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CITY OF SANTA FE SPRINGS, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2020

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CITY OF SANTA FE SPRINGS
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2020
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"A great place to live, work, and play"

March 30, 2021

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 Comprehensive Annual 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. |

John Mora, Mayor • Annette Rodriguez, Mayor Pro Tem
City Council
Joe Angel Zamora • Juanita Trujillo • Jay Sarno
City Manager
Raymond R. Cruz

**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:

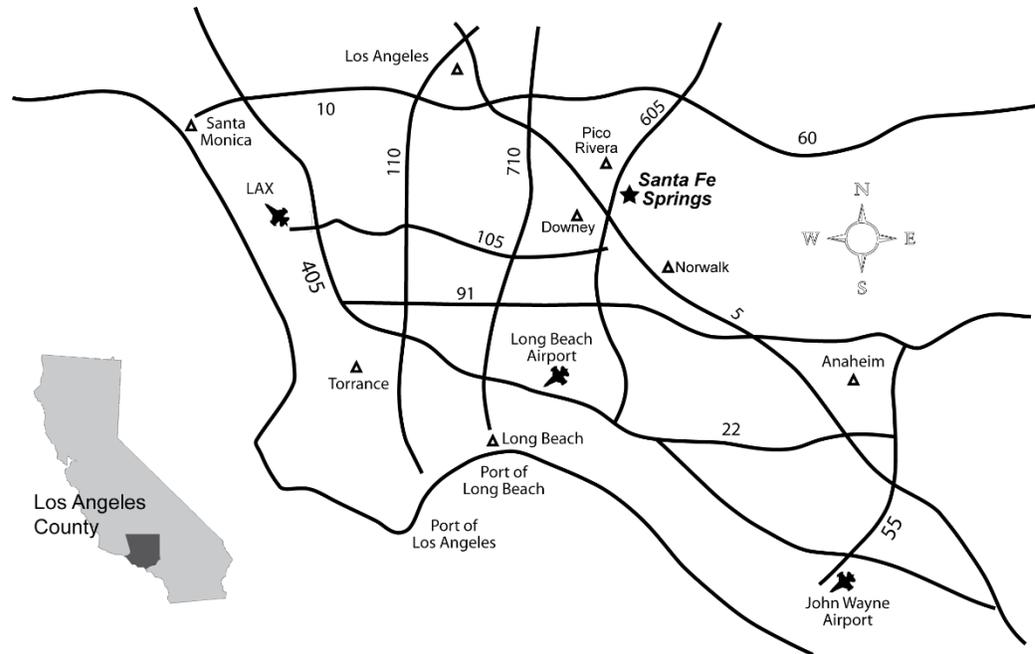
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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 18,300; 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 tax, and utility user's taxes (UTT) revenues are the largest sources in the General Fund.

The City's primary revenue source, sales and use taxes, have continued to increase after a decline from FY 16-17. Property tax revenues also reported an increase. It was primarily the result of more residual taxes from the City of Santa Fe Springs Successor Agency. Overall, the City is still recovering structurally from the State's elimination of redevelopment. The absence of redevelopment tools will also have a lasting effect in greatly limiting the City's ability to address economic development and infrastructure needs.

In the meantime, the voter-approved addition of the UUT has taken on a more prominent and stabilizing role. It has helped diversify and significantly supplement the City's revenue stream going forward. The UUT revenue will continue assisting earmarked public safety programs and capital improvement project causes. UUT revenues remained flat from the previous year.

In November 2018, voter-approved additional 1% transactions and use tax (TUT) operative April 1, 2019. The City received the first payment of the new tax from the California Department of tax and Fee Administration (CDTFA) in June 2019. However, there is uncertainty as to the annual revenue to be generated from the new tax. Given the various revenues volatility we must remain watchful of longer-term trends and implications for the City.

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

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

**Accomplishments
& Outlook**

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 59 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. 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 3,600 emergency calls in FY 2019-20.

The Department of Fire Rescue currently staffs a State Regional Urban Search and Rescue Team (USAR) 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

**Accomplishments
& Outlook (cont.)**

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 2019-20, the Department of Fire-Rescue assisted outside of their jurisdiction four times to major fire incidents and was reimbursed over \$125,600 in backfill expenses for labor 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 2019-20, the Fire-Rescue Department secured \$489,000 through the 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.

Department of Police Services

The Department of Police Services continues to deliver law enforcement services by combining Whittier Police Department's contract services with City staff and management resources. For over 25 years, the Whittier Police Department has provided quality law enforcement services to the citizens of Santa Fe Springs. Collectively, the Santa Fe Springs Policing Team responds to citizen calls for service and focuses on developing solutions to address community defined law enforcement problems and service needs. Additionally, the team aims to prevent youth from engaging in delinquent behavior and effectively maintains a safe and desirable and working environment for the City of Santa Fe Springs by focusing on 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 has led to the development and implementation of many unique and effective public safety programs. A key component to success lies with maintaining multi-agency partnerships and establishing a mutual trust and support between citizens, business community and intergovernmental agencies.

Accomplishments & Outlook (cont.)

During FY 2019-20, the Department of Police Services continued to building 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 these efforts included:

- Continuous subscription to Crimereports.com; providing citizens with access to up-to date city crime statistics.
- The Family and Youth Intervention Team identified and worked with over 347 families experiencing relationship, developmental challenges and youth engaging in delinquent behavior. Through programs such as School Attendance Review Team (SART) and Youth Development Group, individual case plans were developed, services were coordinated, and youth participated in community service projects and volunteerism to gain a sense of responsibility and develop skills needed to thrive and become assets to the community. Additionally, several local families completed parenting and family support classes.
- The Family and Youth Intervention Team continues to navigate through the unique challenges that COVID-19 has presented. The team continues to successfully service the community by offering programs and services via virtual format.
- FYIP continued to work with local students to provide academic support through the summer skills component and homework and youth group program. The team also worked with students to coordinate court ordered community service and school projects.
- The Family and Youth Intervention Program (FYIP) remained dedicated to promoting cultural competence. The Diversity Program offered speakers, workshops and educational field trips.
- The Department remained dedicated to providing drug awareness and prevention education through partnerships with local schools through the Red Ribbon Campaign.
- The Every 15 Minutes Program remained successful with over 1200 students and families from Santa Fe High School participating in the program. Through partnerships with local first responders and school administration, youth learned firsthand about the consequences of drinking and driving and the impact of poor decision making.
- The Department hosted a National Coffee with a Cop event to provide an opportunity for Officers and City personnel to meet with members of the community for one-on-one discussion in a relaxed environment.

Accomplishments & Outlook (cont.)

- Safe Neighborhood Team (SNT) meetings were held bi-monthly 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. Although the COVID-19 pandemic created challenges to host in person meetings, SNT transitioned to a virtual format.
- Community Block Parties were hosted to increase citizen engagement and invite residents to get involved with the Safe Neighborhood Team Program. Through Community Block Parties, staff had the opportunity to get to know residents in a comfortable environment and educate them on ways they can assist in keeping the community safe.
- As part of the department's emergency preparedness efforts, the department worked to complete the City's Emergency Operation Center (EOC). Through collaborative efforts with multiple city departments, the EOC is readily available for staff trainings and exercises and in the event an emergency should occur, the EOC may serve as a command center. Additionally, in an effort to raise awareness on the importance of having an emergency preparedness plan and practice how to be safer during an earthquake, the Department led City staff as they participated the "Great Shake Out" earthquake drill.
- Whittier Police Department Officers responded to approximately 16,269 calls for service and conducted 2,401 pro-active throughout the city. Additionally, a dedicated Traffic Enforcement Officer focused on traffic and pedestrian safety and field patrol officers responded to 3,961 traffic related incidents. Moreover, Whittier police officers issued 37 citations for Driving under the Influence violations.
- Public Safety Officers responded to approximately 2,000 calls for service. 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 4,913 parking citations were issued and PSOs responded to 89 traffic collision related incidents, leaving sworn personnel available to respond to emergent calls for service and reducing overall response time for priority calls. Additionally, PSO's conducted 2,597 pro-active patrols throughout the City.
- The Department partnered with the Southeast Area Animal Control Authority to host the Annual Pet licensing and Vaccination in July 2019. This low cost pet clinic serves as a convenient way for citizens to get their pets vaccinated and renew or obtain a new pet license.
- Additionally, during FY 2019-2020, 166 code enforcement cases were 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,

**Accomplishments
& Outlook (cont.)**

and illegal land use activity. Through voluntarily compliance and enforcement efforts, 128 cases were successfully closed. Additional Code Enforcement action included:

- Code enforcement proactively identified and cleaned up 5 large homeless encampments. In addition, we partnered with BNSF, Union Pacific Railroad, LA County Flood Control, the LA County Sheriff's Department and business owners to assist with several homeless encampment clean-ups on private property. Although, these homeless encampments were located on outside agency property, they ran through our jurisdiction and negatively impacted the residential and business community.
- Code enforcement officers issued 86 Administrative Citations for various code violations.
- Code Enforcement staff also assisted the Problem Oriented Policing Team in addressing illegal marijuana grow operations in residential areas, industrial areas and closed down a stolen vehicle dismantling operation.
- Code Enforcement staff assisted the Fire Department with compliance inspections and addressing non-compliant businesses.
- Code Enforcement Staff processed 16 Alcohol Sales Conditional Use Permit Compliance Reviews.

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 2019-20, the Engineering Division issued 299 total excavation and construction permits.

During FY 2019-20, the Department of Public Works coordinated a multitude of capital improvement projects including:

**Accomplishments
& Outlook (cont.)**

- Greenstone Avenue Street Rehabilitation (Lakeland Rd – End)
- Sunshine Avenue Street Rehabilitation (Shoemaker Ave – Greenstone Ave)
- Santa Fe Springs Road Rehabilitation (Los Nietos Rd – City Limit)
- Rivera Road Rehabilitation (Chetle Ave – Sorensen Ave)
- Ann Street Rehabilitation (Santa Fe Springs Rd – Sorensen Ave)
- Painter Avenue Rehabilitation (Florence Av – Lakeland Rd)
- Cambridge Rd at Carmenita Rd Intersection Improvements - (New Traffic Signal Installation and Street Resurfacing)
- Water Well No. 12 - Installation of Packers
- Los Nietos Park Picnic Shelter - Repair BBQ Islands, Remove/Replace Mature Trees, Install Sod and Construct Concrete Improvements
- City Hall ADA Counter - Construct ADA Counters at Public Works and Finance Cashiers Area
- Los Nietos, Santa Fe Springs & Little Lake Park Court resurfacing and repaint game line work (Handball, Tennis and Basketball)
- Marquardt Ave 16" Water Main Relocation due to Rosecrans/Marquardt Grade Separation Project

Department of Planning and Development

The Planning and Development Department is responsible for economic development (creating, retaining, attracting and expanding the business community), planning (both current and long-range planning), and building services (managing the plan check process, issuing permits, and conducting inspections). 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.

Economic Development Activities

During FY 2019-2020, economic development efforts resulted in several notable business accomplishments: the welcoming of Kahuku Ahi Poke & Roll restaurant at the Santa Fe Springs Promenade; Golden Spoon frozen yogurt at the Santa Fe Springs Plaza; Taco La Wera restaurant at 8039 Norwalk Boulevard; and Lions Floor wholesale flooring distributor at 9435 Sorensen Avenue. Staff is continuously looking for opportunities to revitalize aging commercial properties and opportunities to grow the City's retail and hospitality base. Part of the process is working collaboratively with property owners and developers to find solutions and ultimately a pathway to yes!

As the ongoing COVID-19 pandemic continues to be a prevalent issue within our city and nationwide, the Department of Planning and Development has done their best to aid necessary response efforts during these unprecedented times. For example, a list containing information from our City's various restaurants and eateries was created and disseminated to the community via various

Accomplishments & Outlook (cont.)

channels to help inform the public which businesses were still open and to help promote local patronage. The Department also worked diligently in conjunction with the City manager's office and City Council to create an Outdoor Dining Program to assist restaurants in reopening in a manner consistent with new public health requirements.

In hopes to further aid our residents and business community a COVID-19 Resource Guide was created. It included such things as tax credit information, links to grants and important stimulus information, and employee PPE information, amongst other things. This idea later evolved into the creation of a business specific section of the City website. This digital Hub is dedicated to business outreach and contains a variety of internal and external resources and information to help our business community continue to thrive.

Planning Activities

During FY 2019-2020, a total of 76 planning entitlements were presented to the Planning Commission for consideration. Entitlements include, but are not limited to, conditional use permits, development plan approvals, zone variances, general plan amendments, zone changes, modifications, tentative parcel maps, and code amendments. Additionally, seven administrative entitlements were processed for wireless projects. Some notable planning milestones during the 2019-2020 fiscal year included the completion of the following construction projects: 1) new 15,936 sq. ft. concrete tilt-up industrial building at 12636 Los Nietos Road; and 2) two new industrial buildings measuring 35,500 sq. ft. and 13,500 sq. ft, respectively, at 9046 Dice Road and 9102 Dice Road. Also, two notable development projects are currently under construction: 1) new concrete tilt-up industrial building measuring 43,905 sq. ft. at 12905 Los Nietos Road; 2) new concrete tilt-up industrial building measuring 131,708 sq. ft, at 9816 Greenleaf Avenue; 3) new concrete tilt-up industrial building measuring 150,548 sq. ft. at 13900 Carmenita Road; and 4) new two-story office building measuring 8,022 sq. ft. at 11908 Bloomfield Avenue. Although not yet under construction, there were also three notable entitlements granted during the 2019-2020 fiscal year that will result in future development: 1) new commercial building with a drive-thru measuring 2,370 sq. ft. at 10712 Laurel Avenue; 2) new multi-tenant commercial building measuring between 5,452 to 7,260 sq. ft. at 10712 Laurel Avenue; and 3) new industrial development with four concrete tilt-up industrial buildings measuring 58,463 sq. ft., 60,117 sq. ft., 78,417 sq. ft. and 121,124 sq. ft., respectively, at northwest corner of Telegraph road and Santa Fe Springs Road.

In addition to the planning entitlements processed, the department also completed a total of 312 plan checks (an increase of 64 plan checks from FY 2018-19), including sign permit review and landscape review. Staff also prepared a total of 13 zone certification letters (a decrease of 18 zone certification letters), and issued a total of 13 home occupation permits (a decrease of 29 home occupation permits). In terms of counter activity, the

Accomplishments & Outlook (cont.)

Planning Department assisted a total of 1,026 individuals (an average 114 queries each month) at the Planning Counter, which was a decrease of 25 additional individuals per month compared to FY 2019-20. It should be noted that due to the COVID-19 pandemic City Hall was closed to visitors and customers from mid-March and remained closed for the remainder of the 2019-20 fiscal year. While staff does not track the number of phone and e-mail inquiries received, a direct increase was certainly experience with both activities.

Building Activities

During FY 2019-20, there were a total of 943 permits issued with an overall valuation of \$158,557,176. When compared to FY 2018-2019, it was decrease of 193 permits issued, however, there was an \$117,829,562 increase in the total valuation. It should be noted that the Electrical, Mechanical, Plumbing and Grading permits do not have a valuation. As for the counter activity, staff assisted a total of 1,368 individuals (an average 152 queries each month) at the Building Counter, which was a decrease of 27 individuals per month compared to FY 2018-19. As mentioned previously, due to the COVID-19 pandemic City Hall was closed to the public beginning March 2020.

Due to an unexpected global pandemic, the statistics data collected from both the Planning and Building departments activities are not as complete as previous years. Without knowing when various mandated restrictions will be lifted, or what the long-range affects from COVID-19 on the economy are, it is very difficult to accurately forecast the numbers for the upcoming fiscal year. Nevertheless, the department remains 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.

Housing Activities

During FY 2019-20, in addition to the annual progress report that is required by California Department of Housing and Community Development (HCD) to document the status and progress of implementing the City's housing element, housing efforts this past fiscal year included the establishment of an Exclusive Negotiating Agreement (ENA) with The Whole Child, Habitat for Humanity of Greater Los Angeles, and The Richman Group of California Development Company, LLC, to develop the four Successor Agency owned parcels at the northeast and northwest corner of Laurel Avenue and Lakeland Road with an affordable mixed-use housing development. The ENA was intended to enable the parties to better define the scope of the project and to establish a specific, limited period of time to negotiate the eventual sale of the property through a Disposition and Development Agreement (DDA). The affordable mixed-use housing development would consist of three major components:

Accomplishments & Outlook (cont.)

1. Rental (Apartment) Housing by The Richman Group – 102-unit apartment consisting of two 3-story courtyard style wood-frame walk up building, one 4-story wood-frame building with an elevator and interior corridors and one 1-story clubhouse. Each dwelling unit will include a mix of one, two and three-bedroom apartments serving senior and family residents
2. Interim/Transitional Housing by The Whole Child – 19 units of interim/transitional housing for families experiencing homelessness, consisting of one, 3-story wood-frame walk up building with a mix of one, two and three-bedroom apartments, which will have the potential to serve forty (40) families. The building will include service space, including management offices and a common area for future tenants including a multi-purpose room, family room, computer lab and other service space.
3. For-sale Housing by Habitat For Humanity - 18 three-story for sale townhomes arranged in 3 buildings: a 9 unit building, a 6-unit building and a 3-unit building. All units will consist of 3 bedrooms, 2.5 bathrooms with an attached 2-car garage and a 90 sq. ft. enclosed patio area.

Upcoming Activities

The City is in the early stages of a comprehensive update to our General Plan for the first time in over 25 years. In this rapidly evolving world, an update creates the opportunity to address current challenges and emerging trends. Using an intensive, inclusive, and creative community engagement process, the new General Plan will focus on achieving well-defined guiding principles for a wide range of topics including land use, transportation, housing, recreation, public safety, and economic development. The City contracted with local planning consulting firm, MIG, Inc., to lead the update process at a cost of \$1,294,510. The department was, however, awarded a \$333,670.57 Sustainable Transportation Planning grant from Caltrans and a \$160,000 grant from the SB 2 Planning Grants Program to help pay for the update. The theme for the 20-year plan is “Reimagine Santa Fe Springs” and community input will be critical to the success of the update process. The Department recruited a General Plan Advisory Group (GPAG) comprised of 20 diverse city stakeholders and have facilitated several stakeholder interviews to date. Over the 2-year planning process, the department will host 6 GPAG meetings, 4 community workshops, a dozen stakeholder interviews and focus groups, and conduct various surveys online and through various social media outlets. Additionally, the public will be able to provide feedback through the General Plan website. The general plan update process is expected to be completed by December 2021.

Lastly, Santa Fe Springs was selected by the Southern California Association of Governments (SCAG) Regional Council for the 2018 Southern California Disadvantaged Communities Planning Initiative to develop an Active

Accomplishments & Outlook (cont.)

Transportation Plan (ATP). An ATP is a comprehensive set of strategies to ensure better options for biking, walking, and transit. It includes recommendations to make the city's streets within Santa Fe Springs more comfortable, safe, and inviting to pedestrians and bicyclists of all ages and abilities. SCAG selected consultants Alta Planning + Design and Studio 111 to draft the plan at no cost to the city. The Planning Department put together a Community Advisory Committee, which met 4 times over FY 19-20, and advertised several public outreach events. The community participated in two Go Human trainings, a booth at the Halloween Carnival, a walking tour, and survey. The Active Transportation Plan will be completed by December 2020.

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 2019-2020, the Department of Community Services achieved several significant accomplishments. However, unfortunately due to the COVID-19 pandemic, the State's Safer-At-Home Orders that went into effect in March of 2020, significantly impacted the programs and services offered by the department. Fortunately, the department was able to quickly transition and create innovative virtual programs and distanced services to engage and connect with the community.

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

- The Department of Community Services partnered with the Los Angeles County Department of Public Health to host the first annual Flu Outreach Clinic at the Gus Velasco Neighborhood Center. 80 participants, including children, adults, and seniors received free flu shots.
- As part of the Health & Wellness Initiative, the Department hosted the annual Family Fun Night which focused on healthy eating and active living. Over 75 adults and children from 6 local schools participated in the event where they visited health & wellness booths, received a healthy dinner, enjoyed a Netflix and Flex presentation which focused on exercising while watching TV and participated in raffles.
- The department partnered with the local school districts to participate in the 4th annual Walk to School Day. Close to 500 students from 5 local elementary schools walked to school escorted by staff, law enforcement, and parent volunteers. All students received information on safe walking, and the importance of walking for health.

Accomplishments & Outlook (cont.)

