NEW ISSUE – BOOK-ENTRY ONLY **Ratings: (Underlying) Moody's: "A1"**
(Insured) S&P: "AA"
See "RATINGS" herein.

In the opinion of Best Best & Krieger LLP, Los Angeles, California ("Bond Counsel"), subject, however, to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming certain representations and compliance with certain covenants and requirements described herein, the interest on the Bonds is excluded from gross income for federal income tax purposes, and interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income tax. See "TAX MATTERS" herein.

$31,810,000
SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY
2025 SPECIAL PARCEL TAX REVENUE BONDS
(SANTA FE SPRINGS ROAD IMPROVEMENTS)

Dated: Date of Delivery **Due: June 1, as shown on the inside cover**

The Santa Fe Springs Public Financing Authority 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements) (the "Bonds") are being issued to provide funds to (i) finance the costs of public capital improvements for the purpose of maintaining and repairing the roads in the City of Santa Fe Springs (the "City"), (ii) fund a debt service reserve fund for the Bonds, and (iii) pay costs of issuance of the Bonds including the premium for a municipal bond insurance policy. See "THE PROJECT AND THE PLAN OF FINANCE" herein. The Bonds will be issued and secured pursuant to the terms of that certain Indenture of Trust, dated as of April 1, 2025 (the "Indenture"), by and between the Santa Fe Springs Public Financing Authority (the "Authority") and U.S. Bank Trust Company, National Association (the "Trustee").

Interest on the Bonds, which is payable semiannually on each June 1 and December 1, commencing December 1, 2025, and the principal thereof are payable by the Trustee to Cede & Co., and such interest and principal payments are to be disbursed to the beneficial owners of the Bonds through their nominees. The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company. Individual purchases will be made in principal amounts of $5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of the Bonds will not receive certificates representing their beneficial ownership in the Bonds but will receive credit balances on the books of their respective nominees. **The Bonds are subject to redemption prior to maturity and purchase in lieu of redemption as more fully described herein.** See "THE BONDS."

The Bonds are special obligations of the Authority payable solely from, and are secured by a first and prior lien on, Revenues of the Authority. "Revenues" generally consist of revenues from a special parcel tax (the "Parcel Tax," and the revenues from such Parcel Tax herein being referred to as the "Parcel Tax Revenues") levied and collected by the County of Los Angeles on each taxable parcel of commercial, industrial and vacant real property within the City of Santa Fe Springs ("City"). The Parcel Tax was authorized by Measure SFS approved by the voters of the City at the November 5, 2024 election ("Measure SFS"). Additional bonds secured by the Revenues on a parity with or subordinate to the Bonds may be issued in the future. See "SECURITY FOR THE BONDS" and "PARCEL TAX AND RELATED INFORMATION."

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY INC.**

ASSURED GUARANTY®

Neither the full faith and credit nor the taxing power of the State of California (the "State") or any public agency thereof or the Authority or any Member of the Authority (including the City) is pledged to the payment of the Bonds, except for the Parcel Tax to be levied by the City and pledged to pay the Bonds. The Bonds do not constitute a debt, liability or obligation of the State or any public agency thereof (other than a special obligation of the Authority payable solely from the Measure SFS Parcel Tax Revenues) or any Member of the Authority (including the City), and neither the directors or officers of the Authority nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance. The Authority has no taxing power.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used but not defined on this cover page will have the meanings set forth herein.

The Bonds are offered when, as and if delivered and received by the Underwriter, subject to the approval as to their legality by Best Best & Krieger LLP, Los Angeles, California, Bond and Disclosure Counsel and certain other conditions. Certain legal matters will be passed upon by general counsel to the Authority by Olivarez Madruga Law Organization, LLP, and for the Underwriter by its counsel, Kutak Rock LLP. It is anticipated that the Bonds will be available for delivery through the facilities of The Depository Trust Company on or about April 29, 2025.

Cabrera Capital Markets, LLC

Dated: April 15, 2025.

Maturity Schedule

$21,965,000 Serial Bonds

Maturity (June 1)	Principal Amount	Interest Rate	Yield	CUSIP[†] (Base:80218F)
2026	$515,000	5.000%	3.290%	AA4
2027	700,000	5.000	3.330	AB2
2028	735,000	5.000	3.350	AC0
2029	775,000	5.000	3.390	AD8
2030	810,000	5.000	3.450	AE6
2031	855,000	5.000	3.500	AF3
2032	895,000	5.000	3.560	AG1
2033	940,000	5.000	3.620	AH9
2034	985,000	5.000	3.690	AJ5
2035	1,035,000	5.000	3.770*	AK2
2036	1,090,000	5.000	3.860*	AL0
2037	1,145,000	5.000	3.960*	AM8
2038	1,200,000	5.000	4.030*	AN6
2039	1,260,000	5.000	4.110*	AP1
2040	1,325,000	5.000	4.210*	AQ9
2041	1,390,000	5.000	4.340*	AR7
2042	1,460,000	5.250	4.400*	AS5
2043	1,535,000	5.250	4.510*	AT3
2044	1,615,000	5.250	4.590*	AU0
2045	1,700,000	5.250	4.640*	AV8

$9,845,000 4.75% Term Bond due June 1, 2050 Yield: 4.94% CUSIP[†] No. 80218FAW6

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2025 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the City, the Underwriter or their agents or counsel are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Yield to the optional call date of June 1, 2034 at par.

No broker, dealer, salesman or other person has been authorized by the Underwriter, the Authority or the Trustee to give any information or to make any representations other than those contained in this Official Statement in connection with the offering made hereby and, if given or made, such information or representations must not be relied upon as having been authorized by the Authority. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information contained in this Official Statement has been obtained from the Authority and other sources believed by the Authority to be reliable.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "budget" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

In reliance upon exemptions contained in such acts, the Bonds have not been registered under the Securities Act of 1933, as amended in reliance upon an exemption contained in such Act, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended. The registration or qualification of the Bonds in accordance with applicable provisions of securities laws of any state in which the Bonds have been registered or qualified and the exemption from registration or qualification in other states cannot be regarded as a recommendation. Neither those states nor any of their agencies have passed upon the merits of the Bonds or the accuracy or completeness of this Official Statement.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

> The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT MAY STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME

The City maintains a website. The information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein by such references.

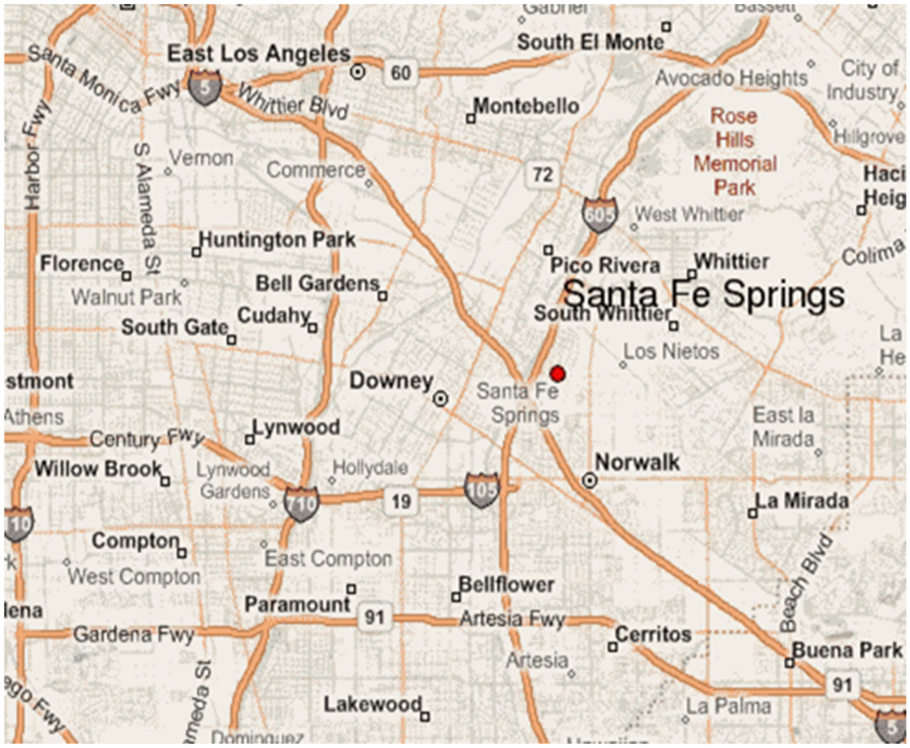
Assured Guaranty Inc. ("AG") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG, supplied by AG and presented under the heading "BOND INSURANCE" and APPENDIX G- "SPECIMEN MUNICIPAL BOND INSURANCE POLICY

SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY

* Lana Dich has notified the City that her last day of employment with the City will be April 22, 2025. Julio Morales, Senior Managing Director at Kosmont Financial Services, LLC, is expected to be the successor Finance Director starting on May 1, 2025.

Table of Contents

MAP OF SANTA FE SPRINGS



$31,810,000
SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY
2025 SPECIAL PARCEL TAX REVENUE BONDS
(SANTE FE SPRINGS ROAD IMPROVEMENTS)

INTRODUCTION

General

This Official Statement, including the cover page and all appendices hereto, provides certain information concerning the sale and delivery of the Santa Fe Springs Public Financing Authority 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements) (the “Bonds”). Descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. Capitalized terms used and not otherwise defined herein shall have the meanings ascribed to them in APPENDIX C – “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS” hereto. This Introduction is subject in all respects to the more complete information contained in this Official Statement, and the offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The Bonds are being issued pursuant to that certain Indenture of Trust, dated as of April 1, 2025 (the “Indenture”), by and between the Santa Fe Springs Public Financing Authority (the “Authority”) and U.S. Bank Trust Company, National Association (the “Trustee”), as trustee, and are authorized pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title I of the California Government Code (the “Law”).

