>70,915,661</u>	<u>61,624,376</u>	<u>56,467,930</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,484,412</u>	<u>4,842,685</u>	<u>3,395,792</u>	<u>2,855,447</u>
Other financing sources (uses):				
Proceeds (loss) from sale of assets	50,662	42,312	25,000	34,954
Loan issuance	-	-	-	-
Bond issuance	-	-	-	-
Contributions from successor agency	(1,181,525)	-	100,238	48,465
Transfer to private purpose trust fund	-	-	(20,000)	-
Lease obligation	-	-	-	-
Transfers in	6,600,367	8,805,993	6,524,301	8,616,801
Transfers out	<u>(5,642,617)</u>	<u>(10,517,883)</u>	<u>(4,749,901)</u>	<u>(8,753,473)</u>
Total other financing sources (uses)	<u>(173,113)</u>	<u>(1,669,578)</u>	<u>1,879,638</u>	<u>(53,253)</u>
Extraordinary loss	-	(8,408,716)	19,954,190	-
Net change in fund balances	<u>4,311,299</u>	<u>(5,235,609)</u>	<u>\$ 25,229,620</u>	<u>2,802,194</u>
Debt service as a percentage of noncapital expenditures	2.2%	2.1%	2.2%	2.2%

In fiscal year 2013, the City elected to separately report employee benefits and equipment replacement activities as internal service funds, which were previously reported in the general fund.

Periods reported prior to fiscal year 2013 have not been restated to reflect this change.

Source: City of Santa Fe Springs Finance and Administrative Services Department

CITY OF SANTA FE SPRINGS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS (CONTINUED)
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Fiscal Year					
2017	2018	2019	2020	2021	2022
\$ 39,678,369	\$ 43,211,198	\$ 49,244,443	\$ 62,150,070	\$ 65,647,056	\$ 75,791,133
2,750,708	2,363,791	2,145,963	2,485,395	2,228,200	2,913,256
492,313	487,549	738,807	788,382	380,754	446,114
1,874,492	2,189,573	4,263,013	4,667,628	1,514,370	(2,550,531)
5,357,852	4,640,275	4,551,765	6,210,417	5,495,267	9,014,232
5,798,869	5,899,159	5,524,875	5,346,393	6,463,339	7,558,372
2,464,110	1,671,228	2,698,764	2,467,770	2,274,675	2,085,146
58,416,713	60,462,773	69,167,630	84,116,055	84,003,661	95,257,722
6,282,824	3,795,998	6,876,387	7,902,106	8,521,649	8,985,486
29,775,257	31,403,449	30,466,404	30,472,065	33,162,493	36,495,218
4,214,838	3,935,033	2,777,781	2,649,405	2,758,116	3,254,267
4,687,638	10,447,798	10,651,342	11,375,367	11,324,465	12,439,376
8,356,661	5,932,050	5,698,374	5,554,076	5,029,572	5,785,102
2,885,022	2,303,821	1,532,644	1,414,482	1,418,131	1,757,065
4,208,654	5,960,909	5,459,285	10,174,605	12,561,418	5,809,555
					-
162,419	123,174	95,235	63,389	21,337	76,193
1,059,310	1,133,745	1,488,130	1,464,840	176,868	675,015
61,632,623	65,035,977	65,045,582	71,070,335	74,974,049	75,277,277
(3,215,910)	(4,573,204)	4,122,048	13,045,720	9,029,612	19,980,445
7,318	-	-	292,655	40,878	55,786
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,087,142	-	3,306,000	454,612
6,879,579	4,902,747	10,635,624	9,593,689	12,168,606	14,688,298
(2,388,867)	(3,739,160)	(9,480,489)	(8,437,389)	(11,014,182)	(13,534,489)
4,498,030	1,163,587	2,242,277	1,448,955	4,501,302	1,664,207
1,055,801	-	-	-	-	-
2,337,921	(3,409,617)	6,364,325	14,494,675	13,530,914	21,644,652
2.1%	2.1%	2.6%	2.5%	0.3%	1.1%

CITY OF SANTA FE SPRINGS
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(IN THOUSANDS OF DOLLARS)