- Staff hosted the very first virtual activity during the Safer-at-Home Order – Virtual Prom 2020. We partnered with local high schools to offer this one-of-a-kind program. Over 1,000 people tuned in on Instagram and 800 people on Facebook. A playlist was created by staff for families to stream in their own homes; families were encouraged to vote for a celebrity prom king and queen, and they were also encouraged to share pictures of themselves with their families celebrating the night, which we re-shared on our social media accounts. Food discounts were offered by local restaurants and a mobile photographer was available to take photos while maintaining social distance.
- A new Facility Fee Waiver Policy was adopted to address fee waivers in an equitable manner.
- The Parks and Recreation Services Division implemented a new staff scheduling software to enhance and streamline operations.
- Over 330 classes were offered ranging from swim lessons, gymnastics, boxing, yoga, boot camp, piano, and many more. In total, 1,926 participants partook in PRS classes.
- A total of 899 participants enrolled in swim lessons which is a 95% capacity rate for the summer. Private swim lessons continue to be the most in demand lessons and once again we were able to offer additional classes to help accommodate this demand. All 82 private lesson classes filled for the season. Lastly, there were 20 reservation permits at the Aquatic Center for use of the pool and/or picnic area.
- The 2019 Haunted House took place over 5 days. The “full scare experience” ran for 3 nights and allowed students from Santa Fe and Pioneer High Schools to earn service hours as “monsters.” The “Lights On Experience” for younger children returned for 2 nights and allowed individuals to experience the haunt without actors and the house lights on. This year, the themed of the maze was a carnival funhouse and featured scary rooms such as a game room, fortune teller, mirror room, pick-a-door, pumpkin patch, and more with a jack-in-the-box finale. Overall, more than 1,500 people experienced the maze this year, with 900 of those attending on Halloween night.
- The 2019 Tree Lighting event was modified due to inclement weather. A new layout with large tents were used and the event was well-received by the community. The event had approximately 1,200 attendees and featured performances by local schools, a snow play area, Santa photos, and children’s crafts. A new craft boutique and food vendor area was also added.
- The annual Penny Carnival drew over 500 people to the Activity Center, where a new expanded event layout allowed for even more fun! The community enjoyed the festive environment and patriotic decorations. Staff are evaluating extending

Accomplishments & Outlook (cont.)

this event for additional time based on its popularity. Over \$900 in pennies were collected through 14 carnival games.

- Approximately 6,500 youth participated in The Club program at Town Center Hall. The Club is an after-school program for middle school and high school aged youth and operates 5 days a week. The Club closed in March when Safer-At-Home orders went into effect.
- 86 guests participated in the family excursions program. Excursions included trips to Medieval Times, the Huntington Harbour Cruise of Lights, and to a performance by the Blue Man Group. Three (3) excursions scheduled between March 2020 and June 2020 were cancelled due to Safer-At-Home Order.
- The Easter Eggstravaganza scheduled for April 11th was unfortunately cancelled due to COVID-19. However, staff repurposed supplies that had already been procured into 700 Easter To-Go Bags to surprise the community.
- In an effort to stay connected to the community during the Safer-At-Home orders, the Parks and Recreation Services Division implemented the #RecNRollPatrol, where PRS staff visited different neighborhoods, drew chalk art on the resident's sidewalk, delivered inspiring messages and distributed safer-at-home recreation kits for the families.
- The Parks and Recreation Services division implemented a new Safer-At-Home fitness program in June called Santa Fe Springs Step Up, which consisted of participants running/walking then logging their miles and submitting their logs for prizes . The June challenge wrapped up with 37 participants logging a combined 1,000 kilometers (621 miles).
- Youth and Adult Sports programs continued to thrive this year. The 8th grade boys' basketball team at Lake Center Middle School coached by Parks and Recreation staff, went undefeated during their season. Due to the Safer-At-Home orders, in-person sports were transitioned to a virtual format where over 60 children participated in a virtual soccer clinic.
- The summer day camp program offered 4 weeks of in-person camp at the beginning of the fiscal year and served 237 participants (a rate of 98.7% capacity). At the end of the fiscal year, the in-person camp was cancelled due to Safer-At-Home orders. Staff quickly transitioned to an innovative and creative virtual camp, which served 93 participants (92% capacity). Further, 98% of participants rated their experience with the virtual camp sessions as extremely satisfied or satisfied.
- The 2019 Independence Day Celebration was held at Los Nietos Park on July 3. Festivities included a horseshoe tournament, food trucks, live entertainment and a fireworks display. It is estimated that 5,000 people attended the event.

Accomplishments & Outlook (cont.)

- 2019 Fiestas Patrias was held September 13 at the Town Center Plaza and it celebrated the State of Hidalgo. Over 2,500 people attended the event. The event featured live entertainment, food trucks, a Kids' Zone and featured the re-enactment of "El Grito" by the Mexican Consulate.
- In its 39th year of existence, the City's Christmas Float Program visited various neighborhoods in a two-week period. It is estimated that 3,738 people visited the float, an increase of 12.6% from the previous year. The Float also had 27 first-time general volunteers.
- Although the Library closed in mid-March due to Covid-19, approximately 116,000 people visited the library during the past fiscal year. Patrons checked out over 178,000 items. Over 16,000 patrons used the public access computers. Library staff answered 20,000 reference and computer assistance questions.
- The Library has continued its popular science programs that include a successful robotics program and STEAM programs attended by over 850 children during the year, and a STEAM (science, technology, engineering, arts, and mathematics) camp during the summer with over 100 participants. In addition, our new STEAM Storytime was very popular with approximately 500 participants.
- The Library successfully applied for and administered two grants from the California State Library. A \$26,000 competitive grant was used to provide STEAM (science, technology, engineering, arts, and mathematics) programming for youth. A Crisis Collection grant of \$5,000 was used to fund additional e-content for the library's patrons while the library is closed due to Covid-19.
- Our Literacy program was very successful with 28 adult learners. The Library's Career Online High School currently has six adult students working towards their diploma. Children's Literacy helped 73 students learn to read better in Reading Club and assisted 478 students at local schools in English Learner classes through our ELLI program. In addition, Library staff re-configured their Reading Club program to offer the program as outreach at Rancho Santa Gertrudes Elementary School. Additionally, the Santa Letter program staff worked diligently to answer 756 children's letters to Santa.
- The Library expanded its Student Success Initiative in conjunction with the California State Library to give fine-free library cards to approx. 400 students attending Santa Fe High School. The card does not penalize the student for overdue fines, but does still charge for lost materials. This initiative is geared towards providing greater access to library materials for lower income students.
- The Library held successful programming this past fiscal year for children and adults. Star Wars Reads, which featured Star Wars-themed crafts, games, and performers was attended by over 400 community members. Holiday children's programs and our First Fridays were also well-attended. In addition, our Gothic

Accomplishments & Outlook (cont.)

Tea, Food & Films and Pub Trivia nights were very popular with our adult patrons.

- The Carriage Barn had approx. 6,000 visitors over the course of the year. All artifacts within the Carriage Barn had been inventoried and cataloged, and images of interesting items are used to educate readers through the Carriage Barn blog posts using a Wordpress platform. The Library has continued using Jacque Nuñez for the Native American tours, providing a more historically accurate tour for our local students. Heritage Park tours were given to approximately 350 students during the school year.
- In response to the Library's closure due to Covid-19, Library staff purchased additional e-content for patron use and created virtual programming for our patrons. The Library purchased new platforms for educational and entertainment e-content, such as Hoopla and Kanopy, and added additional ebook and audiobook titles to the existing CloudLibrary and Overdrive e-content platforms. The Library also successfully launched new electronic catalog search functionality called Enterprise. Book groups are now meeting on Zoom and staying engaged with the latest book titles. In addition, Library staff created new virtual storytimes for our preschool, bilingual and STEAM storytime participants. These videos are especially popular with over 6000 total views on the Library's social media sites. The Library also collaborated with Parks and Recreation Services division staff to create virtual storytimes for their Summer Camp participants.
- On June 15, the Library launched a curbside service for patrons that enabled library card holders to borrow up to 10 items at a time and have them delivered to their vehicle in the parking lot behind the Library. The service is contactless, maintaining a safe environment for our patrons and staff. The initial service hours were Monday – Friday, 10 a.m. – 4 p.m.
- The 2019 Summer Movie and Concert Series at Heritage Park continued to be a huge success with approximately 5,000 patrons attending the series. Both, movies and concerts, alternated each week for nine weeks during the entire summer. The concert series included a Fashion Friday component through a partnership with the Abigail Barraza Foundation. This component drew in larger crowds and helped raise breast cancer awareness in the community. The start of the 2020 Summer Series in June was cancelled due to the Covid-19 pandemic.
- In 2019, the “Picassos in the Park” art program was rebranded to the “Summer Arts and Crafts Camp” and was conducted entirely in-house with Community Services staff replacing the former third-party instructor. The program served 35 children during 2 one-week sessions.
- The 2019 Día De Los Muertos Celebration was completely revamped. The event was scheduled in the evening and featured 4 live performances, 20 craft vendors,

**Accomplishments
& Outlook (cont.)**

8 food vendors, and a community altar (ofrenda) display area. Over 1500 people attended the event. Additionally, the sugar skull workshop saw an increase in popularity with over 200 skulls sold to the public.

- Approximately 800 people attended the 2019 Las Posadas Cultural Event at Heritage Park. The event featured a candle-lit procession through Heritage Park and depicted the journey of Mary and Joseph from Nazareth to Bethlehem. The event also featured live performances by mariachi and folklorico dancers, along with 6 children craft booth, 6 food vendors, and 3 craft vendors.
- 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, we processed 307 grants for a total of \$35,494.31 in utility assistance grants during FY 2019-2020.
- As Certified Application Counselors, the Family and Human Services Caseworkers provided access to affordable healthcare to 34 families and individuals through Covered California during the fiscal year.
- Gus' Kitchen Food Pantry and Community Closet located at the Gus Velasco Neighborhood Center was used by 191 clients. Clients were able to obtain food, clothing, and hygiene products.
- In partnership with First Day Coalition in Whittier, the Family & Human Services Division held a Landlord Engagement Event. The event was well received with 29 participants attending. The purpose of the event was to educate potential landlords about the current Housing laws for 2020, as well as guaranteed subsidy payments available to landlords in an effort to reduce homelessness, while filling vacant units.
- The Thankful Neighbor Holiday Basket program provided Thanksgiving Baskets to 83 low-income families and older adult residents.
- The Neighborly Elf Program provided 127 holiday food baskets to low-income families and older adult residents. We also provided 67 food baskets to our partner agencies that work with low-income families in the surrounding communities. Toys were distributed to 198 children.
- In partnership with Pacific Clinics, the Family & Human Services Division hosted a weekly support group for older adults at the Gus Velasco Neighborhood Center. This provided them a comfortable environment to learn positive coping skills for emotional stressors.
- Family & Human Services staff partnered with the Los Angeles County Office of Consumer Affairs to host a "Smarter Senior Forum". The purpose of the event was to educate older adults about a number of important topics including scam

Accomplishments & Outlook (cont.)

prevention, identity theft, estate planning, and how to recognize different types of abuse. A total of 47 participants attended.

- In partnership with Presbyterian Intercommunity Hospital (PIH), Family and Human Services hosted a Community Lecture to discuss hip and knee pain. The lecture was educational and discussed common causes, symptoms and available treatments. Over 15 participants attended.
- Family and Human Services, in partnership with the Rotary Club, provided backpacks filled with school supplies to 132 Santa Fe Springs children.
- The annual Volunteer Income Tax assistance program began in February 2020, however, it was cancelled in mid-March due to the Covid-19 Safer-at-Home order. Prior to the cancellation, 150 tax returns were completed and, unfortunately, close to 250 appointments were cancelled.
- The Family & Human Services Division continues to partner with the Southeast Area Social Services Funding Authority (SASSFA) to serve hot meals to seniors. Prior to the pandemic, we served an average of 45 hot meals per day at the Gus Velasco Neighborhood Center and prepared over 725 hot meals per month for homebound seniors in the city and surrounding communities. During the Safer-at-Home order, congregate meals increased to 55 meals per day and were home delivered to all registered participants.
- Before our facility closed due to the pandemic, approximately 25,000 older adults visited the Gus Velasco Neighborhood Center and participated in a variety of programs and activities (i.e. dances, fitness classes, crafts, etc.). On average, 140 seniors participated in daily activities, including bingo, exercise classes, dances, and recreational activities.
- Over 200 older active adults renewed or obtained a fitness pass to utilize the fitness facility at the Gus Velasco Neighborhood Center.
- The Serenity Zen Garden at the GVNC was re-opened for seniors. A variety of monthly activities were offered were including Tea in the Garden, Seed sharing and planting (Vegetables, Flowers & Herbs), Potting succulents, Music in the Garden, and painting bird houses. Approximately 10 seniors participated in each scheduled activity where they also enjoyed tending to the garden weeds, planting new plants and cultivated the soil.
- During the Safer-at-Home order, new crafts and virtual activities were created and offered for older adult participants. Over 160 participants received a weekly craft/activity basis to keep them engaged.
- 2 virtual programs - Virtual Bingo and “Zoom and Tea” – were also offered to older adults. Approximately 13-15 older adults gathered online weekly across the

**Accomplishments
& Outlook (cont.)**

two programs to partake in one-hour long sessions of bingo and/or to socialize through various games and icebreaker-style activities.

City Manager

The City’s overall administrative function falls under the auspices of the City Manager, who also serves as the head of the City’s economic development team. The City Manager’s Office also encompasses the City Clerk function. A major focus of the City Manager’s Office has been restructuring and re-stabilizing the organization in the aftermath of the elimination of Redevelopment, which had significant impacts on the City. Much of the City Manager’s office time focused on developing long-term sustainable operational plans in a scaled-down environment, as well as restructuring departmental organization structures to effectuate more efficient oversight and more productive outputs.

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 second year of implementing the financial module of the new Enterprise Resource Planning (ERP) system. There are other modules that the department will implement over the next few years.

The primary focus this fiscal year, however, was on developing strategies to minimize the impact of COVID-19 on the City’s resources. The department played a pivotal role in assessing the expenditure and revenue impacts and, most importantly, assisting the City Manager in recommending prudent decision making during a time of crisis in order to maintain the City’s financial stability.

**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.

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, 2019, the City of Santa Fe Springs oversaw seven outstanding bond issues comprised of: three Consolidated Redevelopment Project tax allocation bond issues, two City water revenue bonds, one taxable pension obligation bond, 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.



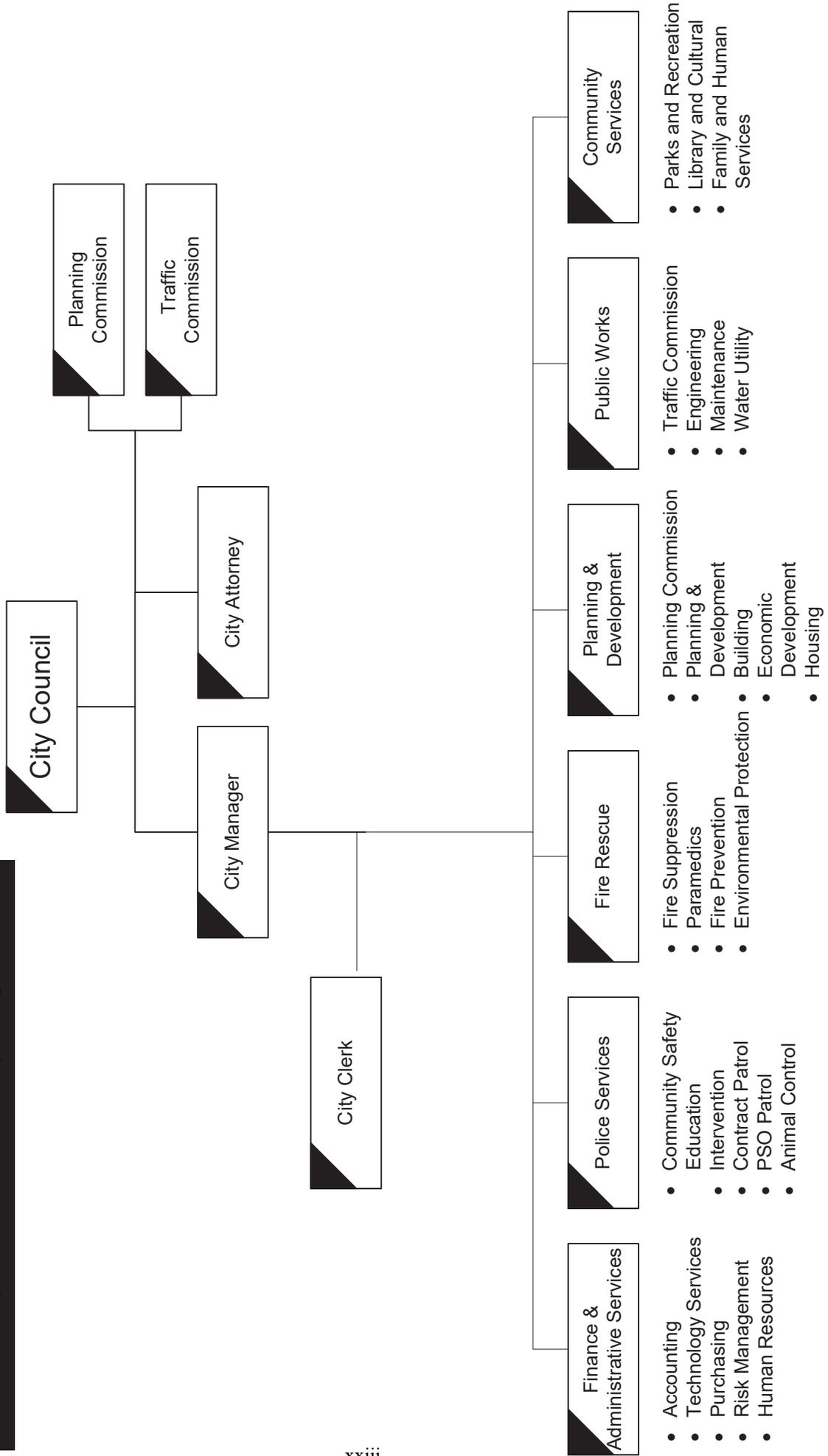
Raymond Cruz
City Manager



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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, California (the City), as of and for the year ended June 30, 2020, and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2020, 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.

Other Matters

Report on 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, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual non-major fund financial statements, budgetary comparison schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements and budgetary comparison schedules are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021, 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 the City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
March 30, 2021

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020. 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 \$13.1 million to \$137.1 million. The governmental net position increased by \$12.7 million or 12.1%, while the business-type net position increased by \$0.4 million or 2.1%.
- The general fund, on the current financial resources basis, reported an increase in fund balance of \$13.1 million to \$50.0 million. Excluding transfers and other financing sources/uses, the general fund reported \$15.6 million excess of revenues over expenditures. Revenues increased by \$12.9 million or 20.4% and expenditures increased by \$.1 million or 0.2% when compared to prior year. Increase in revenues was primarily due to revenues provided by transactions and use tax, which were received for a full year for the first time. Increases in expenditures were mainly due to rising pension costs, this was partially offset by the decrease in capital outlay expenditures.
- The City's redevelopment agency, along with all California redevelopment agencies, was dissolved as of February 1, 2012. The City assumed the role of Successor Agency to wind down the affairs of the redevelopment agency including payment of approved obligations and distribution of available balances to various taxing agencies. The balances of the former redevelopment agency are reported in a private-purpose trust fund (fiduciary fund), and are excluded from the government-wide statements. As of July 1, 2015, pursuant to an approved Bond Expenditure Agreement, approximately \$19.6 million of unspent bond proceeds were transferred to the City by the Successor Agency to be spent in accordance with the original bond documents. These funds are reported in the Successor Agency Bond Funded Capital Projects fund. Additionally, in July 2016, the Successor Agency to the Community Development Commission of the City of Santa Fe Springs issued \$25,270,000 of 2016 Subordinate Tax Allocation Refunding Bonds to defease five outstanding bonds previously issued. As the result, the City reduced approximately \$5.2 million in total debt service payments and resulted an economic gain of more than \$2.2 million. In December 2017, the Successor Agency also issued \$16,215,000 of 2017 Subordinate Tax Allocation Refunding Bonds to defease two outstanding bonds previously issued. As a result, the City reduced approximately \$11.2 million in total debt service payments and resulted an economic gain of approximately \$1.3 million.
- In January 2018, the Santa Fe Springs Water Utility Authority issued \$1,800,000 of 2018 Subordinate Water Revenue Bonds to redeem 2005 Water Refund Revenue Bonds Series A. As a result of the refunding, the City reduced approximately \$0.4 million in total debt service payments and resulted an economic gain of approximately \$80,000.

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 liabilities, 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.

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 agency 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 liabilities. 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.

Summary of Net Position
June 30, 2019 and 2020
(in millions)

	Governmental Activities		Business- type Activities		Total		Total Percent Change
	2019	2020	2019	2020	2019	2020	
	<u>As restated</u>		<u>As restated</u>				
Current and other assets	\$ 96.8	\$ 108.4	\$ 13.9	\$ 14.8	\$ 110.7	\$ 123.2	11.3%
Capital assets, net	<u>160.3</u>	<u>162.6</u>	<u>26.8</u>	<u>26.5</u>	<u>187.1</u>	<u>189.1</u>	1.1%
Total assets	257.1	271.0	40.7	41.3	297.8	312.3	4.9%
Deferred outflows	21.3	21.2	1.4	1.4	22.7	22.6	-0.4%
Long-term liabilities	158.1	157.6	21.3	20.9	179.4	178.5	-0.5%
Other liabilities	<u>10.3</u>	<u>6.8</u>	<u>1.9</u>	<u>2.0</u>	<u>12.2</u>	<u>8.8</u>	-27.9%
Total liabilities	168.4	164.4	23.2	22.9	191.6	187.3	-2.2%
Deferred inflows	4.7	9.8	0.2	0.7	4.9	10.5	114.3%
Net position							
Net investment in							
capital assets	159.3	162.0	18.7	18.0	178.0	180.0	1.1%
Restricted	34.8	31.0	0.6	0.6	35.4	31.6	-10.7%
Unrestricted	<u>(88.8)</u>	<u>(75.0)</u>	<u>(0.6)</u>	<u>0.5</u>	<u>(89.4)</u>	<u>(74.5)</u>	-16.7%
	<u>\$ 105.3</u>	<u>\$ 118.0</u>	<u>\$ 18.7</u>	<u>\$ 19.1</u>	<u>\$ 124.0</u>	<u>\$ 137.1</u>	10.6%

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 \$137.1 million at the close of the fiscal year. The largest portion of the City's net position 131.3%, is invested in capital assets, net of related debt. Approximately (54.3 %) of the City's net position is unrestricted. Unrestricted net position is at a deficit of \$74.5 million, a decrease of \$14.9 million from the prior year.

