

ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED JUNE 30, 2023

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2023



PREPARED BY THE CITY OF SANTEE FINANCE DEPARTMENT

10601 MAGNOLIA AVENUE | SANTEE | CALIFORNIA | 92071 | WWW.CITYOFSANTEECA.GOV

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INTRODUCTORY SECTION

Mayor
John W. Minto
City Council
Ronn Hall
Laura Koval
Rob McNelis
Dustin Trotter

December 22, 2023

Honorable Mayor, Members of the City Council, and
Citizens of the City of Santee, California

We are pleased to submit to you the Annual Comprehensive Financial Report of the City of Santee, California (“City”) for the fiscal year ended June 30, 2023. The financial statements are presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed independent certified public accountants.

This report consists of management’s representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City’s assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City’s financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City’s comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The City’s financial statements have been audited by Rogers, Anderson, Malody & Scott LLP, a firm of licensed independent certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended June 30, 2023 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (“clean”) opinion that the City’s financial statements for the fiscal year ended June 30, 2023 are fairly presented in conformity with GAAP. The independent auditor’s report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the financial statements in the form of Management’s Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City’s MD&A can be found immediately following the report of the independent auditors.

Profile of the City

The City of Santee is located eighteen miles east of downtown San Diego and is nestled in the rolling hills of the San Diego River valley. The river forms a linear greenbelt containing parks, trails and more than 1,100 acres of tree-lined riparian habitat. The City’s picturesque setting is further enhanced by Mission Trails Regional Park, a 7,220-acre open space reserve that offers a permanent mountain view at Santee’s western flank. The City occupies a land area of approximately 17 square miles and is a dynamic community of 60,000 residents. Santee’s calendar year 2021 median household income of \$100,216 was the highest of all east San Diego County cities. Santee may be described as having family-based neighborhoods, a strong sense of community, award winning schools and parks, and one of the lowest crime rates in the region.

The City of Santee was incorporated in 1980 as a general law city. On November 4, 2008 the voters in Santee approved Proposition P which adopted a city charter. Santee operates under the Council-Manager form of government. Policy-making and legislative authority are vested in the governing City Council consisting of the Mayor, Vice Mayor and three other council members. The City Council, in addition to establishing overall City policies, is responsible for passing ordinances, adopting the budget, appointing committees, and appointing the City Manager, City Attorney and City Clerk. The City Manager is responsible for carrying out the policies and ordinances of the City Council, for overseeing the day-to-day operations of the city, and for hiring the heads of various departments. The four council members are now elected by district to serve four-year terms, staggered so that in each even-numbered year there will be two council member seats on the ballot. The Mayor is directly elected to a four-year term and serves as the presiding officer of the City Council. The position of Vice Mayor is filled by one of the four council members for a one-year term on a rotating basis.

The City is responsible for providing a range of municipal services that includes law enforcement, fire and life safety, street maintenance, traffic circulation, planning and community development, park and landscape maintenance, code enforcement, building inspection and recreation programs for all ages. Water and sewer service is provided by Padre Dam Municipal Water District. Refuse collection and recycling services are provided through a franchise agreement with Waste Management.

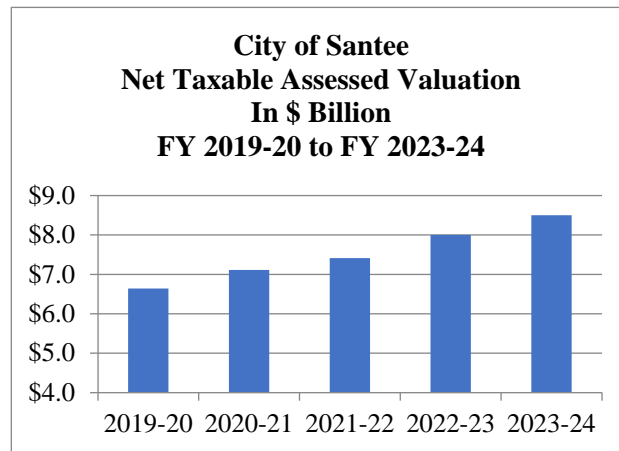
The City is financially accountable for the Santee Public Financing Authority, a legally separate entity, which is reported within the City's financial statements. Additional information regarding the Santee Public Financing Authority can be found in Note 1A in the Notes to the Basic Financial Statements. As further discussed in Note 3G in the Notes to the Basic Financial Statements, in accordance with State law, the Santee Community Development Commission ("Commission") was dissolved and ceased to exist as a legal entity as of February 1, 2012. The City serves as the Successor Agency to the Commission, and separate fiduciary fund financial statements and related note disclosures are included in the Financial Section of this report.

The Operating and Capital Improvement Program budgets serve as the foundation for the City's financial planning and control. The appropriated budget is prepared by fund, program and department. The City Manager may authorize transfers of appropriations within a department. Transfers of appropriations between departments, or any increase in fund appropriations require the approval of the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the General Fund, this comparison is presented in the Required Supplementary Information section of the report.

Local Economy

Santee enjoys a strong and well-diversified tax base with the highest median household income of all east San Diego County cities and the 8th highest of all cities in the county as of calendar year 2021. Santee's unemployment rate of 3.6% as of September 2023 is lower than the national and state unemployment rates and is the 4th lowest in the county. Santee has a five-mile radius market area that includes a population of over 280,000. Santee has 183 national chain retailers and restaurants, with 29 national chains having been added in the last five years.

The City's primary General Fund revenue sources are property taxes and sales tax, which combined provide 73.4% of the General Fund revenues. Continued strength in the housing market over the past several years, along with new residential and commercial construction activity contributed to an 8.0% increase in net taxable assessed valuation in fiscal year 2022-23 and a 7.1% increase in net taxable assessed valuation for the fiscal year 2023-24 tax roll, the 13th and 12th highest rate of increase in the county for each of these years respectively. Santee experienced a 6.1% increase in sales tax revenue in FY 2022-23. Overall, General Fund revenues were 7.3% higher in FY 2022-23 than in the prior fiscal year.



Santee has direct access to three regional freeways (State Routes 52, 67 and 125); with State Route 52 providing a link that connects all three freeways serving Santee, and which provides direct freeway access into Santee Town Center and to the eastern and western ends of the City. State Route 52 provides people living or doing business in Santee a direct connection to most of the major freeway corridors in the region. State Routes 67 and 125 both provide quick access to Interstate 8. Light-rail service via the San Diego Trolley provides direct access to San Diego State University, Mission Valley, downtown San Diego and the San Diego Convention Center.

An important component of the local economy is the Sportsplex USA complex which is located on 20 acres within the 55-acre Town Center Community Park. This site includes a themed sports complex, top quality athletic fields for soccer and football, an entertainment venue, multi-use trails and playgrounds. The sports complex within the park has three lighted softball/baseball fields with artificial turf outfields, two arena soccer fields, four batting cages and a restaurant with indoor and outdoor seating. It accommodates local and regional sports leagues, tournaments, sports camps, corporate events and other special events, drawing over 475,000 visitors annually. The sports complex is operated by Sportsplex USA under a public-private partnership with the City.

Another major attraction is the Santee Lakes Recreation Preserve and Regional Campground, owned and operated by Padre Dam Municipal Water District, which generates over 650,000 visitors annually. The amenities at this 190-acre park includes seven recycled water lakes stocked with fish, 300 full hook-up campsites, seven lakefront rental cabins, three floating rental cabins, playgrounds, walking trails, a restaurant and special events scheduled throughout the year.

Santee Town Center, located in the heart of the City, includes more than 1.1 million square ft. of retail and commercial space covering 706 acres and provides a strong contribution to the City's tax base. Major components of Santee Town Center include: a) Santee Trolley Square shopping center which includes over 450,000 square ft. of specialty retail, restaurants, and high-volume retail stores, and b) the Santee Plaza/Promenade power center anchored by Costco, Wal-Mart and Home Depot. Just west of Santee Town Center is a 250,000 square ft. shopping center featuring Lowe's Home Improvement Center and Kohl's Department Store. Adjacent to Santee Trolley Square, HD Supply Facilities Maintenance occupies a state of the art 77,000 square ft. office facility.

With available land for development, a skilled labor force, low crime rate, transit linkage to downtown San Diego and San Diego State University by trolley and direct access to three regional freeways, Santee is well positioned with opportunities for economic growth and expansion.

Long Term Financial Planning

The City utilizes a five-year financial projection which is updated throughout the year as conditions change. The purpose of this plan is to provide a longer-range view of the impact of budgetary decisions and economic conditions affecting the City. The City Council has adopted a General Fund Reserve Policy which states that a minimum reserve of 20% of annual General Fund operating expenditures be maintained as a contingency for economic uncertainties. The five-year financial projection reflects the City's continued compliance with this policy, though challenges continue to be presented from ongoing increases in employee retirement costs as discussed below and contract law enforcement services costs. In addition to directly addressing these impacts, management actively works with the City Council to identify and develop strategies that contain the growth in expenditures, enhance existing revenue sources and identify new revenue sources.

A key factor affecting the City's fiscal condition is California Public Employees' Retirement System (CalPERS) pension costs. CalPERS is phasing the implementation of changes to actuarial methods, demographic assumptions and a reduction in the discount rate (assumed rate of return on retirement plan assets), resulting in substantial increases in required annual pension contributions that continue to step-up annually. Fortunately, the City Council has taken and continues to take pension cost reform actions. These actions included the adoption of a second tier of lower cost retirement benefits for new employees, making supplemental payments towards the City's unfunded pension liability and increasing the portion of retirement costs paid by employees. In addition, on January 1, 2013 the California Public Employees' Pension Reform Act took effect, creating a third tier of lower cost retirement benefits for new members to the retirement system.

In May 2018 the City Council approved the establishment of a trust for the prepayment of other post-employment benefits (OPEBs). Since that time the City has made a series of payments into the trust and is approaching full funding of the City's OPEB liability.

The City Council adopts a five-year Capital Improvement Program (CIP) which serves as a planning tool for identifying the infrastructure and other capital needs of the community, and to coordinate the financing and scheduling of projects. The CIP is important to ensure that limited resources are allocated in a prudent manner, that under-funded projects are identified in order to develop financial strategies for the future and that necessary investments continue to be made in infrastructure to protect the long-term fiscal health of the City. On June 28, 2023 the CIP for fiscal years 2024 through 2028 was adopted which includes a total of \$375.2 million in projects for which \$116.1 million in funding has been identified. The CIP is revised periodically in response to continually evolving needs, priorities and financial conditions.

Major Initiatives

On August 1, 2016 the annexation of approximately 114.8 acres of territory from the City of San Diego into Santee became effective. The annexation area, known as Weston, has been completed and has 273 single family homes and 142 detached condominiums, adding an estimated 1,158 residents to Santee. The 4.5-acre developer constructed Weston Park was accepted into the City park system in October 2020. On January 25, 2023, the Weston Park Improvements, Playground Installation project was accepted as complete by City Council. Two community facilities districts were formed for this development, one to provide financing for \$8.6 million in public infrastructure and another to provide a funding mechanism to ensure the cost of providing public services is fully mitigated by the development and does not have an adverse fiscal impact on the City.

In October 2020 the Sharp Rees-Steely Santee Medical Center opened. This 86,000 sq. ft. facility provides primary care, pediatrics, OBGYN, laboratory, pharmacy, radiology, urgent care, optical and physical therapy services. The medical center employs approximately 200 persons including 40 physicians and serves an estimated 150,000 patient visits per year. The facility incorporates various sustainability features including 35 electric vehicle charging

stations, lockable bicycle spaces, a rooftop photovoltaic system placed on all suitable areas of the roof and biofiltration facilities for the treatment of storm water.

Several key projects are planned or underway in the Santee Town Center area. While some of these planned projects are experiencing various obstacles that have slowed their progress, it is hoped that most if not all of them will proceed. They include the following:

- In December 2015 the City Council approved a project for the construction of a Karl Strauss brewery operation with a tasting room, restaurant, outdoor patio grotto and other related uses. Recommendations for amending the existing conditions of approval have been provided to Planning in October 2023.
- In April 2017 the City closed escrow on a 6.7-acre parcel of County-owned land adjacent to Santee Trolley Square for the future development of a multiplex theater on this site.
- In September 2019 the City entered into an exclusive negotiations agreement to negotiate the terms of a disposition and development agreement for the future construction of a hotel. The project is moving forward with the review of the first submittal of grading plans in October 2023.
- In December 2019 the City Council established an Arts and Entertainment Overlay District in Town Center which is intended to promote a concentration of arts, cultural and entertainment-oriented uses within the Town Center area. In December 2021 the City Council awarded a contract with a planning and environmental consultant to amend portions of the City's General Plan and the Town Center Specific Plan in order to expand the Arts and Entertainment Overlay District, to develop goals and policies based on data collection, public surveys and workshops to formulate a visioning package and to complete the environmental documents and technical studies required to bring the Arts and Entertainment District to fruition. Proposed project buildout assumptions were presented to the City Council in September 2023 for review, the preparation of the Environmental Impact Report is moving forward based on the Specific Plan framework. A draft of the updated Specific Plan was presented to the City Council as a workshop item in November 2023.

In July 2018 the City Council authorized the establishment of the Highway 52 Coalition ("Coalition"). The Coalition is comprised of local and regional business interests, citizens and public agencies focused on educating local, state and federal lawmakers and officials regarding funding needed to improve Highway 52 and the surrounding transportation corridors. The adverse impacts of traffic congestion on Highway 52 accentuate the need for accelerating planned improvements to this vital mobility corridor. Phase 1 improvements to Highway 52 are estimated to cost approximately \$50.5 million. The City and Coalition have been successful in obtaining local funding commitments in order to assist in the City's ongoing efforts to obtain much needed federal grant funding for this regionally significant project.

On September 18, 2019 the City Council approved a 122-room Woodspring Suites Hotel. Grading and engineering plans for this project have been approved by the City and revised building plans were submitted by the developer and approved on December 13, 2022. The City held a groundbreaking ceremony on September 15, 2023.

On September 23, 2020 the City Council took various actions to approve the 2,949 residential unit Fanita Ranch master-planned community. This project would also include up to 80,000 square feet of commercial uses in addition to 78 acres of parks, 256 acres of open space, a 1,650 acre habitat preserve and agricultural uses. On October 29, 2020 a referendum petition against the enabling City Council resolution was filed with the County Registrar of Voters, and on December 15, 2020 sufficient signatures on the petition were verified to be valid. On August 25, 2021 the City adopted, by Urgency Ordinance, the City's Essential Housing Program to boost housing production. The City's Developmental Services Director certified Fanita Ranch as an Essential Housing Project and determined

that the development project is in compliance with the City's General Plan. On November 29, 2021 the developer resubmitted their application for the planned community development. On September 14, 2022 City Council approved the development of Fanita Ranch.

The maintenance, repair and rehabilitation of City streets continues to be a priority for the City Council. The adopted Capital Improvement Program budget allocates more than \$6.9 million to improve the condition of City streets in just fiscal year 2023-24, and an additional \$2.5 million allocated for fiscal year 2024-25. Going forward, as available resources are identified, funding allocations to improve the condition of City streets will likely be increased.

The federal American Rescue Plan Act (ARPA) was signed into law on March 11, 2021 and provides \$350 billion in Coronavirus State and Local Fiscal Recovery Funds for state, local, territorial and tribal governments to support their response to the COVID-19 pandemic and its economic impacts. The City received a total of more than \$7.3 million in ARPA funds, half of which were received in fiscal year 2020-21 with the other half received in fiscal year 2021-22. Specific guidelines regarding the use of ARPA funds were issued by the federal government, the "Interim Final Rule". In general, these funds were to be used to: 1) support public health expenditures; 2) address negative economic impacts caused by the public health emergency; 3) aid the communities and populations hardest hit by the crisis; 4) invest in water, sewer and broadband infrastructure; 5) replace lost public sector revenue; and 6) cover costs incurred in administering the ARPA grant funds. In January 2022, the Treasury released its "Final Rule" which updated the Interim Final Rule and allowed the City to presume its entire ARPA allocation as Lost Public Sector Revenue and benefit by the considerable flexibility in how the funds could be used, thereby allowing the City to fund a wide variety of City services and capital projects/infrastructure improvements with ARPA funds. At this time, the City has either spent, or is scheduled to spend its entire allocation. The City has divided its ARPA allocation into six main areas, Homelessness, Drainage CIP, Pavement CIP, Other CIP, Business Support, Fire Projects, and I.T. Protection and Improvements. ARPA expenditures must be incurred or obligated by December 31, 2024.

On September 9, 2022, the Santee-Lakeside Emergency Medical Services Authority (SLEMSA) was created through a Joint Powers Agreement between the City of Santee and the Lakeside Fire Protection District (LFPD) to provide emergency ambulance services and transportation for Santee, Lakeside, and the unincorporated area of El Cajon referred to as Bostonia and Pepper Drive. On January 1, 2023, SLEMSA assumed administrative and operation control of ambulance services from the dissolved County Service Area (CSA) 69 per Local Agency Formation Commission (LAFCO) filing number RO22-01. The purpose of SLEMSA is to provide Advanced Life Support (ALS) ambulance transport service to the former CSA 69 boundary (Santee, Lakeside, and the unincorporated area of El Cajon referred to as Bostonia and Pepper Drive). In order to provide this service, each agency, exercises their common powers by administering, funding, managing and overseeing coordination of ALS ambulance transport service. Santee and LFPD have an equal share of all revenue generated through SLEMSA. SLEMSA has no employees.

The City has welcomed the addition of Chuck E. Cheese and Macy's to the City of Santee. This is the first small-format Macy's store on the west coast. The company will have up to 30 similar stores nationwide. Chuck E. Cheese is the first fully rebranded prototype in the San Diego region.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Santee for its annual comprehensive financial report for the fiscal year ended June 30, 2022. This was the 19th consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily

readable and efficiently organized annual comprehensive financial report. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

This report reflects the combined efforts and year-round dedication of the entire Finance Department staff. We would like to thank the Mayor and members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and professional manner.

Respectfully submitted,



Marlene D. Best
City Manager



Heather Jennings
Director of Finance/Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Santee
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY COUNCIL

John W. Minto	<i>Mayor</i>
Laura Koval	<i>Vice Mayor</i>
Rob McNelis	<i>Council Member, District 1</i>
Ronn Hall	<i>Council Member, District 2</i>
Dustin Trotter	<i>Council Member, District 4</i>

EXECUTIVE MANAGEMENT TEAM

Marlene D. Best <i>City Manager</i>	Heather Jennings <i>Director of Finance</i>
--	--

Shawn Hagerty <i>City Attorney</i>	Justin Matsushita <i>Director of Fire & Life Safety</i>
---------------------------------------	--

Annette Fagan Ortiz <i>City Clerk</i>	Rida Freeman <i>Director of Human Resources</i>
--	--

Nicolas Chavez <i>Director of Community Services</i>	Pamela A. White <i>Economic Development Manager</i>
---	--

Carl Schmitz <i>Director of Engineering</i>	Michael McNeill <i>Sheriff Captain</i>
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Sandi Sawa <i>Director of Planning & Building</i>	Kathy Valverde <i>Assistant to the City Manager</i>
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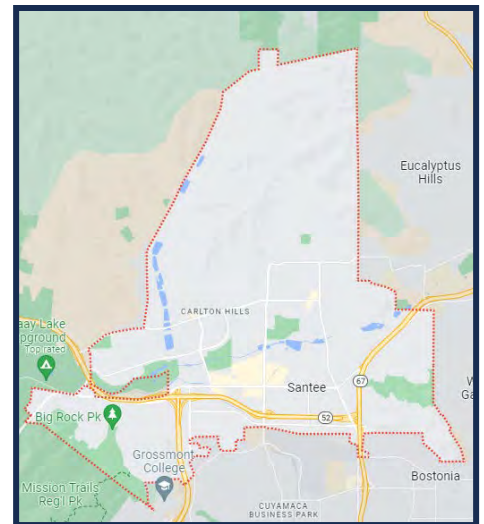
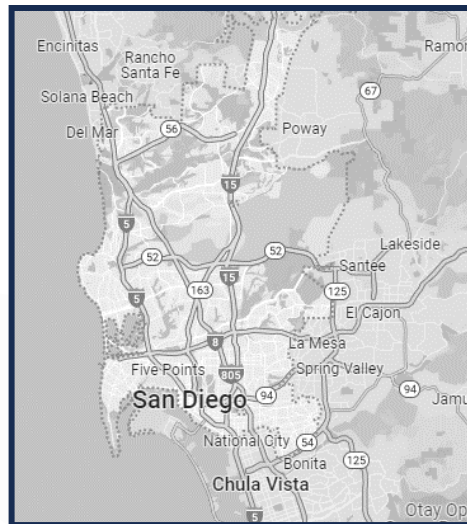


CITY OF SANTEE
ORGANIZATIONAL CHART



CITY OF SANTEE

LOCATION MAP



Santee is ideally located between the Pacific Ocean and the mountains of the Cleveland National Forest. While Santee is considered part of the East County Region, the city is only 18 freeway miles from the San Diego's premier beaches. Santee is connected to the coastline by State Route 52, a six-lane freeway that connects Interstate 5 in La Jolla to State Route 67. State Route 125 also intersects with State Route 52, forming a transportation hub in the heart of Santee.

Santee has nurtured a vibrant local economy by providing for a balance of retail, commercial and residential uses. The 700-acre Town Center district forms a downtown core comprised of business parks, high-density residential and retail businesses that feed off the synergy of Santee Trolley Square shopping complex and the Metropolitan Transit System trolley station.

Surrounded on three sides by chaparral-covered hills, the city is bisected by the San Diego River. The river forms a linear greenbelt containing parks, trails and more than 1,100 acres of tree-lined riparian habitat. The city's picturesque setting is further enhanced by Mission Trails Regional Park, a 7,220-acre open space reserve that offers a permanent mountain view for Santee's western flank.

FINANCIAL SECTION



735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscpa.net

Independent Auditor's Report

PARTNERS

Terry P. Shea, CPA
Scott W. Manno, CPA, CGMA
Leena Shanbhag, CPA, MST, CGMA
Bradferd A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schultz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Demi Hite, CPA
Jeffrey McKennan, CPA

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

To the Honorable Mayor and Members of City Council
of the City of Santee
City of Santee, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Santee, California (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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2023, and the respective changes in financial position for the 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Prior-Year Comparative Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2022, from which such summarized information was derived.



Responsibilities of Management for the Financial Statements

The City's 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.

Other Matters

As discussed in Note 1 to the financial statements, the City adopted provisions of Governmental Accounting Standards Board Statement No. 96, *Subscription Based Information Technology Arrangements (SBITA)*. Our opinions are not modified with respect to this matter.

Auditor's 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 auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 required supplementary information, as listed in the table of contents, 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 supplementary information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Information

Management is responsible for the other information. The other information comprises the transmittal letter and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
December 22, 2023

As management of the City of Santee ("City") we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report, and with the City's financial statements, which follow this discussion.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at June 30, 2023 by \$186.6 million (*net position*).
- The City's total net position for the fiscal year, increased by \$12.2 million. General revenues experienced a \$10.1 million increase from the prior fiscal year. However, the net pension liability and related deferred inflows and outflows of resources decreased by \$6.1 million and the net investment in capital assets decreased by \$1.4 million.
- At June 30, 2023, the City's governmental funds reported combined fund balances of \$57.1 million, that increased by \$7.4 million during the fiscal year. Approximately \$16.9 million or 30% of this amount is available for spending at the City's discretion (*unassigned fund balance*).

OVERVIEW OF THE FINANCIAL STATEMENTS

The discussion and analysis provided here are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *Statement of Net Position* presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying events giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

The government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, community development, and parks and recreation. The City does not have business-type activities.

The government-wide financial statements include not only the City itself (known as the primary government), but also blended component units. Blended component units, although legally separate entities are, in substance, part of the primary government's operations and are included as part of the primary government. Accordingly, the Santee Public Financing Authority is reported as part of the City.

The government-wide financial statements can be found in the financial section of this report immediately following this Management's Discussion and Analysis.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 35 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Capital Projects Fund, and the American Rescue Plan Act Fund which are considered to be major funds. Data from the other 32 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section of this report.

The City adopts an annual appropriated budget for its General Fund and most Special Revenue Funds. Budgetary comparison statements have been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental funds financial statements can be found in the financial section of this report, following the government-wide financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reported in the government-wide financial statements because the resources of those funds are *not* available to support the City's own programs. The economic resources measurement focus and the accrual basis of accounting are used to account for fiduciary funds.

The City maintains two types of fiduciary funds, the Private Purpose Trust Fund and the Custodial Fund. The *Private Purpose Trust Fund* is used to report resources held in trust for the Santee Community Development Commission Successor Agency to wind-down the affairs of the former Santee Community Development Commission and to satisfy related enforceable obligations. The *Custodial Fund* is used to report transactions related to the debt service and administration of CFD 2017-1.

The fiduciary fund financial statements can be found in the financial section of this report, following the basic governmental funds financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the financial section of this report, following the fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's net pension liability, pension contributions, OPEB liability, and budgetary information and compliance. Required supplementary information can be found in the financial section of this report, following the notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. At June 30, 2023 assets and deferred outflows exceeded liabilities and deferred inflows by \$186.6 million, an increase of \$12.2 million from the amount reported at June 30, 2022.

