



CITY OF SANTA FE SPRINGS, CA ANNUAL COMPREHENSIVE FINANCIAL REPORT JULY 1, 2020 TO JUNE 30, 2021

Comprehensive Annual Financial Report

**City of Santa Fe Springs, CA
Year Ended June 30, 2021**



City Council

Annette Rodriguez, Mayor
Joe Angel Zamora, Mayor Pro-Tem
John M. Mora, Councilmember
Jay Sarno, Councilmember
Juanita Trujillo, Councilmember

Planning Commission

Ken Arnold
Francis Carbajal
Gabriel Jimenez
William K. Rounds
Johnny Hernandez

Traffic Commission

Bryan Collins
Felix Miranda
Linda Vallejo
Johana Coca
Christina Colón

Executive Management Team

Raymond R. Cruz, City Manager
Ivy M. Tsai, City Attorney
Travis Hickey, Dir. of Fin. and Admn. Svcs
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Brent Hayward, Fire Chief
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CITY OF SANTA FE SPRINGS, CALIFORNIA
ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021

PREPARED BY FINANCE DEPARTMENT

**CITY OF SANTA FE SPRINGS, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INTRODUCTORY SECTION

Letter of Transmittal	i
Organizational Chart	xxiii
GFOA Certificate of Achievement for Excellent in Financial Reporting	xxiv

FINANCIAL SECTION

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

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

Budgetary Comparison Schedule — General Fund	76
Budgetary Comparison Schedule — Low and Moderate Income Housing Assets Fund	77
Schedule of Changes in Net Pension Liability and Related Ratios — Miscellaneous Plan — Agent Multiple-Employer Plan	78
Schedule of Plan Contributions — Miscellaneous Plan — Agent Multiple-Employer Plan	80
Schedule of Proportionate Share of the Net Pension Liability — Cost Sharing Safety Plan	82

CITY OF SANTA FE SPRINGS, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021

Schedule of Plan Contributions — Cost Sharing Safety Plan	84
Schedule of Changes in the Net OPEB Liability and Related Ratios	86
Schedule of Contributions — OPEB	87
Notes to Required Supplementary Information	88
SUPPLEMENTARY INFORMATION	
Combining Balance Sheet — Nonmajor Governmental Funds	92
Combining Statement of Revenues, Expenditures and Changes in Fund Balances — Nonmajor Governmental Funds	96
Budgetary Comparison Schedules — Special Revenue Funds	
State Gas Tax	100
County Transit Tax	101
Street Lighting Maintenance District	102
Art in Public Places	103
Air Quality Improvement	104
Community Development Block Grant	105
Public Safety Augmentation	106
Supplemental Law Enforcement Services	107
Combining Statement of Fiduciary Net Position — Custodial Funds	110
Combining Statement of Changes in Fiduciary Net Position — Custodial Funds	111
STATISTICAL SECTION (UNAUDITED)	
Net Position by Component	114
Changes in Net Position	116
Fund Balances of Governmental Funds	120
Changes in Fund Balances of Governmental Funds	122
Assessed and Estimated Actual Value of Taxable Property	124
Direct and Overlapping Property Tax Rates	125
Principal Property Tax Payers	126
Property Tax Levies and Collections	127
Ratios of Outstanding Debt by Type	128
Ratio of General Bonded Debt Outstanding	129
Direct and Overlapping Debt	130
Legal Debt Margin Information	131
Pledged-Revenue Coverage	134

**CITY OF SANTA FE SPRINGS, CALIFORNIA
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

Demographic and Economic Statistics	136
Principal Employers	137
Full-Time and Part-Time City Employees by Function	138
Operating Indicators by Function	139
Capital Asset Statistics by Function	140

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

January 27, 2022

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

Introduction

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

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

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

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

**Introduction
(cont.)**

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

**Accounting
System and
Budgetary
Control**

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

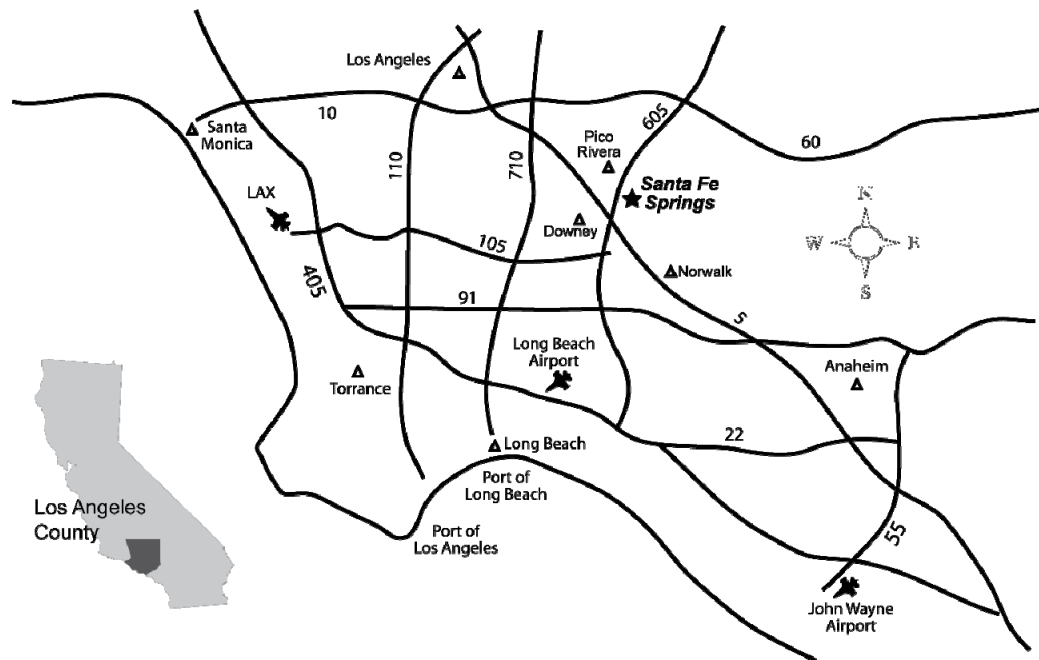
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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

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

Profile and Government Structure

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



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

**Local Economic
Outlook**

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

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

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

Although the COVID-19 pandemic and its economic impact were felt throughout our nation, the City was fortunate that our sales tax base was relatively unaffected by the pandemic as it had little to no effect on the City's revenue stream. In fact, the Stay-at-Home orders generated greater than anticipated online sales which played a pivotal role in the City's increased sales tax revenue. While the sales tax generated in FY 2019-20 was the highest the City had ever generated, the sales tax generated in FY 2020-21 surpassed last year's amount. The Sales Tax revenue and its growth are critical to the City's financial position as it represents nearly half of all of the City's General Fund revenues.

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

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

**Vision, Mission,
and Guiding
Values**

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

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

**Accomplishments
& Outlook**

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

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

Department of Fire- Rescue

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

**Accomplishments
& Outlook (cont.)**

Fire-Rescue suppression personnel have implemented a business-friendly fire inspection program to annually inspect each business in the City to identify possible fire and life safety issues as well as update emergency contact information in the department's database. The Department of Fire Rescue conducted over 2200 business and residential inspections and responded to over 3,500 emergency calls in FY 2021-21.

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 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 2020-21, the Department of Fire-Rescue assisted outside of their jurisdiction 14 times to major fire incidents and was reimbursed over \$967,000 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 2020-21, the Fire-Rescue Department secured \$504,413 through the 2018 State of Homeland Security Grant Program (SHSGP). This funding supports the purchase of equipment and training for the Homeland Regional Training Center, the City's Type I Hazardous Materials Response Team, and the City's Urban Search and Rescue (USAR) Response Team. As in the past years, the use of grant funds has provided relief to the City budget as these vehicles, equipment, and training would typically have been funded through the City's General Fund.

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

Since October of 1995, the Department of Police Services has partnered with the Whittier Police Department to deliver quality law enforcement services by combining Whittier Police Department's contract services with City staff and management resources. The Santa Fe Springs Policing Team consisting of both sworn and non-sworn personnel responds to citizen calls for service and focuses on developing solutions to address community defined law enforcement issues and service needs. The team also focuses on preventing youth from engaging in delinquent behavior and effectively maintains a safe and desirable and working environment for the City of Santa Fe Springs by 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.

During FY 2020-2021, the Department of Police Services continued to strive toward keeping crime and property loss rates at the lowest possible levels, maintain acceptable response times for emergency service calls, promote the use of technology, and promote coordination between schools and the City. The policing team focused on enhancing community partnerships by providing a variety of programs, services and tools designed to deter and reduce crime, assist families with at-risk youth, and maintain the safety and well-being of all citizens within the community. Some of the Department efforts and accomplishments included:

- Whittier Police Department Officers responded to 13,223 calls for service throughout the City and provided 2,656 pro-active patrols. Additionally, a dedicated Traffic Enforcement Officer focused on traffic and pedestrian safety and field patrol officers responded to 3,062 traffic related incidents. Police officers also responded to several incidents involving Driving Under the Influence (DUI) violations and issued 35 citations for DUI.
- The Investigative Bureau made arrests in three homicide cases that were investigated.
- In an effort to increase traffic safety, the department focused on traffic enforcement operations and proactive traffic enforcement. Over 600 hours were dedicated to traffic enforcement details, which yielded 946 citations and 223 warnings issued for various violations such as distracted driving, unsafe speed, and disobeying signage.

**Accomplishments
& Outlook (cont.)**

- Officers also remained dedicated to monitoring high collision intersections. Enforcement efforts resulted in 1,563 moving citations, 1,928 moving violations and 1,456 citations were issued for hazardous violations including, but not limited to red light violations, unsafe speed and unsafe movements.
- Public Safety Officers (PSOs) played a critical role in the department field operations. PSOs responded to approximately 1,959 calls for service and provided 2,157 pro-active patrols throughout the City. Calls for service included, but were not limited to parking violations, graffiti vandalism, safety hazards, non-criminal and criminal reports and other quality of life issue concerns. A total of 4,111 parking citations were issued.
- PSOs responded to 105 traffic collision related incidents; leaving sworn personnel available to respond to emergent calls for service and reducing overall response times for priority calls.
- The department continues to subscribe to Crimereports.com; providing citizens with access to up-to date city crime statistics.
- Technological upgrades to improve efficiency were also an area of focus including the purchase of replacement Mobile Data Computers (MDCs) for public safety officer and police patrol vehicles. The new system provides enhanced mobile options for report writing, sharing and documenting crime-related information, and photographic evidence collection.
- The Family and Youth Intervention (FYIP) Team identified and worked with families experiencing relationship, behavioral challenges and youth engaging in delinquent behavior. Individual case plans were developed and services were coordinated. Additionally, 71 local families completed parenting and family support classes.
- The Family and Youth Intervention Team continued to navigate through the unique challenges presented by the COVID-19 pandemic. The team continued to successfully serve the community by offering programs and services via virtual format.
- The Department and FYIP team remained dedicated to providing drug awareness and prevention education through partnerships with local schools through the Red Ribbon Campaign. The FYIP team worked with City leaders and schools to promote the Red Ribbon Campaign via social media platforms and school district websites.
- This year, the “Every 15 Minutes” Program was delivered via virtual format. In partnership with Santa Fe High School administration, a powerful message was delivered by the City Council and youth were reminded about the consequences of drinking and driving and the impact of poor decision making.
- The department emphasized crime prevention and disaster preparedness through the 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

**Accomplishments
& Outlook (cont.)**

trends, disaster preparedness, and share their public safety concerns in a public forum. Although the COVID-19 pandemic created challenges to host traditional in person meetings, SNT successfully transitioned to a virtual format.

- As part of the department's emergency preparedness effort to raise awareness on the importance of having an emergency preparedness plan and practice safety during an earthquake, the Department led City staff as they participated the "Great Shake Out" earthquake drill.
- The Department partnered with the Southeast Area Animal Control Authority to address unlicensed animals in the City through the annual dog licensing canvass. Animal Control Officers canvassed residential areas in the City and issued 368 animal license notices and issued 93 licenses in the field.

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

Code Enforcement activity for FY 2020-2021, included 192 new code enforcement cases initiated to address numerous violations related to property maintenance concerns, illegal garage conversions, illegal structures, hazardous property conditions, illegal business operations, inoperable and abandoned vehicles, and illegal land use activity. Through voluntarily compliance and enforcement efforts, 185 cases were successfully closed. Additional Code Enforcement activity included:

- Proactively identified and coordinated outreach and the cleanup of homeless encampments located on City property. In addition, the team partnered with BNSF, Union Pacific Railroad, LA County Public Works, the LA County Sheriff's Department and business owners to assist with several homeless encampment cleanups 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 249 Notice of Violations and 58 Administrative Citations for various code violations.
- Code Enforcement staff also worked with the Whittier Police Department's Special Enforcement Team (SET) and Detective Bureau to address illegal marijuana grow operations in residential and industrial areas and successfully closed down illegal dispensaries, seizing over 1, 500 plants as evidence.

**Accomplishments
& Outlook (cont.)**

- Staff assisted the Fire Department with compliance inspections and addressing non-compliant businesses.
- Code Enforcement Staff processed Alcohol Sales Conditional Use Permits and Compliance Reviews.
- Staff continued to work closely with the Planning Department to identify potential impacts and mitigate hazards of new and existing development by developing conditions of approval related to public safety concerns.

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 2020-21, the Engineering Division issued 415 total excavation and construction permits.

During FY 2020-21, the Department of Public Works coordinated a multitude of capital improvement projects including:

- Traffic Signal at Florence Ave / Ringwood Ave
- Three Year Street Improvement Plan - Year 2
 - Santa Fe Springs Road (Los Nietos Road to North Boundary RXR Tracks)
 - Rivera Road (Sorensen Avenue to East Boundary)
 - Ann Street (Sorensen Avenue to Santa Fe Springs Road)
 - Painter Avenue (Lakeland Road to Florence Avenue)
- Three Year Street Improvement Plan - Year 3
 - Los Nietos Road (Telegraph Road to Pioneer Boulevard)
 - Lakeland Road (Shoemaker Road to Carmenita Road)
 - Meyer Road (East Boundary to Shoemaker Road)
- Whittier Water Connection Design Project
- Florence Ave Widening (Orr and Day Rd to Pioneer Blvd)

**Accomplishments
& Outlook (cont.)**

- Replacement of Baseball/Basketball Scoreboards, Backboards/Rims at Various City Parks

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), building (managing the plan check process, issuing permits, and conducting inspections), and housing (improving the quality of our neighborhoods and providing affordable housing options). 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.

It should be noted that due to lasting effects of the pandemic, the statistical data collected is not as complete as previous years. Moving forward, as the impacts from COVID-19 dissipates, we expect the data to return to normal and have statistics consistent with previous years, prior to the pandemic. The department remains committed to playing a prominent role in shaping the community through citywide high-quality standards and to preserve and cultivate smart and sustainable growth of the City's residential, commercial, and industrial areas.

Economic Development Activities

During FY 2020-2021, economic development efforts resulted in several notable business accomplishments: the welcoming of 4 Paws Coffee Company at 14565 Valley View Avenue; Golden Spoon frozen yogurt at the 10122 Carmenita Road; The Green Olive restaurant at 13965 Stage Road; Fairway Staffing at 11429 Telegraph Road; and Sunbelt Rentals at 12624 Rosecrans, just to name a few. And to help support various new and growing businesses, city staff is committed to ongoing efforts to promote them within the City's newsletters and various social media outlets. Staff is constantly working with property owners, property management companies and developers to revitalize aging commercial properties to find 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!

Planning Activities

During FY 2020-2021, a total of 54 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, 15 administrative entitlements were processed for wireless projects.

**Accomplishments
& Outlook (cont.)**

Some notable planning milestones during the 2020-2021 fiscal year included the completion of the following construction projects: 1) a new 233,779 sq. ft. industrial concrete tilt-up building at 8201 Sorensen Avenue; 2) exterior and interior renovations to a 3,240 sq. ft. building at 10915 Norwalk Blvd.; 3) exterior façade improvements to a 12,474 sq. ft. existing building at 11640 Slauson Avenue; and 4) a new two story 8,022 sq. ft. industrial concrete tilt-up building at 11908 Bloomfield Avenue. Also, seven notable development projects are currently under construction: 1) a new 3-story 97,503 sq. ft. mini-warehouse at 13020 Telegraph Road; 2) a new 43,905 sq. ft. industrial concrete tilt-up building at 12905 Los Nietos Road; 3) a new 131,708 sq. ft. industrial concrete tilt-up building at 9816 Greenleaf Avenue; 4) a new 150,548 sq. ft. industrial concrete tilt-up building at 13900 Carmenita Road; 5) a new 146,068 sq. ft. industrial concrete tilt-up building at 13215 Cambridge Street; 6) a new 213,956 sq. ft. industrial concrete tilt-up building at 9951 Greenleaf Avenue; and 7) a gated apartment complex totaling approximately 174,201 sq. ft. at 11201-11313 Carmenita Road. Although not yet under construction, there were also three notable entitlements granted during the 2020-2021 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; 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 the northwest corner of Telegraph Road and Santa Fe Springs Road; 4) a new 199,987 sq. ft. industrial concrete tilt-up building at 9615 Norwalk Boulevard; 5) a new 92,771 sq. ft. concrete tilt-up industrial building at 12511 & 12521 Los Nietos Road; 6) a new 2,675 sq. ft. single-story office building at 9803 Santa Fe Springs Road; 7) a new 12,731 sq. ft. multi-tenant industrial building at 11790 Slauson Avenue; and 8) a new 144,434 sq. ft. concrete tilt-up industrial building at 9803 Santa Fe Springs Road.

In addition to the planning entitlements processed, the department also completed a total of 332 plan checks (an increase of 20 plan checks from FY 2019-20), including sign permit review and landscape review. Staff also prepared a total of 36 zone certification letters (an increase of 23 from prior years, and issued a total of 6 home occupation permits (a decrease of 7 from prior years). In terms of counter activity, the Planning Department assisted a total of 62 individuals at the Planning Counter. It should be noted that due to the COVID-19 pandemic, City Hall was closed to visitors from March of 2020 until June 14, 2021. The pace for the roughly two weeks that the Planning counter was open would have resulted in an average of 124 for the month. While staff does not track the number of phone and e-mail inquiries received, it is safe to say that there has been a direct increase experienced with both activities.

**Accomplishments
& Outlook (cont.)**

Lastly, working with SCAG, Alta Planning + Design and Studio 111, the City's first Active Transportation Plan (ATP) was completed in January of 2021. 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. The Planning staff has also continued to work with the City's General Plan consultant (MIG) on completing the comprehensive update to the General Plan which will not only include the seven mandatory elements but also a new Environmental Justice element and an Economic Development element. Over the 2-year planning process, the department has so far hosted 5 General Plan Advisory Group meetings, 3 community workshops, a dozen stakeholder interviews and focus groups, and conducted various surveys online and through various social media outlets. Information related to the engagement efforts are available on the designated General Plan website: www.reimaginesantafesprings.org. The public can now not only view documents related to the General Plan but also have an opportunity to provide feedback through the General Plan website. The general plan update process is expected to be completed by March of 2022.

Building Activities

During FY 2020-21, there were a total of 806 permits issued with an overall valuation of \$114,910,276. When compared to FY 2019-2020, it was a decrease of 137 permits issued and a decrease of \$43,646,900 in the total valuation. It should be noted that the Electrical, Mechanical, Plumbing and Grading permits do not have valuations. As for counter activity, staff assisted a total of 33 individuals. As stated previously, this number was only for a two week period and therefore the building staff averaged 66 queries for the month. And similar to Planning, Building staff also experienced a similar spike in phone and e-mail inquiries throughout this past fiscal year.

Housing Activities

During FY 2020-21, as part of our General Plan update, a draft 2021-2029 Housing element was completed. The draft Housing element has been submitted to HCD and the draft document is currently available for public review on the City's General plan website. Staff is expecting to adopt the City's 6th cycle Housing element concurrently with the rest of the General Plan as part of the comprehensive General Plan update.

