



# CITY OF SANTA FE SPRINGS ANNUAL COMPREHENSIVE FINANCIAL REPORT

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**JULY 1, 2022 TO JUNE 30, 2023**

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# Annual Comprehensive Financial Report

City of Santa Fe Springs, CA  
Year Ended June 30, 2023



## City Council

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

## Planning Commission

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

## Traffic Commission

Blake Carter  
Johana Coca  
Sally Gaitan  
Felix Miranda

## Executive Management Team

René Bobadilla, City Manager  
Ivy M. Tsai, City Attorney  
Lana Dich, Dir. of Fin. and Admn. Svcs  
Maricela Balderas, Dir. of Com. Services  
Chad A. Van Meeteren, Fire Chief  
Wayne Morrell, Director of Planning  
James Enriquez, Director of Public Works  
Dino Torres, Director of Police Services

## Prepared by:

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



**CITY OF SANTA FE SPRINGS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

**INTRODUCTORY SECTION**

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

**FINANCIAL SECTION**

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

**REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)**

Budgetary Comparison Schedule—General Fund	78
Budgetary Comparison Schedule—Low and Moderate Income Housing Assets Fund	79
Schedule of Changes in Net Pension Liability and Related Ratios — Miscellaneous Plan — Agent Multiple-Employer Plan	80
Schedule of Contributions—Miscellaneous Plan—Agent Multiple-Employer Plan	82
Schedule of Proportionate Share of the Net Pension Liability—Cost Sharing Safety Plan	84

**CITY OF SANTA FE SPRINGS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

Schedule of Contributions—Cost Sharing Safety Plan	86
Schedule of Changes in the Net OPEB Liability and Related Ratios	88
Schedule of Contributions—OPEB	90
Notes to Required Supplementary Information	92
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet—Nonmajor Governmental Funds	96
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances—Nonmajor Governmental Funds	100
Budgetary Comparison Schedules—Special Revenue Funds	
State Gas Tax	104
County Transit Tax	105
Street Lighting Maintenance District	106
Art in Public Places	107
Air Quality Improvement	108
Community Development Block Grant	109
Public Safety Augmentation	110
Supplemental Law Enforcement Services	111
Measure W	112
Combining Statement of Fiduciary Net Position—Custodial Funds	114
Combining Statement of Changes in Fiduciary Net Position—Custodial Funds	115
<b>STATISTICAL SECTION (UNAUDITED)</b>	
Net Position by Component	118
Changes in Net Position	120
Fund Balances of Governmental Funds	124
Changes in Fund Balances of Governmental Funds	126
Assessed and Estimated Actual Value of Taxable Property	128
Direct and Overlapping Property Tax Rates	129
Principal Property Tax Payers	130
Property Tax Levies and Collections	131
Ratios of Outstanding Debt by Type	132
Ratio of General Bonded Debt Outstanding	133
Direct and Overlapping Debt	134
Legal Debt Margin Information	135
Pledged-Revenue Coverage	138

**CITY OF SANTA FE SPRINGS  
TABLE OF CONTENTS  
YEAR ENDED JUNE 30, 2023**

Demographic and Economic Statistics	140
Principal Employers	141
Full-Time and Part-Time City Employees by Function	142
Operating Indicators by Function	143
Capital Asset Statistics by Function	144

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

January 17, 2024

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.

Jay Sarno, Mayor • William K. Rounds, Mayor Pro Tem  
City Council

Juanita Martin • Annette Rodriguez • Joe Angel Zamora  
City Manager

René Bobadilla, PE, City Manager

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**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.

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**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:

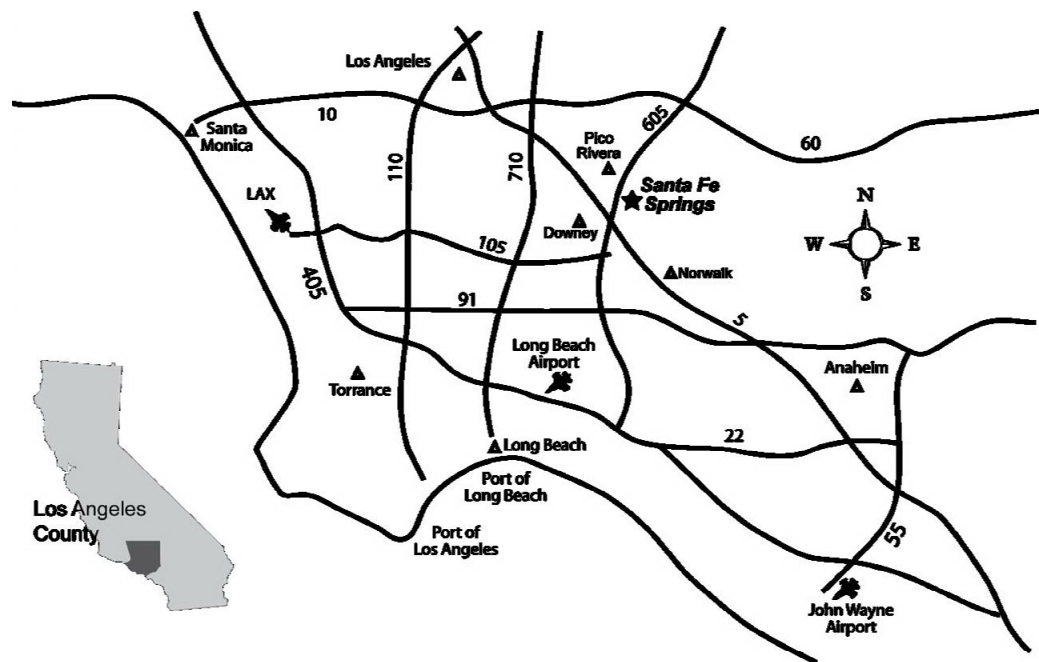
- (1) The safeguarding of assets against loss from unauthorized use or disposition; and
- (2) The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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 9 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.

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**Local Economic  
Outlook**

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

The City's sales tax base is comprised of businesses within the following categories: Business and Industry (Manufacturing and business-to-business 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 2021-22 was the highest the City had ever generated, the sales tax generated in FY 2022-23 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 fourth 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.

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**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 comprises 57 members working from four fire stations providing traditional fire suppression services, hazardous materials response, fire prevention, and emergency medical services, and 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” for administering all the City’s hazardous materials, hazardous waste, and tank programs. 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

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**Accomplishments  
& Outlook (cont.)**

education events. In FY 2022-2023, the Environmental and Prevention Divisions performed nearly 2500 permit inspections of new and existing facilities. Fire Suppression personnel have a business-friendly fire inspection program to annually inspect each business in the City to identify possible fire and life safety issues and update emergency contact information in the department's database. The Department of Fire Rescue conducted over 2050 business and residential inspections and responded to over 3,800 emergency calls in FY 2022-23.

The Department of Fire Rescue currently staffs a State Regional Urban Search and Rescue Team (US&R) designated at the highest level as a "Heavy" rescue team by the Office of Emergency Services (OES). Fire-Rescue also staffs a Type I Hazardous Materials Response Team with all staff trained to the Haz-Mat "Specialist" level. The City is currently one of only thirty Hazardous Material Teams in the State certified as a Type I Response Team and qualified to mitigate emergencies involving acts of terrorism and weapons of mass destruction. The Department houses and maintains an OES Fire Engine for local and statewide disaster response. The Department continues to support neighboring communities through the California Master Mutual Aid Agreement in response to major disasters and emergencies, including brush fires, landslides, earthquakes, acts of terrorism, major disasters, etc. In FY 2022-2023, the Department of Fire-Rescue assisted outside their jurisdiction nine times to significant fire incidents. The City was reimbursed over \$332,000 in backfill expenses for labor and equipment to respond to these incidents.

In partnership with Rio Hondo College, the department 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 to assist 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 2022-2023, the Fire-Rescue Department secured \$798,000 through the 2020 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.

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## Department of Police Services

### **Accomplishments & Outlook (cont.)**

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

Additionally, Police Services is also responsible for animal licensing services, processing regulatory permits such as catering food truck, soliciting, sidewalk vending, alcohol sales conditional use, entertainment conditional use and special events permits.

During FY 2022-2023, the department continued to strive toward keeping crime and property loss rates at the lowest possible levels, maintain acceptable response times for emergency service calls, promote the use of technology, and enhance coordination between schools and the City. The policing team focused on enhancing community partnerships by providing a variety of programs, services and tools designed to deter and reduce crime, assist families with at-risk youth, and maintain the safety and well-being of all citizens within the community. Some of the Department efforts and accomplishments included:

- Whittier Police Department Officers responded to 15,098 calls for service throughout the City and provided 1,007 pro-active patrols. Additionally, field patrol officers responded to 1,007 traffic related incidents. Police officers also responded to several incidents involving Driving Under the Influence (DUI) offenses resulting in arrests and 36 citations were processed for cost recovery.
- Police response times to priority calls decreased by 4%.
- The Investigative Bureau made arrests in two homicide investigations. While one investigation remains active, the second investigation was closed with an arrest made and the case was submitted to District Attorney's office for filing.
- WPD continued to partner with LA County District Attorney Investigators Community Violence Reduction Team (CVRT) to conduct sweeps, targeting violent suspects, and conduct gang enforcement operations to address violators who jeopardize the safety of the community.
- Officers conducted seven large homeless encampment cleanups at various locations throughout the City including Coyote Creek, Santa Fe Springs Road as well as various rail lines that run through the City of Santa Fe Springs. Cleanups required partnering with the Los Angeles County

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**Accomplishments  
& Outlook (cont.)**

Department's HOST Team, LA County Department of Public Works, Union Pacific Railroad and Burlington Northern Santa Fe Railroad.

- Officers conducted 24 parole/probation compliance searches in the City to address issues affecting public safety and quality of life issues. The team also conducted compliance checks on sex registrants.
- The Special Enforcement Team (SET) made 26 arrests for violations including weapons, narcotics and outstanding warrants.
- WPD SET partnered with the Drug Enforcement Administration (DEA) to conduct several operations involving major drug trafficking organizations. These efforts have resulted in the seizure of over 85 pounds of methamphetamine and 30,000 fentanyl pills from Santa Fe Springs based investigations.
- In an effort to increase traffic safety, the department focused on traffic enforcement operations and proactive traffic overtime enforcement. Approximately, 797 citations were issued for hazardous violations such as distracted driving, unsafe speed, disobeying signage, red light violations and unsafe movements.
- WPD Traffic Bureau teamed up with Santa Fe Springs California Highway Patrol to target hazardous moving violations in the City of Santa Fe Springs. The joint operation resulted in over 135 enforcement stops and 135 citations issued. The area of concentration occurred along Florence and Telegraph Road.
- Ten additional Flock Automatic License Plate Reader (ALPR) Cameras were installed throughout the City bringing the total number to 30 ALPR cameras. These cameras are part of the latest technologies to aid in crime prevention and the apprehension of criminals. The use of the devices enhances productivity, effectiveness and officer safety.
- Additional solar-powered surveillance cameras were installed in select residential locations to help deter criminal activity and enhance neighborhood safety and security. Staff also worked to upgrade the security camera system in the interior and exterior of City Hall.
- In an effort to increase community safety, the department implemented a Home Security Camera Rebate Program which offers residents a rebate for the purchase and installation of a security camera device at their residence. Approximately, 40 homeowners have taken advantage of this opportunity to enhance security at their homes.
- The department continued to focus on crime prevention efforts and subscribe to Crimereports.com; providing citizens with access to up-to date city crime statistics.
- The department partnered with Graffiti Tracker to aid with graffiti vandalism documentation and analytic services to help identify, track and prosecute graffiti vandals.



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## Accomplishments & Outlook (cont.)

- The department purchased two Stalker Radar Trailers. Speed radar trailers are a reliable traffic calming tool that provides valuable data to help the department identify problematic areas time frames when speeding is occurring. This technology and data allows us to deploy traffic enforcement resources accordingly.

### Public Safety Program:

Public Safety Officers (PSO's) provide citywide support and perform a variety of public safety and law enforcement functions and serve as a liaison between law enforcement and the community. PSO's work seven days a week to enhance the quality of life and increase the safety and well-being of citizens who live, work and visit Santa Fe Springs. Their duties include but are not limited to responding to non-emergent/non-hazardous calls for service, preparing criminal/non-criminal police reports, documenting traffic collisions, and enforcing parking violations. PSO's provide vital support to police officers by responding to non-emergent calls for services and addressing quality of life concerns, which allow sworn police officers to remain free to respond to emergent/priority calls for service.

- Public Safety Officers (PSO's) played a critical role in the department's field operations. PSO's responded to approximately 4,580 calls for service and provided 4,856 pro-active patrols throughout the City. Calls for service included, but were not limited to parking violations, graffiti vandalism, safety hazards, non-criminal and criminal reports and other quality of life issue concerns. A total of 4,808 parking citations were issued.
- PSO's responded to 564 traffic collision related incidents; leaving sworn personnel available to respond to emergent calls for service and reducing overall response times for priority calls.
- PSO's prepared 1,285 criminal/non-criminal and traffic collision reports.
- PSO's issued 418 parking warnings to vehicles in violation of 72-hour parking.
- PSO's issued 290 Notice of Violations for illegal street vending activity.
- PSO's completed over 288 hours of officer safety training which included PC 832 Laws of Arrest and Pepper Spray Defense.
- Enhancing community-partnerships by improving community relations was also a key area of focus. The department held events such as Coffee with a Cop, Sweets & treats with Santa, Trick-or-Treat at the Police Services Center, and hosted information booths at community and City special events. Additionally, PSO's and WPD personnel visited elementary school and participated in Read Across America which aims to celebrate reading across the county.
- The department partnered with numerous law enforcement agencies, non-profit organizations and City Departments to host National Night Out (NNO). The event aims to strengthen community-police partnerships and

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**Accomplishments  
& Outlook (cont.)**

build neighborhood camaraderie, essential in keeping our community safe. NNO included police and fire vehicle displays and community information booths.

- The Bike Patrol Program continued throughout the City. Public Safety Officers provided pro-active patrol on bicycles in residential neighborhoods, City facilities, and parks to improve citizen engagement and ensure a safe community.
- A Catalytic Converter Etching Event was held to promote crime prevention and help protect vehicles against theft and aid in the recovery of stolen catalytic converters.
- Three Community Block Parties were also held to bring community members together to get to know their neighbors and policing team in a relaxed environment.
- The department emphasized crime prevention through the Safe Neighborhood Team Program (SNT). Meetings were held bi-monthly throughout the year at Town Center Hall. Residents came together to learn and discuss crime prevention tips and strategies, crime trends, disaster preparedness, and share their public safety concerns in a public forum. Additionally, the department hosted crime prevention meetings at Senior Living Communities.
- 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 Whittier Police Department to host Situational Awareness Active Shooter Training for all City employees. The training focused on best practices to help prepare and train employees on how to respond to an active shooter incident in the workplace.

**Animal Licensing Program & Regulatory Permits:**

- During FY 2022-2023, 1,067 dog licenses were processed.
- The Department partnered with the Southeast Area Animal Control Authority (SEAACA) to host the annual Low-Cost Pet Vaccination. 127 animals were licensed, 258 received vaccinations and 19 pets were microchipped.
- Administrative staff issued 19 regulatory permits for catering food truck operations, three special events permits and one sidewalk vending permit.
- A total of 144 yard sale permits were issued during FY 2022-2023.

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**Accomplishments  
& Outlook (cont.)**

Family and Youth Intervention Program:

The Family and Youth Intervention Program's (FYIP) mission is to positively engage families and their children who are experiencing relationship and/or developmental challenges with an array of multidisciplinary intervention strategies that promote competent assets needed to thrive as successful families and young adults. The team also works to promote diversity, and create awareness about the consequences of drug and alcohol use.

- The 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, 45 local families completed the Parent Project and 17 families completed the Loving Solutions Program.
- The department and FYIP team remained dedicated to providing drug awareness and prevention education through partnerships with local schools through the National Red Ribbon Campaign. The annual Red Ribbon Community Parade and Art Contest was held in October and staff received hundreds of art entries from local students in grades pre-Kindergarten to High School.
- In partnership with St Paul High School, the California Highway Patrol and numerous departments and community partners, a powerful message reminded students about the life changing consequences of drinking and driving and the impact of poor decision making. Partial funding for the program was provided by a \$9,999 grant from the California Office of Traffic Safety, through the National Highway Traffic Safety Administration.
- FYIP staff visited schools and continued to offer after school computer use and homework help to students daily. In addition, staff conducted a behavior modification class at Lake Center Middle School to promote respect and good behavior.
- The School Attendance Review Team (SART) held regular meetings to address truancy concerns and improve attendance. Approximately, 42 cases were examined which resulted in individualized plans to put students and families on a path to success.
- The FYIP Team diversity component partnered with schools throughout the City to host Student Diversity Assemblies. The goal of these presentations is to help motivate and equip all to show compassion, promote diversity and teach students that they can be part of positive changes in themselves, their schools and community.
- 270 10<sup>th</sup> grade students from Santa Fe High School participated Museum of Tolerance educational field trips. The museum trips play a powerful role in helping students the history of the Holocaust and prejudice around the world.
- The FYIP remained dedicated to keeping youth engaged through its Summer Group programming. By educating youth about making thoughtful

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**Accomplishments  
& Outlook (cont.)**

and positive choices, they can be better prepared for situations in life they encounter that challenge their inner strength and confidence.

Code Enforcement Program:

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

Code Enforcement activity for FY 2022-2023, included, but was not limited to:

- 79 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.
- Coordinated outreach and partnered with outside agencies to remove homeless encampments located on City property, Burlington Northern Santa Fe Railroad, Union Pacific Railroad, LA County Public Works, Caltrans and private properties. The team coordinated with these agencies and business owner's to assist with several homeless encampment cleanups. Although, some of these homeless encampments were located on outside agency property, they ran through the Santa Fe Springs jurisdiction and negatively impacted the residential and business community.
- Over 147 contacts were made with individuals experiencing homelessness.
- Partnered with the WPD SET Team to assist with three marijuana grow investigations. These investigations resulted in one search warrant where 4,600 pounds of marijuana was seized. The other two locations cooperated with Police and Code Enforcement and vacated the properties without incident.
- Code Enforcement Inspectors conducted 489 residential and commercial inspections and 617 follow-ups in an effort to get properties into compliance.
- Inspectors also issued 125 Notice of Violations and 250 Administrative Citations were issued by Code Enforcement and Public Safety Officers for various code violations.
- Code Enforcement staff also remained dedicated to participating in ongoing training. Inspectors participated in over 75 hours of code enforcement continued education and officer safety trainings.

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## Accomplishments & Outlook (cont.)

- Code Enforcement Staff processed five Alcohol Sales Conditional Use Permits (ASCUP). In addition, staff processed 12 ASCUP Compliance Reviews.
- Staff also continued to work closely with the Planning Department to identify potential impacts and mitigate hazards of new and existing developments by developing conditions of approval to ensure safety and minimize negative impacts to the community.

### 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, 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 2022-2023, the Engineering Division issued approximately 300 total excavation and construction permits.

During FY 2022-2023, the Department of Public Works coordinated a multitude of capital improvement projects including:

#### Facility Improvements

- Roof Replacement at Municipal Services Yard Warehouse and Administration office
- Roof Replacement at Betty Wilson Center
- Carpet Improvements at Police Service Center

#### Park Improvements

- Parking Lot Expansion at Los Nietos Park
- Playground improvements at Lakeview Park
- Playground Improvements at Los Nietos Park
- Heritage Park Train Exhibit Improvements (Box Car Rehabilitation)
- Parking Lot Expansion at Santa Fe Springs Park

#### Street Improvements

- Pioneer Blvd (Charlesworth Road to Los Nietos Road)
- Valley View Avenue at Rosecrans Avenue Intersection Improvements
- Residential Concrete Improvements including walkways at Lake Center/Los Nietos/Lakeview Parks

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**Accomplishments  
& Outlook (cont.)**

- Residential Street Improvements – Slurry Seal 2022
- Stop Sign Installations at Orr and Day Road at Whiteland Street
- Street Rehabilitation on Residential Streets South of Florence Ave
- Street Rehabilitation on Longworth Avenue (Orr & Day Road to Harvest Avenue)
- Street Rehabilitation on Pioneer Frontage Road (Clarkman Street to south end)

**Regional Improvement**

- I-5 Freeway Valley View Avenue Segment

**Street Light Improvements**

- LED Residential Street Light Conversion (SCE Owned Street Lights HPSV to LED)
- LED Residential Street Light Conversion (City Owned Street Lights HPSV to LED)

**Water Improvements**

- Florence Avenue Underpass Storm Pump Replacement

**Department of Planning and Development**

The Planning and Development Department provides staff support to the City Council, Planning Commission, Housing Successor, Successor Agency, , and other development-related activities. The Planning and Development Department is responsible for the following divisions:

- Planning
  - Current and long-range planning;
- Building & Safety
  - Managing the plan check process, issuing permits, and conducting inspections;
- Economic Development
  - Creating, retaining, attracting, and expanding the business community; and
- Housing
  - Improving the quality of our neighborhoods, providing affordable housing options, and managing and disposing of the assets of the former redevelopment agency.

The role of the department is to foster public involvement and creativity and assist decision makers and the public in formulating and implementing policies, which balance environmental, economic and social needs for the present, and future. The department is committed to playing a prominent role in shaping the community through high-quality standards citywide to preserve and cultivate smart and sustainable growth of the City's residential, commercial, and industrial areas. Through the regulation of land use and

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**Accomplishments  
& Outlook (cont.)**

development, the Department of Planning and Development continually strives to protect and enhance the City's environment and quality of life, resulting in a diverse and livable community where residents, businesses, and visitors can thrive.

Planning Activities during FY 2022-2023

- 1) Total number of entitlements processed:
  - Discretionary entitlements: 42 total.
  - Administrative entitlements: 20 total (*wireless projects*)
  - Ministerial entitlements: 1 total (*SB 35*).
- 2) Advance Planning projects completed:
  - Adopted new Transportation Study Guidelines
  - Objective Design Standards Toolkit for four multi-unit/mixed use zones.
- 3) Total number of plan checks completed:
  - 500 total.
- 4) Total number of Zone Certification Letters prepared:
  - 21 total.
- 5) Various miscellaneous permits processed:
  - 3 Office Trailer Permits.
  - 2 Home Occupation Permits.
  - 8 Preliminary Application Reviews.
  - 1 Banner Permit.
- 6) Total number of individuals assisted at the counter:
  - 737 total.

Building Activities during FY 2022-2023

- 1) Total permits issued:
  - 1,549 total
    - 684 Building Permits
    - 422 Electrical Permits
    - 172 Mechanical Permits
    - 172 Plumbing Permits
    - 85 Sewer Permits
    - 14 Grading Permits
- 2) Overall project valuation of permits issued:
  - \$291,563,336 total
  - It should be noted that the Electrical, Mechanical, Plumbing and Grading permits do not have a valuation.
- 3) Total number of individuals assisted at the counter:
  - 622 total.

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**Accomplishments  
& Outlook (cont.)**

Economic Development Activities during FY 2022-2023

- 1) Approved the City's first Mixed-Use project, involving both a residential and commercial component at 11350 Washington Boulevard (Applicant: Primestor).
- 2) Construction began for a new Chick-Fil-A drive-through restaurant at 13225 Telegraph Road.
- 3) The General Plan now includes an Economic Development Element (EDE) and an Economic Development Strategic Plan (EDSP). The Economic Development Element provides the overall framework for decision making that affects economic development in the City. The purpose of the Economic Development Element is to maintain and improve the economic sustainability of Santa Fe Springs by addressing: 1) Economic growth and development; 2) Business attraction, retention and expansion; and 3) Fiscal strength and stability. Whereas the EDE provides longer-term policy guidance, the EDSP is intended to provide a more detailed implementation strategy or action plan for the next 5 years.
- 4) Escrow closed on the former 1.68-acre Community Development property at 10712 Laurel Avenue. The developer intends to construct a standalone building for a Sonic Drive-In and a multi-tenant building with the main tenant being Dave's Hot Chicken.