During the fiscal year, the City's ending net position increased by \$13.1 million, when compared to the prior year, revenues increased by \$14.9 million to \$96.5 million. Expenditures increased by \$4.2 million to \$83.4 million. Total revenues outpaced total expenditures primarily due to additional revenue provided by the City's transaction and use tax (Measure Y).

Changes in Net Position
For the Fiscal Years Ended June 30, 2019 and 2020
(in millions)

	Governmental		Business-type		Total Primary Government		Total Percentage Change
	Activities		Activities		Government		
	2019	2020	2019	2020	2019	2020	
Revenues							
Program revenues:							
Charges for services	\$ 8.8	\$ 9.2	\$ 12.6	\$ 12.4	\$ 21.4	\$ 21.6	0.9%
Operating grants and contributions	4.2	4.4	-	0.1	4.2	4.5	7.1%
Capital grants and contributions	0.2	2.1	-	-	0.2	2.1	950.0%
General revenues:							
Sales and use taxes	28.4	30.7	-	-	28.4	30.7	8.1%
Transaction and use taxes	3.0	13.1	-	-	3.0	13.1	336.7%
Property taxes	4.6	5.0	-	-	4.6	5.0	8.7%
Franchise taxes	3.4	3.5	-	-	3.4	3.5	2.9%
Motor vehicle in lieu	1.9	2.1	-	-	1.9	2.1	10.5%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	6.5	6.5	-	-	6.5	6.5	0.0%
Other taxes	0.6	0.1	-	-	0.6	0.1	-83.3%
Investment income	4.2	4.3	0.2	0.3	4.4	4.6	4.5%
Other	2.0	1.8	0.2	0.1	2.2	1.9	-13.6%
Total revenues	<u>68.6</u>	<u>83.6</u>	<u>13.0</u>	<u>12.9</u>	<u>81.6</u>	<u>96.5</u>	18.3%
Expenses							
Governmental activities:							
General government	6.9	8.5	-	-	6.9	8.5	23.2%
Public safety	33.9	34.7	-	-	33.9	34.7	2.4%
Community development	3.0	2.8	-	-	3.0	2.8	-6.7%
Public works	15.6	17.6	-	-	15.6	17.6	12.8%
Culture and leisure	6.6	6.5	-	-	6.6	6.5	-1.5%
Human services	2.0	1.9	-	-	2.0	1.9	-5.0%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	11.1	11.3	11.1	11.3	1.8%
Total expenses	<u>68.1</u>	<u>72.1</u>	<u>11.1</u>	<u>11.3</u>	<u>79.2</u>	<u>83.4</u>	5.3%
Excess (deficiency) before transfers	0.5	11.5	1.9	1.6	2.4	13.1	445.8%
Transfers	1.2	1.2	(1.2)	(1.2)	-	-	
Increase (decrease) in net position	1.7	12.7	0.7	0.4	2.4	13.1	445.8%
Net position - beginning, as restated	98.3	105.3	18.3	18.7	116.6	124.0	6.3%
Net position - ending	<u>\$ 100.0</u>	<u>\$ 118.0</u>	<u>\$ 19.0</u>	<u>\$ 19.1</u>	<u>\$ 119.0</u>	<u>\$ 137.1</u>	15.2%

The City's total revenues were \$96.5 million for the fiscal year ended June 30, 2020. Revenues from governmental activities totaled \$83.6 million and revenues from business-type activities totaled \$12.9 million. Program revenues comprise 29.2% of total revenues with the largest portion of this, \$21.6 million, resulting from charges for services. Sales and use taxes comprise 31.8% of total revenues and other general revenues comprise the remaining 39.0%. Total revenues increased by 18.3%, primarily due to additional sources provided by transaction and use tax during the fiscal year.

Expenses of the City for the year totaled \$83.4 million. Governmental activity expenses totaled \$72.1 million, or 86.5% 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>2019</u>	<u>2020</u>		<u>2019</u>	<u>2020</u>	
General government	\$ 6.9	\$ 8.5	23.2%	\$ 1.9	\$ 4.3	126.3%
Public safety	33.9	34.7	2.4%	29.8	31.0	4.0%
Community development	3.0	2.8	-6.7%	1.1	0.8	-27.3%
Public works	15.6	17.6	12.8%	14.2	12.7	-10.6%
Culture and leisure	6.7	6.5	-3.0%	5.9	5.7	-3.4%
Human services	2.0	1.9	-5.0%	2.0	1.7	-15.0%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	<u>\$ 68.2</u>	<u>\$ 72.1</u>	<u>5.7%</u>	<u>\$ 55.0</u>	<u>\$ 56.3</u>	<u>2.4%</u>

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled \$12.4 million and investment and other income totaled an additional \$0.4 million. Expenses of the Water Utility were \$11.3 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$1.6 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 \$26.5 million (net of accumulated depreciation) decreased by approximately \$0.3 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, 2020, of \$99.4 million, an increase of approximately \$14.5 million from the previous fiscal year. The primary reason for the increase was due to revenues exceeding expenditures in the General Fund resulting from the new transactions and use tax.

The General Fund is the chief operating fund of the City. At June 30, 2020, the General Fund's unassigned fund balance was \$24.1 million. Additional General Fund balances were: nonspendable \$2.2 million, restricted \$1.3 million, committed \$0.2 million, and assigned \$22.2 million. Revenues increased by approximately \$12.9 million and expenditures increased by \$0.1 million when compared to prior year. The revenue increase is a combination of increases in sales and use, property taxes, property transfer taxes and utility uses. The expenditure increase is reflective of rising pension costs, this was offset by decrease in capital outlay expenditures. During the fiscal year ended June 30, 2020, the overall fund balance in the General Fund increased by \$13.1 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 \$12.2 million consisting primarily of cash and investments, loans and advances receivable, and land and buildings held for resale. During fiscal year 2019-20 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 \$2.9 million primarily consisting of receivables expected to be received from various governmental agencies.

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, 2020 the General Fund transferred \$5.6 million into the Prefunded Capital Projects fund to restore a portion of the CIP target funding. The fund has an accumulated balance of \$22.5 million as of the fiscal year-end. 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 2019-20 the City expended approximately \$7.8 million on projects. As of fiscal year-end a balance of \$11.2 million remains in the fund 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 \$0.8 million decrease (1.2%). The final amended budget exceeded actual expenditures by approximately 1.2% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded their budget amount by \$10.6 million, primarily due to additional revenue provided by the City's transaction and use tax (Measure Y). Increases were seen in other revenue categories, including sales and use taxes, property taxes, and franchise taxes. 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, 2020, amounts to \$162.6 million (net of accumulated depreciation), an increase of approximately \$2.4 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, 2020, amounts to \$26.5 million (net of accumulated depreciation), a decrease of \$0.3 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

At June 30, 2020, the City's governmental activities long-term liabilities decreased by \$0.5 million to \$157.6 million. The City's business-type activities long-term liabilities decreased by \$0.4 million to \$20.9 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 9 – Long-Term Liabilities, Note 10 - Compensated Absences, Note 12 – Pension Plan Obligations and Note 13 – Post-Employment Health Care Benefits.

During FY 2011-12, the City issued \$7.1 million in Pension Obligation Bonds to refinance an obligation of the Safety Plan with the California Public Employees Retirement System (PERS). Since the prior obligation was being paid to PERS through the contribution rate structure, it was not reflected formally as a long-term liability. The City will realize savings by paying the bonds at a lower interest rate than was being applied by PERS to the existing obligation. The City has paid off the Pension Obligation Bonds during FY 2019-20.

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.

Outstanding Debt (in millions)								Total Percentage Change
Governmental Activities		Business-type Activities		Total				
2019 As restated	2020	2019 As restated	2020	2019	2020			
Revenue bonds	\$ 0.0	\$ 0.0	\$ 8.2	\$ 8.0	\$ 8.2	\$ 8.0	-2.4%	
Pension obligation bonds	1.2	0.0	0.0	0.0	1.2	0.0	-100.0%	
Compensated absences	2.2	2.5	0.3	0.3	2.5	2.8	12.0%	
OPEB obligation	44.8	37.5	4.4	3.7	49.2	41.2	-16.3%	
Pension obligation	111.0	117.6	8.7	9.1	119.7	126.7	5.8%	
Other loans/leases	0.9	0.6	0.0	0.0	0.9	0.6	-33.3%	
Total	\$ 160.1	\$ 158.2	\$ 21.6	\$ 21.1	\$ 181.7	\$ 179.3	-1.3%	

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.

All of these factors were considered in adopting the Fiscal Year 2020-21 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, 2020

	Governmental Activities	Business-Type Activity	Total
ASSETS:			
CURRENT ASSETS:			
Cash and investments	\$ 88,251,554	\$ 12,479,587	\$ 100,731,141
Receivables:			
Accounts	4,361,962	1,474,453	5,836,415
Interest	355,671	2,483	358,154
Deposits	780,229	-	780,229
Due from other governments	10,880,620	-	10,880,620
Inventories	1,002,274	297,331	1,299,605
Restricted assets:			
Cash with fiscal agent	-	559,019	559,019
TOTAL CURRENT ASSETS	<u>105,632,310</u>	<u>14,812,873</u>	<u>120,445,183</u>
NONCURRENT ASSETS:			
Notes and loans, net of allowances	2,231,653	-	2,231,653
Land and buildings held for resale	520,032	-	520,032
Capital assets not being depreciated	59,043,709	8,553,401	67,597,110
Capital assets, net of depreciation	103,625,494	17,921,876	121,547,370
TOTAL NONCURRENT ASSETS	<u>165,420,888</u>	<u>26,475,277</u>	<u>191,896,165</u>
TOTAL ASSETS	<u>271,053,198</u>	<u>41,288,150</u>	<u>312,341,348</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred charge on refunding	-	95,811	95,811
Deferred pension-related items	16,657,130	858,913	17,516,043
Deferred OPEB-related items	4,580,218	452,989	5,033,207
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>21,237,348</u>	<u>1,407,713</u>	<u>22,645,061</u>
LIABILITIES:			
CURRENT LIABILITIES:			
Accounts payable	2,093,101	847,032	2,940,133
Accrued liabilities	1,322,135	87,353	1,409,488
Accrued interest	14,649	47,619	62,268
Unearned revenue	770,953	-	770,953
Deposits payable	1,899,526	822,347	2,721,873
Due to other governments	82,385	-	82,385
Contracts payable	37,678	-	37,678
Compensated absences	440,000	60,000	500,000
Bonds and capital leases payable	176,868	200,000	376,868
TOTAL CURRENT LIABILITIES	<u>6,837,295</u>	<u>2,064,351</u>	<u>8,901,646</u>
NONCURRENT LIABILITIES:			
Compensated absences	2,063,993	281,454	2,345,447
Bonds and capital leases payable	462,377	7,783,729	8,246,106
Net OPEB liability	37,519,713	3,710,742	41,230,455
Net pension liability	117,625,544	9,078,409	126,703,953
TOTAL NONCURRENT LIABILITIES	<u>157,671,627</u>	<u>20,854,334</u>	<u>178,525,961</u>
TOTAL LIABILITIES	<u>164,508,922</u>	<u>22,918,685</u>	<u>187,427,607</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred pension-related items	4,319,361	121,619	4,440,980
Deferred OPEB-related items	5,472,576	541,244	6,013,820
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>9,791,937</u>	<u>662,863</u>	<u>10,454,800</u>
NET POSITION:			
Net investment in capital assets	162,029,958	18,028,340	180,058,298
Restricted - nonexpendable	244,676	-	244,676
Restricted - expendable:			
Community development projects	102,522	-	102,522
Public safety	158,924	-	158,924
Public works	3,408,936	-	3,408,936
Capital projects	12,257,097	-	12,257,097
Debt service	-	559,019	559,019
Low and moderate income housing	12,133,202	-	12,133,202
Art in public places - expendable	1,328,617	-	1,328,617
Waste management	1,142,230	-	1,142,230
Environmental programs	202,608	-	202,608
Unrestricted	(75,019,083)	526,956	(74,492,127)
TOTAL NET POSITION	<u>\$ 117,989,687</u>	<u>\$ 19,114,315</u>	<u>\$ 137,104,002</u>

See accompanying notes to basic financial statements.

CITY OF SANTA FE SPRINGS

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 8,544,252	\$ 2,246,355	\$ 1,988,558	\$ -
Public safety	34,743,488	3,222,786	527,113	-
Community development	2,795,648	2,005,242	-	-
Public works	17,572,927	1,478,915	1,228,283	2,116,919
Culture and leisure	6,539,103	256,996	614,754	-
Human services	1,777,281	12,063	19,610	-
Interest on long-term debt	56,935	-	-	-
Total governmental activities	72,029,634	9,222,357	4,378,318	2,116,919
Business-type activity:				
Water fund	11,310,735	12,406,103	63,014	-
Total	\$ 83,340,369	\$ 21,628,460	\$ 4,441,332	\$ 2,116,919

General revenues:

Taxes:

Property taxes, levied for general purpose

Transaction and use taxes

Sales and use taxes

Franchise taxes

Business operation taxes

Utility users tax

Other taxes

Intergovernmental revenues - motor vehicle in lieu

Interest and rentals

Other

Sale of capital assets

Transfers

Total General Revenues and Transfers

Change in net position

Net Position at Beginning of Year as Restated

Net Position at End of Year

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activity	Total
\$ (4,309,339)	\$ -	\$ (4,309,339)
(30,993,589)	-	(30,993,589)
(790,406)	-	(790,406)
(12,748,810)	-	(12,748,810)
(5,667,353)	-	(5,667,353)
(1,745,608)	-	(1,745,608)
(56,935)	-	(56,935)
(56,312,040)	-	(56,312,040)
-	1,158,382	1,158,382
(56,312,040)	1,158,382	(55,153,658)
4,958,288	-	4,958,288
13,083,262	-	13,083,262
30,689,739	-	30,689,739
3,495,821	-	3,495,821
752,800	-	752,800
6,484,575	-	6,484,575
132,232	-	132,232
2,148,113	-	2,148,113
4,308,252	306,513	4,614,765
1,496,137	111,085	1,607,222
292,655	-	292,655
1,156,300	(1,156,300)	-
68,998,174	(738,702)	68,259,472
12,686,134	419,680	13,105,814
105,303,553	18,694,635	123,998,188
<u>\$ 117,989,687</u>	<u>\$ 19,114,315</u>	<u>\$ 137,104,002</u>

CITY OF SANTA FE SPRINGS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	General	Special Revenue	Capital Projects Funds	
		Fund	Capital	Prefunded
ASSETS		Low and Moderate Income Housing Assets Fund	Improvement	Capital Projects
Pooled cash and investments	\$ 40,690,124	\$ 8,549,196	\$ 339,452	\$ 22,582,099
Receivables:				
Accounts	4,329,044	29,098	3,820	-
Notes and loans, net of allowances	441,940	1,617,235	-	-
Accrued interest	289,817	-	-	-
Deposits and other assets	780,229	-	-	-
Due from other governments	7,438,023	-	2,551,746	50,683
Due from other funds	1,070,455	-	-	-
Advances to other funds	-	1,437,861	-	-
Inventories	1,002,274	-	-	-
Land and buildings held for resale	-	520,032	-	-
TOTAL ASSETS	\$ 56,041,906	\$ 12,153,422	\$ 2,895,018	\$ 22,632,782
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 1,310,030	\$ 16,867	\$ 551,239	\$ 114,759
Accrued liabilities	1,293,179	3,353	1,851	4,600
Unearned revenues	553,582	-	205,634	11,737
Deposits payable	1,387,906	-	511,620	-
Due to other governments	16,791	-	65,594	-
Due to other funds	-	-	420,191	-
Advances from other funds	1,437,861	-	-	-
Contracts payable	-	-	37,678	-
TOTAL LIABILITIES	5,999,349	20,220	1,793,807	131,096
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	2,551,746	-
FUND BALANCES:				
Nonspendable:				
Inventory	1,002,274	-	-	-
Notes and loans	441,941	-	-	-
Deposits and other assets	780,229	-	-	-
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Capital projects	-	-	-	-
Low and moderate income housing	-	12,133,202	-	-
Art in public places	-	-	-	-
Waste management	1,142,230	-	-	-
Environmental programs	202,608	-	-	-
Committed to:				
Capital projects	225,000	-	-	-
Assigned to:				
Capital projects	-	-	-	22,501,686
Equipment replacement	3,824,794	-	-	-
Economic uncertainty	4,925,000	-	-	-
Employee benefits	2,177,785	-	-	-
Risk management	903,200	-	-	-
Unfunded liability	9,975,000	-	-	-
Encumbrance	320,957	-	-	-
Unassigned	24,121,539	-	(1,450,535)	-
TOTAL FUND BALANCES	50,042,557	12,133,202	(1,450,535)	22,501,686
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 56,041,906	\$ 12,153,422	\$ 2,895,018	\$ 22,632,782

See accompanying note to basic financial statements.

CITY OF SANTA FE SPRINGS

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	Capital Projects Funds		Nonmajor Governmental Funds	Total Governmental Funds
	Successor Agency Bond Funded Capital Projects			
ASSETS				
Pooled cash and investments	\$ 10,988,128	\$	5,102,555	\$ 88,251,554
Receivables:				
Accounts	-		-	4,361,962
Notes and loans, net of allowances	153,228		19,250	2,231,653
Accrued interest	65,854		-	355,671
Deposits and other assets	-		-	780,229
Due from other governments	-		840,168	10,880,620
Due from other funds	48,297		-	1,118,752
Advances to other funds	-		-	1,437,861
Inventories	-		-	1,002,274
Land and buildings held for resale	-		-	520,032
TOTAL ASSETS	<u>\$ 11,255,507</u>	<u>\$</u>	<u>5,961,973</u>	<u>\$ 110,940,608</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 97,856	\$	2,350	\$ 2,093,101
Accrued liabilities	1,765		17,387	1,322,135
Unearned revenues	-		-	770,953
Deposits payable	-		-	1,899,526
Due to other governments	-		-	82,385
Due to other funds	-		698,561	1,118,752
Advances from other funds	-		-	1,437,861
Contracts payable	-		-	37,678
TOTAL LIABILITIES	<u>99,621</u>	<u>\$</u>	<u>718,298</u>	<u>8,762,391</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-		238,474	2,790,220
FUND BALANCES:				
Nonspendable:				
Inventory	-		-	1,002,274
Notes and loans	-		-	441,941
Deposits and other assets	-		-	780,229
Permanent fund principal	-		244,676	244,676
Restricted for:				
Community development projects	-		102,522	102,522
Public safety	-		149,227	149,227
Public works	-		3,408,936	3,408,936
Capital projects	11,155,886		-	11,155,886
Low and moderate income housing	-		-	12,133,202
Art in public places	-		1,328,617	1,328,617
Waste management	-		-	1,142,230
Environmental programs	-		-	202,608
Committed to:				
Capital projects	-		-	225,000
Assigned to:				
Capital projects	-		-	22,501,686
Equipment replacement	-		-	3,824,794
Economic uncertainty	-		-	4,925,000
Employee benefits	-		-	2,177,785
Risk management	-		-	903,200
Unfunded liability	-		-	9,975,000
Encumbrance	-		-	320,957
Unassigned	-		(228,777)	22,442,227
TOTAL FUND BALANCES	<u>11,155,886</u>	<u>\$</u>	<u>5,005,201</u>	<u>99,387,997</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 11,255,507</u>	<u>\$</u>	<u>5,961,973</u>	<u>\$ 110,940,608</u>

See accompanying note 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, 2020

Fund balances of governmental funds		\$ 99,387,997
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>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.</p>		
Capital assets not being depreciated	59,043,709	
Capital assets being depreciated	231,296,611	
Accumulated depreciation	<u>(127,671,117)</u>	162,669,203
<p>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, 2020 are:</p>		
Capital leases payable	(639,245)	
Compensated absences	<u>(2,503,993)</u>	(3,143,238)
<p>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.</p>		
Deferred outflows of resources - pension related	16,657,130	
Deferred inflows of resources - pension related	(4,319,361)	
Net pension liability	(117,625,544)	
Deferred outflows of resources - OPEB related	4,580,218	
Deferred inflows of resources - OPEB related	(5,472,576)	
Net OPEB liability	<u>(37,519,713)</u>	(143,699,846)
<p>Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.</p>		
		(14,649)
<p>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.</p>		
		<u>2,790,220</u>
Net position of governmental activities		<u><u>\$ 117,989,687</u></u>

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CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	General	Special Revenue	Capital Projects Funds	
		Fund	Capital	Prefunded
		Low and Moderate Income Housing Assets Fund	Improvement	Capital Projects
REVENUES:				
Taxes	\$ 61,543,718	\$ -	\$ -	\$ -
Licenses and permits	2,485,395	-	-	-
Intergovernmental	928,963	-	2,321,509	50,684
Charges for services	5,346,393	-	-	-
Interest and rentals	3,778,700	280,162	-	-
Fines and forfeitures	788,382	-	-	-
Contributions	266,857	-	-	-
Miscellaneous	714,047	-	943,263	-
TOTAL REVENUES	75,852,455	280,162	3,264,772	50,684
EXPENDITURES:				
Current:				
General government	7,901,056	-	-	-
Public safety	29,895,370	-	-	-
Community development	2,469,754	179,651	-	-
Public works	11,072,760	-	-	257,778
Culture and leisure	5,545,256	-	-	-
Human services	1,414,482	-	-	-
Capital outlay	378,662	-	1,532,113	418,341
Debt service:				
Principal retirement	1,464,840	-	-	-
Interest and fiscal charges	63,389	-	-	-
TOTAL EXPENDITURES	60,205,569	179,651	1,532,113	676,119
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	15,646,886	100,511	1,732,659	(625,435)
OTHER FINANCING SOURCES (USES):				
Transfers in	2,736,283	-	-	5,550,000
Transfers out	(5,554,461)	-	-	(21,587)
Sale of capital assets	292,655	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(2,525,523)	-	-	5,528,413
NET CHANGE IN FUND BALANCES	13,121,363	100,511	1,732,659	4,902,978
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	36,921,194	12,032,691	(3,183,194)	17,598,708
FUND BALANCES - END OF YEAR	\$ 50,042,557	\$ 12,133,202	\$ (1,450,535)	\$ 22,501,686

See accompanying note to basic financial statements.

CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUNDS BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Capital Projects		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ 405,240	\$ 201,112	\$ 62,150,070
Licenses and permits	-	-	2,485,395
Intergovernmental	-	2,909,261	6,210,417
Charges for services	-	-	5,346,393
Interest and rentals	462,372	146,394	4,667,628
Fines and forfeitures	-	-	788,382
Contributions	-	512,312	779,169
Miscellaneous	2,800	28,491	1,688,601
TOTAL REVENUES	870,412	3,797,570	84,116,055
EXPENDITURES:			
Current:			
General government	-	1,050	7,902,106
Public safety	-	576,695	30,472,065
Community development	-	-	2,649,405
Public works	-	44,829	11,375,367
Culture and leisure	-	8,820	5,554,076
Human services	-	-	1,414,482
Capital outlay	7,845,489	-	10,174,605
Debt service:			-
Principal retirement	-	-	1,464,840
Interest and fiscal charges	-	-	63,389
TOTAL EXPENDITURES	7,845,489	631,394	71,070,335
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(6,975,077)	3,166,176	13,045,720
OTHER FINANCING SOURCES (USES):			
Transfers in	1,281,358	26,048	9,593,689
Transfers out	-	(2,861,341)	(8,437,389)
Sale of capital assets	-	-	292,655
TOTAL OTHER FINANCING SOURCES (USES)	1,281,358	(2,835,293)	1,448,955
NET CHANGE IN FUND BALANCES	(5,693,719)	330,883	14,494,675
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	16,849,605	4,674,318	84,893,322
FUND BALANCES - END OF YEAR	\$ 11,155,886	\$ 5,005,201	\$ 99,387,997

See accompanying note 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, 2020**

Net change in fund balances - total governmental funds \$ 14,494,675

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	\$ 8,970,632	
Depreciation	<u>(6,558,265)</u>	2,412,367

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.

Pension obligation bonds principle repayment	1,199,000	
Capital lease repayment	<u>265,840</u>	1,464,840

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. 6,454

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. (351,098)

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. (6,681,764)

Other postemployment benefit expense reported in the governmental funds includes payment of premiums for the current year. In the Statement of Activities, OPEB expense includes the change in the net other postemployment benefit liability and OPEB related deferred inflows of resources. 2,189,902

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. (849,242)

Change in net position of governmental activities \$ 12,686,134

CITY OF SANTA FE SPRINGS

STATEMENT OF NET POSITION
 PROPRIETARY FUND
 JUNE 30, 2020

	Business-Type Activity - Enterprise Fund <u>Water Fund</u>
ASSETS:	
CURRENT ASSETS:	
Pooled cash and investments	12,479,587
Receivables:	
Accounts	1,474,453
Accrued interest	2,483
Inventories	297,331
Restricted:	
Cash with fiscal agent	559,019
TOTAL CURRENT ASSETS	<u>14,812,873</u>
NONCURRENT ASSETS:	
Capital assets not being depreciated	8,553,401
Capital assets, net of depreciation	17,921,876
TOTAL NONCURRENT ASSETS	<u>26,475,277</u>
TOTAL ASSETS	<u>41,288,150</u>
DEFERRED OUTFLOWS OF RESOURCES:	
Deferred charge on refunding	95,811
Deferred pension-related items	858,913
Deferred OPEB-related items	452,989
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>1,407,713</u>
LIABILITIES:	
CURRENT LIABILITIES:	
Accounts payable	847,032
Accrued liabilities	87,353
Accrued interest	47,619
Deposits payable	822,347
Contracts payable	-
Compensated absences	60,000
Bonds, notes and capital leases	200,000
TOTAL CURRENT LIABILITIES	<u>2,064,351</u>
NONCURRENT LIABILITIES:	
Compensated absences	281,454
Bonds, notes and capital leases	7,783,729
Net OPEB liability	3,710,742
Net pension liability	9,078,409
TOTAL NONCURRENT LIABILITIES	<u>20,854,334</u>
TOTAL LIABILITIES	<u>22,918,685</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred pension-related items	121,619
Deferred OPEB-related items	541,244
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>662,863</u>
NET POSITION:	
Net investment in capital assets	18,028,340
Restricted for debt service	559,019
Unrestricted	526,956
TOTAL NET POSITION	<u>\$ 19,114,315</u>

See accompanying notes to basic financial statements.

CITY OF SANTA FE SPRINGS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2020

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
OPERATING REVENUES:	
Sales and service charges	\$ 12,406,103
Other water revenue	<u>111,085</u>
TOTAL OPERATING REVENUES	<u>12,517,188</u>
OPERATING EXPENSES:	
Source of supply	5,656,628
System maintenance and operation	2,570,789
Billing and collection	1,040,678
Administration	1,088,259
Depreciation expense	<u>636,032</u>
TOTAL OPERATING EXPENSES	<u>10,992,386</u>
OPERATING INCOME	<u>1,524,802</u>
NONOPERATING REVENUES (EXPENSES):	
Interest revenue	306,513
Interest expense	<u>(318,349)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(11,836)</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,512,966
CONTRIBUTIONS	63,014
TRANSFERS OUT	<u>(1,156,300)</u>
CHANGE IN NET POSITION	419,680
NET POSITION AT BEGINNING OF YEAR, AS RESTATED	<u>18,694,635</u>
NET POSITION AT END OF YEAR	<u><u>\$ 19,114,315</u></u>

CITY OF SANTA FE SPRINGS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND
 YEAR ENDED JUNE 30, 2020

	Business-Type Activity - Enterprise Fund <u>Water Fund</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers and users	\$ 12,817,552
Cash paid to suppliers for goods and services	(9,355,490)
Cash paid to employees for services	(737,093)
Cash received from others	111,085
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,836,054</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Cash transfers out	<u>(1,156,300)</u>
NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES	<u>(1,156,300)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Acquisition and construction of capital assets	(234,644)
Principal paid on capital debt	(200,000)
Interest paid on capital debt	(290,496)
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(725,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received	<u>306,513</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>306,513</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,261,127
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>11,777,479</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 13,038,606</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 1,524,802
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	636,032
(Increase) decrease in accounts receivable	400,719
(Increase) decrease in inventory	(28,216)
(Increase) decrease in deferred outflows for pension-related items	7,538
(Increase) decrease in deferred outflows for OPEB-related items	(3,408)
Increase (decrease) in accounts payable	56,670
Increase (decrease) in accrued liabilities	33,416
Increase (decrease) in unearned revenues	(48,911)
Increase (decrease) in deposits payable	59,641
Increase (decrease) in contracts payable	(7,570)
Increase (decrease) in compensated absences	47,877
Increase (decrease) in deferred inflows for pension-related items	(47,646)
Increase (decrease) in deferred inflows for OPEB-related items	506,800
Increase (decrease) in net pension liability	(719,976)
Increase (decrease) in other postemployments benefits	418,286
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,836,054</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES:	
Contributed capital assets received	\$ 63,014
Amortization of bond discounts, and deferred charges	28,650

See accompanying notes to basic financial statements.

CITY OF SANTA FE SPRINGS

STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2020

	Agency Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
	<u>Agency Funds</u>	<u>Private-Purpose Trust Fund Successor Agency of the Former RDA</u>
ASSETS:		
Pooled cash and investments	\$ 589,034	414,974
Receivables:		
Accounts	-	30,727
Notes and loans	-	61,438
Due from other governments	-	46,556
Land and buildings held for resale (net of allowance of \$5,852,729)	-	4,251,852
Restricted assets:		
Cash and investments with fiscal agents	171,111	11,682,663
Capital assets:		
Capital assets not being depreciated	-	415,530
	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 760,145</u>	<u>16,903,740</u>
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred charge on refunding		233,692
		<u> </u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES		<u>233,692</u>
LIABILITIES:		
Accounts payable	\$ -	9,523
Accrued liabilities	-	7,227
Accrued interest	-	1,367,849
Deposits payable	760,145	48,300
Due to other governments	-	143,142
Long-term liabilities:		
Due in one year	-	7,804,209
Due in more than one year	-	59,235,398
	<u> </u>	<u> </u>
TOTAL LIABILITIES	<u>\$ 760,145</u>	<u>68,615,648</u>
NET POSITION:		
Held in trust for other purposes		(51,478,216)
		<u> </u>
TOTAL NET POSITION		<u>\$ (51,478,216)</u>

CITY OF SANTA FE SPRINGS

STATEMENT OF NET POSITION
 FIDUCIARY FUNDS
 YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Fund Successor Agency of the Former RDA
	<u> </u>
ADDITIONS:	
Taxes	\$ 10,108,484
Interest and change in fair value of investments	<u>67,907</u>
TOTAL ADDITIONS	<u>10,176,391</u>
DEDUCTIONS:	
Administrative expenses	253,359
Program expenses	29,668
Write down of land and building held for resale	5,852,729
Interest expense	<u>3,288,229</u>
TOTAL DEDUCTIONS	<u>9,423,985</u>
CHANGE IN NET POSITION	752,406
NET POSITION:	
Beginning of year, as restated	<u>(52,230,622)</u>
End of year	<u><u>\$ (51,478,216)</u></u>

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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 generally accepted accounting principles, 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.

Blended Component Units

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.

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’s financial data and transactions are included with the enterprise fund type, as the only debt outstanding is related to the Water Utility fund and the Water Utility fund revenues are pledged to the payment of the debt.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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.

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

Joint Ventures

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, 2020, 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, 2020, the City contributed \$219,333 for the operation of the Center. Separate audited financial statements are not prepared for the joint venture. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.

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 Center 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 2020 was \$5,000. Financial statements can be obtained from the City of Whittier. City Hall is located at 13230 Penn Street, Whittier, California.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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.

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 (agency funds do not have a measurement focus). 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.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Governmental Funds Financial Statements (Continued)

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.

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 for grant revenues, which is 365 days and 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.

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.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Governmental Funds Financial Statements (Continued)

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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for 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 non-operating 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 Agency Funds financial statements include a statement of fiduciary net position. The City's Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The City reports the following agency 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.

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.

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

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

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.

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. 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:

Assets	Years
Computer	3
Furniture	10
Machinery and equipment	3-20
Vehicles	8
Water service meters and hydrants	10-50
Water transmission and distribution mains	10-50
Infrastructure	20-75

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. In fiscal year 2019-2020, the City recorded an allowance of \$5,852,729 to write down the investment to estimated realizable value.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The government has three items that qualify for reporting in this category. One item is the deferred charge on refunding reported in the government-wide, proprietary fund, and fiduciary fund statements of net position. A 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. The second and third items are deferred outflows relating to the net pension liability and the net OPEB liability reported in the government-wide, and proprietary statements of net position. These outflows are the results of contributions made after the measurement period, which are recognized in the following year, and the adjustments due to change in the employer's proportion, changes in assumptions, and the difference between expected and actual experience, which are deferred and amortized over the expected average remaining service lifetime.

In addition to liabilities, the statement of net position and balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and thus will not be recognized as an inflow of resources (revenue) until that time. The government has two items that qualify for reporting in this category. One item is the unavailable revenues, which is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The second item is deferred inflows relating to the net pension liability and the net OPEB liability reported in the government-wide and proprietary statements of net position. These inflows are the result of the net difference between projected and actual earnings on pension plan investments, which is deferred and amortized straight-line over a five-year period, and the adjustments due to change in employer's proportion, change in assumptions, the difference between expected and actual experience, and the difference between employer's contributions and the employer's proportionate share of contributions, which are amortized over the expected average remaining service lifetime.

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.

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

Other Post-Employment 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.

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, 2020, fund balances for government funds are made up of the following:

- Non-spendable 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.

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, 2020 the Capital Improvement fund had a deficit fund balance of \$1,450,535 and the Fire Grants fund had a deficit fund balance of \$228,777. 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.

Expenditures in Excess of Appropriations

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

- Community Development Block Grant (\$35,087)
- Fire Grants Fund (\$157,134)
- Air Quality Improvement (\$2,062)

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements

Adoption of New Standards

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This Statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The City implemented Statement No. 95 and postponed the implementation of the provisions in Statements and Implementation Guides that were previously required to be implemented for fiscal year 2019-2020.

In June 2020, GASB issued Statement No. 97 – Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. Paragraph 4 of this Statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform.

Paragraph 5 of this Statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these paragraphs did not impact the City.

Pending Accounting Standards

The City is currently evaluation the impact of the requirements of the below Statements on the financial statements.

In January 2017, GASB issued Statement No. 84 – *Fiduciary Activities*. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, early application is encouraged.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 1: Organization and Summary of Significant Accounting Policies (Continued)

New Accounting Pronouncements (Continued)

Pending Accounting Standards (Continued)

In May 2019, GASB issued Statement No. 91 – *Conduit Debt Obligations*. This Statement clarifies existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021, early application encouraged.

In May 2020, GASB issued Statement No. 96 – *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Early application is encouraged. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented.

Note 2: Cash and Investments

Cash and investments as of June 30, 2020, are classified in the accompanying financial follows:

Statement of net position:

Pooled cash and investments	\$ 100,731,141
Cash and investments with fiscal agent	559,019
Fiduciary funds:	
Pooled cash and investments	1,004,008
Cash and investments with fiscal agent	11,853,774
Total	<u>\$ 114,147,942</u>

Cash and investments were comprised of the following as of June 30, 2020:

Cash on hand	\$ 53,755
Deposits with financial institutions	3,693,668
Investments	110,400,519
Total	<u>\$ 114,147,942</u>

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

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:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio*	Maximum Investment in One Issuer
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, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
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, 2020

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:

Investment Type	Remaining Maturity (in Months)					Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	48 to 60 Months	
U.S. Treasury obligations	\$ -	\$ -	\$ 2,397,838	\$ 7,719,919	\$ 3,907,489	\$ 14,025,246
U.S. Agency securities:						
Federal Home Loan						
Mortgage Corporation (FHLMC)	-	-	1,827,572	-	-	1,827,572
Federal National Mortgage						
Association (FNMA)	-	411,584	674,305	516,905	292,441	1,895,235
Federal Home Loan Bank (FHLB)	-	-	-	336,642	-	336,642
Municipal obligations	-	-	36,043	-	104,798	140,841
Medium-term notes	3,251,439	2,403,463	2,086,618	1,184,055	524,443	9,450,018
Negotiable certificates of deposit	302,098	654,427	1,007,231			1,963,756
Supranationals	-	179,607	176,029			355,636
Federal Agency collateralized						
mortgage obligation	-	110,831	1,425,995	64,508	94,085	1,695,419
Asset-backed securities	32,282	709,351	526,423	488,441	642,178	2,398,675
Money Market Funds	77,481					77,481
Local agency investment fund	63,821,205	-	-	-	-	63,821,205
Held by Bond Trustee:						
Money Market Funds	12,412,793	-	-	-	-	12,412,793
Total	<u>\$ 79,897,298</u>	<u>\$ 4,469,263</u>	<u>\$ 10,158,054</u>	<u>\$ 10,310,470</u>	<u>\$ 5,565,434</u>	<u>\$ 110,400,519</u>

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 supranationals. As of June 30, 2020, 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, 2020

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:

Investment Type	Total as of June 30, 2020	Minimum Legal Rating	Minimum				Not Rated
			AAA	AA- to AA+	A- to A+	BBB- to BBB+	
U.S. Treasury obligations	\$ 14,025,246	N/A	\$ -	\$ 14,025,246	\$ -	\$ -	\$ -
U.S. Agency securities:							
FHLMC	1,827,572	N/A	-	1,827,572	-	-	-
FNMA	1,895,235	N/A	-	1,895,235	-	-	-
FHLB	336,642	N/A	-	336,642	-	-	-
Municipal obligations	140,841	A			140,841		
Medium-term notes	9,450,018	A	65,398	1,550,873	6,320,781	1,512,966	
Negotiable certificates of deposit	1,963,756	A	-	672,292	1,291,464		
Supranationals	355,636	AA	355,636	-	-	-	-
Federal Agency collateralized							
mortgage obligation	1,695,419	AA	-	1,695,419	-	-	-
Asset-backed securities	2,398,675	AA	2,398,675	-	-	-	-
Money Market Funds	77,481	N/A	77,481	-	-	-	-
Local agency investment fund	63,821,205	N/A	-	-	-	-	63,821,205
Held by Bond Trustee:							
Money Market Funds	12,412,793	AAA	12,412,793	-	-	-	-
Total	\$ 110,400,519		\$ 15,309,983	\$ 22,003,279	\$ 7,753,086	\$ 1,512,966	\$ 63,821,205

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, 2020.

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, 2020

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.

The total amount invested by all public agencies in LAIF as of June 30, 2020, was \$24.55 billion. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2020, had a balance of \$106.0 billion. This information can be located on the California State Treasurer's website at <http://www.treasurer.ca.gov/>.

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. 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, 2020:

Investment Type	Totals	Level	
		1	2
U.S. Treasury obligations	\$ 14,025,246	\$ 14,025,246	\$ -
U.S. Agency securities:	-	-	-
FHLMC	1,827,572	-	1,827,572
FNMA	1,895,235	-	1,895,235
FHLB	336,642	-	336,642
Municipal obligations	140,841	-	140,841
Medium-term notes	9,450,018	-	9,450,018
Negotiable certificates of deposit	1,963,756	-	1,963,756
Supranationals	355,636	-	355,636
Federal Agency collateralized			
mortgage obligation	1,695,419	-	1,695,419
Asset-backed securities	2,398,675	-	2,398,675
Totals	\$ 34,089,040	\$ 14,025,246	\$ 20,063,794
Not subject to fair value measurement hierarchy:			
Money Market Funds	77,481		
Local Agency Investment Fund (LAIF)	63,821,205		
Held by Bond Trustee:			
Money Market Funds	12,412,793		
Total Investments	\$ 110,400,519		

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 3: Loans and Notes Receivable

The loans and notes receivable balance consists of the following:

Fund	Balance
Governmental Funds	
General Fund	\$ 441,940
Low and Moderate Income Housing Assets Special Revenue Fund	1,617,235
Successor Agency Bond Funded Capital Projects Fund	153,228
Nonmajor Governmental Funds	<u>19,250</u>
 Total Funds	 <u><u>\$ 2,231,653</u></u>

The General Fund has loans and notes receivable in the amount of \$40,336 representing monies advanced to City employees for home computer purchases. These loans are required to be repaid within 2 years and bear no interest. Notes receivable in the amount of \$401,604 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 one note outstanding for “silent second” mortgage notes issued to qualified buyers to assist with housing acquisition. The loans are for \$20,000 and has a term of 15 years. The loan has no payments for the first 10 years and bear simple interest at 6% per annum. The loan is secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2020, is \$20,000. In addition, the Low and Moderate Income Housing Assets Special Revenue Fund has ten 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, 2020 is \$882,510 with a net carrying value of \$0. 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 \$1,597,235 at June 30, 2020. 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 \$153,228 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.