As for actual housing activities, construction of the new 128-unit Alvia Apartments at 11201-11313 Carmenita Road is well underway. The entire development is expected to be completed by the end of 2021. Staff has also reviewed and approved roughly 19 Accessory Dwelling Units during the 2020-21 fiscal year. Proposals for new ADUs certainly seems to be on the rise as more and more homeowners take the opportunity to create a secondary income stream or otherwise accommodate their growing families.

**Accomplishments
& Outlook (cont.)****Upcoming Activities**

In addition to what is listed above, staff is in the beginning stages of the following projects: 1) Adopting a new VMT Ordinance; 2) Creating ADU Prototypes; and 3) Creating Objective Design Standards for new residential developments.

Department of Community Services

The Department of Community Services includes the following Divisions: 1) Administration; 2) Parks and Recreation Services (PRS); 3) Library and Cultural Services (LCS); 4) Family and Human Services (FHS). It is one of the City departments that has the most direct impact to the residents of Santa Fe Springs. Programs and services are available to City residents, as well as business residents. These programs and services range from social, recreational, and cultural services. During Fiscal Year 2020-2021, the Department of Community Services achieved several significant accomplishments. The COVID-19 pandemic significantly impacted the programs and services offered by the Department. Fortunately, the Divisions were able to modify and transition to 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:

- No in-person classes were offered in Fiscal Year 2020-2021 due to the ongoing COVID-19 pandemic. 157 classes were offered ranging from virtual toddler classes, virtual language classes, virtual fitness classes, virtual music lessons, virtual sports, and many more. In total, 1,065 participants joined PRS classes.
- The traditional Halloween Carnival and Haunted House was replaced by a Halloween Goodie Bag Drive-Thru experience. Through the month of October, staff held several small virtual contests that included a virtual home and office decorating contest, a pumpkin decorating contest, and a costume contest. There were 27 entries and the winners were featured in a slideshow on social media. The feature of this year's Halloween program was the Halloween Goodie Grab Drive-Thru, which was held on Thursday, October 29, 2020 at Los Nietos Park. There were 352 Santa Fe Springs households registered for this event. In total, staff counted 941 people that went through the drive-thru.
- The annual Tree Lighting Ceremony was recorded and streamed through social media on Saturday, December 5, 2020. The date coincided with the traditional in-person event held in Pre-COVID years and held on the 1st Saturday of December. The video had over 2,700 views through the City's social media platforms.

**Accomplishments
& Outlook (cont.)**

- A new program during the holidays was introduced to spread holiday cheer in the community. The program, called Breakfast with the Grinch, was a virtual program for kids that consisted of arts and crafts, story time, and a snack. Breakfast with the Grinch was held on 2 days and attended by 81 children.
- In its 40th year of existence, the City’s Christmas Float Program was revamped due to COVID-19. The tradition stayed alive despite the pandemic. It is estimated that the float covered over 75 miles of residential streets over 5 nights, and was seen by thousands of residents as the float made its way through every residential neighborhood in Santa Fe Springs.
- The Virtual Penny Carnival has held online and drew 30 people to virtual trivia games and activities. The virtual trivia games and activities included American Trivia, Wheel of Fortune, Bingo, and Jeopardy.
- Approximately 527 youth participated in virtual T.E.E.N.S. programming for middle school and high school aged participants. These numbers were far less than in previous years as all teen programming was transitioned to virtual platforms. The T.E.E.N.S. program offered bi-weekly meetings that included holiday-themed games, trivia, and educational workshops throughout the pandemic.
- A new program, Virtual Family Fun Nights, was implemented in the fall of 2020. These nights included virtual activities for families to enjoy during the pandemic. These activities included a magic show, Loteria, Name if November Trivia, and Web of Fortune. In total, 51 families participated.
- In lieu of an in-person Easter event due to the pandemic, a virtual Bunny Brunch activity was held and attended by 31 children. Additionally, there were 61 families that registered for an “Egg-stra” Special Delivery of an Easter basket. The Easter activities also featured a drive-thru event called the “Hop N’ Go” drive-thru, that was attended by 260 residents.
- In an effort to stay connected to the community during the Safer-At-Home orders, the Parks and Recreation Services Division continued 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. Staff visited 120 families during the year.
- 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.

**Accomplishments
& Outlook (cont.)**

- The 2020 Independence Day Celebration canceled due to the pandemic. The event was replaced with an Independence Day drive thru experience called Independence Day Party Pack Drive-Thru. Staff distributed 715 Independence Day Party Packs to 318 Santa Fe Springs families.
- The 2020 Fiestas Patrias in-person event was cancelled due to the pandemic. To keep the tradition alive, staff put together several distanced and virtual activities for the community to participate in. 2020 marked the 53rd annual Fiestas Patrias in Santa Fe Springs and highlighted the state of Tabasco, Mexico. The first component of the event was Map My Heritage, which was an interactive map where residents could share their family heritage. There were submissions from as far as Poland and Ireland, Canada and Mexico. The next component featured a recipe corner, which staff called, “A Taste of Mexico.” Local restaurants submitted recipes and videos to showcase their best dish. Another component was the Community Mural, where a local artist designed a mural that represented the heritage of Santa Fe Springs and 11 local families (37 people) painted the mural. Lastly, on September 12, 2020, the main feature of this year’s Fiestas Patrias event, was a drive-in concert featuring Mariachi Ausente was held at St. Paul High School. The concert was free for residents to attend and attended by 63 residents.
- The Library continued to provide restricted services in Fiscal Year 2020/21. At the beginning of Fiscal Year 2020/21 staff was still providing curbside service only. The Library reopened to the public on May 17, 2021; the hours were Monday – Friday 10:00 a.m. to 5:00 p.m. Shortly after, an hour was added to close at 6:00 p.m. Staff continued to provide curbside service for those patrons who did not feel comfortable entering the building. Due to social distancing requirements, staff offered fewer computers for the public and restricted seating for most of the year.
- Tierra Mia was not able to staff the café and remained closed.
- Library staff did not offer any in-person programming; staff created virtual programming to meet the patron’s needs if possible. Even with these restrictions, the Library circulated over 54,000 physical items and over 7,000 e-books and e-audio books. Library staff fielded over 2,000 phone calls.
- The Willie Gordon Learning Center continued to remain closed due to the restrictions at the Gus Velasco Neighborhood Center.
- The Library received several grants this Fiscal Year. One grant received was a \$5,000 grant to purchase e-books and e-audio books to help offer more virtual materials to patrons. Another grant received was for \$7,000 to pay for hot spots to circulate to the public. Lastly, a \$12,000 grant was received to fund the S.F.S. Summer STEAM children’s program.

**Accomplishments
& Outlook (cont.)**

The Literacy Division continued to provide services remotely via Zoom. Reading Club had a total of 18 students, all in Level 3. The Division recorded 26 ELLI's for 89 Rancho Santa Gertrudes 2nd and 3rd grade students. Recordings were 8-10 minutes in length and are a supplemental tool to the current teaching curriculum. ELLI's are enrichment lessons that are based on a children's book and build on the California State Standards focus on the students' literacy needs. The recorded ELLI's and corresponding worksheets are placed in a Google Drive for the schools to have access. Literacy also provided recorded ELLI's for Rancho's summer program. The Division also had 9 adult literacy learners who had their classes via Zoom.

- The Literacy Division continued its long tradition of answering Santa Letters. In December of 2020 there were a total of 315 Santa Letters written to children in the SFS Community and surrounding areas.
- On January 22nd, the Literacy Division celebrated Authors Month. Local author Rex Ogle, author of *Free Lunch*, spoke to 125 Rancho Santa Gertrudes students via Zoom and the Library provided signed copies of his book. The students found him very inspirational. After the event, 58 students wrote letters to the author and those letters were printed and mailed to the author as a gesture of appreciation.
- Children's Services continued to provide virtual programming. Preschool story times, bilingual story times, and STEAM story times were recorded and posted weekly. The videos had a total of over 10,000 views. Our "Grab n' Go" kits remained popular; staff distributed over 650 kits this Fiscal Year. These kits included a book, activity sheets, and all the materials to complete two crafts.
- The Summer Reading Program was virtual again this year. Staff conducted weekly virtual performances, a virtual kick-off performance, and a virtual end-of-summer performance. While some programs were traditional, such as magic and live animal shows, one show, "Lions, Tigers, and Bears", allowed patrons to virtually visit an animal sanctuary in the San Diego. The tour featured live tigers, lions, and bears in outdoor habitats.
- The Library's Reading Game was also virtual, and families could keep track of their children's reading progress using the Library's online summer reading software. Prizes were awarded for time spent reading.
- The Library received an LSTA grant for \$12,000, which was used to create over 500 weekly STEAM activity bags. The bags included a book and materials to recreate the one experiment and one craft project. Staff created videos to accompany the crafts and experiments. This program was also offered to the Parks and Recreation Services Division's day camp participants.

**Accomplishments
& Outlook (cont.)**

- The Library was able to complete a major collection development project. First, the entire collection was weeded, eliminating damaged, out of date or unused items. Staff then inventoried the collection. Records for items that were missing from the collection but still listed in the online catalog were removed. Staff shifted material to improve access and focused purchasing on areas of the collection that needed updating.
- The Children's Librarian also cleaned all children's books, assigned reading levels to the beginning reader's section, and expanded the young adult graphic novel section. The result of this work is a more organized and up-to-date collection with an accurate online catalog.
- The Carriage Barn was closed to the public. A pedestal was purchased and installed to display items donated by the Women's Club.
- Due to the physical restrictions surrounding COVID-19, the 2020 Summer Concert and Movie Series was reconfigured to the Summer Drive-In Movie Series and comprised of 6 movies between the months of July and October. The event took place in the parking lot of Little Lake Park on Friday evenings and utilized a 45-foot inflatable screen and radio audio to entertain over 1,200 city residents across the event series.
- The 2020 Día De Los Muertos event was modified into a virtual celebration throughout the month of October and comprised of an at-home sugar-skull craft and community ofrenda (altar) showcase. Families who preordered sugar skulls attended the drive-thru style event and had their orders delivered to their cars directly, while enjoying the festive decorations surrounding the drive-thru area. A total of 153 skulls were sold to members of the community, and another 80 skulls donated to the GVNC for distribution to older adults, making for a total of 233 skulls distributed.
- The 2020 Día De Los Muertos event also featured an online community showcase video that was released on October 31. The video featured photographs of ofrendas submitted by members of the community, as well as photographs of decorated sugar skulls in celebration of Día De Los Muertos. Over 40 photographs were submitted in total by various members within the community to be shared in the virtual showcase.
- The annual Las Posadas cultural event in 2020 was modified to a drive-thru celebration kit distribution that provided 60 families and 149 children with holiday-themed crafts, coloring pages, pre-packaged treats, and a copy of "The Night of Las Posadas", a book by Tomie DePaola about the story of Joseph and Mary's journey from Nazareth through Bethlehem. Additionally, a pre-recorded reading of the "The Night of Las Posadas" was developed in-house and posted to the City's social media for the community to enjoy at their leisure.

**Accomplishments
& Outlook (cont.)**

- The annual Pioneer Living event (formerly known as Children’s Day) was reconfigured as the “Colonial Craft Kit Pickup”. The event provided 52 families with a festive collection of colonial era crafts, projects, and activities free of charge.
- During the Safer-At-Home order, new crafts and virtual activities were created and offered for older adult participants. The program started with 160 participants and quickly grew to 258 City residents. They received a craft/activity weekly or a holiday gift to keep them engaged.
- Two virtual programs, Virtual Bingo and Zoom & Tea, were also offered to older adults. Approximately 13-15 older adults gathered online weekly between the two programs to partake in the games and conversation.
- Approximately 50 Santa Fe Springs Older Adult residents renewed their gym membership since the Safer-At-Home protocol came into place. However, the gym facility has been closed and not used during the FY 2020-2021.
- In June 2021, The Family and Human Services Division reinstated two outdoor exercise programs. The Moving' and Groovin' class was held at Los Nietos Park picnic area with an attendance of 35 Older Adults on Mondays and Wednesdays. There was also City Strollers which was held at Heritage Park. Staff kept a record of the 16 participants that lapped the park. Each month from June through August, a walker with the most laps received a \$30 gift card to sketchers from TEAM UP-medical/Medicare representatives that frequent our senior activities.
- The Senior Buzz is now being mailed out to 258 Santa Fe Springs Older Adults every two months. The Senior Buzz contains information on program updates, upcoming events, Coronavirus health tips, puzzles, word searches, and fun recipes.
- The Family & Human Services, in partnership with the Rotary Club, provided a modified Back to School Backpack Program drive-thru event where backpacks filled with school supplies were provided to 115 Santa Fe Springs children. In addition, \$9,750 was received in monetary donations from City businesses and school supplies from individuals and companies.
- The annual Volunteer Income Tax Assistance program began in February 2021. The program was modified to a drop off procedure to help reduce the spread of COVID-19. Remarkably the new process was well received, and the number of clients completing their tax returns surpassed the amount of tax returns complete with the traditional in-person process. A total of 400 tax returns were completed.

**Accomplishments
& Outlook (cont.)**

- The Family & Human Services Division continued to partner with the Southeast Area Social Services Funding Authority (SASSFA) to serve hot meals to seniors. During the Safer-at-Home protocol, the Neighborhood Center continued to prepare 796 hot meals per month for homebound seniors in the City and surrounding communities. Our homebound meals increased to 96 meals per day and were home delivered to all registered participants.
- The Thankful Neighborhood Basket program provided Thanksgiving Baskets to 134 low-income families and older adult residents.
- The Neighborly Elf Program provided 149 food baskets to low-income families and older adult residents. In addition, gift cards were given to families:
 - Kids ages 10 and under received a \$25.00 gift card
 - Youths ages 11-18 received a \$50.00 gift card
 - Each family received a grocery gift card in the amount of \$25.00
- As Certified Application Counselors, the Family and Human Services Caseworkers worked virtually and provided access to affordable healthcare to 11 families and individuals through Covered California during the Fiscal Year.
- The Family & Human Services Division continues to partner with United Way and Southern California Edison to provide utility assistance to low-income families. Through this partnership and funding, and overcoming the challenges of servicing virtually, by phone or email, the Division processed 214 applications, totaling to \$33,593.36 in utility assistance grants during FY 2020-2021.
- Gus' Kitchen Food Pantry and Community Closet located at the Gus Velasco Neighborhood Center was used by 100 clients. Clients were able to obtain food, clothing, and hygiene products. In addition, during the Safer-At-Home order, items from Gus's kitchen were donated to the local school districts and food banks.
- The Family & Human Services Division in partnership with Cedars Sinai presented a six-week workshop series on Healthy Habits for Families from March 10, 2021 to April 7, 2021. The virtual nutritional workshops discussed subjects on portion control, physical activity, chronic disease management, and calorie & label reading. There were 19 participants in the program.

**Accomplishments
& Outlook (cont.)****City Manager**

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

During the COVID-19 emergency, pursuant to the Governor's Executive Order N-29-20 which allowed for a deviation of teleconference rules required by the Brown Act, the City began conducting teleconference City Council meetings via zoom. After teleconferencing meetings for a few months, the City decided to continue conducting City Council Meetings via zoom and in-person. As of August 3, 2021, zoom meetings have been recorded and made available on the City's website via YouTube. Having two options for the public to attend our Council Meetings; there has been positive feedback and engagement for allowing the public to facilitate the access to these meetings without leaving their home.

Department of Finance and Administrative Services

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

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

During Fiscal Year 2020-2021, the City's operations were impacted by the pandemic. However, the City experienced little to no effect on revenue stream, and in fact, experienced greater than anticipated Sales Tax and Transaction Tax revenues.

**Long-Term
Financial Planning**

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

subsequent pension reform earmarked changes adopted by the State, the effect should be the stabilization of employee costs.

**Debt
Administration**

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

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, 2021, the City of Santa Fe Springs oversaw six outstanding bond issues comprised of: three Consolidated Redevelopment Project tax allocation bond issues, one City water revenue bond, 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.



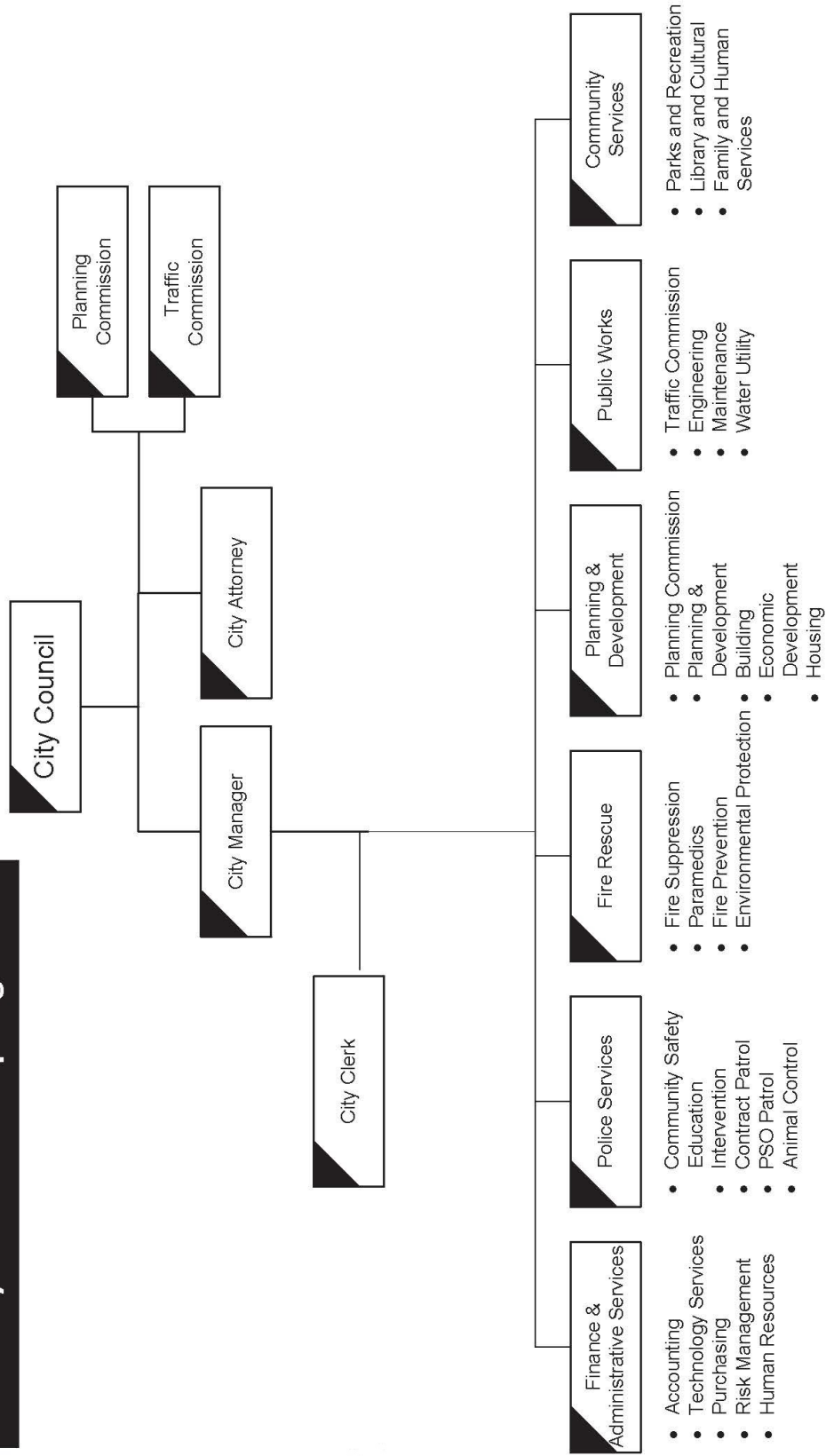
Raymond Cruz
City Manager



Travis Hickey
Director of Finance and Administrative Services

Organizational Chart

City of Santa Fe Springs





Government Finance Officers Association

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for Excellence
in Financial
Reporting

Presented to

**City of Santa Fe Springs
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

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, 2021, 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.

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

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, 2021, 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.