	Governmental Activities	
	2023	2022
Current and other assets	\$ 73,625,458	\$ 66,713,330
Capital assets	185,660,691	188,113,451
Total assets	<u>259,286,149</u>	<u>254,826,781</u>
Deferred outflows of resources	<u>19,997,494</u>	<u>7,705,813</u>
Noncurrent liabilities	65,536,419	41,578,107
Other liabilities	16,311,815	16,796,507
Total liabilities	<u>81,848,234</u>	<u>58,374,614</u>
Deferred inflows of resources	<u>10,872,935</u>	<u>29,838,629</u>
Net position:		
Net investment in capital assets	177,536,777	178,915,977
Restricted	35,495,643	31,222,568
Unrestricted	<u>(26,469,946)</u>	<u>(35,819,194)</u>
Total net position	<u>\$ 186,562,474</u>	<u>\$ 174,319,351</u>

The largest portion of the City's net position, \$177.5 million, reflects the investment in capital assets, less any related debt outstanding that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, \$35.5 million, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, a deficit of \$26.5 million, reflects the net impact of the recognition of the City's net pension and OPEB liabilities (and related deferred outflows and inflows of resources) which reduce the City's net position by \$45.1 million at June 30, 2023.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Governmental Activities

Net position increased by \$12.2 million during the fiscal year as a result of the City's governmental activities. Key elements of this decrease are as follows:

City of Santee
Summary of Net Position
For the Fiscal Years Ended June 30, 2023 and 2022

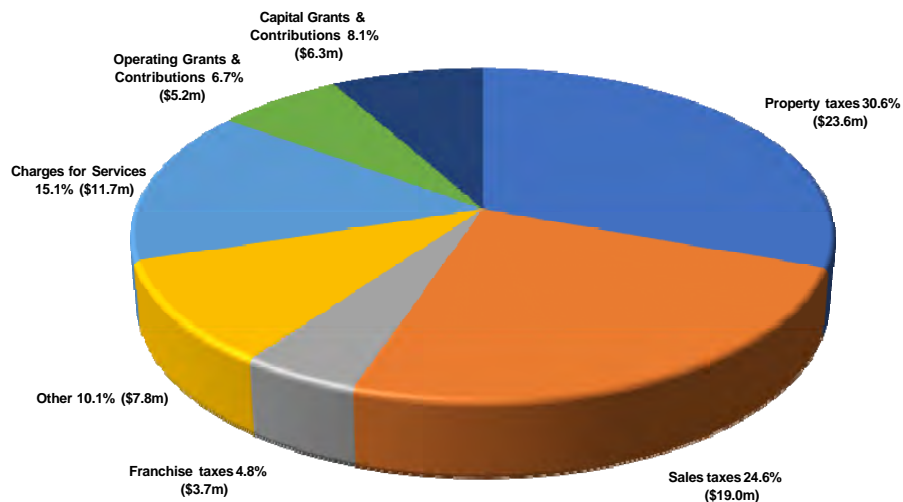
	Governmental Activities	
	2023	2022
Revenues:		
Program revenues:		
Charges for services	\$ 11,675,228	\$ 11,336,233
Operating grants and contributions	5,196,667	4,250,741
Capital grants and contributions	6,264,541	5,000,664
General revenues:		
Taxes:		
Property taxes	23,650,326	21,731,574
Sales tax	18,987,512	17,902,035
Franchise taxes	3,748,881	3,499,810
Other taxes	1,101,055	1,168,298
Motor vehicle in lieu, unrestricted	60,825	65,618
Investment income	422,174	(636,971)
Miscellaneous	6,214,322	317,509
Total revenues	77,321,531	64,635,511
Expenses:		
General government	8,652,280	8,370,390
Public safety	33,019,304	35,942,025
Public works	20,205,721	16,943,831
Community development	540,197	480,320
Parks and recreation	2,418,595	4,398,900
Interest and fiscal charges	242,311	245,377
Total expenses	65,078,408	66,380,843
Change in net position	12,243,123	(1,745,332)
Net position, beginning of year, as restated	174,319,351	176,064,683
Net position, end of year	\$ 186,562,474	\$ 174,319,351

Management’s Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

- Charges for services increased by \$339 thousand from the prior fiscal year. This increase is primarily due to the City’s net share of Ambulance Billing from the Santee-Lakeside Emergency Medical Services Authority (SLEMSA) Joint Powers Authority (JPA), \$778 thousand. In addition, Street Lighting revenue increased due to growth in property tax and a Consumer Price Index (CPI) adjustment to the Roadway Street Light special tax. Combined the Street Lighting revenue increased by \$138 thousand. These increases are combined with a decrease of \$549 thousand in reimbursements from the State of California for fire strike team activity.
- Operating grants and contributions increased by \$946 thousand from the prior fiscal year. This is primarily due to increased Federal Grant revenue including American Rescue Plan Act (ARPA) revenue, \$279 thousand, Community Development Block Grant (CDBG) revenue, \$366 thousand and Multiple Species Conservation Plan (MSCP) revenue, \$117 thousand. In addition, Gas Tax Road Maintenance and Rehabilitation (RMRA) revenue increased by \$167 thousand.
- Capital Grants and Contributions increased by \$1.3 million due to active Capital Improvement Projects. The largest contributor to the increase was ARPA funding at \$1.3 million.
- Property tax, the City’s largest revenue source, increased by \$1.9 million or 8.8%. This is due to increases in residential and new construction real estate values and prior year transfers of ownership.
- Sales tax, the City’s second largest revenue source, increased by \$1 million or 6.1% from the prior fiscal year. This increase was primarily the result of growth in the area of building and construction and in general consumer goods. State and County pools saw a mild increase. All other categories were relatively flat or slightly lower than the previous year.
- Franchise taxes increased by \$249 thousand due to CPI increases and increases in the City’s gas tax and electricity provider.

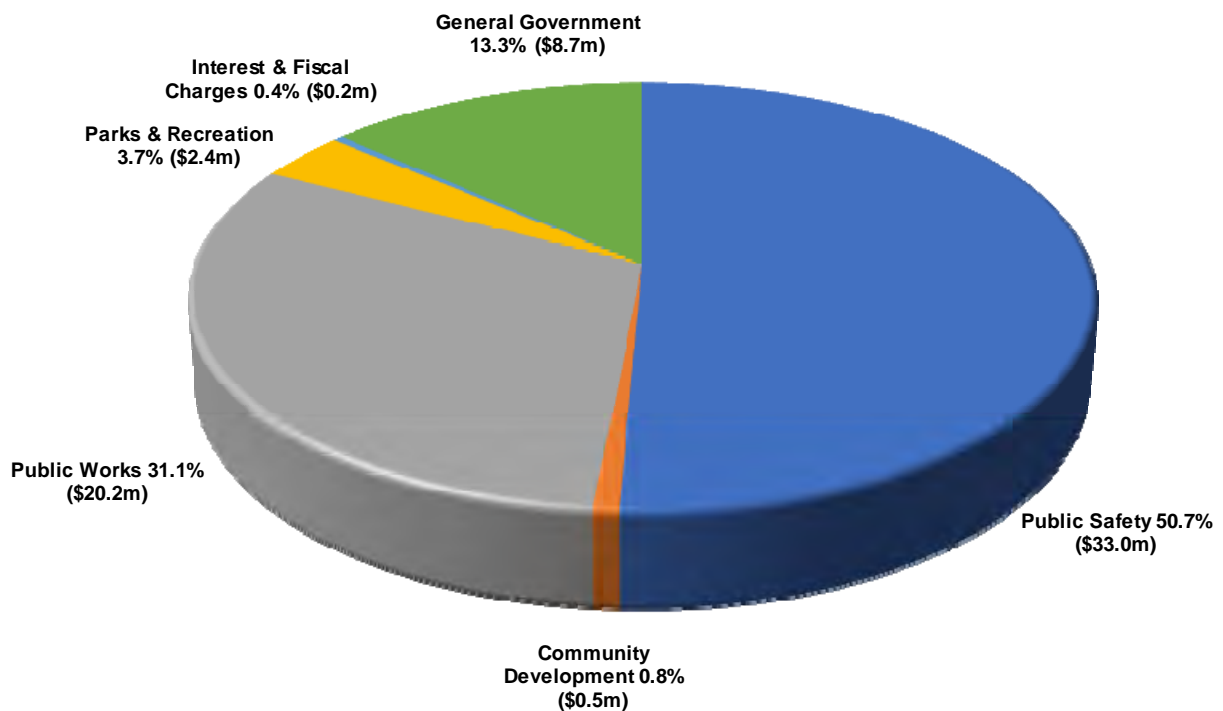
Revenues by Source - Governmental Activities Total
 Revenues - \$77.3 Million
 Fiscal Year 2022-23



Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

- Public safety expenses decreased by \$2.9 million from the prior year. This is due to a decrease in pension expense resulting from pension fund (CalPERS) gains in prior years.
- Public works expenses increased by \$3.3 million from the prior year. Included in this increase is the depreciation expense taken on all depreciable assets.
- Parks and recreation expenses decreased by \$1.9 million from the prior year. Included in this decrease is the capital asset adjustment to capitalize infrastructure into fixed assets once the capital improvement project is complete. The capitalized project was the Town Center Community Park West Softball Fields.

Expenses by Source - Governmental Activities
Total Expenses - \$65.1 Million
Fiscal Year 2022-23



FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements.

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

At June 30, 2023, the City's governmental funds reported combined fund balances of \$57.1 million, this represents an increase of \$7.4 million during the fiscal year. Approximately 30% of this amount (\$16.9 million) constitutes *unassigned fundbalance*, which is available for spending at the City's discretion. The remainder of the fund balance is either *nonspendable*, *restricted*, *committed*, or *assigned* to indicate that it is: 1) not in spendable form (\$1.0 million), 2) restricted for particular purposes (\$35.2 million), 3) committed for particular purposes (\$3.8 million), or 4) assigned for particular purposes (\$0.2 million).

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$17 million, while the total fund balance was \$22 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures. Unassigned fund balance represents approximately 31% of total General Fund expenditures for the year, while total fund balance represents approximately 41% of the total General Fund expenditures for the year.

The General Fund balance increased by \$3.2 million during the past fiscal year. General Fund revenues were \$3.9 million more than in the previous fiscal year. As discussed above, property tax revenue increased by \$1.9 million, sales tax revenue increased by \$1 million, and other taxes increased by \$0.2 million from the prior fiscal year. Intergovernmental revenues decreased by \$0.4 due to a decrease in State reimbursements received for Fire Department costs incurred in strike teams. General Fund expenditures were \$2.6 million more than in the previous fiscal year. This increase is due to several factors including a \$554,003 increase in CalPERS retirement costs, a \$188,553 increase in contract law enforcement services costs, a \$256,469 increase in landscape and other public works contracts, legal services, and the location payment agreement. In addition, general salaries increased by 3.5% citywide. General Fund also transferred over \$1.0 million to the Capital Projects fund.

The Capital Projects Fund, a major fund, had a \$1.4 million decrease in fund balance during the fiscal year reflecting monies transferred to the fund for various projects, bringing the fund's total fund balance to \$6.2 million, all of which is legally restricted for various capital improvement projects. Capital Projects Fund expenditures totaled \$7.6 million, a \$2.7 million decrease from the prior fiscal year. This decrease is due to the timing on certain projects.

The American Rescue Plan Act Fund (ARPA), a major fund, was established in fiscal year 2020-21. The fund was established as part of the Coronavirus State and Local Fiscal Recovery Funds federal grant program to support the response to the COVID-19 emergency and its economic impacts. The City of Santee received a direct allocation totaling \$7,325,525. In fiscal year 2022-23 the City spent \$1.7 million on ARPA eligible projects. The fund also recognized \$1.7 million in revenue, matched against the fund expenditures.

The Nonmajor Governmental Funds balance increased by a combined \$5.7 million during the year, bringing the Nonmajor Governmental Funds total fund balance to \$28.9 million, which is mostly legally restricted for various purposes. The primary reason for this increase is the addition of the new Emergency Medical Services Fund. This fund was created to fund Emergency Medical Services performed by the Santee Fire Department. Funding is received from SLEMSA, whose purpose is to provide Advanced Life Support ambulance transport service to the City of Santee and Lakeside Fire Protection District citizens. Funding consists of ambulance billing, property tax, and a special assessment tax. More information about SLEMSA can be found in Note 3H.

General Fund Budgetary Highlights

The City adopts an annual operating budget. Over the course of the year the budget is revised to reflect encumbrances and appropriations approved for carryover from the prior year, and to address unforeseen events and changes in conditions that occur after the budget is adopted.

General Fund appropriations were increased by \$421 thousand from the originally adopted budget. Supplemental appropriations approved during the year include prior year encumbrances and appropriations that were carried forward and funded from the prior fiscal year's budget. Other supplemental appropriations include the appropriation of various federal, state and local grants received during the year. In addition, appropriation adjustments were made for vehicle purchases, transfers to support capital improvement projects, and other incidental adjustments.

Actual General Fund revenues were \$1.3 million more than budgeted. Property Tax revenue was \$539,826 higher than budgeted. Sales tax revenue was \$828,212 higher than budgeted, intergovernmental revenue was \$405,364 less than budgeted, charges for services revenue was \$218,711 less than budgeted and investment earnings were \$325,240 more than budgeted. Various other revenue categories experienced minor variances.

Actual General Fund expenditures were \$3.8 million less than budgeted. Development Services Department expenditures were \$1.2 million less than budgeted due to delayed vehicle purchases and overall budget savings. Development Services Department expenditures were \$1.1 million less than budgeted due primarily to salary saving from unfilled positions and ongoing grants and projects that were not completed by the end of the year. These unspent budgets will be carried forward to the next year. Community Services Department expenditures were \$936,955 less than budgeted, due to savings in personnel costs, utility costs, facility maintenance and recreation programs cost. Law enforcement expenditures were \$253,282 less than budgeted and Human Resources and Risk Management expenditures were \$235,237 less than budgeted due to savings in insurance premiums.

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

CAPITAL ASSET / INTANGIBLE ASSET AND DEBT ADMINISTRATION

Capital Assets and Intangible Assets

The City's investment in capital assets and intangible assets as of June 30, 2023 was \$185.7 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, parks, infrastructure, equipment, vehicles, construction in progress, and right to use assets.

**City of Santee
Capital Assets and Intangible Assets
(Net of Accumulated Depreciation and Amortization)
June 30, 2023 and 2022**

	Governmental Activities	
	2023	2022
Land	\$ 14,703,799	\$ 14,545,773
Parks	5,257,745	5,257,745
Construction in progress	3,543,204	4,432,253
Buildings and improvements	10,482,034	11,002,901
Improvements other than buildings	9,116,588	8,597,001
Equipment	6,494,944	6,620,937
Vehicles	1,660,525	2,116,905
Infrastructure	133,101,723	134,108,282
Right-to-use leases	277,201	146,739
Right-to-use subscriptions	1,022,928	1,284,915
Totals	<u>\$ 185,660,691</u>	<u>\$ 188,113,451</u>

Major capital asset activity during the year included the following:

- \$184,844 purchase of an ambulance remount.
- \$572,557 was spent on the Magnolia Avenue Traffic Signal Upgrades.
- \$1,111,243 was spent on the Town Center Community Park Softball Fields which reconfigured a field in response to an unmet demand for girls' fast pitch softball facilities. This project was completed in fiscal year 2022-23.
- \$421,300 was spent for Pedestrian Ramp Improvements throughout the City.
- \$636,628 was spent on the design of the Community Center. Design is expected to be complete in FY 2023-24.
- \$3,105,438 was spent for the rehabilitation of various City streets.
- \$383,507 was spent on the new Permitting and Land Management System. This system went live on August 29, 2023.

Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2023

Additional information about the City's capital assets is presented in Note 2D of the Notes to the Financial Statements.

Long-term Debt/Liabilities

At June 30, 2023 the City had \$65.5 million in long-term debt/liabilities outstanding.

City of Santee
Long-term Debt/Liabilities
June 30, 2023 and 2022

	Governmental Activities	
	2023	2022
Notes and loans payable	\$ 5,888,750	\$ 6,451,250
Leases payable	652,473	752,993
Subscription payable	657,127	826,595
Claims and judgments	1,727,000	1,507,000
Compensated absences	1,426,570	1,429,207
Other post-employment benefits (OPEB)	616,276	321,880
Net pension liability	54,541,219	30,221,671
Premiums on long-term debt	27,004	67,511
Totals	\$ 65,536,419	\$ 41,578,107

The City's outstanding long-term debt/liabilities increased by \$24 million during the past fiscal year. This increase is primarily attributable to a \$24.3 million increase in the City's net pension liability. A increase was also realized in the City's liabilities for other post-employment benefits (OPEB). The liability for notes and loans payable and related premiums on long-term debt decreased due to scheduled debt service payments. The leases payable liability includes a new component of right to use assets. The total ending balance of this component is \$664,881, but the leases payable category as a whole experienced an overall decrease due to regularly scheduled debt service payments. The new component of subscription payable was had a decrease due to regularly scheduled debt service payments. Claims and judgments also increased due to actuarial assumptions of potential claims against the City. Additional information regarding long-term debt can be found at Notes 2F, 3B and 3C in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

Following are some of the economic factors considered by management in the development of next year's budget.

- General Fund revenues are projected to increase by \$1.7 million or 3.1%.
- The net assessed valuation of property in the City is anticipated to increase by 5.6%. Increases in residential real estate prices over the past several years, combined with new construction and changes of ownership, are the factors behind the increase in assessed valuation and property tax revenues.

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2023

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS (CONTINUED)

- Sales tax revenue is projected to increase by 1.0% next fiscal year. Growth is expected to continue in the building and construction category. County pool allocations (online sales) are expected to decrease slightly, while the other categories are expected to flatten.
- Franchise fee revenue is expected to increase by 1.3% next year, with increases in revenues from solid waste and gas & electricity franchisees expected to be partially offset by a decrease in the revenues to be received from telecommunications franchisees.
- The General Fund adopted budget for next fiscal year reflects a 2.3% increase in operating expenditures over the FY 2022-23 budgeted expenditures.
- Law enforcement services contract costs will increase by 1.0% over the next year with a \$168,880 impact to the budget. This will be the second year of a new five-year contract. Years 1 and 2 have 1% increases and years 3, 4, and 5 will have 3.5% increases.
- Actuarial methods, demographic assumption changes, and a reduction in the discount rate (assumed rate of return on retirement plan assets) that have been implemented by the California Public Employees Retirement System continue to result in increases in retirement costs as the impact of these changes continues to be phased in over the next several years. While the FY 2023-24 budget is balanced, the impact of these changes will provide continued challenges for the City in balancing its budget in future years. Taking steps to reduce the City's pension liability and minimize pension cost impacts on the budget is a key priority. The City is systematically accelerating the elimination of the Unfunded Liability by budgeting Additional Discretionary Payments (ADP) to CalPERS. In FY 2023-24 the budgeted ADP amount is \$600,000. This will be the third consecutive year of making the ADP to CalPERS.
- The General Fund reserve policy that a minimum reserve of 20% of annual General Fund operating expenditures be maintained will be met.
- Other planned uses include \$517,750 for funding the City's Capital Improvement Program and \$557,320 for vehicle purchases and leases.

The FY 2023-24 original budget did not provide for salary increases for employees due to the timing of negotiations. A supplemental item was brought to City Council in August and salary increases for all employees were approved. These increases include a 4% across the board increase as of July 6, 2023 and effective January 4, 2024, a 6% market adjustment for Fire union employees as well as a 1.5% market adjustment for the rank of Firefighter Paramedic Engineer.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for those with an interest in the City's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the City of Santee Finance Department, 10601 Magnolia Avenue, Santee, CA 92071. Additional information is also available on the City's web site at www.cityofsanteeca.gov.

BASIC FINANCIAL STATEMENTS

City of Santee

Statement of Net Position

June 30, 2023

(with summarized comparative information for prior year)

ASSETS	Governmental Activities	
	2023	2022
Cash and investments (Note 2A)	\$ 66,132,583	\$ 58,343,364
Cash and investments with Fiscal Agent (Note 2A)	-	1,457,645
Accounts receivable	1,408,678	1,264,450
Loans receivable (Note 2C)	920,500	920,500
Interest receivable	407,415	123,094
Due from other governments	4,210,986	4,061,789
Inventory	3,150	2,230
Prepaid items	103,146	101,258
Land held for resale	439,000	439,000
Capital assets, not being depreciated/amortized (Note 2D)	23,504,748	24,235,771
Capital assets, net of depreciation/amortization (Note 2D)	162,155,943	163,877,680
Total Assets	259,286,149	254,826,781
DEFERRED OUTFLOWS OF RESOURCES		
Related to pension (Note 3B)	19,575,738	7,391,732
Related to OPEB (Note 3C)	421,756	314,081
Total Deferred Outflows of Resources	19,997,494	7,705,813
LIABILITIES		
Accounts payable	5,873,748	5,888,328
Accrued salaries and benefits	603,107	540,004
Deposits payable	1,627,698	2,067,624
Interest payable	42,325	17,432
Unearned revenue	6,318,429	7,463,993
Accrued liabilities	451,638	819,126
Other liabilities	1,394,870	-
Noncurrent liabilities:		
Due within one year - long-term liabilities (Note 2F)	2,588,930	2,352,291
Due in more than one year:		
Long-term liabilities (Note 2F)	7,789,994	8,682,265
Net pension liability (Note 3B)	54,541,219	30,221,671
Net OPEB liability (Note 3C)	616,276	321,880
Total Liabilities	81,848,234	58,374,614
DEFERRED INFLOWS OF RESOURCES		
Related to pensions (Note 3B)	8,985,937	27,219,622
Related to OPEB (Note 3C)	1,000,846	1,519,882
Gain on refinancing (Note 2F)	886,152	1,099,125
Total Deferred Inflows of Resources	10,872,935	29,838,629
NET POSITION (DEFICIT)		
Net investment in capital assets	177,536,777	178,915,977
Restricted for:		
Capital projects	24,610,628	25,695,266
Community development	1,128,662	1,272,734
General government	228,075	208,175
Public safety	106,174	103,207
Public works	9,422,104	3,943,186
Unrestricted	(26,469,946)	(35,819,194)
Total Net Position	\$ 186,562,474	\$ 174,319,351

The accompanying notes are an integral part of these financial statements.

City of Santee

Statement of Activities
For the year ended June 30, 2023
(with summarized comparative information for prior year)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	2023	2022
General government	\$ 8,652,280	\$ 432,185	\$ 438,484	\$ 144,050	\$ (7,637,561)	\$ (7,130,083)
Public safety	33,019,304	6,822,784	251,763	-	(25,944,757)	(29,192,883)
Public works	20,205,721	3,376,276	3,499,196	5,117,066	(8,213,183)	(6,112,828)
Community development	540,197	9,914	1,007,224	-	476,941	(122,156)
Parks and recreation	2,418,595	1,034,069	-	1,003,425	(381,101)	(2,989,878)
Interest and fiscal charges	242,311	-	-	-	(242,311)	(245,377)
Total governmental activities	\$ 65,078,408	\$ 11,675,228	\$ 5,196,667	\$ 6,264,541	(41,941,972)	(45,793,205)
General Revenues:						
Property taxes					23,650,326	21,731,574
Sales and use					18,987,512	17,902,035
Franchise taxes					3,748,881	3,499,810
Other taxes					1,101,055	1,168,298
Motor vehicle in lieu, unrestricted					60,825	65,618
Investment earnings					422,174	(636,971)
Miscellaneous					6,214,322	317,509
Total general revenues					54,185,095	44,047,873
Change in net position					12,243,123	(1,745,332)
Net position - beginning of fiscal year, as restated					174,319,351	176,064,683
Net position - end of fiscal year					\$ 186,562,474	\$ 174,319,351

The accompanying notes are an integral part of these financial statements.

City of Santee

Balance Sheet

June 30, 2023

(with summarized comparative information for prior year)

	General	Capital Projects	American Rescue Plan Act
ASSETS			
Cash and investments	\$ 25,862,731	\$ 6,595,516	\$ 5,575,007
Cash and investments with fiscal agents	-	-	-
Accounts receivable	1,362,588	-	-
Loans receivable	-	-	-
Interest receivable	231,188	-	-
Due from other funds	313,458	-	-
Due from other governments	3,377,255	-	-
Inventories	3,150	-	-
Land held for resale	439,000	-	-
Prepaid items	102,554	-	-
Advances to other funds	10,809	-	-
Total Assets	<u>\$ 31,702,733</u>	<u>\$ 6,595,516</u>	<u>\$ 5,575,007</u>
LIABILITIES			
Accounts payable	\$ 4,909,126	\$ 238,561	\$ 76,295
Accrued salaries and benefits	602,500	-	-
Deposits payable	1,483,884	143,814	-
Unearned revenue	729,661	-	5,498,712
Due to other funds	-	-	-
Accrued liabilities	451,141	-	-
Other liabilities	1,394,870	-	-
Advances from other funds	-	-	-
Total Liabilities	<u>9,571,182</u>	<u>382,375</u>	<u>5,575,007</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - intergovernmental	173,998	-	-
Total Deferred Inflow of Resources	<u>173,998</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)			
Nonspendable	868,971	-	-
Restricted	-	6,213,141	-
Committed	3,840,141	-	-
Assigned	241,673	-	-
Unassigned	17,006,768	-	-
Total Fund Balances	<u>21,957,553</u>	<u>6,213,141</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 31,702,733</u>	<u>\$ 6,595,516</u>	<u>\$ 5,575,007</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

Non-Major Governmental Funds	Total Governmental Funds	
	2023	2022
\$ 28,099,329	\$ 66,132,583	\$ 58,343,364
-	-	1,457,645
46,090	1,408,678	1,264,450
920,500	920,500	920,500
176,227	407,415	123,094
-	313,458	23,377
833,731	4,210,986	4,061,789
-	3,150	2,230
-	439,000	439,000
592	103,146	101,258
-	10,809	14,889
<u>\$ 30,076,469</u>	<u>\$ 73,949,725</u>	<u>\$ 66,751,596</u>
\$ 649,766	\$ 5,873,748	\$ 5,888,328
607	603,107	540,004
-	1,627,698	2,067,624
90,056	6,318,429	7,463,993
313,458	313,458	23,377
497	451,638	819,126
-	1,394,870	-
10,809	10,809	14,889
<u>1,065,193</u>	<u>16,593,757</u>	<u>16,817,341</u>
<u>114,421</u>	<u>288,419</u>	<u>290,285</u>
<u>114,421</u>	<u>288,419</u>	<u>290,285</u>
592	869,563	557,377
29,000,576	35,213,717	30,931,894
-	3,840,141	5,080,754
-	241,673	707,620
(104,313)	16,902,455	12,366,325
<u>28,896,855</u>	<u>57,067,549</u>	<u>49,643,970</u>
<u>\$ 30,076,469</u>	<u>\$ 73,949,725</u>	<u>\$ 66,751,596</u>

**Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position**
June 30, 2023

Fund balances of governmental funds	\$	57,067,549
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and intangible assets, net of accumulated depreciation and amortization, are not financial resources and, therefore, are not reported in the funds.		185,660,691
Receivables which are not considered to be available to finance current expenditures are reported as unavailable revenue in the governmental funds.		288,419
Deferred outflows and inflows of resources related to pensions, OPEB and a gain on refinancing that are required to be recognized over a defined closed period.		
Pension related deferred outflows of resources	\$	19,575,738
OPEB related deferred outflows of resources		421,756
Pension related deferred inflows of resources		(8,985,937)
OPEB related deferred inflows of resources		(1,000,846)
Gain on refinancing		(886,152)
		9,124,559
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds.		
Notes and loans payable		(5,888,750)
Leases payable		(652,473)
Subscription payable		(657,127)
Claims and judgments		(1,727,000)
Compensated absences		(1,426,570)
Net OPEB liability		(616,276)
Net pension liability		(54,541,219)
Unamortized premiums on long-term debt		(27,004)
		(65,536,419)
Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(42,325)
Net position of governmental activities	\$	186,562,474

The accompanying notes are an integral part of these financial statements.

City of Santee

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

For the year ended June 30, 2023

(with summarized comparative information for prior year)

	General	Capital Projects	American Rescue Plan Act
REVENUES			
Property taxes	\$ 23,650,326	\$ -	\$ -
Sales taxes	18,987,512	-	-
Other taxes	4,849,935	-	-
Special assessments	1,122,985	-	-
Intergovernmental	798,411	-	1,658,912
Licenses and permits	221,113	-	-
Fines and forfeitures	189,678	-	-
Developer fees	-	-	-
Charges for services	7,281,239	-	-
Investment earnings	532,740	-	-
Other revenue	716,557	-	-
Total revenues	<u>58,350,496</u>	<u>-</u>	<u>1,658,912</u>
EXPENDITURES			
Current:			
General government	9,251,923	648,080	320,071
Public safety	34,405,007	43,835	-
Public works	8,723,462	5,577,199	-
Community development	292,396	-	-
Parks and recreation	1,273,781	1,304,107	-
Debt Service:			
Principal retirement	238,477	-	-
Interest	20,020	-	-
Total Expenditures	<u>54,205,066</u>	<u>7,573,221</u>	<u>320,071</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>4,145,430</u>	<u>(7,573,221)</u>	<u>1,338,841</u>
OTHER FINANCING SOURCES (USES)			
Lease acquisition	205,768	-	-
Subscription acquisition	24,649	-	-
Transfers in	-	6,153,423	-
Transfers out	(1,183,830)	-	(1,338,841)
Total Other Financing Sources (Uses)	<u>(953,413)</u>	<u>6,153,423</u>	<u>(1,338,841)</u>
Net Change in Fund Balances	3,192,017	(1,419,798)	-
Fund Balances, Beginning of Year	18,765,536	7,632,939	-
Fund Balances, End of Year	<u>\$ 21,957,553</u>	<u>\$ 6,213,141</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements.