Housing Activities during FY 2022-2023

- 1) Submitted the third draft of the 2021-2029 Housing Element to the California Department of Housing and Community Development (HCD).
- 2) Approved entitlements for a new 88-unit Mixed-Use affordable housing project at 11350 Washington Boulevard.
- 3) Approved entitlements for a new 18-unit affordable housing project at northeast corner of Lakeland Road and Laurel Avenue (Applicant: Habitat for Humanity).
- 4) Accessory Dwelling Units (ADUs) reviewed and approved: 9 total.

Upcoming Activities

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

- 1) Adopting Targeted Zoning Ordinance Update to ensure the City's Zoning Ordinance and Zoning Map are internally consistent with the City's 2040 General Plan; and
- 2) Creating ADU Guidelines and updating our ADU Ordinance; and
- 3) Adopting a Senate Bill (SB) 9 Ordinance; and
- 4) Adopting a new Nonconforming Situations Ordinance that will entirely replace our existing nonconforming provisions.
- 5) Initiating process to declare surplus land and issue a Notice of Availability (NOA).



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## Department of Community Services

### **Accomplishments & Outlook (cont.)**

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 2022-2023, the Department of Community Services achieved several significant accomplishments.

The following includes a variety of program, event and department accomplishments:

- A wide variety of contract classes ranging from special interest, fitness, sports, and enrichment classes were offered for a various age groups. In total, 493 participants joined Parks & Recreation classes.
- Youth Sports leagues and clinics were offered in basketball, soccer, flag football, boxing and pee wee sports with a total of 945 participants (an increase of 12% compared to FY 2021-2022).
- The Adult Sports Program offered year-round basketball, volleyball and softball leagues. A total of 115 teams, which included an estimated 1,160 participants, registered for these programs.
- The Day Camp program included Spring Camp, Summer Camp, Fall Camp, and a special 1-day Grinchmas themed camp. There were a total of 480 participants in the Day Camp Program, an increase of 13% compared to FY 21-22.
- The Excursions Program continues to be a strong community program. Highlights of excursions included trips to the Los Angeles Dodgers game, the Mission Inn Festival of Lights Tour in Riverside, the Ronald Reagan Presidential Library in Yorba Linda, and the Aquarium of the Pacific in Long Beach and trips to local water parks and beaches. A total of 609 participants attended these trips.
- On Sunday, July 3, 2022, Community Services hosted its annual Independence Day Festival at Los Nietos Park. Attendees enjoyed several food vendors, a horseshoe tournament, a kid's zone, arts and crafts, a tee shirt giveaway, a hoola hoop contest, live entertainment from Soto and Flashpants, and a wonderful firework show. An estimated crowd of 2,800 people at the park on Sunday.
- The Fiestas Patrias event was held on Friday, September 9, 2022 at Los Nietos Park. The event featured dance performances, a re-enactment of El Grito, and a live performance by legendary Latin group, La Sonora Dinamita. Over 1,500 people attended.
- The Community Services Department hosted the annual Walk to School Day event on Wednesday, October 5, 2022. Five elementary schools from Little Lake City School District and Los Nietos School District participated.

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**Accomplishments  
& Outlook (cont.)**

Walk to School Day is a global event participated in by over 40 countries around the world. It is estimated that 420 students participated in this program.

- The annual Halloween Carnival was held at Los Nietos Park on Saturday, October 29, 2022 and included game booths for kids, an inflatable zone, and a costume parade. It is estimated 1,500 community members attended the event.
- The annual Tree Lighting Ceremony returned to an in-person event and was held on Saturday, December 3, 2022 at Town Center Plaza. The event featured a snow sledding area, pictures with Santa, food vendors, a holiday boutique, hot cocoa and cookies, and a train ride through Clarke Estate. There was also live musical performances by our local schools. An estimated 1,300 people attended.
- In its 42<sup>nd</sup> year, the Santa Float Program made its return to traditional form. During the two week period, the Float made 25 stops throughout Santa Fe Springs and 16 Home Visits. It is estimated over 5,000 people visited Santa, and staff printed 2,200 pictures. Additionally, 1,100 pictures were downloaded through Shutterfly. 76 volunteers helped ensure the success of the program, and to acknowledge their support, a special volunteer recognition dinner was held on February 8, 2023.
- In celebration of Presidents' Day, the City hosted the Presidents' Day Penny Carnival at the Activity Center. The carnival was attended by hundreds of kids and families who enjoyed 14 carnival style game, hot dogs, and an afternoon of fun.
- On Saturday, February 22, 2023, the City hosted a Hiring Expo for the position of Program Leader I at Town Center Plaza. Despite a rainy day, there were 58 applications that were received, including 29 walk-in individuals. Of the 58 applicants, 43 were offered employment.
- The annual 5K Fun Run/Walk & Toddler ¼ Dash was held on Saturday, March 11, 2023. 705 runners registered for this program.
- Approximately 510 middle school and high school students participated in the Teens Empowered and Engaged in Neighborhood Service (T.E.E.N.S.) Program, which offered bi-weekly meetings that included holiday-themed games & crafts, presentations, and educational workshops
- Approximately 58 T.E.E.N.S. members came out and assisted with Community Services special events such as Independence Day Celebration, Tree Lighting, Presidents' Day Penny Carnival, Shamrock Community 5K Fun Run/Walk, and Easter Egg-stravaganza.
- In partnership with non-profit meal provider Empowered 4 Life, 3,914 meals were served to middle school and high school-age participants in The Club.
- To expose and encourage curiosity in various aspects of technology, The Club hosted "Tech Tuesdays" which informed youth as to the various types of emerging technology such as 3D printers, virtual reality headsets/gaming, and computer animation. Approximately 92 middle school and high school-age youth participated during the school year.

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## Accomplishments & Outlook (cont.)

- In the ongoing effort to keep up with the popular gaming console systems that youth are utilizing, two new PlayStation units (PS5) were purchased along with new, age-appropriate games in FY 2022-23. These new consoles replaced the PS4 units. Additionally, a new 86" ultra-high definition television set was purchased and installed in The Club to provide a more exciting and enhanced viewing experience for participants.
- The City's Youth Leadership Committee hosted a Movie Night in May that was attended by 42 community teens. The movie The Sandlot was shown with snacks & beverages provided.
- On Saturday, March 25, 2023, over 80 children and families came out on and had a chaktastic time at Chalk It Out! In addition to chalk art, participants enjoyed free books provided by our awesome Library staff, arts and crafts, face painting, and corn dogs provided by Hot Dog On A Stick.
- On Saturday, April 11, 2023, Community Services hosted its annual Easter Eggstravaganza event at Heritage Park. 625 children participated in the egg hunt and collected over 10,000 Easter eggs. Staff also printed 525 pictures with the bunny for all the families in attendance.
- On Friday, June 16, 2023, the City celebrated the newest gem, a new playground at Lakeview Park, the second playground renovated during the fiscal year. The playground was a collaborative effort between the City and Little Lake City School District.
- The Community Services Department implemented several internal operational changes, including:
  - A new automated workflow to expedite refund requests and facility fee waivers
  - An integration between Team Sideline and Active Network to streamline the creation of youth sports rosters
  - The implementation of Canva to collaborate on modernized marketing materials and systematize approvals
  - Implemented JotForm Enterprise as a tool to collect digital applications from staff and members of the public
- The Library resumed in-person programming. In addition to Preschool and bilingual Storytimes, we offered the following special programs:
  - First Friday – Our award-winning First Friday program resumed on April, 2023 with the Korean Classical Music and Dance Company. In June, we presented the Sakai Flamenco dancers.
  - Afternoon Tea – The event was hosted in April 2023 and focused on the rich history of Santa Fe Springs. Speaker Jaque Nunez highlighted Native American history, while attendees enjoyed a full three course tea service.
  - Battle of the Books – Literacy Services hosted a Battle with students from Rancho Santa Gertrudes Elementary School.

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**Accomplishments  
& Outlook (cont.)**

- Author Day – Literacy Services invited students for a pizza lunch and to meet author Rex Ogle, who read an excerpt from his book *Free Lunch*.
  - Animal Sleepover – 27 children befriended a new stuffed animal and then left them in the Library to spend the night. The children watched their new friends on social media as they played throughout the Library.
  - STEAM Power – Aimed at elementary school age children, this new program explores science, technology, engineering, art, and math concepts through experiments and art activities.
  - Dia de los Niños – The Library received a \$500 grant to provide a Dia de los Niños program for children. This special bilingual program featured crafts, activities, and bilingual book giveaway.
- 
- In Fiscal Year 2022-2023, the Library reclassified its Administrative Clerk II position to Librarian II – Technical Services. This professional position oversees all technology functions, including the administration of the Library's public access computers, integrated Library system and all STEAM programming.
  - The Library upgraded its public copier and began offering WI-FI printing. Patrons can now print in black and white or color from the Library's computers or their personal devices.
  - The Library began a new book group, Murder Ink. This group of true-crime book lovers meet monthly via Zoom. This brings the total of book clubs offered to six.
  - The Library was awarded a \$2,000 grant in July 2022 from the California State Library to implement the ZIP Books program. This program allows the library to fulfill physical book and audio book requests from patrons by purchasing the items from Amazon and sending them directly to the patron.
  - The Library was awarded a grant of \$30,000 from the California State Library in February 2022 to transform the William C. Gordon Learning Center located at Gus Velasco Neighborhood Center from a small circulating library with a few computers into a TechLab for Seniors. This new lab has 13 new computers, new computer furniture and equipment selected with senior needs in mind, a new printer and a new large TV monitor to facilitate computer classes. Scheduled to open in July 2022, lab users will be assisted by tech-savvy Library staff who can help seniors with lab computers and also assist with seniors' personal devices.
  - The Library was been pre-approved by the U.S. State Department to offer Passport Acceptance service in June 2023. Individuals will be able to come to the Library to submit their application and documentation to receive a passport. We anticipate offering this in-demand service starting October 2023.
  - The Library was awarded a grant of \$30,000 from the California State Library to transform the William C. Gordon Learning Center at Gus Velasco Neighborhood Center from a small circulating library with a few computers into a TechLab for Seniors. This new lab has 13 new computers, new computer furniture and equipment selected with senior needs in mind, a new printer and

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**Accomplishments  
& Outlook (cont.)**

- a new large TV monitor to facilitate computer classes. Scheduled to open in September 2022, lab users will be assisted by tech-savvy Library staff who can help seniors with lab computers and also assist with seniors' personal devices.
- The Library has been pre-approved by the U.S. State Department to offer Passport Acceptance service. Individuals will be able to come to the Library to submit their application and documentation to receive a passport. We anticipate offering this in-demand service starting October 2022.
  - The 2022-2023 Summer Concert and Movie Series consisted of 7 concerts and 3 movie nights held at three different park locations. It included the participation of the Abigail Barraza Foundation as well as the Police Services Department that hosted National Night Out with a concert featuring Mariachi Linda Mexicanas. The final concert was a Country band in total, the series had approximately 4,000-4,500 attendees across all 10 event dates with movies averaging 100 guests per showing.
  - The 2022 Día De Los Muertos event on Saturday, October 15, 2022 at Heritage Park. Approximately 1,000 guests visited the event, which offered food vendors, sugar skull crafts for kids, artisan items for sale, and a community ofrenda showcase. The event featured three Dance Performances by Ballet Folklórico Mi Herencia, Mila Soria and Friends, Paso de Oro, as well as a Mariachi performance by Mariachi Las Catrinas. A total 69 sugar skulls were sold to community members.
  - The annual Las Posadas was held Friday, December 9, 2022. The event hosted the tradition of participants gathering at the north end of Heritage Park where they are led along the walkway knocking on three doors seeking shelter. Approximately 500 participants took part in the procession led by Mary and Joseph and a group of Mariachi singing "Pidiendo Posada" (asking for shelter) at each stop along the way. The event concluded with colorful folkloric dancers, Mariachi entertainment, crafts and an opportunity to see Santa Claus.
  - The Department of Community Services hosted its annual SFS Art Fest on April 27 & 28, 2023. The event began with the Preview and Showcase night on Thursday evening with the SFS Art Fest on Friday. An estimated 3,000 participants enjoyed a full schedule of activities. The event consisted of just over 200 novice, professional and student artist exhibiting over 500 pieces of art. New this year, were the exhibits of Nuestra Vida Culture which included three lowriders on display and representation of the lowrider lifestyle; There was a tattoo and piercing artist providing live demonstrations of body artwork; and representation of our Chalk it out winners were able to chalk more and be highlighted in front of our community. Many food trucks were available and all three stages were crowded with participants enjoying the various entertainment.
  - A total 61 Santa Fe Springs Older Adult residents hold their gym membership at the Gus Velasco Neighborhood Center.
  - Older Adult Services continues to offer new programming of various arts and crafts. Additionally, health and wellness educational classes were implemented.
  - Community Services Department, in partnership with the Rotary Club, provided a back to school backpack program offering backpacks filled with

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**Accomplishments  
& Outlook (cont.)**

school supplies. 157 Santa Fe Springs children were provided backpacks. Over \$7,090 in monetary donations was received from City businesses and school supplies from individuals and companies.

- The annual Volunteer Income Tax Assistance Program began in February 2023. 175 tax returns were completed. A total of \$195,319 was refunded for 2022 tax season.
- Community Services Department partners with the Southeast Area Social Services Funding Authority (SASSFA) to serve hot meals to seniors at the Gus Velasco Neighborhood Center. SASSFA served a total of 12,750 hot meals (a daily average of 49 participants).
- The Department of Community Services provided food baskets and gifts to 323 families through the Thankful Neighbor and Neighborly Elf Basket Programs. A total of \$24,415.00 in monetary donations was received by 37 businesses/individuals.
- In 2022-2023 Human Services Case Workers responded to 4460 inquiries for various services such as housing issues, financial assistance, form assistance and homeless support. Most of those who called are older adults and families who are homeless or at-risk of homelessness.
- Community Services Department sponsored 10 Santa Fe Springs children to attend a “sleep away camp” in partnership with Woodcraft Rangers.
- In partnership with Spiritt Family Services, the Family and Human Services Division continues to host “Healthy Children, Healthy Families” workshops which provide families strategies to prevent child abuse & neglect and strengthen their family’s protective factors.
- Community Services Department continues to partner with United Way, Southern California Edison and So Cal Gas to provide utility assistance to low-income families at risk of having their utilities disconnected. Through this partnership, the Department processed 382 applications, totaling \$67,830.77 in utility assistance grants during FY 2022-2023.
- Through the Family and Human Services Funds (FHS), the City provided \$1,184.59 in sports sponsorships to residents experiencing financial hardship.
- As Certified Application Counselors under Covered California, Case Workers provided enrollment in affordable health care to 43 uninsured families and individuals.

### 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.

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## Department of Finance and Administrative Services

### **Accomplishments & Outlook (cont.)**

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 implementing the Human Resources and Payroll software next year.

During Fiscal Year 2022 through 2023, the City's operations were in part 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.

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### **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.

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### **Debt Administration**

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

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

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

At June 30, 2023, the City of Santa Fe Springs oversaw five outstanding bond issues comprised of: three Consolidated Redevelopment Project tax allocation bond issues, and two City water revenue bond issues.

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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/Finance 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.

A handwritten signature in blue ink, appearing to read "René Bobadilla".

René Bobadilla  
City Manager

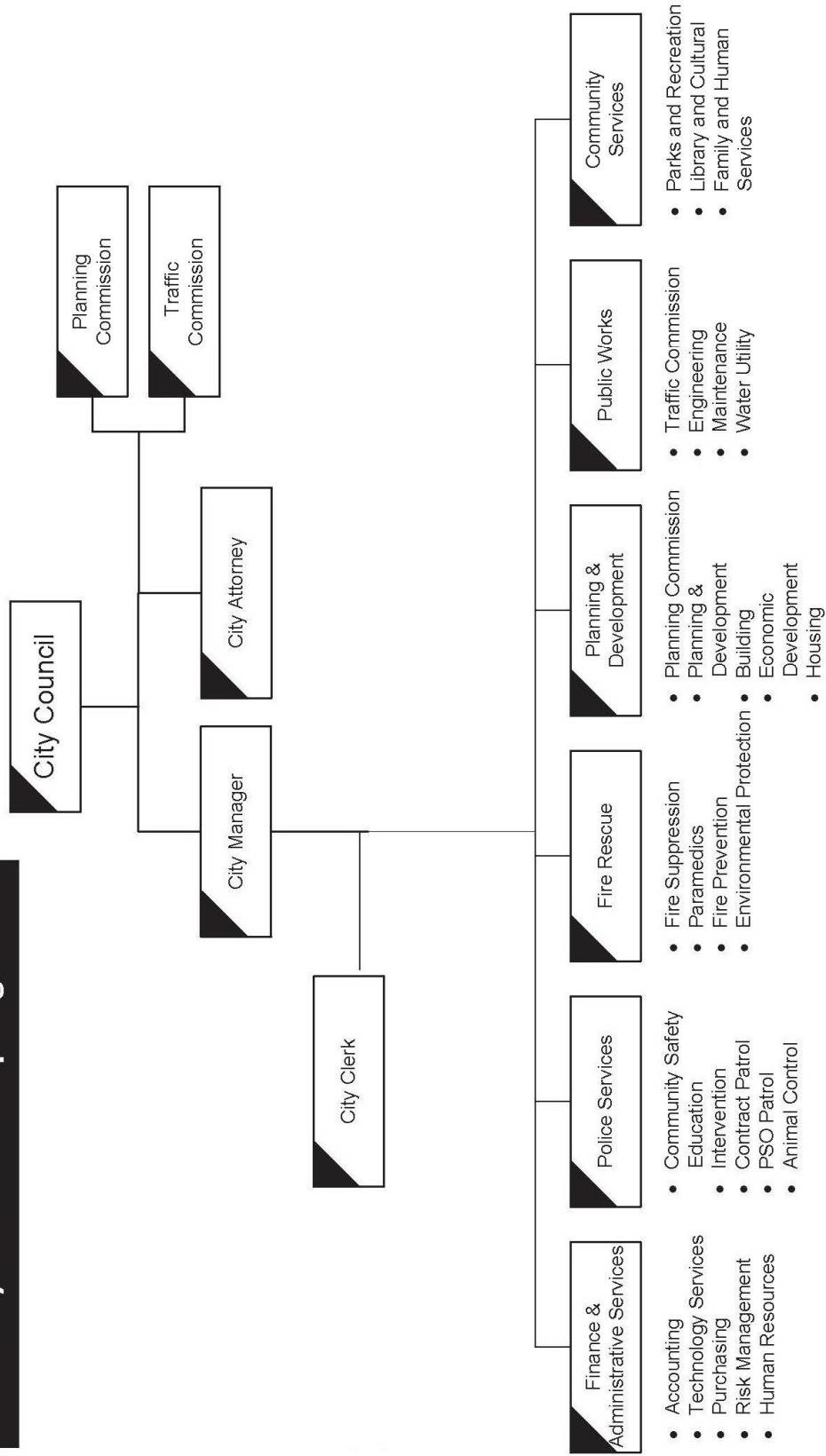
A handwritten signature in blue ink, appearing to read "Lana Dich".

Lana Dich  
Director of Finance and Administrative Services



# Organizational Chart

## City of Santa Fe Springs





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
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Presented to

**City of Santa Fe Springs  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs (the City), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis-of-Matter - Restatement***

As described Note 17 to the financial statements, the net position as of July 1, 2022, was restated to correct a misstatement.

#### ***Emphasis-of-Matter – Change in Accounting Principle***

As described in Note 1 to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, GASB No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to these matters.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the General Fund and Low and Moderate Income Housing Assets Fund, the schedules of changes in the net pension liability and related ratios for the agent multiple-employer miscellaneous plan, the schedule of plan contributions for the agent multiple-employer miscellaneous plan, the schedule of proportionate share of the net pension liability for the cost sharing safety plan, the schedule of plan contributions for the cost sharing safety plan, the schedule of changes in the net OPEB liability and related ratios, and the schedule of contributions for OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 17, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

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

**CliftonLarsonAllen LLP**

Irvine, California  
January 17, 2024

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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, 2023. 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 \$39.3 million to \$216.9 million. The governmental net position increased by \$38.4 million or 24.8%, while the business-type net position increased by \$0.9 million or 3.9%.
- The general fund, on the current financial resources basis, reported an increase in fund balance of \$32.1 million to \$100.4 million. Excluding transfers and other financing sources/uses, the general fund reported \$24.8 million excess of revenues over expenditures. Revenues increased by \$14.6 million or 16.9% and expenditures increased by \$6.3 million or 9.1% when compared to prior year. Increase in revenues was primarily due to increase in revenues provided by sales, use, and transaction taxes and charges for services. Increases in expenditures were mainly due to supply chain pressure, causing inflation to rise sharply.
- At the close of the fiscal year, unassigned fund balance for the general fund was \$33.6 million or approximately 40.0% of total general fund expenditures and transfers.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

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.
- Fiduciary funds statements provide information about the financial relationships in which the City acts solely in a trustee or custodial capacity for the benefit of others, to whom the resources belong. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs.

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

Financial Analysis of the Government-wide Statements

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

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



**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

City of Santa Fe Springs  
Summary of Net Position  
June 30, 2022 and 2023  
(in millions)

	Governmental Activities		Business- type Activities		Total		Total Percent Change
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	
Current and other assets	\$ 166.9	\$ 200.7	\$ 18.8	\$ 20.4	\$ 185.7	\$ 221.1	19.1%
Capital assets, net	<u>165.9</u>	<u>163.1</u>	<u>25.6</u>	<u>25.0</u>	<u>191.5</u>	<u>188.1</u>	-1.8%
Total assets	<u>332.8</u>	<u>363.8</u>	<u>44.4</u>	<u>45.4</u>	<u>377.2</u>	<u>409.2</u>	8.5%
Deferred outflows	24.1	47.2	1.5	2.7	25.6	49.9	94.9%
Long-term liabilities	125.0	176.0	17.9	20.7	142.9	196.7	37.6%
Other liabilities	<u>12.1</u>	<u>13.1</u>	<u>2.6</u>	<u>2.9</u>	<u>14.7</u>	<u>16.0</u>	8.8%
Total liabilities	<u>137.1</u>	<u>189.1</u>	<u>20.5</u>	<u>23.6</u>	<u>157.6</u>	<u>212.7</u>	35.0%
Deferred inflows	65.2	28.9	2.4	0.6	67.6	29.5	-56.4%
Net position							
Net investment in capital assets	162.3	155.9	18.6	17.6	180.9	173.5	-4.1%
Restricted	32.3	34.5	-	0.6	32.3	35.1	8.7%
Unrestricted	<u>(40.0)</u>	<u>2.6</u>	<u>4.4</u>	<u>5.7</u>	<u>(35.6)</u>	<u>8.3</u>	-123.3%
	<u>\$ 154.6</u>	<u>\$ 193.0</u>	<u>\$ 23.0</u>	<u>\$ 23.9</u>	<u>\$ 177.6</u>	<u>\$ 216.9</u>	22.1%

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 exceeded liabilities and deferred inflows by \$216.9 million at the close of the fiscal year. The largest portion of the City's net position 82.6%, is invested in capital assets, net of related debt. Approximately 1.6 % of the City's net position is unrestricted. Unrestricted net position is at a surplus of \$3.5 million, an increase of \$39.1 million from the prior year. An additional portion of the City's net position, \$35.1 million, represents resources that are subject to external restrictions on how they may be used.