Emphasis of Matter

As discussed in Note 1 and 16 to the financial statements, the City implemented GASB Statement No. 84, *Fiduciary Activities*, in fiscal year ended June 30, 2021, which resulted in a restatement. Our opinion is not modified with respect to that matter.

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 nonmajor 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.

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

The combining and individual nonmajor 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 January 27, 2022, 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.

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

CliftonLarsonAllen LLP

Irvine, California
January 27, 2022

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**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. 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 \$17.6 million to \$154.7 million. The governmental net position increased by \$17.4 million or 14.7%, while the business-type net position increased by \$0.2 million or 1.0%.
- The general fund, on the current financial resources basis, reported an increase in fund balance of \$10.3 million to \$60.3 million. Excluding transfers and other financing sources/uses, the general fund reported \$11.9 million excess of revenues over expenditures. Revenues increased by \$1.8 million or 2.4% and expenditures increased by \$5.5 million or 9.2% when compared to prior year. Increase in revenues was primarily due to increase in revenues provided by sales and use taxes and charges for services, this was partially offset by the decrease in interest and rentals income. Increases in expenditures were mainly due to rising pension costs and increases in capital outlay expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Fund Financial Statements

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

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

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

Financial Analysis of the Government-wide Statements

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

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Summary of Net Position
June 30, 2020 and 2021
(in millions)

	Governmental Activities		Business- type Activities		Total		Total Percent Change
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	
Current and other assets	\$ 108.4	\$ 124.9	\$ 14.8	\$ 15.5	\$ 123.2	\$ 140.4	14.0%
Capital assets, net	<u>162.6</u>	<u>167.7</u>	<u>26.5</u>	<u>26.3</u>	<u>189.1</u>	<u>194.0</u>	2.6%
Total assets	<u>271.0</u>	<u>292.6</u>	<u>41.3</u>	<u>41.8</u>	<u>312.3</u>	<u>334.4</u>	7.1%
Deferred outflows	21.2	22.8	1.4	1.5	22.6	24.3	7.5%
Long-term liabilities	157.6	165.2	20.9	20.8	178.5	186.0	4.2%
Other liabilities	<u>6.8</u>	<u>7.7</u>	<u>2.0</u>	<u>2.7</u>	<u>8.8</u>	<u>10.4</u>	18.2%
Total liabilities	<u>164.4</u>	<u>172.9</u>	<u>22.9</u>	<u>23.5</u>	<u>187.3</u>	<u>196.4</u>	4.9%
Deferred inflows	9.8	7.1	0.7	0.5	10.5	7.6	-27.6%
Net position							
Net investment in							
capital assets	162.0	163.1	18.0	19.1	180.0	182.2	1.2%
Restricted	31.0	30.9	0.6	-	31.6	30.9	-2.2%
Unrestricted	<u>(75.0)</u>	<u>(58.6)</u>	<u>0.5</u>	<u>0.2</u>	<u>(74.5)</u>	<u>(58.4)</u>	-21.6%
	<u>\$ 118.0</u>	<u>\$ 135.4</u>	<u>\$ 19.1</u>	<u>\$ 19.3</u>	<u>\$ 137.1</u>	<u>\$ 154.7</u>	12.8%

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 \$154.7 million at the close of the fiscal year. The largest portion of the City's net position 117.8%, is invested in capital assets, net of related debt. Approximately (37.8 %) of the City's net position is unrestricted. Unrestricted net position is at a deficit of \$58.4 million, a decrease of \$16.1 million from the prior year.

During the fiscal year, the City's ending net position increased by \$17.6 million, when compared to the prior year, revenues increased by \$4.8 million to \$101.3 million. Expenses increased by \$0.3 million to \$83.7 million. Total revenues outpaced total expenses primarily due to increase in sales and use taxes and charges for services program revenues.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Changes in Net Position
For the Fiscal Years Ended June 30, 2020 and 2021
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	2020	2021	2020	2021	2019	2021	
Revenues							
Program revenues:							
Charges for services	\$ 9.2	\$ 9.5	\$ 12.4	\$ 14.4	\$ 21.6	\$ 23.9	10.6%
Operating grants and contributions	4.4	5.7	0.1	-	4.5	5.7	26.7%
Capital grants and contributions	2.1	3.3	-	-	2.1	3.3	57.1%
General revenues:							
Sales and use taxes	30.7	32.3	-	-	30.7	32.3	5.2%
Transaction and use taxes	13.1	13.7	-	-	13.1	13.7	4.6%
Property taxes	5.0	6.0	-	-	5.0	6.0	20.0%
Franchise taxes	3.5	3.5	-	-	3.5	3.5	0.0%
Motor vehicle in lieu	2.1	2.3	-	-	2.1	2.3	9.5%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	6.5	6.9	-	-	6.5	6.9	6.2%
Other taxes	0.1	0.2	-	-	0.1	0.2	100.0%
Investment income	4.3	1.3	0.3	0.2	4.6	1.5	-67.4%
Other	1.8	1.1	0.1	0.1	1.9	1.2	-36.8%
Total revenues	<u>83.6</u>	<u>86.6</u>	<u>12.9</u>	<u>14.7</u>	<u>96.5</u>	<u>101.3</u>	5.0%
Expenses							
Governmental activities:							
General government	8.5	8.5	-	-	8.5	8.5	0.0%
Public safety	34.7	35.2	-	-	34.7	35.2	1.4%
Community development	2.8	2.7	-	-	2.8	2.7	-3.6%
Public works	17.6	16.8	-	-	17.6	16.8	-4.5%
Culture and leisure	6.5	5.5	-	-	6.5	5.5	-15.4%
Human services	1.9	1.6	-	-	1.9	1.6	-15.8%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	11.3	13.3	11.3	13.3	17.7%
Total expenses	<u>72.1</u>	<u>70.4</u>	<u>11.3</u>	<u>13.3</u>	<u>83.4</u>	<u>83.7</u>	0.4%
Excess (deficiency) before transfers	11.5	16.2	1.6	1.4	13.1	17.6	34.4%
Transfers	1.2	1.2	(1.2)	(1.2)	-	-	
Increase (decrease) in net position	12.7	17.4	0.4	0.2	13.1	17.6	34.4%
Net position - beginning	105.3	118.0	18.7	19.1	124.0	137.1	10.6%
Net position - ending	<u>\$ 118.0</u>	<u>\$ 135.4</u>	<u>\$ 19.1</u>	<u>\$ 19.3</u>	<u>\$ 137.1</u>	<u>\$ 154.7</u>	12.8%

The City's total revenues were \$101.3 million for the fiscal year ended June 30, 2021. Revenues from governmental activities totaled \$86.6 million and revenues from business-type activities totaled \$14.7 million. Program revenues comprise 32.5% of total revenues with the largest portion of this, \$23.9 million, resulting from charges for services. Sales and use taxes and transaction taxes comprise 45.4% of total revenues and other general revenues comprise the remaining 32.1%. Total revenues increased by 5.0%, primarily due to increase in program charges for services and increase in sales and use taxes during the fiscal year. Some of the increases were partially offset by the decrease in investment incomes.

Expenses of the City for the year totaled \$83.7 million. Governmental activity expenses totaled \$70.4 million, or 84.1% of total expenses. The following table summarizes the total cost and net cost of the City's governmental activities by function type.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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>2020</u>	<u>2021</u>		<u>2020</u>	<u>2021</u>	
General government	\$ 8.5	\$ 8.5	0.0%	\$ 4.3	\$ 3.1	-27.9%
Public safety	34.7	35.2	1.4%	31.0	31.4	1.3%
Community development	2.8	2.7	-3.6%	0.8	0.9	12.5%
Public works	17.6	16.8	-4.5%	12.7	9.8	-22.8%
Culture and leisure	6.5	5.5	-15.4%	5.7	5.0	-12.3%
Human services	1.9	1.6	-15.8%	1.7	1.6	-5.9%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	<u>\$ 72.1</u>	<u>\$ 70.4</u>	<u>-2.4%</u>	<u>\$ 56.3</u>	<u>\$ 51.9</u>	<u>-7.8%</u>

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled \$14.4 million, and investment and other income totaled an additional \$0.3 million. Expenses of the Water Utility were \$13.3 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$1.4 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 \$26.3 million (net of accumulated depreciation) decreased by approximately \$0.2 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, 2021, of \$112.9 million, an increase of approximately \$13.5 million from the previous fiscal year. The primary reason for the increase was due to revenues exceeding expenditures in the General Fund resulting from increase in sales and use taxes and charges for services program incomes.

The General Fund is the chief operating fund of the City. At June 30, 2021, the General Fund's unassigned fund balance was \$24.9 million. Additional General Fund balances were: nonspendable \$2.3 million, restricted \$1.6 million, committed \$0.2 million, and assigned \$31.3 million. Revenues increased by approximately \$1.8 million and expenditures increased by \$5.5 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, and increase in capital outlay, this was offset by decrease in pension obligation bonds payment.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

The pension obligation bonds were paid off during fiscal year June 30, 2020. During the fiscal year ended June 30, 2021, the overall fund balance in the General Fund increased by \$10.3 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 2020-21 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 \$6.8 million primarily consisting of receivables expected to be received from various governmental agencies. During the fiscal year ended June 30, 2021, the overall fund balance decreased by \$1.6 million to \$3.1 million deficit. The reduction was due to pending reimbursements from various government agencies for completed projects during prior year. These receivables are outstanding beyond the available period and have not been recognized as revenues.

The Prefunded Capital Projects Fund was created during fiscal year 2012-13 to account for the City's Capital Improvement Program in the post-redevelopment era. The former redevelopment agency was a significant source of funding prior to dissolution. Without the redevelopment agency, the General Fund became the main source of future funds for the Capital Improvement Program. Through a combination of revenue enhancements (i.e. increase in the utility users tax rate) and cost containment and reduction measures, the General Fund will annually budget a transfer to the Prefunded Capital Projects Fund to build the base from which the Capital Improvement Program will operate. Additionally, one time revenues will be considered for allocation to the fund. For the fiscal year ended June 30, 2021 the General Fund transferred \$7.8 million into the Prefunded Capital Projects fund to restore a portion of the CIP target funding. The fund has increased by \$6.1million to \$28.6 million as of the fiscal year-end. The increase was primarily due to additional funding transferred from General Fund. City staff, in conjunction with the CIP Subcommittee of the City Council, work together throughout the year to plan and manage the projects financed through this fund.

The Successor Agency Bond Funded Capital Projects Fund was created in fiscal year 2014-15 to account for the unspent bond proceeds of the former redevelopment agency. With approval from the California Department of Finance, the Successor Agency transferred approximately \$19.6 million in unspent proceeds to the City as of July 1, 2014. Under a Bond Expenditure Agreement between the City and the Successor Agency, the City manages the projects for which the bond proceeds are to be used. During fiscal year 2020-21 the City expended approximately \$4.1 million on projects. As of fiscal year-end the fund balance decreased by \$3.1 million to \$8.1 million. The decrease was due to additional street projects during the fiscal year. The balance accumulated in the fund is to be used on future projects.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a \$0.6 million increase (0.9%). The final amended budget exceeded actual expenditures by approximately 6.9% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded the budget amount by \$9.3 million, primarily due sales and used taxes growth more than anticipated during the pandemic. Increases were seen in other revenue categories, including transaction and use taxes, property taxes, vehicle in lieu tax, 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, 2021, amounts to \$167.7 million (net of accumulated depreciation), an increase of approximately \$5.1 million from the previous year. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment and infrastructure. Note 6 –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, 2021, amounts to \$26.3 million (net of accumulated depreciation), a decrease of \$0.2 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

At June 30, 2021, the City's governmental activities long-term liabilities increased by \$7.6 million to \$166.3 million. The City's business-type activities long-term liabilities decreased by \$0.1 million to \$21.2 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 7 – Long-Term Liabilities, Note 8 - Compensated Absences, Note 10 – Pension Plan Obligations and Note 11 – Post-Employment Health Care Benefits.

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

**Outstanding Debt
(in millions)**

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2020	2021	2020	2021	2020	2021	
Revenue bonds	\$ 0.0	\$ 0.0	\$ 8.0	\$ 8.0	\$ 8.0	\$ 8.0	0.0%
Compensated absences	2.5	2.6	0.3	0.3	2.8	2.9	3.6%
OPEB obligation	37.5	35.8	3.7	3.5	41.2	39.3	-4.6%
Pension obligation	117.6	124.1	9.1	9.4	126.7	133.5	5.4%
Other loans/leases	0.6	3.8	0.0	0.0	0.6	3.8	533.3%
Total	\$ 158.2	\$ 166.3	\$ 21.1	\$ 21.2	\$ 179.3	\$ 187.5	4.6%

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 2021-22 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, CALIFORNIA
STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities	Business-Type Activity	Total
CURRENT ASSETS			
Cash and Investments	\$ 101,569,866	\$ 12,910,744	\$ 114,480,610
Receivables:			
Accounts	2,396,967	1,756,250	4,153,217
Interest	139,702	2,483	142,185
Deposits and Other Assets	1,037,521	5,767	1,043,288
Due from Other Governments	16,038,929	-	16,038,929
Inventories	926,721	277,216	1,203,937
Restricted Assets:			
Cash with Fiscal Agent	-	556,223	556,223
Total Current Assets	122,109,706	15,508,683	137,618,389
NONCURRENT ASSETS			
Notes and Loans, Net of Allowances	2,194,686	-	2,194,686
Land and Buildings Held for Resale	520,032	-	520,032
Capital Assets not Being Depreciated	61,526,573	8,375,279	69,901,852
Capital Assets, Net of Depreciation	106,191,473	17,941,217	124,132,690
Total Noncurrent Assets	170,432,764	26,316,496	196,749,260
Total Assets	292,542,470	41,825,179	334,367,649
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Charge on Refunding	-	73,127	73,127
Deferred Pension-Related Items	17,888,029	917,984	18,806,013
Deferred OPEB-Related Items	4,926,469	487,233	5,413,702
Total Deferred Outflows of Resources	22,814,498	1,478,344	24,292,842
CURRENT LIABILITIES			
Accounts Payable	1,878,334	1,360,658	3,238,992
Accrued Liabilities	1,737,420	104,939	1,842,359
Accrued Interest	44,366	46,823	91,189
Unearned Revenue	1,238,076	-	1,238,076
Deposits Payable	1,473,824	892,932	2,366,756
Due to Other Governments	84,579	-	84,579
Contracts Payable	127,851	-	127,851
Compensated Absences	440,000	60,000	500,000
Bonds and Capital Leases Payable	631,126	205,000	836,126
Total Current Liabilities	7,655,576	2,670,352	10,325,928
NONCURRENT LIABILITIES			
Compensated Absences	2,115,206	288,438	2,403,644
Bonds and Capital Leases Payable	3,137,251	7,584,696	10,721,947
Net OPEB Liability	35,845,359	3,545,146	39,390,505
Net Pension Liability	124,135,677	9,390,531	133,526,208
Total Noncurrent Liabilities	165,233,493	20,808,811	186,042,304
Total Liabilities	172,889,069	23,479,163	196,368,232
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension-Related Items	2,527,822	-	2,527,822
Deferred OPEB-Related Items	4,562,662	451,252	5,013,914
Total Deferred Inflows of Resources	7,090,484	451,252	7,541,736
NET POSITION			
Net Investment in Capital Assets	163,096,596	19,154,855	182,251,451
Restricted - Nonexpendable	244,676	-	244,676
Restricted - Expendable:			
Community Development Projects	81,407	-	81,407
Public Safety	229,687	-	229,687
Public Works	5,354,735	-	5,354,735
Capital Projects	9,826,713	-	9,826,713
Low and Moderate Income Housing	12,170,846	-	12,170,846
Art in Public Places - Expendable	1,384,968	-	1,384,968
Waste Management	1,408,854	-	1,408,854
Environmental Programs	203,908	-	203,908
Unrestricted	(58,624,975)	218,253	(58,406,722)
Total Net Position	\$ 135,377,415	\$ 19,373,108	\$ 154,750,523

See accompany Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	\$ 8,482,800	\$ 3,121,333	\$ 2,304,466	\$ -
Public Safety	35,296,588	3,580,227	324,249	-
Community Development	2,674,722	1,760,519	-	-
Public Works	16,766,663	995,335	2,583,333	3,351,016
Culture and Leisure	5,501,644	34,487	443,671	-
Human Services	1,612,973	1,149	38,964	-
Interest on Long-Term Debt	51,054	-	-	-
Total Governmental Activities	<u>70,386,444</u>	<u>9,493,050</u>	<u>5,694,683</u>	<u>3,351,016</u>
Business-Type Activity:				
Water Fund	13,282,916	14,430,951	-	22,074
Total	<u>\$ 83,669,360</u>	<u>\$ 23,924,001</u>	<u>\$ 5,694,683</u>	<u>\$ 3,373,090</u>

See accompany Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2021

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
Governmental Activities:			
General Government	\$ (3,057,001)	\$ -	\$ (3,057,001)
Public Safety	(31,392,112)	-	(31,392,112)
Community Development	(914,203)	-	(914,203)
Public Works	(9,836,979)	-	(9,836,979)
Culture and Leisure	(5,023,486)	-	(5,023,486)
Human Services	(1,572,860)	-	(1,572,860)
Interest on Long-Term Debt	(51,054)	-	(51,054)
Total Governmental Activities	<u>(51,847,695)</u>	<u>-</u>	<u>(51,847,695)</u>
Business-Type Activity:			
Water Fund	-	1,170,109	1,170,109
Total	<u>(51,847,695)</u>	<u>1,170,109</u>	<u>(50,677,586)</u>
GENERAL REVENUES			
Taxes			
Property Taxes,			
Levied for General Purpose	5,961,342	-	5,961,342
Transaction and Use Taxes	13,682,006	-	13,682,006
Sales and Use Taxes	32,305,008	-	32,305,008
Franchise Taxes	3,550,280	-	3,550,280
Business Operation Taxes	771,642	-	771,642
Utility Users Tax	6,907,100	-	6,907,100
Other Taxes	172,204	-	172,204
Intergovernmental Revenues -			
Motor Vehicle in Lieu	2,297,474	-	2,297,474
Interest and Rentals	1,303,072	181,503	1,484,575
Other	1,089,993	61,605	1,151,598
Sale of Capital Assets	40,878	-	40,878
Transfers	<u>1,154,424</u>	<u>(1,154,424)</u>	<u>-</u>
Total General Revenues and Transfers	<u>69,235,423</u>	<u>(911,316)</u>	<u>68,324,107</u>
CHANGE IN NET POSITION	<u>17,387,728</u>	<u>258,793</u>	<u>17,646,521</u>
Net Position - Beginning of Year	<u>117,989,687</u>	<u>19,114,315</u>	<u>137,104,002</u>
NET POSITION - END OF YEAR	<u><u>\$ 135,377,415</u></u>	<u><u>\$ 19,373,108</u></u>	<u><u>\$ 154,750,523</u></u>

See accompany Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
BALANCE SHEET — GOVERNMENTAL FUNDS
JUNE 30, 2021