Fiscal Year	Secured Property	Unsecured Property	Less Property Exemptions	Grand Total	Homeowner's Exemption	Net Taxable Value (1)	Total Direct Tax Rate (2)
2013	5,299,330	963,433	56,513	6,206,250	15,072	6,191,178	0.077%
2014	5,491,905	964,947	67,488	6,389,364	15,020	6,374,344	0.077%
2015	5,819,662	1,002,581	67,730	6,754,513	15,194	6,739,319	0.077%
2016	5,954,556	993,740	88,515	6,859,781	15,058	6,844,723	0.077%
2017	6,101,589	1,054,534	80,496	7,075,627	14,805	7,060,822	0.077%
2018	6,463,463	1,061,430	70,198	7,454,696	14,547	7,440,148	0.077%
2019	6,820,231	1,104,056	78,617	7,845,670	14,262	7,831,408	0.077%
2020	7,432,543	1,184,857	38,932	8,578,468	14,162	8,564,306	0.077%
2021	8,031,534	1,251,065	99,021	9,183,578	13,761	9,169,817	0.077%
2022	8,288,822	1,271,960	160,749	9,400,033	13,593	9,386,440	0.077%

NOTE:

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

(1) Net taxable value does not include state utility value

(2) Total direct tax rate is the City share of the 1% proposition 13 tax only for TRA 05-333

Source: County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

**CITY OF SANTA FE SPRINGS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(PER \$100 OF ASSESSED VALUE)**

Fiscal Year	Basic 1% Direct Tax Rate		Override Assessments					Total
	City of Santa Fe Springs	Los Angeles County	Elementary Schools	Los Angeles County	Rio Hondo Community College District	Whittier Union High School District	Metro. Water District	
2013	0.077	0.923	0.069	0.000	0.028	0.046	0.004	1.147
2014	0.077	0.923	0.085	0.000	0.029	0.045	0.004	1.163
2015	0.077	0.923	0.080	0.000	0.028	0.053	0.004	1.165
2016	0.077	0.923	0.065	0.000	0.027	0.051	0.004	1.147
2017	0.077	0.923	0.075	0.000	0.028	0.060	0.004	1.167
2018	0.077	0.923	0.079	0.000	0.027	0.058	0.004	1.168
2019	0.077	0.923	0.076	0.000	0.026	0.058	0.004	1.164
2020	0.077	0.923	0.065	0.000	0.026	0.055	0.004	1.150
2021	0.077	0.923	0.065	0.000	0.014	0.054	0.004	1.137
2022	0.077	0.923	0.062	0.000	0.015	0.054	0.004	1.135

NOTE:

In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount. This 1.00% is shared among the various taxing agencies for which the subject property resides within. In addition to the 1.00% general levy, Los Angeles County, elementary school districts, Rio Hondo College District, Whittier Union High School District, and Metropolitan Water District all have levied direct assessments in addition to the 1.00% general levy.

Source: Los Angeles County Auditor/Controller data, MuniServices, LLC / Avenu Insights & Analytics

Rates are not adjusted for ERAF

**CITY OF SANTA FE SPRINGS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	FY 2021-22		FY 2012-13	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Golden Springs Dev	\$ 331,777,747	3.53%	\$ 284,342,734	4.60%
Goodman Santa Fe Springs Spe L	212,987,310	2.27%		
GLC SFS II LLC	161,393,633	1.72%		
PPF Industrial 12016 Telegraph	159,194,673	1.70%	33,034,448	0.53%
PSB Hathaway I li LLC	105,077,436	1.12%		
Breitburn Operating LP	92,521,701	0.99%	151,876,170	2.45%
McMaster Carr Supply Company	82,735,182	0.88%	74,470,549	1.20%
Teachers Insurance Annuity Assoc	81,772,823	0.87%	57,834,139	0.93%
TGA Greenstone Logistics Center	79,818,440	0.85%		
Rexford Industrial Realty LP	75,324,828	0.80%		
SDCO SFS Logistics Center Inc.	68,079,471	0.73%		
BSREP III California Infill	67,960,000	0.72%		
BRE Jupiter Western B West Az	65,673,400	0.70%		
AMB Us Logistics Fund LP	60,364,156	0.64%	108,660,190	1.76%
Breit MF Telegraph Rd LLC	58,492,910	0.62%		
Freeway Springs LLC	54,932,865	0.59%		
FDC Partners LP	53,606,877	0.57%		
Prologis Logistics Services	51,368,873	0.55%	26,257,367	0.42%
Turbine Engine Components	47,582,572	0.51%		
BPREP Colonnade LLC	46,890,803	0.50%		
Shaw Diversified Services Inc.	46,177,744	0.49%		
Catellus Dev Corp	46,160,798	0.49%		
Maruichi American Corp	45,696,380	0.49%	43,176,713	0.70%
Kelly Pipe Co LLC	44,314,389	0.47%		
Bloomfield Commerce Center	43,867,872	0.47%	37,720,568	0.61%
Legacy Partners II Santa Fe Sp			78,794,474	1.27%
Gateway Santa Fe Springs Indus			64,000,000	1.03%
Inland Paperboard			56,052,670	0.91%
Catellus			51,893,372	0.84%
Vons Companies Inc.			47,228,441	0.76%
PR Mid Counties LLC			44,000,000	0.71%
Heraeus Metal Processing Inc.			43,784,765	0.71%
Centro Watt Property Owner II			38,352,000	0.62%
Solaris Paper Inc.			35,578,729	0.57%
Mckesson Property Company Inc.			34,044,654	0.55%
RCS Villages Land LLC			32,693,000	0.53%
14141 Alondra LP			32,095,944	0.52%
CFH Envlp Ltd. Ptnshp			31,675,217	0.51%
Carmenita Plaza LLC			30,770,012	0.50%
Southwest Forest Industries			27,540,000	0.45%
Pactiv Corp			26,418,368	0.43%
	<u>\$ 2,183,772,883</u>	<u>23.27%</u>	<u>\$ 1,492,294,524</u>	<u>24.12%</u>