(Continued)

Non-Major Governmental Funds	Total Governmental Funds	
	2023	2022
\$ 888,435	\$ 24,538,761	\$ 22,552,078
-	18,987,512	17,902,035
2,844,736	7,694,671	7,320,203
999,567	2,122,552	2,077,027
2,782,102	5,239,425	4,543,260
-	221,113	235,542
-	189,678	171,428
2,623,654	2,623,654	2,649,164
-	7,281,239	7,433,769
274,164	806,904	(966,343)
6,688,358	7,404,915	682,129
<u>17,101,016</u>	<u>77,110,424</u>	<u>64,600,292</u>
167,219	10,387,293	9,569,542
161,300	34,610,142	33,849,922
6,442,179	20,742,840	19,391,060
247,801	540,197	480,320
-	2,577,888	2,564,285
562,500	800,977	903,618
237,905	257,925	292,932
<u>7,818,904</u>	<u>69,917,262</u>	<u>67,051,679</u>
<u>9,282,112</u>	<u>7,193,162</u>	<u>(2,451,387)</u>
-	205,768	123,360
-	24,649	826,595
184,536	6,337,959	15,535,801
(3,815,288)	(6,337,959)	(15,535,801)
<u>(3,630,752)</u>	<u>230,417</u>	<u>949,955</u>
5,651,360	7,423,579	(1,501,432)
23,245,495	49,643,970	51,145,402
<u>\$ 28,896,855</u>	<u>\$ 57,067,549</u>	<u>\$ 49,643,970</u>

City of Santee

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

For the year ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds	\$	7,423,579
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which depreciation exceeded capital outlay in the current period.

Capital additions	\$	7,421,838	
Intangible assets additions		230,416	
Depreciation expense		(9,642,160)	
Amortization expense		(361,941)	
Loss on disposal of assets		<u>(100,913)</u>	(2,452,760)

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 issuance costs, premiums, discounts and similar items when the debt is first issued; whereas these amounts are deferred and amortized in the Statement of Activities.

Lease acquisition		(205,768)	
Subscription acquisition		(24,649)	
Principal payments		1,062,905	
Amortization of notes payable premium		40,507	
Amortization of gain on refunding		<u>212,973</u>	1,085,968

Accrued interest payable for the current portion of interest due on long-term debt has not been reported in the governmental funds.		(24,893)
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The net effect of revenues reported in the Statement of Activities which are not considered to be available to finance current expenditures and therefore are not reported as revenues in the governmental funds.		(1,866)
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Expenses were charged to the Statement of Activities for compensated absences, claims payable, net pension liability, pension related deferred outflows and inflows of resources and net OPEB liability. In the governmental funds, these do not require the use of current funds and accordingly are not included.

Net change in claims and judgments		(220,000)	
Net change in compensated absences		2,637	
Net change in net pension liability		(24,319,548)	
Net change in pension and OPEB related		31,044,402	
deferred outflows and inflows of resources		(294,396)	
Net change in net OPEB liability		<u>(294,396)</u>	<u>6,213,095</u>

Change in Net Position of Governmental Activities	\$	<u>12,243,123</u>
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The accompanying notes are an integral part of these financial statements.

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	Private Purpose Trust Fund	Custodial Fund
ASSETS		
Cash and investments (Note 2A)	\$ 1,987,606	\$ 820,100
Cash and investments with fiscal agents (Note 2A)	887,516	527,062
Accounts receivable	-	1,420,382
Loans receivable (Note 2C)	284,055	-
Interest receivable	9,676	5,902
Due from other governments	-	478,222
Total Assets	<u>3,168,853</u>	<u>3,251,668</u>
DEFERRED OUTFLOW OF RESOURCES		
Deferred refunding charge (Note 3G)	<u>4,521,041</u>	-
Total Deferred Outflows of Resources	<u>4,521,041</u>	<u>-</u>
LIABILITIES		
Accounts payable	-	161,059
Accrued liabilities	-	41,149
Interest payable	641,433	-
Noncurrent liabilities		
Due within one year (note 3G)	1,775,000	-
Due in more than one year (note 3G)	36,728,012	-
Total Liabilities	<u>39,144,445</u>	<u>202,208</u>
NET POSITION (DEFICIT)		
Net position held in trust	(31,454,551)	2,118,560
Net position restricted for bondholders	-	930,900
Total Net Position	<u>\$ (31,454,551)</u>	<u>\$ 3,049,460</u>

The accompanying notes are an integral part of these financial statements.

City of Santee

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the year ended June 30, 2023

	Private Purpose Trust Fund	Custodial Fund
ADDITIONS		
Taxes	\$ 3,336,477	\$ -
Special assessments	-	537,325
Charges for services	-	3,634,248
Investment earnings (loss)	20,681	1,357
Other revenue	8,340	17,331
Total Additions	<u>3,365,498</u>	<u>4,190,261</u>
DEDUCTIONS		
Administrative costs	29,167	1,610,333
Interest and fiscal charges	1,581,776	366,238
Principal payments	-	155,000
Total Deductions	<u>1,610,943</u>	<u>2,131,571</u>
Change in Fiduciary Net Position	1,754,555	2,058,690
Net Position (Deficit), Beginning of the Year	<u>(33,209,106)</u>	<u>990,770</u>
Net Position (Deficit), End of the Year	<u>\$ (31,454,551)</u>	<u>\$ 3,049,460</u>

The accompanying notes are an integral part of these financial statements.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Santee (City) was incorporated on December 1, 1980 and became a Charter City on January 20, 2009. The City operates under the Council/Manager form of government. As required by generally accepted accounting principles, the financial statements of the City include the financial activities of the City (the primary government) and the Santee Public Financing Authority. The component unit discussed below is included in the reporting entity because of the significance of its operational and financial relationship with the City.

Santee Public Financing Authority - The purpose of the Santee Public Financing Authority (Authority) is to facilitate the financing of public improvements for the City and the Santee Community Development Commission. On February 1, 2012, the Santee Community Development Commission was dissolved by legislation from the California State Legislature and a decision by the California Supreme Court. The City of Santee is the Successor Agency of the Santee Community Development Commission which oversees the remaining activities of the former Santee Community Development Commission.

The Authority's Board of Directors is the Santee City Council and the Authority is therefore reported as a blended component unit of the City. However, with the final debt service payment having been made by the Authority on its Lease Revenue Bonds in February 2019 there are no financial transactions to be reported for the year ended June 30, 2023 and no current separate financial statements are available for the Authority.

B) Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements.

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 or segment. Program revenues include: 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B) Government-wide and Fund Financial Statements (Continued)

The fund financial statements provide information about the City's funds. Separate financial statements are provided for governmental funds and fiduciary funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The City reports the following major governmental funds:

General Fund – Used to account for all financial resources except those required to be accounted for in another fund.

Capital Projects Fund – This capital projects fund is used to account for the design and construction of various capital projects.

American Rescue Plan Act – This fund is used to account for funds received through the American Rescue Plan Act. These federal funds are restricted for use as outlined in the American Rescue Plan Act.

Additionally, the City reports the following fund type:

Private Purpose Trust Fund – is used to account for the balances and transactions of the Successor Agency to the Santee Community Development Commission.

Custodial Fund – is used to account for assets held by the City for other governments or individuals. This fund includes debt service transactions on community facility district bonds for which the City is not obligated.

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C) Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures are recorded when a liability is incurred, except for principal and interest on general long-term debt, claims and judgments and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Proceeds of long-term debt and acquisitions under leases are reported as other financing sources.

Property taxes, charges for services, and interest 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. Only the portion of special assessments receivable due within 60 days of the end of the current fiscal period is susceptible to accrual as revenue of the current period. All other revenue items are measurable and available only when cash is received by the government.

As a general rule, the effect of interfund activity, such as interfund reimbursements has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Amounts reported as program revenues include: 1) charges to members, customers, or applicants for goods, services, or privileges provided; 2) operating grants and contributions; and 3) capital grants and contributions, including special assessments.

Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes, except for in the Zone 2 Flood Control District, PEG Fees, Gas Tax, Gas Tax RMRA and Street Lighting Tax Funds.

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

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) Assets, Liabilities, and Net Position or Equity

Cash and Investments

The City pools cash resources from all funds to facilitate the management of cash and achieve the goal of obtaining the highest yield with the greatest safety and least risk. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other investments for varying terms.

Investments are stated at fair value, the value at which a financial instrument could be exchanged in a current transaction between willing parties, except for investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Property Tax Calendar

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1 and are payable in two installments, on November 1 and February 1. Property taxes become delinquent on December 10th and April 10th. The County of San Diego, California (County) bills and collects the property taxes and remits them to the City according to a payment schedule established by the County. City property tax revenues are recognized when received except at year-end when they are accrued pursuant to the modified accrual basis of accounting. The City recognizes as revenues at June 30 available taxes or those collected within 60 days.

The County is permitted by State law to levy taxes at 1% of full market value (at time of purchase) and can increase the property tax each year based on inflation but no more than 2% per year. The City receives a share of this basic levy based on complex formulas.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) Assets, Liabilities, and Net Position or Equity (Continued)

Inventories and Prepaid Items

Inventory consisting of office supplies, is stated at cost on an average cost basis and is adjusted to reflect periodic physical counts. These inventories are recorded as expenditures when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items under the consumption method in both government-wide and fund financial statements.

Land Held for Resale

Land held for resale is carried at the lower of cost or estimated realizable value. At June 30, 2023 the General Fund is reporting land held for resale with a value of \$439,000 representing four parcels that were conveyed by the Santee Community Development Commission Successor Agency to the City, to be held by the City for future development or sale, subject to a future compensation agreement with the various affected taxing entities as required by law.

Capital Assets

Capital assets, which include land, buildings, improvements, equipment, and infrastructure assets (e.g.; roads, bridges, sidewalks, and similar items) are reported in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 (\$25,000 in the case of infrastructure) and an estimated useful life in excess of 3 years. Such assets are recorded at the lower of actual historical cost or fair value. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

Buildings	50 years
System Infrastructure	20 to 50 years
Building improvements	5 to 25 years
Vehicles	3 to 15 years
Computer equipment	3 to 10 years
Office equipment	7 years

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D) Assets, Liabilities, and Net Position or Equity (Continued)

Long-Term Obligations

Long-term obligations reported in the government-wide financial statements include notes and loans payable, claims payable, compensated absences, net pension liability and other post-employment benefits.

Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick and compensatory time. The balance of unpaid vacation and compensatory time at June 30, 2023 is recorded as a long-term liability.

For governmental funds, the cost of accumulated vacation and compensatory time is expected to be paid from the General Fund.

Vacation pay is payable to employees at the time used or upon termination of employment. Sick leave accumulated but unused is cumulative from year to year and is payable to employees at the time used, or to a maximum amount of \$6,000 upon non-disability retirement for safety employees only.

The maximum compensation for accumulated vacation and sick leave is as follows:

	<u>Vacation</u>	<u>Sick Leave</u>
General and management employees	600 hours	-
Safety employees	768 hours	6,000

Claims and Judgments

The City accounts for material claims and judgments outstanding at year-end. When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the City records the estimated loss net of any insurance coverage under its self-insurance program.

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**D) Assets, Liabilities, and Net Position or Equity (Continued)**Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expenses/expenditure) until then. The City has three items that qualify for reporting in this category. The first two items are related to pension and OPEB, which arise only under a full accrual basis of accounting. This includes pension and OPEB contributions subsequent to the measurement date of the net pension liability and other amounts, which are amortized over an actuarially determined period. Accordingly, these items are reported in the government-wide statement of net position. The third item is related to deferred refunding charges, which resulted from the difference in the carrying value of refunded debts and their reacquisition prices, which is amortized over the remaining life of the bonds. Accordingly, this item is reported only in the fiduciary funds.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has four types of deferred inflows of resources. One item arises only under a modified accrual basis of accounting. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has deferred inflows of resources related to pension and OPEB, which arise only under a full accrual basis of accounting. Accordingly, these items are reported only in the government-wide statement of net position. These amounts are amortized over an actuarially determined period. And lastly, the City has deferred inflows related to gains on the refinancing of two loan agreements with the San Diego Association of Governments (SANDAG). These gains represent the savings derived from the refunding of SANDAG's underlying bonds that supported the loan. These items are reported only in the government-wide statement of net position and are amortized over the remaining life of the loan.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E) Fair Value Measurements

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in markets that are inactive;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

F) Pensions

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".

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F) Pensions (Continued)

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2022 to June 30, 2023

G) Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, an independent actuary has been engaged. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and fiduciary net position information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 1, 2021 to June 30, 2022

H) Prior Year Comparative Information

Selected information regarding the prior year has been included in the accompanying financial statements. This information has been included for comparison purposes only and does not represent a complete presentation in accordance with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's prior year financial statement, from which this selected financial data was derived. The City has reclassified certain prior year information to conform to current year presentation.

I) Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported changes in net position during the reporting period. Actual results could differ from those estimates.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J) New Accounting Pronouncements

During the fiscal year ended June 30, 2023, the City implemented the following GASB standard:

GASB Statement No. 96 – The Governmental Accounting Standards Board (GASB) has issued Statement No. 96, *Subscription Based Information Technology Arrangements Activities*. The primary objective of this statement is to improve guidance regarding the identification of subscription activities for accounting and financial reporting purposes and how those activities should be reported in the financial statements.

GASB Statement No. 91 – The Governmental Accounting Standards Board (GASB) has issued Statement No. 91, *Conduit Debt Obligations*. The primary objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2021.

2) DETAILED NOTES ON ALL FUNDS

A) Cash and Investments

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

Governmental Activities:	
Cash and investments	\$ 66,132,583
Fiduciary Funds:	
Cash and investments	2,807,706
Cash and investments with fiscal agent	1,414,578
Total Cash and Investments	<u><u>\$ 70,354,867</u></u>

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

Cash on hand	\$ 6,050
Deposits with financial institutions	4,197,158
Investments	66,151,659
Total Cash and Investments	<u><u>\$ 70,354,867</u></u>

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

A) Cash and Investments (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy

The following table identifies the investment types that are authorized for the City by the California Government Code and the City's investment policy.

The table also identifies certain provisions of the California Government Code (or the City's investment policy, if more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Authorized by Investment Policy	Maximum Maturity ⁽¹⁾	Maximum Percentage of Portfolio ⁽¹⁾	Maximum Investment in One Issuer ⁽¹⁾
Local Agency Bonds	Yes	5 Years	30%	None
U.S. Treasury Obligations	Yes	5 Years	None	None
State Obligations - CA and Others	Yes	N/A	30%	None
CA Local Agency Obligations	Yes	N/A	30%	None
Federal Agency Securities	Yes	5 Years	None	None
Banker's Acceptances	Yes	180 Days	40%	30%
Commercial Paper	Yes	270 Days	15% ⁽²⁾	None
Negotiable Certificates of Deposit	Yes	5 Years	30%	None
Repurchase Agreements	No	90 Days	10%	None
Reverse Repurchase Agreements	Yes	N/A	N/A	N/A
Medium-Term Notes	Yes	5 Years	30%	None
Mutual Funds	Yes	N/A	15%	10%
Money Market Mutual Funds	Yes	N/A	15%	10%
Mortgage Pass-through Securities	No	N/A	N/A	N/A
County Pooled Investment Funds	No	N/A	N/A	N/A
Local Agency Investment Fund	Yes	N/A	None	None
California Asset Management Program	Yes	N/A	None	None
JPA Pools (Other Investment Pools)	No	N/A	N/A	N/A
Supranationals	Yes	N/A	30%	AA

⁽¹⁾Based on state law requirements or investment policy requirements, whichever is more restrictive.

⁽²⁾An additional 15% may be invested in commercial paper if the dollar-weighted average maturity of the entire amount does not exceed 31 days.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

A) Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees 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 investment held by bond trustees and certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local agency bonds	N/A	None	None
U.S. Treasury obligations	N/A	None	None
Federal agency securities	N/A	None	None
Banker's acceptances	365 days	None	None
Commercial paper	270 days	None	None
Certificates of deposit	365 days	None	None
Repurchase agreements	365 days	None	None
Money market mutual funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
California asset management program	N/A	None	None
Investment agreements	N/A	None	None

Disclosures Relating to Interest Rate Risk

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

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

A) Cash and Investments (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuation is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Total	Remaining Maturity (in Months)		
		12 Months Or Less	12+ to 36 Months	36+ to 60 Months
Treasury securities	\$ 8,224,023	\$ 2,184,613	\$ 5,558,550	\$ 480,860
Federal agency securities	5,201,062	489,770	4,711,292	-
Medium term notes	4,999,588	244,333	3,848,095	907,160
Local Agency Investment Fund (LAIF) California	45,937,769	45,937,769	-	-
Asset Management Program (CAMP)	374,639	374,639	-	-
Investments with Fiscal Agent:				
Money Market Funds	1,414,578	1,414,578	-	-
Total	\$ 66,151,659	\$ 50,645,702	\$ 14,117,937	\$ 1,388,020

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City manages its exposure to credit risk by monitoring the credit rating of its investments. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating as of year-end for each investment type by Standard and Poor's Investor's Service.

Investment Type	Total	Minimum Legal Rating	Exempt From Disclosure	Rating as of Year End	
				AAA/A-	Not Rated
Treasury securities	\$ 8,224,023	N/A	\$8,224,023	\$ -	\$ -
Federal agency securities	5,201,062	AA	-	5,201,062	-
Medium term notes	4,999,588	A	-	4,999,588	-
Local Agency Investment Fund (LAIF)	45,937,769	N/A	-	-	45,937,769
California Asset Management Program (CAMP)	374,639	N/A	-	374,639	-
Investments with Fiscal Agent:					
Money Market Funds	1,414,578	A-1+	-	1,414,578	-
Total	\$ 66,151,659		\$8,224,023	\$ 11,989,867	\$ 45,937,769

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

A) Cash and Investments (Continued)

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 government 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. The City generally manages its exposure to custodial credit risk by collateralizing deposits and by using an investment custodian other than the broker-dealer.

Investment in Investment Pools

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

The City is a voluntary participant in the California Asset Management Program (CAMP), an investment pool managed by Public Financial Management, Inc. CAMP was established under provisions of the California Joint Exercise of Powers Act. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by CAMP, which are recorded on an amortized cost basis.

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

B) Fair Value Measurements

The City categorizes certain assets and liabilities within the fair value hierarchy established by generally accepted accounting principles as discussed in Note 1E. The City has the following recurring fair value measurements as of June 30, 2023:

Investment Type	Total	Fair Value Hierarchy		
		Level 1	Level 2	Level 3
Investments by Fair Value Level:				
U.S. Treasury securities	\$ 8,224,023	\$ 8,224,023	\$ -	\$ -
Federal agency securities	5,201,062	-	5,201,062	-
Medium term notes	4,999,588	-	4,999,588	-
Total Investments by Fair Value Level	18,424,673	\$ 8,224,023	\$ 10,200,650	\$ -
Not Subject to the Fair Value Hierarchy:				
Local Agency Investment Fund (LAIF)	45,937,769			
California Asset Management Program (CAMP)	374,639			
Money market funds	1,414,578			
Total Investments	\$ 66,151,659			

The City's Level 2 investments are valued based on the input of a pricing service that uses matrix pricing.

C) Loans Receivable

The City has made various First Time Home Buyer Loans to individuals with Federal HOME and State CalHome Program funding to assist them in acquiring a single-family residence within the City. These loans are at various low simple interest rates. Assuming all conditions of the loans are met, accrued and unpaid interest is forgiven by the City after ten years of owner occupancy. The principal amounts of the loans are due and payable thirty years from the date of the loan unless the property is sold, rented or transferred.

The balance of the loans outstanding at June 30, 2023 was \$920,500.

The loans receivable in the Fiduciary Fund represents those loans issued by the former Community Development Commission for low and moderate-income housing. The balance of the loans at June 30, 2023, net of an allowance for doubtful accounts is \$284,055.

City of Santee

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

D) Capital Assets and Intangible Assets

The following table presents summary information on the changes in governmental funds capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets, Non-Depreciable:				
Land	\$ 14,545,773	\$ 158,026	\$ -	\$ 14,703,799
Parks	5,257,745	-	-	5,257,745
Construction in progress	4,432,253	1,415,645	(2,304,694)	3,543,204
Total Capital Assets, Non-Depreciable:	<u>24,235,771</u>	<u>1,573,671</u>	<u>(2,304,694)</u>	<u>23,504,748</u>
Capital assets, depreciable/amortizable:				
Buildings and improvements	23,036,252	150,774	-	23,187,026
Improvements other than buildings	14,263,187	1,250,371	-	15,513,558
Equipment	14,724,948	762,476	(15,872)	15,471,552
Vehicles	7,894,888	178,608	(242,050)	7,831,446
Infrastructure	286,233,471	5,810,632	(542,562)	291,501,541
Right-to-use leases	169,100	205,767	(39,341)	335,526
Right-to-use subscriptions	1,391,533	24,649	-	1,416,182
Total Capital Assets, Depreciable/Amortizable:	<u>347,713,379</u>	<u>8,383,277</u>	<u>(839,825)</u>	<u>355,256,831</u>
Less accumulated depreciation/amortization:				
Buildings and improvements	(12,033,351)	(671,641)	-	(12,704,992)
Improvements other than buildings	(5,666,186)	(730,784)	-	(6,396,970)
Equipment	(8,104,011)	(884,205)	11,608	(8,976,608)
Vehicles	(5,777,983)	(634,988)	242,050	(6,170,921)
Infrastructure	(152,125,189)	(6,720,542)	445,913	(158,399,818)
Right-to-use leases	(22,361)	(75,305)	39,341	(58,325)
Right-to-use subscriptions	(106,618)	(286,636)	-	(393,254)
Total Capital Assets, Depreciation/Amortization	<u>(183,835,699)</u>	<u>(10,004,101)</u>	<u>738,912</u>	<u>(193,100,888)</u>
Total Capital Assets, Depreciable/Amortizable, Net	<u>163,877,680</u>	<u>(1,620,824)</u>	<u>(100,913)</u>	<u>162,155,943</u>
Governmental Activities Capital Assets, Net	<u>\$ 188,113,451</u>	<u>\$ (47,153)</u>	<u>\$ (2,405,607)</u>	<u>\$ 185,660,691</u>

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

D) Capital Assets (Continued)

Depreciation/Amortization expense was charged to the functions of the governmental activities as follows:

General government	\$ 653,454
Public safety	810,120
Public works	6,832,814
Parks and recreation	<u>1,707,713</u>
Total Governmental Activities	
Depreciation Expense	<u><u>\$10,004,101</u></u>

E) Interfund Receivables, Payables and Transfers

The following balances resulted from short-term loans between funds to meet temporary cash flow requirements during the fiscal year.

Due to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	<u><u>\$ 313,458</u></u>

The outstanding balance between funds is the result of an advance made by the General Fund to cover the cost of landscape improvements in one zone of the Santee Landscape Maintenance District. The advance is interest free with a term of ten years.

Advances to/from Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Non-Major Governmental Funds	<u><u>\$ 10,809</u></u>

Transfers are recorded to reflect the reimbursement of expenditures incurred in one fund with resources from other funds. Most of the transfers below were made to fund various capital projects.

	<i>Transfers In:</i>		
	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total</u>
<i>Transfers Out:</i>			
General Fund	\$ 1,019,670	\$ 164,160	\$ 1,183,830
American Rescue Plan Act	1,338,841	-	1,338,841
Non-Major Governmental Funds	<u>3,794,912</u>	<u>20,376</u>	<u>3,815,288</u>
Total	<u><u>\$ 6,153,423</u></u>	<u><u>\$ 184,536</u></u>	<u><u>\$ 6,337,959</u></u>

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

F) Long-term Liabilities

Changes in Long-term Liabilities

Long-term liability activity for the governmental activities for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities:					
Notes and loans payable	\$ 6,451,250	\$ -	\$ (562,500)	\$ 5,888,750	\$ 592,500
Leases payable	752,993	205,768	(306,288)	652,473	202,587
Subscriptions payable	826,595	24,649	(194,117)	657,127	223,161
Claims and judgments	1,507,000	653,159	(433,159)	1,727,000	473,750
Compensated absences	1,429,207	1,384,242	(1,386,879)	1,426,570	1,069,928
Premiums on long-term debt	67,511	-	(40,507)	27,004	27,004
Total	<u>\$ 11,034,556</u>	<u>\$ 2,267,818</u>	<u>\$ (2,923,450)</u>	<u>\$ 10,378,924</u>	<u>\$ 2,588,930</u>

Notes and Loans Payable

SANDAG 2010 Agreement

On November 17, 2010, the City entered into an agreement with the San Diego Association of Governments (SANDAG) under which the City borrowed \$8,450,000 through the TransNet debt financing program for flood channel improvements and street repair and rehabilitation projects. In accordance with the agreement, the City is responsible for paying its proportionate share of SANDAG's bond debt service through the maturity date of the note in fiscal year ending 2030. In February 2020, the bonds originally issued by SANDAG were refunded. As a result of the refunding, the principal balance owed by the City decreased by \$830,000, and the City's share of the premium on the original issuance, \$273,845, was eliminated. This resulted in a gain on refinancing of \$1,114,806 which is recognized as a deferred inflow and amortized over the remaining 10 years of the borrowing. The amortized amount for fiscal year 2022-23 was \$111,481. Interest on the note is 0.8674%.

The repayment of debt is the first priority on the use of the City's annual TransNet revenues. As of June 30, 2023, the City's total debt outstanding on this note was \$2,853,750.

Revenues Pledged - The City has pledged a portion of TransNet revenues to repay a note payable to SANDAG. The note payable is secured solely by the TransNet revenues. These revenues total approximately \$1,500,000 per year. Total principal and interest remaining on the note payable is \$4,434,789 payable through fiscal year 2030. For the current year, principal and interest paid were \$353,760 and \$156,175, respectively.

2) DETAILED NOTES ON ALL FUNDS (Continued)

F) Long-term Liabilities (Continued)

Notes and Loans Payable (Continued)

Annual debt service requirements to maturity on this debt at June 30, 2023 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 370,000	\$ 138,488
2025	388,750	119,988
2026	405,000	100,550
2027	423,750	81,350
2028	440,000	63,313
2029-2030	826,250	59,500
Total	<u>\$ 2,853,750</u>	<u>\$ 563,189</u>

SANDAG 2014 Agreement

On September 10, 2014, the City entered into an agreement with the San Diego Association of Governments (SANDAG) under which the City borrowed \$4,500,000 through the TransNet debt financing program for street repairs and rehabilitation projects. Under the agreement, the City is responsible for its proportionate share of SANDAG's bond issuance costs, annual debt service and administrative costs through the maturity date of the note in fiscal year ending 2034. In February 2021, \$2,870,000 of the City's share of the bonds originally issued by SANDAG was refunded. The remaining principal balance of \$571,250 remains in the original issuance. As a result of the refunding, a portion of the City's share of the premium on the original issuance, \$456,707, was eliminated and the maturity date of the non-refunded portion of the bonds changed to 2024. This resulted in a gain on refinancing of \$456,507 which is recognized as a deferred inflow and amortized over the remaining three years of the non-refunded portion of the issuance. The amortized amount for fiscal year 2022-23 was \$152,236. The portion of the original premium that was not refunded, \$121,521, will also be amortized over three years. The amortized amount for fiscal year 2022-23 was \$20,004. Interest on the note is 3.851% on the non-refunded portion of the note and 2.214% on the refunded portion.