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
ASSETS				
Pooled Cash and Investments	\$ 48,317,392	\$ 8,529,776	\$ 1,994,143	\$ 29,334,849
Receivables:				
Accounts	2,347,461	29,098	20,408	-
Notes and Loans, Net of Allowances	376,374	1,665,017	-	-
Accrued Interest	124,841	-	-	-
Deposits and Other Assets	1,037,521	-	-	-
Due from Other Governments	8,821,425	-	4,814,521	170,789
Due from Other Funds	5,055,667	-	-	-
Advances to Other Funds	-	1,437,861	-	-
Inventories	926,721	-	-	-
Land and Buildings Held for Resale	-	520,032	-	-
Total Assets	<u>\$ 67,007,402</u>	<u>\$ 12,181,784</u>	<u>\$ 6,829,072</u>	<u>\$ 29,505,638</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 1,127,536	\$ 5,890	\$ 10,232	\$ 707,998
Accrued Liabilities	1,724,560	5,048	686	4,290
Unearned Revenues	1,238,076	-	-	-
Deposits Payable	944,206	-	529,618	-
Due to Other Governments	18,985	-	65,594	-
Due to Other Funds	7,425	-	4,446,455	-
Advances from Other Funds	1,437,861	-	-	-
Contracts Payable	-	-	-	-
Total Liabilities	<u>6,498,649</u>	<u>10,938</u>	<u>5,052,585</u>	<u>712,288</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	<u>160,224</u>	<u>-</u>	<u>4,814,521</u>	<u>170,789</u>
FUND BALANCES				
Nonspendable:				
Inventory	926,721	-	-	-
Notes and Loans	376,374	-	-	-
Deposits and Other Assets	1,037,521	-	-	-
Permanent Fund Principal	-	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Projects	-	-	-	-
Low and Moderate Income Housing	-	12,170,846	-	-
Art in Public Places	-	-	-	-
Waste Management	1,408,854	-	-	-
Environmental Programs	203,908	-	-	-
Committed to:				
Capital Projects	225,000	-	-	-
Assigned to:				
Capital Projects	-	-	-	28,622,561
Facility Improvement	25,193	-	-	-
Equipment Replacement	4,879,449	-	-	-
Economic Uncertainty	6,125,000	-	-	-
Employee Benefits	3,377,785	-	-	-
Risk Management	903,200	-	-	-
Unfunded Liability	15,975,000	-	-	-
Unassigned	<u>24,884,524</u>	<u>-</u>	<u>(3,038,034)</u>	<u>-</u>
Total Fund Balances	<u>60,348,529</u>	<u>12,170,846</u>	<u>(3,038,034)</u>	<u>28,622,561</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 67,007,402</u>	<u>\$ 12,181,784</u>	<u>\$ 6,829,072</u>	<u>\$ 29,505,638</u>

See accompany Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
BALANCE SHEET — GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 7,970,481	\$ 5,423,225	\$ 101,569,866
Receivables:			
Accounts	-	-	2,396,967
Notes and Loans, Net of Allowances	134,045	19,250	2,194,686
Accrued Interest	14,861	-	139,702
Deposits and Other Assets	-	-	1,037,521
Due from Other Governments	-	2,232,194	16,038,929
Due from Other Funds	66,971	7,425	5,130,063
Advances to Other Funds	-	-	1,437,861
Inventories	-	-	926,721
Land and Buildings Held for Resale	-	-	520,032
Total Assets	<u>\$ 8,186,358</u>	<u>\$ 7,682,094</u>	<u>\$ 131,392,348</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 6,992	\$ 19,686	\$ 1,878,334
Accrued Liabilities	1,289	1,547	1,737,420
Unearned Revenues	-	-	1,238,076
Deposits Payable	-	-	1,473,824
Due to Other Governments	-	-	84,579
Due to Other Funds	-	676,183	5,130,063
Advances from Other Funds	-	-	1,437,861
Contracts Payable	127,851	-	127,851
Total Liabilities	<u>136,132</u>	<u>697,416</u>	<u>13,108,008</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	219,895	5,365,429
FUND BALANCES			
Nonspendable:			
Inventory	-	-	926,721
Notes and Loans	-	-	376,374
Deposits and Other Assets	-	-	1,037,521
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	81,407	81,407
Public Safety	-	111,463	111,463
Public Works	-	5,183,946	5,183,946
Capital Projects	8,050,226	-	8,050,226
Low and Moderate Income Housing	-	-	12,170,846
Art in Public Places	-	1,384,968	1,384,968
Waste Management	-	-	1,408,854
Environmental Programs	-	-	203,908
Committed to:			
Capital Projects	-	-	225,000
Assigned to:			
Capital Projects	-	-	28,622,561
Facility Improvement	-	-	25,193
Equipment Replacement	-	-	4,879,449
Economic Uncertainty	-	-	6,125,000
Employee Benefits	-	-	3,377,785
Risk Management	-	-	903,200
Unfunded Liability	-	-	15,975,000
Unassigned	-	(241,677)	21,604,813
Total Fund Balances	<u>8,050,226</u>	<u>6,764,783</u>	<u>112,918,911</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,186,358</u>	<u>\$ 7,682,094</u>	<u>\$ 131,392,348</u>

See accompany Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund Balances of Governmental Funds \$ 112,918,911

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

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

Capital Assets not Being Depreciated	\$ 61,526,573	
Capital Assets Being Depreciated	240,244,690	
Accumulated Depreciation	<u>(134,053,217)</u>	167,718,046

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

Capital Leases Payable	(3,768,377)	
Compensated Absences	<u>(2,555,206)</u>	(6,323,583)

Pension and OPEB related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources - Pension Related	17,888,029	
Deferred Inflows of Resources - Pension Related	(2,527,822)	
Net Pension Liability	(124,135,677)	
Deferred Outflows of Resources - OPEB Related	4,926,469	
Deferred Inflows of Resources - OPEB Related	(4,562,662)	
Net OPEB Liability	<u>(35,845,359)</u>	(144,257,022)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(44,366)
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Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		<u>5,365,429</u>
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Net Position of Governmental Activities		<u>\$ 135,377,415</u>
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CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES — GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
REVENUES				
Taxes	\$ 65,422,671	\$ -	\$ -	\$ -
Licenses and Permits	2,228,200	-	-	-
Intergovernmental	829,843	-	205,634	211,818
Charges for Services	6,445,477	-	17,862	-
Interest and Rentals	1,185,945	206,102	-	-
Fines and Forfeitures	380,754	-	-	-
Contributions	271,018	-	-	-
Miscellaneous	893,949	48,331	675,445	2,425
Total Revenues	77,657,857	254,433	898,941	214,243
EXPENDITURES				
Current				
General Government	8,521,162	-	-	-
Public Safety	32,702,617	-	-	-
Community Development	2,541,327	216,789	-	-
Public Works	11,045,074	-	-	279,391
Culture and Leisure	5,002,819	-	-	-
Human Services	1,418,131	-	-	-
Capital Outlay	4,312,921	-	2,541,044	1,559,373
Debt Service				
Principal Retirement	176,868	-	-	-
Interest and Fiscal Charges	21,337	-	-	-
Total Expenditures	65,742,256	216,789	2,541,044	1,838,764
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,915,601	37,644	(1,642,103)	(1,624,521)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,082,587	-	54,604	7,800,000
Transfers Out	(8,031,669)	-	-	(54,604)
Sale of Capital Assets	33,453	-	-	-
Proceeds From Capital Lease Obligation	3,306,000	-	-	-
Total Other Financing Sources (Uses)	(1,609,629)	-	54,604	7,745,396
NET CHANGE IN FUND BALANCES	10,305,972	37,644	(1,587,499)	6,120,875
Fund Balances - Beginning of Year	50,042,557	12,133,202	(1,450,535)	22,501,686
FUND BALANCES - END OF YEAR	<u>\$ 60,348,529</u>	<u>\$ 12,170,846</u>	<u>\$ (3,038,034)</u>	<u>\$ 28,622,561</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES — GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2021

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ 224,385	\$ 65,647,056
Licenses and Permits	-	-	2,228,200
Intergovernmental	-	4,247,972	5,495,267
Charges for Services	-	-	6,463,339
Interest and Rentals	41,374	80,949	1,514,370
Fines and Forfeitures	-	-	380,754
Contributions	-	352,551	623,569
Miscellaneous	1,300	29,656	1,651,106
Total Revenues	42,674	4,935,513	84,003,661
EXPENDITURES			
Current			
General Government	-	487	8,521,649
Public Safety	-	459,876	33,162,493
Community Development	-	-	2,758,116
Public Works	-	-	11,324,465
Culture and Leisure	-	26,753	5,029,572
Human Services	-	-	1,418,131
Capital Outlay	4,148,080	-	12,561,418
Debt Service	-	-	-
Principal Retirement	-	-	176,868
Interest and Fiscal Charges	-	-	21,337
Total Expenditures	4,148,080	487,116	74,974,049
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(4,105,406)	4,448,397	9,029,612
OTHER FINANCING SOURCES (USES)			
Transfers In	999,746	231,669	12,168,606
Transfers Out	-	(2,927,909)	(11,014,182)
Sale of Capital Assets	-	7,425	40,878
Proceeds From Capital Lease Obligation	-	-	3,306,000
Total Other Financing Sources (Uses)	999,746	(2,688,815)	4,501,302
NET CHANGE IN FUND BALANCES	(3,105,660)	1,759,582	13,530,914
Fund Balances - Beginning of Year	11,155,886	5,005,201	99,387,997
FUND BALANCES - END OF YEAR	\$ 8,050,226	\$ 6,764,783	\$ 112,918,911

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 13,530,914

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	\$ 11,720,320	
Depreciation	<u>(6,671,477)</u>	5,048,843

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.

Capital Lease Repayment	176,868	
Capital Lease Obligation Issuance	<u>(3,306,000)</u>	(3,129,132)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(29,717)
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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.		(51,213)
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Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.		(3,487,695)
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Other postemployment benefit expense reported in the governmental funds includes payment of premiums for the current year. In the OPEB expense includes the change in the net other postemployment benefit liability and OPEB related deferred inflows of resources.		2,930,519
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Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the revenues in the governmental fund activity.		<u>2,575,209</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 17,387,728</u></u>
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CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF NET POSITION — PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activity - Enterprise Fund <u>Water Fund</u>
ASSETS	
Current Assets	
Pooled Cash and Investments	\$ 12,910,744
Receivables	
Accounts	1,756,250
Accrued interest	2,483
Inventories	277,216
Deposits and Other Assets	5,767
Restricted:	
Cash with Fiscal Agent	556,223
Total Current Assets	<u>15,508,683</u>
NONCURRENT ASSETS	
Capital Assets not Being Depreciated	8,375,279
Capital Assets, Net of Depreciation	17,941,217
Total Noncurrent Assets	<u>26,316,496</u>
Total Assets	<u>41,825,179</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	73,127
Deferred Pension-Related Items	917,984
Deferred OPEB-Related Items	487,233
Total Deferred Outflows of Resources	<u>1,478,344</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	1,360,658
Accrued Liabilities	104,939
Accrued Interest	46,823
Deposits Payable	892,932
Compensated Absences	60,000
Bonds, Notes and Capital Leases	205,000
Total Current Liabilities	<u>2,670,352</u>
NONCURRENT LIABILITIES	
Compensated Absences	288,438
Bonds, Notes and Capital Leases	7,584,696
Net OPEB Liability	3,545,146
Net Pension Liability	9,390,531
Total Noncurrent Liabilities	<u>20,808,811</u>
Total Liabilities	<u>23,479,163</u>
DEFERRED INFLOWS OF RESOURCES:	
Deferred OPEB-Related Items	451,252
Total Deferred Inflows of Resources	<u>451,252</u>
NET POSITION	
Net Investment in Capital Assets	19,154,855
Unrestricted	218,253
Total Net Position	<u>\$ 19,373,108</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION —
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
OPERATING REVENUES	
Sales and Service Charges	\$ 14,430,951
Other Water Revenue	61,605
Total Operating Revenues	<u>14,492,556</u>
OPERATING EXPENSES	
Source of Supply	7,539,201
System Maintenance and Operation	2,464,265
Billing and Collection	1,091,627
Administration	1,227,551
Depreciation Expense	646,703
Total Operating Expenses	<u>12,969,347</u>
OPERATING INCOME	<u>1,523,209</u>
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	181,503
Interest Expense	(313,569)
Total Nonoperating Revenues (Expenses)	<u>(132,066)</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,391,143
Contributions	22,074
Transfers Out	<u>(1,154,424)</u>
CHANGE IN NET POSITION	258,793
Net Position - Beginning of Year	<u>19,114,315</u>
NET POSITION - END OF YEAR	<u><u>\$ 19,373,108</u></u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF CASH FLOWS — PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2021

	Business-Type Activity - Enterprise Fund Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	\$ 14,219,739
Cash Paid to Suppliers for Goods and Services	(10,675,995)
Cash Paid to Employees for Services	(1,252,505)
Cash Received from Others	61,605
Net Cash Provided by Operating Activities	<u>2,352,844</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Transfers Out	(1,154,424)
Net Cash Used by Noncapital Financing Activities	<u>(1,154,424)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition and Construction of Capital Assets	(465,848)
Principal Paid on Capital Debt	(200,000)
Interest Paid on Capital Debt	(285,714)
Net Cash Used by Capital and Related Financing Activities	<u>(951,562)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	181,503
Net Cash Provided by Investing Activities	<u>181,503</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	428,361
Cash and Cash Equivalents - Beginning of Year	<u>13,038,606</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 13,466,967</u></u>
CASH AND CASH EQUIVALENTS:	
Pooled Cash and Investments	\$ 12,910,744
Cash with Fiscal Agent	556,223
Total Cash and Cash Equivalents	<u><u>\$ 13,466,967</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 1,523,209
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	646,703
(Increase) Decrease in Assets:	
Accounts Receivable	(281,797)
Inventory	20,115
Prepaid Expense	(5,767)
Deferred Outflows for Pension-Related Items	(59,071)
Deferred Outflows for OPEB-Related Items	(34,244)
Increase (Decrease) in Liabilities:	
Accounts Payable	513,626
Accrued Liabilities	17,586
Deposits Payable	70,585
Compensated Absences	6,984
Deferred Inflows for Pension-Related Items	(121,619)
Deferred Inflows for OPEB-Related Items	(89,992)
Net Pension Liability	312,122
Other Postemployments Benefits	(165,596)
Net Cash Provided by Operating Activities	<u><u>\$ 2,352,844</u></u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES	
Contributed Capital Assets Received	\$ 22,074
Amortization of Bond Discounts, and Deferred Charges	28,651

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF NET POSITION — FIDUCIARY FUNDS
JUNE 30, 2021

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ASSETS		
Pooled Cash and Investments	\$ 634,836	\$ 295,663
Receivables:		
Accounts	-	18,851
Notes and Loans	-	61,438
Due from Other Governments	-	46,913
Land and Buildings Held for Resale	-	4,251,851
Restricted Assets:		
Cash and Investments with Fiscal Agents	170,030	11,736,756
Capital Assets:		
Capital Assets not Being Depreciated	-	415,530
	<u>804,866</u>	<u>16,827,002</u>
Total Assets		
	<u>804,866</u>	<u>16,827,002</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	-	214,324
	<u>-</u>	<u>214,324</u>
Total Deferred Outflows of Resources		
	<u>-</u>	<u>214,324</u>
LIABILITIES		
Accounts Payable	-	4,460
Accrued Liabilities	-	7,552
Accrued Interest	-	1,512,542
Deposits Payable	826	48,300
Due to Other Governments	-	16,485
Long-Term Liabilities:		
Due in One Year	-	7,808,399
Due in More Than One Year	-	51,559,775
	<u>826</u>	<u>60,957,513</u>
Total Liabilities		
	<u>826</u>	<u>60,957,513</u>
NET POSITION		
Held in Bondholders	804,040	-
Held in Trust for Other Purposes	-	(43,916,187)
	<u>-</u>	<u>(43,916,187)</u>
Total Net Position		
	<u>\$ 804,040</u>	<u>\$ (43,916,187)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS, CALIFORNIA
STATEMENT OF CHANGES IN NET POSITION — FIDUCIARY FUNDS
JUNE 30, 2021

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ADDITIONS		
Taxes	\$ -	\$ 10,241,328
Special Assessments or Special Taxes Collected From Property Owners	209,810	-
Interest and Change in Fair Value of Investments	11	512
Total Additions	<u>209,821</u>	<u>10,241,840</u>
DEDUCTIONS		
Administrative Expenses	-	247,699
Program Expenses	-	60,632
Payment for Special Assessment or Special Tax Debt	165,100	
Interest Expense	-	2,371,480
Total Deductions	<u>165,100</u>	<u>2,679,811</u>
CHANGE IN NET POSITION	44,721	7,562,029
Net Position - Beginning of Year, as Restated	<u>759,319</u>	<u>(51,478,216)</u>
NET POSITION - END OF YEAR	<u><u>\$ 804,040</u></u>	<u><u>\$ (43,916,187)</u></u>

See accompanying Notes to Basic Financial Statements.

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CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Blended Component Units

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

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

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

Joint Powers Agreements

Joint Fire Dispatching Center

The City is a participant in the Joint Fire Dispatching Center (Center). The Center is currently comprised of four member cities and is organized under a Joint Powers Agreement. Each member City provides an annually determined contribution towards the ongoing operation. The purpose of the Center is to provide centralized fire dispatching for the participating cities. The communication system is located in and operated by the City of Downey. The payments from the participating cities for the fiscal year ended June 30, 2021, 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, 2021, the City contributed \$207,459 for the operation of the Center. Separate audited financial statements are not prepared for the Center. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Joint Powers Agreements (Continued)

Southeast Water Coalition

The City is a participant in the Southeast Water Coalition (Coalition). The Coalition is currently comprised of several municipal entities in the County of Los Angeles and is organized under a Joint Powers Agreement. The purpose of the Coalition is to maintain groundwater quality within the Central and West Coast Basins (Basins), maintain secure groundwater supplies within the Basins, manage the use of groundwater within the Basins, coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery, facilitate the implementation of a conjunctive use program by water purveyors, coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality, and work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region. Each member of the Coalition shares financial responsibility equally. Each member is required to make a contribution at the beginning of each year. The contribution requirement for the fiscal year ended 2021 was \$5,000. Financial statements can be obtained from the City of Whittier. City Hall is located at 13230 Penn Street, Whittier, California.

Basis of Accounting and Measurement Focus

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

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

Government-Wide Financial Statements

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

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Government-Wide Financial Statements (Continued)

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

Governmental Funds Financial Statements

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

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Governmental Funds Financial Statements (Continued)

Governmental fund financial statements are reported using the “current financial resources” measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days, except 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.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Governmental Funds Financial Statements (Continued)

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

Additionally, the City reports the following fund types:

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

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

Proprietary Funds Financial Statements

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

The City reports the following major proprietary fund:

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

Fiduciary Fund Financial Statements

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

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

The City reports the following Custodial funds:

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

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Property Taxes

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

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

Cash and Cash Equivalents

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

Investments

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

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.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Capital Assets (Continued)

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

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

Land and Buildings Held for Resale

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheet 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, 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 the employer's proportion, and the difference between expected and actual experience, which are deferred and amortized over the expected average remaining service lifetime.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Deferred Outflows/Inflows of Resources (Continued)

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 adjustments due to 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.

Other Postemployment Benefits (OPEB)

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

Net Position

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

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

Use of Restricted Resources

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

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2021, fund balances for government funds are made up of the following:

- Nonspendable Fund Balance - includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventory, prepaid amounts, and long-term notes receivable.
- Restricted Fund Balance - includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- Committed Fund Balance - includes amounts that can only be used for the specific purposes determined by a resolution of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City adopting a resolution.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**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, 2021 the Capital Improvement fund had a deficit fund balance of \$3,038,034 and the Fire Grants fund had a deficit fund balance of \$241,677. These funds are on a cost reimbursement basis. The deficit resulted from timing differences between when expenditures are incurred and the recognition of grant revenue. These funds will be replenished with reimbursements from grantor.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

Stewardship, Compliance and Accountability (Continued)

Expenditures in Excess of Appropriations

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

- Community Development Block Grant (\$10,253)

New Accounting Pronouncements

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 City adopted this statement in the current fiscal year. The implementation of this statement resulted in changing the presentation of the financial statements by including net position to Custodial Funds that was not previously required. Beginning net position of Custodial Funds was increased by \$759,319 to reflect this change. See Note 16.

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2021, are classified in the accompanying financial follows:

Statement of Net Position:

Pooled Cash and Investments	\$ 114,480,610
Cash and Investments with Fiscal Agent	556,223
Fiduciary Funds:	
Pooled Cash and Investments	930,499
Cash and Investments with Fiscal Agent	11,906,786
Total	<u>\$ 127,874,118</u>

Cash and investments were comprised of the following as of June 30, 2021:

Cash on Hand	\$ 53,555
Deposits with Financial Institutions	3,548,495
California Employers' Pension Prefunding Trust*	10,000,873
Investments	114,271,195
Total	<u>\$ 127,874,118</u>

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy

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

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

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

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. The table below identifies the investment types that are authorized for investments held by bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, and concentration of credit risk.