The Authority

The Authority is a joint exercise of powers agency created on August 24, 1989 pursuant to the California Government Code and that certain Joint Powers Agreement, as amended, by and between the City of Santa Fe Springs (the “City”) and the City of Santa Fe Springs Housing Authority (each, a “Member” and collectively, the “Members”). The Authority’s purpose is to provide, through the issuance of debt, financing for public capital improvements. For more information regarding the Authority, see “THE AUTHORITY” herein. For demographic information on the City, see APPENDIX A – “DEMOGRAPHIC INFORMATION REGARDING THE CITY OF SANTA FE SPRINGS” attached hereto. For information on the Project, see “THE PROJECT AND THE PLAN OF FINANCE” herein.

Plan of Financing

Proceeds of the Bonds will be used to provide funds to (i) finance the costs of public capital improvements for the purpose of maintaining and repairing the roads in the City, (ii) fund a debt service reserve fund for the Bonds, and (iii) pay costs of issuance of the Bonds including the premium for a municipal bond insurance policy. See “THE PROJECT AND THE PLAN OF FINANCE” herein.

Security for the Bonds

Parcel Taxes. The Bonds will be issued and secured pursuant to the terms of the Indenture. The Bonds are special obligations of the Authority payable solely from, and are secured by a first and prior lien on, Revenues of the Authority. “Revenues” generally consist of revenues from a special parcel tax (the “Parcel Tax,” and the revenues from such Parcel Tax herein being referred to as the “Parcel Tax Revenues”) levied and collected by the County of Los Angeles on each taxable parcel of commercial, industrial and vacant real property within the City. The Parcel Tax was authorized by Measure SFS approved by the voters of the City at the November 5, 2024 election ("Measure SFS"). See "SECURITY FOR THE BONDS" and "PARCEL TAX AND RELATED INFORMATION."

Pursuant to that certain Financing Agreement, dated as of April 1, 2025 (the "Financing Agreement"), by and between the City and the Authority, the City will make payments from Parcel Tax Revenues (the "Parcel Tax Payments") to the Trustee, as assignee of the Authority, on or about May 15 and November 15 of each year (each, a "Parcel Tax Payment Date"). Parcel Tax Payments received by the Trustee will be used to pay principal and interest on the Bonds as they become due, and any costs, expenses and fees payable by the Authority relating to the Bonds ("Additional Costs"). Additional bonds secured by the Revenues on a parity with or subordinate to the Bonds may be issued in the future. Parcel Tax Revenues received by the Trustee in excess of the amount needed to pay the debt service on the Bonds will be transferred to the City for any legal use thereof. See "SECURITY FOR THE BONDS – Security under the Indenture," "– Financing Agreement" and "– Additional Indebtedness."

Reserve Fund. The Indenture establishes a debt service reserve for the Bonds, which will be funded on the Closing Date in an amount equal to the Reserve Requirement for the Bonds. See "SECURITY FOR THE BONDS – Reserve Fund."

Neither the full faith and credit nor the taxing power of the State of California (the "State") or any public agency thereof or the Authority or any Member of the Authority (including the City) is pledged to the payment of the Bonds, except for the Parcel Tax to be levied by the City and which are pledged to pay the Bonds. The Bonds do not constitute a debt, liability or obligation of the State or any public agency thereof (other than a special obligation of the Authority payable solely from the Revenues) or any Member of the Authority (including the City), and neither the directors or officers of the Authority nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance. The Authority has no taxing power.

Bond Insurance. Concurrently with the delivery of the Bonds, Assured Guaranty Inc. will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy that is included as Appendix G to this Official Statement. See the caption "BOND INSURANCE."

Redemption

The Bonds are subject to redemption prior to maturity and purchase in lieu of redemption as described herein. See "THE BONDS" herein.

Continuing Disclosure

The Authority will covenant in a Continuing Disclosure Certificate to provide certain financial information and notices of certain enumerated events. Such information and notices will be filed with the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access system ("EMMA"). The Authority will be solely responsible for any continuing disclosure to Bondholders. For more information concerning continuing disclosure, see "CONTINUING DISCLOSURE" and APPENDIX F – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

The Authority and the City regularly prepare a variety of reports, including audits, budgets and related documents. Any interested person may obtain a copy of certain reports, as available, from the Authority and the City. Such information is not incorporated herein by reference.

THE AUTHORITY

General

The Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 (commencing with Section 6500) of Chapter 5, Division 7, Title I of the California Government Code, and pursuant to that certain Joint Powers Agreement, dated August 24, 1989 (as amended, the "JPA Agreement"), by and between the City and the City of Santa Fe Springs Housing Authority. The Authority is authorized to issue the Bonds under the Law. The Authority's purpose is to provide, through the issuance of debt, financing for public capital improvements.

The Authority is governed by a five-member Board which consists of all members of the City Council. The Mayor serves as the Chairperson of the Authority. The City Manager acts as the Executive Director, the City Clerk acts as the Secretary, the Finance Director acts as the Treasurer of the Authority.

Brief biography of the Executive Director is as follows:

René Bobadilla, P.E., Executive Director. Mr. Bobadilla has served over 28 years in local government including almost 12 years of service to local communities as a City Manager. Mr. Bobadilla's extensive background in local government led him to oversee several City organizations where he has held the position of City Manager, most recently, the City of Montebello since July of 2019, Pico Rivera from 2014 to 2018, Huntington Park from 2012 to 2014, and El Monte from 2009 to 2012.

Prior to his role as a City Manager, Mr. Bobadilla served in various executive roles, where he demonstrated the ability to strengthen core municipal services through improvements in the delivery of responsive services to customers. Mr. Bobadilla served as the Director of Economic Development and Sustainability for the City of Commerce and prior to serving as the City Manager of El Monte, he was the Director of Public Works, where he managed large capital projects.

Mr. Bobadilla is a registered civil engineer and his earlier career from 1994 to 2009 he worked in both private and public capacities directly related to engineering and management. He continues to use his extensive engineering experience to improve public infrastructure, economic development and municipal operations. He holds a Master of Public Administration from Villanova University and a Bachelor of Science in Civil Engineering from California State Polytechnic University.

The City's financial statements for the fiscal year ended June 30, 2024 are attached hereto as APPENDIX B. The City does not pledge its full faith and credit to the payment of Parcel Tax Payments.

THE PROJECT AND THE PLAN OF FINANCE

A portion of the proceeds of the Bonds will be used to finance various road improvements through the City limits. Improvements include repair and resurfacing of major industrial roads and arterial streets as well as repair of potholes and curbsides.

See "SOURCES AND USES OF FUNDS" and "PARCEL TAX AND RELATED INFORMATION – Measure SFS."

SOURCES AND USES OF FUNDS

The following table sets forth the sources and uses of funds relating to the Bonds.

Sources:

Principal Amount of Bonds	$31,810,000.00
Plus Net Original Issue Premium	1,175,260.85
Total Sources	$32,985,260.85

Uses:

Deposit to Project Fund	$30,000,000.00
Deposit to Reserve Fund	2,260,212.50
Costs of Issuance[1]	725,048.35
Total Uses	$32,985,260.85

[1] Includes Bond and Disclosure Counsel fees, Trustee fees, Underwriter's discount, fees of the Municipal Advisor, premium for Municipal Bond Insurance Policy, rating agency fees, printing costs and certain other legal and financing expenses.

THE BONDS

The Bonds will be dated the date of delivery and will be payable in the years and amounts and bear interest at the respective rates set forth on the cover page hereof, which interest will be payable on June 1 and December 1 of each year, commencing December 1, 2025 (each, an "Interest Payment Date"). The Bonds will be delivered only in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of $5,000 or any integral multiple thereof. See " – Book-Entry Only System" below and APPENDIX E – "INFORMATION CONCERNING DTC AND THE BOOK-ENTRY SYSTEM" attached hereto.

Book-Entry Only System

One fully-registered Bond will be issued for each maturity of the Bonds in the principal amount of the Bonds of such maturity. The Bonds will be registered in the name of Cede & Co. and will be deposited with DTC. The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered and will be governed by the provisions of the Indenture with respect to payment of principal and interest and rights of exchange and transfer.

There can be no assurance that DTC participants or others will distribute payments with respect to the Bonds received by DTC or its nominee as the registered Owner, or any prepayment or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or that DTC will service and act in the manner described in this Official Statement. See APPENDIX E – "INFORMATION CONCERNING DTC AND THE BOOK-ENTRY SYSTEM" hereto for additional information concerning DTC.

Optional Redemption

The Bonds maturing on or before June 1, 2034, will not be subject to optional redemption prior to their respective stated maturities. The Bonds maturing on or after June 1, 2035, will be subject to optional redemption on any date on or after June 1, 2034, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed together with accrued interest to the redemption date, without a premium.

Purchase in Lieu of Redemption

In lieu, or partially in lieu, of such call and redemption, moneys of the Authority may be used to purchase Outstanding Bonds in the manner provided in the Indenture. Purchases of Outstanding Bonds may be made by the Authority prior to the selection of Bonds for redemption by the Trustee, at public or private sale as and when and at such prices as the Authority may in its discretion determine but only at prices (including brokerage or other expenses) of not more than par plus applicable accrued interest and redemption premiums, and any accrued interest payable upon the purchase of Bonds may be paid from the amount in the Revenue Fund for payment of interest on the following Interest Payment Date.

Mandatory Sinking Fund Redemption

The Term Bonds maturing on June 1, 2050 are subject to mandatory sinking fund redemption on June 1 in each year as shown in the following tables, by lot, at a redemption price equal to the principal amount thereof, together with accrued interest to the date of redemption, without premium, as follows:

Sinking Fund Redemption Date (June 1)	Principal Amount to be Redeemed
2046	$1,790,000
2047	1,875,000
2048	1,965,000
2049	2,060,000
2050†	2,155,000

† Final Maturity.