The repayment of debt is the first priority on the use of the City's annual TransNet revenues. As of June 30, 2023, the City's total debt outstanding on this note was \$3,035,000.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

F) Long-term Liabilities (Continued)

Revenues Pledged – The City has pledged a portion of TransNet revenues to repay a note payable to SANDAG. The note payable is secured solely by the TransNet revenues. These revenues total approximately \$1,500,000 per year. Total principal and interest remaining on the note payable is \$4,189,068 payable through fiscal year 2034. For the current year, principal and interest paid were \$208,750 and \$18,648, respectively.

Annual debt service requirements to maturity on this debt at June 30, 2023 are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 222,500	\$ 71,240
2025	232,500	62,696
2026	242,500	61,093
2027	253,750	59,165
2028	268,750	56,705
2029-2033	1,548,750	235,485
2034	266,250	27,534
Total	<u>\$ 3,035,000</u>	<u>\$ 573,918</u>

Leases Payable

2014 Vactor

On December 16, 2013, the City entered into an agreement with Caterpillar Financial Services Corporation in the amount of \$335,172 for the purchase of a 2014 Vactor Model 2100 Plus Series Jet Rodder. Financing for this purchase was acquired through a Master Lease-Purchase Agreement with Caterpillar Financial Services Corporation dated January 20, 2014.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 16,062	\$ 245
Total	<u>\$ 16,062</u>	<u>\$ 245</u>

2) DETAILED NOTES ON ALL FUNDS (Continued)

F) Long-term Liabilities (Continued)

2016 Pierce Arrow XT Pumper

On August 17, 2015, the City entered into an agreement with PNC Equipment Finance in the amount of \$603,055 for the purchase of a 2016 Pierce Arrow XT Pumper. Financing for this purchase was acquired through a Master Lease-Purchase Agreement with PNC Equipment Finance dated August 17, 2015. As of August 2022, the loan has been paid in full.

2016 Pierce Arrow XT Tiller

On August 17, 2015, the City entered into an agreement with PNC Equipment Finance in the amount of \$1,080,907 for the purchase of a 2016 Pierce Arrow XT Tiller. Financing for this purchase was acquired through a Master Lease-Purchase Agreement with PNC Equipment Finance dated August 17, 2015.

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 116,873	\$ 12,181
2025	120,800	8,254
2026	124,859	4,195
Total	<u>\$ 362,532</u>	<u>\$ 24,630</u>

Equipment and Vehicles

The City has entered into numerous leases as a Lessee for the use of various equipment and vehicles, which ranged from 29 to 126 months. An initial lease liability was recorded in the range between \$3,956 to \$55,894. As of June 30, 2023, the value of the lease liability was \$664,881. The City is required to make monthly fixed payments in the range between \$168 to \$1,565. The leases have an interest rate between 0.5290% to 8.0200%. The Equipment and Vehicles have an estimated useful life between 29 to 126 months as of the contract commencement. The value of the right to use asset as of June 30, 2023, of \$335,526 with accumulated amortization of \$58,325 is included with Right to use leases on Note 2D for the financial statements.

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

2) DETAILED NOTES ON ALL FUNDS (Continued)

F) Long-term Liabilities (Continued)

Equipment and Vehicles, (continued)

The future minimum lease obligations and the net present value of these minimum lease payments are as follows:

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 69,652	\$ 15,327
2025	72,597	11,628
2026	67,147	7,687
2027	44,264	3,571
2028	18,446	467
2029-2031	1,773	27
Total	<u>\$ 273,879</u>	<u>\$ 38,707</u>

Subscription Payable

During the current fiscal year, the City entered into numerous subscriptions as a Lessee for the use of various subscriptions, which ranged from 24 to 72 months. An initial subscription liability was recorded in the range between \$3,902 to \$602,442. As of June 30, 2023, the value of the subscription liability was \$657,127. The City is required to make annual fixed payments in the range between \$2,033 to \$146,196. The subscriptions have an interest rate in the range between 0.3800% to 2.7960%. The value of the right to use asset as of June 30, 2023 of \$1,416,182 with accumulated amortization of \$393,254 is included with the Right to use subscriptions on Note 2D for the financial statements. The City has a range of 2 to 5 extension option(s), each for 12 months.

Year Ending June 30,	Governmental Activities	
	Principal	Interest
2024	\$ 223,161	\$ 4,743
2025	215,371	3,137
2026	215,285	1,553
2027	3,310	13
Total	<u>\$ 657,127</u>	<u>\$ 9,446</u>

2) DETAILED NOTES ON ALL FUNDS (Continued)

F) Long-term Liabilities (Continued)

Claims and Judgments

The outstanding liability for claims payable at June 30, 2023 was \$1,727,000. This liability is primarily liquidated from the General Fund.

Compensated Absences, Net OPEB Liability and Net Pension Liability

The obligations for compensated absences, the net OPEB liability and net pension liability are primarily liquidated from the General Fund. There is no fixed payment schedule for these liabilities.

G) Conduit Debt

The City has a previously issued bond for Community Facilities Districts under the public improvement act (Mello-Roos Community Facilities Act of 1982) of the State of California to finance the acquisition and construction of certain public facilities servicing property within the respective district boundaries. The bonds are secured by annual special tax levies or liens placed on the property within the district.

The City is not liable for repayment and acts only as an agent for the property owner in collecting the special taxes or assessments, forwarding the collections to bondholders, and initiating foreclosure proceedings when necessary. These bonds are payable solely from special taxes, specific reserves, and the proceeds from property foreclosures to be levied by the district. The outstanding balance of all conduit debt of the City as of June 30, 2023 is as follows:

<u>Issue Name</u>	<u>Amount of Issue</u>	<u>Outstanding June 30, 2023</u>
CFD 2017-1	\$ 8,665,000	\$ 8,065,000

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION

A) Risk Management

For Workers' Compensation claims, the City carries a self-insured retention of \$350,000 per claim. The City participates in the Local Agency Workers' Compensation Excess Joint Powers Authority (LAWCX) for coverage up to \$5,000,000 per claim, and purchases insurance for claims in excess of \$5,000,000 up to the California statutory limits.

For General Liability claims, the City carries a self-insured retention of \$150,000 per claim. The City participates in the PRISM Insurance Risk Sharing Pool for coverage up to \$25,000,000 per claim, with an additional \$25,000,000 per claim for a total of \$50,000,000 per claim in General Liability Coverage.

Liabilities for workers compensation and other liabilities are recorded when it is probable that a loss has occurred, and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

The ultimate amount of losses incurred is dependent on future developments. The amounts reported in the accompanying financial statement have been determined based upon actuarial analysis and information from the City's legal counsel and claims administrators.

The changes in the claims liability for the years ended June 30, 2023, 2022, and 2021 were as follows:

There was no significant reduction in insurance coverage by major categories of risk from fiscal year 2020-21 to fiscal year 2022-23. Furthermore, there was no settlement which exceeded the insurance coverage for the past three years.

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Changes in Estimates</u>	<u>Claim Payments</u>	<u>Ending Balance</u>
2020-2021	\$ 1,547,917	\$ 336,100	\$ (500,267)	\$ 1,383,750
2021-2022	1,383,750	582,182	(458,932)	1,507,000
2022-2023	1,507,000	653,159	(433,159)	1,727,000

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans

California Public Employee Retirement System

Plan Description – All qualified permanent and probationary employees are eligible to participate in the in the City’s separate Safety (fire) and Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefits provisions, assumptions and membership information that can be found on the CalPERS website. The Plans’ provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013 ⁽¹⁾
Hire date		
Benefit formula ⁽²⁾	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation ⁽³⁾	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.96%	6.75%
Required employer contribution rates	14.030%	7.470%
	Miscellaneous 2nd Tier	
	Prior to January 1, 2013	On or after January 1, 2013 ⁽¹⁾
Hire date		
Benefit formula ⁽²⁾	2.0% at 55	2.0% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67+	52 - 67+
Monthly benefits, as a % of eligible compensation ⁽³⁾	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.92%	6.75%
Required employer contribution rates	10.320%	7.470%
	Safety	
	Prior to January 1, 2013	On or after January 1, 2013 ⁽¹⁾
Hire date		
Benefit formula ⁽²⁾	3.0% at 50	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefits, as a % of eligible compensation ⁽³⁾	3.00%	2.0% to 2.7%
Required employee contribution rates	8.99%	13.75%
Required employer contribution rates	25.640%	13.660%
	Safety 2nd Tier	
	Prior to January 1, 2013	On or after January 1, 2013 ⁽¹⁾
Hire date		
Benefit formula ⁽²⁾	3.0% at 55	2.7% at 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55+	50 - 57+
Monthly benefits, as a % of eligible compensation ⁽³⁾	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	2.99%	13.75%
Required employer contribution rates	22.480%	13.660%

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

Contribution Description – Section 20814(c) of the California Public Employees’ Retirement Law (PERL) 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer 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 contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023 were \$1,975,259. The actual employer payments of \$1,999,033 made to CalPERS by the City during the measurement period ended June 30, 2022 differed from the City’s proportionate share of the employer’s contributions of \$7,810,797 by \$5,811,764, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

	<u>Miscellaneous</u>	<u>Miscellaneous 2nd Tier</u>	<u>PEPRA Miscellaneous</u>
Contributions - Employer	\$ 369,291	\$ 136,152	\$ 226,065
Contributions - Employer (Paid by Employee)	28,342	14,609	-
		<u>Safety 2nd Tier</u>	<u>PEPRA Safety</u>
Contributions - Employer	\$ 731,841	\$ 68,860	\$ 313,556
Contributions - Employer (Paid by Employee)	75,938	10,605	-

Net Pension Liability – The City’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan 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 as follows.

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

Actuarial Methods and Assumptions used to determine Total Pension Liability –

The collective total pension liability for the June 30, 2022 measurement period was determined by an actuarial valuation as of June 30, 2021, with update procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry age Actuarial Cost Method
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾ The mortality table used was developed based on CalPERS specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

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.

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 of 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.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

The expected real rates of return by asset class are as follows:

Asset Class ¹	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
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%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions – Effective with the June 30, 2021, valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate – The discount rate used to measure the total pension liability for PERF C 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.

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

Subsequent Events – On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

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

Pension Plan Fiduciary Net Position – Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

Proportionate Share of Net Pension Liability – The following table shows the Plan’s proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Miscellaneous			
Balance at: 6/30/2021	\$ 71,083,937	\$ 59,783,317	\$ 11,300,620
Balance at: 6/30/2022	75,776,056	54,430,891	21,345,165
Net Changes during 2021-22	<u>\$ (4,692,119)</u>	<u>\$ 5,352,426</u>	<u>\$ (10,044,545)</u>
Safety			
Balance at: 6/30/2021	\$ 101,316,101	\$ 82,395,050	\$ 18,921,051
Balance at: 6/30/2022	107,952,515	74,756,461	33,196,054
Net Changes during 2021-22	<u>\$ (6,636,414)</u>	<u>\$ 7,638,589</u>	<u>\$ (14,275,003)</u>
Total			
Balance at: 6/30/2021	\$ 172,400,038	\$ 142,178,367	\$ 30,221,671
Balance at: 6/30/2022	183,728,571	129,187,352	54,541,219
Net Changes during 2021-22	<u>\$ (11,328,533)</u>	<u>\$ 12,991,015</u>	<u>\$ (24,319,548)</u>

The City’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The City’s proportionate share of the net pension liability for the miscellaneous/safety/total Plan as of the June 30, 2021 and 2022 measurement dates was as follows:

	Miscellaneous	Safety
Proportion - June 30, 2021	0.59514%	0.53914%
Proportion - June 30, 2022	0.45617%	0.48209%
Change - Increase (Decrease)	<u>-0.13897%</u>	<u>-0.05705%</u>

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net Pension Liability - Miscellaneous	\$31,674,808	\$ 21,345,164	\$12,846,433
Net Pension Liability - Safety	48,104,128	33,196,055	21,012,072
Net Pension Liability - Total	<u>\$79,778,936</u>	<u>\$ 54,541,219</u>	<u>\$33,858,505</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources – Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

The EARSL for PERF C for the measurement period ending June 30, 2022 is 3.7 years, which was obtained by dividing the total service years of 574,665 (the sum of remaining service lifetimes of the active employees) by 153,587 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions – For the year ended June 30, 2023, the City recognized a pension credit of \$2,480,614 for the Miscellaneous Plan and \$1,642,269 for the Safety Plan, which totaled \$4,122,883. As of June 30, 2023, the City reports deferred outflows of resources and deferred inflows of resources related to pensions as follows:

	Miscellaneous		Safety		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 774,459	\$ -	\$ 1,200,799	\$ -	\$ 1,975,258	\$ -
Differences between actual contributions made and proportionate share of contributions	-	2,550,431	-	4,678,703	-	7,229,134
Differences between expected and actual experience	428,653	287,093	1,373,864	360,483	1,802,517	647,576
Changes of assumptions	2,187,258	-	3,347,167	-	5,534,425	-
Net difference between projected and actual earnings on pension plan investments	3,909,867	-	5,242,121	-	9,151,988	-
Adjustment due to differences in proportions	80,375	1,109,227	1,031,175	-	1,111,550	1,109,227
Total	\$ 7,380,612	\$ 3,946,751	\$12,195,126	\$ 5,039,186	\$19,575,738	\$ 8,985,937

The amounts above are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$1,975,258 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/Inflows of Resources		
	Miscellaneous	Safety	Total
2024	\$ (22,764)	\$ 1,059,875	\$ 1,037,111
2025	156,065	1,021,950	1,178,015
2026	134,692	675,556	810,248
2027	2,391,409	3,197,760	5,589,169
2028	-	-	-
Thereafter	-	-	-
	\$ 2,659,402	\$ 5,955,141	\$ 8,614,543

3) OTHER INFORMATION (Continued)

B) Employee Retirement Systems and Pension Plans (Continued)

Payable to the Pension Plan – At June 30, 2023, the City reported a payable of \$0 for the outstanding amount of contributions to the pension plan required for the year then ended.

Public Agency Retirement System

The City contributes to the Public Agency Retirement System (PARS), which is a defined contribution retirement plan. PARS provides a qualified retirement system to all part-time, seasonal and temporary employees in compliance with Section 11332 of the Omnibus Budget Reconciliation Act of 1990 and administers the retirement plan.

The minimum contribution level is 3.75% for employees and 3.75% for the employer, for a total of 7.50%.

All employees are 100% vested upon entering the system. PARS contributions are invested in fixed income pension contracts. The plan's provisions and all other requirements were established by federal statutes. For the year ended June 30, 2023, the City's payroll covered by the plan was \$345,970. The City made employer contributions of \$12,975 (3.75% of covered payroll), and employees contributed \$12,975 (3.75% of covered payroll).

C) Other Post-Employment Benefits (OPEB)

Plan Description

The City administers a single employer defined benefit plan which provides medical insurance benefits to eligible retirees and their spouses in accordance with various labor agreements.

Fire department safety employees hired prior to July 1, 1985 receive lifetime medical insurance benefits, depending on the employee's date of retirement as shown below:

1. Retirement prior to August 1, 1986: The City pays the full medical insurance premium for the employee and one dependent.
2. Retirement on or after August 1, 1986: The City pays a maximum of \$182 per month toward the employee's medical insurance premium.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

C) Other Post-Employment Benefits (OPEB) (Continued)

The City provides a retiree health premium assistance program to executive management personnel who retire with at least eight years of service with the City and who meet other program eligibility requirements. The program was revised on January 10, 2018 to limit the application to current executive management employees at that time, modifying the benefit to a fixed amount of \$400 per month until age 65, and to sunset the program.

For eligible City employees and City Council members, they may continue medical insurance coverage through the City's medical insurance plan on a self-pay basis to age 65. Retirees electing this coverage pay the same premium rates as are assessed for active employees.

Employees Covered

As of the June 30, 2021 measurement date, the following current and former employees were covered by the benefit terms under the Plan:

Active employees	124
Inactive employees or beneficiaries currently receiving benefits	51
Inactive employees entitled to, but not yet receiving benefits	4
Total	<u>179</u>

Contributions

City contributions to the Plan occur as benefits are paid to retirees and/or to an OPEB trust. Benefit payments may occur in the form of direct payments for premiums and taxes (explicit subsidies) or indirect payments to retirees in the form of higher premiums for active employees (implicit subsidies). In June 2018, the City joined the California Employers' Retiree Benefit Trust (CERBT), an OPEB trust administrator and affiliate program of CalPERS, for the purpose of prefunding obligations for past services.

3) OTHER INFORMATION (Continued)

C) Other Post-Employment Benefits (OPEB) (Continued)

Net OPEB Liability

The City's net OPEB Liability was measured as of June 30, 2022 and the net OPEB liability used to calculate the net OPEB Liability was determined by an actuarial valuation dated June 30, 2022 based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal, level percent of pay
Actuarial Assumptions	
Discount rate	6.00%
Inflation	2.50% per year
Salary increases	3.00% per year
Mortality rate	MacLeod Watts Scale 2022 applied generationally
Healthcare cost trend rate	4.70% in 2022, fluctuates until ultimate rate of 3.9% in 2076

Expected Long-term Return on Assets

The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are summarized in the following table:

Major Asset Classification	Target Allocation	Years 1-5 Expected Rate of Return	Years 6-20 Expected Rate of Return
Global Equity	49%	6.80%	6.80%
Fixed Income	23%	1.40%	4.50%
Global Real Estate(REIT)	20%	5.40%	6.20%
Treasury Inflation Protected Securities	5%	0.60%	3.60%
Commodities	3%	3.20%	3.50%
Total	100%		

Notes:

1. Years 1-5 assumes a general inflation rate of 2.40%
2. Years 5-20 assumes a general inflation rate of 2.30%

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

C) Other Post-Employment Benefits (OPEB) (Continued)

Changes in the 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)
Balance at June 30, 2022 (Measurement Date: June 30, 2021)	\$ 2,441,527	\$ 2,119,647	\$ 321,880
Changes recognized for the measurement period:			
Service Cost	70,780	-	70,780
Interest	144,584	-	144,584
Expected Investment Income	-	127,163	(127,163)
Contributions - employer	-	205,138	(205,138)
Net Investment income	-	(410,796)	410,796
Benefit payments	(205,138)	(205,138)	-
Administrative expense	-	(537)	537
Net Changes	10,226	(284,170)	294,396
Balance at June 30, 2023 (Measurement Date: June 30, 2022)	\$ 2,451,753	\$ 1,835,477	\$ 616,276

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trends

The discount rate used for the fiscal year end 2023 is 6.0%. Healthcare Cost Trend Rate was assumed to start at 4.7% (effective January 1, 2023) and then grade down to 3.9% for years 2076 and later. The impact of a 1% increase or decrease in these assumptions is shown in the chart below:

Sensitivity of the Net OPEB Liability			
	Current - 1% 5.00%	Current 6.00%	Current + 1% 7.00%
Changes in Discount Rate Net OPEB Liability	\$ 808,748	\$ 616,276	\$ 444,196
Changes in Healthcare Cost Trend Rate Net OPEB Liability	Current Trend - 1% \$ 479,278	Current Trend \$ 616,276	Current Trend + 1% \$ 774,903

3) OTHER INFORMATION (Continued)

C) Other Post-Employment Benefits (OPEB) (Continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) Separate EARSL periods applied to different employee benefit groups.

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense (income) of (\$108,778). As of fiscal year ended June 30, 2023, the City reported deferred inflows and deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
OPEB contributions subsequent to the measurement date	\$ 223,537	\$ -
Net difference between projected and actual experience	21,694	608,891
Net difference between projected and actual investment earnings	126,195	-
Assumption changes	50,330	391,955
Total	<u>\$ 421,756</u>	<u>\$ 1,000,846</u>

Notes to the Financial Statements
For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

C) Other Post-Employment Benefits (OPEB) (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Of the \$421,756 reported as deferred outflows of resources, \$223,537 is related to contributions subsequent to the June 30, 2022 measurement date and will be recognized as a reduction of the net OPEB Liability during the fiscal year ending June 30, 2023. In addition, other amounts reported as deferred inflows and outflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ (196,168)
2025	(209,358)
2026	(188,491)
2027	(30,643)
2028	(83,490)
Thereafter	(94,477)

D) Net Position and Fund Balances

Net Position

In the Government-wide Financial Statements, net position is classified in the following categories:

Net investment in capital assets describes the portion of net position which is represented by the current net book value of the City's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulation, laws, or other restrictions which the City cannot unilaterally alter. These principally include developer fees received for use on capital projects, debt service requirements, and redevelopment funds restricted to low and moderate-income purposes.

Unrestricted describes the portion of net position which is not restricted to use.

3) OTHER INFORMATION (Continued)

D) Net Position and Fund Balances (Continued)

Fund Balances

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The City considers restricted fund balance to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available.

Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts and then unassigned amounts.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts constrained for a specific purpose by City Council resolution. It would require the same action by City Council to remove the constraint.

Assigned Fund Balance - Amounts that are constrained by the City Council's intent to use specified financial resources for specific purposes but are neither restricted nor committed.

Unassigned Fund Balance - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories, or negative balances. For all funds other than the General Fund, amounts expended in excess of resources that are restricted, committed, or assigned, negative unassigned fund balance may be necessary to report.

City of Santee

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

D) Net Position and Fund Balances (Continued)

The details of the fund balances as of June 30, 2023 are presented below:

	Governmental			Total Funds
	General Fund	Capital Projects Fund	Non-Major Funds	
Nonspendable:				
Prepaid items	\$ 102,554	\$ -	\$ 592	\$ 103,146
Inventories	3,150	-	-	3,150
Land held for resale	439,000	-	-	439,000
Due from other funds	313,458	-	-	313,458
Advances to other funds	10,809	-	-	10,809
Total Nonspendable	868,971	-	592	869,563
Restricted for:				
Public safety	-	-	4,913,565	4,913,565
Community development	-	-	1,345,432	1,345,432
Public works	-	-	4,248,664	4,248,664
Capital projects	-	6,213,141	18,418,233	24,631,374
General government	-	-	74,682	74,682
Total Restricted	-	6,213,141	29,000,576	35,213,717
Committed to:				
General contracts	175,540	-	-	175,540
Fire equipment and supplies	386,607	-	-	386,607
Community development	414,692	-	-	414,692
Public works	368,725	-	-	368,725
Capital projects	-	-	-	-
Community choice aggregation	100,000	-	-	100,000
Recreation programs	251,722	-	-	251,722
Self insurance	1,458,815	-	-	1,458,815
Library	8,711	-	-	8,711
Vehicle replacement	675,329	-	-	675,329
Total Committed	3,840,141	-	-	3,840,141
Assigned to:				
General contracts	38,800	-	-	38,800
Fire equipment and supplies	85,213	-	-	85,213
Public works	88,100	-	-	88,100
Recreation programs	5,560	-	-	5,560
Other purposes	24,000	-	-	24,000
Total Assigned	241,673	-	-	241,673
Unassigned	17,006,768	-	(104,313)	16,902,455
Total Fund Balances	\$ 21,957,553	\$ 6,213,141	\$ 28,896,855	\$ 57,067,549

3) OTHER INFORMATION (Continued)

E) Commitments and Contingencies

The City participates in several Federal, State and County programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grantor program regulations, the City may be required to reimburse the grantor government. As of June 30, 2023, the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any individual governmental funds or the overall financial condition of the City.

The City is a defendant in various lawsuits which have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty.

F) Tax Abatements

The City negotiates tax abatement agreements on an individual basis. The City has one tax abatement agreement as of June 30, 2023.

In June 2013, the City Council adopted a resolution to abate 50 percent of local sales tax revenues actually received by the City to a supply company for maintaining a permanent business location within the City limits. The abatement amount was \$2,315,799 during fiscal year 2023.

G) Successor Agency Long-term Obligations

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 Santee that previously had reported a community development commission (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. On January 11, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill as part of City Resolution No. 4- 2012. However, the City Council, on January 25, 2012, designated the San Diego County Housing Authority to assume all housing assets and functions of the former Redevelopment Agency. As of June 30, 2014, a portion of the assets have been accepted and transferred to the County Housing Authority. The remaining assets are currently reported in the Successor Agency Private Purpose Trust Fiduciary Fund. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

G) Successor Agency Long-term Obligations (Continued)

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).

In future fiscal years, 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.

The following is a summary of changes in the Successor Agency long-term obligations for the year:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Fiduciary Fund:					
Bonds Payable	\$ 36,315,000	\$ -	\$ (1,695,000)	\$ 34,620,000	\$ 1,775,000
Premium on Bonds	4,097,741	-	(214,729)	3,883,012	-
Total	<u>\$ 40,412,741</u>	<u>\$ -</u>	<u>\$ (1,909,729)</u>	<u>\$ 38,503,012</u>	<u>\$ 1,775,000</u>

Tax Allocation Bonds

2016 Tax Allocation Bonds Series A and Series B

On November 8, 2016 the Community Development Commission Successor Agency of the City of Santee issued 2016 Tax Allocation Refunding Bonds Series A in the amount of \$39,125,000 and 2016 Tax Allocation Refunding Bonds Series B in the amount of \$5,445,000 respectively. Proceeds from the 2016 Bonds Series A and Series B were used to refund the 2005 Tax Allocation Bonds and advance refund the 2011 Series A and Series B Tax Allocation Bonds. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$7,780,080, which is reported in the accompanying financial statements as a deferred outflow of resources and is being charged to operations through the year 2041. The balance at June 30, 2023, net of amortization is \$3,883,012.

3) OTHER INFORMATION (Continued)

G) Successor Agency Long-term Obligations (Continued)

The 2016 Series A consist of \$32,965,000 of serial bonds and \$6,160,000 of term bonds. The serial bonds accrue interest at rates between 3.125% and 5.000% and mature between August 1, 2020 and August 1, 2036. The term bonds accrue interest rates between 3.250% and 3.375% and mature between August 1, 2038 and August 1, 2041.

The 2016 Series B consist of \$5,445,000 of serial bonds. The serial bonds accrue interest at rates between 1.270% and 2.000% and mature between August 1, 2017 and August 1, 2020.

As of June 30, 2023, the outstanding balance on the 2016 Series A Tax Allocation Bonds was \$34,620,000. The 2016 Series B Tax Allocation Bonds matured in August 2020 and therefore are no longer displayed.