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Remaining Maturity (in Months)</u>					<u>Total</u>
	<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 36 Months</u>	<u>37 to 48 Months</u>	<u>48 to 60 Months</u>	
U.S. Treasury Obligations	\$ -	\$ -	\$ 7,836,862	\$ 4,308,099	\$ 2,488,289	\$ 14,633,250
U.S. Agency Securities:						
Federal Home Loan						
Mortgage Corporation (FHLMC)	-	675,248	506,402	289,643	783,979	2,255,272
Federal National Mortgage						
Association (FNMA)	-	1,201,682	2,233,180	-	680,516	4,115,378
Federal Home Loan Bank (FHLB)	-	-	327,532	-	-	327,532
Municipal Obligations	-	106,547	328,227	514,430	257,542	1,206,746
Medium-Term Notes	-	1,504,373	2,331,036	1,461,279	433,822	5,730,510
Negotiable Certificates of Deposit (CD)	654,297	1,502,547	-	-	-	2,156,844
Supranationals	-	410,186	199,426	-	-	609,612
Federal Agency Collateralized						
Mortgage Obligation	3,853	1,307,282	10,287	76,899	-	1,398,321
Asset-Backed Securities	478	157,813	782,962	530,500	300,067	1,771,820
Money Market Funds	63,922					63,922
Local Agency Investment Fund (LAIF)	67,538,978	-	-	-	-	67,538,978
Held by Bond Trustee:						
Money Market Funds	12,463,010	-	-	-	-	12,463,010
Total	<u>\$ 80,724,538</u>	<u>\$ 6,865,678</u>	<u>\$ 14,555,914</u>	<u>\$ 7,180,850</u>	<u>\$ 4,944,215</u>	<u>\$ 114,271,195</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, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. The City's investments are rated by the following nationally recognized statistical rating organization as follows:

<u>Investment Type</u>	Total as of June 30, 2021	Minimum Legal Rating	AAA	AA	A	BBB	Not Rated
U.S. Treasury Obligations	\$ 14,633,250	N/A	\$ -	\$ 14,633,250	\$ -	\$ -	\$ -
U.S. Agency Securities:							
FHLMC	2,255,272	N/A	-	2,255,272	-	-	-
FNMA	4,115,378	N/A	-	4,115,378	-	-	-
FHLB	327,532	N/A	-	327,532	-	-	-
Municipal Obligations	1,206,746	A	-	596,097	414,350	-	196,299
Medium-Term Notes	5,730,510	A	-	765,351	3,757,220	1,207,939	-
Negotiable CD	2,156,844	A	-	664,705	1,492,139	-	-
Supranationals	609,612	AA	609,612	-	-	-	-
Federal Agency Collateralized							
Mortgage Obligation	1,398,321	AA	-	1,398,321	-	-	-
Asset-Backed Securities	1,771,820	AA	1,421,298	-	-	-	350,522
Money Market Funds	63,922	N/A	63,922	-	-	-	-
LAIF	67,538,978	N/A	-	-	-	-	67,538,978
Held by Bond Trustee:							
Money Market Funds	12,463,010	AAA	12,463,010	-	-	-	-
Total	<u>\$ 114,271,195</u>		<u>\$ 14,557,842</u>	<u>\$ 24,755,906</u>	<u>\$ 5,663,709</u>	<u>\$ 1,207,939</u>	<u>\$ 68,085,799</u>

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, 2021.

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, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool

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

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by 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, 2021:

<u>Investment Type</u>	<u>Totals</u>	<u>Level</u>	
		<u>1</u>	<u>2</u>
U.S. Treasury Obligations	\$ 14,633,250	\$ 14,633,250	\$ -
U.S. Agency Securities:			
FHLMC	2,255,272	-	2,255,272
FNMA	4,115,378	-	4,115,378
FHLB	327,532	-	327,532
Municipal Obligations	1,206,746	-	1,206,746
Medium-Term Notes	5,730,510	-	5,730,510
Negotiable Certificates of Deposit	2,156,844	-	2,156,844
Supranationals	609,612	-	609,612
Federal Agency Collateralized			
Mortgage Obligation	1,398,321	-	1,398,321
Asset-Backed Securities	1,771,820	-	1,771,820
Totals	34,205,285	<u>\$ 14,633,250</u>	<u>\$ 19,572,035</u>
Not Subject to Fair Value Measurement			
Hierarchy:			
Money Market Funds	63,922		
Local Agency Investment Fund (LAIF)	67,538,978		
Held by Bond Trustee:			
Money Market Funds	12,463,010		
Total Investments	<u>\$ 114,271,195</u>		

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 LOANS AND NOTES RECEIVABLE

The loans and notes receivable balance consist of the following:

Fund	<u>Balance</u>
Governmental Funds	
General Fund	\$ 376,374
Low and Moderate Income Housing Assets	
Special Revenue Fund	1,665,017
Successor Agency Bond Funded Capital	
Projects Fund	134,045
Nonmajor Governmental Funds	<u>19,250</u>
Total Funds	<u>\$ 2,194,686</u>

The General Fund has loans and notes receivable in the amount of \$32,707 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 \$343,667 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, 2021, 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, 2021 is \$822,510 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 \$1,645,017 at June 30, 2021. 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 \$134,045 related to monies advanced by the former Commission to Community Facilities District 2004-1 for infrastructure improvements. This loan bears interest at a rate of 5.75% per annum.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 3 LOANS AND NOTES RECEIVABLE (CONTINUED)

The Nonmajor Governmental Funds have two notes receivable outstanding from homeowners through the CDBG housing program. The loans have zero interest and do not require repayment. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2021, is \$19,250.

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, 2021:

	Transfers Out:				
		Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Total
<u>Transfers In:</u>	General Fund				
General Fund	\$ -	\$ -	\$ 1,928,163	\$ 1,154,424	\$ 3,082,587
Capital Improvement	-	54,604	-	-	54,604
Prefunded Capital Projects Fund	7,800,000	-	-	-	7,800,000
SA Bond Funded Capital Projects	-	-	999,746	-	999,746
Nonmajor Governmental Funds	231,669	-	-	-	231,669
Total	<u>\$ 8,031,669</u>	<u>\$ 54,604</u>	<u>\$ 2,927,909</u>	<u>\$ 1,154,424</u>	<u>\$ 12,168,606</u>

The General Fund transferred \$7,800,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects. The General Fund transferred \$231,669 to the Nonmajor 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 \$154,424 for NPDES street purposes and other computer replacements.

Prefunded Capital Projects Fund transferred \$54,604 into Capital Improvement Fund for cost related to a capital project.

Nonmajor Governmental Funds transferred \$1,928,163 into the General Fund for various purposes including eligible expenditures incurred related to public safety, Gas Tax, Metro Grants, Art in Public Places activities, COVID-19 response, and \$999,746 into the Successor Agency Bond Funded Capital Projects Fund for costs incurred related to capital projects.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 5 INTERFUND ACTIVITY (CONTINUED)

Due to/from other funds at June 30, 2021, were as follows:

Due from	Due to			Total
	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	
General Fund	\$ -	\$ 4,446,455	\$ 609,212	\$ 5,055,667
Successor Agency Bond	-	-	66,971	66,971
Nonmajor Governmental Funds	7,425	-	-	7,425
Total	<u>\$ 7,425</u>	<u>\$ 4,446,455</u>	<u>\$ 676,183</u>	<u>\$ 5,130,063</u>

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

Advances from other funds and advances to other funds at June 30, 2021, consist of loans as follows:

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

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 CAPITAL ASSETS

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

	Balance June 30, 2020	Additions	Deletions	Balance June 30, 2021
Governmental Activities:				
Capital Assets, not Being Depreciated				
Land	\$ 56,295,501	\$ -	\$ -	\$ 56,295,501
Construction in Process	2,748,208	9,732,160	7,249,296	5,231,072
Total Capital Assets not Being Depreciated	59,043,709	9,732,160	7,249,296	61,526,573
Capital Assets, Being Depreciated:				
Buildings	34,208,518	-	-	34,208,518
Improvements	26,312,434	310,546	-	26,622,980
Equipment	15,074,095	1,988,160	289,377	16,772,878
Infrastructure	155,701,564	6,938,750	-	162,640,314
Total Capital Assets, Being Depreciated	231,296,611	9,237,456	289,377	240,244,690
Less Accumulated Depreciation				
Buildings	14,355,822	651,670	-	15,007,492
Improvements	19,223,293	710,820	-	19,934,113
Equipment	11,257,176	928,445	289,377	11,896,244
Infrastructure	82,834,826	4,380,542	-	87,215,368
Total Accumulated Depreciation	127,671,117	6,671,477	289,377	134,053,217
Total Capital Assets, Being Depreciated, Net	103,625,494	2,565,979	-	106,191,473
Government Activities Capital Assets, Net	<u>\$ 162,669,203</u>	<u>\$ 12,298,139</u>	<u>\$ 7,249,296</u>	<u>\$ 167,718,046</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 6 CAPITAL ASSETS (CONTINUED)

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Business-Type Activities:				
Capital Assets, not Being Depreciated				
Land and Water Rights	\$ 3,384,974	\$ -	\$ -	\$ 3,384,974
Construction in Process	5,168,427	487,922	666,044	4,990,305
Total Capital Assets not Being Depreciated	8,553,401	487,922	666,044	8,375,279
Capital Assets, Being Depreciated:				
Source of Supply Plant	4,622,244	-	-	4,622,244
Transmission and Distribution Plant	36,919,115	666,044	-	37,585,159
Pumping and Treatment Plant	111,016	-	-	111,016
General Plant	1,096,135	-	-	1,096,135
Total Capital Assets, Being Depreciated	42,748,510	666,044	-	43,414,554
Less Accumulated Depreciation				
Source of Supply Plant	2,467,321	88,952	-	2,556,273
Transmission and Distribution Plant	21,160,029	555,259	-	21,715,288
Pumping and Treatment Plant	103,149	2,492	-	105,641
General Plant	1,096,135	-	-	1,096,135
Total Accumulated Depreciation	24,826,634	646,703	-	25,473,337
Total Capital Assets, Being Depreciated, Net	17,921,876	19,341	-	17,941,217
Water Utility				
Capital Assets, Net	<u>\$ 26,475,277</u>	<u>\$ 507,263</u>	<u>\$ 666,044</u>	<u>\$ 26,316,496</u>

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

	Governmental Activities	Business-Type Activities
General Government	\$ 188,599	\$ -
Public Safety	878,658	-
Community Development	67,395	-
Transportation	4,643,066	-
Culture and Leisure	644,908	-
Human Services	248,851	-
Water Utility		646,703
Total Governmental Activities	<u>\$ 6,671,477</u>	<u>\$ 646,703</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2021:

	Balance July 1, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities:					
Capital Leases:					
Fire Equipments Lease	\$ -	\$ 3,306,000	\$ -	\$ 3,306,000	\$ 448,199
Fire Air and Light Vehicle Lease	346,607	-	83,116	263,491	85,430
Motorola Radios Lease 2018	292,638	-	93,752	198,886	97,497
Total	<u>\$ 639,245</u>	<u>\$ 3,306,000</u>	<u>\$ 176,868</u>	<u>\$ 3,768,377</u>	<u>\$ 631,126</u>
Business-Type Activities:					
Water Revenue Bonds Payable:					
2013 Series A	\$ 6,890,000	\$ -	\$ -	\$ 6,890,000	\$ -
2018 Subordinate Bonds	1,225,000	-	200,000	1,025,000	205,000
Issuance Discount/Premiums	(131,271)	-	5,967	(125,304)	-
Total	<u>\$ 7,983,729</u>	<u>\$ -</u>	<u>\$ 205,967</u>	<u>\$ 7,789,696</u>	<u>\$ 205,000</u>

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

Governmental Activities		
<u>Year Ending June 30,</u>	<u>Capital Lease Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 631,126	\$ 21,338
2023	645,197	15,279
2024	554,185	9,007
2025	472,005	2,513
2026	480,218	25,506
2027-2031	985,646	25,799
Total	<u>\$ 3,768,377</u>	<u>\$ 99,442</u>
Business-Type Activities		
<u>Year Ending June 30,</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 205,000	\$ 280,935
2023	210,000	276,036
2024	215,000	271,017
2025	220,000	265,878
2026	240,000	260,620
2027-2031	1,600,000	1,171,975
2032-2036	1,900,000	871,925
2037-2041	2,285,000	485,538
2042-2043	1,040,000	62,800
Total	<u>\$ 7,915,000</u>	<u>\$ 3,946,724</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Fire Equipment Lease

In November 2020, the City entered into a lease agreement for \$3,306,000 with Bank of America to lease a fire engine and fire equipment. Payments are due annually in the amount of \$505,724 on November 17 each year at an annual interest rate of 1.74% with the lease expiring on November 17, 2027. The current balance outstanding for this lease is \$3,306,000. The asset cost and accumulated depreciation as of June 30, 2021, is \$3,064,785 and \$48,105, 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 \$263,491. The asset cost and accumulated depreciation as of June 30, 2021, is \$598,911 and \$149,728, 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 \$198,886. The asset cost and accumulated depreciation as of June 30, 2021, is \$488,231 and \$174,368, 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 2013 Revenue Bonds.

The 2013 Revenue Bonds are due from 2026 through 2043 in annual principal installments of \$65,000 to \$530,000. Interest rates range from 3% to 4% and interest is payable semiannually on November 1 and May 1. The total outstanding principal as of June 30, 2021, is \$6,890,000.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 7 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Water Refunding Revenue Bonds, 2013 (Continued)

The 2013 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$2,169,912 against debt service payments of \$256,438.

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

Water Refunding Revenue Bonds, 2018

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

The 2018 Revenue Bonds are due from 2018 through 2026 in annual principal installments of \$175,000 to \$220,000. The interest rate is 2.39% and interest is payable semiannually on May 1 and November 1. The total outstanding principal as of June 30, 2021, is \$1,025,000.

The 2018 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities on a subordinate basis to the 2013 Revenue Bonds. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$2,169,912 against debt service payments of \$229,498.

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 8 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, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Governmental Activities	\$ 2,503,993	\$ 436,301	\$ 385,088	\$ 2,555,206	\$ 440,000
Business-Type Activities	341,454	59,496	52,512	348,438	60,000
Total Compensated Absences	<u>\$ 2,845,447</u>	<u>\$ 495,797</u>	<u>\$ 437,600</u>	<u>\$ 2,903,644</u>	<u>\$ 500,000</u>

NOTE 9 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 123 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Primary Self-Insurance Programs of the Authority

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

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 9 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM
(CONTINUED)**

Primary Self-Insurance Programs of the Authority (Continued)

Primary Liability Program (Continued)

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

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2020-21 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 \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

Property Insurance

The City of Santa Fe Springs City of Santa Fe Springs participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Santa Fe Springs property is currently insured according to a schedule of covered property submitted by the City of Santa Fe Springs to the Authority. City of Santa Fe Springs property currently has all-risk property insurance protection in the amount of \$114,423,995. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

**NOTE 9 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM
(CONTINUED)**

Purchased Insurance (Continued)

Earthquake and Flood Insurance

The City of Santa Fe Springs purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Santa Fe Springs property currently has earthquake protection in the amount of \$49,736,818. 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 2020-21.

NOTE 10 PENSION PLAN OBLIGATIONS

a. General Information About the Pension Plan

Plan Description

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

Benefits Provided

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan provisions and benefits for the fiscal year ended June 30, 2021, are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2*	PEPRA
	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Hire Date			
Benefit Formula	2.7%@55	2.0%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	52
Monthly Benefits, as a % of Eligible Compensation	2.000% - 2.700%, 50 yrs - 55+ yrs,	1.426% - 2.418%, 50 yrs - 63+ yrs,	1.000% - 2.500%, 52 yrs - 67+ yrs,
Required Employee Contribution Rates	8.00%	7.00%	6.50%
Required Employer Contribution Rates	11.908%	11.908%	11.908%

	Safety Cost-Sharing Rate Plans		
	Tier 1*	Tier 2*	PEPRA
	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Hire Date			
Benefit Formula	3.0%@50	3.0%@55	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	50
Monthly Benefits, as a % of Eligible Compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs,	2.000% - 2.700%, 50 yrs - 57+ yrs,
Required Employee Contribution Rates	9.000%	9.000%	13.750%
Required Employer Contribution Rates	25.540%	22.397%	13.884%

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

Employees Covered

For the measurement period ended June 30, 2020, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active Members	115
Transferred Members	35
Terminated Members	32
Retired Members and Beneficiaries	218
Total	400

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Contribution Description

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

Employer contributions for the miscellaneous and safety plans for fiscal year ended June 30, 2021, was 6,557,278 and \$4,789,061, respectively.

b. Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2020, using an annual actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the subsequent page.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 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, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

Varies by entry age and service.

(1) Varies by entry age and service.

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

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

Long-Term Expected Rate of Return

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 10 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

(a) In the CalPERS Annual Report, Fixed Income is included in Global Debt Securities;

Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

(b) An expected inflation of 2.00% used for this period

(c) An expected inflation of 2.92% used for this period

Discount Rate

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

Subsequent Events

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 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, 2019 (Measurement Date)	<u>\$ 181,075,736</u>	<u>\$ 105,422,326</u>	<u>\$ 75,653,410</u>
Changes in the Year:			
Service Cost	1,567,189	-	1,567,189
Interest on the Total Pension Liability	12,629,742	-	12,629,742
Differences Between Actual and Expected Experience	268,043	-	268,043
Contribution - Employer	-	5,957,285	(5,957,285)
Contribution - Employee	-	855,704	(855,704)
Net Investment Income	-	5,199,591	(5,199,591)
Administrative Expenses		(148,620)	148,620
Benefit Payments, Including Refunds of Employee Contributions	(10,975,249)	(10,975,249)	-
Net Changes	<u>3,489,725</u>	<u>888,711</u>	<u>2,601,014</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 184,565,461</u>	<u>\$ 106,311,037</u>	<u>\$ 78,254,424</u>

As of June 30, 2021, 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>\$ 55,271,784</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, 2020, 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, 2019, rolled forward to June 30, 2020, 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, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability (Continued)

The City's proportionate share of the net pension liability for the Safety Plan as of measurement period ended June 30, 2019 and 2020, was as follows:

Safety Cost-Sharing Plan	
Safety Cost-Sharing Plan	
Proportion - June 30, 2019	0.81779%
Proportion - June 30, 2020	0.82961%
Change - Increase (Decrease)	<u>0.01182%</u>

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

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

	Discount Rate - 1% 6.15%	Current Discount 7.15%	Discount Rate + 1% 8.15%
Miscellaneous Plan	\$ 100,309,135	\$ 78,254,424	\$ 59,829,295
Safety Plan	78,993,222	55,271,784	35,806,100
Total Net Pension Liability	<u>\$ 179,302,357</u>	<u>\$ 133,526,208</u>	<u>\$ 95,635,395</u>

Pension Plan Fiduciary Net Position

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 PENSION PLAN OBLIGATIONS (CONTINUED)

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

For the year ended June 30, 2021, the City recognized pension expense of \$7,657,100 and \$7,309,923 for the Miscellaneous and Safety Plan, respectively. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 6,557,278	\$ -
Differences Between Expected and Actual Experience	438,876	-
Net Differences Between Projected and Actual Earnings on Plan Investments	653,717	-
Total	<u>\$ 7,649,871</u>	<u>\$ -</u>
	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 4,786,061	\$ -
Difference Between Expected and Actual Experiences	4,286,047	-
Change in Assumptions	-	(184,111)
Net Differences Between Projected and Actual Earnings on Plan Investments	1,201,289	-
Change in Employer's Proportion	882,745	-
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(2,343,711)
Total	<u>11,156,142</u>	<u>(2,527,822)</u>
Total All Plans	<u>\$ 18,806,013</u>	<u>\$ (2,527,822)</u>

\$6,557,278 and \$4,786,061 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, 2022.