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, 2020, is \$19,250.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 4: 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 5: Interfund Activity

The following is a summary of interfund transfers for the fiscal year ended June 30, 2020:

Transfers In:	Transfers Out:				Total
	General Fund	Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	
General Fund	\$ -	\$ -	\$ 1,579,983	\$ 1,156,300	\$ 2,736,283
Prefunded Capital Projects Fund	5,550,000	-	-	-	5,550,000
SA Bond Funded Capital Projects	-	-	1,281,358	-	1,281,358
Other Governmental Funds	4,461	21,587	-	-	26,048
Total	\$ 5,554,461	\$ 21,587	\$ 2,861,341	\$ 1,156,300	\$ 9,593,689

The General Fund transferred \$5,550,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects. The General Fund transferred \$4,461 to the Other Governmental Funds for a public safety grant match.

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 \$156,300 for NPDES street purposes and other computer replacements.

Prefunded Capital Projects Fund transferred \$21,587 into Other Governmental Funds for cost related to a capital project.

Other Governmental Funds transferred \$1,579,983 into the General Fund for various purposes including costs incurred related to public safety, Gas Tax, Metro Grants, Art in Public Places activities, and \$1,281,358 into the Successor Agency Bond Funded Capital Projects Fund for costs incurred related to capital projects.

Due to/from other funds at June 30, 2020, were as follows:

Due from	Due to			Total
	Capital Improvement Fund	Successor Agency Bond Funded Capital Projects Fund	Nonmajor Governmental Funds	
General Fund	\$ 420,191	\$ -	\$ 650,264	\$ 1,070,455
Successor Agency Bond	-	-	48,297	48,297
Total	\$ 420,191	\$ -	\$ 698,561	\$ 1,118,752

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.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 5: Interfund Activity (Continued)

Advances from other funds and advances to other funds at June 30, 2020, consist of loans as follows:

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

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.

Note 7: Capital Assets

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

	Balance June 30, 2019 <u>As Restated</u>	<u>Additions</u>	<u>Deletions</u>	Balance June 30, 2020
Governmental activities:				
Capital Assets, not being depreciated				
Land	\$ 56,295,501	\$ -	\$ -	\$ 56,295,501
Construction in process	2,807,499	8,495,408	8,554,699	2,748,208
Total capital assets not being depreciated	<u>59,103,000</u>	<u>8,495,408</u>	<u>8,554,699</u>	<u>59,043,709</u>
Capital assets, being depreciated:				
Buildings	34,208,518	-	-	34,208,518
Improvements	26,048,852	263,582	-	26,312,434
Equipment	14,801,482	475,224	202,611	15,074,095
Infrastructure	147,410,447	8,291,117	-	155,701,564
Total capital assets, being depreciated	<u>222,469,299</u>	<u>9,029,923</u>	<u>202,611</u>	<u>231,296,611</u>
Less accumulated depreciation				
Buildings	13,699,053	656,769	-	14,355,822
Improvements	18,477,407	745,886	-	19,223,293
Equipment	10,587,560	872,227	202,611	11,257,176
Infrastructure	78,551,443	4,283,383	-	82,834,826
Total accumulated depreciation	<u>121,315,463</u>	<u>6,558,265</u>	<u>202,611</u>	<u>127,671,117</u>
Total capital assets, being depreciated, net	<u>101,153,836</u>	<u>2,471,658</u>	<u>-</u>	<u>103,625,494</u>
Government activities capital assets, net	<u>\$ 160,256,836</u>	<u>\$ 10,967,066</u>	<u>\$ 8,554,699</u>	<u>\$ 162,669,203</u>

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 7: Capital Assets (Continued)

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Business-Type activities:				
Capital Assets, not being depreciated				
Land and water rights	\$ 3,384,974	\$ -	\$ -	\$ 3,384,974
Construction in process	5,414,804	388,489	634,866	5,168,427
Total capital assets not being depreciated	<u>8,799,778</u>	<u>388,489</u>	<u>634,866</u>	<u>8,553,401</u>
Capital assets, being depreciated:				
Source of supply plant	4,137,454	544,035	-	4,681,489
Transmission and distribution plant	36,859,870	-	-	36,859,870
Pumping and treatment plant	111,016	-	-	111,016
General Plant	1,096,135	-	-	1,096,135
Total capital assets, being depreciated	<u>42,204,475</u>	<u>544,035</u>	<u>-</u>	<u>42,748,510</u>
Less accumulated depreciation				
Source of supply plant	2,377,201	89,877	-	2,467,078
Transmission and distribution plant	20,616,609	543,663	-	21,160,272
Pumping and treatment plant	100,657	2,492	-	103,149
General Plant	1,096,135	-	-	1,096,135
Total accumulated depreciation	<u>24,190,602</u>	<u>636,032</u>	<u>-</u>	<u>24,826,634</u>
Total capital assets, being depreciated, net	<u>18,013,873</u>	<u>(91,997)</u>	<u>-</u>	<u>17,921,876</u>
Water Utility				
Capital Assets, Net	<u>\$ 26,813,651</u>	<u>\$ 296,492</u>	<u>\$ 634,866</u>	<u>\$ 26,475,277</u>

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

	Governmental Activities	Business-Type Activities
General government	\$ 187,045	
Public safety	845,850	\$ -
Community development	67,394	-
Transportation	4,523,064	-
Culture and leisure	682,868	-
Human services	252,044	-
Water utility	<u>-</u>	<u>636,032</u>
Total Governmental Activities	<u>\$ 6,558,265</u>	<u>\$ 636,032</u>

Note 8: Contracts Payable

Contracts payable consists of contract retention due on uncompleted construction projects.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 9: Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2020:

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental activities:					
Bonds Payable:					
Pension obligation bonds	\$ 1,199,000	\$ -	\$ 1,199,000	\$ -	\$ -
Capital Leases:					
Oshkosh lease payable	94,823	-	94,823	-	-
Fire air and light vehicle lease	427,472	-	80,865	346,607	83,116
Motorola radios lease 2018	382,790	-	90,152	292,638	93,752
	<u>\$ 2,104,085</u>	<u>\$ -</u>	<u>\$ 1,464,840</u>	<u>\$ 639,245</u>	<u>\$ 176,868</u>
Business-type activities:					
Water Revenue Bonds Payable:					
2013 Series A	\$ 6,890,000	\$ -	\$ -	\$ 6,890,000	\$ -
2018 Subordinate Bonds	1,425,000	-	200,000	1,225,000	200,000
Issuance discount/premiums	(137,238)	-	(5,967)	(131,271)	-
	<u>\$ 8,177,762</u>	<u>\$ -</u>	<u>\$ 194,033</u>	<u>\$ 7,983,729</u>	<u>\$ 200,000</u>

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

Governmental Activities		
Year Ending June 30,	Capital Lease Payable	
	Principal	Interest
2021	\$ 176,868	\$ 21,338
2022	182,926	15,279
2023	189,199	9,007
2024	90,252	2,513
Total	<u>\$ 639,245</u>	<u>\$ 48,137</u>
Business-Type Activities		
Year Ending June 30,	Revenue Bonds	
	Principal	Interest
2021	\$ 200,000	\$ 285,716
2022	205,000	280,935
2023	210,000	276,036
2024	215,000	272,097
2025	220,000	265,878
2026-2030	1,500,000	1,091,277
2031-2035	1,835,000	939,000
2036-2040	2,200,000	570,363
2041-2044	1,530,000	124,000
Total	<u>\$ 8,115,000</u>	<u>\$ 4,105,302</u>

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 9: Long-Term Liabilities (Continued)

Governmental Activities

Taxable Pension Obligation Bonds

In April 2012, the City issued taxable pension obligation bonds in the amount of \$7,147,000 in order to refund the PERS Side Fund Obligation and realize cash flow savings and to accomplish a more prudent amortization of unfunded actuarial accrued liability in respect of the PERS Side Fund Obligation. The remaining outstanding bonds in the amount of \$1,199,000 was paid off during the fiscal year.

Oshkosh Lease Payable

In October 2011, the City entered into a lease agreement for \$612,094 with Oshkosh Capital to lease a fire engine. Payments are due annually in the amount of \$97,469 on October 3, each year at an annual interest rate of 2.79%; with the lease expiring on October 3, 2020. The lease was paid off during the year. The asset cost and accumulated depreciation as of June 30, 2020, is \$612,094 and \$459,070, respectively.

Fire Air & Light Vehicle Lease

In September 2017, the City entered into a lease agreement for \$598,911 with Community First National Bank to lease 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 lease is \$346,607. The asset cost and accumulated depreciation as of June 30, 2020, is \$598,911 and \$89,837, respectively.

Motorola Radios Lease

In November 2018, the City entered into a lease agreement for \$488,231 with Community First National Bank to lease 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 lease is \$292,638. The asset cost and accumulated depreciation as of June 30, 2020, is \$488,231 and \$104,621, respectively.

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 Bonds. As a result of the refund, the bonds create an economic gain of \$115,782 (difference between the present values of the old and new debt service payments). The City also reduces its total debt service payments over the next 20 years by \$115,033. The 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 amount outstanding as of June 30, 2020, is \$6,890,000.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 9: Long-Term Liabilities (Continued)

Business-Type Activities (Continued)

Water Refunding Revenue Bonds, 2013 (Continued)

The Bonds are payable from and secured by net revenues on a parity basis with an existing installment payment obligation of the PFA’s 2005 Installment Payment. These payments consist primarily of 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 \$2,578,238 against debt service payments of \$256,438. Total principal and interest remaining is \$11,020,863.

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 Bonds then outstanding, shall declare the principal of the 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; (3) fund a deposit to a debt service reserve fund for the 2018 bonds; and (4) pay the costs of issuance associated with the issuance and sale of the Bonds. As a result of the refund, the bonds create an economic gain of \$75,235 (difference between the present values of the old and new debt service payments). The City also reduces its total debt service payments by \$393,216.

The 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 amount outstanding as of June 30, 2020, is \$1,225,000.

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 Bonds then outstanding, shall declare the principal of the Bonds, together with the accrued interest thereon, to be due and payable immediately.

Note 10: 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 July 1, 2019 as Restated	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental activities	\$ 2,152,895	\$ 474,875	\$ 123,777	\$ 2,503,993	\$ 440,000
Business-Type activities	293,577	64,756	16,879	341,454	60,000
Total Compensated Absences	<u>\$ 2,446,472</u>	<u>\$ 539,631</u>	<u>\$ 140,656</u>	<u>\$ 2,845,447</u>	<u>\$ 500,000</u>

Note 11: 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 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The 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 \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following 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 \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

Note 11: California Joint Powers Insurance Authority Insurance Program (Continued)

Primary Workers' Compensation Program (Continued)

For 2019-20 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 as part of a reinsurance policy, 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 \$50,000 deductible. The Authority has an aggregate limit of \$50 million for the 3-year period from July 1, 2017 through July 1, 2020. Each member of the Authority has a \$10 million sub-limit during the 3-year policy term.

Property Insurance

The 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 \$114,253,589. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

Earthquake and Flood Insurance

The City 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 \$49,397,992. 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 2019-20.

Note 12: 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 non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 12: Pension Plan Obligations (Continued)

a. General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan provisions and benefits for the measurement period ended June 30, 2019, 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%	5.25%
Required employer contribution rates	9.463%	9.463%	9.463%

	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%	12.250%
Required employer contribution rates	22.346%	19.353%	12.965%

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

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 12: Pension Plan Obligations (Continued)

a. General Information About the Pension Plan (Continued)

Employees Covered

For the measurement period ended June 30, 2019, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active members	106
Transferred members	34
Terminated members	33
Retired members and beneficiaries	220
Total	<u>393</u>

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.

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, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the subsequent page.

Note 12: Pension Plan Obligations (Continued)

b. Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
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)

(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 less 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.

Note 12: 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	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	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.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 12: 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, 2018 (Measurement Date)	<u>\$ 175,429,547</u>	<u>\$ 103,261,850</u>	<u>\$ 72,167,697</u>
Changes in the Year:			
Service cost	1,609,236	-	1,609,236
Interest on the total pension liability	12,378,733	-	12,378,733
Differences between actual and expected experience	2,131,720	-	2,131,720
Contribution - employer	-	5,182,712	(5,182,712)
Contribution - employee	-	783,946	(783,946)
Net investment income	-	6,740,766	(6,740,766)
Administrative expenses		(73,690)	73,690
Benefit payments, including refunds of employee contributions	(10,473,500)	(10,473,500)	-
Other miscellaneous expense	-	242	(242)
Net Changes	<u>5,646,189</u>	<u>2,160,476</u>	<u>3,485,713</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 181,075,736</u>	<u>\$ 105,422,326</u>	<u>\$ 75,653,410</u>

As of June 30, 2020, 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>\$ 51,050,543</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, 2019, 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, 2018, rolled forward to June 30, 2019, 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, 2020

Note 12: 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 June 30, 2018 and 2019, was as follows:

Safety Cost-Sharing Plan	
Proportion - June 30, 2018	0.80993%
Proportion - June 30, 2019	0.81778%
Change - Increase (Decrease)	<u>0.00785%</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 percent, 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%	Current Discount	Discount Rate + 1%
	6.15%	7.15%	8.15%
Miscellaneous Plan	\$ 97,678,157	\$ 75,653,410	\$ 57,283,384
Safety Plan	74,116,743	51,050,543	32,139,873
Total Net Pension Liability	<u>\$ 171,794,900</u>	<u>\$ 126,703,953</u>	<u>\$ 89,423,257</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 Comprehensive Annual 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, 2020

Note 12: Pension Plan Obligations (Continued)

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

For the year ended June 30, 2020, the City recognized pension expense of \$9,104,549 and \$8,185,565 for the Miscellaneous and Safety Plan, respectively. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 5,952,729	\$ -
Differences between expected and actual experience	1,204,885	(69,120)
Change in assumptions	-	(219,927)
Net differences between projected and actual earnings on plan investments	-	(724,444)
Total	<u>\$ 7,157,614</u>	<u>\$ (1,013,491)</u>
	Safety Plan	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 4,372,591	\$ -
Difference between expected and actual experiences	3,333,140	-
Change in assumptions	2,092,473	(408,344)
Net differences between projected and actual earnings on plan investments	-	(702,287)
Change in employer's proportion	560,225	(315,201)
Differences between the employer's contributions and the employer's proportionate share of contributions	-	(2,001,657)
Total	<u>10,358,429</u>	<u>(3,427,489)</u>
Total All Plans	<u>\$ 17,516,043</u>	<u>\$ (4,440,980)</u>

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 12: Pension Plan Obligations (Continued)

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

\$5,952,729 and \$4,372,591 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30,	Deferred Outflows/(Inflows) of Resources		
	Miscellaneous	Safety	Total
2021	\$ 1,005,841	\$ 2,670,961	\$ 3,676,802
2022	(697,494)	(619,145)	(1,316,639)
2023	(212,321)	369,888	157,567
2024	95,368	136,645	232,013
2025	-	-	-
Thereafter	-	-	-
Total	<u>\$ 191,394</u>	<u>\$ 2,558,349</u>	<u>\$ 2,749,743</u>

e. Payable to the Pension Plans

At June 30, 2020, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2020.

Note 13: Post-Employment 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, CA 95814.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 13: Post-Employment 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 5 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, 2019, the benefit terms covered the following employees:

	<u>Management</u>	<u>Miscellaneous</u>	<u>Fire</u>	<u>Total</u>
Retirees and beneficiaries receiving benefits	51	105	81	237
Active plan members	<u>31</u>	<u>77</u>	<u>52</u>	<u>160</u>
Total	<u>82</u>	<u>182</u>	<u>133</u>	<u>397</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 measurement date ended June 30, 2019, the City's cash contributions were \$4,995,349 in total payments, which were recognized as a reduction to the OPEB liability.

d. Investments

The CERBT was established for public agencies to pre-fund other post-employment 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:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global Equity	59%	4.82%
U.S. Fixed Income	25%	1.47%
TIPS	5%	1.29%
Commodities	3%	0.84%
REITs	<u>8%</u>	3.76%
Total	<u>100%</u>	

Note 13: Post-Employment Health Care Benefits (Continued)

e. Net OPEB Liability

The City’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. 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	6.75%
Inflation	2.75%
Salary Increases	Aggregate - 3%
	Merit - CalPERS 1997-2015 Experience Study
Healthcare cost trend rates	Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
	Medicare - 6.30% for 2021, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality Rate	Mortality Rate projected fully generational with Scale MP-2019
Mortality, Retirement, Disability, Terminations	CalPERS 1997-2015 Experience Study

The actuarial assumptions used in the June 30, 2019 valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

g. Discount Rate

The discount rate used to measure the total OPEB liability was 6.75 percent. 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, 2020

Note 13: Post-Employment Health Care Benefits (Continued)

h. 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) Liability (Asset) (c)=(a)-(b)
Balance at June 30, 2018 (Measurement Date)	<u>\$ 65,785,507</u>	<u>\$ 16,555,312</u>	<u>\$ 49,230,195</u>
Changes Recognized for the Measurement Period:			
Service cost	1,105,368	-	1,105,368
Interest on Total OPEB Liability	4,408,354	-	4,408,354
Changes of benefit terms	(24,586)	-	(24,586)
Differences between expected and actual experience	(7,005,009)	-	(7,005,009)
Changes of assumptions	(397,546)	-	(397,546)
Contributions-employer	-	4,995,349	(4,995,349)
Net investment income	-	1,101,136	(1,101,136)
Benefit payments, including refunds of employee contributions	(3,163,861)	(3,163,861)	-
Administrative expense	-	(10,164)	10,164
Net Changes during 2018-19	<u>(5,077,280)</u>	<u>2,922,460</u>	<u>(7,999,740)</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 60,708,227</u>	<u>\$ 19,477,772</u>	<u>\$ 41,230,455</u>

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

i. Change in Assumptions

From measurement date June 30, 2018, to June 30, 2019, 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.

j. Change in Benefit Terms

Life insurance benefit for grandfathered retirees was terminated.

k. Subsequent Event

The ACA Excise Tax was repealed in December 2019. The Total OPEB Liability as of measurement date June 30, 2019, included the estimated cost of the ACA Excise Tax, as legislation passed after the measurement date may not be taken into account. Removal of the liability for the ACA Excise Tax results in a reduction in the Total OPEB Liability of \$993,000.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 13: Post-Employment Health Care Benefits (Continued)

l. 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%	Current Discount	Discount Rate + 1%
	<u>5.75%</u>	<u>6.75%</u>	<u>7.75%</u>
Net OPEB liability (asset)	\$ 49,188,807	\$ 41,230,455	\$ 34,704,934

m. 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%	Trend Rate	Trend Rate + 1%
	<u>6.25%/5.30%</u>	<u>7.25%/6.30%</u>	<u>8.25%/7.30%</u>
Net OPEB liability (asset)	\$ 34,351,051	\$ 41,230,455	\$ 49,640,627

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

For the year ended June 30, 2020, the City recognized OPEB expense of \$2,626,721. At June 30, 2020, 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	\$ 5,033,207	\$ -
Differences between expected and actual experience	-	(5,482,181)
Changes of assumptions	-	(311,123)
Net difference between projected and actual earnings on plan investments	-	(220,516)
Total	<u>\$ 5,033,207</u>	<u>\$ (6,013,820)</u>

\$5,033,207 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, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2021	\$ (1,715,799)
2022	(1,716,799)
2023	(1,626,799)
2024	(954,423)
2025	-
Thereafter	-
Total	<u>\$ (6,013,820)</u>

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.

Note 15: Non-City Obligation Debt

The City issued \$2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. The 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, 2020, is \$1,405,000.

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 consists 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.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Capital Assets

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

	Balance June 30, 2019 <u>As Restated</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2020
Private-Purpose Trust Activities:				
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>

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2020:

	Balance June 31, 2019	<u>Additions</u>	<u>Reductions</u>	Balance June 30, 2020	Due Within One Year
Private-purpose activities:					
Consolidated Redevelopment Project tax allocation bonds:					
2006 issue	\$ 22,948,493		\$ 527,914	\$ 22,420,579	\$ 1,794,209
Accreted Interest on Capital appreciation bonds	17,181,866	1,398,636	-	18,580,502	-
2016 Refunding issue	14,505,000	-	4,845,000	9,660,000	2,785,000
2017 Refunding issue	13,025,000	-	3,155,000	9,870,000	3,225,000
Issuance discounts/premiums	(107,182)	-	(15,312)	(91,870)	-
Direct Borrowings:					
Tax increment loan from Los Angeles County	6,598,145	131,956	129,705	6,600,396	-
	<u>\$ 74,151,322</u>	<u>\$ 1,530,592</u>	<u>\$ 8,642,307</u>	<u>\$ 67,039,607</u>	<u>\$ 7,804,209</u>

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
2021	\$ 7,804,209	\$ 342,051
2022	7,808,399	222,549
2023	7,830,198	96,927
2024	6,359,492	24,572
2025	4,998,770	8,381
2026-2029	7,149,511	-
Total	<u>\$ 41,950,579</u>	<u>\$ 694,480</u>
Cumulative accretion interest on Capital appreciation bonds	<u>18,580,502</u>	
Total Principal, June 30, 2020	<u><u>\$ 60,531,081</u></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 non-callable. The serial bonds were fully refunded in fiscal year 2016-17 with the issuance of the 2016 Subordinate Tax Allocation Refunding Bonds.

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, 2020, is \$41,001,081 including \$18,580,502 of accreted interest.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

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.