NOTE:

The amounts shown above include assessed value data for both the City and Redevelopment Agency

Source: Los Angeles County Assessor data, MuniServices, LLC / Avenu Insights & Analytics

**CITY OF SANTA FE SPRINGS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Total Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	31,385,138	30,858,535	98.32%	-	30,858,535	98.32%
2014	33,546,785	33,210,254	99.00%	-	33,210,254	99.00%
2015	35,511,774	35,217,986	99.17%	-	35,217,986	99.17%
2016	34,092,546	33,826,245	99.22%	-	33,826,245	99.22%
2017	34,802,722	34,524,691	99.20%	-	34,524,691	99.20%
2018	37,721,588	36,571,390	96.95%	-	36,571,390	96.95%
2019	39,275,800	38,914,079	99.08%	-	38,914,079	99.08%
2020	45,613,414	45,027,883	98.72%	-	45,027,883	98.72%
2021	46,103,009	45,790,160	99.32%	-	45,790,160	99.32%
2022	48,011,117	47,585,974	99.11%	-	47,585,974	99.11%

NOTE:

The amounts presented include City property taxes and Redevelopment Agency tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies

The City receives limited information from Los Angeles County in relation to tax levies and collections. The City was unable to obtain further detail from Los Angeles County regarding the collections in excess of the levy amount after 2011.

Source: County Assessor Data, MuniServices, LLC / Avenu Insights & Analytics

**CITY OF SANTA FE SPRINGS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities	Total Primary Government	Percentage of Personal Income ¹	Debt Per Capita ¹
	Loans	Tax Allocation Bonds	Pension Obligation Bonds	Capitalized Lease Obligations	Total Governmental Activities	Revenue Bonds			
2013 ²	503,156	-	6,601,000	612,094	7,716,250	9,282,194	16,998,444	5.11%	1,011
2014 ²	257,024	-	5,944,000	531,702	6,732,726	9,231,693	15,964,419	4.81%	966
2015 ²	-	-	5,238,000	449,068	5,687,068	9,069,544	14,756,612	3.93%	837
2016 ²	-	-	4,334,000	364,128	4,698,128	8,902,394	13,600,522	3.49%	737
2017 ²	-	-	3,362,000	276,819	3,638,819	8,725,243	12,364,062	3.06%	676
2018 ²	-	-	2,318,000	693,218	3,011,218	8,366,795	11,378,013	2.64%	621
2019 ²	-	-	1,199,000	905,085	2,104,085	8,177,762	10,281,847	2.27%	563
2020 ²	-	-	-	639,246	639,246	7,983,729	8,622,975	1.83%	471
2021 ²	-	-	-	3,768,377	3,768,377	7,789,696	11,558,073	2.29%	638
2022 ²	-	-	-	3,547,974	3,547,974	7,590,663	11,138,637	1.86%	594

NOTES:

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

¹ These ratios are calculated using personal income and population for the prior calendar year.

² Loans and Tax Allocation Bonds related to the dissolved redevelopment agency were transferred to the Successor Agency and are reported in the private purpose trust fund as of July 1, 2011.

Prior year data has been adjusted for updated personal income information obtained after the 2010 Census.