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 10 PENSION PLAN OBLIGATIONS (CONTINUED)

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

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

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2022	\$ (153,723)	\$ 530,378	\$ 376,655
2023	277,842	1,529,807	1,807,649
2024	531,922	1,180,160	1,712,082
2025	436,552	601,914	1,038,466
2026	-	-	-
Thereafter	-	-	-
Total	<u>\$ 1,092,593</u>	<u>\$ 3,842,259</u>	<u>\$ 4,934,852</u>

e. Payable to the Pension Plans

At June 30, 2021, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2021.

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS

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

a. Plan Description

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

b. Eligibility and Employees Covered

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) with 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, 2020, the benefit terms covered the following employees:

	Management	Miscellaneous	Fire	Total
Retirees and Beneficiaries				
Receiving Benefits	51	105	81	237
Active Plan Members	31	78	52	161
Total	<u>82</u>	<u>183</u>	<u>133</u>	<u>398</u>

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

c. Contributions

The City currently contributes the full Actuarially Determined Contribution (ADC) to the CERBT OPEB trust, in addition to paying benefit payments outside the trust. For the fiscal year ended June 30, 2021, the City's contributed \$1,607,000 to the CERBT, paid \$2,752,735 for current premiums, and the estimated implied subsidy was \$645,000, resulting in total contributions of \$5,011,731.

d. Investments

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

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	59.0 %	4.82 %
U.S. Fixed Income	25.0	1.47
TIPS	5.0	1.29
Commodities	3.0	0.84
REITs	8.0	3.76
Total	<u>100.0 %</u>	

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

e. Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. 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, rolled forward to June 30, 2020, were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

f. Discount Rate

The discount rate used to measure the total OPEB liability was 6.75%. 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, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

g. Changes in the Net OPEB

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c)=(a)-(b)
Balance at June 30, 2019 (Measurement Date)	<u>\$ 60,708,227</u>	<u>\$ 19,477,772</u>	<u>\$ 41,230,455</u>
Changes Recognized for the Measurement Period:			
Service Cost	966,145	-	966,145
Interest on Total OPEB Liability	4,051,589	-	4,051,589
Changes of Assumptions	(1,048,245)	-	(1,048,245)
Contributions-Employer	-	5,033,207	(5,033,207)
Net Investment Income	-	793,628	(793,628)
Benefit Payments, Including Refunds of Employee Contributions	(3,301,649)	(3,301,649)	-
Administrative Expense	-	(17,396)	17,396
Net Changes	<u>667,840</u>	<u>2,507,790</u>	<u>(1,839,950)</u>
Balance at June 30, 2020 (Measurement Date)	<u>\$ 61,376,067</u>	<u>\$ 21,985,562</u>	<u>\$ 39,390,505</u>

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

h. Change in Assumptions

From measurement date June 30, 2019, to June 30, 2020, the liability for the ACA Excise Tax, which was repealed in December 2019, was removed.

i. Subsequent Event

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

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

	Discount Rate -1% 5.75%	Current Discount 6.75%	Discount Rate + 1% 7.75%
Net OPEB Liability (Asset)	\$ 47,351,881	\$ 39,390,505	\$ 32,854,185

k. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Trend Rate -1% 6.25%/5.30%	Trend Rate 7.25%/6.30%	Trend Rate + 1% 8.25%/7.30%
Net OPEB Liability (Asset)	\$ 31,982,412	\$ 39,390,505	\$ 48,469,017

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

For the year ended June 30, 2021, the City recognized OPEB expense of \$1,854,380. At June 30, 2021, 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	\$ 5,074,731	\$ -
Differences Between Expected and Actual Experience	-	(3,959,353)
Changes of Assumptions	-	(1,054,561)
Net Difference Between Projected and Actual Earnings on Plan Investments	338,971	-
Total	<u>\$ 5,413,702</u>	<u>\$ (5,013,914)</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 11 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

\$5,074,731 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, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	Deferred Outflows/ (Inflows) of of Resources
2022	\$ (1,821,948)
2023	(1,731,948)
2024	(1,059,572)
2025	(61,475)
2026	-
Thereafter	-
Total	<u>\$ (4,674,943)</u>

NOTE 12 DEFINED CONTRIBUTION PLAN

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

NOTE 13 COMMITMENTS AND CONTINGENCIES

Claims

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 14 CONDUIT OBLIGATION DEBT

The City issued \$2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The outstanding balance at June 30, 2021, is \$1,325,000.

NOTE 15 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

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

Loans and Notes Receivable

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

Capital Assets

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

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021
Capital Assets, not Being Depreciated:				
Land	\$ 415,530	\$ -	\$ -	\$ 415,530
Total Capital Assets, Not Being Depreciated	<u>\$ 415,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,530</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 15 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2021:

	Balance June 30, 2020	Additions	Reductions	Balance June 30, 2021	Due Within One Year
Private-Purpose Activities:					
Consolidated Redevelopment					
Project Tax Allocation Bonds:					
2006 Issue	\$ 22,420,579	\$ -	\$ 1,794,209	\$ 20,626,370	\$ 1,853,399
Accreted Interest on					
Capital Appreciation Bonds	18,580,502	262,609	-	18,843,111	-
2016 Refunding Issue	9,660,000	-	2,785,000	6,875,000	2,670,000
2017 Refunding Issue	9,870,000	-	3,225,000	6,645,000	3,285,000
Issuance Discounts/Premiums	(91,870)	-	15,312	(76,558)	-
Direct Borrowings:					
Tax Increment Loan from					
Los Angeles County	6,600,396	106,656	251,801	6,455,251	-
Total	<u>\$ 67,039,607</u>	<u>\$ 369,265</u>	<u>\$ 8,071,322</u>	<u>\$ 59,368,174</u>	<u>\$ 7,808,399</u>

Year Ending June 30,	Tax Allocation Bonds	
	Principal	Interest
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	4,040,748	-
2027-2029	3,108,763	-
Total	<u>34,146,370</u>	<u>\$ 352,429</u>

Cumulative Accretion Interest	
on Capital Appreciation Bonds	18,843,111
Total Principal, June 30, 2021	<u>\$ 52,989,481</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.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

Consolidated Redevelopment Project 2006 Tax Allocation Bonds (Continued)

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

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2021, is 39,469,481 including \$18,843,111 of accreted interest.

2016 Subordinate Tax Allocation Refunding Bonds

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

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 15 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY (CONTINUED)

2016 Subordinate Tax Allocation Refunding Bonds (Continued)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$487,390, of which the outstanding amount at June 30, 2021 is \$243,695, 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, 2021, is \$6,875,000.

2017 Subordinate Tax Allocation Refunding Bonds

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

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

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$146,855, of which the outstanding amount at June 30, 2021 is \$29,371, 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, 2021, is \$6,645,000.

Tax Increment Loan Payable

A loan of property tax increment was issued by the County of Los Angeles, California, to the former Washington Boulevard Redevelopment Project Debt Service Fund at a variable interest rate equivalent to the Los Angeles County Annual Treasury Pool rate as calculated annually by the County Auditor-Controller. Principal and interest payments on this loan were originally to be deferred until such time as the former Washington Boulevard Project has received a combined total of \$10,750,000 in monies from sales tax increment, and property tax increment. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the loan was transferred to the Successor Agency. The repayment schedule is not fixed and will be dependent upon the availability of RPTTF to be used for that purpose, subject to the approval of the Oversight Board, Los Angeles County Auditor-Controller, and California Department of Finance. Total amount outstanding as of June 30, 2021, is \$6,455,251.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 16 RESTATEMENT OF NET POSITION

	Custodial Funds
Net Position at July 1, 2020, as Originally Reported	\$ -
Implementation of GASB 84, <i>Fiduciary Activities</i> , which requires the presentation of net position for Custodial Funds.	<u>759,319</u>
Net Position at July 1, 2020, as Restated	<u><u>\$ 759,319</u></u>

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 51,994,000	\$ 57,074,000	\$ 65,422,671	\$ 8,348,671
Licenses and Permits	1,819,200	1,759,200	2,228,200	469,000
Intergovernmental	876,100	846,100	829,843	(16,257)
Charges for Services	4,791,900	5,210,200	6,445,477	1,235,277
Interest and Rentals	2,195,000	1,880,600	1,185,945	(694,655)
Fines and Forfeitures	557,000	543,500	380,754	(162,746)
Contributions	291,200	291,100	271,018	(20,082)
Miscellaneous	765,100	765,100	893,949	128,849
Total Revenues	63,289,500	68,369,800	77,657,857	9,288,057
EXPENDITURES				
General Government	8,897,300	9,357,600	8,521,162	836,438
Public Safety	32,539,000	33,454,000	32,702,617	751,383
Community Development	2,762,600	2,742,600	2,541,327	201,273
Public Works	11,743,000	12,043,000	11,045,074	997,926
Culture and Leisure	6,504,500	5,424,000	5,002,819	421,181
Human Services	1,833,100	1,718,000	1,418,131	299,869
Capital Outlay	4,939,500	5,092,985	4,312,921	780,064
Debt Service:				
Principal Retirement	572,450	572,450	176,868	395,582
Interest and Fiscal Charges	217,100	217,100	21,337	195,763
Total Expenditures	70,008,550	70,621,735	65,742,256	4,879,479
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,719,050)</u>	<u>(2,251,935)</u>	<u>11,915,601</u>	<u>14,167,536</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,057,400	2,941,600	3,082,587	140,987
Transfers Out	(2,800,000)	(7,800,000)	(8,031,669)	(231,669)
Capital Leases	3,296,000	3,296,000	3,306,000	10,000
Sale of Capital Asset	25,000	25,000	33,453	8,453
Total Other Financing Sources (Uses)	<u>3,578,400</u>	<u>(1,537,400)</u>	<u>(1,609,629)</u>	<u>(72,229)</u>
NET CHANGE IN FUND BALANCE	<u>(3,140,650)</u>	<u>(3,789,335)</u>	<u>10,305,972</u>	<u>14,095,307</u>
Fund Balance - Beginning of Year	<u>50,042,557</u>	<u>50,042,557</u>	<u>50,042,557</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 46,901,907</u></u>	<u><u>\$ 46,253,222</u></u>	<u><u>\$ 60,348,529</u></u>	<u><u>\$ 14,095,307</u></u>

See accompanying Notes to Required Supplementary Information.

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING ASSETS FUND
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and Rentals	\$ -	\$ -	\$ 206,102	\$ 206,102
Miscellaneous	-	-	48,331	(48,331)
Total Revenues	-	-	254,433	157,771
EXPENDITURES				
Community Development	207,500	207,500	216,789	(9,289)
Total Expenditures	207,500	207,500	216,789	(9,289)
NET CHANGE IN FUND BALANCE	(207,500)	(207,500)	37,644	148,482
Fund Balance - Beginning of Year	12,133,202	12,133,202	12,133,202	-
FUND BALANCE - END OF YEAR	<u>\$ 11,925,702</u>	<u>\$ 11,925,702</u>	<u>\$ 12,170,846</u>	<u>\$ 148,482</u>

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

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

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

There were no significant changes in assumptions.

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

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

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

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

There were no changes in assumptions.

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

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

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

(1) Level percentage of payroll, closed.

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

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

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

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

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

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

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

(1) Level percentage of payroll, closed.

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

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

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

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

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

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

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

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

There were no significant changes in assumptions.

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

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

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

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%

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

There were no changes in assumptions.

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

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

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

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

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

(1) Level percentage of payroll, closed.

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

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

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

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

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

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

Fiscal Year Ended Measurement Date	June 30, 2021 June 30, 2020	June 30, 2020 June 30, 2019	June 30, 2019 June 30, 2018	June 30, 2018 June 30, 2017
Total OPEB Liability:				
Service Cost	\$ 966,145	\$ 1,105,368	\$ 1,073,173	\$ 1,042,000
Interest on Total OPEB Liability	4,051,589	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	(1,048,245)	(397,546)	-	-
Benefit Payments	(3,301,649)	(3,163,861)	(2,992,000)	(2,786,000)
Net Change in Total OPEB Liability	667,840	(5,077,280)	2,335,507	2,356,000
Total OPEB Liability - Beginning of Year	60,708,227	65,785,507	63,450,000	61,094,000
Total OPEB Liability - End of Year (a)	<u>\$ 61,376,067</u>	<u>\$ 60,708,227</u>	<u>\$ 65,785,507</u>	<u>\$ 63,450,000</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 5,033,207	\$ 4,995,349	\$ 4,616,000	\$ 5,223,000
Net Investment Income	793,628	1,101,136	1,119,324	1,216,000
Benefit Payments	(3,301,649)	(3,163,861)	(2,992,000)	(2,786,000)
Administrative Expenses	(17,396)	(10,164)	(26,012)	(6,000)
Net Change in Plan Fiduciary Net Position	2,507,790	2,922,460	2,717,312	3,647,000
Plan Fiduciary Net Position - Beginning of Year	19,477,772	16,555,312	13,838,000	10,191,000
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 21,985,562</u>	<u>\$ 19,477,772</u>	<u>\$ 16,555,312</u>	<u>\$ 13,838,000</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 39,390,505</u>	<u>\$ 41,230,455</u>	<u>\$ 49,230,195</u>	<u>\$ 49,612,000</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	35.82%	32.08%	25.17%	21.81%
Covered - Employee Payroll	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018	\$ 18,626,195
Net OPEB Liability as Percentage of Covered - Employee Payroll	218.73%	240.72%	255.65%	266.36%

Notes to Schedule:

Benefit Changes:

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

There were no changes in benefits.

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

Life insurance benefit for grandfathered retirees was terminated.

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

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

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

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

Removal of ACA Excise Tax.

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

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

Fiscal Year Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 4,141,000	\$ 5,047,000	\$ 4,900,000	\$ 4,737,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(5,074,731)</u>	<u>(5,033,207)</u>	<u>(4,995,349)</u>	<u>(4,616,000)</u>
Contribution Deficiency (Excess)	<u>\$ (933,731)</u>	<u>\$ 13,793</u>	<u>\$ (95,349)</u>	<u>\$ 121,000</u>
Covered - Employee Payroll	\$ 19,983,477	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018
Contributions as a Percentage of Covered - Employee Payroll	20.72%	28.03%	28.61%	24.60%

Notes to Schedule:

Valuation Date	6/30/2019	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	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Amortization Period	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%	2.75%
Healthcare Trend Rates	(4)	(4)	(4)	(3)
Mortality	(6)	(6)	(6)	(5)

(1) Level percentage of payroll.

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

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

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

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

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

(5) CalPERS 1997-2011 experience study.

(6) CalPERS 1997-2015 experience study.

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021

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
- Fire Grants
- 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, CALIFORNIA
DESCRIPTION OF NONMAJOR GOVERNMENTAL FUNDS**

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

SPECIAL REVENUE FUNDS

State Gas Tax

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

County Transit Tax

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

Street Lighting Maintenance District

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

Heritage Springs Street Maintenance District

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

Art in Public Places

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

Business License Surcharge

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

Air Quality Improvement

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

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

Community Development Block Grant

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

Fire Grants

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

Public Safety Augmentation

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

Supplemental Law Enforcement Services

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

Community Development Block Grant Program Income

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

Narcotics Forfeitures/Seizures

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

Transportation Center Expansion Parking Lot Fund

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

State Coronavirus Relief Fund

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

Measure W

This fund is used to account for stormwater activities.

PERMANENT FUND

Heritage Art Education Endowment Fund

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

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**CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING BALANCE SHEET —
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	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	\$ 238,720	\$ 2,842,115	\$ 184,453	\$ 183,007	\$ 1,170,233
Receivables:					
Notes and Loans	-	-	-	-	-
Due from Other Governments	109,323	5,767	5,091	-	-
Due from other Funds	-	7,425	-	-	-
Total Assets	<u>\$ 348,043</u>	<u>\$ 2,855,307</u>	<u>\$ 189,544</u>	<u>\$ 183,007</u>	<u>\$ 1,170,233</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	66,971	-	-	-	-
Total Liabilities	<u>66,971</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	281,072	2,855,307	189,544	183,007	-
Art in Public Places	-	-	-	-	1,170,233
Unassigned	-	-	-	-	-
Total Fund Balances	<u>281,072</u>	<u>2,855,307</u>	<u>189,544</u>	<u>183,007</u>	<u>1,170,233</u>
Total Liabilities and Fund Balances	<u>\$ 348,043</u>	<u>\$ 2,855,307</u>	<u>\$ 189,544</u>	<u>\$ 183,007</u>	<u>\$ 1,170,233</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED) —
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
ASSETS					
Pooled Cash and Investments	\$ 62,954	\$ 191,153	\$ -	\$ -	\$ -
Receivables:					
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	12,200	94,318	474,897	38,651
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 62,954</u>	<u>\$ 203,353</u>	<u>\$ 94,318</u>	<u>\$ 474,897</u>	<u>\$ 38,651</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 797	\$ -	\$ -	\$ 18,889	\$ -
Accrued Liabilities	-	-	1,547	-	-
Due to Other Funds	-	-	92,771	477,790	38,651
Total Liabilities	<u>797</u>	<u>-</u>	<u>94,318</u>	<u>496,679</u>	<u>38,651</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	219,895	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>219,895</u>	<u>-</u>
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	62,157	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	203,353	-	-	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	(241,677)	-
Total Fund Balances	<u>62,157</u>	<u>203,353</u>	<u>-</u>	<u>(241,677)</u>	<u>-</u>
Total Liabilities and Fund Balances	<u>\$ 62,954</u>	<u>\$ 203,353</u>	<u>\$ 94,318</u>	<u>\$ 474,897</u>	<u>\$ 38,651</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED) —
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund
ASSETS					
Pooled Cash and Investments	\$ 1,696	\$ -	\$ 48,482	\$ 41,001	\$ -
Receivables:					
Notes and Loans	-	19,250	-	-	-
Due from Other Governments	61,285	-	-	-	-
Due from other Funds	-	-	-	-	-
Total Assets	\$ 62,981	\$ 19,250	\$ 48,482	\$ 41,001	\$ -
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
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	62,981	-	48,482	-	-
Public Works	-	-	-	41,001	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	62,981	19,250	48,482	41,001	-
Total Liabilities and Fund Balances	\$ 62,981	\$ 19,250	\$ 48,482	\$ 41,001	\$ -

**CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING BALANCE SHEET (CONTINUED) —
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Fund	Permanent Fund Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
	Measure W		
ASSETS			
Pooled Cash and Investments	\$ -	\$ 459,411	\$ 5,423,225
Receivables:			
Notes and Loans	-	-	19,250
Due from Other Governments	1,430,662	-	2,232,194
Due from other Funds	-	-	7,425
	<u>-</u>	<u>-</u>	<u>7,425</u>
Total Assets	<u>\$ 1,430,662</u>	<u>\$ 459,411</u>	<u>\$ 7,682,094</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ -	\$ -	\$ 19,686
Accrued Liabilities	-	-	1,547
Due to Other Funds	-	-	676,183
Total Liabilities	<u>-</u>	<u>-</u>	<u>697,416</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	<u>-</u>	<u>-</u>	<u>219,895</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>219,895</u>
FUND BALANCES			
Nonspendable:			
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	-	81,407
Public Safety	-	-	111,463
Public Works	1,430,662	-	5,183,946
Art in Public Places	-	214,735	1,384,968
Unassigned	<u>-</u>	<u>-</u>	<u>(241,677)</u>
Total Fund Balances	<u>1,430,662</u>	<u>459,411</u>	<u>6,764,783</u>
Total Liabilities and Fund Balances	<u>\$ 1,430,662</u>	<u>\$ 459,411</u>	<u>\$ 7,682,094</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	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	750,881	1,160,387	196,511	-	-
Interest and Rentals	3,134	43,943	2,191	-	17,163
Contributions	-	-	-	-	352,551
Miscellaneous	-	5,767	-	-	-
Total Revenues	754,015	1,210,097	198,702	-	369,714
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	754,015	1,210,097	198,702	-	369,714
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(513,845)	(1,196,531)	(183,000)	-	(319,917)
Sale of Capital Assets	-	7,425	-	-	-
Total Other Financing Sources (Uses)	(513,845)	(1,189,106)	(183,000)	-	(319,917)
NET CHANGE IN FUND BALANCES	240,170	20,991	15,702	-	49,797
Fund Balances - Beginning of Year	40,902	2,834,316	173,842	183,007	1,120,436
FUND BALANCES - END OF YEAR	<u>\$ 281,072</u>	<u>\$ 2,855,307</u>	<u>\$ 189,544</u>	<u>\$ 183,007</u>	<u>\$ 1,170,233</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (CONTINUED) —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
REVENUES					
Taxes	\$ 17,372	\$ -	\$ -	\$ -	\$ 207,013
Intergovernmental	-	-	105,445	215,307	-
Interest and Rentals	-	2,595	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	23,889	-	-	-
Total Revenues	17,372	26,484	105,445	215,307	207,013
EXPENDITURES					
Current:					
General Government	487	-	-	-	-
Public Safety	-	-	-	459,876	-
Culture and Leisure	-	-	26,753	-	-
Total Expenditures	487	-	26,753	459,876	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	16,885	26,484	78,692	(244,569)	207,013
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	231,669	-
Transfers Out	-	-	(78,692)	-	(207,013)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(78,692)	231,669	(207,013)
NET CHANGE IN FUND BALANCES	16,885	26,484	-	(12,900)	-
Fund Balances - Beginning of Year	45,272	176,869	-	(228,777)	-
FUND BALANCES - END OF YEAR	<u>\$ 62,157</u>	<u>\$ 203,353</u>	<u>\$ -</u>	<u>\$ (241,677)</u>	<u>\$ -</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (CONTINUED) —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	State Coronavirus Relief Fund
REVENUES					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	161,284	-	1,604	-	225,891
Interest and Rentals	1,695	-	673	3,001	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	162,979	-	2,277	3,001	225,891
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	162,979	-	2,277	3,001	225,891
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(203,020)	-	-	-	(225,891)
Sale of Capital Assets	-	-	-	-	-
Total Other Financing Sources (Uses)	(203,020)	-	-	-	(225,891)
NET CHANGE IN FUND BALANCES	(40,041)	-	2,277	3,001	-
Fund Balances - Beginning of Year	103,022	19,250	46,205	38,000	-
FUND BALANCES - END OF YEAR	<u>\$ 62,981</u>	<u>\$ 19,250</u>	<u>\$ 48,482</u>	<u>\$ 41,001</u>	<u>\$ -</u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES (CONTINUED) —
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	Special Revenue Fund	Permanent Fund	
		Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
	Measure W		
REVENUES			
Taxes	\$ -	\$ -	\$ 224,385
Intergovernmental	1,430,662	-	4,247,972
Interest and Rentals	-	6,554	80,949
Contributions	-	-	352,551
Miscellaneous	-	-	29,656
Total Revenues	1,430,662	6,554	4,935,513
EXPENDITURES			
Current:			
General Government	-	-	487
Public Safety	-	-	459,876
Culture and Leisure	-	-	26,753
Total Expenditures	-	-	487,116
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,430,662	6,554	4,448,397
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	231,669
Transfers Out	-	-	(2,927,909)
Sale of Capital Assets	-	-	7,425
Total Other Financing Sources (Uses)	-	-	(2,688,815)
NET CHANGE IN FUND BALANCES	1,430,662	6,554	1,759,582
Fund Balances - Beginning of Year	-	452,857	5,005,201
FUND BALANCES - END OF YEAR	<u>\$ 1,430,662</u>	<u>\$ 459,411</u>	<u>\$ 6,764,783</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
STATE GAS TAX
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 804,700	\$ 804,700	\$ 750,881	\$ (53,819)
Interest and Rentals	-	-	3,134	3,134
Total Revenues	804,700	804,700	754,015	(50,685)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(200,000)	(200,000)	(513,845)	(313,845)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(513,845)	(313,845)
NET CHANGE IN FUND BALANCE	604,700	604,700	240,170	(364,530)
Fund Balance - Beginning of Year	40,902	40,902	40,902	-
FUND BALANCE - END OF YEAR	<u>\$ 645,602</u>	<u>\$ 645,602</u>	<u>\$ 281,072</u>	<u>\$ (364,530)</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
COUNTY TRANSIT TAX
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 1,050,000	\$ 1,050,000	\$ 1,160,387	\$ 110,387
Interest and Rentals	-	-	43,943	43,943
Miscellaneous	-	-	5,767	5,767
Total Revenues	1,050,000	1,050,000	1,210,097	160,097
OTHER FINANCING SOURCES (USES)				
Transfers Out	(597,100)	(597,100)	(1,196,531)	(599,431)
Sale of Capital Assets	-	-	7,425	7,425
Total Other Financing Sources (Uses)	(597,100)	(597,100)	(1,189,106)	(592,006)
NET CHANGE IN FUND BALANCE	452,900	452,900	20,991	(431,909)
Fund Balance - Beginning of Year	2,834,316	2,834,316	2,834,316	-
FUND BALANCE - END OF YEAR	<u>\$ 3,287,216</u>	<u>\$ 3,287,216</u>	<u>\$ 2,855,307</u>	<u>\$ (431,909)</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
STREET LIGHTING MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 196,511	\$ 1,511
Interest and Rentals	-	-	2,191	2,191
Total Revenues	195,000	195,000	198,702	3,702
OTHER FINANCING SOURCES (USES)				
Transfers Out	(183,000)	(183,000)	(183,000)	-
Total Other Financing Sources (Uses)	(183,000)	(183,000)	(183,000)	-
NET CHANGE IN FUND BALANCE	12,000	12,000	15,702	3,702
Fund Balance - Beginning of Year	173,842	173,842	173,842	-
FUND BALANCE - END OF YEAR	<u>\$ 185,842</u>	<u>\$ 185,842</u>	<u>\$ 189,544</u>	<u>\$ 3,702</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Interest and Rentals	\$ -	\$ -	\$ 17,163	\$ 17,163
Contributions	200,000	200,000	352,551	152,551
Total Revenues	200,000	200,000	369,714	169,714
OTHER FINANCING SOURCES (USES)				
Transfers Out	(539,500)	(398,500)	(319,917)	78,583
Total Other Financing Sources (Uses)	(539,500)	(398,500)	(319,917)	78,583
NET CHANGE IN FUND BALANCE	(339,500)	(198,500)	49,797	248,297
Fund Balance - Beginning of Year	1,120,436	1,120,436	1,120,436	-
FUND BALANCE - END OF YEAR	<u>\$ 780,936</u>	<u>\$ 921,936</u>	<u>\$ 1,170,233</u>	<u>\$ 248,297</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
REVENUES				
Interest and Rentals	\$ -	\$ -	\$ 2,595	\$ 2,595
Miscellaneous	17,500	17,500	23,889	6,389
Total Revenues	17,500	17,500	26,484	8,984
 Fund Balance - Beginning of Year	 176,869	 176,869	 176,869	 -
FUND BALANCE - END OF YEAR	\$ 194,369	\$ 194,369	\$ 203,353	\$ 8,984

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 105,445	\$ 88,945
Total Revenues	16,500	16,500	105,445	88,945
EXPENDITURES				
Culture and Leisure	16,500	16,500	26,753	(10,253)
Total Expenditures	16,500	16,500	26,753	(10,253)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	78,692	78,692
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	-	(78,692)	(78,692)
Total Other Financing Sources (Uses)	-	-	(78,692)	(78,692)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 186,500	\$ 186,500	\$ 207,013	\$ 20,513
Total Revenues	186,500	186,500	207,013	20,513
OTHER FINANCING SOURCES (USES)				
Transfers Out	(186,500)	(186,500)	(207,013)	(20,513)
Total Other Financing Sources (Uses)	(186,500)	(186,500)	(207,013)	(20,513)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS, CALIFORNIA
BUDGETARY COMPARISON SCHEDULE —
SUPPLEMENTAL LAW ENFORCEMENT SERVICES
YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 161,284	\$ 11,284
Interest and Rentals	-	-	1,695	1,695
Total Revenues	150,000	150,000	162,979	12,979
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(203,020)	(103,020)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(203,020)	(103,020)
NET CHANGE IN FUND BALANCE	50,000	50,000	(40,041)	(90,041)
Fund Balance - Beginning of Year	103,022	103,022	103,022	-
FUND BALANCE - END OF YEAR	<u>\$ 153,022</u>	<u>\$ 153,022</u>	<u>\$ 62,981</u>	<u>\$ (90,041)</u>

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

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

CUSTODIAL FUNDS

Assessment District Funds

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

Community Facilities Assessment Districts Fund

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

CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
JUNE 30, 2021

	Assessment Districts	Community Facilities Assessment Districts	Total
ASSETS			
Pooled Cash and Investments	\$ 566,358	\$ 68,478	\$ 634,836
Restricted Assets:			
Cash and Investment with Fiscal Agents	<u>170,030</u>	<u>-</u>	<u>170,030</u>
Total Assets	<u>736,388</u>	<u>68,478</u>	<u>804,866</u>
LIABILITIES			
Deposits Payable	<u>-</u>	<u>826</u>	<u>826</u>
Total Liabilities	<u>-</u>	<u>826</u>	<u>826</u>
NET POSITION			
Held for Bondholders	<u>736,388</u>	<u>67,652</u>	<u>804,040</u>
Total Net Position	<u><u>\$ 736,388</u></u>	<u><u>\$ 67,652</u></u>	<u><u>\$ 804,040</u></u>

CITY OF SANTA FE SPRINGS, CALIFORNIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2021

	Assessment Districts	Community Facilities Assessment Districts	Total
ADDITIONS			
Special Assessments or Special Taxes Collected From Property Owners	\$ 209,810	\$ -	\$ 209,810
Interest and Change in Fair Value of Investments	11	-	11
Total Additions	209,821	-	209,821
DEDUCTIONS			
Payment for Special Assessment or Special Tax Debt	165,100	-	165,100
Total Deductions	165,100	-	165,100
CHANGE IN NET POSITION	44,721	-	44,721
Net Position - Beginning of Year, as Restated	691,667	67,652	759,319
NET POSITION - END OF YEAR	\$ 736,388	\$ 67,652	\$ 804,040

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**CITY OF SANTA FE SPRINGS, CALIFORNIA
STATISTICAL SECTION**

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

Page

Financial Trends – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	114
Revenue Capacity – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	124
Debt Capacity – These schedules present information to help the reader assess the Affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future	128
Demographic and Economic Information – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	136
Operating Information – These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the Services the City provides and the activities it performs.	139

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental Activities:					
Net Investment in Capital Assets	\$ 141,935,739	\$ 159,461,487	\$ 163,745,920	\$ 163,742,164	\$ 159,942,690
Restricted	9,077,534	9,905,210	9,651,144	29,208,112	32,373,440
Unrestricted	24,344,782	27,007,854	37,672,916	(50,143,910)	(49,235,190)
Total Governmental Activities Net Position	<u>\$ 175,358,055</u>	<u>\$ 196,374,551</u>	<u>\$ 211,069,980</u>	<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>
Business-Type Activities:					
Net Investment in Capital Assets	\$ 12,353,517	\$ 15,742,624	\$ 16,386,459	\$ 15,541,573	\$ 17,182,873
Restricted	-	-	-	-	-
Unrestricted	1,060,256	3,375,412	3,952,242	(2,072,299)	(728,889)
Total Business Type Activities Net Position	<u>\$ 13,413,773</u>	<u>\$ 19,118,036</u>	<u>\$ 20,338,701</u>	<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>
Primary Government:					
Net Investment in Capital Assets	\$ 154,289,256	\$ 175,204,111	\$ 180,132,379	\$ 179,283,737	\$ 177,125,563
Restricted	9,077,534	9,905,210	9,651,144	29,208,112	32,373,440
Unrestricted	25,405,038	30,383,266	41,625,158	(52,216,209)	(49,964,079)
Total Primary Government Net Position	<u>\$ 188,771,828</u>	<u>\$ 215,492,587</u>	<u>\$ 231,408,681</u>	<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>

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

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

Fiscal Year				
2017	2018	2019	2020	2021
\$ 158,121,201	\$ 156,001,364	\$ 154,315,020	\$ 162,029,958	\$ 163,096,596
33,145,221	32,820,873	34,775,125	30,978,812	30,905,794
(52,203,681)	(90,543,090)	(89,116,900)	(75,019,083)	(58,624,975)
<u>\$ 139,062,741</u>	<u>\$ 98,279,147</u>	<u>\$ 99,973,245</u>	<u>\$ 117,989,687</u>	<u>\$ 135,377,415</u>
\$ 17,533,898	\$ 18,890,862	\$ 18,754,383	\$ 18,028,340	\$ 19,154,855
817,087	536,194	558,184	559,019	-
331,570	(1,190,788)	(324,355)	526,956	218,253
<u>\$ 18,682,555</u>	<u>\$ 18,236,268</u>	<u>\$ 18,988,212</u>	<u>\$ 19,114,315</u>	<u>\$ 19,373,108</u>
\$ 175,655,099	\$ 174,892,226	\$ 173,069,403	\$ 180,058,298	\$ 182,251,451
33,962,308	33,357,067	35,333,309	31,537,831	30,905,794
(51,872,111)	(91,733,878)	(89,441,255)	(74,492,127)	(58,406,722)
<u>\$ 157,745,296</u>	<u>\$ 116,515,415</u>	<u>\$ 118,961,457</u>	<u>\$ 137,104,002</u>	<u>\$ 154,750,523</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses:					
Governmental Activities:					
General Government	\$ 3,883,766	\$ 5,773,716	\$ 5,941,165	\$ 5,614,730	\$ 5,692,938
Public Safety	27,242,545	28,371,664	25,903,765	28,215,907	31,438,552
Community Development	13,832,431	3,420,343	4,050,792	3,794,506	4,020,001
Public Works	8,874,948	22,545,319	16,997,746	14,269,841	9,510,398
Culture and Leisure	8,480,678	7,916,483	7,690,481	7,681,363	8,103,268
Human Services	2,929,811	2,664,800	2,881,556	3,133,900	3,326,615
Unallocated Depreciation	17,182,873	64,246	-	-	-
Interest on Long-Term Liabilities	(728,889)	343,881	213,286	239,719	207,917
Total Governmental Activities					
Expenses	81,698,163	71,100,452	63,678,791	62,949,966	62,299,689
Business Type Activities:					
Water Utility	10,028,948	9,738,082	10,781,780	10,911,725	10,056,785
Total Primary Government					
Expenses	\$ 91,727,111	\$ 80,838,534	\$ 74,460,571	\$ 73,861,691	\$ 72,356,474
Program Revenues:					
Governmental Activities:					
Charges for Services:					
General Government	\$ 717,021	\$ 746,832	\$ 2,027,076	\$ 1,975,162	\$ 2,067,142
Public Safety	2,801,311	2,792,442	2,937,252	2,985,378	3,485,203
Community Development	3,137,047	4,018,338	2,460,571	1,953,691	2,558,688
Public Works	336,955	260,835	756,730	753,510	824,258
Culture and Leisure	443,425	636,462	556,566	533,242	516,907
Human Services	641,003	579,073	522,881	520,428	450,564
Operating Grants and Contributions	6,100,535	4,714,266	3,405,177	2,090,135	2,414,716
Capital Grants and Contributions	6,016,364	36,562,363	18,887,861	6,801,309	596,380
Total Governmental Activities					
Program Revenues	20,193,661	50,310,611	31,554,114	17,612,855	12,913,858
Business Type Activities:					
Charges for Services:					
Water Utility	11,748,391	13,063,973	13,139,026	12,252,452	11,445,171
Capital Grants and Contributions	914,585	4,002,420	632,638	111,777	796,442
Total Business Type Activities					
Program Revenues	12,662,976	17,066,393	13,771,664	12,364,229	12,241,613
Total Primary Government					
Program Revenues	32,856,637	67,377,004	45,325,778	29,977,084	25,155,471
Net Revenues (Expenses):					
Governmental Activities	(61,504,502)	(20,789,841)	(32,124,677)	(45,337,111)	(49,385,831)
Business Type Activities	2,634,028	7,328,311	2,989,884	1,452,504	2,184,828
Total Net Revenues (Expenses)	\$ (58,870,474)	\$ (13,461,530)	\$ (29,134,793)	\$ (43,884,607)	\$ (47,201,003)

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

Fiscal Year				
2017	2018	2019	2020	2021
\$ 6,910,410	\$ 4,251,432	\$ 6,896,856	\$ 8,544,252	\$ 8,482,800
31,961,957	34,034,478	33,932,658	34,743,488	35,296,588
4,347,313	4,116,962	2,955,522	2,795,648	2,674,722
9,160,460	17,219,492	15,558,408	17,572,927	16,766,663
9,185,643	6,982,622	6,689,566	6,539,103	5,501,644
3,190,530	2,790,840	2,000,692	1,777,281	1,612,973
-	-	-	-	-
160,610	121,322	112,477	56,935	51,054
64,916,923	69,517,148	68,146,179	72,029,634	70,386,444
10,437,631	11,192,617	11,124,404	11,310,735	13,282,916
<u>\$ 75,354,554</u>	<u>\$ 80,709,765</u>	<u>\$ 79,270,583</u>	<u>\$ 83,340,369</u>	<u>\$ 83,669,360</u>
\$ 2,474,664	\$ 2,038,573	\$ 2,131,444	\$ 2,246,355	3,121,333
3,191,717	3,561,042	3,433,078	3,222,786	3,580,227
2,577,415	1,723,739	1,818,544	2,005,242	1,760,519
791,941	1,046,597	757,476	1,478,915	995,335
609,553	453,369	624,126	256,996	34,487
409,783	311,394	39,913	12,063	1,149
2,313,540	5,261,361	4,215,071	4,378,318	5,694,683
708,569	3,883,123	161,836	2,116,919	3,351,016
13,077,182	18,279,198	13,181,488	15,717,594	18,538,749
12,760,330	13,491,332	12,611,914	12,406,103	14,430,951
762,739	-	-	63,014	22,074.00
13,523,069	13,491,332	12,611,914	12,469,117	14,453,025
26,600,251	31,770,530	25,793,402	28,186,711	32,991,774
(51,839,741)	(51,237,950)	(54,964,691)	(56,312,040)	(51,847,695)
3,085,438	2,298,715	1,487,510	1,158,382	1,170,109
<u>\$ (48,754,303)</u>	<u>\$ (48,939,235)</u>	<u>\$ (53,477,181)</u>	<u>\$ (55,153,658)</u>	<u>\$ (50,677,586)</u>

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and					
Other Changes in Net Position:					
Governmental Activities:					
Taxes:					
Sales and Use Taxes	\$ 22,868,333	\$ 23,655,903	\$ 26,096,479	\$ 26,432,547	\$ 25,518,717
Property Taxes	11,386,328	3,150,294	3,601,771	4,088,687	3,425,637
Franchise Taxes	2,499,668	2,443,761	2,779,357	2,978,360	3,034,652
Transaction and Use Taxes				-	-
Motor Vehicle in Lieu Tax -					
General Purpose	1,519,877	1,542,531	1,595,953	1,686,499	1,716,181
Business Operations Taxes	771,766	778,483	768,575	780,747	801,658
Utility Users Taxes	4,342,780	6,095,190	6,634,353	6,836,360	6,669,155
Other Taxes	518,095	890,344	416,269	567,503	531,045
Investment Income	1,988,650	1,384,050	1,416,003	1,440,422	1,807,176
Other	3,425,588	1,413,449	2,216,285	2,692,622	2,988,717
Gain (Loss) on Disposal of Asset			42,312	-	-
Transfers to Successor Agency		(1,181,525)		1,224,700	1,073,642
Transfers	1,582,575	1,633,857	1,597,099	-	-
Special Item					
Extraordinary Gain	76,845,362		(2,249,862)	19,954,190	-
Total Governmental Activities	127,749,022	41,806,337	44,914,594	68,682,637	47,566,580
Business Type Activities:					
Investment Income	4,830	9,809	11,929	15,849	27,006
Other			107,631	240,554	156,955
Transfers	(1,582,575)	(1,633,857)	(1,597,099)	(1,224,700)	(1,073,642)
Total Business Type Activities	(1,577,745)	(1,624,048)	(1,477,539)	(968,297)	(889,681)
Total Primary Government	126,171,277	40,182,289	43,437,055	67,714,340	46,676,899
Changes in Net Position:					
Governmental Activities	66,244,520	21,016,496	12,789,917	23,345,526	(1,819,251)
Business Type Activities	1,056,283	5,704,263	1,512,345	484,207	1,295,147
Total Primary Government	\$ 67,300,803	\$ 26,720,759	\$ 14,302,262	\$ 23,829,733	\$ (524,104)