During the fiscal year, the City's ending net position increased by \$39.3 million, when compared to the prior year, revenues increased by \$23.1 million to \$131.3 million. Expenses increased by \$5.4 million to \$92.0 million. Total revenues outpaced total expenses primarily due to increases in sales, use, and transaction taxes, utility users taxes, charges for services program revenues, and operating grants and contributions.

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

**Changes in Net Position**  
For the Fiscal Years Ended June 30, 2022 and 2023  
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percentage Change
	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	
<b>Revenues</b>							
Program revenues:							
Charges for services	\$ 11.6	\$ 14.7	\$ 15.6	\$ 15.3	\$ 27.2	\$ 30.0	10.3%
Operating grants and contributions	6.2	11.4	0.1	0.1	6.3	11.5	82.5%
Capital grants and contributions	0.6	3.4	-	-	0.6	3.4	466.7%
General revenues:							
Sales and use taxes	39.5	40.2	-	-	39.5	40.2	1.8%
Transaction and use taxes	15.7	16.8	-	-	15.7	16.8	7.0%
Property taxes	5.7	5.9	-	-	5.7	5.9	3.5%
Franchise taxes	3.8	4.7	-	-	3.8	4.7	23.7%
Motor vehicle in lieu	2.3	2.5	-	-	2.3	2.5	8.7%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	7.8	8.8	-	-	7.8	8.8	12.8%
Other taxes	0.2	0.2	-	-	0.2	0.2	0.0%
Use of money and property	(3.0)	4.0	0.1	0.4	(2.9)	4.4	-251.7%
Other	1.1	2.3	0.1	0.1	1.2	2.4	100.0%
Total revenues	<u>92.3</u>	<u>115.7</u>	<u>15.9</u>	<u>15.9</u>	<u>108.2</u>	<u>131.6</u>	21.6%
<b>Expenses</b>							
Governmental activities:							
General government	7.6	10.3	-	-	7.6	10.3	35.5%
Public safety	40.5	28.3	-	-	40.5	28.3	-30.1%
Community development	2.7	11.7	-	-	2.7	11.7	333.3%
Public works	16.3	18.8	-	-	16.3	18.8	15.3%
Culture and leisure	5.5	7.3	-	-	5.5	7.3	32.7%
Human services	1.6	2.2	-	-	1.6	2.2	37.5%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	12.3	13.6	12.3	13.6	10.6%
Total expenses	<u>74.3</u>	<u>78.7</u>	<u>12.3</u>	<u>13.6</u>	<u>86.6</u>	<u>92.3</u>	6.6%
Excess (deficiency) before transfers	18.0	37.0	3.6	2.3	21.6	39.3	81.9%
Transfers	1.2	1.4	(1.2)	(1.4)	-	-	
<b>Increase (decrease) in net position</b>	<u>19.2</u>	<u>38.4</u>	<u>2.4</u>	<u>0.9</u>	<u>21.6</u>	<u>39.3</u>	81.9%
Net position - beginning	135.4	154.6	20.6	23.0	156.0	177.6	13.8%
Net position - ending	<u>\$ 154.6</u>	<u>\$ 193.0</u>	<u>\$ 23.0</u>	<u>\$ 23.9</u>	<u>\$ 177.6</u>	<u>\$ 216.9</u>	22.1%

The City's total revenues were \$131.3 million for the fiscal year ended June 30, 2023. Revenues from governmental activity totaled \$115.7 million and revenues from business-type activities totaled \$15.6 million. Program revenues comprise 34.2% of total revenues with the largest portion of this, \$30.0 million, resulting from charges for services. Sales, use, and transaction taxes comprise 43.4% of total revenues and other general revenues comprise the remaining 22.4%. Total revenues increased by 21.3%, primarily due to increase in program charges for services, sales, use, and transaction taxes during the fiscal year.

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

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Expenses of the City for the year totaled \$92.3 million. Governmental activity expenses totaled \$78.7 million, or 85.5% of total expenses. The following table summarizes the total cost and net cost of the City's governmental activities by function type.

**Net Cost of Governmental Activities**  
(in millions)

	<u>Total Cost of Services</u>		<u>Percentage Change</u>	<u>Net Cost of Services</u>		<u>Percentage Change</u>
	<u>2022</u>	<u>2023</u>		<u>2022</u>	<u>2023</u>	
General government	\$ 7.6	\$ 10.3	35.5%	\$ 1.8	\$ 2.5	38.9%
Public safety	40.5	28.3	-30.1%	35.8	20.2	-43.6%
Community development	2.7	11.7	333.3%	0.4	8.1	1925.0%
Public works	16.3	18.8	15.3%	11.8	10.6	-10.2%
Culture and leisure	5.5	7.3	32.7%	4.4	5.8	31.8%
Human services	1.6	2.2	37.5%	1.6	1.8	12.5%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	\$ 74.3	\$ 78.7	5.9%	\$ 55.9	\$ 49.1	-12.2%

**Business-type Activities**

Program revenues of the City's only business-type activity, the Water Utility, totaled \$15.4 million, and investment and other income totaled an additional \$0.5 million. Expenses of the Water Utility were \$13.6 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was \$2.3 million. Transfers out totaled \$1.4 million. This amount was transferred to the City's general fund for use of the City's rights of way and maintenance of the City's extensive infrastructure. The cost of capital improvements is reported in the statement of net position, rather than as expenses in the statement of activities. Capital assets of \$25.0 million (net of accumulated depreciation) decreased by approximately \$0.6 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, 2023, of \$164.9 million, an increase of approximately \$30.3 million from the previous fiscal year. The primary reason for the increase was due to revenues exceeding expenditures in the General Fund resulting from increase in sales, use, and transaction taxes and charges for services program incomes. In addition, the increase in the use of money and property was due to interest earnings in the City's accounts.

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

The General Fund is the chief operating fund of the City. At June 30, 2023, the General Fund's unassigned fund balance was \$33.7 million. Additional General Fund balances were: nonspendable \$2.8 million, restricted \$2.5 million, committed \$0.2 million, and assigned \$61.2 million. Revenues increased by approximately \$14.6 million and expenditures increased by \$6.3 million when compared to prior year. The revenue increase is a combination of increases in sales, use, transaction taxes and utility uses, and charges for services program incomes. The expenditure increase is reflective of rising costs across the nation, pension costs, and additional projects. During the fiscal year ended June 30, 2023, the overall fund balance in the General Fund increased by \$32.1 million.

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

The Low and Moderate Income Housing Assets Special Revenue Fund was created during FY 2011-12 to account for the assets of the housing fund of the former redevelopment agency. Under the redevelopment dissolution bills, the City acts as housing successor to the former redevelopment agency and will retain the rights and obligations to administer the assets of the fund. The assets of the fund total \$11.1 million consisting primarily of cash and investments, notes and loans, leases, advances receivable, and land and buildings held for resale. During fiscal year 2022-23 the fund expended \$1.3 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 \$7.7 million primarily consisting of cash and investments, receivables expected to be received from various governmental agencies. During the fiscal year ended June 30, 2023, the overall fund balance decreased by \$2.6 million to (\$2.6) million. The decrease was due to an increase in Due to other Funds and offset by reimbursements from various government agencies for completed projects during prior year were collected this year. These receivables are outstanding beyond the available period and have not been recognized as revenues.

The Prefunded Capital Projects Fund was created during fiscal year 2012-13 to account for the City's Capital Improvement Program in the post-redevelopment era. The former redevelopment agency was a significant source of funding prior to dissolution. Without the redevelopment agency, the General Fund became the main source of future funds for the Capital Improvement Program. Through a combination of revenue enhancements (i.e. increase in the utility users tax rate) and cost containment and reduction measures, the General Fund will annually budget a transfer to the Prefunded Capital Projects Fund to build the base from which the Capital Improvement Program will operate. Additionally, one time revenues will be considered for allocation to the fund. For the fiscal year ended June 30, 2023, the General Fund transferred \$2.8 million into the Prefunded Capital Projects fund to restore a portion of the CIP target funding. The fund has decreased by \$.4 million to \$35.5 million as of the fiscal year-end. The decrease was primarily due to a decrease of 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 2022-23 the City expended approximately \$0.2 million on projects. As of fiscal

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

year-end the fund balance increased by \$0.2 million to \$8.1 million. The increase was due to higher interest income on investments. The balance accumulated in the fund is to be used on future projects.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a \$2.1 million increase or 2.7%. The final amended budget exceeded actual expenditures by approximately 7.4% due to lower than expected operation costs throughout most functional areas.

Revenues exceeded the budget amount by \$18.3 million, primarily due sales, use, and transaction taxes growth more than anticipated after the pandemic. Increases were seen in other revenue categories, including UUT, charges for services, licenses and permits, and interest incomes. The Notes to the Required Supplementary Information provides more details regarding budgeting policies and practices.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2023, amounts to \$163.1 million (net of accumulated depreciation), a decrease of approximately \$2.8 million from the previous year. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment and infrastructure. Note 7 – Capital Assets provides more detailed information on the capital assets.

The City's investment in capital assets for its business-type activities, the Water Utility Fund, as of June 30, 2023, amounts to \$25.0 million (net of accumulated depreciation), a decrease of \$0.6 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

At June 30, 2023, the City's governmental activities long-term liabilities increased by \$51.3 million to \$177.4 million. The City's business-type activities long-term liabilities increased by \$2.6 million to \$21.0 million. The long-term liabilities consisted of bonds, compensated absences, OPEB obligation, Pension obligation, and other loans/leases are summarized in the table below and more detailed information is included in Note 8 – Long-Term Liabilities, Note 9 - Compensated Absences, Note 11 – Pension Plan Obligations and Note 12 – Post-Employment Health Care Benefits.

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

**CITY OF SANTA FE SPRINGS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
YEAR ENDED JUNE 30, 2023**

Outstanding Debt (in millions)							Total Percentage Change
Governmental Activities		Business-type Activities		Total			
2022	2023	2022	2023	2022	2023		
Revenue bonds	\$ 0.0	\$ 0.0	\$ 7.7	\$ 7.4	\$ 7.7	\$ 7.4	-3.9%
Compensated absences	1.9	1.9	0.4	0.3	2.3	2.2	-4.3%
OPEB obligation	26.3	34.8	2.6	3.4	28.9	38.2	32.2%
Pension obligation	94.4	135.6	7.7	9.9	102.1	145.5	42.5%
Other loans/leases	3.5	5.1	0.0	0.0	3.5	5.1	45.7%
Total	\$ 126.1	\$ 177.4	\$ 18.4	\$ 21.0	\$ 144.5	\$ 198.4	37.3%

All water revenue 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 has funded the majority of capital projects prior to the dissolution of redevelopment.
- Funding for significantly increasing retirement contributions rates caused by a number of factors including the reduced number of active employees, actuarial assumption changes related to mortality and expected investment returns, and poor investment performance of the pension plan during the economic downturn in 2008 and the recent COVID-19 downturn.
- Increasing demands for public services, including unfunded mandates by both federal and state governments.
- The high inflation rates have led to sharp increases in the cost of living throughout our community and it has also increased the cost to deliver City's programs and services.

All of these factors were considered in adopting the Fiscal Year 2023-24 operational budget.

**Requests for Information**

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

**CITY OF SANTA FE SPRINGS  
STATEMENT OF NET POSITION  
JUNE 30, 2023**

	Governmental Activities	Business-Type Activity	Total
<b>CURRENT ASSETS</b>			
Cash and Investments	\$ 142,930,137	\$ 16,624,607	\$ 159,554,744
Receivables:			
Accounts	3,420,741	2,900,235	6,320,976
Interest	579,836	2,662	582,498
Leases	446,217	-	446,217
Deposits and Other Assets	1,480,144	-	1,480,144
Due from Other Governments	17,070,777	-	17,070,777
Inventories	1,086,759	286,524	1,373,283
Restricted Assets:			
Cash with Fiscal Agent	14,278,076	570,673	14,848,749
Total Current Assets	181,292,687	20,384,701	201,677,388
<b>NONCURRENT ASSETS</b>			
Notes and Loans, Net of Allowances	545,278	-	545,278
Leases Receivable	18,340,853	-	18,340,853
Land and Buildings Held for Resale	520,032	-	520,032
Capital Assets Not Being Depreciated/Amortized	55,881,001	8,359,462	64,240,463
Capital Assets, Net of Depreciation/Amortization	107,184,603	16,682,605	123,867,208
Total Noncurrent Assets	182,471,767	25,042,067	207,513,834
Total Assets	363,764,454	45,426,768	409,191,222
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred Charge on Refunding	-	27,761	27,761
Deferred Pension-Related Items	41,062,604	2,077,625	43,140,229
Deferred OPEB-Related Items	6,137,649	607,020	6,744,669
Total Deferred Outflows of Resources	47,200,253	2,712,406	49,912,659
<b>CURRENT LIABILITIES</b>			
Accounts Payable	4,108,513	1,413,530	5,522,043
Accrued Liabilities	1,721,899	167,456	1,889,355
Accrued Interest	51,064	45,169	96,233
Unearned Revenue	1,463,150	59,124	1,522,274
Deposits Payable	2,148,994	936,076	3,085,070
Due to Other Governments	2,165,085	-	2,165,085
Contracts Payable	27,984	-	27,984
Compensated Absences	440,000	60,000	500,000
Bonds, Notes, and Lease Payable	939,676	218,758	1,158,434
Total Current Liabilities	13,066,365	2,900,113	15,966,478
<b>NONCURRENT LIABILITIES</b>			
Compensated Absences	1,427,524	194,663	1,622,187
Bonds, Notes, and Lease Payable	4,169,409	7,181,285	11,350,694
Net OPEB Liability	34,798,134	3,441,574	38,239,708
Net Pension Liability	135,625,181	9,898,527	145,523,708
Total Noncurrent Liabilities	176,020,248	20,716,049	196,736,297
Total Liabilities	189,086,613	23,616,162	212,702,775
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension-Related Items	6,232,950	236,571	6,469,521
Deferred OPEB-Related Items	3,881,664	383,901	4,265,565
Deferred Leases-Related Items	18,787,070	-	18,787,070
Total Deferred Inflows of Resources	28,901,684	620,472	29,522,156
<b>NET POSITION</b>			
Net Investment in Capital Assets	155,913,818	17,669,785	173,583,603
Restricted - Nonexpendable	244,676	-	244,676
Restricted - Expendable:			
Community Development Projects	108,386	-	108,386
Public Safety	123,857	-	123,857
Public Works	10,316,634	-	10,316,634
Capital Projects	8,066,038	-	8,066,038
Low and Moderate Income Housing	11,053,683	-	11,053,683
Art in Public Places - Expendable	2,122,282	-	2,122,282
Waste Management	2,309,399	-	2,309,399
Environmental Programs	203,908	-	203,908
Debt Service	-	570,673	570,673
Unrestricted	2,513,729	5,662,082	8,175,811
Total Net Position	\$ 192,976,410	\$ 23,902,540	\$ 216,878,950

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS  
STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government	\$ 10,309,257	\$ 5,172,985	\$ 2,687,722	\$ -
Public Safety	28,262,932	3,109,883	4,957,523	-
Community Development	11,654,888	3,509,086	-	-
Public Works	18,788,759	2,047,599	2,690,721	3,409,443
Culture and Leisure	7,320,797	510,546	1,057,394	-
Human Services	2,233,457	356,524	36,505	-
Interest on Long-Term Debt	79,938	-	-	-
Total Governmental Activities	78,650,028	14,706,623	11,429,865	3,409,443
<b>Business-Type Activity:</b>				
Water Fund	13,624,222	15,279,357	8,727	17,285
Total	<u>\$ 92,274,250</u>	<u>\$ 29,985,980</u>	<u>\$ 11,438,592</u>	<u>\$ 3,426,728</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF SANTA FE SPRINGS  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activity	Total
<b>Governmental Activities:</b>			
General Government	\$ (2,448,550)	\$ -	\$ (2,448,550)
Public Safety	(20,195,526)	-	(20,195,526)
Community Development	(8,145,802)	-	(8,145,802)
Public Works	(10,640,996)	-	(10,640,996)
Culture and Leisure	(5,752,857)	-	(5,752,857)
Human Services	(1,840,428)	-	(1,840,428)
Interest on Long-Term Debt	(79,938)	-	(79,938)
Total Governmental Activities	(49,104,097)	-	(49,104,097)
<b>Business-Type Activity:</b>			
Water Fund	-	1,681,147	1,681,147
Total	(49,104,097)	1,681,147	(47,422,950)
<b>GENERAL REVENUES</b>			
Taxes:			
Property Taxes,			
Levied for General Purpose	5,898,604	-	5,898,604
Transaction and Use Taxes	16,807,006	-	16,807,006
Sales and Use Taxes	40,224,112	-	40,224,112
Franchise Taxes	4,704,512	-	4,704,512
Business Operation Taxes	764,330	-	764,330
Utility Users Tax	8,758,357	-	8,758,357
Other Taxes	165,381	-	165,381
Intergovernmental Revenues -			
Motor Vehicle in Lieu	2,507,001	-	2,507,001
Use of Money and Property	4,027,079	439,703	4,466,782
Other	2,091,536	92,807	2,184,343
Gain on Sale of Capital Assets	209,605	-	209,605
Transfers	1,356,165	(1,356,165)	-
Total General Revenues	87,513,688	(823,655)	86,690,033
<b>CHANGE IN NET POSITION</b>	38,409,591	857,492	39,267,083
Net Position - Beginning of Year	154,566,819	23,045,048	177,611,867
<b>NET POSITION - END OF YEAR</b>	<u>\$ 192,976,410</u>	<u>\$ 23,902,540</u>	<u>\$ 216,878,950</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS**  
**BALANCE SHEET—GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
<b>ASSETS</b>				
Pooled Cash and Investments	\$ 73,343,239	\$ 8,875,021	\$ 2,749,976	\$ 37,145,587
Restricted Cash with Fiscal Agent	14,278,076	-	-	-
Receivables:				
Accounts	3,363,036	29,098	20,408	-
Notes and Loans, Net of Allowances	241,153	200,000	-	-
Leases	18,787,070	-	-	-
Accrued Interest	434,049	-	-	-
Deposits and Other Assets	1,480,144	-	-	-
Due from Other Governments	11,302,464	-	4,911,862	10,088
Due from Other Funds	5,128,807	-	-	325,169
Advances to Other Funds	-	1,437,861	-	-
Inventories	1,086,759	-	-	-
Land and Buildings Held for Resale	-	520,032	-	-
Total Assets	<u>\$ 129,444,797</u>	<u>\$ 11,062,012</u>	<u>\$ 7,682,246</u>	<u>\$ 37,480,844</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,069,798	\$ 4,811	\$ 37,797	\$ 1,976,920
Accrued Liabilities	1,707,486	3,518	4,174	6,721
Unearned Revenues	1,449,050	-	-	-
Deposits Payable	1,454,407	-	694,587	-
Due to Other Governments	2,099,491	-	65,594	-
Due to Other Funds	-	-	4,548,349	-
Advances from Other Funds	1,437,861	-	-	-
Contracts Payable	-	-	27,984	-
Total Liabilities	<u>10,218,093</u>	<u>8,329</u>	<u>5,378,485</u>	<u>1,983,641</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenues	-	-	4,911,862	10,088
Deferred Leases-Related Items	18,787,070	-	-	-
Total Deferred Inflows of Resources	<u>18,787,070</u>	<u>-</u>	<u>4,911,862</u>	<u>10,088</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Inventory	1,086,759	-	-	-
Notes and Loans	241,153	-	-	-
Deposits and Other Assets	1,480,144	-	-	-
Permanent Fund Principal	-	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Projects	-	-	-	-
Low and Moderate Income Housing	-	11,053,683	-	-
Art in Public Places	-	-	-	-
Waste Management	2,309,399	-	-	-
Environmental Programs	203,908	-	-	-
Committed to:				
Capital Projects	225,000	-	-	-
Assigned to:				
Capital Projects	6,750,000	-	-	35,487,115
Renovation & Replacement	250,000	-	-	-
Facility Improvement	25,193	-	-	-
Equipment Replacement	8,339,105	-	-	-
Economic Uncertainty	11,725,000	-	-	-
Employee Liability	7,377,785	-	-	-
Risk Management	903,200	-	-	-
Unfunded Liability	25,837,743	-	-	-
Unassigned	33,685,245	-	(2,608,101)	-
Total Fund Balances	<u>100,439,634</u>	<u>11,053,683</u>	<u>(2,608,101)</u>	<u>35,487,115</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 129,444,797</u>	<u>\$ 11,062,012</u>	<u>\$ 7,682,246</u>	<u>\$ 37,480,844</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS**  
**BALANCE SHEET—GOVERNMENTAL FUNDS (CONTINUED)**  
**JUNE 30, 2023**

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 7,835,376	\$ 12,980,938	\$ 142,930,137
Restricted Cash with Fiscal Agent	-	-	14,278,076
Receivables:			
Accounts	-	8,199	3,420,741
Notes and Loans, Net of Allowances	84,875	19,250	545,278
Leases	-	-	18,787,070
Accrued Interest	145,787	-	579,836
Deposits and Other Assets	-	-	1,480,144
Due from Other Governments	-	846,363	17,070,777
Due from Other Funds	-	-	5,453,976
Advances to Other Funds	-	-	1,437,861
Inventories	-	-	1,086,759
Land and Buildings Held for Resale	-	-	520,032
Total Assets	<u>\$ 8,066,038</u>	<u>\$ 13,854,750</u>	<u>\$ 207,590,687</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 19,187	\$ 4,108,513
Accrued Liabilities	-	-	1,721,899
Unearned Revenues	-	14,100	1,463,150
Deposits Payable	-	-	2,148,994
Due to Other Governments	-	-	2,165,085
Due to Other Funds	-	905,627	5,453,976
Advances from Other Funds	-	-	1,437,861
Contracts Payable	-	-	27,984
Total Liabilities	-	938,914	18,527,462
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenues	-	496,907	5,418,857
Deferred Leases-Related Items	-	-	18,787,070
Total Deferred Inflows of Resources	-	496,907	24,205,927
<b>FUND BALANCES</b>			
Nonspendable:			
Inventory	-	-	1,086,759
Notes and Loans	-	-	241,153
Deposits and Other Assets	-	-	1,480,144
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	108,386	108,386
Public Safety	-	123,857	123,857
Public Works	-	10,316,634	10,316,634
Capital Projects	8,066,038	-	8,066,038
Low and Moderate Income Housing	-	-	11,053,683
Art in Public Places	-	2,122,282	2,122,282
Waste Management	-	-	2,309,399
Environmental Programs	-	-	203,908
Committed to:			
Capital Projects	-	-	225,000
Assigned to:			
Capital Projects	-	-	42,237,115
Renovation & Replacement	-	-	250,000
Facility Improvement	-	-	25,193
Equipment Replacement	-	-	8,339,105
Economic Uncertainty	-	-	11,725,000
Employee Benefits	-	-	7,377,785
Risk Management	-	-	903,200
Unfunded Liability	-	-	25,837,743
Unassigned	-	(496,906)	30,580,238
Total Fund Balances	<u>8,066,038</u>	<u>12,418,929</u>	<u>164,857,298</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 8,066,038</u>	<u>\$ 13,854,750</u>	<u>\$ 207,590,687</u>

See accompanying Notes to Basic Financial Statements.

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

<b>Fund Balances of Governmental Funds</b>	<b>\$ 164,857,298</b>
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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/Amortized	\$ 55,881,001	
Capital Assets Being Depreciated/Amortized	254,042,454	
Accumulated Depreciation/Amortization	<u>(146,857,851)</u>	163,065,604

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.