Annual debt service requirements to maturity on this debt at June 30, 2023 are as follows:

Year Ending June 30,	2016 Series A	
	Principal	Interest
2024	\$ 1,775,000	\$ 1,495,056
2025	1,860,000	1,404,181
2026	1,960,000	1,308,681
2027	2,055,000	1,208,306
2028	2,155,000	1,103,056
2029-2033	12,510,000	3,742,656
2034-2038	7,300,000	1,324,925
2039-2042	5,005,000	344,097
	<u>\$ 34,620,000</u>	<u>\$ 11,930,958</u>

Contingencies

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorable to the City.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

H) Joint Powers Authorities

The City is a member of two joint powers authorities at June 30, 2023. Complete financial statements for each joint powers' authority may be obtained at the City of El Cajon, Finance Department, 200 Civic Center Way, El Cajon, California 92020. A summary of each joint powers authority, the City's participation and any related party transactions with each authority are as follows:

Heartland Fire Training Authority

The purpose of the Heartland Fire Training Authority (HFTA) is to provide a fire-fighting training facility and training courses for personnel of the member agencies. On December 1, 1973, an agreement was entered into by the City of El Cajon, City of La Mesa and the Fire Protection Districts of Santee, Lakeside and Spring Valley to form a Joint Powers Authority for training. In later years the agreement was amended to change the name of Spring Valley to San Miguel as well as recognizing the incorporation of the City of Santee. The Authority is governed by a Commission which is comprised of elected officials from each member jurisdiction, along with a Board of Fire Chiefs which includes each respective Fire Chief.

The annual budget is derived from fees paid by participating agencies which are based on a formula using the number of on-duty personnel from each agency. Funds are also generated from contract agencies, the rental of the facility to other public safety agencies, and from the delivery of College Fire Science classes.

Contract agencies have the ability to utilize all of the available resources but are not voting members. The Barona Fire Protection District and Viejas Fire Department contract with HFTA, which allows their personnel to participate in training activities offered by HFTA. For fiscal year 2020-21, the JPA members included the Cities of El Cajon, La Mesa, Lemon Grove, and Santee; and the following fire protection districts; Alpine, Bonita-Sunnyside, Lakeside, San Miguel, Viejas, and County of San Diego.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2023. Upon dissolution of HFTA, all surplus money and property of HFTA would be conveyed or distributed to each member in proportion to all funds provided by HFTA by that member on behalf of that member during its membership.

3) OTHER INFORMATION (Continued)

H) Joint Powers Authorities (Continued)

Heartland Communications Facility Authority

The purpose of the Heartland Communication Facility Authority (HCFA) is to equip, maintain, operate and staff a facility to provide emergency call receiving and dispatching services to member agencies. HCFA was created on June 25, 1986, by a Joint Powers Agreement (JPA) between several cities and fire protection districts in San Diego County. For fiscal year 2020-21, the JPA members included: Cities of El Cajon, La Mesa, Lemon Grove, and Santee, and the following fire protection districts, Alpine, Bonita-Sunnyside, Lakeside, Viejas, and San Miguel Fire Department. One elected official from each participating entity is appointed to HCFA as a board member of the commission. The commission approves an annual budget based on the costs of operating the Authority. Additionally, the Barona Fire Protection District and Sycuan Fire Department contract with HCFA for emergency call receiving and dispatching.

No determination has been made as to each participant's proportionate share of fund equity as of June 30, 2023. Upon dissolution of HCFA, all surplus money and property of HCFA would be conveyed or distributed to each member in proportion to all funds provided to HCFA by that member on behalf of that member during its membership.

Santee Lakeside Emergency Medical Services Authority (SLEMSA)

The purpose of the Santee Lakeside Emergency Medical Services (SLEMSA) is to provide Advanced Life Support (ALS) ambulance transport service to the boundary that was previously known as County Service Area 69 (CSA 69). The boundary includes the City of Santee, Lakeside Fire Protection District (LFPD), and the unincorporated areas of Pepper Drive and Bostonia. In order to provide this service, each agency, exercises their common powers by administering, funding, managing and overseeing coordination of Advanced Life Support (ALS) ambulance transport service.

Santee and LFPD share equally all revenue generated through SLEMSA. SLEMSA has no employees.

I) Debt Without Government Commitment

Special Tax Bonds

Neither the faith and credit nor the taxing power of the City is pledged to the payment of the bond issuance disclosed below. Therefore, the bonds are not recorded in the financial statements.

Notes to the Financial Statements

For the fiscal year ended June 30, 2023

3) OTHER INFORMATION (Continued)

I) Debt Without Government Commitment (Continued)

In June 2019 Community Facilities District No. 2017-1 (Weston Infrastructure) of the City of Santee ("District") issued 2019 Special Tax Bonds in the amount of \$8,665,000. These bonds were issued under the provisions of the Mello-Roos Community Facilities Act of 1982 and were used to finance public improvements within the District. The bonds are payable from the proceeds of annual special taxes levied on property located within the District and are secured by a pledge of the special tax revenues and certain funds pledged under the fiscal agent agreement. At June 30, 2023, the outstanding balance of the bonds was \$8,225,000.

J) Deficit Fund Balances

The following funds have deficits in fund balance or net position at June 30, 2023:

Fund	Amount
Nonmajor Governmental Funds:	
Special Revenue Funds:	
Grant Fund	\$ (91,612)
Capital Projects Fund:	
TDA - Bikeways	(12,701)
Fiduciary Funds:	
Private Purpose Trust Fund	(31,454,551)

The City intends to fund these deficits with future revenue, transfers and reductions of expenditures/expenses.

K) Prior Period Restatements

The beginning fund balance for the statement of activities was restated due to the prior year implementation cost associated with the implementation of GASB 96. The statement of activities was restated at June 30, 2023 as follows:

	<u>Statement of activities</u>
Net Position, as previously reported	\$ 173,861,031
Prior period restatement	458,320
Net Position, as restated	<u>\$ 174,319,351</u>

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**Schedule of the City's Proportionate Share of Net Pension Liability
CalPERS Miscellaneous Pension Plan
Last Ten Years**

Miscellaneous Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.14923%	\$ 9,285,501	\$ 5,525,467	168.05%	81.30%
6/30/2015	0.41368%	11,349,237	5,441,575	208.57%	79.89%
6/30/2016	0.39934%	13,872,609	5,666,347	244.82%	75.87%
6/30/2017	0.40515%	15,971,346	5,571,435	286.66%	75.39%
6/30/2018	0.41577%	15,669,180	5,591,109	280.25%	77.69%
6/30/2019	0.42564%	17,044,581	6,160,160	276.69%	77.73%
6/30/2020	0.43584%	18,384,092	6,499,114	282.87%	73.01%
6/30/2021	0.59514%	11,300,620	6,821,749	165.66%	84.10%
6/30/2022	0.45617%	21,345,164	6,717,966	317.73%	71.83%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

City of Santee

Schedule of the City's Proportionate Share of Net Pension Liability CalPERS Safety Pension Plan Last Ten Years⁽¹⁾

Safety Plan

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	0.22363%	\$ 13,915,540	\$ 4,804,533	289.63%	81.11%
6/30/2015	0.36819%	15,171,247	4,601,259	329.72%	77.27%
6/30/2016	0.40708%	21,083,383	4,646,375	453.76%	72.69%
6/30/2017	0.40485%	24,190,399	4,875,857	496.13%	71.74%
6/30/2018	0.41831%	24,544,734	5,214,863	470.67%	73.39%
6/30/2019	0.42499%	26,530,147	5,223,569	507.89%	73.37%
6/30/2020	0.43465%	28,958,204	5,633,332	514.05%	70.32%
6/30/2021	0.53914%	18,921,051	5,750,086	329.06%	81.32%
6/30/2022	0.48209%	33,196,055	5,724,007	579.94%	69.25%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

**Schedule of the Employer Contributions
CalPERS Miscellaneous Pension Plan
Last Ten Years**

Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 1,600,974	\$ (1,600,974)	\$ -	\$ 5,441,575	29.42%
6/30/2016	576,328	(576,328)	-	5,666,347	10.17%
6/30/2017	618,112	(618,112)	-	5,571,435	11.09%
6/30/2018	574,812	(574,812)	-	5,591,109	10.28%
6/30/2019	627,561	(627,561)	-	6,160,160	10.19%
6/30/2020	699,557	(699,557)	-	6,499,114	10.76%
6/30/2021	791,629	(791,629)	-	6,821,749	11.60%
6/30/2022	749,493	(749,493)	-	6,717,966	11.16%
6/30/2023	774,759	(774,759)	-	7,416,234	10.45%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Santee

Schedule of the Employer Contributions CalPERS Safety Pension Plan Last Ten Years⁽¹⁾

Safety Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 1,446,146	\$ (1,446,146)	\$ -	\$ 4,601,259	31.43%
6/30/2016	943,856	(943,856)	-	4,646,375	20.31%
6/30/2017	978,484	(978,484)	-	4,875,857	20.07%
6/30/2018	1,026,156	(1,026,156)	-	5,214,863	19.68%
6/30/2019	1,050,107	(1,050,107)	-	5,223,569	20.10%
6/30/2020	1,176,227	(1,176,227)	-	5,633,332	20.88%
6/30/2021	1,243,503	(1,243,503)	-	5,750,086	21.63%
6/30/2022	1,249,540	(1,249,540)	-	5,724,007	21.83%
6/30/2023	1,200,799	(1,200,799)	-	5,641,555	21.28%

* Measurement date 6/30/2014 (fiscal year 2015) was the first year of implementation. Additional years will be presented as information becomes available.

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

Changes in Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. There were no assumption changes for 2021. For 2020, the Plan adopted a new amortization policy effective with the 2019 actuarial valuation. The new amortization policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes apply only to new UAL bases established on or after June 30, 2019. There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2019. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes in the discount rate. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**Schedule of Changes in Net OPEB Liability and Related Ratios
Last Ten Years**

Measurement Period June 30,	2023	2022	2021	2020	2019	2018
Total OPEB Liability Service cost						
Service cost	\$ 70,780	\$ 76,770	\$ 74,534	\$ 83,176	\$ 139,120	\$ 150,770
Interest on the total OPEB liability	144,584	168,211	165,977	200,133	142,834	120,577
Actual and expected experience difference	-	(283,281)	-	-	-	-
Changes in assumptions	-	73,449	-	(572,022)	(866,987)	(258,131)
Changes in benefit terms	-	-	-	(19,291)	(129,392)	-
Benefit payments	(205,138)	(209,412)	(207,352)	(210,317)	(183,580)	(188,513)
Net change in total OPEB liability	10,226	(174,263)	33,159	(518,321)	(898,005)	(175,297)
Total OPEB liability - beginning	2,441,527	2,615,790	2,582,631	3,100,952	3,998,957	4,174,254
Total OPEB liability - ending (a)	2,451,753	2,441,527	2,615,790	2,582,631	3,100,952	3,998,957
Plan Fiduciary Net Position						
Contribution - employer	205,138	359,412	707,352	710,317	583,580	188,513
Net investment income	(283,633)	446,214	62,311	60,639	1,793	-
Benefit payments	(205,138)	(209,412)	(207,352)	(210,317)	(183,580)	(188,513)
Administrative expense	(537)	(617)	(565)	(127)	(1)	-
Net change in plan fiduciary net position	(284,170)	595,597	561,746	560,512	401,792	-
Plan fiduciary net position - beginning	2,119,647	1,524,050	962,304	401,792	-	-
Plan fiduciary net position - ending (b)	1,835,477	2,119,647	1,524,050	962,304	401,792	-
Net OPEB liability - ending (a)-(b)	\$ 616,276	\$ 321,880	\$ 1,091,740	\$ 1,620,327	\$ 2,699,160	\$ 3,998,957
Covered-employee payroll ⁽²⁾	\$ 15,126,269	\$ 14,957,695	\$ 14,005,601	\$ 13,811,937	\$ 12,810,026	\$ 10,190,974
Net OPEB liability as a percentage of covered-employee payroll	4.07%	2.15%	7.80%	11.73%	21.07%	39.24%

Notes to Schedule:

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

⁽²⁾ Contributions to the OPEB plan are not based on a measure of pay.

City of Santee

Schedule of OPEB Contributions Last Ten Years⁽¹⁾

Fiscal Year Ended June 30	2023	2022	2021	2020	2019	2018
Actuarially Determined Contribution (ADC)	\$ 90,286	\$ 152,319	\$ 164,670	\$ 200,039	\$ 304,439	\$ 297,863
Contributions in relation to the ADC	(223,537)	(205,138)	(359,412)	(707,352)	(710,317)	(583,580)
Contribution deficiency (excess)	<u>\$ (133,251)</u>	<u>\$ (52,819)</u>	<u>\$ (194,742)</u>	<u>\$ (507,313)</u>	<u>\$ (405,878)</u>	<u>\$ (285,717)</u>
Covered-employee payroll	\$ 15,490,148	\$ 15,126,269	\$ 14,957,695	\$ 14,005,601	\$ 13,811,937	\$ 12,810,026
Contributions as a percentage of covered-employee payroll	1.44%	1.36%	2.40%	5.05%	5.14%	4.56%

Notes to Schedule:

Actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021 were from the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of pay
Amortization Period	30 years closed
Asset Valuation Method	Market value of assets
Inflation	2.50% per annum
Healthcare cost-trend rates	4.70% to 3.90% in 2021 fluctuates until ultimate rate of 4% in 2076 Payroll Growth
Investment Rate of Return	6.50% per annum.
Retirement age	From 50 to 75
Discount Rate	6.0% As of June 30, 2021
Mortality	CalPERS 2017 Experience Study
Mortality Improvement	MW Scale 2022 generationally

⁽¹⁾ Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
General Fund
For the year ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original Budget	Final Budget		
REVENUES				
Property taxes	\$ 22,728,600	\$ 23,110,500	\$ 23,650,326	\$ 539,826
Sales taxes	17,909,600	18,159,300	18,987,512	828,212
Other taxes	4,782,000	4,800,400	4,849,935	49,535
Special assessments	1,114,600	1,114,600	1,122,985	8,385
Intergovernmental	833,200	1,203,775	798,411	(405,364)
Licenses and permits	239,000	239,000	221,113	(17,887)
Fines and forfeitures	178,000	173,600	189,678	16,078
Charges for services	7,389,120	7,499,950	7,281,239	(218,711)
Investment earnings	196,700	207,500	532,740	325,240
Other revenue	524,850	530,600	716,557	185,957
Total Revenues	<u>55,895,670</u>	<u>57,039,225</u>	<u>58,350,496</u>	<u>1,311,271</u>
EXPENDITURES				
Current:				
City Council	497,020	508,400	486,163	22,237
City Manager	1,475,890	1,524,640	1,214,377	310,263
City Attorney	693,360	823,360	817,656	5,704
City Clerk	539,010	547,840	502,524	45,316
Information technology	853,990	712,050	639,402	72,648
Finance	1,524,495	1,590,255	1,335,476	254,779
Human resources & risk management	1,411,860	1,514,940	1,279,703	235,237
Law enforcement	16,986,196	16,986,196	16,732,914	253,282
Fire	17,759,518	18,430,748	17,230,564	1,200,184
Animal control	441,530	441,530	441,528	2
Development services	6,049,357	5,907,117	4,776,519	1,130,598
Community services	6,669,208	6,880,481	5,943,526	936,955
Non-departmental	2,394,800	1,850,500	2,546,216	(695,716)
Debt Service:				
Principal retirement	238,480	238,480	238,478	2
Interest	20,020	20,020	20,020	-
Total Expenditures	<u>57,554,734</u>	<u>57,976,557</u>	<u>54,205,066</u>	<u>3,771,491</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,659,064)</u>	<u>(937,332)</u>	<u>4,145,430</u>	<u>5,082,762</u>
OTHER FINANCING SOURCES (USES)				
Lease acquisition	-	-	205,768	205,768
Subscription acquisition	-	-	24,649	24,649
Transfers out	(1,038,440)	(1,183,830)	(1,183,830)	-
Total Other Financing Sources (Uses)	<u>(1,038,440)</u>	<u>(1,183,830)</u>	<u>(953,413)</u>	<u>230,417</u>
Net Change in Fund Balances	(2,697,504)	(2,121,162)	3,192,017	5,313,179
Fund Balance, Beginning of Year	18,765,536	18,765,536	18,765,536	-
Fund Balance, End of Year	<u>\$ 16,068,032</u>	<u>\$ 16,644,374</u>	<u>\$ 21,957,553</u>	<u>\$ 5,313,179</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balances
Budget and Actual
American Rescue Plan Act
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 7,157,624	\$ 7,157,624	\$ 1,658,912	\$ (5,498,712)
Total Revenues	<u>7,157,624</u>	<u>7,157,624</u>	<u>1,658,912</u>	<u>(5,498,712)</u>
EXPENDITURES				
Current:				
City Manager	192,125	192,125	220,000	(27,875)
Fire	100,000	100,000	40,776	59,224
Community services	1,289,600	1,289,600	59,295	1,230,305
Total Expenditures	<u>1,581,725</u>	<u>1,581,725</u>	<u>320,071</u>	<u>1,261,654</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,575,899</u>	<u>5,575,899</u>	<u>1,338,841</u>	<u>(4,237,058)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(5,575,899)</u>	<u>(5,575,899)</u>	<u>(1,338,841)</u>	<u>4,237,058</u>
Total Other Financing Sources (Uses)	<u>(5,575,899)</u>	<u>(5,575,899)</u>	<u>(1,338,841)</u>	<u>4,237,058</u>
Net Change in Fund Balances	-	-	-	-
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Notes to Required Supplementary Information

For the year ended June 30, 2023

Budgetary Information

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Public hearings are conducted to obtain public comments.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for the General Fund, certain Special revenue Funds, and Capital Projects Funds. However, no budget is prepared for the Asset Seizure, Paramedic Equipment, and HOME Investment Partnership Special Revenue Funds.
3. Budgets for the General, Special Revenue, and Capital Project Funds are adopted on a basis consistent with generally accepted accounting principles. A one-year operating budget was adopted on June 23, 2022 for the 2022-23 fiscal year. A multi-year Transnet Local Street Improvement Program budget was adopted June 8, 2022 that authorized the capital project budgets for fiscal years 2023 through 2027. Budgetary comparisons are not presented for Capital Project Funds. Because of the long-term nature of projects, "annual" budget comparisons are not considered meaningful, and accordingly, are not included in the accompanying financial statements.
4. Budgets are monitored at varying levels of classification detail. However, expenditures cannot legally exceed total appropriations at the fund level. The City Manager is authorized to transfer amounts within departmental budgets. Transfers of appropriations between departments, or any increase in total appropriations of a fund must be approved by the City Council. The final budget expenditure amounts represent original appropriations adjusted by prior year encumbrances, designated amounts carried forward, and supplemental appropriations adjustments approved by City Council during the year. For the General Fund, during 2022-23, the City made prior year encumbrance adjustments of \$1,316,118, designated carryforward adjustments of \$54,705, and supplemental appropriations totaling \$421,823. Budget appropriations for the various governmental funds become effective each July 1. Unexpended lapse at year-end unless specifically authorized for carryforward.
5. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the City is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excesses must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in any year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2023, based on the calculations by City management, proceeds of taxes did not exceed the appropriations limit.

**SUPPLEMENTARY
INFORMATION**

City of Santee

**Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2023**

(with summarized comparative information for prior year)

	Special Revenue Funds	Capital Projects Funds	Total Non-Major Governmental Funds	
			2023	2022
ASSETS				
Cash and investments	\$ 9,820,044	\$ 18,279,285	\$ 28,099,329	\$ 20,896,837
Cash and investments with fiscal agents	-	-	-	1,457,645
Accounts receivable	46,090	-	46,090	55,790
Loans receivable	920,500	-	920,500	920,500
Interest receivable	64,591	111,636	176,227	46,278
Due from other governments	821,030	12,701	833,731	517,731
Prepaid items	592	-	592	389
Total Assets	<u>\$ 11,672,847</u>	<u>\$ 18,403,622</u>	<u>\$ 30,076,469</u>	<u>\$ 23,895,170</u>
LIABILITIES				
Accounts payable	\$ 649,766	\$ -	\$ 649,766	\$ 376,677
Accrued salaries and benefits	607	-	607	584
Unearned revenue	85,889	4,167	90,056	11,175
Due to other funds	300,757	12,701	313,458	23,377
Accrued Liabilities	497	-	497	165,446
Advances from other funds	10,809	-	10,809	14,889
Total Liabilities	<u>1,048,325</u>	<u>16,868</u>	<u>1,065,193</u>	<u>592,148</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	101,720	12,701	114,421	57,527
Total Deferred Inflows of Resources	<u>101,720</u>	<u>12,701</u>	<u>114,421</u>	<u>57,527</u>
FUND BALANCES (DEFICIT)				
Nonspendable	592	-	592	389
Restricted	10,613,822	18,386,754	29,000,576	23,298,955
Unassigned	(91,612)	(12,701)	(104,313)	(53,849)
Total Fund Balances	<u>10,522,802</u>	<u>18,374,053</u>	<u>28,896,855</u>	<u>23,245,495</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,672,847</u>	<u>\$ 18,403,622</u>	<u>\$ 30,076,469</u>	<u>\$ 23,895,170</u>

City of Santee

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds**
For the year ended June 30, 2023
(with summarized comparative information for prior year)

	Special	Capital	Total Non-Major	
	Revenue Funds	Projects Funds	Governmental Funds 2023	2022
REVENUES				
Property taxes	\$ 888,435	\$ -	\$ 888,435	\$ 820,504
Other taxes	2,844,736	-	2,844,736	2,652,095
Special assessments	999,567	-	999,567	961,615
Intergovernmental	889,509	1,892,593	2,782,102	2,315,878
Developer fees	-	2,623,654	2,623,654	2,649,164
Investment earnings (loss)	6,896	267,268	274,164	(339,246)
Other revenue	6,688,358	-	6,688,358	63,505
Total Revenues	<u>12,317,501</u>	<u>4,783,515</u>	<u>17,101,016</u>	<u>9,123,515</u>
EXPENDITURES				
Current:				
General government	167,219	-	167,219	62,735
Public safety	161,300	-	161,300	246,638
Public works	4,976,544	1,465,635	6,442,179	2,768,558
Community development	247,801	-	247,801	263,791
Parks and recreation	-	-	-	3,241
Debt Service:				
Principal retirement	-	562,500	562,500	672,500
Interest	-	237,905	237,905	265,553
Total Expenditures	<u>5,552,864</u>	<u>2,266,040</u>	<u>7,818,904</u>	<u>4,283,016</u>
Excess of Revenue Over Expenditures	<u>6,764,637</u>	<u>2,517,475</u>	<u>9,282,112</u>	<u>4,840,499</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	184,536	-	184,536	75,824
Transfers out	<u>(1,654,082)</u>	<u>(2,161,206)</u>	<u>(3,815,288)</u>	<u>(7,900,268)</u>
Total Other Financing Sources (Uses)	<u>(1,469,546)</u>	<u>(2,161,206)</u>	<u>(3,630,752)</u>	<u>(7,824,444)</u>
Net Change in Fund Balance	5,295,091	356,269	5,651,360	(2,983,945)
Fund Balance, Beginning of Year	<u>5,227,711</u>	<u>18,017,784</u>	<u>23,245,495</u>	<u>26,229,440</u>
Fund Balance, End of Year	<u>\$ 10,522,802</u>	<u>\$ 18,374,053</u>	<u>\$ 28,896,855</u>	<u>\$ 23,245,495</u>

Non-Major Special Revenue Fund Descriptions
For the year ended June 30, 2023

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Supplemental Law Enforcement Fund - is used to account for State of California allocations required by law to supplement front line law enforcement services.

Asset Seizure Fund - is used to account for forfeited property and asset revenue which must be used for law enforcement purposes. There was no budget adopted for this fund in fiscal year 2022-23

Paramedic Equipment Fund - is used to account for donations to be utilized specifically for paramedic equipment purchases. There was no budget adopted for this fund in fiscal year 2022-23.

Highway 52 Coalition Fund - is used to account for public and private donations to be utilized for educating local, state and federal lawmakers and officials about funding needed to improve Highway 52 and the surrounding corridors.

PEG Fees Fund - is used to account for revenue received through cable television operators to be used for capital expenditures that support public, educational and governmental broadcasts, including City Council meetings, community events, public service announcements, and other community communication.

CASp Certification & Training Fund - is used to account for State mandated fees collected during the issuance of new and renewed business licenses, for increased certified access specialist (CASp) training and certification within the jurisdiction and to facilitate compliance with construction-related accessibility requirements.

Gas Tax Fund - is used to account for receipts and expenditures of monies apportioned to the City under the Streets and Highways Code Section 2103, 2105, 2106, 2107, and 2107.5 of the State of California. These funds are used for maintenance and rehabilitation of local streets and roads.

SAFE Program Fund - is used to account for SAFE (Service Authority for Freeway Emergencies) program fund which provides for the expenditure of Santee's share of excess program reserve funds that were distributed to all cities and the county in accordance with Assembly Bill 1572. This funding is used to support traffic management and traffic operations center activities

Gas Tax – Road Maintenance and Rehabilitation Fund - is used to account for receipts and expenditures of monies apportioned to the City under the Road Repair and Accountability Act of 2017 (SB1). These funds are used for maintenance and rehabilitation of local streets and roads.

Zone 2 Flood Control District Fund - is used to account for property tax allocations for the maintenance of the City's storm water system.

Non-Major Special Revenue Fund Descriptions

For the year ended June 30, 2023

Special Revenue Funds (Continued)

Community Development Block Grant Fund - is used to account for Federal grant allocations for development of viable urban communities.

HOME Investment Partnership Fund - is used to account for Federal HOME loan grants received from the U.S. Department of Housing and Urban Development restricted for low-income housing purposes. There was no budget adopted for this fund in fiscal year 2022-23

CFD 2015-1 Fund - is used to account for property tax assessments on benefiting properties for the cost of certain municipal maintenance services including storm water facilities.

CFD 2017-2 Fund - is used to account for property tax assessments collected in order to provide various public services related to the Weston development.

Town Center Landscape Maintenance Fund - is used to account for property tax assessments utilized for maintenance of landscape improvements within the Santee Town Center.

Santee Landscape Maintenance Fund - is used to account for property tax assessments utilized for maintenance of landscape improvements within various zones throughout the City.

Street Lighting Tax Fund - is used to account for property taxes to provide and maintain general benefit streetlight services.

Roadway Lighting District Fund - is used to account for property tax assessments to provide and maintain special benefit streetlight services.

Mobile Home Park Assessment Fund - is used to account for mobile home park assessments utilized to support the Santee Manufactured Home Fair Practices Ordinance.

Grant Fund - is used to account for grant funding received for the City.

Emergency Medical Services - is used to account for funds received from ambulance services that are generated through the Santee Lakeside Emergency Medical Services Authority. These funds then reimburse the City for emergency medical services expenses.