Source: City of Santa Fe Springs Department of Finance and Administrative Services

**CITY OF SANTA FE SPRINGS
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Outstanding General Bonded Debt			Percent of Assessed Value¹	Per Capita
	Tax Allocation Bonds	Pension Obligation Bonds	Total General Bonded Debt		
2013 ²	-	6,601,000	6,601,000	0.11%	393
2014 ²	-	5,944,000	5,944,000	0.09%	360
2015 ²	-	5,238,000	5,238,000	0.08%	297
2016 ²	-	4,334,000	4,334,000	0.06%	235
2017 ²	-	3,362,000	3,362,000	0.05%	184
2018 ²	-	2,318,000	2,318,000	0.03%	126
2019 ²	-	1,199,000	1,199,000	0.02%	66
2020 ²	-	-	-	0.00%	0
2021 ²	-	-	-	0.00%	0
2022 ²	-	-	-	0.00%	0

NOTE:

General bonded debt is debt payable with governmental fund resources and general obligation bonds recorded in enterprise funds (of which, the City has none).

¹ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

² Tax Allocation Bonds related to the dissolved redevelopment agency were transferred to the Successor Agency and are reported in the private purpose trust fund.

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2022**

CITY OF SANTA FE SPRINGS

2021-22 Assessed Valuation: \$9,410,599,702

	Total Debt 6/30/22	% Applicable (1)	City's Share of Debt 6/30/22
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Metropolitan Water District	\$ 20,175,000	0.277%	\$ 55,885
Cerritos Community College District	454,876,885	4.698	21,370,116
Rio Hondo Community College District	113,112,824	14.996	16,962,399
Whittier Union High School District	142,799,361	23.399	33,413,622
ABC Unified School District	67,123,415	2.741	1,839,853
Norwalk-La Mirada Unified School District	278,136,105	13.771	38,302,123
Little Lake City School District	34,239,901	60.793	20,815,463
Los Nietos School District	41,977,715	64.507	27,078,565
South Whittier School District	35,895,000	45.087	16,183,979
Whittier City School District	69,530,000	0.573	398,407
City of Santa Fe Springs Heritage Springs Assessment District	1,240,000	100.	1,240,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$177,660,412
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,698,357,105	0.531%	\$14,328,276
Los Angeles County Superintendent of Schools Certificates of Participation	3,972,227	0.531	21,093
Little Lake City School District Certificates of Participation	11,035,000	60.793	6,708,508
Whittier City School District Certificates of Participation	8,970,000	0.573	51,398
City of Santa Fe Springs Capital Lease Obligations	3,137,251	100.	3,137,251
Los Angeles County Sanitation District No. 18 Authority	848,592	19.155	162,548
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$24,409,074
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$26,337,971	100. %	\$26,337,971
TOTAL DIRECT DEBT			\$3,137,251
TOTAL OVERLAPPING DEBT			\$225,270,206
COMBINED TOTAL DEBT			\$228,407,457 (2)

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2021-22 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	1.89%
Total Direct Debt (\$3,137,251)	0.03%
Combined Total Debt	2.43%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$5,181,154,552):

Total Overlapping Tax Increment Debt.....	0.51%
---	-------

Source: Avenu Insights & Analytics
California Municipal Statistics, Inc.

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30			
	2013	2014	2015	2016
Assessed valuation	\$ 6,206,250,000	\$ 6,389,364,000	\$ 6,754,513,000	6,874,971,507
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,551,562,500	\$ 1,597,341,000	\$ 1,688,628,250	1,718,742,877
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 232,734,375	\$ 239,601,150	\$ 253,294,238	257,811,432
Total net debt applicable to the limit: General obligation bonds ¹	<u>6,601,000</u>	<u>5,944,000</u>	<u>5,238,000</u>	<u>4,334,000</u>
Legal Debt Margin	<u>\$ 226,133,375</u>	<u>\$ 233,657,150</u>	<u>\$ 248,056,238</u>	<u>253,477,432</u>
Total debt applicable to the limit as a percentage of debt limit	0.0%	2.5%	2.1%	1.7%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% assessed valuation. However, this provision was enacted when assessed valuation upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now at 100% of market value (as of the most recent change in ownership for that parcel). Computations shown above reflect a conversion of assessed valuation data for each from the current full valuation perspective to the 25% level that was in effect at the the legal debt margin was enacted by the State of California for local governments the State.