Notes and Lease Payable	(5,109,085)	
Compensated Absences	<u>(1,867,524)</u>	(6,976,609)

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	41,062,604	
Deferred Inflows of Resources - Pension Related	(6,232,950)	
Net Pension Liability	(135,625,181)	
Deferred Outflows of Resources - OPEB Related	6,137,649	
Deferred Inflows of Resources - OPEB Related	(3,881,664)	
Net OPEB Liability	<u>(34,798,134)</u>	(133,337,676)

Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.	(51,064)
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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>5,418,857</u>
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<b>Net Position of Governmental Activities</b>	<b><u>\$ 192,976,410</u></b>
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**CITY OF SANTA FE SPRINGS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES—GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

		Special Revenue Fund	Capital Projects Funds	
		Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
	General			
<b>REVENUES</b>				
Taxes	\$ 79,681,575	\$ -	\$ -	\$ -
Licenses and Permits	4,254,978	-	-	-
Intergovernmental	1,075,002	-	366,661	332,543
Charges for Services	7,530,438	-	30,975	-
Use of Money and Property	3,039,207	256,925	-	-
Rentals	2,148,548	-	-	-
Fines and Forfeitures	452,766	-	-	-
Contributions	258,498	-	-	-
Miscellaneous	1,986,599	-	310,442	5,286
Total Revenues	100,427,611	256,925	708,078	337,829
<b>EXPENDITURES</b>				
Current:				
General Government	9,252,632	-	-	-
Public Safety	36,813,612	-	-	-
Community Development	3,144,745	1,311,248	-	-
Public Works	13,560,001	-	-	272,235
Culture and Leisure	6,594,926	-	-	-
Human Services	1,953,202	-	-	-
Capital Outlay	3,413,195	-	4,057,324	3,960,541
Debt Service:				
Principal Retirement	793,905	-	-	-
Interest and Fiscal Charges	64,482	-	-	-
Total Expenditures	75,590,700	1,311,248	4,057,324	4,232,776
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	24,836,911	(1,054,323)	(3,349,246)	(3,894,947)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	7,510,634	-	723,754	3,564,154
Transfers Out	(2,800,003)	-	-	(23,824)
Sale of Capital Assets	209,605	-	-	-
Financed Purchase Note Payable and SBITA	2,355,017	-	-	-
Total Other Financing Sources (Uses)	7,275,253	-	723,754	3,540,330
<b>NET CHANGE IN FUND BALANCES</b>	32,112,164	(1,054,323)	(2,625,492)	(354,617)
Fund Balances - Beginning of Year	68,327,470	12,108,006	17,391	35,841,732
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 100,439,634</u>	<u>\$ 11,053,683</u>	<u>\$ (2,608,101)</u>	<u>\$ 35,487,115</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES—GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Capital Projects Funds	Nonmajor Governmental Funds	Total Governmental Funds
	Successor Agency Bond Funded Capital Projects		
<b>REVENUES</b>			
Taxes	\$ -	\$ 257,438	\$ 79,939,013
Licenses and Permits	-	-	4,254,978
Intergovernmental	-	8,822,678	10,596,884
Charges for Services	-	-	7,561,413
Use of Money and Property	416,249	309,599	4,021,980
Rentals	-	1	2,148,549
Fines and Forfeitures	-	-	452,766
Contributions	-	926,531	1,185,029
Miscellaneous	-	13,474	2,315,801
Total Revenues	416,249	10,329,721	112,476,413
<b>EXPENDITURES</b>			
Current:			
General Government	-	251	9,252,883
Public Safety	-	151,153	36,964,765
Community Development	-	-	4,455,993
Public Works	-	6,262	13,838,498
Culture and Leisure	-	26,000	6,620,926
Human Services	-	-	1,953,202
Capital Outlay	190,540	537,211	12,158,811
Debt Service:			
Principal Retirement	-	-	793,905
Interest and Fiscal Charges	-	-	64,482
Total Expenditures	190,540	720,877	86,103,465
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	225,709	9,608,844	26,372,948
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	3	11,798,545
Transfers Out	-	(7,618,553)	(10,442,380)
Sale of Capital Assets	-	-	209,605
Financed Purchase Note Payable and SBITA	-	-	2,355,017
Total Other Financing Sources (Uses)	-	(7,618,550)	3,920,787
<b>NET CHANGE IN FUND BALANCES</b>	225,709	1,990,294	30,293,735
Fund Balances - Beginning of Year	7,840,329	10,428,635	134,563,563
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 8,066,038</u>	<u>\$ 12,418,929</u>	<u>\$ 164,857,298</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2023**

**Net Change in Fund Balances - Total Governmental Funds** **\$ 30,293,735**

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	\$ 12,246,863	
Loss on Disposals	(7,220,170)	
Depreciation	<u>(7,885,900)</u>	(2,859,207)

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

Principal Payment	793,905	
Lease Obligation Issuance	<u>(2,355,017)</u>	(1,561,112)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period. (15,456)

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. 32,330

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. 10,377,852

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. (875,987)

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. 3,017,436

**Change in Net Position of Governmental Activities** **\$ 38,409,591**



**CITY OF SANTA FE SPRINGS**  
**STATEMENT OF NET POSITION—PROPRIETARY FUNDS**  
**JUNE 30, 2023**

	Business-Type Activity - Enterprise Fund Water Fund
<b>ASSETS</b>	
Current Assets:	
Pooled Cash and Investments	\$ 16,624,607
Receivables:	
Accounts	2,900,235
Accrued interest	2,662
Inventories	286,524
Restricted:	
Cash with Fiscal Agent	570,673
Total Current Assets	<u>20,384,701</u>
<b>NONCURRENT ASSETS</b>	
Capital Assets not Being Depreciated/Amortized	8,359,462
Capital Assets, Net of Depreciation/Amortization	16,682,605
Total Noncurrent Assets	<u>25,042,067</u>
Total Assets	45,426,768
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred Charge on Refunding	27,761
Deferred Pension-Related Items	2,077,625
Deferred OPEB-Related Items	607,020
Total Deferred Outflows of Resources	<u>2,712,406</u>
<b>LIABILITIES</b>	
Current Liabilities:	
Accounts Payable	1,413,530
Accrued Liabilities	167,456
Accrued Interest	45,169
Unearned Revenues	59,124
Deposits Payable	936,076
Compensated Absences	60,000
Bonds, Notes and Lease Payable	218,758
Total Current Liabilities	<u>2,900,113</u>
<b>NONCURRENT LIABILITIES</b>	
Compensated Absences	194,663
Bonds, Notes and Lease Payable	7,181,285
Net OPEB Liability	3,441,574
Net Pension Liability	9,898,527
Total Noncurrent Liabilities	<u>20,716,049</u>
Total Liabilities	23,616,162
<b>DEFERRED INFLOWS OF RESOURCES:</b>	
Deferred Pension-Related Items	236,571
Deferred OPEB-Related Items	383,901
Total Deferred Inflows of Resources	<u>620,472</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	17,669,785
Restricted for Debt Service	570,673
Unrestricted	5,662,082
Total Net Position	<u><u>\$ 23,902,540</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION—  
PROPRIETARY FUNDS  
YEAR ENDED JUNE 30, 2023**

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
<b>OPERATING REVENUES</b>	
Sales and Service Charges	\$ 15,279,357
Other Water Revenue	<u>92,807</u>
Total Operating Revenues	15,372,164
<b>OPERATING EXPENSES</b>	
Source of Supply	6,472,442
System Maintenance and Operation	3,245,292
Billing and Collection	1,422,364
Administration	1,529,186
Depreciation/Amortization Expense	<u>651,089</u>
Total Operating Expenses	<u>13,320,373</u>
<b>OPERATING INCOME</b>	2,051,791
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest Revenue	439,703
Interest Expense	(303,849)
Intergovernmental Revenue	<u>8,727</u>
Total Nonoperating Revenues (Expenses)	<u>144,581</u>
<b>INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	2,196,372
Contributions	17,285
Transfers Out	<u>(1,356,165)</u>
<b>CHANGE IN NET POSITION</b>	857,492
Net Position - Beginning of Year, as Restated	<u>23,045,048</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 23,902,540</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS**  
**STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Business-Type Activity - <u>Enterprise Fund</u> <u>Water Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash Received from Customers and Users	\$ 15,432,949
Cash Paid to Suppliers for Goods and Services	(11,187,625)
Cash Paid to Employees for Services	(1,279,520)
Cash Received from Others	92,807
Net Cash Provided by Operating Activities	<u>3,058,611</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Cash Transfers Out	(1,356,164)
Cash Received from Other Governments	8,727
Net Cash Used by Noncapital Financing Activities	<u>(1,347,437)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Cash Received for Capital Contributions	16,531
Principal Paid on Capital Debt	(213,700)
Interest Paid on Capital Debt	(276,036)
Net Cash Used by Capital and Related Financing Activities	<u>(473,205)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Received	439,704
Net Cash Provided by Investing Activities	<u>439,704</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,677,673
Cash and Cash Equivalents - Beginning of Year	<u>15,517,607</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 17,195,280</u></u>
<b>CASH AND CASH EQUIVALENTS:</b>	
Pooled Cash and Investments	\$ 16,624,607
Cash with Fiscal Agent	570,673
Total Cash and Cash Equivalents	<u><u>\$ 17,195,280</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating Income	\$ 2,051,791
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization Expense	651,089
(Increase) Decrease in Assets:	
Accounts Receivable	76,685
Inventory	(12,939)
Deferred Outflows for Pension-Related Items	(1,048,129)
Deferred Outflows for OPEB-Related Items	(189,525)
Increase (Decrease) in Liabilities:	
Accounts Payable	123,860
Accrued Liabilities	42,007
Unearned Revenues	59,124
Deposits Payable	17,783
Compensated Absences	(4,340)
Deferred Inflows for Pension-Related Items	(1,223,714)
Deferred Inflows for OPEB-Related Items	(559,899)
Net Pension Liability	2,238,757
Other Postemployments Benefits	836,061
Net Cash Provided by Operating Activities	<u><u>\$ 3,058,611</u></u>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>	
Contributed Capital Assets Received	<u>\$ 753</u>
Amortization of Bond Discounts, and Deferred Charges	<u><u>\$ 28,650</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2023**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>ASSETS</b>		
Pooled Cash and Investments	\$ 736,459	\$ 265,763
Receivables:		
Accounts	897	19,726
Notes and Loans	-	61,438
Due from Other Governments	-	1,723,696
Land and Buildings Held for Resale	-	3,251,851
Restricted Assets:		
Cash and Investments with Fiscal Agents	173,971	14,988,661
Capital Assets:		
Capital Assets not Being Depreciated	-	415,530
Total Assets	<u>911,327</u>	<u>20,726,665</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Charge on Refunding	-	146,217
Total Deferred Outflows of Resources	<u>-</u>	<u>146,217</u>
<b>LIABILITIES</b>		
Accounts Payable	-	525
Accrued Liabilities	-	8,424
Accrued Interest	-	5,161,217
Deposits Payable	-	48,300
Due to Other Governments	897	57,933
Long-Term Liabilities:		
Due in One Year	-	6,359,492
Due in More Than One Year	-	36,863,105
Total Liabilities	<u>897</u>	<u>48,498,996</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	-	415,530
Held for Bondholders	910,430	-
Held in Trust for Other Purposes	<u>-</u>	<u>(28,041,644)</u>
Total Net Position	<u>\$ 910,430</u>	<u>\$ (27,626,114)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF SANTA FE SPRINGS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
YEAR ENDED JUNE 30, 2023**

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
<b>ADDITIONS</b>		
Taxes	\$ -	\$ 13,072,535
Special Assessments or Special Taxes Collected From Property Owners	219,059	-
Interest and Change in Fair Value of Investments	5,099	271,024
Gain on Sale of Land and Buildings Held for Resale	-	659,110
Total Additions	<u>224,158</u>	<u>14,002,669</u>
<b>DEDUCTIONS</b>		
Administrative Expenses	-	259,589
Program Expenses	-	46,901
Payment for Special Assessment or Special Tax Debt	169,404	-
Interest Expense	-	5,410,947
Total Deductions	<u>169,404</u>	<u>5,717,437</u>
<b>CHANGE IN NET POSITION</b>	54,754	8,285,232
Net Position - Beginning of Year	<u>855,676</u>	<u>(35,911,346)</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 910,430</u></u>	<u><u>\$ (27,626,114)</u></u>

See accompanying Notes to Basic Financial Statements.

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**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The Financial Reporting Entity**

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

An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes or set rates or charges, or issue bonded debt without approval by the primary government. In a blended presentation, a component unit's balances and transactions are reported in a manner similar to the balances and transactions of the City. Component units are presented on a blended basis when the component unit's governing body is substantially the same as the city's and (1) there is a financial benefit or burden relationship between the primary government and the component unit, or (2) management of the primary government has operational responsibility for the component unit, or the component unit provides services almost entirely to the City.

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

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. See Note 16 for further detail regarding the dissolution.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Blended Component Units**

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

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

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

**Joint Powers Agreements**

**Joint Fire Dispatching Center**

The City is a participant in the Joint Fire Dispatching Center (Center). The Center is currently comprised of four member cities and is organized under a Joint Powers Agreement. Each member City provides an annually determined contribution towards the ongoing operation. The purpose of the Center is to provide centralized fire dispatching for the participating cities. The communication system is located in and operated by the City of Downey. The payments from the participating cities for the fiscal year ended June 30, 2023, 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, 2023, the City contributed \$264,703 for the operation of the Center. Separate audited financial statements are not prepared for the Center. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.



**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Joint Powers Agreements (Continued)**

**Southeast Water Coalition**

The City is a participant in the Southeast Water Coalition (Coalition). The Coalition is currently comprised of several municipal entities in the County of Los Angeles and is organized under a Joint Powers Agreement. The purpose of the Coalition is to maintain groundwater quality within the Central and West Coast Basins (Basins), maintain secure groundwater supplies within the Basins, manage the use of groundwater within the Basins, coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery, facilitate the implementation of a conjunctive use program by water purveyors, coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality, and work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region. Each member of the Coalition shares financial responsibility equally. Each member is required to make a contribution at the beginning of each year. The contribution requirement for the fiscal year ended June 30, 2023 was \$5,000. Financial statements can be obtained from the City of Whittier. City Hall is located at 13230 Penn Street, Whittier, California.

**Basis of Accounting and Measurement Focus**

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

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

**Government-Wide Financial Statements**

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

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Government-Wide Financial Statements (Continued)**

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

**Governmental Funds Financial Statements**

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

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Governmental Funds Financial Statements (Continued)**

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

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

The City reports the following major governmental funds:

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

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

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

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Governmental Funds Financial Statements (Continued)**

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

Additionally, the City reports the following fund types:

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

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

**Proprietary Funds Financial Statements**

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

The City reports the following major proprietary fund:

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

**Fiduciary Fund Financial Statements**

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

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

The City reports the following Custodial funds:

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

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Functional Classifications**

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

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

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

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

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

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

**Adoption of New Accounting Standard**

**GASB Statement No. 96, *Subscription-Based Information Technology Arrangements***

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirements of the guidance effective July 1, 2022, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning net position as a result of the implementation of this standard. The City is reporting SBITA asset in Note 7, and SBITA payable in Note 8.

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Inventory and Prepaid Items**

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. These prepaid items are reflected in the financial statements as deposits and other assets and are accounted for under the consumption method.

**Property Taxes**

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

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

**Cash and Cash Equivalents**

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

**Investments**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Capital Assets**

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

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

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Land and Buildings Held for Resale**

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

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position and balance sheet reports a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 11 and 12.

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

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



**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Unearned Revenue**

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

**Compensated Absences**

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

**Pension Plans**

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

**Other Postemployment Benefits (OPEB)**

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Net Position**

The government-wide, proprietary fund, and fiduciary 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 liabilities 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, 2023, fund balances for government funds are made up of the following:

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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, 2023 the Capital Improvement fund had a deficit fund balance of \$2,608,101 and the Fire Grants fund had a deficit fund balance of \$496,906. These funds are on a cost reimbursement basis. The deficit resulted from timing differences between when expenditures are incurred and the recognition of grant revenue. These funds will be replenished with reimbursements from grantor.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**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:

• Low and Moderate Income Housing Assets	(\$1,068,248)
• Air Quality Improvement	(\$6,262)
• Community Development Block Grant	(\$9,500)

**NOTE 2 CASH AND INVESTMENTS**

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

Statement of Net Position:

Pooled Cash and Investments	\$ 159,554,744
Cash and Investments with Fiscal Agent	14,848,749

Fiduciary Funds:

Pooled Cash and Investments	1,002,222
Cash and Investments with Fiscal Agent	15,162,632
Total	<u>\$ 190,568,347</u>

Cash and investments were comprised of the following as of June 30, 2023:

Cash on Hand	\$ 54,857
Deposits with Financial Institutions	2,497,406
California Employers' Pension Prefunding Trust*	14,278,076
Investments	173,738,008
Total	<u>\$ 190,568,347</u>

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**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%	5%
Medium-Term Notes	5 years	30%	5%
Time Certificates of Deposit	3 years	30%	5%
Negotiable Certificates of Deposit	5 years	30%	5%
Supranationals	5 years	30%	None
Asset-Backed Securities	5 years	20%	5%
Money Market Mutual Funds	N/A	20%	None
Local Agency Investment Fund (LAIF)	N/A	\$75 million	None
Los Angeles County Pooled Fund	N/A	None	None
Local Government Investment Pools (LGIPs)	N/A	None	None

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

**Investments Authorized by Debt Agreements**

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

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Interest Rate Risk**

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

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

Investment Type	Remaining Maturity (in Months)					Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	48 to 60 Months	
U.S. Treasury Obligations	\$ -	\$ 14,725,142	\$ 7,002,317	\$ 12,022,548	\$ 6,984,883	\$ 40,734,890
U.S. Agency Securities:						
Federal Home Loan						
Mortgage Corporation (FHLMC)	-	-	627,945	-	-	627,945
Federal National Mortgage						
Association (FNMA)	-	268,212	722,813	-	-	991,025
Federal Agency Collateralized						
Mortgage Obligation	-	600,961	1,571,952	1,888,463	-	4,061,376
Municipal Obligations	124,669	616,259	-	266,039	-	1,006,967
Medium-Term Notes	1,338,291	3,386,537	3,458,682	2,557,946	2,008,357	12,749,813
Negotiable Certificates of Deposit (CD)	-	249,951	646,950	-	-	896,901
Supranationals	-	310,994	-	262,020	-	573,014
Asset-Backed Securities	26,237	42,192	692,039	1,901,938	3,201,257	5,863,663
Local Agency Investment Fund (LAIF)	23,210,802	-	-	-	-	23,210,802
CAMP Pool	67,288,307	-	-	-	-	67,288,307
Held by Bond Trustee:						
Money Market Funds	15,733,305	-	-	-	-	15,733,305
Total	<u>\$ 107,721,611</u>	<u>\$ 20,200,248</u>	<u>\$ 14,722,698</u>	<u>\$ 18,898,954</u>	<u>\$ 12,194,497</u>	<u>\$ 173,738,008</u>

**Credit Risk**

The City's investment policy limits investments to a rating of "A" 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" or higher for other state obligations, medium-term notes, asset backed securities and commercial paper that is (i) organized and operating in the United States as a general corporation and (ii) has total assets in excess of five hundred million dollars (\$500,000,000). The City's investment policy limits investments to a rating of "AA" or higher for supranational. As of June 30, 2023, the City's investments in external investment pools and money market mutual funds are unrated.

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk (Continued)**

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 as rated by Standard & Poor's, a nationally recognized statistical rating organization, are as follows:

<u>Investment Type</u>	Total as of June 30, 2023	Minimum Legal Rating	AAA	AA	A	BBB*	Not Rated
U.S. Treasury Obligations	\$ 40,734,890	N/A	\$ -	\$ 40,734,890	\$ -	\$ -	\$ -
U.S. Agency Securities:							
FHLMC	627,945	N/A	-	627,945	-	-	-
FNMA	991,025	N/A	-	991,025	-	-	-
Municipal Obligations	1,006,967	A	-	567,944	-	-	439,023
Medium-Term Notes	12,749,813	A	-	2,581,565	9,321,477	846,771	-
Negotiable CD	896,901	A	-	322,170	574,731	-	-
Supranationals	573,014	AA	573,014	-	-	-	-
Federal Agency Collateralized							
Mortgage Obligation	4,061,376	AA	-	4,061,376	-	-	-
Asset-Backed Securities	5,863,663	AA	4,606,729	-	-	-	1,256,934
LAIF	23,210,802	N/A	-	-	-	-	23,210,802
CAMP Pool	67,288,307	N/A	-	-	-	-	67,288,307
Held by Bond Trustee:							
Money Market Funds	15,733,305	AAA	15,733,305	-	-	-	-
Total	<u>\$ 173,738,008</u>		<u>\$ 20,913,048</u>	<u>\$ 49,886,915</u>	<u>\$ 9,896,208</u>	<u>\$ 846,771</u>	<u>\$ 92,195,066</u>

\* These investments were rated A by Moody's, which meets the minimum rating requirement.

**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, 2023.

**Custodial Credit Risk**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 2 CASH AND INVESTMENTS (CONTINUED)**

**Investment in State Investment Pool and CAMP 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 and California Asset Management Program (CAMP) that is regulated by California Government Code. The fair value of the City's investment in these pools is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by LAIF and CAMP for the entire LAIF and CAMP portfolio (in relation to the amortized cost of that portfolio, respectively.) The balance available for withdrawal is based on the accounting records maintained by LAIF and CAMP, which are recorded on an amortized cost basis.

**Fair Value Hierarchy**

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs); Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2023:

<u>Investment Type</u>	<u>Totals</u>	<u>Level</u>	
		<u>1</u>	<u>2</u>
U.S. Treasury Obligations	\$ 40,734,890	\$ 40,734,890	\$ -
U.S. Agency Securities:			
FHLMC	627,945	-	627,945
FNMA	991,025	-	991,025
Municipal Obligations	1,006,967	-	1,006,967
Medium-Term Notes	12,749,813	-	12,749,813
Negotiable Certificates of Deposit	896,901	-	896,901
Supranationals	573,014	-	573,014
Federal Agency Collateralized			
Mortgage Obligation	4,061,376	-	4,061,376
Asset-Backed Securities	5,863,663	-	5,863,663
Totals	67,505,594	<u>\$ 40,734,890</u>	<u>\$ 26,770,704</u>
Not Subject to Fair Value Measurement			
Hierarchy:			
Local Agency Investment Fund (LAIF)	23,210,802		
CAMP Pool	67,288,307		
Held by Bond Trustee:			
Money Market Funds	15,733,305		
Total Investments	<u>\$ 173,738,008</u>		

All investments classified in Level 2 of the fair value hierarchy are valued using specified fair market value factors or institutional bond quotes.00



**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 3 LEASES RECEIVABLE**

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

In addition to the ground lease noted above, the City, acting as lessor, leases other land and buildings under long-term noncancelable lease agreements. The leases expire at various dates and provide for renewal options ranging up to 25 years. At June 30, 2023, the City has \$18,787,070 in both lease receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2023, the City recognized \$436,464 and \$738,961 in lease revenue and interest revenue, respectively, pursuant to all of its lease agreements.

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

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 446,217	\$ 730,463
2025	257,548	722,419
2026	238,818	713,773
2027	246,357	704,995
2028	252,055	695,839
2029-2033	1,279,834	3,337,459
2034-2038	1,337,118	3,090,354
2039-2043	1,684,722	2,791,723
2044-2048	1,899,823	2,422,567
2049-2053	2,089,615	2,030,384
2054-2058	2,551,413	1,568,586
2059-2063	3,115,267	1,004,732
2064-2068	3,388,283	319,718
Total	<u>\$ 18,787,070</u>	<u>\$ 20,133,012</u>

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 4   LOANS AND NOTES RECEIVABLE**

The loans and notes receivable balance consist of the following:

Fund	<u>Balance</u>
Governmental Funds:	
General Fund	\$     241,153
Low and Moderate Income Housing Assets	
Special Revenue Fund	200,000
Successor Agency Bond Funded Capital	
Projects Fund	84,875
Nonmajor Governmental Funds	<u>19,250</u>
Total Funds	<u><u>\$     545,278</u></u>

The General Fund has loans and notes receivable in the amount of \$23,546 representing monies advanced to City employees for home computer purchases. These loans are required to be repaid within two years and bear no interest. Notes receivable in the amount of \$217,607 relate to monies advanced to Community Facilities District 2002-1 for infrastructure improvements. This loan bears an interest rate of 5.75% per annum.