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, 2020 is \$341,173, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$5,162,328 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$2,254,147. 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, 2020, is \$9,660,000.

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.

CITY OF SANTA FE SPRINGS
Notes to Basic Financial Statements
June 30, 2020

Note 16: Successor Agency Trust for Assets of Former Redevelopment Agency (Continued)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$146,855, of which the outstanding amount at June 30, 2020 is \$88,113, which is reported as a deferred inflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. The City completed the refunding to reduce its total debt service payments by \$11,239,389 and to obtain an economic gain (difference between the present values of the old and new debt services payments) of \$1,262,206. 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, 2020, is \$9,870,000.

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, as described in Note 6, 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. \$129,705 will be collected in the 2020-2020 year through two equal installments from the City's RPTTF distributions. Total amount outstanding as of June 30, 2020, is \$6,600,396.

Note 17: Restatement of Net Positions and Fund Balance

	Governmental Activities	Private-Purpose Trust Fund
Net position at July 1, 2019, as originally reported	\$ 99,973,245	\$ (47,193,891)
To record land transferred in prior years from the Successor Agency of the former RDA to the City for governmental use	5,036,731	(5,036,731)
Net position at July 1, 2019, as restated	<u>\$ 105,009,976</u>	<u>\$ (52,230,622)</u>
	Fire Grants Special Revenue Fund	
Fund balance at July 1, 2019, as originally reported	\$ (39,420)	
Reclassifying revenue that is not received within the availability period as unavailable revenue	(228,777)	
Fund balance at July 1, 2019, as restated	<u>\$ (268,197)</u>	

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 54,954,000	\$ 53,506,000	\$ 61,543,718	\$ 8,037,718
Licenses and permits	1,828,500	2,223,300	2,485,395	262,095
Intergovernmental	895,400	926,200	928,963	2,763
Charges for services	4,906,100	5,022,800	5,346,393	323,593
Interest and rentals	2,236,500	2,039,900	3,778,700	1,738,800
Fines and forfeitures	440,000	565,800	788,382	222,582
Contributions	127,000	262,200	266,857	4,657
Miscellaneous	812,800	692,800	714,047	21,247
TOTAL REVENUES	66,200,300	65,239,000	75,852,455	10,613,455
EXPENDITURES:				
General government	8,141,800	7,935,600	7,901,056	34,544
Public safety	31,604,600	30,396,400	29,895,370	501,030
Community development	2,536,300	2,594,500	2,469,754	124,746
Public works	11,641,400	11,517,800	11,072,760	445,040
Culture and leisure	6,272,100	6,293,300	5,545,256	748,044
Human services	1,748,000	1,739,600	1,414,482	325,118
Capital outlay	167,000	839,900	378,662	461,238
Debt service:				
Principal retirement	1,464,900	1,464,900	1,464,840	60
Interest and fiscal charges	63,400	63,400	63,389	11
TOTAL EXPENDITURES	63,639,500	62,845,400	60,205,569	2,639,831
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,560,800	2,393,600	15,646,886	13,253,286
OTHER FINANCING SOURCES (USES):				
Transfers in	937,100	3,049,700	2,736,283	(313,417)
Transfers out	(2,294,500)	(5,551,900)	(5,554,461)	(2,561)
Capital leases	-	-	-	-
Sale of capital asset	5,000	21,300	292,655	271,355
TOTAL OTHER FINANCING SOURCES (USES)	(1,352,400)	(2,480,900)	(2,525,523)	(44,623)
NET CHANGE IN FUND BALANCE	1,208,400	(87,300)	13,121,363	13,208,663
FUND BALANCE - BEGINNING OF YEAR	36,921,194	36,921,194	36,921,194	-
FUND BALANCE - END OF YEAR	\$ 38,129,594	\$ 36,833,894	\$ 50,042,557	\$ 13,208,663

See accompanying note to required supplementary information.

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
 LOW AND MODERATE INCOME HOUSING ASSETS FUND
 YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rentals	\$ -	\$ -	\$ 280,162	\$ 280,162
TOTAL REVENUES	-	-	280,162	280,162
EXPENDITURES:				
Community development	166,900	183,500	179,651	3,849
TOTAL EXPENDITURES	166,900	183,500	179,651	3,849
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(166,900)	(183,500)	100,511	284,011
FUND BALANCE - BEGINNING OF YEAR	12,032,691	12,032,691	12,032,691	-
FUND BALANCE - END OF YEAR	\$ 11,865,791	\$ 11,849,191	\$ 12,133,202	\$ 284,011

See accompanying note to required supplementary information.

CITY OF SANTA FE SPRINGS

MISCELLANEOUS PLAN
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:						
Service cost	\$ 1,609,236	\$ 1,796,886	\$ 1,697,844	\$ 1,501,984	\$ 1,544,341	\$ 1,578,729
Interest on total pension liability	12,378,733	11,973,513	11,756,269	11,766,386	11,550,084	11,142,267
Differences between expected and actual experience	2,131,720	(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	(10,473,500)	(9,808,276)	(8,617,142)	(8,887,931)	(8,362,515)	(8,292,893)
Net Change in Total Pension Liability	5,646,189	2,709,582	10,837,594	2,759,884	2,773,759	4,428,103
Total Pension Liability - Beginning of Year	175,429,547	172,719,965	161,882,371	159,122,487	156,348,728	151,920,625
Total Pension Liability - End of Year (a)	<u>\$ 181,075,736</u>	<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	\$ 5,182,712	\$ 4,673,836	\$ 4,174,840	\$ 3,728,926	\$ 3,368,960	\$ 2,513,465
Contributions - employee	783,946	873,584	957,530	932,924	945,614	1,210,652
Net investment income	6,740,766	8,481,211	10,317,843	500,787	2,213,275	14,964,552
Benefit payments	(10,473,500)	(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)	242	(294,413)	-	-	-	-
Administrative expense	(73,690)	(155,035)	(137,006)	(58,860)	(108,707)	-
Net Change in Plan Fiduciary Net Position	2,160,476	3,770,665	6,696,065	(3,784,154)	(1,943,373)	10,395,776
Plan Fiduciary Net Position - Beginning of Year	103,261,850	99,491,185	92,795,120	96,579,274	98,522,647	88,126,871
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 105,422,326</u>	<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>\$ 75,653,410</u>	<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	58.22%	58.86%	57.60%	57.32%	60.69%	63.01%
Covered payroll	\$ 8,249,634	\$ 8,771,632	\$ 9,696,909	\$ 9,040,284	\$ 9,086,236	\$ 8,979,508
Net pension liability as percentage of covered payroll	917.05%	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.

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

There were no changes in assumptions.

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

CITY OF SANTA FE SPRINGS

MISCELLANEOUS PLAN
 SCHEDULE OF CONTRIBUTIONS
 LAST TEN FISCAL YEARS*

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	\$ 5,952,729	\$ 5,182,369	\$ 4,669,275	\$ 4,174,840	\$ 3,728,926	\$ 3,554,823
Contributions in relation to the actuarially determined contributions	<u>(5,952,729)</u>	<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>					
Covered payroll	\$ 9,185,973	\$ 8,249,634	\$ 8,771,632	\$ 9,696,909	\$ 9,040,284	\$ 9,086,236
Contributions as a percentage of covered payroll	64.80%	62.82%	53.23%	43.05%	41.25%	39.12%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age					
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	15-Year Smoothed Market Method				
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(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 six 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, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.81779%	0.80993%	0.78353%	0.79447%	0.77891%	0.70334%
Plan's proportionate share of the net pension liability	\$ 51,050,543	\$ 47,522,971	\$ 46,817,505	\$ 41,147,225	\$ 32,094,633	\$ 26,382,020
Plan's covered payroll	\$ 6,607,330	\$ 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	772.63%	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%	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.

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

There were no changes in assumptions.

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

CITY OF SANTA FE SPRINGS

**COST SHARING SAFETY PLAN
SCHEDULE OF CONTRIBUTIONS
LAST TEN FISCAL YEARS***

Fiscal year ended	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 4,372,591	\$ 3,701,766	\$ 3,247,068	\$ 2,887,172	\$ 1,166,499	\$ 1,892,765
Contributions in relation to the actuarially determined contributions	<u>(4,372,591)</u>	<u>(3,701,766)</u>	<u>(3,247,068)</u>	<u>(2,887,172)</u>	<u>(1,166,499)</u>	<u>(1,892,765)</u>
Contribution deficiency (excess)	<u>\$ -</u>					
Covered payroll	\$ 6,934,844	\$ 6,607,330	\$ 6,994,713	\$ 6,971,540	\$ 6,843,585	\$ 6,502,095
Contributions as a percentage of covered payroll	63.05%	56.03%	46.42%	41.41%	17.05%	29.11%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age					
Amortization method	(1)	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Fair Value	15-Year Smoothed Market Method				
Inflation	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.25% (3)	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(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 six 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, 2020	June 30, 2019	June 30, 2018
Measurement date	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:			
Service cost	\$ 1,105,368	\$ 1,073,173	\$ 1,042,000
Interest on total OPEB liability	4,408,354	4,254,334	4,100,000
Changes of benefit terms	(24,586)	-	-
Differences between expected and actual experience	(7,005,009)	-	-
Changes of assumptions	(397,546)	-	-
Benefit payments	(3,163,861)	(2,992,000)	(2,786,000)
Net Change in Total OPEB Liability	(5,077,280)	2,335,507	2,356,000
Total OPEB Liability - Beginning of Year	65,785,507	63,450,000	61,094,000
Total OPEB Liability - End of Year (a)	\$ 60,708,227	\$ 65,785,507	\$ 63,450,000
Plan Fiduciary Net Position:			
Contributions - employer	\$ 4,995,349	\$ 4,616,000	\$ 5,223,000
Net investment income	1,101,136	1,119,324	1,216,000
Benefit payments	(3,163,861)	(2,992,000)	(2,786,000)
Administrative expenses	(10,164)	(26,012)	(6,000)
Net Change in Plan Fiduciary Net Position	2,922,460	2,717,312	3,647,000
Plan Fiduciary Net Position - Beginning of Year	16,555,312	13,838,000	10,191,000
Plan Fiduciary Net Position - End of Year (b)	\$ 19,477,772	\$ 16,555,312	\$ 13,838,000
Net OPEB Liability - Ending (a)-(b)	\$ 41,230,455	\$ 49,230,195	\$ 49,612,000
Plan fiduciary net position as a percentage of the total OPEB liability	32.08%	25.17%	21.81%
Covered - employee payroll	\$ 17,127,695	\$ 19,257,018	\$ 18,626,195
Net OPEB liability as percentage of covered - employee payroll	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.

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.

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

CITY OF SANTA FE SPRINGS

**SCHEDULE OF CONTRIBUTIONS - OPEB
LAST TEN FISCAL YEARS***

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 5,047,000	\$ 4,900,000	\$ 4,737,000
Contributions in relation to the actuarially determined contributions	(5,033,207)	(4,995,349)	(4,616,000)
Contribution deficiency (excess)	\$ 13,793	\$ (95,349)	\$ 121,000
Covered - employee payroll	\$ 16,120,817	\$ 17,127,695	\$ 19,257,018
Contributions as a percentage of covered - employee payroll	31.31%	28.61%	24.60%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017	6/30/2017
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)
Amortization period	18-year	19-year	20-year
	average fixed	average fixed	average fixed
Asset valuation method	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%
Healthcare trend rates	(4)	(4)	(3)
Mortality	(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 three years are shown.

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 generally accepted accounting principles, 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
- Community Development Block Grant Program Income Fund
- Narcotics Forfeitures/Seizures
- Transportation Center Expansion Parking Lot Fund
- 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 Act.

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 one percent 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 Americans 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

SPECIAL REVENUE 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.

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.

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CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	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	\$ 2,663	\$ 2,822,532	\$ 171,784	\$ 183,007	\$ 1,120,436
Receivables:					
Notes and loans	-	-	-	-	-
Due from other governments	86,536	11,784	2,058	-	-
TOTAL ASSETS	89,199	2,834,316	173,842	183,007	1,120,436
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable	-	-	-	-	-
Accrued liabilities	-	-	-	-	-
Deposits payable	-	-	-	-	-
Due to other funds	48,297	-	-	-	-
TOTAL LIABILITIES	48,297	-	-	-	-
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	40,902	2,834,316	173,842	183,007	-
Art in public places	-	-	-	-	1,120,436
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	40,902	2,834,316	173,842	183,007	1,120,436
TOTAL LIABILITIES AND FUND BALANCES	\$ 89,199	\$ 2,834,316	\$ 173,842	\$ 183,007	\$ 1,120,436

CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants
ASSETS				
Pooled cash and investments	\$ 45,560	\$ 173,216	\$ -	\$ -
Receivables:				
Notes and loans	-	-	-	-
Due from other governments	-	5,715	683	637,816
TOTAL ASSETS	45,560	178,931	683	637,816
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	288	2,062	-	-
Accrued liabilities	-	-	47	17,340
Deposits payable	-	-	-	-
Due to other funds	-	-	636	620,476
TOTAL LIABILITIES	288	2,062	683	637,816
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	-	-	228,777
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	228,777
FUND BALANCES:				
Nonspendable:				
Permanent fund principal	-	-	-	-
Restricted for:				
Community development projects	45,272	-	-	-
Public safety	-	-	-	-
Public works	-	176,869	-	-
Art in public places	-	-	-	-
Unassigned	-	-	-	(228,777)
TOTAL FUND BALANCES	45,272	176,869	-	(228,777)
TOTAL LIABILITIES AND FUND BALANCES	\$ 45,560	\$ 178,931	\$ 683	\$ 637,816

CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds			
	Public Safety Augmentation	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures
ASSETS				
Pooled cash and investments	\$ -	\$ 46,295	\$ -	\$ 46,205
Receivables:				
Notes and loans	-	-	19,250	-
Due from other governments	29,152	56,727	-	-
TOTAL ASSETS	29,152	103,022	19,250	46,205
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	-	-	-	-
Accrued liabilities	-	-	-	-
Deposits payable	-	-	-	-
Due to other funds	29,152	-	-	-
TOTAL LIABILITIES	29,152	-	-	-
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	-	103,022	-	46,205
Public works	-	-	-	-
Art in public places	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	103,022	19,250	46,205
TOTAL LIABILITIES AND FUND BALANCES	\$ 29,152	\$ 103,022	\$ 19,250	\$ 46,205

CITY OF SANTA FE SPRINGS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2020

	Special Revenue Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund	Heritage Art Education Endowment Fund	
ASSETS				
Pooled cash and investments	\$ 38,000	\$ -	\$ 452,857	\$ 5,102,555
Receivables:				
Notes and loans	-	-	-	19,250
Due from other governments	-	9,697	-	840,168
TOTAL ASSETS	38,000	9,697	452,857	5,961,973
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	-	-	-	2,350
Accrued liabilities	-	-	-	17,387
Deposits payable	-	-	-	-
Due to other funds	-	-	-	698,561
TOTAL LIABILITIES	-	-	-	718,298
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenue	-	9,697	-	238,474
TOTAL DEFERRED INFLOWS OF RESOURCES	-	9,697	-	238,474
FUND BALANCES:				
Nonspendable:				
Permanent fund principal	-	-	244,676	244,676
Restricted for:				
Community development projects	38,000	-	-	102,522
Public safety	-	-	-	149,227
Public works	-	-	-	3,408,936
Art in public places	-	-	208,181	1,328,617
Unassigned	-	-	-	(228,777)
TOTAL FUND BALANCES	38,000	-	452,857	5,005,201
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,000	\$ 9,697	\$ 452,857	\$ 5,961,973

CITY OF SANTA FE SPRINGS

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020**

	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	773,365	1,114,192	195,833	-	-
Interest and rentals	14,275	70,879	3,317	-	26,957
Contributions	-	-	-	-	512,312
Miscellaneous	-	5,483	-	-	-
TOTAL REVENUES	787,640	1,190,554	199,150	-	539,269
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and leisure	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	787,640	1,190,554	199,150	-	539,269
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(947,435)	(995,325)	(183,000)	-	(387,902)
TOTAL OTHER FINANCING SOURCES (USES)	(947,435)	(995,325)	(183,000)	-	(387,902)
NET CHANGE IN FUND BALANCES	(159,795)	195,229	16,150	-	151,367
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	200,697	2,639,087	157,692	183,007	969,069
FUND BALANCES - END OF YEAR	\$ 40,902	\$ 2,834,316	\$ 173,842	\$ 183,007	\$ 1,120,436

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES, 1
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

(CONTINUED)

	Special Revenue Funds			
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants
REVENUES:				
Taxes	\$ 9,333	\$ -	\$ -	\$ -
Intergovernmental	-	-	30,000	611,654
Interest and rentals	-	3,873	-	-
Contributions	-	-	-	-
Miscellaneous	-	23,008	-	-
TOTAL REVENUES	9,333	26,881	30,000	611,654
EXPENDITURES:				
Current:				
General government	1,050	-	-	-
Public safety	-	-	-	576,695
Public works	-	2,062	42,767	-
Culture and leisure	-	-	8,820	-
TOTAL EXPENDITURES	1,050	2,062	51,587	576,695
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	8,283	24,819	(21,587)	34,959
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	21,587	4,461
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	21,587	4,461
NET CHANGE IN FUND BALANCES	8,283	24,819	-	39,420
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	36,989	152,050	-	(268,197)
FUND BALANCES - END OF YEAR	\$ 45,272	\$ 176,869	\$ -	\$ (228,777)

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES, 1
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds			
	Public Safety Augmentation	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures
REVENUES:				
Taxes	\$ 191,779	\$ -	\$ -	\$ -
Intergovernmental	-	156,727	-	27,490
Interest and rentals	-	3,272	-	921
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	191,779	159,999	-	28,411
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	-
Culture and leisure	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	191,779	159,999	-	28,411
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	(191,779)	(155,900)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(191,779)	(155,900)	-	-
NET CHANGE IN FUND BALANCES	-	4,099	-	28,411
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	-	98,923	19,250	17,794
FUND BALANCES - END OF YEAR	\$ -	\$ 103,022	\$ 19,250	\$ 46,205

CITY OF SANTA FE SPRINGS

COMBINING STATEMENT OF REVENUES, 1
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2020

	Special Revenue Funds		Permanent Fund	Total Nonmajor Governmental Funds
	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund	Heritage Art Education Endowment Fund	
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ 201,112
Intergovernmental	-	-	-	2,909,261
Interest and rentals	12,000	-	10,900	146,394
Contributions	-	-	-	512,312
Miscellaneous	-	-	-	28,491
TOTAL REVENUES	12,000	-	10,900	3,797,570
EXPENDITURES:				
Current:				
General government	-	-	-	1,050
Public safety	-	-	-	576,695
Public works	-	-	-	44,829
Culture and leisure	-	-	-	8,820
TOTAL EXPENDITURES	-	-	-	631,394
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	12,000	-	10,900	3,166,176
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	26,048
Transfers out	-	-	-	(2,861,341)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	(2,835,293)
NET CHANGE IN FUND BALANCES	12,000	-	10,900	330,883
FUND BALANCES - BEGINNING OF YEAR, AS RESTATED	26,000	-	441,957	4,674,318
FUND BALANCES - END OF YEAR	\$ 38,000	\$ -	\$ 452,857	\$ 5,005,201

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
STATE GAS TAX
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 783,500	\$ 801,500	\$ 773,365	\$ (28,135)
Interest and rentals	-	-	14,275	14,275
TOTAL REVENUES	<u>783,500</u>	<u>801,500</u>	<u>787,640</u>	<u>(13,860)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(933,868)</u>	<u>(931,868)</u>	<u>(947,435)</u>	<u>(15,567)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(933,868)</u>	<u>(931,868)</u>	<u>(947,435)</u>	<u>(15,567)</u>
	(150,368)	(130,368)	(159,795)	(29,427)
FUND BALANCE - BEGINNING OF YEAR	<u>200,697</u>	<u>200,697</u>	<u>200,697</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 50,329</u>	<u>\$ 70,329</u>	<u>\$ 40,902</u>	<u>\$ (29,427)</u>

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
 COUNTY TRANSIT TAX
 'YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 2,450,000	\$ 1,050,000	\$ 1,114,192	\$ 64,192
Interest and rentals	-	-	70,879	70,879
Miscellaneous	-	-	5,483	5,483
TOTAL REVENUES	<u>2,450,000</u>	<u>1,050,000</u>	<u>1,190,554</u>	<u>140,554</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(1,597,100)</u>	<u>(1,702,300)</u>	<u>(995,325)</u>	<u>706,975</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,597,100)</u>	<u>(1,702,300)</u>	<u>(995,325)</u>	<u>706,975</u>
NET CHANGE IN FUND BALANCE	852,900	(652,300)	195,229	847,529
FUND BALANCE - BEGINNING OF YEAR	<u>2,639,087</u>	<u>2,639,087</u>	<u>2,639,087</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,491,987</u>	<u>\$ 1,986,787</u>	<u>\$ 2,834,316</u>	<u>\$ 847,529</u>