¹The City issued pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30			
	2017	2018	2019	2020
Assessed valuation	\$ 7,078,133,887	\$ 7,446,116,929	\$ 7,831,408,399	\$ 8,570,322,631
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,769,533,472	\$ 1,861,529,232	\$ 1,957,852,100	\$ 2,142,580,658
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 265,430,021	\$ 279,229,385	\$ 293,677,815	\$ 321,387,099
Total net debt applicable to the limit:				
General obligation bonds ¹	<u>3,362,000</u>	<u>2,318,000</u>	<u>1,199,000</u>	<u>-</u>
Legal Debt Margin	<u>\$ 262,068,021</u>	<u>\$ 276,911,385</u>	<u>\$ 292,478,815</u>	<u>\$ 321,387,099</u>
Total debt applicable to the limit				
as a percentage of debt limit	1.3%	0.8%	0.4%	-

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

¹The City issued pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30	
	2021	2022
Assessed valuation	\$ 9,175,834,549	9,393,925,905
Conversion percentage	25%	25%
Adjusted assessed valuation	\$ 2,293,958,637	2,348,481,476
Debt limit percentage	15%	15%
Debt limit	\$ 344,093,796	352,272,221
Total net debt applicable to the limit: gation bonds ¹	-	-
Legal Debt Margin	\$ <u>344,093,796</u>	<u>352,272,221</u>
Total debt applicable to the limit as a percentage of debt limit	-	-

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

¹ pension obligation bonds during Fiscal Year 2011-12

Source: City of Santa Fe Springs Finance and Administrative Services Department
Los Angeles County, Auditor-Controller

**CITY OF SANTA FE SPRINGS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds					Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2013	13,063,973	8,604,389	4,459,584	200,000	338,298	8.28
2014	13,879,295	9,453,643	4,425,652	155,000	319,342	9.33
2015	12,604,783	9,674,355	2,930,428	165,000	373,579	5.44
2016	12,398,568	9,210,440	3,188,128	170,000	365,329	5.96
2017	13,772,258	9,488,599	4,283,659	180,000	356,830	7.98
2018	15,282,409	10,181,577	5,100,832	180,000	347,800	9.66
2019	12,936,754	10,173,874	2,762,880	195,000	325,379	5.31
2020	12,823,701	10,649,931	2,173,770	200,000	318,349	4.19
2021	14,674,059	12,636,213	2,037,846	200,000	313,569	3.97
2022	15,902,441	11,699,084	4,203,357	200,000	285,714	8.65

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

¹The tax allocation bonds were transferred to the private purpose trust fund during Fiscal Year 2011-12 as a result of the dissolution of redevelopment agencies

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
PLEDGED-REVENUE COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Allocation Bonds			
	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-

NOTE:

Details regarding the City's outstanding debt can be found in the notes to the financial statements. Operating expenses do not include interest or depreciation expenses.

¹The tax allocation bonds were transferred to the private purpose trust fund during Fiscal Year 2011-12 as a result of the dissolution of redevelopment agencies

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	*Public School Enrollment	Unemployment Rate
2013	16,816	332,410	19,767	6,379	9.1%
2014	16,524	331,945	20,089	6,327	8.2%
2015	17,627	375,077	21,279	6,632	8.4%
2016	18,459	389,558	21,104	6,632	8.0%
2017	18,291	404,312	22,104	6,632	6.2%
2018	18,335	431,061	23,510	5,621	2.2%
2019	18,261	452,842	24,798	6,632	2.5%
2020	18,295	471,861	25,792	6,632	13.1%
2021	18,129	504,701	27,839	5,203	7.6%
2022	18,763	599,975	31,976	5,478	2.4%

NOTE:

The data for prior years has been adjusted based on currently available data.

Sources: Population Projections are provided by the California Department of Finance Projections.
Income Data is provided by the United States Census Bureau, 2010 American Community Survey.
Unemployment Rates are provided by the State of California, Employment Development Department Labor Market Information Division.

*Student Enrollment reflects the total number of students enrolled in Santa Fe Springs Schools, which occur in several different school districts.