The Low and Moderate Income Housing Assets Special Revenue Fund has 10 notes outstanding related to housing for qualified buyers. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home if such a transaction occurs within 45 years. A portion of the loan balance is forgiven each year beginning five years after issuance and is completely forgiven after 45 years. An allowance for the full amount of the loans has been recorded as the expectation is for the homeowners to keep the properties for the entire term of the agreement. The balance outstanding at June 30, 2023 is \$822,510 with a net carrying value of zero. The loans do not accrue interest. Lastly, the Low and Moderate Income Housing Assets Special Revenue Fund has a note outstanding to The Richman Group in the amount of \$200,000 at June 30, 2023, for the development of affordable housing. The note was repaid in July 2023.

In June 2023, the City signed a promissory note to lend Richman Santa Fe Springs Apartments \$6,000,000 for the development of affordable housing. The note is secured by certain Deed of Trust with Assignment of Rents with a maturity date of 55 years from the date Conversion occurs, as defined in the agreement. The 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 outstanding principal accrues simple interest at 3%. As of June 30, 2023, the loan has not been funded by the Low and Moderate Income Housing Assets Special Revenue Fund.

The Successor Agency Bond Funded Capital Projects Fund has a note receivable in the amount of \$84,875 related to monies advanced by the former Commission to Community Facilities District 2004-1 for infrastructure improvements. This loan bears interest at a rate of 5.75% per annum.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 4 LOANS AND NOTES RECEIVABLE (CONTINUED)**

The Nonmajor Governmental Funds have two notes receivable outstanding from homeowners through the CDBG housing program. The loans have zero interest and do not require repayment. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2023, is \$19,250.

**NOTE 5 DUE FROM OTHER GOVERNMENTS**

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

**NOTE 6 INTERFUND ACTIVITY**

The following is a summary of interfund transfers for the fiscal year ended June 30, 2023:

	Transfers Out:				
	General Fund	Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Total
<u>Transfers In:</u>					
General Fund	\$ -	\$ -	\$ 6,154,469	\$ 1,356,165	\$ 7,510,634
Capital Improvement	-	23,824	699,930	-	723,754
Prefunded Capital Projects Fund	2,800,000	-	764,154	-	3,564,154
Nonmajor Governmental Funds	3	-	-	-	3
Total	<u>\$ 2,800,003</u>	<u>\$ 23,824</u>	<u>\$ 7,618,553</u>	<u>\$ 1,356,165</u>	<u>\$ 11,798,545</u>

The General Fund transferred \$2,800,000 into the Prefunded Capital Projects Funds to provide funding for current and future capital projects.

The Water Fund transferred \$1,200,000 into the General Fund in connection with the lease agreement between the City and the City's Water Utility Authority and \$156,165 for NPDES street purposes and other computer replacements.

Prefunded Capital Projects Fund transferred \$23,824 into Capital Improvement Fund for cost related to a capital project.

\$4,234,960 of Coronavirus State and Local Fiscal Recovery funds were transferred from State Coronavirus Relief nonmajor governmental fund to the General Fund to cover eligible grant expenditures reported in the General Fund.

Other nonmajor Governmental Funds transferred \$1,919,509 into the General Fund for various purposes including eligible expenditures incurred related to public safety, gas tax, metro grants, art in public places activities, \$699,930 into Capital Improvement and \$764,154 into the Prefunded Capital Projects Fund for costs incurred related to capital projects.

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 6 INTERFUND ACTIVITY (CONTINUED)**

Due to/from other funds at June 30, 2023, were as follows:

Due from	Due to		Total
	Capital Improvement Fund	Nonmajor Governmental Funds	
General Fund	\$ 4,548,349	\$ 580,458	\$ 5,128,807
Prefunded Capital Projects	-	325,169	325,169
Total	<u>\$ 4,548,349</u>	<u>\$ 905,627</u>	<u>\$ 5,453,976</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, 2023, consist of loans as follows:

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

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 CAPITAL ASSETS**

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land	\$ 56,295,501	\$ -	\$ 7,113,649	\$ 49,181,852
Construction in Process	4,730,649	10,835,190	8,866,690	6,699,149
Total Capital Assets not Being Depreciated/Amortized	61,026,150	10,835,190	15,980,339	55,881,001
Capital Assets, Being Depreciated/Amortized:				
Buildings	34,208,518	798,909	-	35,007,427
Improvements	31,513,957	692,678	-	32,206,635
Equipment	16,628,322	3,807,143	1,681,631	18,753,834
Intangible Assets	-	1,313,015	-	1,313,015
Infrastructure	162,640,314	3,606,715	-	166,247,029
Right-to-Use Lease Equipment	454,612	-	-	454,612
SBITA	-	59,902	-	59,902
Total Capital Assets, Being Depreciated/Amortized	245,445,723	10,278,362	1,681,631	254,042,454
Less Accumulated Depreciation/Amortization:				
Buildings	15,657,250	674,476	-	16,331,726
Improvements	20,825,683	946,202	-	21,771,885
Equipment	12,242,329	1,212,180	1,575,110	11,879,399
Intangible Assets	-	393,905	-	393,905
Infrastructure	91,774,444	4,564,887	-	96,339,331
Right-to-Use Lease Equipment	47,355	90,922	-	138,277
SBITA	-	3,328	-	3,328
Total Accumulated Depreciation/ Amortization	140,547,061	7,885,900	1,575,110	146,857,851
Total Capital Assets, Being Depreciated/Amortized, Net	104,898,662	2,392,462	106,521	107,184,603
Government Activities Capital Assets, Net	<u>\$ 165,924,812</u>	<u>\$ 13,227,652</u>	<u>\$ 16,086,860</u>	<u>\$ 163,065,604</u>

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 7 CAPITAL ASSETS (CONTINUED)**

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023
Business-Type Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land and Water Rights	\$ 3,384,974	\$ -	\$ -	\$ 3,384,974
Construction in Process	4,995,592	753	21,857	4,974,488
Total Capital Assets not Being Depreciated/Amortized	8,380,566	753	21,857	8,359,462
Capital Assets, Being Depreciated/Amortized:				
Source of Supply Plant	4,622,244	-	-	4,622,244
Transmission and Distribution Plant	37,585,159	21,856	-	37,607,015
Pumping and Treatment Plant	111,016	-	-	111,016
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	18,942	-	-	18,942
Total Capital Assets, Being Depreciated/Amortized	43,433,496	21,856	-	43,455,352
Less Accumulated Depreciation/Amortization:				
Source of Supply Plant	2,644,110	87,837	-	2,731,947
Transmission and Distribution Plant	22,271,386	556,972	-	22,828,358
Pumping and Treatment Plant	108,133	2,492	-	110,625
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	1,894	3,788	-	5,682
Total Accumulated Depreciation/Amortization	26,121,658	651,089	-	26,772,747
Total Capital Assets, Being Depreciated/Amortized, Net	17,311,838	(629,233)	-	16,682,605
Water Utility Capital Assets, Net	\$ 25,692,404	\$ (628,480)	\$ 21,857	\$ 25,042,067

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

	Governmental Activities	Business-Type Activities
General Government	\$ 977,359	\$ -
Public Safety	1,067,867	-
Community Development	67,948	-
Transportation	4,889,135	-
Culture and Leisure	626,345	-
Human Services	257,246	-
Water Utility	-	651,089
Total Governmental Activities	\$ 7,885,900	\$ 651,089

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 LONG-TERM LIABILITIES**

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
<b>Governmental Activities:</b>					
Direct Borrowing - Notes Payable:					
Fire Equipment	\$ 2,857,801	\$ -	\$ 455,998	\$ 2,401,803	\$ 463,932
Fire Air and Light Vehicle	178,061	-	87,808	90,253	90,253
Motorola Radios 2018	101,389	-	101,389	-	-
Fire Engines	-	2,295,114	-	2,295,114	295,293
Lease Payable	410,723	-	88,808	321,915	90,198
SBITA Payable	-	59,902	59,902	-	-
Total	<u>\$ 3,547,974</u>	<u>\$ 2,355,016</u>	<u>\$ 793,905</u>	<u>\$ 5,109,085</u>	<u>\$ 939,676</u>
<b>Business-Type Activities:</b>					
Water Revenue Bonds Payable:					
2013 Series A	\$ 6,890,000	\$ -	\$ -	\$ 6,890,000	\$ -
2018 Subordinate Bonds	820,000	-	210,000	610,000	215,000
Issuance Discount/Premiums	(119,337)	-	5,967	(113,370)	-
Lease Payable	17,113	-	3,700	13,413	3,758
Total	<u>\$ 7,607,776</u>	<u>\$ -</u>	<u>\$ 219,667</u>	<u>\$ 7,400,043</u>	<u>\$ 218,758</u>

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

<b>Governmental Activities</b>		
<u>Year Ending June 30,</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 849,478	\$ 123,944
2025	777,544	103,113
2026	796,359	84,298
2027	815,685	64,972
2028	835,537	45,120
2029-2030	712,567	37,300
Total	<u>\$ 4,787,170</u>	<u>\$ 458,747</u>
<b>Business-Type Activities</b>		
<u>Year Ending June 30,</u>	<u>Revenue Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 215,000	\$ 271,017
2025	220,000	265,878
2026	240,000	260,620
2027	300,000	254,488
2028	310,000	245,113
2029-2033	1,710,000	1,062,350
2034-2038	2,045,000	727,688
2039-2043	2,460,000	302,600
Total	<u>\$ 7,500,000</u>	<u>\$ 3,389,754</u>

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**Governmental Activities**

**Fire Engines Note Payable**

In February 2023, the City entered into a financed purchase agreement for \$2,295,114 with Bank of America to purchase two fire engines. Payments are due annually in the amount of \$374,933 on February 28 each year at an annual interest rate of 3.47% with the note payable maturing on February 28, 2030. The current balance outstanding for this note payable is \$2,295,114.

**Fire Equipment Note Payable**

In November 2020, the City entered into a financed purchase agreement for \$3,306,000 with Bank of America to purchase a fire engine and fire equipment. Payments are due annually in the amount of \$505,724 on November 17 each year at an annual interest rate of 1.74% with the note payable maturing on November 17, 2027. The current balance outstanding for this note payable is \$2,401,803.

**Fire Air and Light Vehicle Note Payable**

In September 2017, the City entered into a financed purchase agreement for \$598,911 with Community First National Bank to purchase an Air & Light Vehicle for the Fire department. Payments are due annually in the amount of \$92,765 on September 1, each year at an annual interest rate of 2.73%; with the note payable maturing on September 1, 2023. The current balance outstanding for this note payable is \$90,253.

**Motorola Radios Note Payable**

In November 2018, the City entered into a financed purchase agreement for \$488,231 with Community First National Bank to purchase Motorola radios for the Police department. Payments are due annually in the amount of \$105,440 on November 20, each year at an annual interest rate of 3.92%; with the note payable maturing on November 20, 2022. This note was paid off as of June 30, 2023.

**Lease Payable**

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

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 90,198	\$ 4,362	\$ 3,758	\$ 182
2025	91,609	2,950	3,817	123
2026	93,043	1,517	3,877	63
2027	47,065	213	1,961	9
Total	<u>\$ 321,915</u>	<u>\$ 9,042</u>	<u>\$ 13,413</u>	<u>\$ 377</u>



**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 LONG-TERM LIABILITIES (CONTINUED)**

**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, 2023, is \$6,890,000. The 2013 Revenue Bonds are payable from and secured by net revenues of the City’s water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was \$2,702,880 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, 2023, is \$610,000. 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 \$2,702,880 against debt service payments of \$229,598.

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 9 COMPENSATED ABSENCES**

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities	\$ 1,899,853	\$ 258,762	\$ 291,091	\$ 1,867,524	\$ 440,000
Business-Type Activities	259,003	35,354	39,694	254,663	60,000
Total Compensated Absences	<u>\$ 2,158,856</u>	<u>\$ 294,116</u>	<u>\$ 330,785</u>	<u>\$ 2,122,187</u>	<u>\$ 500,000</u>

**NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM**

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

The City of Santa Fe Springs is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the board of directors. The board operates through a nine-member executive committee.

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

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

**Primary Liability Program**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Primary Self-Insurance Programs of the Authority (Continued)**

**Primary Liability Program (Continued)**

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

**Primary Workers' Compensation Program**

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

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

**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 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 \$126,058,364. There is a \$10,000 deductible per occurrence except for nonemergency vehicle insurance which has a \$2,500 deductible.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Purchased Insurance (Continued)**

**Earthquake and Flood Insurance**

The City of Santa Fe Springs purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Santa Fe Springs property currently has earthquake protection in the amount of \$58,320,180. 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 2022-2023.

**NOTE 11 PENSION PLAN OBLIGATIONS**

a. General Information About the Pension Plan

**Plan Description**

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

**Benefits Provided**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

a. General Information About the Pension Plan (Continued)

**Benefits Provided (Continued)**

The Plan provisions and benefits for the fiscal year ended June 30, 2023, 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	11.310%	11.310%	6.740%

	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	25.640%	22.480%	13.660%

\*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, 2022, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active Members	127
Transferred Members	40
Terminated Members	29
Retired Members and Beneficiaries	223
Total	419

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

a. General Information About the Pension Plan (Continued)

**Contribution Description**

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

Employer contributions for the miscellaneous and safety plans for fiscal year ended June 30, 2023, was \$7,870,770 and \$5,870,803, 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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the subsequent page.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

b. Net Pension Liability (Continued)

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

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

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
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 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 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 November 2021 that can be found on the CalPERS website.

(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

**Long-Term Expected Rate of Return**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

b. Net Pension Liability (Continued)

**Long-Term Expected Rate of Return (Continued)**

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class (a)	Assumed Asset Allocation	Real Return (a) (b)
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity - Non-Cap-weighted	12.00	3.84 %
Private Equity	13.00	7.28 %
Treasury	5.00	0.27 %
Mortgage-backed Securities	5.00	0.50 %
Investment Grade Corporates	10.00	1.56 %
High Yield	5.00	2.27 %
Emerging Market Debt	5.00	2.48 %
Private Debt	5.00	3.57 %
Real Assets	15.00	3.21 %
Leverage	(5.00)	(0.59)%
Total	100.00 %	

(a) An expected inflation of 2.30% used for this period

(b) Figures are based on the 2021 Asset Liability Management study.

**Discount Rate**

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

**Change in Assumptions**

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30% from the measurement date June 30, 2021 to June 30, 2022.



**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

c. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
<b>Balance at June 30, 2021 (Measurement Date)</b>	<u>\$ 190,720,029</u>	<u>\$ 126,888,613</u>	<u>\$ 63,831,416</u>
<b>Changes in the Year:</b>			
Service Cost	1,970,794	-	1,970,794
Interest on the Total Pension Liability	12,966,728	-	12,966,728
Changes of Assumptions	5,010,900	-	5,010,900
Differences Between Actual and Expected Experience	(3,009,015)	-	(3,009,015)
Contribution - Employer	-	7,068,656	(7,068,656)
Contribution - Employee	-	930,374	(930,374)
Net Investment Income	-	(9,636,898)	9,636,898
Administrative Expenses	-	(79,044)	79,044
Benefit Payments, Including Refunds of Employee Contributions	(11,567,406)	(11,567,406)	-
<b>Net Changes</b>	<u>5,372,001</u>	<u>(13,284,318)</u>	<u>18,656,319</u>
<b>Balance at June 30, 2022 (Measurement Date)</b>	<u><u>\$ 196,092,030</u></u>	<u><u>\$ 113,604,295</u></u>	<u><u>\$ 82,487,735</u></u>

As of June 30, 2023, 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>\$ 63,038,973</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, 2022, 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, 2021, rolled forward to June 30, 2022, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

c. Changes in the Net Pension Liability (Continued)

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

<u>Safety Cost-Sharing Plan</u>	
Safety Cost-Sharing Plan	
Proportion - June 30, 2021	1.08803%
Proportion - June 30, 2022	<u>0.91734%</u>
Change - Increase (Decrease)	<u><u>-0.17069%</u></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 6.90%, 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% 5.90%	Current Discount 6.90%	Discount Rate + 1% 7.90%
Miscellaneous Plan	\$ 106,017,835	\$ 82,487,735	\$ 62,835,428
Safety Plan	<u>88,798,830</u>	<u>63,035,973</u>	<u>41,980,658</u>
Total Net Pension Liability	<u><u>\$ 194,816,665</u></u>	<u><u>\$ 145,523,708</u></u>	<u><u>\$ 104,816,086</u></u>

**Pension Plan Fiduciary Net Position**

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

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

For the year ended June 30, 2023, the City recognized pension expense of \$7,595,054 and \$4,264,423 for the Miscellaneous and Safety Plan, respectively, which totals \$11,859,477. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 7,870,770	\$ -
Changes of Assumptions	3,283,003	-
Differences Between Expected and Actual Experience	599,889	(1,971,424)
Net Differences Between Projected and Actual Earnings on Plan Investments	5,559,896	-
Total	\$ 17,313,558	\$ (1,971,424)
	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 5,870,803	\$ -
Difference Between Expected and Actual Experiences	2,608,830	(684,521)
Change in Assumptions	6,355,934	-
Net Differences Between Projected and Actual Earnings on Plan Investments	9,954,261	-
Change in Employer's Proportion	1,036,843	(79,108)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	-	(3,734,468)
Total	25,826,671	(4,498,097)
Total All Plans	\$ 43,140,229	\$ (6,469,521)

\$7,870,770 and \$5,870,803 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, 2024. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)**

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

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

<u>Measurement Period Ending June 30,</u>	<u>Deferred Outflows/(Inflows) of Resources</u>		
	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
2024	\$ 2,134,863	\$ 4,099,387	\$ 6,234,250
2025	1,370,571	3,337,843	4,708,414
2026	312,745	1,948,314	2,261,059
2027	3,653,184	6,072,226	9,725,410
Total	<u>\$ 7,471,363</u>	<u>\$ 15,457,770</u>	<u>\$ 22,929,133</u>

e. Payable to the Pension Plans

At June 30, 2023, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2023.

**NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS**

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

a. Plan Description

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

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

b. Eligibility and Employees Covered

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) with five years or service and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. At measurement date ended June 30, 2022, the benefit terms covered the following employees:

	Management	Miscellaneous	Fire	Total
Retirees and Beneficiaries				
Receiving Benefits	50	95	97	242
Retirees and Beneficiaries Entitled to but not yet Receiving Benefits	-	13	-	13
Active Plan Members	35	93	55	183
Total	<u>85</u>	<u>201</u>	<u>152</u>	<u>438</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, 2023, the City contributed \$631,000 to the CERBT, paid \$2,903,515 for current premiums, paid \$9,470 of nontrust admin expenses, and the estimated implied subsidy was \$677,000, resulting in total contributions of \$4,220,985. 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.

d. Investments

The CERBT was established for public agencies to pre-fund other postemployment benefit obligations. Employers may choose among 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:

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	49.0 %	4.56 %
U.S. Fixed Income	23.0	1.56
TIPS	5.0	(0.08)
Commodities	3.0	1.22
REITs	20.0	4.06
Total	<u>100.0 %</u>	

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

e. Net OPEB Liability

The City's net OPEB liability as the total OPEB liability, less the plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2022 using an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, 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	6.25%
Inflation	2.50%
Salary Increases	Aggregate - 2.75%
	Merit - CalPERS 2000-2019 Experience Study
Healthcare Cost Trend Rates	Non-Medicare 6.50%, Medicare (Non-Kaiser) 5.65%, Medicare (Kaiser) 4.6%. Decreasing to 3.75% in 2076
Mortality Rate	Mortality Rate projected fully generational with Scale MP-2021
Mortality, Retirement, Disability, Terminations	CalPERS 2000-2019 Experience Study

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

f. Discount Rate

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

g. Changes in the Net OPEB Liability

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)
<b>Balance at June 30, 2021 (Measurement Date)</b>	\$ 58,712,426	\$ 29,762,288	\$ 28,950,138
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	984,226	-	984,226
Interest on Total OPEB Liability	3,619,578	-	3,619,578
Changes of Assumptions	4,802,768	-	4,802,768
Difference Between Actual vs. Expected Experience	-	-	-
Contributions-Employer	-	4,183,089	(4,183,089)
Net Investment Income	-	(4,051,230)	4,051,230
Benefit Payments, Including Refunds of Employee Contributions	(3,566,828)	(3,566,828)	-
Administrative Expense	-	(14,857)	14,857
<b>Net Changes</b>	<u>5,839,744</u>	<u>(3,449,826)</u>	<u>9,289,570</u>
<b>Balance at June 30, 2022 (Measurement Date)</b>	<u>\$ 64,552,170</u>	<u>\$ 26,312,462</u>	<u>\$ 38,239,708</u>

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

h. Change in Benefit Terms

Effective January 1, 2022, the Miscellaneous cap is set equal to the Kaiser Family non-Medicare premium, and the Fire cap is set equal to the PORAC Family non-Medicare premium (CalPERS Region 3). The cap increase assumption was updated in conjunction with this change and the liability impact is included with the benefit change. This is only effective during the current 3-year labor agreements. The valuation assumes it will continue in the future but the City has no obligation to do so.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

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

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

	Discount Rate -1% 5.25%	Current Discount 6.25%	Discount Rate + 1% 7.25%
Net OPEB Liability	\$ 46,308,548	\$ 38,239,708	\$ 31,550,128

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

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

	Trend Rate -1% 5.50% / 4.65% / 3.60%	Trend Rate 6.50% / 5.65% / 4.60%	Trend Rate + 1% 7.50% / 6.65% / 5.60%
Net OPEB Liability	\$ 30,559,417	\$ 38,239,708	\$ 47,589,996

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$5,183,609. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Contributions Made Subsequent to Measurement Date	\$ 4,220,985	\$ -
Differences Between Expected and Actual Experience	-	(3,820,618)
Changes of Assumptions	338,883	(444,947)
Net Difference Between Projected and Actual Earnings on Plan Investments	2,184,801	-
Total	<u>\$ 6,744,669</u>	<u>\$ (4,265,565)</u>



**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)**

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

\$4,220,985 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, 2024. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows/ (Inflows) of of Resources</u>
2024	\$ (1,691,074)
2025	(692,977)
2026	(542,950)
2027	1,185,120
Total	<u>\$ (1,741,881)</u>

**NOTE 13 DEFINED CONTRIBUTION PLAN**

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

**NOTE 14 COMMITMENTS AND CONTINGENCIES**

**Claims**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 15 CONDUIT OBLIGATION DEBT**

The City issued \$2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The outstanding balance at June 30, 2023, is \$1,145,000.

**NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY**

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

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

**Loans and Notes Receivable**

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

**Capital Assets**

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023
Capital Assets, not Being Depreciated:				
Land	\$ 415,530	\$ -	\$ -	\$ 415,530
Total Capital Assets, Not Being Depreciated	<u>\$ 415,530</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 415,530</u>

**CITY OF SANTA FE SPRINGS**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

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

**Long-Term Liabilities**

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

	Balance June 30, 2022	Additions	Reductions	Balance June 30, 2023	Due Within One Year
Private-Purpose Activities:					
Consolidated Redevelopment					
Project Tax Allocation Bonds:					
2006 Issue	\$ 18,772,971	\$ -	\$ 1,745,198	\$ 17,027,773	\$ 5,624,492
Accreted Interest on					
Capital Appreciation Bonds	18,805,989	-	189,645	18,616,344	-
2016 Refunding Issue	4,205,000	-	2,725,000	1,480,000	735,000
2017 Refunding Issue	3,360,000	-	3,360,000	-	-
Issuance Discounts/Premiums	(61,246)	-	15,312	(45,934)	-
Direct Borrowings:					
Tax Increment Loan from					
Los Angeles County	6,292,698	37,254	185,538	6,144,414	-
Total	<u>\$ 51,375,412</u>	<u>\$ 37,254</u>	<u>\$ 8,220,693</u>	<u>\$ 43,222,597</u>	<u>\$ 6,359,492</u>

<u>Year Ending June 30,</u>	<u>Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2024	\$ 6,359,492	\$ 24,572
2025	4,998,770	8,381
2026	4,040,748	-
2027	2,069,997	-
2028-2029	1,038,766	-
Total	<u>18,507,773</u>	<u>\$ 32,953</u>

Cumulative Accretion Interest on Capital Appreciation Bonds	<u>18,616,344</u>
Total Principal, June 30, 2023	<u>\$ 37,124,117</u>

**Consolidated Redevelopment Project 2006 Tax Allocation Bonds**

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**Consolidated Redevelopment Project 2006 Tax Allocation Bonds (Continued)**

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

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2023, is \$35,644,117 including \$18,616,344 of accreted interest.

**2016 Subordinate Tax Allocation Refunding Bonds**

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

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

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

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

**2016 Subordinate Tax Allocation Refunding Bonds (Continued)**

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$487,390, of which the outstanding amount at June 30, 2023 is \$146,217, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2025 and principal is payable on September 1 each year, commencing September 1, 2017. Total amount outstanding as of June 30, 2023, is \$1,480,000.

**2017 Subordinate Tax Allocation Refunding Bonds**

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

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

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$146,855, which is fully amortized as of June 30, 2023. 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. The bonds were paid off as of June 30, 2023.

**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, 2023, is \$6,144,414.

**CITY OF SANTA FE SPRINGS  
NOTES TO BASIC FINANCIAL STATEMENTS  
JUNE 30, 2023**

**NOTE 17 RESTATEMENT OF NET POSITION**

The City did not record certain water revenues that were earned in prior fiscal years.

	<u>Water Fund</u>
Net position at July 1, 2022, as previously reported	\$ 21,779,622
Water revenues in prior years that was not recorded	<u>1,265,426</u>
Net position at July 1, 2022, as restated	<u><u>\$ 23,045,048</u></u>

## **REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes	\$ 65,571,000	\$ 68,570,400	\$ 79,681,575	\$ 11,111,175
Licenses and Permits	2,197,400	2,887,400	4,254,978	1,367,578
Intergovernmental	859,800	859,800	1,075,002	215,202
Charges for Services	5,118,100	6,142,100	7,530,438	1,388,338
Use of Money and Property	500,000	500,000	3,039,207	2,539,207
Rentals	1,841,300	1,852,800	2,148,548	295,748
Fines and Forfeitures	432,000	432,000	452,766	20,766
Contributions	94,200	94,200	258,498	164,298
Miscellaneous	1,546,800	746,800	1,986,599	1,239,799
Total Revenues	78,160,600	82,085,500	100,427,611	18,342,111
<b>EXPENDITURES</b>				
General Government	10,489,400	11,118,700	9,252,632	1,866,068
Public Safety	37,682,100	38,522,300	36,813,612	1,708,688
Community Development	3,124,300	3,424,300	3,144,745	279,555
Public Works	14,349,600	14,664,600	13,560,001	1,104,599
Culture and Leisure	6,912,300	6,937,300	6,594,926	342,374
Human Services	2,122,000	2,122,000	1,953,202	168,798
Capital Outlay	3,732,400	3,752,800	3,413,195	339,605
Debt Service:				
Principal Retirement	903,500	903,500	793,905	109,595
Interest and Fiscal Charges	194,800	194,800	64,482	130,318
Total Expenditures	79,510,400	81,640,300	75,590,700	6,049,600
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(1,349,800)	445,200	24,836,911	24,391,711
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	3,081,400	7,316,360	7,510,634	194,274
Transfers Out	(2,800,000)	(2,800,000)	(2,800,003)	(3)
Financed Purchase Note Payable and SBITA	2,220,000	2,220,000	2,355,017	135,017
Sale of Capital Asset	30,000	30,000	209,605	179,605
Total Other Financing Sources (Uses)	2,531,400	6,766,360	7,275,253	508,893
<b>NET CHANGE IN FUND BALANCE</b>	1,181,600	7,211,560	32,112,164	24,900,604
Fund Balance - Beginning of Year	68,327,470	68,327,470	68,327,470	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 69,509,070</u>	<u>\$ 75,539,030</u>	<u>\$ 100,439,634</u>	<u>\$ 24,900,604</u>

See accompanying Notes to Required Supplementary Information.



**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE  
LOW AND MODERATE INCOME HOUSING ASSETS FUND  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ 256,925	\$ 256,925
Total Revenues	-	-	256,925	256,925
<b>EXPENDITURES</b>				
Community Development	243,000	243,000	1,311,248	(1,068,248)
Total Expenditures	243,000	243,000	1,311,248	(1,068,248)
<b>NET CHANGE IN FUND BALANCE</b>	(243,000)	(243,000)	(1,054,323)	(811,323)
Fund Balance - Beginning of Year	12,108,006	12,108,006	12,108,006	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 11,865,006</u>	<u>\$ 11,865,006</u>	<u>\$ 11,053,683</u>	<u>\$ (811,323)</u>

See accompanying Notes to Required Supplementary Information.

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:				
Service Cost	\$ 1,970,794	\$ 1,766,312	\$ 1,567,189	\$ 1,609,236
Interest on Total Pension Liability	12,966,728	13,033,238	12,629,742	12,378,733
Differences Between Expected and Actual Experience	(3,009,015)	2,313,861	268,043	2,131,720
Changes in Assumptions	5,010,900	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(11,567,406)	(10,958,843)	(10,975,249)	(10,473,500)
Net Change in Total Pension Liability	5,372,001	6,154,568	3,489,725	5,646,189
Total Pension Liability - Beginning of Year	190,720,029	184,565,461	181,075,736	175,429,547
Total Pension Liability - End of Year (a)	<u>\$ 196,092,030</u>	<u>\$ 190,720,029</u>	<u>\$ 184,565,461</u>	<u>\$ 181,075,736</u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 7,068,656	\$ 6,557,278	\$ 5,957,285	\$ 5,182,712
Contributions - Employee	930,374	911,222	855,704	783,946
Net Investment Income	(9,636,898)	24,174,117	5,199,591	6,740,766
Benefit Payments	(11,567,406)	(10,958,843)	(10,975,249)	(10,473,500)
Net Plan to Plan Resource Movement	-	-	-	-
Other Miscellaneous Income (Expense)	-	-	-	242
Administrative Expense	(79,044)	(106,198)	(148,620)	(73,690)
Net Change in Plan Fiduciary Net Position	(13,284,318)	20,577,576	888,711	2,160,476
Plan Fiduciary Net Position - Beginning of Year	126,888,613	106,311,037	105,422,326	103,261,850
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 113,604,295</u>	<u>\$ 126,888,613</u>	<u>\$ 106,311,037</u>	<u>\$ 105,422,326</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 82,487,735</u>	<u>\$ 63,831,416</u>	<u>\$ 78,254,424</u>	<u>\$ 75,653,410</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.93%	66.53%	57.60%	58.22%
Covered Payroll	\$ 10,510,114	\$ 9,998,155	\$ 9,185,973	\$ 8,249,634
Net Pension Liability as Percentage of Covered Payroll	784.84%	638.43%	851.89%	917.05%

**Notes to Schedule:**

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

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

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

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	\$ 1,796,886	\$ 1,697,844	\$ 1,501,984	\$ 1,544,341	\$ 1,578,729
Interest on Total Pension Liability	11,973,513	11,756,269	11,766,386	11,550,084	11,142,267
Differences Between Expected and Actual Experience	(299,522)	(3,198,739)	(1,620,555)	714,618	-
Changes in Assumptions	(953,019)	9,199,362	-	(2,672,769)	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(9,808,276)</u>	<u>(8,617,142)</u>	<u>(8,887,931)</u>	<u>(8,362,515)</u>	<u>(8,292,893)</u>
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	<u>(155,035)</u>	<u>(137,006)</u>	<u>(58,860)</u>	<u>(108,707)</u>	<u>-</u>
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 nine years are shown.

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 7,870,770	\$ 7,068,663	\$ 6,557,278	\$ 5,952,729
Contributions in Relation to the Actuarially Determined Contributions	(7,870,770)	(7,068,663)	(6,557,278)	(5,952,729)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 9,185,973	\$ 10,510,114	\$ 9,998,155	\$ 9,185,973
Contributions as a Percentage of Covered Payroll	85.68%	67.26%	65.58%	64.80%
<b>Notes to Schedule:</b>				
Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(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  
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
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**Methods and Assumptions Used to**

**Determine Contribution Rates:**

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Fair Value Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

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

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

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

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

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

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability	0.91734%	1.08803%	0.82961%	0.81779%
Plan's Proportionate Share of the Net Pension Liability	\$ 63,035,973	\$ 38,184,110	\$ 55,271,784	\$ 51,050,543
Plan's Covered Payroll	\$ 6,934,844	\$ 6,644,007	\$ 6,934,844	\$ 6,607,330
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	908.97%	574.72%	797.02%	772.63%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	66.21%	78.59%	68.36%	75.26%

**Notes to Schedule:**

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

From fiscal year June 30, 2022 to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.90% and the inflation rate decreased from 2.50% to 2.30%.

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

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

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

**Notes to Schedule:**

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%

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

There were no changes in assumptions.

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

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	\$ 5,870,803	\$ 5,345,973	\$ 4,786,061	\$ 4,372,591
Contributions in Relation to the Actuarially Determined Contributions	(5,870,803)	(5,345,973)	(4,786,061)	(4,372,591)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 6,764,920	\$ 6,764,920	\$ 6,644,007	\$ 6,934,844
Contributions as a Percentage of Covered Payroll	86.78%	79.02%	72.04%	63.05%
<b>Notes to Schedule:</b>				
Valuation Date	6/30/2020	6/30/2019	6/30/2018	6/30/2017
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>				
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

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

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

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

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

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



**CITY OF SANTA FE SPRINGS  
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
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**Methods and Assumptions Used to**

**Determine Contribution Rates:**

Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	15-Year Smoothed Fair Value Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.

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

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

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

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

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

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2021	June 30, 2020
Total OPEB Liability:			
Service Cost	\$ 984,226	\$ 978,905	\$ 966,145
Interest on Total OPEB Liability	3,619,578	4,094,287	4,051,589
Changes of Benefit Terms	4,802,768	-	-
Differences Between			
Expected and Actual Experience	-	(4,911,693)	-
Changes of Assumptions	-	572,595	(1,048,245)
Benefit Payments	(3,566,828)	(3,397,735)	(3,301,649)
Net Change in Total OPEB Liability	5,839,744	(2,663,641)	667,840
Total OPEB Liability - Beginning of Year	58,712,426	61,376,067	60,708,227
Total OPEB Liability - End of Year (a)	<u>\$ 64,552,170</u>	<u>\$ 58,712,426</u>	<u>\$ 61,376,067</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 4,183,089	\$ 5,011,731	\$ 5,033,207
Net Investment Income	(4,051,230)	6,178,247	793,628
Benefit Payments	(3,566,828)	(3,397,735)	(3,301,649)
Administrative Expenses	(14,857)	(15,517)	(17,396)
Net Change in Plan Fiduciary Net Position	(3,449,826)	7,776,726	2,507,790
Plan Fiduciary Net Position -			
Beginning of Year	29,762,288	21,985,562	19,477,772
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 26,312,462</u>	<u>\$ 29,762,288</u>	<u>\$ 21,985,562</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 38,239,708</u>	<u>\$ 28,950,138</u>	<u>\$ 39,390,505</u>
Plan Fiduciary Net Position as a Percentage			
of the Total OPEB Liability	40.76%	50.69%	35.82%
Covered - Employee Payroll	\$ 21,555,073	\$ 19,983,477	\$ 18,008,437
Net OPEB Liability as Percentage of			
Covered - Employee Payroll	177.40%	144.87%	218.73%

**Notes to Schedule:**

Benefit Changes:

From fiscal year June 30, 2022 to June 30, 2023:

Effective 1/1/22, the Miscellaneous cap is set equal to the Kaiser Family non-Medicare premium, and the Fire cap is set equal to the PORAC Family non-Medicare premium (CalPERS Region 3).

Changes in Assumptions:

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

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

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

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

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:			
Service Cost	\$ 1,105,368	\$ 1,073,173	\$ 1,042,000
Interest on Total OPEB Liability	4,408,354	4,254,334	4,100,000
Changes of Benefit Terms	(24,586)	-	-
Differences Between			
Expected and Actual Experience	(7,005,009)	-	-
Changes of Assumptions	(397,546)	-	-
Benefit Payments	(3,163,861)	(2,992,000)	(2,786,000)
Net Change in Total OPEB Liability	(5,077,280)	2,335,507	2,356,000
Total OPEB Liability - Beginning of Year	65,785,507	63,450,000	61,094,000
Total OPEB Liability - End of Year (a)	<u>\$ 60,708,227</u>	<u>\$ 65,785,507</u>	<u>\$ 63,450,000</u>
Plan Fiduciary Net Position:			
Contributions - Employer	\$ 4,995,349	\$ 4,616,000	\$ 5,223,000
Net Investment Income	1,101,136	1,119,324	1,216,000
Benefit Payments	(3,163,861)	(2,992,000)	(2,786,000)
Administrative Expenses	(10,164)	(26,012)	(6,000)
Net Change in Plan Fiduciary Net Position	2,922,460	2,717,312	3,647,000
Plan Fiduciary Net Position -			
Beginning of Year	16,555,312	13,838,000	10,191,000
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 19,477,772</u>	<u>\$ 16,555,312</u>	<u>\$ 13,838,000</u>
Net OPEB Liability - Ending (a)-(b)	<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	32.08%	25.17%	21.81%
Covered - Employee Payroll	\$ 17,127,695	\$ 19,257,018	\$ 18,626,195
Net OPEB Liability as Percentage of			
Covered - Employee Payroll	240.72%	255.65%	266.36%

**Notes to Schedule:**

Benefit Changes:

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

There were no changes in benefits.

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

Life insurance benefit for grandfathered retirees was terminated.

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

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

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

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

Removal of ACA Excise Tax.

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

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

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021
Actuarially Determined Contribution	\$ 4,229,000	\$ 4,266,000	\$ 4,141,000
Contributions in Relation to the Actuarially Determined Contributions	(4,220,985)	(4,183,089)	(5,074,731)
Contribution Deficiency (Excess)	<u>\$ 8,015</u>	<u>\$ 82,911</u>	<u>\$ (933,731)</u>
Covered - Employee Payroll	\$ 22,159,644	\$ 21,555,073	\$ 19,983,477
Contributions as a Percentage of Covered - Employee Payroll	19.05%	19.41%	25.39%

**Notes to Schedule:**

Valuation Date	6/30/2021	6/30/2019	6/30/2019
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**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Amortization Period	16.1 year fixed	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)
Discount Rate	6.25%	6.75%	6.75%
Inflation	2.50%	2.75%	2.75%
Healthcare Trend Rates	(7)	(4)	(4)
Mortality	(8)	(6)	(6)

(1) Level percentage of payroll.

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

(3) Non-Medicare 7.5%, Medicare 6.5%. Decreasing to an ultimate rate of 4% in 2076.

(4) Non-Medicare 7.25%, Medicare 6.3%. Decreasing to an ultimate rate of 4% in 2076.

(5) CalPERS 1997-2011 experience study.

(6) CalPERS 1997-2015 experience study.

(7) Non-Medicare 6.5%, Medicare (Non-Kaiser) 5.65%, Medicare (Kaiser) 4.6%. Decreasing to an ultimate rate of 3.75% in 2076.

(8) CalPERS 2000-2019 experience study.

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

**CITY OF SANTA FE SPRINGS**  
**SCHEDULE OF CONTRIBUTIONS—OPEB (CONTINUED)**  
**LAST TEN FISCAL YEARS\***

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	\$ 5,047,000	\$ 4,900,000	\$ 4,737,000
Contributions in Relation to the Actuarially Determined Contributions	(5,033,207)	(4,995,349)	(4,616,000)
Contribution Deficiency (Excess)	\$ 13,793	\$ (95,349)	\$ 121,000
Covered - Employee Payroll	\$ 18,008,437	\$ 17,127,695	\$ 19,257,018
Contributions as a Percentage of Covered - Employee Payroll	27.95%	29.17%	23.97%
<b>Notes to Schedule:</b>			
Valuation Date	6/30/2017	6/30/2017	6/30/2017
<b>Methods and Assumptions Used to Determine Contribution Rates:</b>			
Actuarial Cost Method	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)
Amortization Period	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%
Healthcare Trend Rates	(4)	(4)	(3)
Mortality	(6)	(6)	(5)

(1) Level percentage of payroll.

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

(3) Non-Medicare 7.5%, Medicare 6.5%. Decreasing to an ultimate rate of 4% in 2076.

(4) Non-Medicare 7.25%, 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 six years are shown.

**CITY OF SANTA FE SPRINGS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2023**

**Budgetary Comparison Information**

Summary of Budgetary Policies

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

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

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

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

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

The following funds do not have a legally adopted budget:

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

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

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

**SPECIAL REVENUE FUNDS**

**State Gas Tax**

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

**County Transit Tax**

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

**Street Lighting Maintenance District**

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

**Heritage Springs Street Maintenance District**

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

**Art in Public Places**

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

**Business License Surcharge**

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

**Air Quality Improvement**

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

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

**Community Development Block Grant**

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

**Fire Grants**

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

**Public Safety Augmentation**

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

**Supplemental Law Enforcement Services**

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

**Community Development Block Grant Program Income**

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

**Narcotics Forfeitures/Seizures**

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

**Transportation Center Expansion Parking Lot Fund**

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

**State Coronavirus Relief Fund**

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

**Measure W**

This fund is used to account for stormwater activities.

**PERMANENT FUND**

**Heritage Art Education Endowment Fund**

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



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**CITY OF SANTA FE SPRINGS  
COMBINING BALANCE SHEET—  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2023**

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 814,148	\$ 4,474,524	\$ 206,465	\$ 183,007	\$ 1,891,689
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	160,961	80,369	4,450	-	-
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 975,109</u>	<u>\$ 4,554,893</u>	<u>\$ 210,915</u>	<u>\$ 183,007</u>	<u>\$ 1,891,689</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	14,100	-	-	-
Due to Other Funds	-	329,335	-	-	-
Total Liabilities	-	343,435	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	975,109	4,211,458	210,915	183,007	-
Art in Public Places	-	-	-	-	1,891,689
Unassigned	-	-	-	-	-
Total Fund Balances	<u>975,109</u>	<u>4,211,458</u>	<u>210,915</u>	<u>183,007</u>	<u>1,891,689</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 975,109</u>	<u>\$ 4,554,893</u>	<u>\$ 210,915</u>	<u>\$ 183,007</u>	<u>\$ 1,891,689</u>

**CITY OF SANTA FE SPRINGS  
COMBINING BALANCE SHEET—  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 80,937	\$ 246,501	\$ 1,155	\$ -	\$ -
Receivables:					
Accounts	8,199	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	6,258	-	551,371	42,954
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 89,136</u>	<u>\$ 252,759</u>	<u>\$ 1,155</u>	<u>\$ 551,371</u>	<u>\$ 42,954</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ 1,155	\$ 18,032	\$ -
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	533,338	42,954
Total Liabilities	-	-	1,155	551,370	42,954
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	496,907	-
Total Deferred Inflows of Resources	-	-	-	496,907	-
<b>FUND BALANCES</b>					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	89,136	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	252,759	-	-	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	(496,906)	-
Total Fund Balances	<u>89,136</u>	<u>252,759</u>	<u>-</u>	<u>(496,906)</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 89,136</u>	<u>\$ 252,759</u>	<u>\$ 1,155</u>	<u>\$ 551,371</u>	<u>\$ 42,954</u>

**CITY OF SANTA FE SPRINGS  
COMBINING BALANCE SHEET—  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

	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
<b>ASSETS</b>					
Pooled Cash and Investments	\$ 4,382	\$ -	\$ 119,475	\$ 41,003	\$ -
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	19,250	-	-	-
Due from Other Governments	-	-	-	-	-
Due from other Funds	-	-	-	-	-
Total Assets	<u>\$ 4,382</u>	<u>\$ 19,250</u>	<u>\$ 119,475</u>	<u>\$ 41,003</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	19,250	-	-	-
Public Safety	4,382	-	119,475	-	-
Public Works	-	-	-	41,003	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	<u>4,382</u>	<u>19,250</u>	<u>119,475</u>	<u>41,003</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,382</u>	<u>\$ 19,250</u>	<u>\$ 119,475</u>	<u>\$ 41,003</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS  
COMBINING BALANCE SHEET—  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
JUNE 30, 2023**

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 4,442,383	\$ 475,269	\$ 12,980,938
Receivables:			
Accounts	-	-	8,199
Notes and Loans	-	-	19,250
Due from Other Governments	-	-	846,363
Due from other Funds	-	-	-
Total Assets	<u>\$ 4,442,383</u>	<u>\$ 475,269</u>	<u>\$ 13,854,750</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ -	\$ 19,187
Unearned Revenues	-	-	14,100
Due to Other Funds	-	-	905,627
Total Liabilities	-	-	938,914
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	-	-	496,907
Total Deferred Inflows of Resources	-	-	496,907
<b>FUND BALANCES</b>			
Nonspendable:			
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	-	108,386
Public Safety	-	-	123,857
Public Works	4,442,383	-	10,316,634
Art in Public Places	-	230,593	2,122,282
Unassigned	-	-	(496,906)
Total Fund Balances	<u>4,442,383</u>	<u>475,269</u>	<u>12,418,929</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,442,383</u>	<u>\$ 475,269</u>	<u>\$ 13,854,750</u>

**CITY OF SANTA FE SPRINGS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	895,331	1,569,639	193,301	-	-
Use of Money and Property	24,700	118,099	6	-	41,248
Rentals	-	-	-	-	-
Contributions	-	-	-	-	926,531
Miscellaneous	-	13,474	-	-	-
Total Revenues	920,031	1,701,212	193,307	-	967,779
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	920,031	1,701,212	193,307	-	967,779
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	(744,130)	(1,498,081)	(183,000)	-	(485,593)
Total Other Financing Sources (Uses)	(744,130)	(1,498,081)	(183,000)	-	(485,593)
<b>NET CHANGE IN FUND BALANCES</b>	175,901	203,131	10,307	-	482,186
Fund Balances - Beginning of Year	799,208	4,008,327	200,608	183,007	1,409,503
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 975,109</u>	<u>\$ 4,211,458</u>	<u>\$ 210,915</u>	<u>\$ 183,007</u>	<u>\$ 1,891,689</u>