Selection of Bonds for Redemption

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds of the same maturity, the Trustee will select the Bonds of such maturity to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate $5,000 denominations and such separate denominations will be treated as separate Bonds which may be separately redeemed.

Notice of Redemption

Pursuant to the Indenture, the Trustee is required to give notice (the "Redemption Notice"), at the expense of the Authority, of the redemption of the Bonds. Such Redemption Notice will specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed; (b) the date of redemption; (c) the place or places where the redemption will be made, including the name and address of any paying agent; (d) the redemption price; (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed; (f) if less than all the Bonds of a maturity are to be redeemed, the certificate numbers of the Bonds to be redeemed and, in the case of any Bond to be redeemed in part only, the amount of such Bond to be redeemed; and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part. The Redemption Notice must also state that on the specified date there will become due and payable upon each Bond or portion thereof being redeemed the redemption price, together with interest accrued to the redemption date, and that from and after such date interest with respect to the Bond to be redeemed will cease to accrue and be payable. A Redemption Notice in respect of optional redemption will not be provided unless there has been deposited with the Trustee funds sufficient to pay such redemption price (except in the case of redemption resulting from the issuance of refunding obligations).

At least 30, but not more than 60, days prior to the redemption date, the Trustee will cause Redemption Notices to be given to the respective Owners of Bonds designated for redemption by first class mail, at their addresses appearing on the Bond Register maintained by the Trustee (or with respect to Bonds held by the Securities Depository, either via electronic means or by an express delivery service for delivery on the next following Business Day or by such other means as otherwise permitted or required by the Securities Depository's procedures). Neither failure to receive any Redemption Notice nor any defect in such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of such Bonds.

The Authority has the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any such notice of optional redemption will be canceled and annulled if for any reason funds will not be or are not available on the date fixed for prepayment for the payment in full of the Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The Authority and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

Effect of Notice of Redemption

Notice having been mailed as described above, and moneys for the redemption (including the interest to the applicable date fixed for redemption and including any applicable premium), having been set aside in the Redemption Account established under the Indenture, the Bonds will become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds will be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the redemption of all the Bonds to be redeemed, together with interest to said date, is held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof has been mailed as described above and not canceled, then, from and after said date, interest on said Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

All Bonds paid at maturity or redeemed prior to maturity as described herein will be canceled upon surrender thereof and delivered to the Authority.

DEBT SERVICE SCHEDULE AND DEBT SERVICE COVERAGE

The following table shows the annual debt service requirements for the Bonds (assuming no optional redemption).

Period Ending June 1	Principal	Interest	Total
2026	$515,000.00	$1,722,254.72	$2,237,254.72
2027	700,000.00	1,555,912.50	2,255,912.50
2028	735,000.00	1,520,912.50	2,255,912.50
2029	775,000.00	1,484,162.50	2,259,162.50
2030	810,000.00	1,445,412.50	2,255,412.50
2031	855,000.00	1,404,912.50	2,259,912.50
2032	895,000.00	1,362,162.50	2,257,162.50
2033	940,000.00	1,317,412.50	2,257,412.50
2034	985,000.00	1,270,412.50	2,255,412.50
2035	1,035,000.00	1,221,162.50	2,256,162.50
2036	1,090,000.00	1,169,412.50	2,259,412.50
2037	1,145,000.00	1,114,912.50	2,259,912.50
2038	1,200,000.00	1,057,662.50	2,257,662.50
2039	1,260,000.00	997,662.50	2,257,662.50
2040	1,325,000.00	934,662.50	2,259,662.50
2041	1,390,000.00	868,412.50	2,258,412.50
2042	1,460,000.00	798,912.50	2,258,912.50
2043	1,535,000.00	722,262.50	2,257,262.50
2044	1,615,000.00	641,675.00	2,256,675.00
2045	1,700,000.00	556,887.50	2,256,887.50
2046	1,790,000.00	467,637.50	2,257,637.50
2047	1,875,000.00	382,612.50	2,257,612.50
2048	1,965,000.00	293,550.00	2,258,550.00
2049	2,060,000.00	200,212.50	2,260,212.50
2050	2,155,000.00	102,362.50	2,257,362.50
Total	**$31,810,000.00**	**$24,613,554.72**	**$56,423,554.72**

Debt Service Coverage from Parcel Tax

The following table reflects the estimated debt service coverage on the Bonds for the year ending June 1, 2026 through June 1, 2030.

Period Ending June 1	Bonds Debt Service(1)	Parcel Taxes(1)	Debt Service Coverage
2026	$2,237,255	$6,080,108	2.72x
2027	2,255,913	6,201,710	2.75x
2028	2,255,913	6,325,744	2.80x
2029	2,259,163	6,452,259	2.86x
2030	2,255,413	6,581,304	2.92x

(1) Estimated Parcel Tax Revenues provided by HdL Coren & Cone and the City. Total Parcel Tax Revenues are estimates calculated based on the total square footage and the applicable parcel tax rates. The Parcel Taxes will be levied by the County of Los Angeles beginning in August 2025, for payment and collection in November 2025 and April 2026. See "PARCEL TAX AND RELATED INFORMATION – Parcel Tax Levy and Collection herein".
Source: HdL Coren & Cone, the City and the Underwriter.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. ("AG") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, Maryland, California, Connecticut or Florida insurance law.

Assured Guaranty Inc.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL" and together with its subsidiaries, "Assured Guaranty"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG ("AGM"), merged with and into AG, with AG as the surviving company (such transaction, the "Merger"). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On October 18, 2024, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

On May 28, 2024, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

- At December 31, 2024:

- The policyholders' surplus of AG was approximately $3,524 million.

- The contingency reserve of AG was approximately $1,392 million.

The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,424 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited ("AGUK"), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the Securities and Exchange Commission (the "SEC") on February 28, 2025 that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE – Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the "AG Information") shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AG supplied by AG and presented under the heading "BOND INSURANCE".

SECURITY FOR THE BONDS

Security under the Indenture

The Indenture provides that, subject only to certain specified exceptions, all of the Revenues received by the Authority (or the Trustee on the Authority's behalf) and any other amounts (including proceeds of the sale of the Bonds) held in any fund or account established pursuant to the Indenture are pledged by the Authority to secure the payments of the principal of and interest on the Bonds. "Revenues" are defined under the Indenture as, during any fiscal period, the sum of the following amounts: (1) all amounts payable by the City pursuant to the Financing Agreement, (2) all Parcel Tax Revenues pledged to the Authority and the Trustee by the City pursuant to the Financing Agreement, including the pledge of and security interest in such Parcel Tax Revenues granted to the Authority and the Trustee, and (3) all investment earnings on amounts held by the Trustee in the funds and account under the Indenture other than amounts deposited to the Rebate Fund. The Indenture states that this pledge constitutes a first lien on and security interest in such assets and that it will attach, be perfected and be valid and binding from and after delivery of the Bonds by the Trustee, upon the physical delivery thereof.

The Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues. The Trustee is entitled to and will collect and receive all of the Revenues, and any Revenues collected or received by the Authority will be deemed to be held, and to have been collected or received, by the Authority and will forthwith be paid by the Authority to the Trustee. The Trustee is also entitled to and may take all steps, actions and proceedings reasonably necessary in its judgment, to enforce, either jointly with the Authority or separately, all of the rights of the Authority with respect to the Financing Agreement, including, but not limited to, the obligation of the City to pay the Parcel Tax Payments and to perform all other covenants under the Financing Agreement. All Parcel Tax Payments received by the City shall be deposited into the Revenue Fund (defined below) and distributed as described below.

To the extent the Trustee has not received a Parcel Tax Payment from the City on the applicable Parcel Tax Payment Date, the Trustee will notify the Authority of the amount of such deficiency. Upon receipt from the Authority of such deficiency, the Trustee will deposit such amounts in a special fund established under the Indenture and designated as the "Revenue Fund."

All Revenues are required to be promptly deposited into the Revenue Fund by the Trustee upon receipt thereof. The Trustee is required to transfer from the Revenue Fund and deposit into the following respective accounts (each of which the Trustee is required to establish and maintain in trust), the following amounts at the following times in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(a) On each Parcel Tax Payment Date, commencing on or about [DATE], the Trustee will deposit in the Interest Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Interest Account to equal the amount then required to make any payment of interest on the Bonds. The Trustee will also deposit in the Interest Account any other moneys received by it from the Authority and designated in writing by the Authority for deposit in the Interest Account.

(b) On or about May 15 of each year, commencing on or about May 15, 20[_], the Trustee will deposit in the Principal Account an amount which, together with the amounts then on deposit therein, is required to cause the aggregate amount on deposit in the Principal Account to equal the aggregate amount of principal then coming due and payable on the Bonds.

Following the foregoing transfers on each Parcel Tax Payment Date, the Trustee will deposit in the Surplus Account all remaining amounts. Amounts in the Surplus Account may be used by the Authority to pay or reimburse the payment of the reasonable costs and expenses incurred by the Authority to administer the Bonds (including reasonable fees and expenses of the Trustee) and for any other legal use thereof.

Financing Agreement

Revenues of the Authority pledged under the Indenture consist primarily of the Parcel Tax Revenues levied by the City and collected by the County on each taxable parcel of real property within the City pursuant to Measure SFS. Pursuant to the Financing Agreement, the City will make Parcel Tax Payments to the Trustee from Parcel Tax Revenues. Such Parcel Tax Payments will be in such amounts as will be sufficient to pay principal and interest on the Bonds as they become due, and any Additional Costs.