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
STREET LIGHTING MAINTENANCE DISTRICT
'YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 194,000	\$ 170,000	\$ 195,833	\$ 25,833
Interest and rentals	-	-	3,317	3,317
TOTAL REVENUES	<u>194,000</u>	<u>170,000</u>	<u>199,150</u>	<u>29,150</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(183,000)</u>	<u>(183,000)</u>	<u>(183,000)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(183,000)</u>	<u>(183,000)</u>	<u>(183,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	11,000	(13,000)	16,150	29,150
FUND BALANCE - BEGINNING OF YEAR	<u>157,692</u>	<u>157,692</u>	<u>157,692</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 168,692</u>	<u>\$ 144,692</u>	<u>\$ 173,842</u>	<u>\$ 29,150</u>

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rentals	\$ -	\$ -	\$ 26,957	\$ 26,957
Contributions	-	-	512,312	512,312
TOTAL REVENUES	-	-	539,269	539,269
OTHER FINANCING SOURCES (USES):				
Transfers out	(528,500)	(395,600)	(387,902)	7,698
TOTAL OTHER FINANCING SOURCES (USES)	(528,500)	(395,600)	(387,902)	7,698
NET CHANGE IN FUND BALANCE	(528,500)	(395,600)	151,367	546,967
FUND BALANCE - BEGINNING OF YEAR	969,069	969,069	969,069	-
FUND BALANCE - END OF YEAR	\$ 440,569	\$ 573,469	\$ 1,120,436	\$ 546,967

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Interest and rentals	\$ -	\$ -	\$ 3,873	\$ 3,873
Miscellaneous	17,500	17,500	23,008	5,508
TOTAL REVENUES	17,500	17,500	26,881	9,381
EXPENDITURES:				
Public works	-	-	2,062	(2,062)
TOTAL EXPENDITURES	-	-	2,062	(2,062)
NET CHANGE IN FUND BALANCE	17,500	17,500	24,819	11,443
FUND BALANCE - BEGINNING OF YEAR	152,050	152,050	152,050	-
FUND BALANCE - END OF YEAR	\$ 169,550	\$ 169,550	\$ 176,869	\$ 11,443

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	16,500	16,500	30,000	13,500
TOTAL REVENUES	16,500	16,500	30,000	13,500
EXPENDITURES:				
Public works	-	-	42,767	(42,767)
Culture and leisure	16,500	16,500	8,820	7,680
TOTAL EXPENDITURES	16,500	16,500	51,587	(35,087)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(21,587)	(21,587)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	21,587	21,587
TOTAL OTHER FINANCING SOURCES (USES)	-	-	21,587	21,587
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
FIRE GRANTS
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 489,000	\$ 419,561	\$ 611,654	\$ 192,093
TOTAL REVENUES	489,000	419,561	611,654	192,093
EXPENDITURES:				
Public safety	489,000	419,561	576,695	(157,134)
TOTAL EXPENDITURES	489,000	419,561	576,695	(157,134)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	34,959	34,959
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	4,461	4,461
TOTAL OTHER FINANCING SOURCES (USES)	-	-	4,461	4,461
NET CHANGE IN FUND BALANCE	-	-	39,420	39,420
FUND BALANCE - BEGINNING OF YEAR	(268,197)	(268,197)	(268,197)	-
FUND BALANCE - END OF YEAR	\$ (268,197)	\$ (268,197)	\$ (228,777)	\$ 39,420

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Taxes	\$ 185,000	\$ 185,000	\$ 191,779	\$ 6,779
TOTAL REVENUES	185,000	185,000	191,779	6,779
OTHER FINANCING SOURCES (USES):				
Transfers out	(185,000)	(185,000)	(191,779)	(6,779)
TOTAL OTHER FINANCING SOURCES (USES)	(185,000)	(185,000)	(191,779)	(6,779)
NET CHANGE IN FUND BALANCE	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR	-	-	-	-
FUND BALANCE - END OF YEAR	\$ -	\$ -	\$ -	\$ -

CITY OF SANTA FE SPRINGS

**BUDGETARY COMPARISON SCHEDULE
 SUPPLEMENTAL LAW ENFORCEMENT SERVICES
 YEAR ENDED JUNE 30, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 110,000	\$ 110,000	\$ 156,727	\$ 46,727
Interest and rentals	-	-	3,272	3,272
TOTAL REVENUES	<u>110,000</u>	<u>110,000</u>	<u>159,999</u>	<u>49,999</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(108,000)</u>	<u>(155,900)</u>	<u>(155,900)</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(108,000)</u>	<u>(155,900)</u>	<u>(155,900)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	2,000	(45,900)	4,099	49,999
FUND BALANCE - BEGINNING OF YEAR	<u>98,923</u>	<u>98,923</u>	<u>98,923</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 100,923</u>	<u>\$ 53,023</u>	<u>\$ 103,022</u>	<u>\$ 49,999</u>

CITY OF SANTA FE SPRINGS
Description of Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit 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.

AGENCY FUNDS

Assessment Districts Fund

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 ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 JUNE 30, 2020

	Assessment Districts	Community Facilities Assessment Districts	Total
ASSETS			
Pooled cash and investments	520,556	68,478	589,034
Restricted assets:			
Cash and investments with fiscal agents	171,111	-	171,111
	-		-
TOTAL ASSETS	<u>691,667</u>	<u>68,478</u>	<u>760,145</u>
LIABILITIES			
Deposits payable	<u>691,667</u>	<u>68,478</u>	<u>760,145</u>
TOTAL LIABILITIES	<u>691,667</u>	<u>68,478</u>	<u>760,145</u>

CITY OF SANTA FE SPRINGS

**COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS
YEAR ENDED JUNE 30, 2020**

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
ASSESSMENT DISTRICTS				
ASSETS:				
Poled cash and investments	\$ 479,400	\$ 209,584	\$ 168,428	\$ 520,556
Restricted assets:				
Cash and investments with fiscal agents	171,379	169,752	170,020	171,111
TOTAL ASSETS	\$ 650,779	\$ 379,336	\$ 338,448	\$ 691,667
LIABILITIES:				
Deposits payable	\$ 650,779	\$ 211,482	\$ 170,594	\$ 691,667
TOTAL LIABILITIES	\$ 650,779	\$ 211,482	\$ 170,594	\$ 691,667
COMMUNITY FACILITIES ASSESSMENT DISTRICTS				
ASSETS:				
Poled cash and investments	\$ 68,478	\$ -	\$ -	\$ 68,478
Receivables:				
Accounts	6,332	-	6,332	\$ -
TOTAL ASSETS	\$ 74,810	\$ -	\$ 6,332	\$ 68,478
LIABILITIES:				
Deposits payable	\$ 67,590	\$ 888	\$ -	\$ 68,478
Due to other governments	7,220	-	7,220	-
TOTAL LIABILITIES	\$ 74,810	\$ 888	\$ 7,220	\$ 68,478
TOTAL - ALL AGENCY FUNDS				
ASSETS:				
Poled cash and investments	\$ 547,878	\$ 209,584	\$ 168,428	\$ 589,034
Receivables:				
Accounts	6,332	-	6,332	-
Restricted assets:				
Cash and investments with fiscal agents	171,379	169,752	170,020	171,111
TOTAL ASSETS	\$ 725,589	\$ 379,336	\$ 344,780	\$ 760,145
LIABILITIES:				
Deposits payable	\$ 718,369	\$ 212,370	\$ 170,594	\$ 760,145
Due to other governments	7,220	-	7,220	-
TOTAL LIABILITIES	\$ 725,589	\$ 212,370	\$ 177,814	\$ 760,145

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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, note disclosures, and required supplementary information says about the government's overall financial health.

	<u>Pages</u>
<u>Table of Contents</u>	
<u>Financial Trends</u> - These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	110
<u>Revenue Capacity</u> - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	120
<u>Debt Capacity</u> - These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	124
<u>Demographic and Economic Information</u> - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	132
<u>Operating Information</u> - These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	135

CITY OF SANTA FE SPRINGS
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Governmental activities:				
Net investment in capital assets	\$ 73,525,440	\$ 141,935,739	\$ 159,461,487	\$ 163,745,920
Restricted	10,414,337	9,077,534	9,905,210	9,651,144
Unrestricted	12,973,592	24,344,782	27,007,854	37,672,916
Total governmental activities net position	<u>\$ 96,913,369</u>	<u>\$ 175,358,055</u>	<u>\$ 196,374,551</u>	<u>\$ 211,069,980</u>
Business-type activities:				
Net investment in capital assets	\$ 11,835,708	\$ 12,353,517	\$ 15,742,624	\$ 16,386,459
Restricted	-	-	-	-
Unrestricted	521,782	1,060,256	3,375,412	3,952,242
Total business type activities net position	<u>\$ 12,357,490</u>	<u>\$ 13,413,773</u>	<u>\$ 19,118,036</u>	<u>\$ 20,338,701</u>
Primary government:				
Net investment in capital assets	\$ 85,361,148	\$ 154,289,256	\$ 175,204,111	\$ 180,132,379
Restricted	10,414,337	9,077,534	9,905,210	9,651,144
Unrestricted	13,495,374	25,405,038	30,383,266	41,625,158
Total primary government net position	<u>\$ 109,270,859</u>	<u>\$ 188,771,828</u>	<u>\$ 215,492,587</u>	<u>\$ 231,408,681</u>

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

CITY OF SANTA FE SPRINGS
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 163,742,164	\$ 159,942,690	\$ 158,121,201	\$ 156,001,364	\$ 154,315,020	\$ 162,029,958
29,208,112	32,373,440	33,145,221	32,820,873	34,775,125	30,978,812
(50,143,910)	(49,235,190)	(52,203,681)	(90,543,090)	(89,116,900)	(75,019,083)
<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>	<u>\$ 139,062,741</u>	<u>\$ 98,279,147</u>	<u>\$ 99,973,245</u>	<u>\$ 117,989,687</u>
\$ 15,541,573	\$ 17,182,873	\$ 17,533,898	\$ 18,890,862	\$ 18,754,383	\$ 18,028,340
-	-	817,087	536,194	558,184	559,019
(2,072,299)	(728,889)	331,570	(1,190,788)	(324,355)	526,956
<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>	<u>\$ 18,682,555</u>	<u>\$ 18,236,268</u>	<u>\$ 18,988,212</u>	<u>\$ 19,114,315</u>
\$ 179,283,737	\$ 177,125,563	\$ 175,655,099	\$ 174,892,226	\$ 173,069,403	\$ 180,058,298
29,208,112	32,373,440	33,962,308	33,357,067	35,333,309	31,537,831
(52,216,209)	(49,964,079)	(51,872,111)	(91,733,878)	(89,441,255)	(74,492,127)
<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>	<u>\$ 157,745,296</u>	<u>\$ 116,515,415</u>	<u>\$ 118,961,457</u>	<u>\$ 137,104,002</u>

CITY OF SANTA FE SPRINGS

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
Expenses:				
Governmental activities:				
General government	\$ 2,163,896	\$ 3,883,766	\$ 5,773,716	\$ 5,941,165
Public safety	26,383,489	27,242,545	28,371,664	25,903,765
Community development	20,666,314	13,832,431	3,420,343	4,050,792
Public works	10,044,324	8,874,948	22,545,319	16,997,746
Culture and leisure	8,229,998	8,480,678	7,916,483	7,690,481
Human services	2,919,442	2,929,811	2,664,800	2,881,556
Unallocated depreciation	62,365	17,182,873	64,246	-
Interest on long term liabilities	7,249,129	(728,889)	343,881	213,286
Total governmental activities expenses	<u>77,718,957</u>	<u>81,698,163</u>	<u>71,100,452</u>	<u>63,678,791</u>
Business type activities:				
Water utility	9,737,232	10,028,948	9,738,082	10,781,780
Total primary government expenses	<u>87,456,189</u>	<u>91,727,111</u>	<u>80,838,534</u>	<u>74,460,571</u>
Program revenues:				
Governmental activities:				
Charges for Services:				
General government	686,006	717,021	746,832	2,027,076
Public safety	2,773,032	2,801,311	2,792,442	2,937,252
Community development	3,859,883	3,137,047	4,018,338	2,460,571
Public works	308,852	336,955	260,835	756,730
Culture and leisure	466,019	443,425	636,462	556,566
Human services	654,912	641,003	579,073	522,881
Operating grants and contributions	5,172,057	6,100,535	4,714,266	3,405,177
Capital grants and contributions	4,851,876	6,016,364	36,562,363	18,887,861
Total governmental activities program revenues	<u>18,772,637</u>	<u>20,193,661</u>	<u>50,310,611</u>	<u>31,554,114</u>
Business type activities:				
Charges for services:				
Water utility	9,852,607	11,748,391	13,063,973	13,139,026
Capital grants and contributions	223,673	914,585	4,002,420	632,638
Total business type activities program revenues	<u>10,076,280</u>	<u>12,662,976</u>	<u>17,066,393</u>	<u>13,771,664</u>
Total primary government program revenues	28,848,917	32,856,637	67,377,004	45,325,778
Net revenues (expenses):				
Governmental activities	(58,946,320)	(61,504,502)	(20,789,841)	(32,124,677)
Business type activities	339,048	2,634,028	7,328,311	2,989,884
Total net revenues (expenses)	<u>(58,607,272)</u>	<u>(58,870,474)</u>	<u>(13,461,530)</u>	<u>(29,134,793)</u>

CITY OF SANTA FE SPRINGS

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 5,614,730	\$ 5,692,938	\$ 6,910,410	\$ 4,251,432	\$ 6,896,856	\$ 8,544,252
28,215,907	31,438,552	31,961,957	34,034,478	33,932,658	34,743,488
3,794,506	4,020,001	4,347,313	4,116,962	2,955,522	2,795,648
14,269,841	9,510,398	9,160,460	17,219,492	15,558,408	17,572,927
7,681,363	8,103,268	9,185,643	6,982,622	6,689,566	6,539,103
3,133,900	3,326,615	3,190,530	2,790,840	2,000,692	1,777,281
-	-	-	-	-	-
239,719	207,917	160,610	121,322	112,477	56,935
<u>62,949,966</u>	<u>62,299,689</u>	<u>64,916,923</u>	<u>69,517,148</u>	<u>68,146,179</u>	<u>72,029,634</u>
<u>10,911,725</u>	<u>10,056,785</u>	<u>10,437,631</u>	<u>11,192,617</u>	<u>11,124,404</u>	<u>11,310,735</u>
<u>73,861,691</u>	<u>72,356,474</u>	<u>75,354,554</u>	<u>80,709,765</u>	<u>79,270,583</u>	<u>83,340,369</u>
1,975,162	2,067,142	2,474,664	2,038,573	2,131,444	2,246,355
2,985,378	3,485,203	3,191,717	3,561,042	3,433,078	3,222,786
1,953,691	2,558,688	2,577,415	1,723,739	1,818,544	2,005,242
753,510	824,258	791,941	1,046,597	757,476	1,478,915
533,242	516,907	609,553	453,369	624,126	256,996
520,428	450,564	409,783	311,394	39,913	12,063
2,090,135	2,414,716	2,313,540	5,261,361	4,215,071	4,378,318
6,801,309	596,380	708,569	3,883,123	161,836	2,116,919
<u>17,612,855</u>	<u>12,913,858</u>	<u>13,077,182</u>	<u>18,279,198</u>	<u>13,181,488</u>	<u>15,717,594</u>
12,252,452	11,445,171	12,760,330	13,491,332	12,611,914	12,406,103
111,777	796,442	762,739	-	-	63,014.00
<u>12,364,229</u>	<u>12,241,613</u>	<u>13,523,069</u>	<u>13,491,332</u>	<u>12,611,914</u>	<u>12,469,117</u>
29,977,084	25,155,471	26,600,251	31,770,530	25,793,402	28,186,711
(45,337,111)	(49,385,831)	(51,839,741)	(51,237,950)	(54,964,691)	(56,312,040)
1,452,504	2,184,828	3,085,438	2,298,715	1,487,510	1,158,382
<u>(43,884,607)</u>	<u>(47,201,003)</u>	<u>(48,754,303)</u>	<u>(48,939,235)</u>	<u>(53,477,181)</u>	<u>(55,153,658)</u>

CITY OF SANTA FE SPRINGS

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General revenues and other changes in net position:				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 20,254,386	\$ 22,868,333	\$ 23,655,903	\$ 26,096,479
Property taxes	33,167,105	11,386,328	3,150,294	3,601,771
Franchise taxes	2,553,493	2,499,668	2,443,761	2,779,357
Transaction and use taxes				
Motor vehicle in lieu tax -				
general purpose	1,574,226	1,519,877	1,542,531	1,595,953
Business operations taxes	775,506	771,766	778,483	768,575
Utility users taxes	1,023,863	4,342,780	6,095,190	6,634,353
Other taxes	570,792	518,095	890,344	416,269
Investment income	2,380,810	1,988,650	1,384,050	1,416,003
Other	236,254	3,425,588	1,413,449	2,216,285
Gain (Loss) on disposal of asset				42,312
Transfers to Successor Agency			(1,181,525)	
Transfers	1,131,284	1,582,575	1,633,857	1,597,099
Extraordinary gain		76,845,362		(2,249,862)
Total governmental activities	<u>63,667,719</u>	<u>127,749,022</u>	<u>41,806,337</u>	<u>44,914,594</u>
Business type activities:				
Investment income	5,892	4,830	9,809	11,929
Other				107,631
Transfers	(1,131,284)	(1,582,575)	(1,633,857)	(1,597,099)
Total business type activities	<u>(1,125,392)</u>	<u>(1,577,745)</u>	<u>(1,624,048)</u>	<u>(1,477,539)</u>
Total primary government	<u>62,542,327</u>	<u>126,171,277</u>	<u>40,182,289</u>	<u>43,437,055</u>
Changes in Net Position:				
Governmental activities	4,721,399	66,244,520	21,016,496	12,789,917
Business type activities	(786,344)	1,056,283	5,704,263	1,512,345
Total primary government	<u>\$ 3,935,055</u>	<u>\$ 67,300,803</u>	<u>\$ 26,720,759</u>	<u>\$ 14,302,262</u>

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

CITY OF SANTA FE SPRINGS

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 26,432,547	\$ 25,518,717	\$ 25,076,235	\$ 26,093,872	\$ 28,360,308	\$ 30,689,739
4,088,687	3,425,637	3,949,731	4,130,663	4,587,444	4,958,288
2,978,360	3,034,652	2,915,926	3,180,671	3,377,884	3,495,821
-	-	-	-	3,044,712	13,083,262
1,686,499	1,716,181	1,767,500	1,863,969	1,960,317	2,148,113
780,747	801,658	807,702	789,379	831,717	752,800
6,836,360	6,669,155	6,406,684	6,523,816	6,517,423	6,484,575
567,503	531,045	522,091	628,828	564,638	132,232
1,440,422	1,807,176	1,874,492	2,189,573	4,263,013	4,308,252
2,692,622	2,988,717	2,269,170	675,977	1,996,198	1,496,137
-	-	-	-	-	292,655
1,224,700	1,073,642	1,168,892	1,163,587	1,155,135	1,156,300
-	-	1,055,801	-	-	-
19,954,190	-	-	-	-	-
<u>68,682,637</u>	<u>47,566,580</u>	<u>47,821,542</u>	<u>47,240,335</u>	<u>56,658,789</u>	<u>68,998,174</u>
15,849	27,006	62,836	118,561	218,248	306,513
240,554	156,955	249,189	1,791,077	201,321	111,085
<u>(1,224,700)</u>	<u>(1,073,642)</u>	<u>(1,168,892)</u>	<u>(1,163,587)</u>	<u>(1,155,135)</u>	<u>(1,156,300)</u>
<u>(968,297)</u>	<u>(889,681)</u>	<u>(856,867)</u>	<u>746,051</u>	<u>(735,566)</u>	<u>(738,702)</u>
<u>67,714,340</u>	<u>46,676,899</u>	<u>46,964,675</u>	<u>47,986,386</u>	<u>55,923,223</u>	<u>68,259,472</u>
23,345,526	(1,819,251)	(4,018,199)	(3,997,615)	1,694,098	12,686,134
484,207	1,295,147	2,228,571	3,044,766	751,944	419,680
<u>\$ 23,829,733</u>	<u>\$ (524,104)</u>	<u>\$ (1,789,628)</u>	<u>\$ (952,849)</u>	<u>\$ 2,446,042</u>	<u>\$ 13,105,814</u>

CITY OF SANTA FE SPRINGS
Fund Balances of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	Fiscal Year			
	2011	2012	2013	2014
General fund:				
Nonspendable	\$ 6,028,152	\$ 6,047,653	\$ 5,224,843	\$ 5,585,494
Restricted	1,326,532	181,532		98,801
Committed	1,455,318	1,455,318	225,000	225,000
Assigned			9,337,498	
Unassigned	16,439,102	23,978,015	15,744,237	18,583,574
Total general fund	\$25,249,104	\$31,662,518	\$30,531,578	\$24,492,869
All other governmental funds:				
Nonspendable	\$ 9,148,250	\$ 7,634,198	\$ 1,018,291	\$ 5,688,704
Restricted	68,588,092	4,401,519	8,894,627	3,863,639
Assigned			4,579,545	7,794,387
Unassigned	(5,724,815)	(1,621,191)	-	(40,661)
Total all other governmental funds	\$72,011,527	\$10,414,526	\$14,492,463	\$17,306,069