**CITY OF SANTA FE SPRINGS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
<b>REVENUES</b>					
Taxes	\$ 13,692	\$ -	\$ -	\$ -	\$ 243,746
Intergovernmental	-	24,768	26,000	271,455	-
Use of Money and Property	-	6,044	-	-	-
Rentals	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	13,692	30,812	26,000	271,455	243,746
<b>EXPENDITURES</b>					
Current:					
General Government	251	-	-	-	-
Public Safety	-	-	-	151,153	-
Public Works	-	6,262	-	-	-
Culture and Leisure	-	-	26,000	-	-
Capital Outlay	-	-	-	537,211	-
Total Expenditures	251	6,262	26,000	688,364	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	13,441	24,550	-	(416,909)	243,746
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	3	-
Transfers Out	-	-	-	-	(243,746)
Total Other Financing Sources (Uses)	-	-	-	3	(243,746)
<b>NET CHANGE IN FUND BALANCES</b>	13,441	24,550	-	(416,906)	-
Fund Balances - Beginning of Year	75,695	228,209	-	(80,000)	-
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 89,136</u>	<u>\$ 252,759</u>	<u>\$ -</u>	<u>\$ (496,906)</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	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
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	100,000	-	52,051	-	4,234,960
Use of Money and Property	4,382	-	2,236	-	-
Rentals	-	-	-	1	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	104,382	-	54,287	1	4,234,960
<b>EXPENDITURES</b>					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	104,382	-	54,287	1	4,234,960
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In	-	-	-	-	-
Transfers Out	(229,043)	-	-	-	(4,234,960)
Total Other Financing Sources (Uses)	(229,043)	-	-	-	(4,234,960)
<b>NET CHANGE IN FUND BALANCES</b>	(124,661)	-	54,287	1	-
Fund Balances - Beginning of Year	129,043	19,250	65,188	41,002	-
<b>FUND BALANCES - END OF YEAR</b>	\$ 4,382	\$ 19,250	\$ 119,475	\$ 41,003	\$ -



**CITY OF SANTA FE SPRINGS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2023**

	Special Revenue Fund	Permanent Fund	Total Nonmajor Governmental Funds
	Measure W	Heritage Art Education Endowment Fund	
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ 257,438
Intergovernmental	1,455,173	-	8,822,678
Use of Money and Property	100,836	12,048	309,599
Rentals	-	-	1
Contributions	-	-	926,531
Miscellaneous	-	-	13,474
Total Revenues	1,556,009	12,048	10,329,721
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	251
Public Safety	-	-	151,153
Public Works	-	-	6,262
Culture and Leisure	-	-	26,000
Capital Outlay	-	-	537,211
Total Expenditures	-	-	720,877
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	1,556,009	12,048	9,608,844
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	-	3
Transfers Out	-	-	(7,618,553)
Total Other Financing Sources (Uses)	-	-	(7,618,550)
<b>NET CHANGE IN FUND BALANCES</b>	1,556,009	12,048	1,990,294
Fund Balances - Beginning of Year	2,886,374	463,221	10,428,635
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 4,442,383</u>	<u>\$ 475,269</u>	<u>\$ 12,418,929</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
STATE GAS TAX  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 942,400	\$ 942,400	\$ 895,331	\$ (47,069)
Use of Money and Property	-	-	24,700	24,700
Total Revenues	942,400	942,400	920,031	(22,369)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(200,000)	(200,000)	(744,130)	(544,130)
Total Other Financing Sources (Uses)	(200,000)	(200,000)	(744,130)	(544,130)
<b>NET CHANGE IN FUND BALANCE</b>	742,400	742,400	175,901	(566,499)
Fund Balance - Beginning of Year	799,208	799,208	799,208	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,541,608</u>	<u>\$ 1,541,608</u>	<u>\$ 975,109</u>	<u>\$ (566,499)</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
COUNTY TRANSIT TAX  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,200,000	\$ 1,200,000	\$ 1,569,638	\$ 369,638
Use of Money and Property	-	-	118,099	118,099
Miscellaneous	-	-	13,475	13,475
Total Revenues	1,200,000	1,200,000	1,701,212	501,212
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(534,400)	(534,400)	(1,498,081)	(963,681)
Total Other Financing Sources (Uses)	(534,400)	(534,400)	(1,498,081)	(963,681)
<b>NET CHANGE IN FUND BALANCE</b>	665,600	665,600	203,131	(462,469)
Fund Balance - Beginning of Year	4,008,327	4,008,327	4,008,327	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 4,673,927</u>	<u>\$ 4,673,927</u>	<u>\$ 4,211,458</u>	<u>\$ (462,469)</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
STREET LIGHTING MAINTENANCE DISTRICT  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 195,000	\$ 195,000	\$ 193,301	\$ (1,699)
Use of Money and Property	-	-	6	6
Total Revenues	195,000	195,000	193,307	(1,693)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(183,000)	(183,000)	(183,000)	-
Total Other Financing Sources (Uses)	(183,000)	(183,000)	(183,000)	-
<b>NET CHANGE IN FUND BALANCE</b>	12,000	12,000	10,307	(1,693)
Fund Balance - Beginning of Year	200,608	200,608	200,608	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 212,608</u>	<u>\$ 212,608</u>	<u>\$ 210,915</u>	<u>\$ (1,693)</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
ART IN PUBLIC PLACES  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of Money and Property	\$ -	\$ -	\$ 41,248	\$ 41,248
Contributions	300,000	300,000	926,531	626,531
Total Revenues	300,000	300,000	967,779	667,779
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(485,500)	(485,500)	(485,593)	(93)
Total Other Financing Sources (Uses)	(485,500)	(485,500)	(485,593)	(93)
<b>NET CHANGE IN FUND BALANCE</b>	(185,500)	(185,500)	482,186	667,686
Fund Balance - Beginning of Year	1,409,503	1,409,503	1,409,503	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,224,003</u>	<u>\$ 1,224,003</u>	<u>\$ 1,891,689</u>	<u>\$ 667,686</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
AIR QUALITY IMPROVEMENT  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 20,000	\$ 20,000	\$ 24,768	\$ 4,768
Use of Money and Property	-	-	6,044	6,044
Total Revenues	20,000	20,000	30,812	10,812
<b>EXPENDITURES</b>				
Public Works	-	-	6,262	(6,262)
Total Expenditures	-	-	6,262	(6,262)
<b>NET CHANGE IN FUND BALANCE</b>	20,000	20,000	24,550	17,074
Fund Balance - Beginning of Year	228,209	228,209	228,209	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 248,209</u>	<u>\$ 248,209</u>	<u>\$ 252,759</u>	<u>\$ 17,074</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
COMMUNITY DEVELOPMENT BLOCK GRANT  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 16,500	\$ 16,500	\$ 26,000	\$ 9,500
Total Revenues	16,500	16,500	26,000	9,500
<b>EXPENDITURES</b>				
Culture and Leisure	16,500	16,500	26,000	(9,500)
Total Expenditures	16,500	16,500	26,000	(9,500)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
PUBLIC SAFETY AUGMENTATION  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 186,500	\$ 186,500	\$ 243,746	\$ 57,246
Total Revenues	186,500	186,500	243,746	57,246
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(186,500)	(186,500)	(243,746)	(57,246)
Total Other Financing Sources (Uses)	(186,500)	(186,500)	(243,746)	(57,246)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
SUPPLEMENTAL LAW ENFORCEMENT SERVICES  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 150,000	\$ 150,000	\$ 100,000	\$ (50,000)
Use of Money and Property	-	-	4,382	4,382
Total Revenues	150,000	150,000	104,382	(45,618)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(100,000)	(100,000)	(229,043)	(129,043)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(229,043)	(129,043)
<b>NET CHANGE IN FUND BALANCE</b>	50,000	50,000	(124,661)	(174,661)
Fund Balance - Beginning of Year	129,043	129,043	129,043	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 179,043</u>	<u>\$ 179,043</u>	<u>\$ 4,382</u>	<u>\$ (174,661)</u>

**CITY OF SANTA FE SPRINGS  
BUDGETARY COMPARISON SCHEDULE—  
MEASURE W  
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ 1,455,173	\$ 55,173
Use of Money and Property	-	-	100,836	100,836
Total Revenues	1,400,000	1,400,000	1,556,009	156,009
 Fund Balance - Beginning of Year	 2,886,374	 2,886,374	 2,886,374	 -
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 4,286,374</b>	<b>\$ 4,286,374</b>	<b>\$ 4,442,383</b>	<b>\$ 156,009</b>

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

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

### **CUSTODIAL FUNDS**

#### **Assessment District Funds**

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

#### **Community Facilities Assessment Districts Fund**

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

**CITY OF SANTA FE SPRINGS  
COMBINING STATEMENT OF FIDUCIARY NET POSITION—  
CUSTODIAL FUNDS  
JUNE 30, 2023**

	Assessment Districts	Community Facilities Assessment Districts	Total
<b>ASSETS</b>			
Pooled Cash and Investments	\$ 668,807	\$ 67,652	\$ 736,459
Receivables:			
Accounts	-	897	897
Restricted Assets:			
Cash and Investment with Fiscal Agents	173,971	-	173,971
Total Assets	842,778	68,549	911,327
<b>LIABILITIES</b>			
Due to Other Governments	-	897	897
Total Liabilities	-	897	897
<b>NET POSITION</b>			
Held for Bondholders	842,778	67,652	910,430
Total Net Position	<u>\$ 842,778</u>	<u>\$ 67,652</u>	<u>\$ 910,430</u>

**CITY OF SANTA FE SPRINGS  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—  
CUSTODIAL FUNDS  
YEAR ENDED JUNE 30, 2023**

	Assessment Districts	Community Facilities Assessment Districts	Total
<b>ADDITIONS</b>			
Special Assessments or Special Taxes Collected From Property Owners	\$ 219,059	\$ -	\$ 219,059
Interest and Change in Fair Value of Investments	<u>5,099</u>	<u>-</u>	<u>5,099</u>
Total Additions	224,158	-	224,158
<b>DEDUCTIONS</b>			
Payment for Special Assessment or Special Tax Debt	<u>169,404</u>	<u>-</u>	<u>169,404</u>
Total Deductions	<u>169,404</u>	<u>-</u>	<u>169,404</u>
<b>CHANGE IN NET POSITION</b>	54,754	-	54,754
Net Position - Beginning of Year	<u>788,024</u>	<u>67,652</u>	<u>855,676</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 842,778</u></u>	<u><u>\$ 67,652</u></u>	<u><u>\$ 910,430</u></u>

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**CITY OF SANTA FE SPRINGS  
STATISTICAL SECTION**

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

	Page
<b>Financial Trends</b> – These schedules contain trend information to help the reader understand how the city's financial performance and well-being have changed over time.	118
<b>Revenue Capacity</b> – These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	128
<b>Debt Capacity</b> – 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	132
<b>Demographic and Economic Information</b> – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	140
<b>Operating Information</b> – 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.	143

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

	Fiscal Year			
	2014	2015	2016	2017
<b>Governmental activities:</b>				
Net investment in capital assets	\$ 163,745,920	\$ 163,742,164	\$ 159,942,690	\$ 158,121,201
Restricted	9,651,144	29,208,112	32,373,440	33,145,221
Unrestricted	37,672,916	(50,143,910)	(49,235,190)	(52,203,681)
Total governmental activities net position	<u>\$ 211,069,980</u>	<u>\$ 142,806,366</u>	<u>\$ 143,080,940</u>	<u>\$ 139,062,741</u>
<b>Business-type activities:</b>				
Net investment in capital assets	\$ 16,386,459	\$ 15,541,573	\$ 17,182,873	\$ 17,533,898
Restricted	-	-	-	817,087
Unrestricted	3,952,242	(2,072,299)	(728,889)	331,570
Total business type activities net position	<u>\$ 20,338,701</u>	<u>\$ 13,469,274</u>	<u>\$ 16,453,984</u>	<u>\$ 18,682,555</u>
<b>Primary government:</b>				
Net investment in capital assets	\$ 180,132,379	\$ 179,283,737	\$ 177,125,563	\$ 175,655,099
Restricted	9,651,144	29,208,112	32,373,440	33,962,308
Unrestricted	41,625,158	(52,216,209)	(49,964,079)	(51,872,111)
Total primary government net position	<u>\$ 231,408,681</u>	<u>\$ 156,275,640</u>	<u>\$ 159,534,924</u>	<u>\$ 157,745,296</u>

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



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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 156,001,364	\$ 154,315,020	\$ 162,029,958	\$ 163,949,669	162,283,010	155,913,818
32,820,873	34,775,125	30,978,812	30,905,794	32,275,248	34,548,863
(90,543,090)	(89,116,900)	(75,019,083)	(59,478,048)	(39,991,438)	2,513,729
<u>\$ 98,279,147</u>	<u>\$ 99,973,245</u>	<u>\$ 117,989,687</u>	<u>\$ 135,377,415</u>	<u>\$ 154,566,820</u>	<u>\$ 192,976,410</u>
\$ 18,890,862	\$ 18,754,383	\$ 18,028,340	\$ 19,156,150	18,669,402	17,669,785
536,194	558,184	559,019	-	-	570,673
(1,190,788)	(324,355)	526,956	218,253	3,110,220	5,662,082
<u>\$ 18,236,268</u>	<u>\$ 18,988,212</u>	<u>\$ 19,114,315</u>	<u>\$ 19,374,403</u>	<u>\$ 21,779,622</u>	<u>\$ 23,902,540</u>
\$ 174,892,226	\$ 173,069,403	\$ 180,058,298	\$ 183,105,819	\$ 180,952,412	173,583,603
33,357,067	35,333,309	31,537,831	30,905,794	32,275,248	35,119,536
(91,733,878)	(89,441,255)	(74,492,127)	(59,259,795)	(36,881,218)	8,175,811
<u>\$ 116,515,415</u>	<u>\$ 118,961,457</u>	<u>\$ 137,104,002</u>	<u>\$ 154,751,818</u>	<u>\$ 176,346,442</u>	<u>\$ 216,878,950</u>

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

	Fiscal Year			
	2014	2015	2016	2017
<b>Expenses:</b>				
Governmental activities:				
General government	\$ 5,941,165	\$ 5,614,730	\$ 5,692,938	\$ 6,910,410
Public safety	25,903,765	28,215,907	31,438,552	31,961,957
Community development	4,050,792	3,794,506	4,020,001	4,347,313
Public works	16,997,746	14,269,841	9,510,398	9,160,460
Culture and leisure	7,690,481	7,681,363	8,103,268	9,185,643
Human services	2,881,556	3,133,900	3,326,615	3,190,530
Unallocated depreciation	-	-	-	-
Interest on long term liabilities	213,286	239,719	207,917	160,610
Total governmental activities expenses	63,678,791	62,949,966	62,299,689	64,916,923
Business type activities:				
Water utility	10,781,780	10,911,725	10,056,785	10,437,631
Total primary government expenses	74,460,571	73,861,691	72,356,474	75,354,554
<b>Program revenues:</b>				
Governmental activities:				
Charges for Services:				
General government	2,027,076	1,975,162	2,067,142	2,474,664
Public safety	2,937,252	2,985,378	3,485,203	3,191,717
Community development	2,460,571	1,953,691	2,558,688	2,577,415
Public works	756,730	753,510	824,258	791,941
Culture and leisure	556,566	533,242	516,907	609,553
Human services	522,881	520,428	450,564	409,783
Operating grants and contributions	3,405,177	2,090,135	2,414,716	2,313,540
Capital grants and contributions	18,887,861	6,801,309	596,380	708,569
Total governmental activities program revenues	31,554,114	17,612,855	12,913,858	13,077,182
Business type activities:				
Charges for services:				
Water utility	13,139,026	12,252,452	11,445,171	12,760,330
Operating grants and contributions	-	-	-	-
Capital grants and contributions	632,638	111,777	796,442	762,739
Total business type activities program revenues	13,771,664	12,364,229	12,241,613	13,523,069
Total primary government program revenues	45,325,778	29,977,084	25,155,471	26,600,251
<b>Net revenues (expenses):</b>				
Governmental activities	(32,124,677)	(45,337,111)	(49,385,831)	(51,839,741)
Business type activities	2,989,884	1,452,504	2,184,828	3,085,438
Total net revenues (expenses)	(29,134,793)	(43,884,607)	(47,201,003)	(48,754,303)

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 4,251,432	\$ 6,896,856	\$ 8,544,252	\$ 8,482,800	\$ 7,629,048	\$ 10,309,257
34,034,478	33,932,658	34,743,488	35,296,588	40,445,623	28,262,932
4,116,962	2,955,522	2,795,648	2,674,722	2,728,716	11,654,888
17,219,492	15,558,408	17,572,927	16,766,663	16,318,672	18,788,759
6,982,622	6,689,566	6,539,103	5,501,644	5,486,877	7,320,797
2,790,840	2,000,692	1,777,281	1,612,973	1,637,533	2,233,457
-	-	-	-	-	-
121,322	112,477	56,935	51,054	67,435	79,938
69,517,148	68,146,179	72,029,634	70,386,444	74,313,904	78,650,028
11,192,617	11,124,404	11,310,735	13,282,916	12,347,405	13,624,222
80,709,765	79,270,583	83,340,369	83,669,360	86,661,309	92,274,250
2,038,573	2,131,444	2,246,355	3,121,333	3,306,540	5,172,985
3,561,042	3,433,078	3,222,786	3,580,227	4,298,393	3,109,883
1,723,739	1,818,544	2,005,242	1,760,519	2,336,477	3,509,086
1,046,597	757,476	1,478,915	995,335	1,317,122	2,047,599
453,369	624,126	256,996	34,487	275,337	510,546
311,394	39,913	12,063	1,149	40,073	356,524
5,261,361	4,215,071	4,378,318	5,694,683	6,210,343	11,429,865
3,883,123	161,836	2,116,919	3,351,016	622,474	3,409,443
18,279,198	13,181,488	15,717,594	18,538,749	18,406,759	29,545,931
13,491,332	12,611,914	12,406,103	14,430,951	15,627,075	15,279,357
-	-	-	-	72,774	8,727
-	-	63,014	22,074	5,287	17,285
13,491,332	12,611,914	12,469,117	14,453,025	15,705,136	15,305,369
31,770,530	25,793,402	28,186,711	32,991,774	34,111,895	44,851,300
(51,237,950)	(54,964,691)	(56,312,040)	(51,847,695)	(55,907,145)	(49,104,097)
2,298,715	1,487,510	1,158,382	1,170,109	3,357,731	1,681,147
(48,939,235)	(53,477,181)	(55,153,658)	(50,677,586)	(52,549,414)	(47,422,950)

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

	Fiscal Year			
	2014	2015	2016	2017
<b>General revenues and other changes in net position:</b>				
Governmental activities:				
Taxes:				
Sales and use taxes	\$ 26,096,479	\$ 26,432,547	\$ 25,518,717	\$ 25,076,235
Transaction and use taxes	-	-	-	-
Property taxes	3,601,771	4,088,687	3,425,637	3,949,731
Franchise taxes	2,779,357	2,978,360	3,034,652	2,915,926
Motor vehicle in lieu tax - general purpose	1,595,953	1,686,499	1,716,181	1,767,500
Business operations taxes	768,575	780,747	801,658	807,702
Utility users taxes	6,634,353	6,836,360	6,669,155	6,406,684
Other taxes	416,269	567,503	531,045	522,091
Investment income	1,416,003	1,440,422	1,807,176	1,874,492
Other	2,216,285	2,692,622	2,988,717	2,269,170
Gain (Loss) on disposal of asset	42,312	-	-	-
Transfers to Successor Agency	-	-	-	-
Transfers	1,597,099	1,224,700	1,073,642	1,168,892
Extraordinary gain	(2,249,862)	19,954,190	-	-
Total governmental activities	<u>44,914,594</u>	<u>68,682,637</u>	<u>47,566,580</u>	<u>47,821,542</u>
Business type activities:				
Investment income	11,929	15,849	27,006	62,836
Other	107,631	240,554	156,955	249,189
Transfers	(1,597,099)	(1,224,700)	(1,073,642)	(1,168,892)
Total business type activities	<u>(1,477,539)</u>	<u>(968,297)</u>	<u>(889,681)</u>	<u>(856,867)</u>
Total primary government	<u>43,437,055</u>	<u>67,714,340</u>	<u>46,676,899</u>	<u>46,964,675</u>
<b>Changes in Net Position:</b>				
Governmental activities	12,789,917	23,345,526	(1,819,251)	(4,018,199)
Business type activities	1,512,345	484,207	1,295,147	2,228,571
Total primary government	<u>\$ 14,302,262</u>	<u>\$ 23,829,733</u>	<u>\$ (524,104)</u>	<u>\$ (1,789,628)</u>

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 26,093,872	\$ 28,360,308	\$ 30,689,739	\$ 32,305,008	\$ 39,572,185	40,224,112
-	3,044,712	13,083,262	13,682,006	15,661,416	16,807,006
4,130,663	4,587,444	4,958,288	5,961,342	5,724,154	5,898,604
3,180,671	3,377,884	3,495,821	3,550,280	3,790,928	4,704,512
1,863,969	1,960,317	2,148,113	2,297,474	2,359,894	2,507,001
789,379	831,717	752,800	771,642	809,418	764,330
6,523,816	6,517,423	6,484,575	6,907,100	7,824,051	8,758,357
628,828	564,638	132,232	172,204	158,797	165,381
2,189,573	4,263,013	4,308,252	1,303,072	(2,976,930)	4,027,079
675,977	1,996,198	1,496,137	1,089,993	963,042	2,091,536
-	-	292,655	40,878	55,786	209,605
-	-	-	-	-	-
1,163,587	1,155,135	1,156,300	1,154,424	1,153,809	1,356,165
-	-	-	-	-	-
47,240,335	56,658,789	68,998,174	69,235,423	75,096,550	87,513,688
118,561	218,248	306,513	181,503	118,355	439,703
1,791,077	201,321	111,085	61,605	84,237	92,807
(1,163,587)	(1,155,135)	(1,156,300)	(1,154,424)	(1,153,809)	(1,356,165)
746,051	(735,566)	(738,702)	(911,316)	(951,217)	(823,655)
47,986,386	55,923,223	68,259,472	68,324,107	74,145,333	86,690,033
(3,997,615)	1,694,098	12,686,134	17,387,728	19,189,405	38,409,591
3,044,766	751,944	419,680	258,793	2,406,514	857,492
\$ (952,849)	\$ 2,446,042	\$ 13,105,814	\$ 17,646,521	\$ 21,595,919	\$ 39,267,083

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

	<b>Fiscal Year</b>			
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>General fund:</b>				
Nonspendable	\$ 5,585,494	\$ 4,753,064	\$ 12,721,050	\$ 11,441,321
Restricted	98,801	98,821	322,843	869,331
Committed	225,000	225,000	225,000	225,000
Assigned		2,399,700	630,000	3,629,664
Unassigned	18,583,574	20,027,817	21,301,702	21,868,047
Total general fund	<u>\$ 24,492,869</u>	<u>\$ 27,504,402</u>	<u>\$ 35,200,595</u>	<u>\$ 38,033,363</u>
<b>All other governmental funds:</b>				
Nonspendable	\$ 5,688,704	\$ 4,330,950	\$ -	\$ -
Restricted	3,863,639	25,059,379	32,050,597	32,275,890
Assigned	7,794,387	9,480,556	15,036,492	14,316,725
Unassigned	<u>(40,661)</u>	<u>(16,968)</u>	<u>(13,040)</u>	<u>(13,413)</u>
Total all other governmental funds	<u>\$ 17,306,069</u>	<u>\$ 38,853,917</u>	<u>\$ 47,074,049</u>	<u>\$ 46,579,202</u>

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

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

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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,809,238	\$ 1,828,548	\$ 2,224,444	\$ 2,340,616	\$ 2,813,309	\$ 2,808,056
1,070,451	1,194,990	1,344,838	1,612,762	1,818,278	2,513,307
225,000	225,000	225,000	225,000	225,000	225,000
6,585,155	10,997,012	22,126,736	31,285,627	35,424,875	61,208,026
21,730,547	22,675,644	24,121,539	24,884,524	28,046,008	33,685,245
<u>\$ 37,420,391</u>	<u>\$ 36,921,194</u>	<u>\$ 50,042,557</u>	<u>\$ 60,348,529</u>	<u>\$ 68,327,470</u>	<u>\$ 100,439,634</u>
\$ 244,676	\$ 244,673	\$ 244,676	\$ 244,676	\$ 244,676	\$ 244,676
31,750,422	33,580,135	28,278,390	26,982,856	30,212,294	31,790,880
13,256,233	17,598,708	22,501,686	28,622,561	35,841,732	35,487,115
<u>(3,913,948)</u>	<u>(3,222,614)</u>	<u>(1,679,312)</u>	<u>(3,279,711)</u>	<u>(62,608)</u>	<u>(3,105,007)</u>
<u>\$ 41,337,383</u>	<u>\$ 48,200,905</u>	<u>\$ 49,345,440</u>	<u>\$ 52,570,382</u>	<u>\$ 66,236,094</u>	<u>\$ 64,417,664</u>