To secure the prompt and complete payment of the Parcel Tax Payments when due and the principal of and interest on the Bonds and the performance by the City of all of its covenants and obligations under the Financing Agreement, the City will pledge to the Authority and the Trustee (and their successors and assigns) for the benefit of the Bondholders and grants a security interest in all of the right and title to and interest in all Parcel Tax Revenues received by the City. **The City does not pledge its full faith and credit to the payment of Parcel Tax Payments.**

In order to provide for the payment of the principal of and interest on the Bonds and all Additional Costs when due, the City will transfer to the Trustee on each Parcel Tax Payment Date for deposit into the Revenue Fund all of the Parcel Tax Revenues. See "PARCEL TAX AND RELATED INFORMATION" for additional information on the collection and transfer of Parcel Tax Revenues.

Reserve Fund

General. The Indenture will establish a debt service reserve fund (the "Reserve Fund") for the Bonds, which will initially be funded from proceeds of the Bonds and held in trust by the Trustee. The Reserve Fund will secure the Bonds.

Reserve Requirement. The "Reserve Requirement" is defined in the Indenture, as of any date of calculation, as the least of the following:

(a) 10% of the outstanding principal amount of the Bonds;

(b) an amount equal to maximum annual Debt Service payable by the Authority between the date of such calculation and the final maturity of the Bonds; or

(c) 125% of average annual Debt Service payable under the Indenture.

As of the Closing Date, the Reserve Requirement will be $2,260,212.50.

Replacement of Reserve Fund with a Surety. In replacement of moneys then on deposit in the Reserve Fund, the Authority may deliver to the Trustee for credit to the Reserve Fund one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer if the obligations insured by such insurer have ratings at the time of issuance of such policy is in one of the two highest rating categories of Moody's, S&P or Fitch or by a letter or credit issued by a bank or other institution if the obligations issued by such bank or other institution have ratings at the time of issuance of such letter of credit in one of the two highest rating categories of Moody's, S&P or Fitch.

Additional Indebtedness

Generally, the Authority may issue additional bonds secured by Revenues on a parity with the Bonds (the "Parity Bonds"), subject to the following conditions:

(a) The Financing Agreement will be amended or supplemented as permitted therein in order to provide funds for the payment of the principal of, redemption premium, if any and interest on the Parity Bonds, as well as any costs of the Authority relating to the Parity Bonds;

(b) No Event of Default under the Indenture has occurred and then be continuing;

(c) Parcel Tax Revenues, calculated pursuant to generally accepted accounting principles, as shown by the audited financial statements of the City for the most recent Fiscal Year, amounts to at least 1.25 times the maximum annual debt service on the Outstanding Bonds, the Parity Bonds, and on all other Outstanding Parity Bonds coming due and payable in the most recent Fiscal Year;

(d) Interest on such Parity Bonds will be payable on June 1 and December 1 in each year of the term of such Parity Bonds, and the principal of such Parity Bonds will be payable on June 1 in any year, as determined by the Authority, in which principal is payable;

(e) An opinion of Bond Counsel delivered to the Trustee that the delivery of the Parity Bonds has been duly authorized by the Authority in accordance with the Indenture; that the Parity Bonds will be legally valid and binding limited obligations of the Authority; and that the issuance of such Parity Bonds will not in and of itself impair the exclusion for federal income tax purposes of interest on any Outstanding Bonds; and

(f) The Authority will deliver to the Trustee a certificate of the Authority certifying that the conditions precedent to the issuance of such Parity Bonds set forth herein have been satisfied.

The Authority may also issue obligations payable from Revenues on a subordinate basis (the "Subordinate Bonds") to payment of Debt Service on the Bonds, provided the Authority complies with paragraphs (a), (b), (d), (e) and (f) above. See APPENDIX C – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – THE INDENTURE OF TRUST – Additional Contracts and Parity Bonds."

PARCEL TAX AND RELATED INFORMATION

Measure SFS

The City Council placed on the November 5, 2024 general election a ballot a parcel tax measure for the purpose of maintaining and repairing the roads in the City of Santa Fe Springs. The ballot measure, Measure SFS, asked voters to decide whether the City Council should adopt an ordinance authorizing an annual parcel tax for 25 years based on land use of 7¢ per square foot for commercial lots and 3.5¢ per square foot for industrial and vacant lots, with public audits, expenditure reports, and citizen oversight. On November 5, 2024, 76.72% of the voters approved Measure SFS. The annual parcel tax rate is subject to an automatic 2% escalator each year beginning in the 2026-27 tax year.

Under Measure SFS, the term "parcel" means a parcel of property as shown on the records of Los Angeles County Assessor's Office.

The Parcel Tax is not imposed upon any parcel that is solely in residential use.

The records of the Assessor of the County of Los Angeles ("County") as of July 1st of each year will provide the basis for determining the use and improvement of each parcel for the calculation of the Parcel Tax applicable to that parcel in the following fiscal year, with such corrections as deemed necessary to reflect the actual use and improvement of any parcel. The Parcel Tax will end at midnight on June 30, 2050. Voter approval of a new ballot measure would be necessary in order to renew or extend the levy of the Parcel Tax after June 30, 2050. The Bonds are scheduled to mature on June 1, 2050.

Parcel Tax Revenues will be deposited into a special fund to be maintained by the City, and, pursuant to the provisions of the Financing Agreement, will be remitted to the Trustee until all of the Bonds are fully repaid in accordance with the Indenture. The chief fiscal officer of the City will annually file with the City Council a report regarding the amount of Parcel Tax Revenues collected and expended and the status of any project authorized to be funded with the Parcel Tax Revenues, as required by California Government Code Section 50075.3, as amended from time to time. The Authority will provide all Parcel Tax revenue and expenditure information to the chief fiscal officer of the City, as required by the Financing Agreement.

The following table provides the current allocation of taxable parcels of commercial, industrial and vacant properties within the City, their respective total square footages and their expected Parcel Tax Revenues.

CITY OF SANTA FE SPRINGS
ALLOCATION OF TAXABLE PARCELS BY TYPE(1)

Category	Parcels	Total SF	Parcel Tax Rate	Total Hypothetical Parcel Tax Revenues(2)	Assessed Values	Effective Parcel Tax %
Commercial	235	12,823,403	$0.070	$ 897,638	$ 709,086,970	0.1266%
Industrial	1,621	139,876,767	0.035	4,895,687	8,380,400,161	0.0584
Vacant Lots	4	8,193,809	0.035	286,783	3,798,639	7.5496
Total	1,860	160,893,979		$6,080,108	$9,093,285,770	

Source: HdL Coren & Cone and County of Los Angeles Assessor.
(1) Parcel numbers, total square footage and assessed values are as of Fiscal Year 2022-23.
(2) Total Parcel Tax Revenues are estimates calculated based on the total square footage and the applicable parcel tax rates.
The Parcel Taxes will be levied by the County of Los Angeles beginning in August 2025, for payment in November 2025 and April 2026.

The following table shows the 10 largest owners of taxable property subject to the Parcel Tax levy in the City for Fiscal Year 2023-24. See Appendix A under the caption " – Largest Taxpayers" for a list of the City's largest property taxpayers by assessed value.

Property Owner	Primary Land Use	Square Footage	Percentage of Total Square Footage[1]
GLC SFS II LLC	Industrial	3,313,054	2.06%
GOLDEN SPRINGS DEVELOPMENT	Industrial	1,439,865	0.89
MCMASTER CARR SUPPLY COMPANY	Industrial	1,379,954	0.86
AMB US LOGISTICS FUND LP	Industrial	1,307,539	0.81
WG HOLDINGS SPV LLC	Industrial	1,176,221	0.73
14141 ALONDRA LP	Industrial	1,058,754	0.66
REXFORD INDUSTRIAL	Industrial	973,940	0.61
KELLY PIPE COMPANY LLC	Industrial	936,052	0.58
LBA OR CORE-COMPANY V LLC	Industrial	929,611	0.58
PR MID COUNTIES LLC	Industrial	904,793	0.56

Source: Los Angeles County Assesor's Office.
[1] Calculated based on total square feet of 160,893,979.

Parcel Tax Levy and Collection

The Parcel Tax is collected on the County's property tax bill sent to owners of taxable property in the same manner, on the same dates, and are subject to the same penalties and interest as other charges and taxes fixed and collected by the County. The Parcel Tax is levied on property in addition to the 1% *ad valorem* property taxes and other amounts levied pursuant to the County's property tax bill. The County sends out property tax bills in late September or early October of each year. The first installment of property taxes is due on November 1 of each year and is delinquent after 5:00 p.m. on the following December 10. The second installment of the property tax is due on December 1 of each year and is delinquent after 5:00 p.m. on the following April 10.

The levy and collection of the Parcel Tax will begin in Fiscal Year 2025-26. For Fiscal Year 2025-26, it is estimated that the City will levy an aggregate amount of the Parcel Tax of approximately $6,080,108. The final fiscal year in which the Parcel Tax will be levied is Fiscal Year 2049-50. The Parcel Tax is subject to an automatic 2% increase each year beginning in Fiscal Year 2026-27.

The Parcel Tax, together with all penalties and interest thereon, will constitute a lien upon the parcel upon which it is levied until it has been paid. The Parcel Tax, together with all penalties and interest thereon, will constitute until paid, to the extent authorized by law, a personal obligation to the County by the persons who own the parcel on the date the tax is due. In general, if an owner of taxable property does not pay its property tax bill in full by certain final delinquency dates then the County may initiate foreclosure proceedings on the property in order to generate sales proceeds to pay delinquent taxes.

Delinquencies; No Teeter Plan

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the City. The City's receipt of property taxes is therefore subject to delinquencies.

A summary of property taxes levied, collected and delinquent for the City for each year beginning in fiscal year 2019-20 is shown in the following table. The City receives a portion of the total amount collected within the City.