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

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

Fiscal Year				
2017	2018	2019	2020	2021
\$ 25,076,235	\$ 26,093,872	\$ 28,360,308	\$ 30,689,739	\$ 32,305,008
3,949,731	4,130,663	4,587,444	4,958,288	13,682,006
2,915,926	3,180,671	3,377,884	3,495,821	5,961,342
-	-	3,044,712	13,083,262	3,550,280
1,767,500	1,863,969	1,960,317	2,148,113	2,297,474
807,702	789,379	831,717	752,800	771,642
6,406,684	6,523,816	6,517,423	6,484,575	6,907,100
522,091	628,828	564,638	132,232	172,204
1,874,492	2,189,573	4,263,013	4,308,252	1,303,072
2,269,170	675,977	1,996,198	1,496,137	1,089,993
-	-	-	292,655	40,878
1,168,892	1,163,587	1,155,135	1,156,300	-
1,055,801	-	-	-	1,154,424
-	-	-	-	-
47,821,542	47,240,335	56,658,789	68,998,174	69,235,423
62,836	118,561	218,248	306,513	181,503
249,189	1,791,077	201,321	111,085	61,605
(1,168,892)	(1,163,587)	(1,155,135)	(1,156,300)	(1,154,424)
(856,867)	746,051	(735,566)	(738,702)	(911,316)
46,964,675	47,986,386	55,923,223	68,259,472	68,324,107
(4,018,199)	(3,997,615)	1,694,098	12,686,134	17,387,728
2,228,571	3,044,766	751,944	419,680	258,793
\$ (1,789,628)	\$ (952,849)	\$ 2,446,042	\$ 13,105,814	\$ 17,646,521

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

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund:					
Nondisposable	\$ 6,047,653	\$ 5,224,843	\$ 5,585,494	\$ 4,753,064	\$ 12,721,050
Restricted	181,532		98,801	98,821	322,843
Committed	1,455,318	225,000	225,000	225,000	225,000
Assigned		9,337,498		2,399,700	630,000
Unassigned	23,978,015	15,744,237	18,583,574	20,027,817	21,301,702
Total General Fund	<u>\$ 31,662,518</u>	<u>\$ 30,531,578</u>	<u>\$ 24,492,869</u>	<u>\$ 27,504,402</u>	<u>\$ 35,200,595</u>
All Other Governmental Funds:					
Nondisposable	\$ 7,634,198	\$ 1,018,291	\$ 5,688,704	\$ 4,330,950	\$ -
Restricted	4,401,519	8,894,627	3,863,639	25,059,379	32,050,597
Assigned		4,579,545	7,794,387	9,480,556	15,036,492
Unassigned	(1,621,191)	-	(40,661)	(16,968)	(13,040)
Total All Other Governmental Funds	<u>\$ 10,414,526</u>	<u>\$ 14,492,463</u>	<u>\$ 17,306,069</u>	<u>\$ 38,853,917</u>	<u>\$ 47,074,049</u>

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

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

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

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

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

	Fiscal Year				
	2012 *	2013	2014	2015	2016
Revenues:					
Taxes	\$ 42,294,544	\$ 36,999,332	\$ 40,296,804	\$ 41,684,204	\$ 39,980,864
Licenses and Permits	2,102,755	2,969,902	2,747,847	2,206,324	2,536,719
Fines, Forfeitures and Seizures	428,472	344,325	491,503	529,250	515,632
Interest and Rentals	1,995,506	1,398,990	1,416,003	1,440,422	1,807,176
From Other Agencies	12,349,659	35,766,822	23,165,769	11,054,345	5,257,715
Charges for Current Services	5,031,896	4,965,080	5,147,329	5,250,369	6,078,535
Other	4,532,497	3,907,821	2,493,091	2,855,254	3,146,736
Total Revenues	68,735,329	86,352,272	75,758,346	65,020,168	59,323,377
Expenditures:					
Current:					
General Government	3,826,155	5,629,632	5,064,465	5,483,276	5,449,398
Public Safety	33,199,540	25,846,858	25,203,933	26,968,072	28,407,173
Community Development	13,434,645	3,346,701	3,991,264	3,755,596	3,876,256
Public Works	5,966,489	4,240,659	4,456,233	4,591,234	4,553,769
Culture and Leisure	7,604,051	7,130,910	6,974,428	6,995,907	7,337,952
Human Services	2,790,524	2,481,419	2,579,037	2,798,407	3,022,969
Capital Outlay	4,498,772	32,091,957	21,383,923	9,745,411	2,621,810
Loss on Sale of Property					
Debt service:					
Interest	3,042,465	310,664	278,854	240,815	209,663
Principal Retirement	7,295,987	789,060	983,524	1,045,658	988,940
Bond Issuance Costs	119,993	-	-	-	-
Total Expenditures	81,778,621	81,867,860	70,915,661	61,624,376	56,467,930
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,043,292)	4,484,412	4,842,685	3,395,792	2,855,447
Other Financing Sources (Uses):					
Proceeds (Loss) from Sale of Assets	23,496	50,662	42,312	25,000	34,954
Loan Issuance	-	-	-	-	-
Bond Issuance	7,759,094	-	-	-	-
Contributions from Successor Agency	995,421	(1,181,525)	-	100,238	48,465
Transfer to Private Purpose Trust Fund	-	-	-	(20,000)	-
Capital Leases	-	-	-	-	-
Transfers In	22,577,622	6,600,367	8,805,993	6,524,301	8,616,801
Transfers Out	(20,995,047)	(5,642,617)	(10,517,883)	(4,749,901)	(8,753,473)
Total Other Financing Sources (Uses)	10,360,586	(173,113)	(1,669,578)	1,879,638	(53,253)
Special Item	-	-	-	-	-
Extraordinary Loss	(52,500,881)	-	(8,408,716)	19,954,190	-
Net Change in Fund Balances	\$ (55,183,587)	\$ 4,311,299	\$ (5,235,609)	\$ 25,229,620	\$ 2,802,194
Debt Service as a Percentage of Net Change in Fund Balances	13.5%	2.2%	2.1%	2.2%	2.2%

* During the fiscal year 2011-2012, the City issued pension obligation bonds in the amount of \$7.1 million. The related payment to to 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 restated to reflect this change.

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

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

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

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

Fiscal Year	Secured Property	Unsecured Property	Less Property Exemptions	Grand Total	Homeowner's Exemption	Net Taxable Value (1)	Total Direct Tax Rate (2)
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%
2021	8,031,534	1,251,065	99,021	9,183,578	13,761	9,169,817	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 / Avenue Insights & Analytics

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

Fiscal Year	Basic 1% Direct Tax Rate		Override Assessments					Total
	City of Santa Fe Springs	Los Angeles County	Elementary Schools	Los Angeles County	Rio Hondo Community College District	Whittier Union High School District	Metro. Water District	
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
2021	0.077	0.923	0.065	0.000	0.014	0.054	0.004	1.137

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 / Avenue Insights & Analytics

Rates are not adjusted for ERAF

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

Taxpayer	FY 2020-21		FY 2011-12	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
Golden Springs Dev	\$ 328,375,799	3.58 %	\$ 264,653,490	4.39 %
Goodman Santa Fe Springs Spe L	210,803,393	2.30		
GLC SFS II LLC	159,658,742	1.74		
Teachers Insurance Annuity Ass	159,410,695	1.74	69,087,778	1.15
PPF Industrial 12016 Telegraph	157,562,364	1.72	32,386,718	0.54
Breitburn Operating LP	138,138,308	1.51	131,835,834	2.19
AMB	133,551,310	1.46	72,323,674	1.20
PSB Hathaway I II LLC	104,000,000	1.13		
Mcmaster Carr Supply Company	86,375,848	0.94	74,497,928	1.24
SDCP SFS Logistics Cneter Inc.	67,381,401	0.73		
Breit MF Telegraph Rd LLC	57,895,322	0.63		
Unified Grocers Inc.	56,244,022	0.61		
Freeway Springs LLC	54,369,597	0.59		
Rexford Industrial Realty LP	52,665,914	0.57		
Standard SVF Venture LP	51,462,330	0.56		
Western B West CA LLC	49,477,972	0.54		
Shaw Diversified Services Inc.	47,614,980	0.52		
BPREP Colonnade LLC	46,410,000	0.51		
Maruichi American Corp	45,716,326	0.50	42,898,041	0.71
Catellus Dev Corp	45,687,481	0.50	55,169,874	0.92
Kelly Pipe Co LLC	43,860,000	0.48		
Bloomfield Commerce Center Cor	43,418,066	0.47	36,980,955	0.61
Heraeus Metal Processing Inc.	41,926,566	0.46		
Brixmor Property Owner II LLC	40,898,505	0.45		
IPM Mid Counties IC LLC	40,619,442	0.44		
Legacy Partners II Santa Fe Sp			80,547,163	1.34
Gateway Santa Fe Springs Indus			64,000,000	1.06
Inland Paperboard			48,375,561	0.80
Villages At Heritage Springs L			45,894,463	0.76
Heraeus Metals Processing LLC			45,629,959	0.76
Doug Fir LLC			45,231,396	0.75
Vons Companies Inc.			44,063,285	0.73
Solaris Paper Inc.			36,945,052	0.61
Centro Watt Property Owner II			31,727,354	0.53
14141 Alondra Lp			31,466,613	0.52
CFH Envlp Ltd. Ptnshp			31,054,138	0.52
Carmenita Plaza LLC			30,166,684	0.50
Prudential Insurance Co of Ame			27,391,345	0.45
Tuftex Carpet Mill Inc.			27,328,126	0.45
NNN SFS Towne Center LLC			27,300,000	0.45
Prologis			25,676,637	0.43
	<u>\$ 2,263,524,383</u>	<u>24.67 %</u>	<u>\$ 1,422,632,068</u>	<u>23.62 %</u>

NOTE:

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

MuniServices, LLC / Avenue Insights &

**CITY OF SANTA FE SPRINGS, CALIFORNIA
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
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
2021	46,103,009	45,790,160	99.32	-	45,790,160	99.32

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 / Avenue Insights & Analytics

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

Fiscal Year Ending 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				
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	
2021	-	-	-	3,768,377	3,768,377	7,789,696	11,558,073	2.29	638	

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, CALIFORNIA
RATIO OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

Fiscal Year Ending June 30	Outstanding General Bonded Debt			Percent of Assessed Value ¹	Per Capita
	Tax Allocation Bonds	Pension Obligation Bonds	Total General Bonded Debt		
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 ²	-	-	-	0.00%	-
2021 ²	-	-	-	0.00%	-

NOTE:

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

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

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

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

**CITY OF SANTA FE SPRINGS, CALIFORNIA
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2021**

2020-21 Assessed Valuation: \$9,189,735,171

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/2021	% Applicable (1)	City's Share of Debt 6/30/2021
Metropolitan Water District	\$ 26,830,000	0.282 %	\$ 75,661
Cerritos Community College District	392,415,943	4.736	18,584,819
Rio Hondo Community College District	117,367,824	15.357	18,024,177
Whittier Union High School District	156,424,361	23.939	37,446,428
ABC Unified School District	77,910,530	2.854	2,223,567
Norwalk-La Mirada Unified School District	290,074,014	13.739	39,853,269
Little Lake City School District	35,344,901	61.625	21,781,295
Los Nietos School District	35,465,132	61.974	21,979,161
South Whittier School District	37,965,000	45.946	17,443,399
Whittier City School District	70,860,000	0.637	451,378
City of Santa Fe Springs Heritage Springs Assessment District	1,325,000	100.000	1,325,000
Total Overlapping Tax and Assessment Debt			<u>\$ 179,188,154</u>
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$ 2,618,507,256	0.538 %	\$ 14,087,569
Los Angeles County Superintendent of Schools Certificates of Participation	4,565,373	0.538	24,562
Whittier City School District Certificates of Participation	9,240,000	0.637	58,859
City of Santa Fe Springs Capital Lease Obligations	462,377	100.000	462,377
Los Angeles County Sanitation District No. 18 Authority	1,402,108	19.454	272,766
Total Direct and Overlapping General Fund			<u>\$ 14,906,133</u>
<u>Overlapping Tax Increment Debt (Successor Agency):</u>	\$ 34,146,370	100.000 %	\$ 34,146,370
Total Direct Debt			\$ 462,377
Total Overlapping Debt			\$ 227,778,280
Combined Total Debt			\$ 462,377 (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 nonbonded capital lease obligations.

Ratios to 2019-20 Assessed Valuation:

Total Overlapping Tax and Assessment Debt.....	1.95 %
Total Direct Debt (\$462,377).....	0.01 %
Combined Total Debt.....	2.48 %

Ratios to Redevelopment Successor Agency Incremental Valuation (\$5,060,812,423):

Total Overlapping Tax Increment Debt	0.67 %
--------------------------------------	--------

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

	Fiscal Year Ended June 30			
	2012	2013	2014	2015
Assessed Valuation	\$ 6,042,251,000	\$ 6,206,250,000	\$ 6,389,364,000	\$ 6,754,513,000
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	1,510,562,750	1,551,562,500	1,597,341,000	1,688,628,250
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	226,584,413	232,734,375	239,601,150	253,294,238
Total Net Debt Applicable to the Limit: General Obligation Bonds ¹	7,091,000	6,601,000	5,944,000	5,238,000
Legal Debt Margin	<u>\$ 219,493,413</u>	<u>\$ 226,133,375</u>	<u>\$ 233,657,150</u>	<u>\$ 248,056,238</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	2.5%	2.1%

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) 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, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30			
	2016	2017	2018	2019
Assessed Valuation	\$ 6,874,971,507	\$ 7,078,133,887	\$ 7,446,116,929	\$ 7,831,408,399
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	1,718,742,877	1,769,533,472	1,861,529,232	1,957,852,100
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	257,811,432	265,430,021	279,229,385	293,677,815
Total Net Debt Applicable to the Limit: General Obligation Bonds ¹	4,334,000	3,362,000	2,318,000	1,199,000
Legal Debt Margin	<u>\$ 253,477,432</u>	<u>\$ 262,068,021</u>	<u>\$ 276,911,385</u>	<u>\$ 292,478,815</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	1.7%	1.3%	0.8%	0.4%

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal year 1981-82, each parcel is now assessed at 100% of market value (as of the most recent) 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, CALIFORNIA
LEGAL DEBT MARGIN INFORMATION (CONTINUED)
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30	
	2020	2021
Assessed Valuation	\$ 8,570,322,631	\$ 9,189,735,171
Conversion Percentage	25%	25%
Adjusted Assessed Valuation	2,142,580,658	2,297,433,793
Debt Limit Percentage	15%	15%
Debt Limit	321,387,099	344,615,069
Total Net Debt Applicable to the Limit: General Obligation Bonds ¹	-	-
Legal Debt Margin	<u>\$ 321,387,099</u>	<u>\$ 344,615,069</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	-	-

NOTE:

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

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, CALIFORNIA
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Water Revenue Bonds					
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
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
2021	14,674,059	12,009,075	2,664,984	200,000	313,569	5.19

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, CALIFORNIA
PLEDGED-REVENUE COVERAGE (CONTINUED)
LAST TEN FISCAL YEARS**

Tax Allocation Bonds						
Fiscal Year	Tax Increment	Debt Service			Coverage	
		Principal	Interest			
2012	\$ -	\$ -	\$ -	-	-	
2013	-	-	-	-	-	
2014	-	-	-	-	-	
2015	-	-	-	-	-	
2016	-	-	-	-	-	
2017	-	-	-	-	-	
2018	-	-	-	-	-	
2019	-	-	-	-	-	
2020	-	-	-	-	-	
2021	-	-	-	-	-	

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, CALIFORNIA
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS**

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	*Public School Enrollment	Unemployment Rate
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
2021	18,129	504,701	27,839	5,203	0.1

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, CALIFORNIA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	FY 2020-21		FY 2011-12	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Fashion Nova, Inc.	1013	2.51%		
McMaster Carr Supply Company	702	1.74%	706	1.82%
FedeEx Ground Package System In	470	1.16%		
Trojan Battery Company LLC	396	0.98%	305	0.79%
Southern Wine and Spirits	385	0.95%	422	1.09%
7-Eleven Distribution Company	356	0.88%		
Wal-Mart	352	0.87%		
SE Pipe Line Construction	331	0.82%		
L. A. Specialty Produce Company	318	0.79%	409	1.05%
Shaw Diversified Services, Inc.	317	0.78%	355	0.91%
The Vons Companies, Inc.			785	2.02%
Presto Food Products, Inc.			460	1.18%
Vance and Hines, Inc.			320	0.82%
Performance Team			302	0.78%
Mike Thompson's Rec Veh			276	0.71%
	<u>4,640</u>	<u>11.48%</u>	<u>4,340</u>	<u>11.17%</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, CALIFORNIA
FULL-TIME AND PART-TIME CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	38	36	37	39	38	38	37	39	39	38
Public Safety	72	68	79	83	83	76	73	70	72	70
Public Works	50	50	57	54	56	58	57	55	52	57
Planning and Community Development	7	4	4	6	7	7	6	7	9	9
Community Services - Administration	-	1	1	1	4	4	4	4	4	3
Community Services - Parks and Recreation	88	64	75	88	88	106	108	93	27	75
Community Services - Library Services	23	16	14	17	22	20	22	23	14	16
Community Services - Human Services	42	41	48	48	54	50	39	32	11	27
Total	<u>320</u>	<u>280</u>	<u>315</u>	<u>336</u>	<u>352</u>	<u>359</u>	<u>346</u>	<u>323</u>	<u>228</u>	<u>295</u>

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

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

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Fire:										
Number of Emergency Calls	2,963	3,166	3,260	3,439	3,928	3,961	3,835	3,732	3,644	3,542
Inspections	2,255	3,793	2,864	3,325	2,428	1,702	1,598	1,798	2,209	1,916
Public Works:										
Street Resurfacing (Miles)	2.0	3.0	5.0	3.0	1.5	1.0	2.0	1.5	3.0	5.2
Parks and Recreation:										
Number of Recreation Classes	362	289	425	368	335	309	393	356	216	157
**Number of Facility Rentals	2,710	2,536	2,605	3,038	3,822	3,791	4,323	4,073	1,575	4
Human Services:										
Children Served in the City's										
***Childcare Centers	371	306	296	286	807	1,006	266	-	-	-
Number of Facility Rentals	42 *	51 *	528	333	305	536	878	983	671	2
Number of Older Adult Gym Usage						1,500	4,476	4,895	3,245	-
Number of Older Adult Classes						40	40	42	28	4
Estimated Number of Congregate Meals						12,000	10,002	11,700	12,400	10,700
Water:										
Average daily consumption (thousands of gallons)	5,743	5,915	5,197	5,207	5,580	5,073	5,615	5,379	5,314	5,809

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, CALIFORNIA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	Fiscal Year Ended June 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
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	81	81	81	81	81	81
Streetlights	2,960	2,960	2,960	2,960	3,174	3,140	3,140	3,140	3,140	3,140
Parks and Recreation:										
**Parks/Fields	10	11	11	11	11	11	11	9	9	9
**Community Services Facilities	6	6	4	4	4	4	4	4	4	4
Human Services:										
Child Care Centers	3	3	3	3	3	3	3	-	-	-
Community Services Facilities	1	2	2	1	1	1	1	3	3	3
Library Services:										
Library Facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water Mains (Miles)	107	107	107	107	108	108	108	108	108	108
Number of Service Connections	6,332	6,156	6,150	6,330	6,335	6,402	6,509	6,731	6,722	6,232

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