City of Santee

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023**

(with summarized comparative information for prior year)

	Supplemental Law Enforcement	Asset Seizure	Paramedic Equipment	Highway 52 Coalition
ASSETS				
Cash and investments	\$ 91,346	\$ 2,830	\$ 9,557	\$ 6,450
Accounts receivable	-	-	-	4,500
Loans receivable	-	-	-	-
Interest receivable	540	18	60	-
Due from other governments	-	-	-	-
Prepaid items	-	-	-	-
Total Assets	<u>\$ 91,886</u>	<u>\$ 2,848</u>	<u>\$ 9,617</u>	<u>\$ 10,950</u>
LIABILITIES				
Accounts payable	\$ 27,301	\$ -	\$ -	\$ 5,000
Accrued liabilities	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>27,301</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Nonspendable	-	-	-	-
Restricted	64,585	2,848	9,617	5,950
Unassigned	-	-	-	-
Total Fund Balances	<u>64,585</u>	<u>2,848</u>	<u>9,617</u>	<u>5,950</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 91,886</u>	<u>\$ 2,848</u>	<u>\$ 9,617</u>	<u>\$ 10,950</u>

(Continued)

PEG Fees	CASp Certification and Training	Gas Tax	SAFE Program	Gas Tax - Road Maint and Rehab	Zone 2 Flood Control District	Community Development Block Grant
\$ -	\$ 57,380	\$ 127,341	\$ 28,938	\$ 373,884	\$ 271,229	\$ 23
31,481	4	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,418	186	1,683	2,323	163
-	-	132,595	-	232,061	5,541	348,499
-	-	-	-	-	-	-
<u>\$ 31,481</u>	<u>\$ 57,384</u>	<u>\$ 261,354</u>	<u>\$ 29,124</u>	<u>\$ 607,628</u>	<u>\$ 279,093</u>	<u>\$ 348,685</u>
\$ -	\$ -	\$ 176,879	\$ -	\$ -	\$ 4,495	\$ 40,842
-	497	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	300,757
-	-	-	-	-	-	-
<u>-</u>	<u>497</u>	<u>176,879</u>	<u>-</u>	<u>-</u>	<u>4,495</u>	<u>341,599</u>
-	4	-	-	-	-	-
<u>-</u>	<u>4</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
31,481	56,883	84,475	29,124	607,628	274,598	7,086
-	-	-	-	-	-	-
<u>31,481</u>	<u>56,883</u>	<u>84,475</u>	<u>29,124</u>	<u>607,628</u>	<u>274,598</u>	<u>7,086</u>
<u>\$ 31,481</u>	<u>\$ 57,384</u>	<u>\$ 261,354</u>	<u>\$ 29,124</u>	<u>\$ 607,628</u>	<u>\$ 279,093</u>	<u>\$ 348,685</u>

City of Santee

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023**

(with summarized comparative information for prior year)

	Home Investment Partnership	CFD No. 2015-1	CFD No. 2017-2	Town Center Landscape Maintenance
ASSETS				
Cash and investments	\$ 206,848	\$ 7,464	\$ 73,764	\$ 463,715
Accounts receivable	-	-	-	-
Loans receivable	920,500	-	-	-
Interest receivable	1,314	48	938	3,074
Due from other governments	-	1	218	1,886
Prepaid items	-	-	-	-
Total Assets	<u>\$ 1,128,662</u>	<u>\$ 7,513</u>	<u>\$ 74,920</u>	<u>\$ 468,675</u>
LIABILITIES				
Accounts payable	\$ -	\$ 1,123	\$ 238	\$ 36,767
Accrued liabilities	-	-	-	-
Accrued salaries and benefits	-	-	-	-
Unearned revenue	-	-	-	-
Due to other funds	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>1,123</u>	<u>238</u>	<u>36,767</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Nonspendable	-	-	-	-
Restricted	1,128,662	6,390	74,682	431,908
Unassigned	-	-	-	-
Total Fund Balances	<u>1,128,662</u>	<u>6,390</u>	<u>74,682</u>	<u>431,908</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,128,662</u>	<u>\$ 7,513</u>	<u>\$ 74,920</u>	<u>\$ 468,675</u>

(Continued)

Santee Landscape Maintenance	Street Lighting Tax	Roadway Lighting District	Mobile Home Park Assessment	Grant Fund	Emergency Medical Services
\$ 191,461	\$ 2,071,370	\$ 790,030	\$ 161,134	\$ 81,078	\$ 4,804,202
-	7,212	2,893	-	-	-
-	-	-	-	-	-
1,315	13,143	5,047	1,009	-	32,312
2,453	4,507	1,658	-	91,611	-
-	-	-	592	-	-
<u>\$ 195,229</u>	<u>\$ 2,096,232</u>	<u>\$ 799,628</u>	<u>\$ 162,735</u>	<u>\$ 172,689</u>	<u>\$ 4,836,514</u>
\$ 13,866	\$ 81,221	\$ 166,498	\$ 158	\$ 95,378	\$ -
-	-	-	-	-	-
-	-	-	607	-	-
-	-	-	8,577	77,312	-
-	-	-	-	-	-
10,809	-	-	-	-	-
<u>24,675</u>	<u>81,221</u>	<u>166,498</u>	<u>9,342</u>	<u>172,690</u>	<u>-</u>
-	7,212	2,893	-	91,611	-
-	<u>7,212</u>	<u>2,893</u>	-	<u>91,611</u>	-
-	-	-	592	-	-
170,554	2,007,799	630,237	152,801	-	4,836,514
-	-	-	-	(91,612)	-
<u>170,554</u>	<u>2,007,799</u>	<u>630,237</u>	<u>153,393</u>	<u>(91,612)</u>	<u>4,836,514</u>
<u>\$ 195,229</u>	<u>\$ 2,096,232</u>	<u>\$ 799,628</u>	<u>\$ 162,735</u>	<u>\$ 172,689</u>	<u>\$ 4,836,514</u>

City of Santee

**Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2023**

(with summarized comparative information for prior year)

	Total Non-Major Special Revenue Funds	
	2023	2022
ASSETS		
Cash and investments	\$ 9,820,044	\$ 4,194,605
Accounts receivable	46,090	55,790
Loans receivable	920,500	920,500
Interest receivable	64,591	9,471
Due from other governments	821,030	517,610
Prepaid items	592	389
Total Assets	<u>\$ 11,672,847</u>	<u>\$ 5,698,365</u>
LIABILITIES		
Accounts payable	\$ 649,766	\$ 376,677
Accrued liabilities	497	-
Accrued salaries and benefits	607	584
Unearned revenue	85,889	7,092
Due to other funds	300,757	14,006
Advances from other funds	10,809	14,889
Total Liabilities	<u>1,048,325</u>	<u>413,248</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues - intergovernmental	101,720	57,406
Total Deferred Inflows of Resources	<u>101,720</u>	<u>57,406</u>
FUND BALANCES (DEFICIT)		
Nonspendable	592	389
Restricted	10,613,822	5,271,800
Unassigned	(91,612)	(44,478)
Total Fund Balances	<u>10,522,802</u>	<u>5,227,711</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,663,644</u>	<u>\$ 5,698,365</u>

City of Santee

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the year ended June 30, 2023
(with summarized comparative information for prior year)**

	Supplemental Law Enforcement	Asset Seizure	Paramedic Equipment	Highway 52 Coalition
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	-	-	-
Intergovernmental	165,271	-	-	-
Investment earnings (loss)	1,383	47	67	-
Other revenues	-	-	3,750	18,000
Total Revenues	<u>166,654</u>	<u>47</u>	<u>3,817</u>	<u>18,000</u>
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	161,300	-	-	-
Public works	-	-	-	60,248
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>161,300</u>	<u>-</u>	<u>-</u>	<u>60,248</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>5,354</u>	<u>47</u>	<u>3,817</u>	<u>(42,248)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	38,440
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,440</u>
Net Change in Fund Balances	5,354	47	3,817	(3,808)
Fund Balances, Beginning of Year	59,231	2,801	5,800	9,758
Fund Balances (Deficit), End of Year	<u>\$ 64,585</u>	<u>\$ 2,848</u>	<u>\$ 9,617</u>	<u>\$ 5,950</u>

(Continued)

PEG Fees	CASp Certification and Training	Gas Tax	SAFE Program	Gas Tax - Road Maint and Rehab	Zone 2 Flood Control District	Community Development Block Grant
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 477,713	\$ -
144,050	-	1,376,365	-	1,324,321	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	720,472
-	-	813	683	(2,630)	3,247	194
-	9,914	9,324	-	-	1	-
<u>144,050</u>	<u>9,914</u>	<u>1,386,502</u>	<u>683</u>	<u>1,321,691</u>	<u>480,961</u>	<u>720,666</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	196	1,396,060	6,934	-	355,084	-
-	-	-	-	-	-	247,801
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>196</u>	<u>1,396,060</u>	<u>6,934</u>	<u>-</u>	<u>355,084</u>	<u>247,801</u>
144,050	9,718	(9,558)	(6,251)	1,321,691	125,877	472,865
-	-	-	-	-	-	-
(147,824)	-	(20,376)	-	(1,064,581)	-	(421,301)
<u>(147,824)</u>	<u>-</u>	<u>(20,376)</u>	<u>-</u>	<u>(1,064,581)</u>	<u>-</u>	<u>(421,301)</u>
(3,774)	9,718	(29,934)	(6,251)	257,110	125,877	51,564
35,255	47,165	114,409	35,375	350,518	148,721	(44,478)
<u>\$ 31,481</u>	<u>\$ 56,883</u>	<u>\$ 84,475</u>	<u>\$ 29,124</u>	<u>\$ 607,628</u>	<u>\$ 274,598</u>	<u>\$ 7,086</u>

City of Santee

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds
For the year ended June 30, 2023
(with summarized comparative information for prior year)**

	Home Investment Partnership	CFD No. 2015-1	CFD No. 2017-2	Town Center Landscape Maintenance
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Other taxes	-	-	-	-
Special assessments	-	1,803	138,040	315,014
Intergovernmental	-	-	-	-
Investment earnings (loss)	6,578	90	3,558	5,745
Other revenues	-	-	-	-
Total Revenues	<u>6,578</u>	<u>1,893</u>	<u>141,598</u>	<u>320,759</u>
EXPENDITURES				
Current:				
General government	-	-	117,874	-
Public safety	-	-	-	-
Public works	150,650	1,523	-	307,749
Community development	-	-	-	-
Parks and recreation	-	-	-	-
Debt Service:				
Principal retirement	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>150,650</u>	<u>1,523</u>	<u>117,874</u>	<u>307,749</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(144,072)</u>	<u>370</u>	<u>23,724</u>	<u>13,010</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	20,376
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,376</u>
Net Change in Fund Balances	(144,072)	370	23,724	33,386
Fund Balances, Beginning of Year	1,272,734	6,020	50,958	398,522
Fund Balances (Deficit), End of Year	<u>\$ 1,128,662</u>	<u>\$ 6,390</u>	<u>\$ 74,682</u>	<u>\$ 431,908</u>

(Continued)

Santee Landscape Maintenance	Street Lighting Tax	Roadway Lighting District	Mobile Home Park Assessment	Grant Fund	Emergency Medical Services
\$ -	\$ 410,722	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
117,171	-	384,795	42,744	-	-
-	-	-	-	3,766	-
2,886	26,507	9,987	2,777	-	(55,036)
-	20,917	13,063	-	-	6,613,389
<u>120,057</u>	<u>458,146</u>	<u>407,845</u>	<u>45,521</u>	<u>3,766</u>	<u>6,558,353</u>
-	-	-	49,345	-	-
-	-	-	-	-	-
110,022	213,916	431,225	-	95,378	1,847,559
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>110,022</u>	<u>213,916</u>	<u>431,225</u>	<u>49,345</u>	<u>95,378</u>	<u>1,847,559</u>
<u>10,035</u>	<u>244,230</u>	<u>(23,380)</u>	<u>(3,824)</u>	<u>(91,612)</u>	<u>4,710,794</u>
-	-	-	-	-	125,720
-	-	-	-	-	-
-	-	-	-	-	125,720
10,035	244,230	(23,380)	(3,824)	(91,612)	4,836,514
160,519	1,763,569	653,617	157,217	-	-
<u>\$ 170,554</u>	<u>\$ 2,007,799</u>	<u>\$ 630,237</u>	<u>\$ 153,393</u>	<u>\$ (91,612)</u>	<u>\$ 4,836,514</u>

City of Santee

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Special Revenue Funds**
For the year ended June 30, 2023
(with summarized comparative information for prior year)

	Total Non-Major Special Revenue Funds	
	2023	2022
REVENUES		
Property taxes	\$ 888,435	\$ 820,504
Other taxes	2,844,736	2,652,095
Special assessments	999,567	961,615
Intergovernmental	889,509	515,487
Investment earnings (loss)	6,896	(69,479)
Other revenues	6,688,358	63,505
Total Revenues	<u>12,317,501</u>	<u>4,943,727</u>
EXPENDITURES		
Current:		
General government	167,219	62,735
Public safety	161,300	246,638
Public works	4,976,544	2,761,158
Community development	247,801	263,791
Parks and recreation	-	3,241
Debt Service:		
Principal retirement	-	140,000
Interest	-	1,792
Total Expenditures	<u>5,552,864</u>	<u>3,479,355</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>6,764,637</u>	<u>1,464,372</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	184,536	75,824
Transfers out	<u>(1,654,082)</u>	<u>(2,883,062)</u>
Total Other Financing Sources (Uses)	<u>(1,469,546)</u>	<u>(2,807,238)</u>
Net Change in Fund Balances	5,295,091	(1,342,866)
Fund Balances, Beginning of Year	<u>5,227,711</u>	<u>6,570,577</u>
Fund Balances (Deficit), End of Year	<u>\$ 10,522,802</u>	<u>\$ 5,227,711</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Supplemental Law Enforcement Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 165,271	\$ 65,271
Investment earnings	400	400	1,383	983
Total Revenues	<u>100,400</u>	<u>100,400</u>	<u>166,654</u>	<u>66,254</u>
EXPENDITURES				
Current:				
Public safety	<u>161,300</u>	<u>161,300</u>	<u>161,300</u>	<u>-</u>
Total Expenditures	<u>161,300</u>	<u>161,300</u>	<u>161,300</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(60,900)</u>	<u>(60,900)</u>	<u>5,354</u>	<u>66,254</u>
Net Change in Fund Balances	(60,900)	(60,900)	5,354	66,254
Fund Balance, Beginning of Year	59,231	59,231	59,231	-
Fund Balance, End of Year	<u>\$ (1,669)</u>	<u>\$ (1,669)</u>	<u>\$ 64,585</u>	<u>\$ 66,254</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Highway 52 Coalition Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenues	\$ 18,000	\$ 18,000	\$ 18,000	\$ -
Total Revenues	<u>18,000</u>	<u>18,000</u>	<u>18,000</u>	<u>-</u>
EXPENDITURES				
Current:				
General government	2,500	2,500	-	2,500
Public works	63,200	63,200	60,248	2,952
Total Expenditures	<u>65,700</u>	<u>65,700</u>	<u>60,248</u>	<u>5,452</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(47,700)</u>	<u>(47,700)</u>	<u>(42,248)</u>	<u>5,452</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	38,440	38,440
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>38,440</u>	<u>38,440</u>
Net Change in Fund Balances	(47,700)	(47,700)	(3,808)	43,892
Fund Balance, Beginning of Year	9,758	9,758	9,758	-
Fund Balance, End of Year	<u>\$ (37,942)</u>	<u>\$ (37,942)</u>	<u>\$ 5,950</u>	<u>\$ 43,892</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
PEG Fees Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other taxes	\$ 135,000	\$ 135,000	\$ 144,050	\$ 9,050
Total Revenues	<u>135,000</u>	<u>135,000</u>	<u>144,050</u>	<u>9,050</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>135,000</u>	<u>135,000</u>	<u>144,050</u>	<u>9,050</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(135,000)	(135,000)	(147,824)	(12,824)
Total Other Financing Sources (Uses)	<u>(135,000)</u>	<u>(135,000)</u>	<u>(147,824)</u>	<u>(12,824)</u>
Net Change in Fund Balances	-	-	(3,774)	(3,774)
Fund Balance, Beginning of Year	35,255	35,255	35,255	-
Fund Balance, End of Year	<u>\$ 35,255</u>	<u>\$ 35,255</u>	<u>\$ 31,481</u>	<u>\$ (3,774)</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
CASp Certification and Training Fund
 For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other revenues	\$ 10,000	\$ 10,000	\$ 9,914	\$ (86)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>9,914</u>	<u>(86)</u>
EXPENDITURES				
Current:				
General government	13,300	13,300	-	13,300
Public works	-	-	196	(196)
Total Expenditures	<u>13,300</u>	<u>13,300</u>	<u>196</u>	<u>13,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,300)</u>	<u>(3,300)</u>	<u>9,718</u>	<u>13,018</u>
Net Change in Fund Balances	(3,300)	(3,300)	9,718	13,018
Fund Balance, Beginning of Year	47,165	47,165	47,165	-
Fund Balance, End of Year	<u>\$ 43,865</u>	<u>\$ 43,865</u>	<u>\$ 56,883</u>	<u>\$ 13,018</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Gas Tax Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other taxes	\$ 1,583,200	\$ 1,583,200	\$ 1,376,365	\$ (206,835)
Investment earnings	700	700	813	113
Other revenues	-	-	9,324	9,324
Total Revenues	<u>1,583,900</u>	<u>1,583,900</u>	<u>1,386,502</u>	<u>(197,398)</u>
EXPENDITURES				
Current:				
General government	2,000	2,000	-	2,000
Public works	1,506,680	1,575,956	1,396,060	179,896
Total Expenditures	<u>1,508,680</u>	<u>1,577,956</u>	<u>1,396,060</u>	<u>181,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>75,220</u>	<u>5,944</u>	<u>(9,558)</u>	<u>(15,502)</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(192,820)</u>	<u>(192,820)</u>	<u>(20,376)</u>	<u>172,444</u>
Total Other Financing Sources (Uses)	<u>(192,820)</u>	<u>(192,820)</u>	<u>(20,376)</u>	<u>172,444</u>
Net Change in Fund Balances	(117,600)	(186,876)	(29,934)	156,942
Fund Balance, Beginning of Year	114,409	114,409	114,409	-
Fund Balance, End of Year	<u>\$ (3,191)</u>	<u>\$ (72,467)</u>	<u>\$ 84,475</u>	<u>\$ 156,942</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
SAFE Program Fund
 For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment earnings	\$ 200	\$ 200	\$ 683	\$ 483
Total Revenues	<u>200</u>	<u>200</u>	<u>683</u>	<u>483</u>
EXPENDITURES				
Current:				
Public works	10,000	10,000	6,934	3,066
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>6,934</u>	<u>3,066</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,800)</u>	<u>(9,800)</u>	<u>(6,251)</u>	<u>3,549</u>
Net Change in Fund Balances	(9,800)	(9,800)	(6,251)	3,549
Fund Balance, Beginning of Year	35,375	35,375	35,375	-
Fund Balance, End of Year	<u>\$ 25,575</u>	<u>\$ 25,575</u>	<u>\$ 29,124</u>	<u>\$ 3,549</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Gas Tax – Road Maintenance and Rehab Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Other taxes	\$ 1,230,000	\$ 1,230,000	\$ 1,324,321	\$ 94,321
Investment earnings	1,500	1,500	(2,630)	(4,130)
Total Revenues	<u>1,231,500</u>	<u>1,231,500</u>	<u>1,321,691</u>	<u>90,191</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,231,500</u>	<u>1,231,500</u>	<u>1,321,691</u>	<u>90,191</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,161,480)</u>	<u>(1,472,526)</u>	<u>(1,064,581)</u>	407,945
Total Other Financing Sources (Uses)	<u>(1,161,480)</u>	<u>(1,472,526)</u>	<u>(1,064,581)</u>	407,945
Net Change in Fund Balances	70,020	(241,026)	257,110	498,136
Fund Balance, Beginning of Year	350,518	350,518	350,518	-
Fund Balance, End of Year	<u>\$ 420,538</u>	<u>\$ 109,492</u>	<u>\$ 607,628</u>	<u>\$ 498,136</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Zone 2 Flood Control District Fund
 For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 463,300	\$ 463,300	\$ 477,713	\$ 14,413
Investment earnings	800	800	3,247	2,447
Other revenues	-	-	1	1
Total Revenues	<u>464,100</u>	<u>464,100</u>	<u>480,961</u>	<u>16,861</u>
EXPENDITURES				
Current:				
Public works	489,760	553,927	355,084	198,843
Parks and recreation	100	100	-	100
Total Expenditures	<u>489,860</u>	<u>554,027</u>	<u>355,084</u>	<u>198,943</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(25,760)</u>	<u>(89,927)</u>	<u>125,877</u>	<u>215,804</u>
Net Change in Fund Balances	(25,760)	(89,927)	125,877	215,804
Fund Balance, Beginning of Year	148,721	148,721	148,721	-
Fund Balance, End of Year	<u>\$ 122,961</u>	<u>\$ 58,794</u>	<u>\$ 274,598</u>	<u>\$ 215,804</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Community Development Block Grant Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ 320,590	\$ 696,682	\$ 720,472	\$ 23,790
Investment earnings	-	-	194	194
Total Revenues	<u>320,590</u>	<u>696,682</u>	<u>720,666</u>	<u>23,984</u>
EXPENDITURES				
Current:				
Public works	5,100	5,100	-	5,100
Community development	98,300	272,129	247,801	24,328
Parks and recreation	100	100	-	100
Total Expenditures	<u>103,500</u>	<u>277,329</u>	<u>247,801</u>	<u>29,528</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>217,090</u>	<u>419,353</u>	<u>472,865</u>	<u>53,512</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(419,550)</u>	<u>(419,550)</u>	<u>(421,301)</u>	<u>(1,751)</u>
Total Other Financing Sources (Uses)	<u>(419,550)</u>	<u>(419,550)</u>	<u>(421,301)</u>	<u>(1,751)</u>
Net Change in Fund Balances	(202,460)	(197)	51,564	51,761
Fund Balance, Beginning of Year	<u>(44,478)</u>	<u>(44,478)</u>	<u>(44,478)</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (246,938)</u>	<u>\$ (44,675)</u>	<u>\$ 7,086</u>	<u>\$ 51,761</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
CFD No. 2015-1 Fund
 For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Special assessments	\$ 1,790	\$ 1,790	\$ 1,803	\$ 13
Investment earnings	40	40	90	50
Total Revenues	<u>1,830</u>	<u>1,830</u>	<u>1,893</u>	<u>63</u>
EXPENDITURES				
Current:				
Public works	1,630	1,633	1,523	110
Total Expenditures	<u>1,630</u>	<u>1,633</u>	<u>1,523</u>	<u>110</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>200</u>	<u>197</u>	<u>370</u>	<u>173</u>
Net Change in Fund Balances	200	197	370	173
Fund Balance, Beginning of Year	6,020	6,020	6,020	-
Fund Balance, End of Year	<u>\$ 6,220</u>	<u>\$ 6,217</u>	<u>\$ 6,390</u>	<u>\$ 173</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
CFD No. 2017-2 Fund
 For the year ended June 30, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Special assessments	\$ 138,020	\$ 138,020	\$ 138,040	\$ 20
Investment earnings (loss)	480	480	3,558	3,078
Total Revenues	<u>138,500</u>	<u>138,500</u>	<u>141,598</u>	<u>3,098</u>
EXPENDITURES				
Current:				
General government	<u>117,870</u>	<u>119,740</u>	<u>117,874</u>	<u>1,866</u>
Total Expenditures	<u>117,870</u>	<u>119,740</u>	<u>117,874</u>	<u>1,866</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>20,630</u>	<u>18,760</u>	<u>23,724</u>	<u>4,964</u>
Net Change in Fund Balances	20,630	18,760	23,724	4,964
Fund Balance, Beginning of Year	50,958	50,958	50,958	-
Fund Balance, End of Year	<u>\$ 71,588</u>	<u>\$ 69,718</u>	<u>\$ 74,682</u>	<u>\$ 4,964</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Town Center Landscape Maintenance Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Special assessments	\$ 321,780	\$ 321,780	\$ 315,014	\$ (6,766)
Investment earnings	2,900	2,900	5,745	2,845
Total Revenues	<u>324,680</u>	<u>324,680</u>	<u>320,759</u>	<u>(3,921)</u>
EXPENDITURES				
Current:				
Public works	<u>367,290</u>	<u>372,070</u>	<u>307,749</u>	<u>64,321</u>
Total Expenditures	<u>367,290</u>	<u>372,070</u>	<u>307,749</u>	<u>64,321</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(42,610)	(47,390)	13,010	60,400
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>258,520</u>	<u>25,820</u>	<u>20,376</u>	<u>(5,444)</u>
Total Other Financing Sources (Uses)	<u>258,520</u>	<u>25,820</u>	<u>20,376</u>	<u>(5,444)</u>
Net Change in Fund Balances	215,910	(21,570)	33,386	54,956
Fund Balance, Beginning of Year	<u>398,522</u>	<u>398,522</u>	<u>398,522</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 614,432</u>	<u>\$ 376,952</u>	<u>\$ 431,908</u>	<u>\$ 54,956</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Santee Landscape Maintenance Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Special assessments	\$ 115,000	\$ 115,000	\$ 117,171	\$ 2,171
Investment earnings	1,340	1,340	2,886	1,546
Total Revenues	<u>116,340</u>	<u>116,340</u>	<u>120,057</u>	<u>3,717</u>
EXPENDITURES				
Current:				
Public works	117,270	121,350	110,022	11,328
Debt Service:				
Principal retirement	2,770	2,770	-	2,770
Total Expenditures	<u>120,040</u>	<u>124,120</u>	<u>110,022</u>	<u>14,098</u>
Net Change in Fund Balances	(3,700)	(7,780)	10,035	17,815
Fund Balance, Beginning of Year	160,519	160,519	160,519	-
Fund Balance, End of Year	<u>\$ 156,819</u>	<u>\$ 152,739</u>	<u>\$ 170,554</u>	<u>\$ 17,815</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Street Lighting Tax Fund
 For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Property taxes	\$ 384,100	\$ 384,100	\$ 410,722	\$ 26,622
Investment earnings	8,750	8,750	26,507	17,757
Other revenues	900	900	20,917	20,017
Total Revenues	<u>393,750</u>	<u>393,750</u>	<u>458,146</u>	<u>64,396</u>
EXPENDITURES				
Current:				
Public works	<u>238,600</u>	<u>238,600</u>	<u>213,916</u>	<u>24,684</u>
Total Expenditures	<u>238,600</u>	<u>238,600</u>	<u>213,916</u>	<u>24,684</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>155,150</u>	<u>155,150</u>	<u>244,230</u>	<u>89,080</u>
Net Change in Fund Balances	155,150	155,150	244,230	89,080
Fund Balance, Beginning of Year	<u>1,763,569</u>	<u>1,763,569</u>	<u>1,763,569</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,918,719</u>	<u>\$ 1,918,719</u>	<u>\$ 2,007,799</u>	<u>\$ 89,080</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Roadway Lighting District Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Special assessments	\$ 381,620	\$ 381,620	\$ 384,795	\$ 3,175
Investment earnings	4,430	4,430	9,987	5,557
Other revenues	300	300	13,063	12,763
Total Revenues	386,350	386,350	407,845	21,495
EXPENDITURES				
Current:				
Public works	453,130	457,210	431,225	25,985
Total Expenditures	453,130	457,210	431,225	25,985
Net Change in Fund Balances	(66,780)	(70,860)	(23,380)	47,480
Fund Balance, Beginning of Year	653,617	653,617	653,617	-
Fund Balance, End of Year	\$ 586,837	\$ 582,757	\$ 630,237	\$ 47,480

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Mobile Home Park Assessment Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Special assessments	\$ 40,000	\$ 40,000	\$ 42,744	\$ 2,744
Investment earnings	1,100	1,100	2,777	1,677
Total Revenues	<u>41,100</u>	<u>41,100</u>	<u>45,521</u>	<u>4,421</u>
EXPENDITURES				
Current:				
General government	50,400	51,620	49,345	2,275
Total Expenditures	<u>50,400</u>	<u>51,620</u>	<u>49,345</u>	<u>2,275</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,300)</u>	<u>(10,520)</u>	<u>(3,824)</u>	<u>6,696</u>
Net Change in Fund Balances	(9,300)	(10,520)	(3,824)	6,696
Fund Balance, Beginning of Year	157,217	157,217	157,217	-
Fund Balance, End of Year	<u>\$ 147,917</u>	<u>\$ 146,697</u>	<u>\$ 153,393</u>	<u>\$ 6,696</u>

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Grant Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Intergovernmental	\$ -	\$ 669,086	\$ 3,766	\$ (665,320)
Total Revenues	<u>-</u>	<u>669,086</u>	<u>3,766</u>	<u>(665,320)</u>
EXPENDITURES				
Current:				
Public safety	-	4,860	-	4,860
Public works	-	775,548	95,378	680,170
Parks and recreation	-	226	-	226
Total Expenditures	<u>-</u>	<u>780,634</u>	<u>95,378</u>	<u>685,256</u>
Net Change in Fund Balances	-	(111,548)	(91,612)	19,936
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (111,548)</u>	<u>\$ (91,612)</u>	<u>\$ 19,936</u>

City of Santee

Schedule of Revenues, Expenditures, and Changes in Fund Balance
Budget and Actual
Emergency Medical Services Fund
For the year ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Investment earnings (loss)	\$ -	\$ -	\$ (55,036)	\$ (55,036)
Other revenues	-	-	6,613,389	6,613,389
Total Revenues	<u>-</u>	<u>-</u>	<u>6,558,353</u>	<u>6,558,353</u>
EXPENDITURES				
Current:				
Public works	-	2,171,550	1,847,559	323,991
Total Expenditures	<u>-</u>	<u>2,171,550</u>	<u>1,847,559</u>	<u>323,991</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(2,171,550)</u>	<u>4,710,794</u>	<u>6,882,344</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	125,720	125,720	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>125,720</u>	<u>125,720</u>	<u>-</u>
Net Change in Fund Balances	-	(2,045,830)	4,836,514	6,882,344
Fund Balance, Beginning of Year	-	-	-	-
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ (2,045,830)</u>	<u>\$ 4,836,514</u>	<u>\$ 6,882,344</u>

Non-Major Capital Project Fund Descriptions
For the year ended June 30, 2023

Capital Projects Funds

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities.