		Collected Within Fiscal Year of Levy			Total Collections to Date	
Fiscal Year Ended June 30	**Property Taxes Levied**	**Amount Collected**	**Percentage of Levy**	**Collected in Subsequent Years[1]**	**Amount Collected**	**Percentage of Levy**
2020	$45,613,414	$45,027,883	98.72%	-	$45,027,883	98.72%
2021	46,103,009	45,790,160	99.32	-	45,790,160	99.32
2022	48,011,117	47,858,974	99.11	-	47,585,974	99.11
2023	50,915,906	50,660,885	99.50	-	50,660,885	99.50
2024	56,622,331	56,087,067	99.05	-	56,087,067	99.05

Note: The amounts in the above table include City property taxes and redevelopment agency tax increment, including amounts passed through to other agencies.

(1) Information not available as the City receives limited information from Los Angeles County in relation to tax levies and collections.

Source: City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc. and effective April 1, 2025. The Debt Report is included for general information purposes only. Neither the Authority, the City nor the Underwriter has reviewed the Debt Report for completeness or accuracy and neither the Authority, the City nor the Underwriter makes any representation in connection therewith.

CITY OF SANTA FE SPRINGS

2024-25 Assessed Valuation: $11,611,527,953

	% Applicable	Debt 4/1/25	
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Metropolitan Water District	0.285%	$ 48,892	
Cerritos Community College District	4.790	24,434,283	
Rio Hondo Community College District	15.682	24,361,059	
Whittier Union High School District	24.315	34,687,119	
ABC Unified School District	2.945	5,155,518	
Norwalk-La Mirada Unified School District	13.734	39,593,825	
Little Lake City School District	61.197	39,187,438	
Los Nietos School District	60.305	23,463,298	
South Whittier School District	48.526	20,793,391	
Whittier City School District	0.552	348,202	
City of Santa Fe Springs Heritage Springs Assessment District	100.000	940,000	
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$213,013,025	
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	0.552%	$17,470,813	
Los Angeles County Superintendent of Schools Certificates of Participation	0.552	12,871	
Whittier City School District Certificates of Participation	0.552	44,298	
City of Santa Fe Springs	**100.000**	**0**	(1)
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$17,527,982	
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	100.000%	$7,149,511	
COMBINED TOTAL DEBT		$237,690,518	(2)

(1) Excludes the Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2024-25 Assessed Valuation:
Total Overlapping Tax and Assessment Debt..................................1.83%
Total Direct Debt ($0) 0.00%
Combined Total Debt..2.05%

Ratios to Redevelopment Successor Agency Incremental Valuation ($6,648,808,226):
Total Overlapping Tax Increment Debt 0.11%

Source: California Municipal Statistics, Inc.

CERTAIN RISKS OF BOND OWNERS

The following section describes certain risk factors affecting the payment of and security for the Bonds. The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Bonds and their credit quality. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and the order in which such risks are discussed does not necessarily reflect the relative importance of the various issues. Potential investors are advised to consider the following factors, along with all other information in this Official Statement, in evaluating the Bonds. There can be no assurance that other risk factors will not become material in the future.

General

The payment of principal of and interest on the Bonds is secured solely by a pledge of the Revenues and certain funds under the Indenture. Revenues consist primarily of Parcel Tax Revenues. No assurance can be made that the County will be able to collect Parcel Tax Revenues in an amount sufficient to pay the debt service on the Bonds. See "SECURITY FOR THE BONDS." Further, there can be no assurance that the voters of the City will not, by initiative, reduce or attempt to reduce the annual levy of the Parcel Tax below the amount required to pay debt service on the Bonds. See "Proposition 218" below.

Limited Special Obligations

The Bonds are special obligations of the Authority, payable from and secured as to the payment of the principal thereof and the redemption premium, if any, and the interest thereon solely from Revenues in accordance with their terms and the terms of the Indenture. The Bonds shall not constitute a charge against the general credit of the Authority or any of its members, and under no circumstances shall the Authority be obligated to pay principal of or redemption premium, if any, or interest on the Bonds except from the Revenues. None of the State, the City, nor any public agency (other than the Authority) nor any member of the Authority is obligated to pay the principal of or redemption premium, if any, or interest on the Bonds, and neither the full faith and credit nor the taxing power of the State or any public agency thereof or any member of the Authority is pledged to the payment of the principal of or redemption premium, if any, or interest on the Bonds. The payment of the principal of or redemption premium, if any, or interest on the Bonds does not constitute a debt, liability or obligation of the State, the City, or any public agency (other than the Authority) or any member of the Authority.

Limitations on Remedies and Bankruptcy

The rights and remedies provided in the Indenture and the Financing Agreement may be limited by and are subject to bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, and to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State of California. The various opinions of counsel to be delivered with respect to such documents, including the opinion of Bond Counsel (the form of which is attached as APPENDIX D), will be similarly qualified.

The enforcement of the remedies provided in the Financing Agreement and the Indenture could prove both expensive and time consuming. In the event of a default, the Trustee is not empowered to sell the Project in order to pay debt service on the Bonds. In addition, the rights and remedies provided in the Financing Agreement and Indenture may be limited by and are subject to provisions of the federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect creditors' rights. If the City were to file a petition under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), the Bondholders and the Trustee could be prohibited or severely restricted from taking any steps to enforce their rights under the Financing Agreement and from taking any steps to collect amounts due from the City under the Financing Agreement. If the Authority were to file a petition under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), the Bondholders and the Trustee could be prohibited or severely restricted from taking any steps to enforce their rights under the Indenture and from taking any steps to collect amounts due from the Authority under the Indenture.

Neither the full faith and credit nor the taxing power of the State of California or any public agency thereof or the Authority or any Member of the Authority (including the City) is pledged to the payment of the Bonds. The Bonds do not constitute a debt, liability or obligation of the State of California or any public agency thereof (other than the Authority payable solely from the Revenues) or any Member of the Authority (including the City), and neither the directors of the Authority nor any persons executing the Bonds are liable personally on the Bonds by reason of their issuance. The Authority has no taxing power.

Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, known as the "Right to Vote on Taxes Act." Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of local agencies to levy and collect both existing and future taxes, assessments, fees and charges. The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed below, and it is not possible at this time to predict with certainty the outcome of such determination.

Proposition 218 (Article XIIIC) requires that all new local taxes be submitted to the electorate before they become effective. Taxes for general governmental purposes of the County require a majority vote and taxes for specific purposes, even if deposited in the County's General Fund, require a two-thirds vote. Further, any general purpose tax which Los Angeles County imposed, extended or increased without voter approval after December 31, 1994 may continue to be imposed only if approved by a majority vote in an election which must be held within two years of November 5, 1996.

Proposition 218 (Article XIIIC) also removes limitations on the initiative power in matters of reducing or repealing local taxes, assessments, fees or charges. The Authority believes that the Parcel Taxes are in compliance with Proposition 218; however, the voters of the City could approve an initiative or initiatives which will reduce or repeal local taxes, assessments, fees or charges including the Parcel Tax securing the Bonds.

Earthquakes, Floods, Wildfires and Other Natural Disasters

The City is located in a seismically active region. A major earthquake, flood or any other natural calamity may cause significant temporary and possibly long-term harm to the City's economy, tax receipts (including receipt of Parcel Tax Revenues), and residential and business real property values. Major wildfires have occurred in recent years in different regions of the State, including most recently in the County. The City has not sustained any property losses as a result of these recent fires. The City is not located within the 2025 Fire Hazard Severity Zones as recommended by the State Fire Marshal. However, serious and significant property damage has resulted in other areas of the County and the State due to fire damage. The Governor has previously signed a number of measures into law intended to address a variety of issues related to mitigating the risk of wildfires, including forest management, mutual aid for fire departments, emergency alerts and other safety mandates. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. In general, property damage due to wildfire could result in a significant decrease in the market value of property in the City and in the ability or willingness of property owners to pay property taxes, including the Parcel Tax.

Concentration of Property Ownership

Concentration of ownership presents a risk in that, if one or more of the largest property owners in the City were to default on their taxes, a substantial decline in Revenues could occur. The top ten owners of taxable parcels by square feet in the City represent approximately 8.34% of the total taxable square feet of taxable parcels of the City.

Levy and Collection of Taxes

The Authority has no independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the Revenues and, accordingly, could have an adverse impact on the ability of the City to make payments under the Financing Agreement, which could reduce Revenues available to pay debt service on the Bonds. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the Authority's ability to make timely debt service payments on the Bonds.

Direct and Overlapping Indebtedness

The ability of land owners within the City to pay property tax installments as they come due could be affected by the existence of other taxes and assessments imposed upon the land. In addition, other public agencies whose boundaries overlap those of the City could, without consent of the City, and in certain cases without the consent of the owners of the land within the City, impose additional taxes or assessment liens on the property to finance public improvements.

Investment Risk

Funds held under the Indenture may be invested in Permitted Investments as provided under the Indenture. See APPENDIX C attached hereto for a summary of the definition of Permitted Investments. The funds and accounts of the Authority, into which a portion of the proceeds of the Bonds will be deposited, may be invested by the Authority in any investment authorized by law. All investments, including the Permitted Investments and those authorized by law from time to time for investments by municipalities, contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected and loss or delayed receipt of principal.

Further, the Authority cannot predict the effects on the receipt of Revenues if the City were to suffer significant losses in its portfolio of investments or if the City were to become insolvent or declare bankruptcy. See "– Limitations on Remedies and Bankruptcy" above and "– Bankruptcy" below.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds, or, if a secondary market exists, that the Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon the then prevailing circumstances.

Bankruptcy

The rights of the Owners of the Bonds may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights under currently existing law or laws enacted in the future and may also be subject to the exercise of judicial discretion under certain circumstances. The opinions of Bond Counsel as to the enforceability of the obligation to make payments on the Bonds will be qualified as to bankruptcy and such other legal events. See APPENDIX D - "FORM OF OPINION OF BOND COUNSEL."