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

	Fiscal Year			
	2014	2015	2016	2017
<b>Revenues:</b>				
Taxes	\$ 40,296,804	\$ 41,684,204	\$ 39,980,864	\$ 39,678,369
Licenses and permits	2,747,847	2,206,324	2,536,719	2,750,708
Fines, forfeitures and seizures	491,503	529,250	515,632	492,313
Interest and rentals	1,416,003	1,440,422	1,807,176	1,874,492
From other agencies	23,165,769	11,054,345	5,257,715	5,357,852
Charges for current services	5,147,329	5,250,369	6,078,535	5,798,869
Other	2,493,091	2,855,254	3,146,736	2,464,110
Total revenues	<u>75,758,346</u>	<u>65,020,168</u>	<u>59,323,377</u>	<u>58,416,713</u>
<b>Expenditures:</b>				
Current:				
General government	5,064,465	5,483,276	5,449,398	6,282,824
Public safety	25,203,933	26,968,072	28,407,173	29,775,257
Community development	3,991,264	3,755,596	3,876,256	4,214,838
Public works	4,456,233	4,591,234	4,553,769	4,687,638
Culture and leisure	6,974,428	6,995,907	7,337,952	8,356,661
Human services	2,579,037	2,798,407	3,022,969	2,885,022
Capital outlay	21,383,923	9,745,411	2,621,810	4,208,654
Loss on sale of property				
Debt service:				
Interest	278,854	240,815	209,663	162,419
Principal retirement	983,524	1,045,658	988,940	1,059,310
Bond issuance costs	-	-	-	-
Total expenditures	<u>70,915,661</u>	<u>61,624,376</u>	<u>56,467,930</u>	<u>61,632,623</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,842,685</u>	<u>3,395,792</u>	<u>2,855,447</u>	<u>(3,215,910)</u>
<b>Other financing sources (uses):</b>				
Proceeds (loss) from sale of assets	42,312	25,000	34,954	7,318
Contributions from successor agency	-	100,238	48,465	-
Transfer to private purpose trust fund	-	(20,000)	-	-
Capital leases obligation	-	-	-	-
Transfers in	8,805,993	6,524,301	8,616,801	6,879,579
Transfers out	<u>(10,517,883)</u>	<u>(4,749,901)</u>	<u>(8,753,473)</u>	<u>(2,388,867)</u>
Total other financing sources (uses)	<u>(1,669,578)</u>	<u>1,879,638</u>	<u>(53,253)</u>	<u>4,498,030</u>
Special item	-	-	-	-
Extraordinary loss	<u>(8,408,716)</u>	<u>19,954,190</u>	<u>-</u>	<u>1,055,801</u>
Net change in fund balances	<u>(5,235,609)</u>	<u>\$ 25,229,620</u>	<u>2,802,194</u>	<u>2,337,921</u>
Debt service as a percentage of noncapital expenditures	2.1%	2.2%	2.2%	2.1%

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

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

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



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

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 43,211,198	\$ 49,244,443	\$ 62,150,070	\$ 65,647,056	\$ 75,791,133	79,939,013
2,363,791	2,145,963	2,485,395	2,228,200	2,913,256	4,254,978
487,549	738,807	788,382	380,754	446,114	452,766
2,189,573	4,263,013	4,667,628	1,514,370	(2,550,531)	6,170,529
4,640,275	4,551,765	6,210,417	5,495,267	9,014,232	10,596,884
5,899,159	5,524,875	5,346,393	6,463,339	7,558,372	7,561,413
1,671,228	2,698,764	2,467,770	2,274,675	2,085,146	3,500,830
60,462,773	69,167,630	84,116,055	84,003,661	95,257,722	112,476,413
3,795,998	6,876,387	7,902,106	8,521,649	8,985,486	9,252,883
31,403,449	30,466,404	30,472,065	33,162,493	36,495,217	36,964,765
3,935,033	2,777,781	2,649,405	2,758,116	3,254,267	4,455,993
10,447,798	10,651,342	11,375,367	11,324,465	12,439,376	13,838,498
5,932,050	5,698,374	5,554,076	5,029,572	5,785,102	6,620,926
2,303,821	1,532,644	1,414,482	1,418,131	1,757,065	1,953,202
5,960,909	5,459,285	10,174,605	12,561,418	5,809,555	12,158,811
				-	-
123,174	95,235	63,389	21,337	76,193	64,482
1,133,745	1,488,130	1,464,840	176,868	675,015	793,905
-	-	-	-	-	-
65,035,977	65,045,582	71,070,335	74,974,049	75,277,276	86,103,465
(4,573,204)	4,122,048	13,045,720	9,029,612	19,980,446	26,372,948
-	-	292,655	40,878	55,786	209,605
-	-	-	-	-	-
-	-	-	-	-	-
-	1,087,142	-	3,306,000	454,612	2,355,017
4,902,747	10,635,624	9,593,689	12,168,606	14,688,298	11,798,545
(3,739,160)	(9,480,489)	(8,437,389)	(11,014,182)	(13,534,489)	(10,442,380)
1,163,587	2,242,277	1,448,955	4,501,302	1,664,207	3,920,787
-	-	-	-	-	-
-	-	-	-	-	-
(3,409,617)	6,364,325	14,494,675	13,530,914	21,644,653	30,293,735
2.1%	2.6%	2.5%	0.3%	1.1%	1.2%

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

<b>Fiscal Year</b>	<b>Secured Property</b>	<b>Unsecured Property</b>	<b>Less Property Exemptions</b>	<b>Grand Total</b>	<b>Homeowner's Exemption</b>	<b>Net Taxable Value (1)</b>	<b>Total Direct Tax Rate (2)</b>
2014	5,491,905	964,947	67,488	6,389,364	15,020	6,374,344	0.077%
2015	5,819,662	1,002,581	67,730	6,754,513	15,194	6,739,319	0.077%
2016	5,954,556	993,740	88,515	6,859,781	15,058	6,844,723	0.077%
2017	6,101,589	1,054,534	80,496	7,075,627	14,805	7,060,822	0.077%
2018	6,463,463	1,061,430	70,198	7,454,696	14,547	7,440,148	0.077%
2019	6,820,231	1,104,056	78,617	7,845,670	14,262	7,831,408	0.077%
2020	7,432,543	1,184,857	38,932	8,578,468	14,162	8,564,306	0.077%
2021	8,031,534	1,251,065	99,021	9,183,578	13,761	9,169,817	0.077%
2022	8,288,822	1,271,960	160,749	9,400,033	13,593	9,386,440	0.077%
2023	8,865,124	1,275,308	167,026	9,973,406	13,360	9,960,046	0.077%

**NOTE:**

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

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

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

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

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

<b>Fiscal Year</b>	<b>Basic 1% Direct Tax Rate</b>		<b>Override Assessments</b>					<b>Total</b>
	<b>City of Santa Fe Springs</b>	<b>Los Angeles County</b>	<b>Elementary Schools</b>	<b>Los Angeles County</b>	<b>Rio Hondo Community College District</b>	<b>Whittier Union High School District</b>	<b>Metro. Water District</b>	
2014	0.077	0.923	0.085	0.000	0.029	0.045	0.004	1.163
2015	0.077	0.923	0.080	0.000	0.028	0.053	0.004	1.165
2016	0.077	0.923	0.065	0.000	0.027	0.051	0.004	1.147
2017	0.077	0.923	0.075	0.000	0.028	0.060	0.004	1.167
2018	0.077	0.923	0.079	0.000	0.027	0.058	0.004	1.168
2019	0.077	0.923	0.076	0.000	0.026	0.058	0.004	1.164
2020	0.077	0.923	0.065	0.000	0.026	0.055	0.004	1.150
2021	0.077	0.923	0.065	0.000	0.014	0.054	0.004	1.137
2022	0.077	0.923	0.062	0.000	0.015	0.054	0.004	1.135
2023	0.077	0.923	0.068	0.000	0.015	0.053	0.004	1.140

**NOTE:**

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

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

Rates are not adjusted for ERAF

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

Taxpayer	FY 2022-23		FY 2013-14	
	Taxable	Percent of Total	Taxable	Percent of Total
	Assessed Value	Assessed Value	Assessed Value	Assessed Value
Golden Springs Dev	\$ 338,413,276	3.40%	\$ 290,852,977	4.56%
Goodman Santa Fe Springs Spe L	236,537,230	2.37%		
GLC SFS II LLC	164,621,504	1.65%		
PPF Industrial 12016 Telegraph	162,378,530	1.63%	33,695,133	0.53%
AMB Us Logistics Fund LP	137,633,575	1.38%	110,477,649	1.73%
Rexford Industrial Realty LP	129,280,095	1.30%		
PSB Hathaway I Ii LLC	107,178,978	1.08%		
Breitburn Operating LP	85,127,000	0.85%	191,275,178	3.00%
McMaster Carr Supply Company	83,955,000	0.84%	74,036,429	1.16%
Teachers Insurance Annuity Assoc	83,408,258	0.84%	57,588,965	0.90%
TGA Greenstone Logistics Center	81,414,808	0.82%		
Lba Or Core Company V Llc	78,733,382	0.79%		
Duke Realty Lakeland Rd Lp	70,915,756	0.71%		
SDCO SFS Logistics Center Inc.	69,441,059	0.70%		
BSREP III California Infill	69,319,200	0.70%		
Sorensen Xc Ii Llc	68,836,780	0.69%	28,671,240	0.45%
BRE Jupiter Western B West Az	66,986,867	0.67%		
Breit MF Telegraph Rd LLC	59,646,674	0.60%		
Freeway Springs LLC	56,031,522	0.56%		
FDC Partners LP	54,679,012	0.55%		
Gpt Santa Fe Springs Owner Lp	53,263,208	0.53%		
Prologis Logistics Services	52,396,245	0.53%	35,663,400	0.56%
Shaw Diversified Services Inc.	48,250,653	0.48%		
BPREP Colonnade LLC	47,828,615	0.48%		
Kelly Pipe Co LLC	47,478,347	0.48%		
Legacy Partners II Santa Fe Sp			78,888,565	1.24%
Gateway Santa Fe Springs Indus			60,000,000	0.94%
Inland Paperboard			51,680,284	0.81%
Vons Companies Inc.			46,852,679	0.74%
Mckesson Corp			44,943,482	0.71%
Catellus			41,615,999	0.65%
Heraeus Metal Processing Inc.			41,129,709	0.65%
Maruichi American Corp			40,959,837	0.64%
Centro Watt Property Owner II			39,119,038	0.61%
Bloomfield Commerce Center			38,474,972	0.60%
RCS Villages Land LLC			37,285,552	0.59%
14141 Alondra LP			32,737,862	0.51%
Solaris Paper Inc.			32,563,589	0.51%
CFH Envlp Ltd. Ptnshp			32,308,717	0.51%
Carmenita Plaza LLC			31,385,408	0.49%
Pactiv Corp			30,066,614	0.47%
Gabriel Container Company			28,623,703	0.45%
	<u>\$ 2,453,755,574</u>	<u>24.64%</u>	<u>\$ 1,530,896,981</u>	<u>24.03%</u>

**NOTE:**

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy</b>	<b>Collected within the Fiscal Year of Levy</b>		<b>Collections in Subsequent Years</b>	<b>Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
2014	33,546,785	33,210,254	99.00%	-	33,210,254	99.00%
2015	35,511,774	35,217,986	99.17%	-	35,217,986	99.17%
2016	34,092,546	33,826,245	99.22%	-	33,826,245	99.22%
2017	34,802,722	34,524,691	99.20%	-	34,524,691	99.20%
2018	37,721,588	36,571,390	96.95%	-	36,571,390	96.95%
2019	39,275,800	38,914,079	99.08%	-	38,914,079	99.08%
2020	45,613,414	45,027,883	98.72%	-	45,027,883	98.72%
2021	46,103,009	45,790,160	99.32%	-	45,790,160	99.32%
2022	48,011,117	47,585,974	99.11%	-	47,585,974	99.11%
2023	50,915,906	50,660,885	99.50%	-	50,660,885	99.50%

**NOTE:**

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

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

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

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

Fiscal Year Ended June 30	Governmental Activities					Business-type Activities	Total Primary Government	Percentage of Personal Income <sup>1</sup>	Debt Per Capita <sup>1</sup>
	Loans	Tax Allocation Bonds	Pension Obligation Bonds	Capitalized Lease Obligations	Total Governmental Activities	Revenue Bonds			
2013 <sup>2</sup>	503,156	-	6,601,000	612,094	7,716,250	9,282,194	16,998,444	5.11%	1,011
2014 <sup>2</sup>	257,024	-	5,944,000	531,702	6,732,726	9,231,693	15,964,419	4.81%	966
2015 <sup>2</sup>	-	-	5,238,000	449,068	5,687,068	9,069,544	14,756,612	3.93%	837
2016 <sup>2</sup>	-	-	4,334,000	364,128	4,698,128	8,902,394	13,600,522	3.49%	737
2017 <sup>2</sup>	-	-	3,362,000	276,819	3,638,819	8,725,243	12,364,062	3.06%	676
2018 <sup>2</sup>	-	-	2,318,000	693,218	3,011,218	8,366,795	11,378,013	2.64%	621
2019 <sup>2</sup>	-	-	1,199,000	905,085	2,104,085	8,177,762	10,281,847	2.27%	563
2020 <sup>2</sup>	-	-	-	639,246	639,246	7,983,729	8,622,975	1.83%	471
2021 <sup>2</sup>	-	-	-	3,768,377	3,768,377	7,789,696	11,558,073	2.29%	638
2022 <sup>2</sup>	-	-	-	3,547,974	3,547,974	7,590,663	11,138,637	1.86%	594
2023 <sup>2</sup>	-	-	-	5,109,085	5,109,085	7,386,630	12,495,715	1.80%	673

**NOTES:**

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

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

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

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

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

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

<b>Fiscal Year Ended June 30</b>	<b>Outstanding General Bonded Debt</b>			<b>Percent of Assessed Value<sup>1</sup></b>	<b>Per Capita</b>
	<b>Tax Allocation Bonds</b>	<b>Pension Obligation Bonds</b>	<b>Total General Bonded Debt</b>		
2014 <sup>2</sup>	-	5,944,000	5,944,000	0.09%	360
2015 <sup>2</sup>	-	5,238,000	5,238,000	0.08%	297
2016 <sup>2</sup>	-	4,334,000	4,334,000	0.06%	235
2017 <sup>2</sup>	-	3,362,000	3,362,000	0.05%	184
2018 <sup>2</sup>	-	2,318,000	2,318,000	0.03%	126
2019 <sup>2</sup>	-	1,199,000	1,199,000	0.02%	66
2020 <sup>2</sup>	-	-	-	0.00%	0
2021 <sup>2</sup>	-	-	-	0.00%	0
2022 <sup>2</sup>	-	-	-	0.00%	0
2023 <sup>2</sup>	-	-	-	0.00%	0

**NOTE:**

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

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

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

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

**CITY OF SANTA FE SPRINGS  
DIRECT AND OVERLAPPING DEBT  
JUNE 30, 2023**

2022-23 Assessed Valuation: \$10,009,358,851

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	Total Debt 6/30/23	% Applicable (1)	City's Share of Debt 6/30/23
Metropolitan Water District	\$ 19,215,000	0.275%	\$ 52,841
Cerritos Community College District	445,232,887	4.689	20,876,970
Rio Hondo Community College District	170,234,080	14.892	25,351,259
Whittier Union High School District	127,929,361	23.164	29,633,557
ABC Unified School District	124,137,739	2.790	3,463,443
Norwalk-La Mirada Unified School District	308,329,272	13.551	41,781,700
Little Lake City School District	57,449,901	61.131	35,119,699
Los Nietos School District	40,882,715	56.471	23,086,878
South Whittier School District	33,800,000	45.138	15,256,644
Whittier City School District	68,080,000	0.570	388,056
City of Santa Fe Springs Heritage Springs Assessment District	1,145,000	100.	1,145,000
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$196,156,047</b>

<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Los Angeles County General Fund Obligations	\$2,601,551,282	0.528%	\$13,736,191
Los Angeles County Superintendent of Schools Certificates of Participation	3,403,487	0.528	17,970
Whittier City School District Certificates of Participation	8,680,000	0.570	49,476
<b>City of Santa Fe Springs Capital Lease Obligations</b>	<b>2,492,054</b>	<b>100.</b>	<b>2,492,054</b>
Los Angeles County Sanitation District No. 18 Authority	434,236	18.961	82,335
<b>TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$16,378,026</b>

OVERLAPPING TAX INCREMENT DEBT (Successor Agency): \$18,507,773 100. % \$18,507,773

**TOTAL DIRECT DEBT** **\$2,492,054**  
**TOTAL OVERLAPPING DEBT** **\$228,549,792**

**COMBINED TOTAL DEBT** **\$231,041,846 (2)**

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

Ratios to 2022-23 Assessed Valuation:

Total Overlapping Tax and Assessment Debt ..... 1.96%  
**Total Direct Debt (\$2,492,054) ..... 0.02%**  
 Combined Total Debt ..... 2.31%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$5,561,828,022):

Total Overlapping Tax Increment Debt..... 0.33%

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



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

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

**NOTE:**

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

<sup>1</sup>The City issued pension obligation bonds during Fiscal Year 2011-12

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

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

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

**NOTE:**

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

<sup>1</sup>The City issued pension obligation bonds during Fiscal Year 2011-12

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

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

	<b>Fiscal Year Ended June 30</b>		
	<b>2021</b>	<b>2022</b>	<b>2023</b>
Assessed valuation	\$ 9,175,834,549	9,393,925,905	9,967,531,845
Conversion percentage	25%	25%	25%
Adjusted assessed valuation	\$ 2,293,958,637	2,348,481,476	2,491,882,961
Debt limit percentage	15%	15%	15%
Debt limit	\$ 344,093,796	352,272,221	373,782,444
Total net debt applicable to the limit:			
General obligation bonds <sup>1</sup>	-	-	-
Legal Debt Margin	<u>\$ 344,093,796</u>	<u>352,272,221</u>	<u>373,782,444</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.

<sup>1</sup>The City issued pension obligation bonds during Fiscal Year 2011-12

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

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

Fiscal Year	Water Revenue Bonds					Coverage
	Water Revenue	Less Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	
2013	13,063,973	8,604,389	4,459,584	200,000	338,298	8.28
2014	13,879,295	9,453,643	4,425,652	155,000	319,342	9.33
2015	12,604,783	9,674,355	2,930,428	165,000	373,579	5.44
2016	12,398,568	9,210,440	3,188,128	170,000	365,329	5.96
2017	13,772,258	9,488,599	4,283,659	180,000	356,830	7.98
2018	15,282,409	10,181,577	5,100,832	180,000	347,800	9.66
2019	12,936,754	10,173,874	2,762,880	195,000	325,379	5.31
2020	12,823,701	10,649,931	2,173,770	200,000	318,349	4.19
2021	14,674,059	12,636,213	2,037,846	200,000	313,569	3.97
2022	15,902,441	11,699,084	4,203,357	200,000	285,714	8.65
2023	17,086,718	12,889,897	4,196,821	210,000	276,040	8.63

**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.

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

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

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

<b>Fiscal Year</b>	<b>Tax Allocation Bonds</b>			
	<b>Tax Increment</b>	<b>Debt Service</b>		<b>Coverage</b>
		<b>Principal</b>	<b>Interest</b>	
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

**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.

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

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

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

<b>Fiscal Year</b>	<b>Population</b>	<b>Personal Income (in thousands)</b>	<b>Per Capita Personal Income</b>	<b>*Public School Enrollment</b>	<b>Unemployment Rate</b>
2014	16,524	331,945	20,089	6,327	8.2%
2015	17,627	375,077	21,279	6,632	8.4%
2016	18,459	389,558	21,104	6,632	8.0%
2017	18,291	404,312	22,104	6,632	6.2%
2018	18,335	431,061	23,510	5,621	2.2%
2019	18,261	452,842	24,798	6,632	2.5%
2020	18,295	471,861	25,792	6,632	13.1%
2021	18,129	504,701	27,839	5,203	7.6%
2022	18,763	599,975	31,976	5,478	2.4%
2023	18,570	692,611	37,297	4,959	3.2%

**NOTE:**

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

Sources: Population Projections are provided by the California Department of Finance Projections.

Income Data is provided by the United States Census Bureau, 2010 American Community Survey.

Unemployment Rates are provided by the State of California, Employment Development Department Labor Market Information Division.

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

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

<b>Employer</b>	<b>FY 2022-23</b>		<b>FY 2013-14</b>	
	<b>Number of Employees</b>	<b>Percent of Total Employment</b>	<b>Number of Employees</b>	<b>Percent of Total Employment</b>
FN Logistics, LLC	1,100	2.66%		
McMaster Carr Supply Company	788	1.91%	769	1.90%
Vans	510	1.24%		
L. A. Specialty Produce Company	474	1.15%	483	1.19%
FedeEx Ground Package System In	450	1.09%		
SE Pipe Line Construction	440	1.07%		
Southern Glazer's Wine and Spirits	417	1.01%	396	0.98%
Bumble Bee Seafoods, LLC	355	0.86%		
Harbor Distributions LLC	350	0.85%		
Pactiv LLC	315	0.76%		
Trojan Battery Company LLC			372	0.92%
Shaw Diversified Services, Inc.			341	0.84%
Vance and Hines, Inc.			430	1.06%
The Vons Companies, Inc.			769	1.90%
Tharco Container, Inc.			469	1.16%
Swift & Company			399	0.98%
Fuji Food Products, Inc.			342	0.84%
	<u>5,199</u>	<u>12.59%</u>	<u>4,770</u>	<u>11.77%</u>

**NOTE:**

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

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

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

	<b>Fiscal Year Ended June 30</b>									
	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
General Government	37	39	38	38	37	39	39	38	37	38
Public Safety	79	83	83	76	73	70	72	70	74	76
Public Works	57	54	56	58	57	55	52	57	55	60
Planning and Community Development	4	6	7	7	6	7	9	9	9	10
Community Services - Administration	1	1	4	4	4	4	4	3	3	3
Community Services - Parks and Recreation	75	88	88	106	108	93	27	75	72	98
Community Services - Library Services	14	17	22	20	22	23	14	16	20	22
Community Services - Human Services	<u>48</u>	<u>48</u>	<u>54</u>	<u>50</u>	<u>39</u>	<u>32</u>	<u>11</u>	<u>27</u>	<u>31</u>	<u>34</u>
Total	<u><u>315</u></u>	<u><u>336</u></u>	<u><u>352</u></u>	<u><u>359</u></u>	<u><u>346</u></u>	<u><u>323</u></u>	<u><u>228</u></u>	<u><u>295</u></u>	<u><u>301</u></u>	<u><u>341</u></u>

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



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

	Fiscal Year Ended June 30									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	81	81	81	81	81	81	81	81
Streetlights	2,960	2,960	3,174	3,140	3,140	3,140	3,140	3,140	3,140	3,140
Parks and recreation:										
**Parks/Fields	11	11	11	11	11	9	9	9	9	9
**Community services facilities	4	4	4	4	4	4	4	4	4	4
Human services:										
Child care centers	3	3	3	3	3	0	0	0	0	0
Community services facilities	2	1	1	1	1	3	3	3	3	3
Library Services:										
Library facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	107	107	108	108	108	108	108	108	108	108
Number of service connections	6,150	6,330	6,335	6,402	6,509	6,731	6,722	6,232	6,247	6,237

**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

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

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

**NOTES:**

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

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