Public Facilities Fund - is used to account for developer fees collected for the construction of park facilities and community buildings.

Traffic Signal Fund - is used to account for developer fees collected for the provision of traffic signal design, modification and installation.

Traffic Mitigation Fund - is used to account for developer fees collected for the provision of traffic related capital facilities.

Drainage Fund - is used to account for developer fees collected for the construction of master drainage facilities.

Park In-Lieu Fund - is used to account for developer fees collected for the acquisition and development of park facilities.

Regional Transportation Congestion Improvements Fund - is used to account for developer fees collected to pay for regional arterial and related transportation facility improvements.

TransNet Fund - is used to account for the City's share of the countywide one-half cent sales tax to be used for local street and road improvements.

TDA Bikeways Fund - is used to account for the City's share of Transportation Development Article 3 monies.

TDA Transit Fund - is used to account for the City's share of Transportation Development Act Article 4 monies.

Utility Undergrounding Fund - is used to account for funds received for the undergrounding of utilities.

CFD 2107-1 Fund - is used to account for funds received for public infrastructure related to the Weston development.

City of Santee

**Combining Balance Sheet
Non-Major Capital Projects Funds**

For the year ended June 30, 2023

(with summarized comparative information for prior year)

	Public Facilities	Traffic Signal	Traffic Mitigation	Drainage
ASSETS				
Cash and investments	\$ 7,175,773	\$ 204,889	\$ 3,600,267	\$ 1,157,740
Cash and investments with fiscal agents	-	-	-	-
Interest receivable	45,314	1,171	22,021	6,717
Due from other governments	-	-	-	-
Total Assets	<u>\$ 7,221,087</u>	<u>\$ 206,060</u>	<u>\$ 3,622,288</u>	<u>\$ 1,164,457</u>
LIABILITIES				
Unearned revenue	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues - intergovernmental	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)				
Restricted	7,221,087	206,060	3,622,288	1,164,457
Unassigned	-	-	-	-
Total Fund Balances	<u>7,221,087</u>	<u>206,060</u>	<u>3,622,288</u>	<u>1,164,457</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,221,087</u>	<u>\$ 206,060</u>	<u>\$ 3,622,288</u>	<u>\$ 1,164,457</u>

(Continued)

Park In-Lieu	Regional Transportation Congestion Improvements	TransNet	TDA - Bikeways	TDA - Transit	Utility Undergrounding
\$ 3,164,301	\$ 2,739,022	\$ 20,748	\$ -	\$ 5,010	\$ 211,532
-	-	-	-	-	-
18,467	16,570	-	-	32	1,344
-	-	-	12,701	-	-
<u>\$ 3,182,768</u>	<u>\$ 2,755,592</u>	<u>\$ 20,748</u>	<u>\$ 12,701</u>	<u>\$ 5,042</u>	<u>\$ 212,876</u>
\$ -	\$ -	\$ -	\$ -	\$ 4,167	\$ -
-	-	-	-	-	-
-	-	-	12,701	-	-
-	-	-	12,701	4,167	-
-	-	-	12,701	-	-
-	-	-	12,701	-	-
3,182,768	2,755,592	20,748	-	875	212,876
-	-	-	(12,701)	-	-
<u>3,182,768</u>	<u>2,755,592</u>	<u>20,748</u>	<u>(12,701)</u>	<u>875</u>	<u>212,876</u>
<u>\$ 3,182,768</u>	<u>\$ 2,755,592</u>	<u>\$ 20,748</u>	<u>\$ 12,701</u>	<u>\$ 5,042</u>	<u>\$ 212,876</u>

City of Santee

**Combining Balance Sheet
Non-Major Capital Projects Funds
June 30, 2023**

(with summarized comparative information for prior year)

	CFD 2017-1	Total Non-Major Special Revenue Funds	
		2023	2022
ASSETS			
Cash and investments	\$ 3	\$ 18,279,285	\$ 16,702,232
Cash and investments with fiscal agents	-	-	1,457,645
Interest receivable	-	111,636	36,807
Due from other governments	-	12,701	121
Total Assets	<u>\$ 3</u>	<u>\$ 18,403,622</u>	<u>\$ 18,196,805</u>
LIABILITIES			
Unearned revenue	\$ -	\$ 4,167	\$ 4,083
Accrued Liabilities	-	-	165,446
Due to Other Funds	-	12,701	9,371
Total Liabilities	<u>-</u>	<u>16,868</u>	<u>178,900</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues - intergovernmental	-	12,701	121
Total Deferred Inflows of Resources	<u>-</u>	<u>12,701</u>	<u>121</u>
FUND BALANCES (DEFICIT)			
Restricted	3	18,386,754	18,027,155
Unassigned	-	(12,701)	(9,371)
Total Fund Balances	<u>3</u>	<u>18,374,053</u>	<u>18,017,784</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3</u>	<u>\$ 18,403,622</u>	<u>\$ 18,196,805</u>

City of Santee

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Capital Projects Funds
For the year ended June 30, 2023
(with summarized comparative information for prior year)**

	Public Facilities	Traffic Signal	Traffic Mitigation	Drainage
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Developer fees	550,269	50,703	577,731	155,689
Investment earnings	109,600	12,162	48,855	15,032
Total Revenues	<u>659,869</u>	<u>62,865</u>	<u>626,586</u>	<u>170,721</u>
EXPENDITURES				
Current:				
Public works	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>659,869</u>	<u>62,865</u>	<u>626,586</u>	<u>170,721</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(32,382)</u>	<u>(453,070)</u>	<u>(53,152)</u>	<u>(2,567)</u>
Total Other Financing Sources	<u>(32,382)</u>	<u>(453,070)</u>	<u>(53,152)</u>	<u>(2,567)</u>
Net Change in Fund Balances	627,487	(390,205)	573,434	168,154
Fund Balances, Beginning of Year	<u>6,593,600</u>	<u>596,265</u>	<u>3,048,854</u>	<u>996,303</u>
Fund Balances (Deficit), End of Year	<u>\$ 7,221,087</u>	<u>\$ 206,060</u>	<u>\$ 3,622,288</u>	<u>\$ 1,164,457</u>

(Continued)

Park In-Lieu	Regional Transportation Congestion Improvements	TransNet	TDA - Bikeways	TDA - Transit	Utility Undergrounding
\$ -	\$ -	\$ 1,886,805	\$ 5,788	\$ -	\$ -
965,509	323,753	-	-	-	-
37,916	40,448	(362)	-	-	3,577
<u>1,003,425</u>	<u>364,201</u>	<u>1,886,443</u>	<u>5,788</u>	<u>-</u>	<u>3,577</u>
-	-	7,400	-	-	-
-	-	562,500	-	-	-
-	-	237,905	-	-	-
<u>-</u>	<u>-</u>	<u>807,805</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,003,425</u>	<u>364,201</u>	<u>1,078,638</u>	<u>5,788</u>	<u>-</u>	<u>3,577</u>
(456,557)	(96,387)	(1,057,973)	(9,118)	-	-
<u>(456,557)</u>	<u>(96,387)</u>	<u>(1,057,973)</u>	<u>(9,118)</u>	<u>-</u>	<u>-</u>
546,868	267,814	20,665	(3,330)	-	3,577
2,635,900	2,487,778	83	(9,371)	875	209,299
<u>\$ 3,182,768</u>	<u>\$ 2,755,592</u>	<u>\$ 20,748</u>	<u>\$ (12,701)</u>	<u>\$ 875</u>	<u>\$ 212,876</u>

City of Santee

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Capital Projects Funds
For the year ended June 30, 2023
(with summarized comparative information for prior year)**

	CFD 2017-1	Total Non-Major Capital Projects Funds	
		2023	2022
REVENUES			
Intergovernmental	\$ -	\$ 1,892,593	\$ 1,800,391
Developer fees	-	2,623,654	2,649,164
Investment earnings	40	267,268	(269,767)
Total Revenues	40	4,783,515	4,179,788
EXPENDITURES			
Current:			
Public works	1,458,235	1,465,635	7,400
Debt Service:			
Principal	-	562,500	532,500
Interest and fiscal charges	-	237,905	263,761
Total Expenditures	1,458,235	2,266,040	803,661
Excess of Revenues Over Expenditures	(1,458,195)	2,517,475	3,376,127
OTHER FINANCING SOURCES (USES)			
Transfers out	-	(2,161,206)	(5,017,206)
Total Other Financing Sources	-	(2,161,206)	(5,017,206)
Net Change in Fund Balances	(1,458,195)	356,269	(1,641,079)
Fund Balances, Beginning of Year	1,458,198	18,017,784	19,658,863
Fund Balances (Deficit), End of Year	\$ 3	\$ 18,374,053	\$ 18,017,784

STATISTICAL SECTION

Description of Statistical Section Contents

For the year ended June 30, 2023

This part of the City of Santee’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information say about the City’s overall financial health.

CONTENTS	Page
<u>Financial Trends</u> – these schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	136-143
<u>Revenue Capacity</u> – these schedules contain information to help the reader assess the City’s most significant local revenue source, the property tax.	144-149
<u>Debt Capacity</u> – these schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	150-155
<u>Demographic and Economic Information</u> – these schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	156-158
<u>Operating Information</u> – these schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	159-161

City of Santee

Net Position by Component Last Ten Fiscal Years (accrual basis of accounting)

	Fiscal Year			
	2014	2015 ⁽¹⁾	2016	2017
GOVERNMENTAL ACTIVITIES				
Net Investment in Capital Assets	\$167,953,925	\$181,378,029	\$176,071,642	\$174,642,185
Restricted	22,882,344	20,088,351	19,771,922	16,828,134
Unrestricted	7,614,356	(18,330,721)	(15,907,455)	(17,759,223)
 Total Governmental Net Position	<u>\$198,450,625</u>	<u>\$183,135,659</u>	<u>\$179,936,109</u>	<u>\$173,711,096</u>

(1) Reduction in FY 2015 net position is due primarily to the implementation of GASB 68 and GASB 71 related to pension

(Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$172,108,751	\$176,411,913	\$176,901,067	\$175,744,896	\$178,915,977	\$177,536,777
23,944,194	29,342,598	28,096,742	27,267,595	31,222,568	35,495,643
(24,076,572)	(24,090,681)	(28,938,098)	(26,947,808)	(35,819,194)	(26,469,946)
<u>\$171,976,373</u>	<u>\$181,663,830</u>	<u>\$176,059,711</u>	<u>\$176,064,683</u>	<u>\$174,319,351</u>	<u>\$186,562,474</u>

City of Santee

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
EXPENSES				
Governmental Activities:				
General Government	\$ 4,152,628	\$ 5,766,971	\$ 6,575,847	\$ 7,772,714
Public Safety	23,416,772	23,427,308	24,321,086	26,069,863
Public Works	13,787,911	15,058,755	21,112,813	19,022,773
Community Development	96,033	114,060	104,282	106,108
Parks and Recreation	2,036,868	2,004,958	2,568,283	2,708,167
Interest and Fiscal Charges	369,935	511,712	499,695	489,461
Total Governmental Activities Expenses	<u>43,860,147</u>	<u>46,883,764</u>	<u>55,182,006</u>	<u>56,169,086</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	657,770	629,965	710,476	1,547,383
Public Safety	4,082,952	3,970,360	3,784,014	4,852,436
Public Works	2,893,212	3,118,374	3,490,444	4,070,185
Community Development	-	-	-	-
Parks and Recreation	649,552	698,557	773,992	754,659
Operating Grants and Contributions	2,776,841	2,422,390	2,757,140	1,844,943
Capital Grants and Contributions	17,532,392	18,761,627	8,008,366	4,016,506
Total Governmental Activities Program Revenues	<u>28,592,719</u>	<u>29,601,273</u>	<u>19,524,432</u>	<u>17,086,112</u>
Net Revenues (Expenses) From Governmental Activities	(15,267,428)	(17,282,491)	(35,657,574)	(39,082,974)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental Activities:				
Taxes:				
Property Taxes	13,351,823	14,224,160	14,717,412	16,107,853
Sales Taxes	9,460,428	11,492,706	13,842,272	12,814,078
Franchise Taxes	2,753,606	2,875,723	2,912,740	2,803,436
Other Taxes	574,132	620,267	745,340	854,709
Motor Vehicle In Lieu, Unrestricted	24,625	23,787	22,516	25,426
Investment Earnings	94,421	122,434	185,129	103,861
Miscellaneous	78,663	3,397	32,615	148,598
Total Governmental Activities	<u>26,337,698</u>	<u>29,362,474</u>	<u>32,458,024</u>	<u>32,857,961</u>
Changes in Net Position From Governmental Activities	<u>\$11,070,270</u>	<u>\$12,079,983</u>	<u>\$(3,199,550)</u>	<u>\$(6,225,013)</u>

(Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 7,445,329	\$ 7,322,174	\$ 7,674,778	\$ 8,681,560	\$ 8,370,390	\$ 8,652,280
28,327,605	30,688,969	33,660,167	34,583,602	35,942,025	33,019,304
16,461,625	15,663,815	21,912,084	18,278,132	16,943,831	20,205,721
315,174	508,050	168,999	575,881	480,320	540,197
3,265,037	2,442,245	2,664,122	2,541,535	4,398,900	2,418,595
455,071	410,553	256,413	33,277	245,377	242,311
<u>56,269,841</u>	<u>57,035,806</u>	<u>66,336,563</u>	<u>64,693,987</u>	<u>66,380,843</u>	<u>65,078,408</u>
473,990	581,691	360,666	405,164	520,583	432,185
4,113,655	5,998,396	5,405,941	6,252,339	6,319,814	6,822,784
4,398,192	3,890,190	4,281,073	3,616,939	3,535,152	3,376,276
7,693	10,260	9,655	9,929	9,882	9,914
783,200	785,517	599,740	341,330	950,802	1,034,069
2,965,914	2,989,446	4,049,925	5,139,851	4,250,741	5,196,667
11,925,270	15,644,810	7,399,277	5,589,506	5,000,664	6,264,541
<u>24,667,914</u>	<u>29,900,310</u>	<u>22,106,277</u>	<u>21,355,058</u>	<u>20,587,638</u>	<u>23,136,436</u>
(31,601,927)	(27,135,496)	(44,230,286)	(43,338,929)	(45,793,205)	(41,941,972)
17,151,586	18,255,129	19,414,752	20,790,640	21,731,574	23,650,326
12,645,534	14,089,139	14,794,271	16,363,699	17,902,035	18,987,512
2,871,885	2,947,828	3,014,156	4,988,608	3,499,810	3,748,881
886,764	929,842	854,454	1,008,603	1,168,298	1,101,055
30,057	27,357	46,227	42,538	65,618	60,825
163,160	572,229	549,728	990	(636,971)	422,174
1,458	1,429	6,214	148,823	317,509	6,214,322
<u>33,750,444</u>	<u>36,822,953</u>	<u>38,679,802</u>	<u>43,343,901</u>	<u>44,047,873</u>	<u>54,185,095</u>
<u>\$ 2,148,517</u>	<u>\$ 9,687,457</u>	<u>\$(5,550,484)</u>	<u>\$ 4,972</u>	<u>\$(1,745,332)</u>	<u>\$12,243,123</u>

City of Santee

Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2014	2015	2016	2017
GENERAL FUND				
Nonspendable	\$ 580,563	\$ 21,245	\$ 1,710,623	\$ 23,134
Restricted	1,400,001	1,225,001	1,050,009	875,015
Committed	117,804	435,805	46,075	160,546
Assigned	2,578,208	2,094,317	2,162,409	4,413,608
Unassigned	6,081,591	7,419,965	9,406,341	9,509,653
Total General Fund	<u>\$10,758,167</u>	<u>\$11,196,333</u>	<u>\$14,375,457</u>	<u>\$14,981,956</u>
ALL OTHER GOVERNMENT FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ 185
Restricted	22,217,863	24,280,101	18,721,910	15,953,119
Committed	1,230,004	925,180	1,764,251	995,094
Assigned	171,076	441,060	380,506	431,044
Unassigned	(167,206)	(691,953)	-	-
Total All Other Governmental Funds	<u>\$23,451,737</u>	<u>\$24,954,388</u>	<u>\$20,866,667</u>	<u>\$17,379,442</u>

(Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 468,208	\$ 484,105	\$ 497,964	\$ 567,519	\$ 556,988	\$ 868,971
700,017	525,000	350,000	175,000	-	-
639,025	1,558,888	3,614,566	8,344,724	5,080,754	3,840,141
3,188,318	2,413,883	342,685	108,267	707,620	241,673
<u>9,217,418</u>	<u>10,917,902</u>	<u>12,986,116</u>	<u>14,124,523</u>	<u>12,420,174</u>	<u>17,006,768</u>
<u>\$14,212,986</u>	<u>\$15,899,778</u>	<u>\$17,791,331</u>	<u>\$23,320,033</u>	<u>\$ 18,765,536</u>	<u>\$21,957,553</u>
\$ -	\$ -	\$ -	\$ 407	\$ 389	\$ 592
23,244,183	28,817,597	27,746,742	27,092,596	30,931,894	35,213,717
1,904,822	2,216,637	1,678,932	732,366	-	-
450,616	-	-	-	-	-
<u>-</u>	<u>(13,389)</u>	<u>(34,330)</u>	<u>-</u>	<u>(53,849)</u>	<u>(104,313)</u>
<u>\$25,599,621</u>	<u>\$31,020,845</u>	<u>\$29,391,344</u>	<u>\$27,825,369</u>	<u>\$ 30,878,434</u>	<u>\$35,109,996</u>

City of Santee

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year			
	2014	'2015	2016	2017
REVENUES				
Property Taxes	\$13,886,610	\$14,785,930	\$15,311,705	\$16,728,874
Sales Taxes	9,460,428	11,492,706	13,842,272	12,814,078
Other Taxes	5,153,900	5,148,174	4,977,021	4,765,174
Special Assessments	1,687,180	1,724,079	1,799,217	1,874,402
Intergovernmental	5,505,496	5,740,458	3,752,831	3,498,568
Licenses and Permits	184,984	161,431	165,258	168,512
Fines and Forfeitures	153,385	211,411	218,241	213,785
Developer Fees	3,148,366	1,373,348	3,703,007	1,960,901
Charges for Services	5,504,980	5,083,759	5,663,982	7,198,261
Investment Earnings	214,129	260,638	361,187	169,156
Contributions From Property Owners	-	-	-	-
Other Revenue	324,676	384,764	717,545	1,288,924
Total Revenues	45,224,134	46,366,698	50,512,266	50,680,635
EXPENDITURES				
Current:				
General Government	4,227,876	6,054,182	6,243,184	6,842,093
Public Safety	23,497,665	23,885,753	24,660,671	28,324,248
Public Works	14,009,804	14,691,262	19,020,068	13,394,895
Community Development	96,033	114,060	104,282	106,108
Parks and Recreation	1,357,107	3,359,775	1,535,812	3,125,495
Debt Service:				
Principal	775,665	930,981	1,016,325	1,201,480
Interest and Fiscal Charges	372,185	573,680	524,483	567,042
Total Expenditures	44,336,335	49,609,693	53,104,825	53,561,361
Excess (deficiency) of Revenues Over (under) Expenditures	887,799	(3,242,995)	(2,592,559)	(2,880,726)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,215,185	7,052,320	11,702,655	6,114,047
Transfers Out	(5,215,185)	(7,052,320)	(11,702,655)	(6,114,047)
Lease acquisition	-	-	1,683,962	-
Subscriptions acquisition	-	-	-	-
Issuance of Long-term Debt	895,071	4,500,000	-	-
Premium on Long-term Debt	-	858,075	-	-
Total Other Financing Sources (uses)	895,071	5,358,075	1,683,962	-
Net Change in Fund Balances	\$ 1,782,870	\$ 2,115,080	\$ (908,597)	\$ (2,880,726)
Debt Service as a Percentage of Noncapital Expenditures ⁽¹⁾	4%	5%	3%	4%

⁽¹⁾ Ratio of total debt service to noncapital expenditures is calculated by dividing total debt service expenditures (principal and interest) by total noncapital expenditures (the difference between total expenditures and capital expenditures). For purposes of this calculation capital expenditures are defined as capital asset additions as presented in the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds.

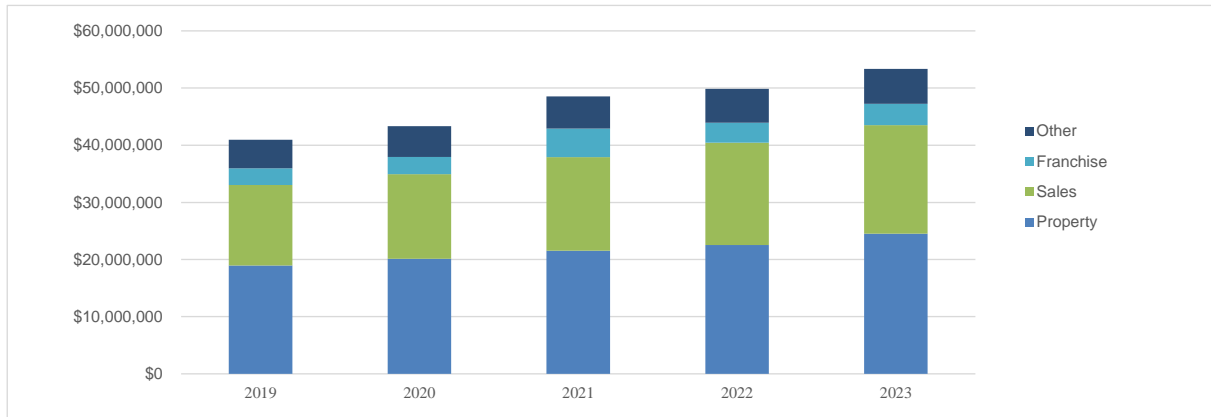
(Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$17,813,396	\$18,950,630	\$20,148,751	\$21,569,167	\$22,552,078	\$24,538,761
12,645,534	14,089,139	14,794,271	16,363,699	17,902,035	18,987,512
5,305,578	6,015,912	6,406,886	8,533,996	7,320,203	7,694,671
1,883,090	1,926,239	2,008,277	2,061,930	2,077,027	2,122,552
3,268,990	4,427,590	4,433,623	4,680,920	4,543,260	5,239,425
157,522	141,647	162,205	171,734	235,542	221,113
210,855	233,544	223,296	167,634	171,428	189,678
9,002,746	2,302,703	4,931,260	3,311,497	2,649,164	2,623,654
6,723,181	7,610,710	7,349,108	6,730,207	7,433,769	7,281,239
309,310	1,161,796	1,184,778	40,486	(966,343)	806,904
-	8,703,847	-	-	-	-
537,159	1,092,683	244,027	673,097	682,129	7,404,915
<u>57,857,361</u>	<u>66,656,440</u>	<u>61,886,482</u>	<u>64,304,367</u>	<u>64,600,292</u>	<u>77,110,424</u>
6,193,346	7,164,557	7,663,516	8,620,284	9,569,542	10,387,293
27,588,902	29,596,254	30,829,669	32,172,503	33,849,922	34,610,142
12,616,533	12,651,373	15,924,549	13,005,875	19,391,060	20,742,840
315,174	508,050	168,999	575,882	480,320	540,197
1,736,471	7,951,397	5,611,364	4,807,008	2,564,285	2,577,888
1,193,930	1,189,404	1,004,561	915,175	903,618	800,977
528,649	487,389	368,137	244,913	292,932	257,925
<u>50,173,005</u>	<u>59,548,424</u>	<u>61,570,795</u>	<u>60,341,640</u>	<u>67,051,679</u>	<u>69,917,262</u>
<u>7,684,356</u>	<u>7,108,016</u>	<u>315,687</u>	<u>3,962,727</u>	<u>(2,451,387)</u>	<u>7,193,162</u>
5,141,199	8,005,283	5,760,809	2,026,709	15,535,799	6,337,959
(5,141,199)	(8,005,283)	(5,760,809)	(2,026,709)	(15,535,799)	(6,337,959)
-	-	-	-	123,360	205,768
-	-	-	-	826,595	24,649
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	949,955	230,417
<u>\$ 7,684,356</u>	<u>\$ 7,108,016</u>	<u>\$ 315,687</u>	<u>\$ 3,962,727</u>	<u>\$ (1,501,432)</u>	<u>\$ 7,423,579</u>
4%	4%	3%	2%	2%	2%

City of Santee

Tax Revenue by Source Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year	Property Taxes	Real Property Transfer Tax	Special Assessments	Sales Taxes	Franchise Taxes	Transient Occupancy Tax	Gas Tax	PEG Fees	Total
2014	\$ 13,886,610	\$ 185,883	\$ 1,687,180	\$9,460,428	\$2,753,606	\$ 388,249	\$1,826,162	\$ -	\$30,188,118
2015	14,785,930	188,717	1,724,079	11,492,706	2,875,723	431,550	1,652,184	-	33,150,889
2016	15,311,705	261,981	1,799,216	13,842,272	2,912,740	483,359	1,318,941	-	35,930,214
2017	16,728,874	329,650	1,874,402	12,814,078	2,803,436	525,059	1,107,029	-	36,182,528
2018	17,813,396	351,617	1,883,088	12,645,534	2,871,885	535,417	1,546,929	-	37,647,866
2019	18,950,630	366,227	1,926,239	14,089,139	2,947,828	563,615	2,138,242	-	40,981,920
2020	20,148,751	300,958	2,008,277	14,794,271	3,014,156	553,496	2,466,213	72,063	43,358,185
2021	21,569,167	408,383	2,061,930	16,363,699	4,988,608	600,220	2,384,092	152,693	48,528,792
2022	22,552,078	474,502	2,077,027	17,902,035	3,499,810	693,796	2,510,641	141,454	49,851,343
2023	24,538,761	350,596	2,122,552	18,987,512	3,748,881	750,458	2,700,686	144,050	53,343,496



Notes:

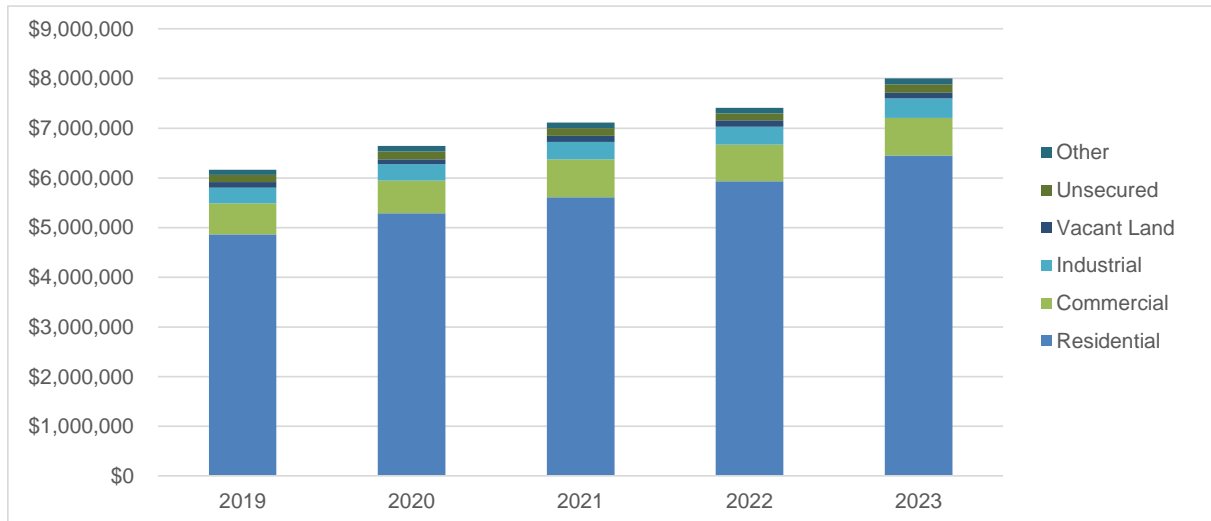
As of FY 2018 Gas Tax includes Road Maintenance and Rehabilitation (RMRA - SB 1) revenue received from the State of California.