Federal Tax-Exempt Status of the Bonds

The Internal Revenue Code of 1986, as amended (the "Code") imposes a number of requirements that must be satisfied for interest on state and local obligations, such as the Bonds, to be excludable from gross income for federal income tax purposes. These requirements include limitations on the use of Bond proceeds, limitations on the investment earnings on Bonds proceeds prior to expenditure, a requirement that certain investment earnings on the Bond proceeds be paid periodically to the United States and a requirement that the issuers file an information report with the Internal Revenue Service (the "IRS"). The Authority has covenanted in certain of the documents referred to herein that it will comply with such requirements. Failure to comply with the requirements stated in the Code and related regulations, rulings and policies may result in the treatment of interest on the Bonds as taxable, retroactively to the date of issuance of such Bonds.

IRS Audit of Tax-Exempt Issues

The IRS has a program for the auditing of tax-exempt issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar obligations).

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City is subject to cyber threats including, but not limited to: hacking, malware, social engineering, and other attacks on its computer systems and sensitive digital networks. In the past five years, the City has not suffered any material cybersecurity attacks. The City carries a cyber liability insurance policy to cover certain financial losses that may result from data breaches and cyberattacks.

No assurance can be given that the City's efforts to manage cyber threats and attacks will be successful in all cases, or that any such attack will not materially impact the operations or finances of the City, the Authority, or the administration of the Bonds. The City and Authority are also reliant on other entities and service providers in connection with the administration of the Bonds. No assurance can be given that the City, the Authority and these other entities will not be affected by cyber threats and attacks in a manner that may affect the Bond owners.

Risks Associated with Bond Insurance

In the event that the Authority defaults in the payment of principal of and interest on the Bonds when due, the Owners of the Bonds will have a claim under the Policy for such payments. See the caption "BOND INSURANCE." In the event that AG becomes obligated to make payments with respect to the Bonds, no assurance can be given that such event will not adversely affect the market for the Bonds. In the event that AG is unable to make payments of principal of or interest on the Bonds when due under the Policy, the Bonds will be payable solely from Parcel Tax Revenues and amounts held in certain funds and accounts established under the Indenture, as described under the caption "SECURITY FOR THE BONDS."

The insured long-term rating on the Bonds is dependent in part on the financial strength of AG and its claims-paying ability. AG's financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of AG are lowered, such event could adversely affect the market for the Bonds. See the caption "RATINGS."

None of the Authority, the City or the Underwriter has made an independent investigation of the ability of AG to pay claims, and no assurance or representation regarding the financial strength or projected financial strength of AG is being made by the Authority, the City or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Bonds, potential investors should carefully consider the ability of the Authority to pay principal of and interest on the Bonds, assuming that the Policy is not available to pay principal of and interest on the Bonds, and the claims-paying ability of AG through maturity of the Bonds.

So long as the Policy remains in effect and the Insurer is not in default of its obligations thereunder, AG has certain notice, consent and other rights under the Indenture and will have the right to control all remedies in the event of a default under the Indenture. AG is not required to obtain the consent of the Owners of the Bonds with respect to the exercise of remedies. See "APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

Risks Relating to Tax-Exempt Status of the Bonds

As further described under the caption "TAX MATTERS" below, failure of the Authority to comply with the requirements of the Internal Revenue Code of 1986 (the "Code") and the related legal authorities, or changes in the federal tax law or its application, could cause interest on the Bonds to be included in the gross income of Holders for federal income tax purposes, possibly from the date of original issuance of the Bonds. Further, the opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of interest on the Bonds for federal income tax purposes. It is not binding on the IRS or the courts.

The IRS has an ongoing program of auditing obligations that are issued and sold as bearing tax-exempt interest to determine whether, in the view of the IRS, interest on such obligations is included in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted if this IRS focus could lead to an audit of the Bonds or what the result would be of any such audit.

If an audit of the Bonds is commenced, under current procedures parties other than the Authority would have little, if any, right to participate in the audit process. Moreover, because achieving judicial review in connection with an audit of tax-exempt obligations is difficult, obtaining an independent review of IRS positions with which the Authority legitimately disagree, may not be practicable. Any action of the IRS, regardless of the outcome, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of obligations presenting similar tax issues, may affect the market price for, or the marketability of, the Bonds. Finally, if the IRS ultimately determines that the interest on the Bonds is not excluded from the gross income of Bondholders for federal income tax purposes, the Authority may not have the resources to settle with the IRS, the Bonds are not required to be redeemed, and the interest rate on the Bonds will not increase.

LEGAL MATTERS

The legality and enforceability of the Bonds are subject to the approval of Best Best & Krieger LLP, Los Angeles, California, acting as Bond Counsel. The form of such legal opinion is attached hereto as APPENDIX D. Certain legal matters will be passed upon for the Authority by Best Best & Krieger LLP, Los Angeles, California, Disclosure Counsel to the Authority. Certain legal matters will be passed upon by Olivarez Madruga Law Organization, LLP, general counsel to the Authority and for the Underwriter by its counsel Kutak Rock LLP.

UNDERWRITING

The Bonds are being purchased by Cabrera Capital Markets, LLC, as underwriter of the Bonds (the "Underwriter"), pursuant to and subject to the conditions set forth in the bond purchase contract between the Authority and the Underwriter, at a purchase price of $32,787,190.10 (equal to the $31,810,000 aggregate principal amount of the Bonds, plus net original issue premium of $1,175,260.85, less an Underwriter's discount of $198,070.75). The bond purchase contract provides that the Underwriter will purchase all of the Bonds if any are purchased, and that the obligation to make such purchase is subject to certain terms and conditions set forth in the bond purchase contract.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the respective public offering prices stated or derived from information stated on the inside cover pages hereof. The initial public offering prices may be changed from time to time by the Underwriter.

LITIGATION

The Authority will certify to the effect that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best knowledge of the Authority, threatened (i) in any way questioning the existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the related legal documents or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the Authority to assign and pledge the Parcel Tax Payments; (iii) which may result in any material adverse change relating to the Authority; or (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

The City will certify to the effect that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body pending or, to the best knowledge of the City, threatened (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or in any way contesting or affecting the validity of the Bonds or the Financing Agreement or the consummation of the transactions contemplated thereby, or contesting the exclusion of the interest on the Bonds from taxation or contesting the powers of the City to enter into the Financing Agreement; or (iii) which may result in any material adverse change to the financial condition of the City or to its ability to pay the Parcel Tax Payments when due.

TAX MATTERS

General

In the opinion of Best Best & Krieger LLP, Los Angeles, California, subject, however, to certain qualifications described in this Official Statement, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds is excluded from gross income for federal income tax purposes, and interest on the Bonds is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income tax.

The opinions set forth in the preceding paragraph are subject to the condition that the Authority and the City comply with all requirements of the Internal Revenue Code of 1986, as amended ("Tax Code") that must be satisfied subsequent to the issuance of the Bonds. The Authority and the City have made certain representations and covenanted to comply with each such requirement. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events, or matters.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, prepayment, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest with respect to the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the IRS or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the City and Authority or about the effect of future changes in the Tax Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The City and Authority has covenanted, however, to comply with the requirements of the Tax Code.

The IRS has initiated an expanded program for auditing tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit (or by an audit of similar bonds).

Although Bond Counsel has rendered an opinion that interest on the Bonds is excluded from gross income for federal income tax purposes provided the Authority and the City continue to comply with certain requirements of the Tax Code, the accrual or receipt of interest on the Bonds may otherwise affect the tax liability of the recipient. The extent of these other tax consequences will depend upon the recipient's particular tax status and other items of income or deductions. Bond Counsel expresses no opinion regarding any such consequences. Accordingly, all potential purchasers should consult their tax advisors before purchasing any of the Bonds.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

Changes in Federal and State Tax Law

From time to time, there are legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to under this heading "TAX MATTERS" or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether if enacted it would apply to bonds issued prior to enactment. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds or the market value thereof would be impacted thereby. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based on existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending legislation, regulatory initiatives or litigation.

PROSPECTIVE PURCHASERS OF THE BONDS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS PRIOR TO ANY PURCHASE OF THE BONDS AS TO THE IMPACT OF THE CODE UPON THEIR ACQUISITION, HOLDING OR DISPOSITION OF THE BONDS.

MUNICIPAL ADVISOR

The Authority has retained Kosmont Financial Services, LLC, Manhattan Beach, California, as municipal advisor (the "Municipal Advisor") in connection with the issuance of the Bonds and certain other financial matters. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification of the accuracy, completeness or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other negotiable instruments.

FINANCIAL STATEMENTS

The basic financial statements of the City included as APPENDIX B to this Official Statement, have been audited by Clifton Larson Allen LLP, independent certified public accountants (the "Auditor"). The Auditor has not been requested to provide written consent to the inclusion of its report as APPENDIX B and has not undertaken to update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement. The audited financial statements, including the footnotes thereto, should be reviewed in their entirety.

CONTINUING DISCLOSURE

The Authority has covenanted in a Continuing Disclosure Certificate for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data pertaining to the Authority by not later than March 31 following the end of the fiscal year (currently its fiscal year ends on June 30) (the "Annual Report"), commencing with the fiscal year ending June 30, 2025, and to provide notices of the occurrence of certain enumerated events. The Authority has agreed under the Continuing Disclosure Certificate to file the City's audited financial statement with the MSRB when available.

The specific nature of the information to be contained in the Annual Reports and the notice of material events is set forth in APPENDIX F – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto. These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended (the "Rule").

The Authority has not been obligated previously to provide continuing disclosure under the Rule. As of the date hereof, the City is in compliance in all material respects with its continuing disclosure undertakings for the last five years except it failed to file unaudited financial statements of the City for the fiscal year ending June 30, 2024 by the due date of February 28, 2025 as required by the continuing disclosure certificate related to the City's Limited Obligation Improvement Bonds, Heritage Springs Assessment District No. 2001-1, Series 2001. The City will have filed the audited financial statements of the City for the fiscal year ended June 30, 2024 by the delivery date of the Bonds.