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
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 4,753,064	\$12,721,050	\$ 11,441,321	\$ 7,809,238	\$ 1,828,548	\$ 2,224,444
98,821	322,843	869,331	1,070,451	1,194,990	1,344,838
225,000	225,000	225,000	225,000	225,000	225,000
2,399,700	630,000	3,629,664	6,585,155	10,997,012	22,126,736
<u>20,027,817</u>	<u>21,301,702</u>	<u>21,868,047</u>	<u>21,730,547</u>	<u>22,675,644</u>	<u>24,121,539</u>
<u>\$ 27,504,402</u>	<u>\$35,200,595</u>	<u>\$ 38,033,363</u>	<u>\$ 37,420,391</u>	<u>\$ 36,921,194</u>	<u>\$ 50,042,557</u>
\$ 4,330,950	\$ -	\$ -	\$ 244,676	\$ 244,673	\$ 244,676
25,059,379	32,050,597	32,275,890	31,750,422	33,580,135	28,278,390
9,480,556	15,036,492	14,316,725	13,256,233	17,598,708	22,501,686
<u>(16,968)</u>	<u>(13,040)</u>	<u>(13,413)</u>	<u>(3,913,948)</u>	<u>(3,222,614)</u>	<u>(1,679,312)</u>
<u>\$ 38,853,917</u>	<u>\$47,074,049</u>	<u>\$ 46,579,202</u>	<u>\$ 41,337,383</u>	<u>\$ 48,200,905</u>	<u>\$ 49,345,440</u>

CITY OF SANTA FE SPRINGS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2011	2012 *	2013	2014
Revenues:				
Taxes	\$ 58,310,307	\$ 42,294,544	\$ 36,999,332	\$ 40,296,804
Licenses and permits	1,867,845	2,102,755	2,969,902	2,747,847
Fines, forfeitures and seizures	465,360	428,472	344,325	491,503
Interest and rentals	2,321,749	1,995,506	1,398,990	1,416,003
From other agencies	10,644,890	12,349,659	35,766,822	23,165,769
Charges for current services	5,292,591	5,031,896	4,965,080	5,147,329
Other	1,573,488	4,532,497	3,907,821	2,493,091
Total revenues	<u>80,476,230</u>	<u>68,735,329</u>	<u>86,352,272</u>	<u>75,758,346</u>
Expenditures:				
Current:				
General government	1,670,047	3,826,155	5,629,632	5,064,465
Public safety	25,439,776	33,199,540	25,846,858	25,203,933
Community development	19,344,105	13,434,645	3,346,701	3,991,264
Public works	7,563,987	5,966,489	4,240,659	4,456,233
Culture and leisure	7,295,141	7,604,051	7,130,910	6,974,428
Human services	2,731,901	2,790,524	2,481,419	2,579,037
Capital outlay	3,719,878	4,498,772	32,091,957	21,383,923
Loss on sale of property				
Debt service:				
Interest	6,081,574	3,042,465	310,664	278,854
Principal retirement	7,178,400	7,295,987	789,060	983,524
Bond issuance costs	-	119,993	-	-
Total expenditures	<u>81,024,809</u>	<u>81,778,621</u>	<u>81,867,860</u>	<u>70,915,661</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(548,579)</u>	<u>(13,043,292)</u>	<u>4,484,412</u>	<u>4,842,685</u>
Other financing sources (uses):				
Proceeds (loss) from sale of assets	9,924	23,496	50,662	42,312
Loan issuance	596,075	-	-	-
Bond issuance	-	7,759,094	-	-
Contributions from successor agency	-	995,421	(1,181,525)	-
Transfer to private purpose trust fund	-	-	-	-
Capital leases	-	-	-	-
Sale of capital assets	-	-	-	-
Transfers in	23,360,976	22,577,622	6,600,367	8,805,993
Transfers out	<u>(22,229,692)</u>	<u>(20,995,047)</u>	<u>(5,642,617)</u>	<u>(10,517,883)</u>
Total other financing sources (uses)	<u>1,737,283</u>	<u>10,360,586</u>	<u>(173,113)</u>	<u>(1,669,578)</u>
Extraordinary loss	<u>-</u>	<u>(52,500,881)</u>	<u>-</u>	<u>(8,408,716)</u>
Net change in fund balances	<u>1,188,704</u>	<u>(55,183,587)</u>	<u>4,311,299</u>	<u>(5,235,609)</u>
Debt service as a percentage of noncapital expenditures	17.2%	13.5%	2.2%	2.1%

* During the fiscal year 2011-2012, the City issued pension obligation bonds in the amount of \$7.1 million. The related payment to the PERS Safety Plan of \$7.0 million is included in the public safety function expenditures.

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

CITY OF SANTA FE SPRINGS
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(Continued)

Fiscal Year					
2015	2016	2017	2018	2019	2020
\$ 41,684,204	\$ 39,980,864	\$ 39,678,369	\$ 43,211,198	\$ 49,244,443	\$ 62,150,070
2,206,324	2,536,719	2,750,708	2,363,791	2,145,963	2,485,395
529,250	515,632	492,313	487,549	738,807	788,382
1,440,422	1,807,176	1,874,492	2,189,573	4,263,013	4,667,628
11,054,345	5,257,715	5,357,852	4,640,275	4,551,765	6,210,417
5,250,369	6,078,535	5,798,869	5,899,159	5,524,875	5,346,393
2,855,254	3,146,736	2,464,110	1,671,228	2,698,764	2,467,770
<u>65,020,168</u>	<u>59,323,377</u>	<u>58,416,713</u>	<u>60,462,773</u>	<u>69,167,630</u>	<u>84,116,055</u>
5,483,276	5,449,398	6,282,824	3,795,998	6,876,387	7,902,106
26,968,072	28,407,173	29,775,257	31,403,449	30,466,404	30,472,065
3,755,596	3,876,256	4,214,838	3,935,033	2,777,781	2,649,405
4,591,234	4,553,769	4,687,638	10,447,798	10,651,342	11,375,367
6,995,907	7,337,952	8,356,661	5,932,050	5,698,374	5,554,076
2,798,407	3,022,969	2,885,022	2,303,821	1,532,644	1,414,482
9,745,411	2,621,810	4,208,654	5,960,909	5,459,285	10,174,605
240,815	209,663	162,419	123,174	95,235	63,389
1,045,658	988,940	1,059,310	1,133,745	1,488,130	1,464,840
-	-	-	-	-	-
<u>61,624,376</u>	<u>56,467,930</u>	<u>61,632,623</u>	<u>65,035,977</u>	<u>65,045,582</u>	<u>71,070,335</u>
3,395,792	2,855,447	(3,215,910)	(4,573,204)	4,122,048	13,045,720
25,000	34,954	7,318	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
100,238	48,465	-	-	-	-
(20,000)	-	-	-	-	-
-	-	-	-	1,087,142	-
-	-	-	-	-	292,655
6,524,301	8,616,801	6,879,579	4,902,747	10,635,624	9,593,689
(4,749,901)	(8,753,473)	(2,388,867)	(3,739,160)	(9,480,489)	(8,437,389)
<u>1,879,638</u>	<u>(53,253)</u>	<u>4,498,030</u>	<u>1,163,587</u>	<u>2,242,277</u>	<u>1,448,955</u>
<u>19,954,190</u>	<u>-</u>	<u>1,055,801</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 25,229,620</u>	<u>2,802,194</u>	<u>2,337,921</u>	<u>(3,409,617)</u>	<u>6,364,325</u>	<u>14,494,675</u>
2.2%	2.2%	2.1%	2.1%	2.6%	2.6%

CITY OF SANTA FE SPRINGS
Assessed and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years
 (In thousands of dollars)

<u>Fiscal Year</u>	<u>Secured Property</u>	<u>Unsecured Property</u>	<u>Less Property Exemptions</u>	<u>Grand Total</u>	<u>Homeowner's Exemption</u>	<u>Net Taxable Value (1)</u>	<u>Total Direct Tax Rate (2)</u>
2011	5,092,022	961,737	51,456	6,002,303	15,271	5,987,032	0.077%
2012	5,164,916	943,242	65,907	6,042,251	15,124	6,027,127	0.077%
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%

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 &

CITY OF SANTA FE SPRINGS
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (Per \$100 of Assessed Value)

<u>Fiscal Year</u>	<u>Basic 1% Direct Tax Rate</u>		<u>Override Assessments</u>					<u>Total</u>
	<u>City of Santa Fe Springs</u>	<u>Los Angeles County</u>	<u>Elementary Schools</u>	<u>Los Angeles County</u>	<u>Rio Hondo Community College District</u>	<u>Whittier Union High School District</u>	<u>Metro. Water District</u>	
2011	0.077	0.923	0.076	0.000	0.034	0.042	0.004	1.156
2012	0.077	0.923	0.053	0.000	0.034	0.043	0.004	1.134
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

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 by all 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

<u>Taxpayer</u>	<u>FY 2019-20</u>		<u>FY 2010-11</u>	
	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Percent of Total City Taxable Assessed Value</u>
Golden Springs Dev Co Llc	\$ 321,828,710	3.76%	\$ 261,835,453	4.38%
Goodman Santa Fe Springs Spe L	206,669,995	2.41%		
Glc Sfs Ii Llc	156,528,180	1.83%		
Teachers Insurance Annuity	156,285,020	1.82%	68,571,460	1.15%
Ppf Industrial 12016 Telegraph	154,470,339	1.80%	32,144,673	0.54%
Breitbart Operating Lp	136,951,202	1.60%	121,387,303	2.03%
Mcmaster Carr Supply Company	86,596,465	1.01%	76,258,642	1.27%
Sdco Sfs Logistics Cnter Inc.	66,060,198	0.77%		
Amb Us Logistics Fund Lp	58,573,726	0.68%		
Freeway Springs Llc	53,303,527	0.62%		
Rexford Industrial Realty Lp	51,633,256	0.60%		
Standard Sfv Venture Lp	50,454,391	0.59%		
Telegraph Rd Owner Llc	50,142,677	0.59%		
Western B West Ca Llc	48,507,817	0.57%		
Maruichi American Corp	46,671,375	0.54%	43,247,486	0.72%
Catellus Dev Corp	44,791,652	0.52%	57,533,531	0.96%
Bloomfield Commerce Center Cor	42,472,739	0.50%	36,704,577	0.61%
Mckesson Property Company Inc.	42,472,142	0.50%		
Heraeus Metal Processing Inc.	40,942,139	0.48%	42,847,805	0.72%
Santa Fe Springs Container	40,902,741	0.48%		
Brixmor Property Owner Ii Llc	40,096,583	0.47%		
Carmenita Plaza Llc	38,869,308	0.45%	27,408,112	0.46%
Prologis Exchange Ca Llc	38,080,544	0.44%		
14141 Alondra Lp	36,139,543	0.42%	31,231,441	0.52%
Cfh Envlp Ltd. Ptnshp	35,665,782	0.42%	30,822,053	0.52%
Legacy Partners Ii Santa Fe Sp			80,525,608	1.35%
Gateway Santa Fe Springs Indus			69,195,616	1.16%
Amb			67,858,332	1.13%
Vons Companies Inc.			42,576,297	0.71%
Villages At Heritage Springs L			36,682,432	0.61%
Doug Fir Llc			36,450,757	0.61%
Gabriel Container Corp			34,814,718	0.58%
Solaris Paper Inc.			33,159,877	0.55%
Centro Watt Property Owner Ii			31,490,243	0.53%
Nnn Sfs Towne Center Llc			30,483,763	0.51%
Shaw Diversified Services Inc.			29,903,045	0.50%
Inland Paperboard Andpackaging			28,229,193	0.47%
Prudential Insurance Co Of Ame			27,161,631	0.45%
	<u>\$ 2,045,110,051</u>	<u>23.86%</u>	<u>\$ 1,378,524,048</u>	<u>23.04%</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
2011	33,855,534	33,082,969	97.72%		33,082,969	97.72%
2012	30,577,401	29,841,895	97.59%	-	29,841,895	97.59%
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%

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			
2011	8,910,568	129,859,479	-	-	138,770,047	7,102,352	145,872,399	43.51%	8,868
2012 ²	802,216	-	7,091,000	612,094	8,505,310	6,917,664	15,422,974	4.81%	934
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	-	-	-	639,246	639,246	7,983,729	8,622,975	1.83%	471

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		
2011	129,859,479	-	129,859,479	2.17%	7,894
2012 ²	-	7,091,000	7,091,000	0.12%	429
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	-	-	-	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.

²Tax 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, 2020

2019-20 Assessed Valuation: \$8,584,624,653

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/20	% Applicable (1)	City's Share of Debt 6/30/20
Metropolitan Water District	\$ 37,300,000	0.278%	\$ 103,694
Cerritos Community College District	406,967,547	4.671	19,009,454
Rio Hondo Community College District	124,347,824	15.009	18,663,365
Whittier Union High School District	123,014,361	23.459	28,857,939
ABC Unified School District	88,286,135	2.760	2,436,697
Norwalk-La Mirada Unified School District	161,602,573	13.801	22,302,771
Little Lake City School District	36,799,901	60.752	22,356,676
Los Nietos School District	37,470,132	61.205	22,933,594
South Whittier School District	31,060,000	46.182	14,344,129
Whittier City School District	72,255,000	0.646	466,767
City of Santa Fe Springs Heritage Springs Assessment District	1,405,000	100.	<u>1,405,000</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$152,880,086
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,317,550,679	0.532%	\$12,329,370
Los Angeles County Superintendent of Schools Certificates of Participation	5,182,434	0.532	27,571
Norwalk-La Mirada Unified School District Certificates of Participation	2,770,165	13.801	382,310
Whittier City School District Certificates of Participation	9,485,000	0.646	61,273
City of Santa Fe Springs Capital Lease Obligations	639,245	100.	639,245
Los Angeles County Sanitation District No. 18 Authority	3,157,512	19.269	<u>608,421</u>
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$14,048,190
<u>OVERLAPPING TAX INCREMENT DEBT (Successor Agency):</u>	\$41,950,579	100. %	\$41,950,579
TOTAL DIRECT DEBT			\$639,245
TOTAL OVERLAPPING DEBT			\$208,239,610
COMBINED TOTAL DEBT			\$208,878,855 (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 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.78%
Total Direct Debt (\$639,245).....	0.01%
Combined Total Debt	2.43%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$4,662,156,981):

Total Overlapping Tax Increment Debt	0.90%
--	-------

CITY OF SANTA FE SPRINGS
Legal Debt Margin Information
Last Ten Fiscal Years
(Continued)

	Fiscal Year Ended June 30			
	2015	2016	2017	2018
Assessed valuation	\$ 6,754,513,000	\$ 6,874,971,507	\$ 7,078,133,887	\$ 7,446,116,929
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	\$ 1,688,628,250	\$ 1,718,742,877	\$ 1,769,533,472	\$ 1,861,529,232
Debt limit percentage	15%	15%	15%	15%
Debt limit	\$ 253,294,238	\$ 257,811,432	\$ 265,430,021	\$ 279,229,385
Total net debt applicable to the limit:				
General obligation bonds ¹	<u>5,238,000</u>	<u>\$ 4,334,000</u>	<u>\$ 3,362,000</u>	<u>\$ 2,318,000</u>
Legal Debt Margin	<u>\$ 248,056,238</u>	<u>\$ 253,477,432</u>	<u>\$ 262,068,021</u>	<u>\$ 276,911,385</u>
Total debt applicable to the limit as a percentage of debt limit	2.1%	1.7%	1.3%	0.8%

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
Last Ten Fiscal Years
(Continued)

	Fiscal Year Ended June 30	
	2019	2020
Assessed valuation	\$ 7,831,408,399	8,570,322,631
Conversion percentage	25%	25%
Adjusted assessed valuation	\$ 1,957,852,100	2,142,580,658
Debt limit percentage	15%	15%
Debt limit	\$ 293,677,815	321,387,099
Total net debt applicable to the limit:		
General obligation bonds ¹	<u>1,199,000</u>	<u>-</u>
Legal Debt Margin	<u>\$ 292,478,815</u>	<u>321,387,099</u>
Total debt applicable to the limit as a percentage of debt limit	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
Pledged-Revenue Coverage
 Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Water Revenue Bonds</u>					<u>Coverage</u>
	<u>Water Revenue</u>	<u>Less Operating Expenses</u>	<u>Net Available Revenue</u>	<u>Debt Service</u>		
				<u>Principal</u>	<u>Interest</u>	
2011	9,858,499	8,570,700	1,287,799	190,000	362,907	2.33
2012	11,753,221	8,865,034	2,888,187	195,000	356,307	5.24
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

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
 Last Ten Fiscal Years
 (continued)

Tax Allocation Bonds

Fiscal Year	Tax Increment	Debt Service		Coverage
		Principal	Interest	
2011	31,340,825	6,465,000	5,071,797	2.72
2012 ¹	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-

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
2011	16,450	335,251	20,380	6,632	10.6%
2012	16,516	320,960	19,433	6,632	9.2%
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%

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

<u>Employer</u>	<u>FY 2019-20</u>		<u>FY 2010-11</u>	
	<u>Number of Employees</u>	<u>Percent of Total Employment</u>	<u>Number of Employees</u>	<u>Percent of Total Employment</u>
McMaster Carr Supply Company	706	1.91%	686	1.75%
Vans a Division of VF Outdoor Inc	472	1.27%		
Southern Wine and Spirits	389	1.05%	357	0.91%
7-Eleven Distribution Company	387	1.04%		
Bumble Bee Seafoods, LLC	325	0.88%		
FedeEx Ground Package System In	324	0.87%		
Shaw Diversified Services, Inc.	317	0.86%	385	0.98%
Wal-Mart	308	0.83%	300	0.77%
Wismettac Asian Foods, Inc.	298	0.80%		
Phillips Industries, Inc	277	0.75%		
The Vons Companies, Inc.			824	2.11%
Presto Food Products, Inc.			460	1.18%
L. A. Specialty Produce Company			383	0.98%
Vance and Hines, Inc.			339	0.87%
Trojan Battery Company LLC			285	0.73%
Superior Super Warehouse			252	0.64%
Fashtion Nova, Inc.				
Harbor Distributing, LLC				
PACTIV LLC				
Motran Services, Inc.				
	<u>3,803</u>	<u>10.26%</u>	<u>4,271</u>	<u>10.92%</u>

NOTE:

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

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

CITY OF SANTA FE SPRINGS
Full-time and Part-time City Employees by Function
 Last Ten Fiscal Years

	Fiscal Year Ended June 30									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government	39	38	36	37	39	38	38	37	39	39
Public Safety	87	72	68	79	83	83	76	73	70	72
Public Works	56	50	50	57	54	56	58	57	55	52
Planning and Community Development	19	7	4	4	6	7	7	6	7	9
Community Services - Administration	0	0	1	1	1	4	4	4	4	4
Community Services - Parks and Recreation	103	88	64	75	88	88	106	108	93	27
Community Services - Library Services	23	23	16	14	17	22	20	22	23	14
Community Services - Human Services	<u>40</u>	<u>42</u>	<u>41</u>	<u>48</u>	<u>48</u>	<u>54</u>	<u>50</u>	<u>39</u>	<u>32</u>	<u>11</u>
Total	<u><u>367</u></u>	<u><u>320</u></u>	<u><u>280</u></u>	<u><u>315</u></u>	<u><u>336</u></u>	<u><u>352</u></u>	<u><u>359</u></u>	<u><u>346</u></u>	<u><u>323</u></u>	<u><u>228</u></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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Fire:										
Number of emergency calls	2,945	2,963	3,166	3,260	3,439	3,928	3,961	3,835	3,732	3,644
Inspections	2,645	2,255	3,793	2,864	3,325	2,428	1,702	1,598	1,798	2,209
Public works:										
Street resurfacing (miles)	2.5	2	3	5	3	1.5	1	2	1.5	3.0
Parks and recreation:										
Number of recreation classes	412	362	289	425	368	335	309	393	356	216
**Number of facility rentals	1,259	2,710	2,536	2,605	3,038	3,822	3,791	4,323	4,073	1,575
Human services:										
Children served in the City's ***childcare centers	426	371	306	296	286	807	1,006	266	0	0
Number of facility rentals	73 *	42 *	51 *	528	333	305	536	878	983	671
Number of Older Adult Gym Usage							1,500	4,476	4,895	3,245
Number of Older Adult classes							40	40	42	28
Estimated Number of Congregate M							12,000	10,002	11,700	12,400
Water:										
Average daily consumption (thousands of gallons)	5,593	5,743	5,915	5,197	5,207	5,580	5,073	5,615	5,379	5,314

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	75	75	81	81	81	81	81
Streetlights	2,960	2,960	2,960	2,960	2,960	3,174	3,140	3,140	3,140	3,140
Parks and recreation:										
**Parks/Fields	10	10	11	11	11	11	11	11	9	9
**Community services facilities	6	6	6	4	4	4	4	4	4	4
Human services:										
Child care centers	3	3	3	3	3	3	3	3	0	0
Community services facilities	1	1	2	2	1	1	1	1	3	3
Library Services:										
Library facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	107	107	107	107	107	108	108	108	108	108
Number of service connections	6,368	6,332	6,156	6,150	6,330	6,335	6,402	6,509	6,731	6,722

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.

Source: City of Santa Fe Springs