As of FY 2020 Total Revenues by Source includes PEG Fees which are reflected as "Other Taxes" in the Statement of Revenues, Expenditures and Changes in Fund Balances.

Source: City of Santee Finance Department

Assessed Value of Taxable Property
 Last Ten Fiscal Years
(in thousands of dollars)

Fiscal Year	Residential	Commercial	Industrial	Vacant Land	Unsecured	Other	Total	Total Direct Tax Rate
2014	\$3,518,198	\$ 525,267	\$263,029	\$ 58,732	\$139,045	\$106,387	\$4,610,658	0.1795%
2015	3,770,787	539,056	261,383	59,169	144,163	104,591	4,879,149	0.1795%
2016	3,988,067	550,014	266,134	65,491	138,171	95,442	5,103,319	0.1795%
2017	4,174,318	566,661	269,485	79,759	136,335	98,012	5,324,570	0.1795%
2018	4,521,637	592,981	284,027	137,141	143,176	99,461	5,778,423	0.1795%
2019	4,863,156	625,062	315,963	110,651	149,641	100,624	6,165,097	0.1795%
2020	5,288,223	655,739	335,878	96,192	152,206	112,835	6,641,073	0.1795%
2021	5,613,167	760,508	347,981	124,426	155,727	111,677	7,113,486	0.1795%
2022	5,931,478	735,950	361,062	128,693	139,583	113,773	7,410,539	0.1795%
2023	6,450,570	758,617	391,698	110,304	172,580	117,844	8,001,613	0.1795%



Notes:

Exempt values are not included in total.

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 re-assessed as a result of new construction activity or at the time that it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value 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.

As of Fiscal Year 2020 mobile homes, possessory interest, water/oil mineral rights previously classified under Residential, Commercial, Industrial, Vacant or Unsecured are now classified under "Other". Fiscal Year 2011 through 2019 amounts have been restated accordingly.

Sources: HdL, Coren & Cone
 San Diego County Assessor

City of Santee

Direct and Overlapping Property Tax Rates (Rate per \$100 of assessed value) Last Ten Fiscal Years

	Fiscal Year			
	2014	2015	2016	2017
City of Santee Direct Rate	<u>0.1795</u> %	<u>0.1795</u> %	<u>0.1795</u> %	<u>0.1795</u> %
Overlapping Rates:				
Santee Elementary School District	0.2201	0.2201	0.2201	0.2201
County of San Diego	0.1997	0.1997	0.1997	0.1997
Grossmont Union High School District	0.1625	0.1625	0.1625	0.1625
Educational Revenue Augmentation Fund	0.1087	0.1087	0.1087	0.1087
Grossmont-Cuyamaca Community College District	0.0616	0.0616	0.0616	0.0616
County Library	0.0269	0.0269	0.0269	0.0269
Padre Dam Municipal Water District	0.0112	0.0112	0.0112	0.0112
Grossmont Healthcare District	0.0105	0.0105	0.0105	0.0105
All Other	<u>0.0193</u>	<u>0.0193</u>	<u>0.0193</u>	<u>0.0193</u>
Total Overlapping Rates	<u>0.8205</u>	<u>0.8205</u>	<u>0.8205</u>	<u>0.8205</u>
Total Direct and Overlapping Rate	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>	<u>1.0000</u>
Voter Approved Rates:				
Santee Elementary School District	0.0341	0.0332	0.0328	0.0397
Grossmont Union High School District	0.0617	0.0612	0.0605	0.0572
Grossmont-Cuyamaca Community College District	0.0475	0.0465	0.0454	0.0401
Metropolitan Water District	0.0035	0.0035	0.0035	0.0035
Grossmont Healthcare District	<u>0.0200</u>	<u>0.0200</u>	<u>0.0235</u>	<u>0.0235</u>
Total Voter Approved Rates	<u>0.1668</u>	<u>0.1644</u>	<u>0.1657</u>	<u>0.1640</u>
Total Tax Rate	<u><u>1.1668</u></u> %	<u><u>1.1644</u></u> %	<u><u>1.1657</u></u> %	<u><u>1.1640</u></u> %

Notes:

The tax rate history above is for Tax Rate Area 016-007 which has the highest total assessed value of all of the tax rate areas in the City of Santee.

In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.0% fixed amount. This 1.0% is shared by all taxing agencies in which the subject property resides. In addition to the 1.0% fixed amount, property owners are charged taxes at a percentage of assessed property values for the payment of any voter-approved bonds.

(Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
0.1795 %	0.1795 %	0.1795 %	0.1795 %	0.1795 %	0.1795 %
0.2201	0.2201	0.2201	0.2201	0.2201	0.2201
0.1997	0.1997	0.1997	0.1997	0.1997	0.1997
0.1625	0.1625	0.1625	0.1625	0.1625	0.1625
0.1087	0.1087	0.1087	0.1087	0.1087	0.1087
0.0616	0.0616	0.0616	0.0616	0.0616	0.0616
0.0269	0.0269	0.0269	0.0269	0.0269	0.0269
0.0112	0.0112	0.0112	0.0112	0.0112	0.0112
0.0105	0.0105	0.0105	0.0105	0.0105	0.0105
0.0193	0.0193	0.0193	0.0193	0.0193	0.0193
0.8205	0.8205	0.8205	0.8205	0.8205	0.8205
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.0371	0.0347	0.0341	0.0599	0.0585	0.0553
0.0661	0.0648	0.0670	0.0633	0.0645	0.0618
0.0467	0.0423	0.0404	0.0380	0.0412	0.0394
0.0035	0.0035	0.0035	0.0035	0.0035	0.0035
0.0235	0.0235	0.0249	0.0249	0.0246	0.0246
0.1770	0.1688	0.1699	0.1896	0.1923	0.1846
1.1771 %	1.1688 %	1.1699 %	1.1895 %	1.1923 %	1.1846 %

City of Santee

Principal Property Tax Payers Current Year and Nine Years Ago

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value
Parc One LP	\$ 61,863,803	1	0.77%	\$ -	-	-
Vestar Kimco Santee LP	52,989,834	2	0.66%	46,103,819	1	1.00%
Santee Senior Retirement Communities III LLC	47,579,017	3	0.59%	-	-	-
Santee Villas ⁽¹⁾	32,825,760	4	0.41%	28,842,176	3	0.63%
Walmart Stores LP	32,488,361	5	0.41%	28,950,302	2	0.63%
LLJ Stratford Somerset LLC	32,292,637	6	0.40%	-	-	-
H C A Arbors Apartments LP	32,176,393	7	0.40%	27,626,999	4	0.60%
Brixton Lomas LLC ⁽²⁾	30,870,360	8	0.39%	-	-	-
Santee Senior Retirement Communities II LLC	26,474,600	9	0.33%	-	-	-
M G Vela LLC	25,131,527	10	0.31%	-	-	-
MB BP Portfolio LLC	-	-	-	26,367,196	5	0.57%
Cox Communicationss Inc	-	-	-	21,761,080	6	0.47%
Santee Retail LP	-	-	-	20,801,191	7	0.45%
M H C Financing LP Two	-	-	-	20,715,508	8	0.45%
Cameron Brothers Construction Company	-	-	-	17,993,277	9	0.39%
Target Corporation	-	-	-	16,642,892	10	0.36%
	<u>\$ 374,692,292</u>		<u>4.67%</u>	<u>\$ 255,804,440</u>		<u>5.55%</u>

⁽¹⁾ Formerly Santee Partners LP

⁽²⁾ Formerly Union City Investments LLC, Property was sold in calendar year 2022.

Source: HdL, Coren & Cone

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Within the Year of Levy			Collections From Prior Years Levies	Total Collections To Date	Total Collections as a Percent of Levy
	Current Secured Tax Levy	Current Secured Collected	Percent of Levy Collected			
2014	\$10,926,679	\$10,101,363	92.4%	\$ 177,765	\$10,279,128	94.1%
2015	11,269,045	10,556,707	93.7%	146,119	10,702,826	95.0%
2016	11,775,993	11,104,272	94.3%	138,198	11,242,470	95.5%
2017	12,272,154	11,588,583	94.4%	135,577	11,724,160	95.5%
2018	12,917,869	12,235,446	94.7%	159,681	12,395,127	96.0%
2019	13,700,825	12,988,513	94.8%	119,851	13,108,364	95.7%
2020	14,869,554	14,070,120	94.6%	138,206	14,208,325	95.6%
2021	15,637,179	14,765,957	94.4%	197,457	14,963,414	95.7%
2022	16,400,490	15,436,785	94.1%	181,484	15,618,269	95.2%
2023	17,541,024	16,477,461	93.9%	173,298	16,650,759	94.9%

Notes:

The amounts presented include City property taxes and amounts collected that were passed-through to other agencies.

Levy amounts include property tax supplemental apportionments collected by the County of San Diego and remitted to the City.

The FY 2014 Current Secured Collected Levy has been restated to exclude Collections From Prior Years Levies.

Source: San Diego County Auditor and Controller Tax/Revenue Accountability Report

City of Santee

Ratios of General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year Ended June 30,	Outstanding General Bonded Debt		Percent of Assessed Value ⁽²⁾	Debt Per Capita
	Lease Revenue Bonds ⁽¹⁾	Total		
2014	\$ 895,000	\$ 895,000	0.02%	16
2015	730,000	730,000	0.01%	13
2016	555,000	555,000	0.01%	10
2017	375,000	375,000	0.01%	7
2018	190,000	190,000	0.00%	3
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-

Notes:

General bonded debt is debt payable with governmental fund resources.

⁽¹⁾ Lease Revenue Bonds are repaid with general governmental resources.

⁽²⁾ Assessed value has been used because the actual value of taxable property is not readily available in the State of California.

Source: City of Santee Finance Department

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Governmental Activities					Percentage of Personal Income ⁽¹⁾	Debt Per Capita ⁽¹⁾
	Lease Revenue Bonds	Notes & Loans	Lease Obligations	SBITA Obligations	Total Governmental Activities		
2014	\$ 895,000	\$ 7,965,871	\$1,208,766	\$ -	\$ 10,069,637	0.37%	183
2015	730,000	13,165,251	970,128	-	14,865,379	0.50%	267
2016	555,000	12,450,459	2,458,347	-	15,463,806	0.51%	273
2017	375,000	11,733,103	2,085,210	-	14,193,313	0.45%	250
2018	190,000	10,998,851	1,741,324	-	12,930,175	0.42%	229
2019	-	10,243,065	1,428,494	-	11,671,559	0.37%	203
2020	-	8,377,975	1,115,969	-	9,493,944	0.28%	164
2021	-	7,231,768	848,189	-	8,079,957	0.27%	141
2022	-	6,518,761	752,993	826,595	8,098,349	0.22%	143
2023	-	5,915,754	652,473	657,127	7,225,354	n/a ⁽²⁾	122

Notes:

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

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

Source: City of Santee Finance Department

City of Santee

Direct and Overlapping Debt Last Ten Fiscal Years

Total Assessed Valuation		<u>\$8,001,613,437</u>	
	Percentage Applicable ⁽¹⁾	Outstanding Debt 6/30/23	Estimated Share of Overlapping Debt
OVERLAPPING DEBT REPAYED WITH PROPERTY TAXES			
Metropolitan Water District	0.2180%	\$ 19,215,000	\$ 41,889
Grossmont-Cuyamaca Community College District	12.5030%	363,535,377	45,452,828
Palomar Community College District	0.0001%	641,965,146	642
Grossmont Union High School District	12.8400%	637,181,318	81,814,081
Poway Unified School District Facilities Improvement Districts	0.0010%	266,192,438	2,662
Lakeside Union School District	0.2650%	57,488,179	152,344
Santee School District	91.3050%	56,142,308	51,260,734
Grossmont Healthcare District	11.7920%	236,992,076	27,946,106
City of Santee Community Facilities District No. 2017-1	100.0000%	8,225,000	8,225,000
California Statewide Community Development Authority Assess District	100.0000%	3,421,000	3,421,000
Total Overlapping Debt Repaid with Property Taxes		<u>2,290,357,842</u>	<u>218,317,286</u>
OVERLAPPING OTHER DEBT			
San Diego County General Fund Obligations	1.2180%	229,680,000	2,797,502
San Diego County Pension Obligations	1.2180%	277,990,000	3,385,918
San Diego County Superintendent of Schools Obligations	1.2180%	6,935,000	84,468
Poway Unified School District General Fund Obligations	0.0004%	53,720,000	215
Grossmont Cuyamaca Community College Dist. Gen. Fd. Obligations	12.8400%	31,765,000	4,078,626
Santee School District Certificates of Participation	91.3050%	21,639,849	19,758,264
Total Overlapping Other Debt		<u>621,729,849</u>	<u>30,104,993</u>
Total Overlapping Debt		<u>\$2,912,087,691</u>	248,422,279
City Direct Debt			7,225,354
Overlapping Tax Increment Debt (Successor Agency)			<u>34,620,000</u>
Total Direct and Overlapping Debt			<u>\$290,267,633</u>

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

⁽¹⁾ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

Sources: Avenu Insights & Analytics
HdL Coren & Cone

City of Santee

Legal Debt Margin Information

Last Ten Fiscal Years

(in thousands of dollars)

	Fiscal Year			
	2014	2015	2016	2017
Assessed Valuation	\$ 4,610,658	\$ 4,879,149	\$ 5,103,319	\$ 5,324,570
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	1,152,665	1,219,787	1,275,830	1,331,143
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	172,900	182,968	191,374	199,671
Total Net Debt Applicable to General Obligation Bonds	-	-	-	-
Legal Debt Margin	<u>\$ 172,900</u>	<u>\$ 182,968</u>	<u>\$ 191,374</u>	<u>\$ 199,671</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	0.0%	0.0%

Notes:

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 the 1981-82 fiscal year, 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 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.

Sources: HdL, Coren & Cone

(Continued)

Fiscal Year					
2018	2019	2020	2021	2022	2023
\$ 5,778,423	\$ 6,165,097	\$ 6,641,073	\$ 7,113,486	\$ 7,410,540	\$ 8,001,613
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
1,444,606	1,541,274	1,660,268	1,778,372	1,852,635	2,000,403
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
216,691	231,191	249,040	266,756	277,895	300,060
-	-	-	-	-	-
<u>\$ 216,691</u>	<u>\$ 231,191</u>	<u>\$ 249,040</u>	<u>\$ 266,756</u>	<u>\$ 277,895</u>	<u>\$ 300,060</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

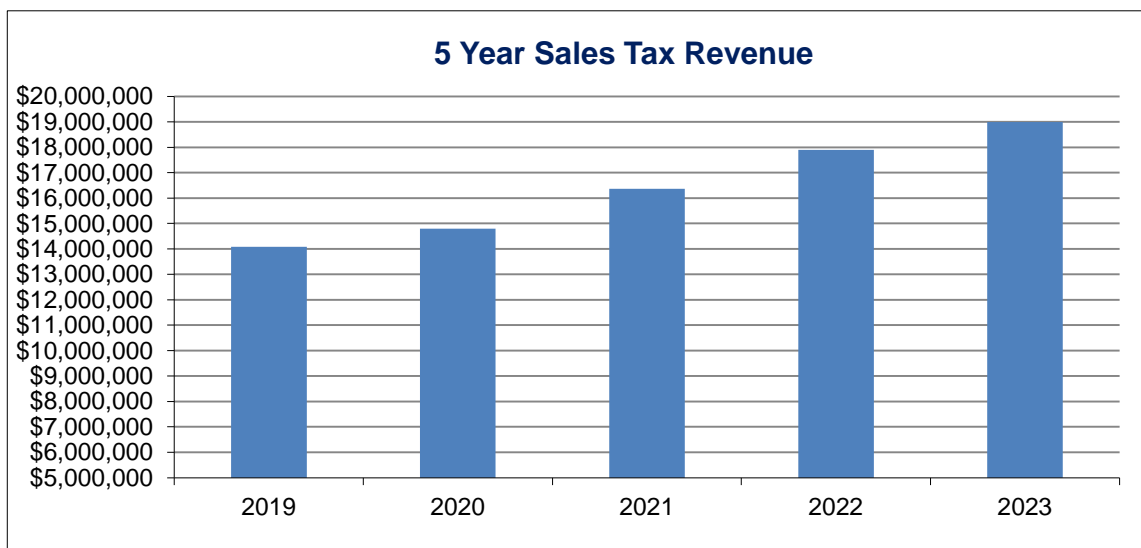
City of Santee

Top 25 Principal Sales Tax Producers

For the year ended June 30, 2023

FIRM	BUSINESS DESCRIPTION
7-Eleven	Service Stations
Arco	Service Stations
Chevron	Service Stations
Circle K	Service Stations
City Electric Supply	Plumbing/Electrical Supplies
Consolidated Electrical Distributors	Plumbing/Electrical Supplies
Costco	Discount Dept Stores
Go Gasoline	Service Stations
GTM Wholesale Liquidators	Variety Stores
HD Supply	Building Materials
Holland RV	Trailers/RVs
Home Depot	Building Materials
Kohls	Department Stores
Lowe's	Building Materials
Morrison Supply Company	Plumbing/Electrical Supplies
Phils BBQ	Fast-Casual Restaurants
Raising Cane's	Quick-Service Restaurants
Rayo Wholesale Floor	Contractors
RCP Block & Brick	Contractors
Ross	Family Apparel
Target	Discount Dept Stores
TJ Maxx	Family Apparel
Toyota Certified of Santee	Used Automotive Dealers
Vons	Grocery Stores
Walmart	Discount Dept Stores

Percent of fiscal year total paid by top 25 accounts = 69.42%



Sources: HdL, Coren & Cone
 State Board of Equalization
 City of Santee Finance Department

Demographic and Economic Statistics
Last Ten Calendar Years

<u>Calendar Year</u>	<u>Population ⁽¹⁾</u>	<u>Personal Income (in millions) ⁽²⁾</u>	<u>Per Capita Personal Income ⁽²⁾</u>	<u>Unemployment Rate ⁽³⁾</u>
2014	55,658	\$ 2,946	\$ 52,150	6.3%
2015	56,653	3,034	53,544	5.1%
2016	56,725	3,125	54,976	4.6%
2017	56,434	3,063	54,772	3.6%
2018	57,410	3,145	54,797	3.1%
2019	57,780	3,365	58,851	2.9%
2020	57,430	3,049	53,085	8.1%
2021	56,800	3,761	65,359	5.5%
2022	59,015	n/a	n/a	3.1%
2023	59,227	n/a	n/a	n/a

Notes:

Personal Income data for 2022 and 2023 are not available.

Calendar Year 2023 California Employment Development Department (EDD), Local Area Unemployment Statistics, Annual Average, not yet available.

Sources:

⁽¹⁾ California Department of Finance

⁽²⁾ U.S. Bureau of Economic Analysis, Bureau of Labor Statistics, American Community Survey and San Diego Association of Government.

⁽³⁾ State of California Employment Development Department.

City of Santee

Principal Employers Current Year and Nine Years Ago

Employer	2023			2014		
	Number of Employees	Rank	Percent of Total Employment ⁽¹⁾	Number of Employees	Rank	Percent of Total Employment
Santee Elementary School District	809	1	2.76%	600	1	2.37%
Las Colinas Detention Facility	396	2	1.35%			
Costco Wholesale	371	3	1.27%	235	5	0.93%
Edgemoor Skilled Nursing Facility	317	4	1.08%	350	3	1.38%
HD Supply Facility Maintenance	265	5	0.90%			
Walmart	220	6	0.75%	275	4	1.09%
TC Construction CO Inc	202	7	0.69%			
Home Depot	198	8	0.68%	200	8	0.79%
Target	193	9	0.66%	190	9	0.75%
Grossmont Union High School District	157	10	0.54%	220	6	0.87%
Hartford Financial Services				520	2	2.06%
Scantibodies Laboratory				215	7	0.85%
Lowe's				172	10	0.68%
Total	3,128		10.68%	2,977		11.77%

Notes:

This schedule presents data for the ten principal employers as of June 30, 2023 and June 30, 2014.

⁽¹⁾ Total employment of all employers located within City limits as provided by EDD Labor Force Data.
Total Labor Force FY 2023: 29,300

Source: Avenu Insights & Analytics

City of Santee

Full-Time City Employees *by Function*
Last Ten Fiscal Years

Function	Full-Time Employees as of June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	26.05	26.30	28.30	28.30	28.30	28.20	29.05	29.05	30.05	32.45
Public Safety	58.00	58.60	58.60	57.60	57.60	57.60	60.60	60.60	62.00	62.00
Public Works	29.70	33.20	35.20	35.20	35.20	35.30	35.45	35.45	36.45	38.05
Community Development	-	-	-	-	-	-	-	-	-	-
Parks and Recreation	7.00	6.00	6.00	6.00	6.00	6.00	6.00	4.00	6.00	6.00
Total	<u>120.75</u>	<u>124.10</u>	<u>128.10</u>	<u>127.10</u>	<u>127.10</u>	<u>127.10</u>	<u>131.10</u>	<u>129.10</u>	<u>134.50</u>	<u>138.50</u>

Source: City of Santee

City of Santee

Operating Indicators by Department Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
DEVELOPMENT SERVICES										
Building Permits Issued	952	1,516	1,826	1,634	1,922	1,787	1,794	2,021	2,186	1,969
Building Inspections Completed	6,946	5,388	6,084	9,838	7,889	5,959	5,415	7,375	5,785	7,321
Development Applications Processed	111	113	158	129	97	89	75	47	57	316 ⁽³⁾
Street Resurfacing (miles) ⁽¹⁾	1.1	6.7	41.8	-	9.6	3.5	11.7	12.5	25.2	18.7
COMMUNITY SERVICES										
Number of Recreation Classes Offered	333	367	403	366	410	400	236	65	69	84
Number of Recreation Class Participants	1,711	1,434	1,811	1,369	1,580	1,271	757	469	524	696
Attendance at City-Wide Special Events	43,450	48,000	62,096	73,194	71,800	74,324	58,850	9,500	18,000	29,800
Number of Facility Rentals	1,287	1,350	1,422	1,349	1,392	1,222	775	377	1,120	1,092
FIRE										
Fire Responses	173	157	149	157	203	172	160	235	262	373
Emergency Medical Responses	5,534	6,015	6,485	6,439	6,927	6,687	6,325	6,640	7,266	8,012
Community Service Calls	339	399	374	465	489	454	468	527	559	686
Other Responses ⁽²⁾	1,820	1,962	2,133	2,206	2,209	2,193	2,147	2,097	2,026	1,347
Fire Prevention & Safety Inspections	543	325	235	182	176	179	55	74	94	655
SHERIFF										
Arrests	2,398	1,861	1,694	2,033	2,719	1,780	1,435	1,202	975	1,059
Parking Citations Issued	685	699	489	680	798	2,185	1,586	1,277	1,132	1,653
Traffic Citations Issued	2,129	2,165	1,238	2,552	2,421	3,453	3,763	2,744	2,694	3,273
Calls for Service	20,376	20,686	19,744	16,255	16,645	15,267	14,548	14,295	14,128	14,170

⁽¹⁾ Street resurfacing projects were in process during FY 2017 and were completed in early FY 2018.

⁽²⁾ Other responses includes: Good Intent, Call Cancel, Hazardous Condition, False Alarm, Weather and Other types of responses.

⁽³⁾ The development applications processed count for FY23 includes all Planning & Engineering applications processed where as prior years only included those processed by the Planning Dept.

Source: City of Santee

City of Santee

Capital Asset Statistics by Function
Last Ten Fiscal Years

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
FIRE										
Fire Stations	2	2	2	2	2	2	2	2	2	2
Fire Apparatus	6	6	7	7	7	7	7	7	7	7
Paramedic Vehicles	4	4	4	5	5	6	6	6	6	6
EMT Vehicles										1
PUBLIC WORKS										
Streets (centerline miles)	115.32	115.32	121.42	121.42	121.42	121.46	122.04	122.16	122.16	124.41
Street Lights	3,070	3,207	3,244	3,316	3,335	3,337	3,341	3,351	3,443	3,455
Traffic Signals	57	58	59	60	61	61	61	61	61	62
PARKS & RECREATION										
Parks	8	8	9	9	9	9	9	9	10	10

Source: City of Santee