**CITY OF SANTA FE SPRINGS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	FY 2021-22		FY 2012-13	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Fashtion Nova, Inc.	1,013	2.45%		
McMaster Carr Supply Company	702	1.70%	736	1.85%
FedeEx Ground Package System In	470	1.14%		
Vans	412	1.00%	284	0.72%
Trojan Battery Company LLC	396	0.96%	308	0.78%
Southern Wine and Spirits	385	0.93%	400	1.01%
Bumble Bee Seafoods, LLC	356	0.86%		
Harbor Distributions LLC	354	0.86%		
Wal-Mart	352	0.85%		
SE Pipe Line Construction	331	0.80%		
Performance Team			270	0.68%
Shaw Diversified Services, Inc.			336	0.85%
Rich Products			355	0.89%
Vance and Hines, Inc.			387	0.97%
L. A. Specialty Produce Company			474	1.19%
The Vons Companies, Inc.			762	1.92%
	<u>4,771</u>	<u>11.53%</u>	<u>4,312</u>	<u>10.86%</u>

NOTE:

"Total Employment" as used above represents the total employment of all employers located within City limits.

**CITY OF SANTA FE SPRINGS
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	36	37	39	38	38	37	39	39	38	37
Public Safety	68	79	83	83	76	73	70	72	70	74
Public Works	50	57	54	56	58	57	55	52	57	55
Planning and Community Development	4	4	6	7	7	6	7	9	9	9
Community Services - Administration	1	1	1	4	4	4	4	4	3	3
Community Services - Parks and Recreation	64	75	88	88	106	108	93	27	75	72
Community Services - Library Services	16	14	17	22	20	22	23	14	16	20
Community Services - Human Services	<u>41</u>	<u>48</u>	<u>48</u>	<u>54</u>	<u>50</u>	<u>39</u>	<u>32</u>	<u>11</u>	<u>27</u>	<u>31</u>
Total	<u>280</u>	<u>315</u>	<u>336</u>	<u>352</u>	<u>359</u>	<u>346</u>	<u>323</u>	<u>228</u>	<u>295</u>	<u>301</u>

Source: City of Santa Fe Springs Finance and Administrative Services Department

**CITY OF SANTA FE SPRINGS
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

		Fiscal Year Ended June 30									
		2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire:											
Number of emergency calls		3,166	3,260	3,439	3,928	3,961	3,835	3,732	3,644	3,542	3,985
Inspections		3,793	2,864	3,325	2,428	1,702	1,598	1,798	2,209	1,916	2,707
Public works:											
Street resurfacing (miles)		3	5	3	1.5	1	2	1.5	3.0	5.21	2
Parks and recreation:											
Number of recreation classes		289	425	368	335	309	393	356	216	157	310
**Number of facility rentals		2,536	2,605	3,038	3,822	3,791	4,323	4,073	1,575	4	3,430
Human services:											
Children served in the City's											
***childcare centers		306	296	286	807	1,006	266	0	0	0	0
Number of facility rentals	*	51 *	528	333	305	536	878	983	671	2	111
Number of Older Adult Gym Usage						1,500	4,476	4,895	3,245	0	109
Number of Older Adult classes						40	40	42	28	4	19
Estimated Number of Congregate Meals						12,000	10,002	11,700	12,400	10,700	7,096
Water:											
Average daily consumption											
(thousands of gallons)		5,915	5,197	5,207	5,580	5,073	5,615	5,379	5,314	5,809	5,703

NOTES:

* Reflective of the limited availability of the Neighborhood Center due to construction.

**Numbers were modified from 2011 and on to include all facility rentals (i.e. parks, meeting rooms, fields, Clake Estate, Social Hall, Heritage Park, etc.)

*** 2019's number has reduced significantly due to no longer partnering with Child care for summer camp.

Source: City of Santa Fe Springs

**CITY OF SANTA FE SPRINGS
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire:										
Fire stations *	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets (miles)	110	110	110	110	110	110	110	110	110	110
Traffic signals	75	75	75	81	81	81	81	81	81	81
Streetlights	2,960	2,960	2,960	3,174	3,140	3,140	3,140	3,140	3,140	3,140
Parks and recreation:										
**Parks/Fields	11	11	11	11	11	11	9	9	9	9
**Community services facilities	6	4	4	4	4	4	4	4	4	4
Human services:										
Child care centers	3	3	3	3	3	3	0	0	0	0
Community services facilities	2	2	1	1	1	1	3	3	3	3
Library Services:										
Library facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	107	107	107	108	108	108	108	108	108	108
Number of service connections	6,156	6,150	6,330	6,335	6,402	6,509	6,731	6,722	6,232	6,247

NOTES:

* For a portion of FY 2012-13 (August 2012 - April 2013) there were three (3) operating fire stations.

**Numbers were modified to include all City fields and additional facilities not captured elsewhere on this report.