RATINGS

Moody's Investors Service, Inc. has assigned its rating of "A1" to the Bonds. S&P Global Ratings is expected to assign the insured rating of "AA" (stable outlook) to the Bonds based on the issuance and delivery of the Policy by AG at the time of delivery of the Bonds. See "BOND INSURANCE" herein. Rating agencies generally base their ratings on their own investigations, studies and assumptions as well as information and materials furnished to them (which may include information and materials from the Authority, which are not included in this Official Statement). The rating reflects only the view of the rating agency furnishing the same, and any explanation of the significance of the rating should be obtained only from the rating agency providing the same. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by the rating agency providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds. Neither the Underwriter nor the Authority has undertaken any responsibility after the offering of the Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

MISCELLANEOUS

Insofar as any statements made in this Official Statement involve matters of opinion or of estimates, whether or not expressly stated, they are set forth as such and not as representations of fact. No representation is made that any of such statements made will be realized. Neither this Official Statement nor any statement which may have been made verbally or in writing is to be construed as a contract with the Owners of the Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority.

SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY

By: /s/ René Bobadilla
Executive Director

APPENDIX A

DEMOGRAPHIC INFORMATION REGARDING THE CITY OF SANTA FE SPRINGS

The following is provided as general information only. The Bonds will be payable solely from, and are secured by a first and prior lien on, Parcel Tax Revenues levied by the City of Santa Fe Springs ("City") and collected by the County of Los Angeles (the "County") on each taxable parcel of real property within the City. The General Fund or any other funds of the City are not available for debt service on the Bonds. The City will not pledge its full faith and credit to the payment of Parcel Tax Payments. See "SECURITY FOR THE BONDS" in the front part of this Official Statement.

The City

The City is located in the County of Los Angeles. The urban development of the City began in the early 1950's as the result of a planned effort by a collation of business community members and local residents. During the ensuing years, community pressures resulted in the incorporation of the City on May 15, 1957, and, at the time covering just under 5 square miles. The City now encompasses 9 square miles, with about 84% of the land zoned for commercial and industrial use. The City's population is approximately 18,640; however, the daytime population is estimated at 95,000.

Ad Valorem Property Taxation

Taxes are levied for each fiscal year on taxable real and personal property that is situated in the County as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed property and property secured by a lien on real property which is sufficient, in the opinion of the Assessor, to secure payment of the taxes. Other property is assessed on "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and December 1 of each fiscal year. If unpaid, such taxes become delinquent on December 10 and April 10 respectively, and a ten percent penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared to be in default on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty of one and one half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the tax-defaulted property is declared to be subject to the Treasurer-Tax Collector's power of sale and may be subsequently sold by the County Treasurer-Tax Collector. Legislation established the "supplemental roll" in 1984 which directs the Assessor to reassess real property, at market value, on the date the property changes ownership or upon completion of construction. Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of construction and the date of the next regular tax roll upon which the assessment is entered. Billings are made on a monthly basis and due on the date mailed. If mailed between the months of July through October, the first installment becomes delinquent on December 10th and the second on April 10th. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent.

The following table summarizes the assessed valuation of taxable property within the City in the last five fiscal years.

CITY OF SANTA FE SPRINGS
ASSESSED VALUATION HISTORY OF TAXABLE PROPERTY UNAUDITED[1]
(in thousands)

Fiscal Year	Secured[2]	Unsecured[3]	Exempt[4]	Total Taxable Assessed Value
2019-20	$7,432,543	$ 1,184,857	(38,932)	$ 8,578,468
2020-21	8,031,534	1,251,065	(99,021)	9,183,578
2021-22	8,288,822	1,271,960	(160,749)	9,400,033
2022-23	8,865,124	1,275,308	(167,026)	9,973,406
2023-24	9,561,297	1,420,887	(59,330)	10,922,854

(1) Due to the 1978 passage of the property tax initiative Proposition 13 (Prop 13), the County does not track the estimated actual value of all County properties. Under Prop 13, property is assessed at the 1978 market value with an annual increase limited to the lesser of 2% or the CPI on property not involved in a change of ownership or properties that did not undergo new construction. Newly acquired property is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel. As a result, similar properties can have substantially different assessed values based on the date of purchase. Additionally, Prop 13 limits the property tax rate to 1% of assessed value plus the rate necessary to fund local voter-approved bonds and special assessments.

(2) Secured property is generally real property, as defined as land, mines, minerals, timber, and improvements such as buildings, structures, crops, trees, and vines.

(3) Unsecured property is generally personal property including machinery, equipment, office tools, and supplies.

(4) Exempt properties include numerous full and partial exclusions/exemptions provided by the State Constitution and the legislature that relieve certain taxpayers from the burden of paying property taxes.

Source: City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Largest Taxpayers

The ten largest taxpayers in the City, as shown by assessed value on the fiscal year 2023-24 secured tax roll are shown below. These taxpayers will not necessarily be the largest payers of the Parcel Tax, which is based on property square footage rather than assessed value. See the caption "PARCEL TAX AND RELATED INFORMATION – Measure SFS" in the forepart of this Official Statement for a list of the taxpayers that are expected to be the top ten Parcel Tax payers.

CITY OF SANTA FE SPRINGS
PRINCIPAL TAXPAYERS
FISCAL YEAR 2023-24

Rank	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value
1	Golden Springs Dev.	$345,181,516	3.16%
2	Goodman Santa Fe Springs Spe L	241,267,969	2.21
3	Rexford Industrial	169,019,775	1.55
4	GLC SFS II LLC	167,913,933	1.54
5	PPF Industrial 12016 Telegraph	165,626,072	1.52
6	PSB Hathaway III LLC	109,322,550	1.00
7	1050 College Partners	96,282,199	0.88
8	MCcaster Carr Supply Company	93,938,923	0.86
9	Duke Realty Lakeland Rd LP	92,310,000	0.85
10	Teachers Insurance Annuity Assoc	85,076,404	0.78

Source: City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Population

The table below illustrates the population in the City in the last five years.

Year	City
2020	18,295
2021	18,129
2022	18,763
2023	18,570
2024	18,640

Sources: City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Per Capita Personal Income

The table below compares the City's per capita personal income between 2020 and 2024.

CITY OF SANTA FE SPRINGS COMPARISON
PER CAPITA PERSONAL INCOME

	2020	2021	2022	2023[1]	2024
City	$25,792	$27,839	$31,976	$37,297	$41,726
California Average	70,098	76,882	76,941	81,255	N/A
U.S. Average	59,123	64,460	66,244	69,810	N/A

[1] Most recent annual data available for California and U.S.
Source: U.S. Department of Commerce, Bureau of Economic Analysis; City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

Major Employers

The table below shows the City's 10 largest employers as of June 30, 2024.

CITY OF SANTA FE SPRINGS
TEN LARGEST EMPLOYERS

Employer Name	Number of Employees	Percent of Total Employment
FN Logistics, LLC	1,100	2.59%
McMaster Carr Supply Company	803	1.89
L.A. Specialty Produce Company	532	1.25
MRDN Staffing Inc.	500	1.18
Harbor Distributions LLC	450	1.06
Vans	448	1.05
FedEx Ground Package System	446	1.05
Southern Glazer's Wine and Spirits	427	1.00
Trojan Battery Company LLC	408	0.96
Windsor Fashions LLC	379	0.89

Source: City Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

APPENDIX B

AUDITED FINANCIAL STATEMENTS ENDED JUNE 30, 2024

ANNUAL COMPREHENSIVE

FINANCIAL REPORT

CITY OF SANTA FE SPRINGS

JULY 1, 2023 TO JUNE 30, 2024

CITY OF
SANTA FE SPRINGS

Annual Comprehensive Financial Report

City of Santa Fe Springs, CA
Year Ended June 30, 2024

City Council
William K. Rounds, Mayor
Joe Angel Zamora, Mayor Pro-Tem
Annette Rodriguez, Councilmember
Juanita Martin, Councilmember
John M. Mora, Councilmember

Planning Commission
Isabel Cervantes
David Ayala
Joseph Flores
Gabriel Jimenez
Jay Sarno

Traffic Commission
Blake Carter
Felix Miranda
Johana Coca
Sally Gaitan

Executive Management Team
René Bobadilla, City Manager
Nicholas Razo, Assistant City Manager
Rick Olivarez, City Attorney
Lana Dich, Director of Finance
Maricela Balderas, Dir. of Com. Services
Chad A. Van Meeteren, Fire Chief
Cuong H. Nguyen, Dir. of Comm. Dev.
James Enriquez, Director of Public Works
Arlene Salazar, Director of Police Services

Prepared by:
Lana Dich, Director of Finance
Rachel Gutierrez, Assist. Dir. of Fin.
Rachelle Daaca, Senior Accountant
Jaime de Guzman, Principal Accountant
Erlinda Gutierrez, Accountant

CITY OF
SANTA FE SPRINGS

TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2024

(This page intentionally left blank)

CITY OF
SANTA FE SPRINGS
11710 Telegraph Road • CA • 90670-3679 • (562) 868-0511 • Fax (562) 868-7112 • www.santafesprings.org
"A great place to live, work, and play"

March 10, 2025

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

Introduction

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

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

Introduction- Letter of transmittal, an organizational chart, and prior year award for financial reporting.

Financial - Independent auditor's report, Management's Discussion and Analysis (MD&A), basic financial statements, accompanying notes to the financial statements, required supplementary information, and supplementary information.

MD&A complements this letter of transmittal and should be read in conjunction with it.

Statistical - Pertinent financial and non-financial data that present historical trends and other information about the City.

Introduction (cont.)

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

Accounting System and Budgetary Control

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

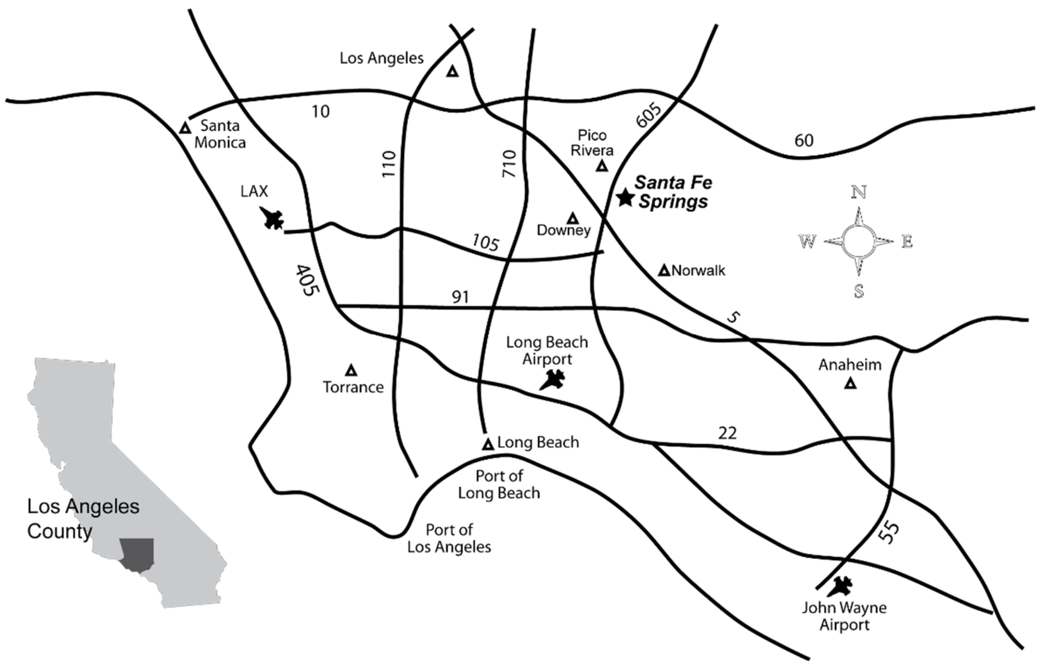
- The safeguarding of assets against loss from unauthorized use or disposition; and
- The reliability of financial records for preparing financial statements and maintaining accountability for assets.

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

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

Profile and Government Structure

The urban development of Santa Fe Springs began in the early 1950's as the result of a planned effort by a coalition of business community members and local residents. During the ensuing years, community pressures resulted in the incorporation of the City on May 15, 1957. The new City covered 4.9 square miles with a population of 11,787. The City of Santa Fe Springs now encompasses 9 square miles, with about 84% of the land zoned for commercial and industrial use. The City's population is approximately 18,200; however, the daytime population is estimated at 100,000.



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

Local Economic Outlook

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

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

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

Although the COVID-19 pandemic and its economic impact were felt throughout our nation, the City was fortunate that our sales tax base was relatively unaffected by the pandemic as it had little to no effect on the City's revenue stream. In fact, the Stay-at-Home orders generated greater than anticipated online sales which played a pivotal role in the City's increased sales tax revenue. While the sales tax generated in FY 2021-22 was the highest the City had ever generated, the sales tax generated in FY 2022-23 surpassed last year's amount. The Sales Tax revenue and its growth are critical to the City's financial position as it represents nearly half of all of the City's General Fund revenues.

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

At the end of 2024, the City voters approved Parcel Tax (Measure SFS). This is a dedicated source to provide funding for roads/streets. The Measure SFS is expected to generate $6 million per year, for 25 years, beginning in FY 2025-26. This amount generated will increase by 2% per year thereafter.

Vision, Mission, and Guiding Values

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

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

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

Accomplishments & Outlook

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

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

<u>Department of Fire- Rescue</u>

The Department of Fire-Rescue comprises 57 members working from four fire stations providing traditional fire suppression services, hazardous materials response, fire prevention, and emergency medical services, and a full-service Environmental Protection Division. The environmental protection and response components are considered model systems in the State of California. The City's status as a Certified Unified Program Agency (CUPA) makes Santa Fe Springs a

Accomplishments & Outlook (cont.)

"one-stop-shop" for administering all the City's hazardous materials, hazardous waste, and tank programs. The State has long held the City's CUPA as one of the most regarded programs in the State. The CUPA Division utilizes the California Environmental Reporting System (CERS), allowing business residents to file their annual hazardous materials disclosures electronically. The Fire Prevention Division also provides many services, including code enforcement, plan checks, issuing permits, fire investigations, and public education events. In FY 2023-2024, the Environmental and Prevention Divisions performed over 2500 permit inspections of new and existing facilities. Fire Suppression personnel have a business-friendly fire inspection program to annually inspect each business in the City to identify possible fire and life safety issues and update emergency contact information in the department's database. The Department of Fire Rescue conducted over 3200 business and residential inspections and responded to over 4,000 emergency calls in FY 2023-24.

The Department of Fire Rescue currently staffs a State certified Regional Urban Search and Rescue Team (US&R) designated at the highest level as a "Heavy" rescue team by the Office of Emergency Services (OES). Fire-Rescue also staffs a State certified Type I Hazardous Materials Response Team with all staff trained to the Haz-Mat "Specialist" level. The City is currently one of only thirty Hazardous Material Teams in the State certified as a Type I Response Team and qualified to mitigate emergencies involving acts of terrorism and weapons of mass destruction. The Department houses and maintains an OES Fire Engine for local and statewide disaster response. The Department continues to support neighboring communities through the California Master Mutual Aid Agreement in response to major disasters and emergencies, including brush fires, landslides, earthquakes, acts of terrorism, major disasters, etc. In FY 2023-2024, the Department of Fire-Rescue assisted outside their jurisdiction six times to significant fire incidents. The City was reimbursed over $182,000 in backfill expenses for labor and equipment to respond to these incidents.

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

In FY 2023-2024, the Fire-Rescue Department secured $1,055,480 through the 2022 State of Homeland Security Grant Program (SHSGP) and the Assistance to Firefighters Grant Program (AFGP). This funding supports the purchase of equipment and training for the Homeland Regional Training Center, the City's

Accomplishments & Outlook (cont.)

Type I Hazardous Materials Response Team, and the City's Urban Search and Rescue (USAR) Response Team. As in the past years, the use of grant funds has provided relief to the City budget as these vehicles, equipment, and training would typically have been funded through the City's General Fund.

Department of Police Services

The Department of Police Services is responsible for the management of all law enforcement services in the city. The Santa Fe Springs Policing Team is comprised of City administrative personnel, Public Safety Officers, Code Enforcement Inspectors, and Whittier Police Department (WPD) sworn personnel committed to community safety by developing effective strategies and maintaining collaborative partnerships to address quality of life issues. Additionally, Police Services oversees animal licensing services and process regulatory permits such as catering food truck, soliciting, sidewalk vending, alcohol sales conditional use, and entertainment conditional use permits.

During FY 2023-2024, the department continued to strive toward keeping crime and property loss rates at the lowest possible levels, maintain acceptable response times for emergency service calls, promote the use of technology, and enhance coordination between schools and the City. The policing team focused on enhancing community partnerships by providing a variety of programs, services and tools designed to reduce crime and maintain the safety and well-being of all citizens within the community. Some of the Department efforts and accomplishments included:

- Whittier Police Department Officers responded to 17,777 calls for service throughout the city. Additionally, Police officers also responded to several incidents involving Driving Under the Influence (DUI) offenses resulting in arrests and 34 citations were processed for cost recovery.
- WPD partnered with LA County District Attorney Investigators Community Violence Reduction Team (CVRT) to conduct sweeps, targeting violent suspects and gang enforcement operations to address violators who jeopardize the safety of the community. This team allows WPD to be a force multiplier in addressing several locations throughout the city. 30 parole/probation compliance searches were conducted in Santa Fe Springs and surrounding communities affecting public safety and quality of life issues.
- Officers conducted 9 large homeless encampment cleanups at various locations throughout the city including Coyote Creek, Santa Fe Springs Road, and various rail lines that run through the City of Santa Fe Springs. Cleanups required partnering with the Los Angeles County Department's HOST Team, LA County Department of Public Works, Union Pacific Railroad and Burlington Northern Santa Fe Railroad.

Accomplishments & Outlook (cont.)

- In January 2024, Officers received comprehensive refresher training in Rapid Response protocols to active shooter situations such as school and workplace violence scenarios. Officers were given a scenario and responded as a team to mitigate the problem. In addition, Officers received less lethal and de-escalation training in April 2024. This included the acquisition of new less lethal equipment for officers to utilize in field operations.
- In July 2023, Body Worn Cameras were deployed and issued to all officers in Santa Fe Springs.
- WPD Special Enforcement Team (SET) conducted several narcotics investigations. These efforts have resulted in the seizure of 2 pounds of methamphetamine, over 1,000 fentanyl pills and 5 pounds of cocaine.
- SET investigated a commercial business operating an illegal marijuana grow which resulted in the destruction of over 800 marijuana plants
- In effort to increase traffic safety, the department focused on traffic enforcement operations and proactive traffic overtime enforcement. Approximately, 989 citations were issued at citywide problematic locations for hazardous violations such as distracted driving, unsafe speed, disobeying signage, red light violations and unsafe movements.
- The department entered into an agreement with the California Highway Patrol Santa Fe Springs station to provide supplemental traffic enforcement.
- New solar-powered surveillance cameras were installed in select residential locations to help deter criminal activity and enhance neighborhood safety and security.
- Approximately, 23 homeowners have taken advantage of the opportunity to enhance security at their homes through the Home Security Camera Rebate Program. The program offers residents a rebate for the purchase and installation of a security camera device at their residence.
- The department continued to subscribe to Crimereports.com, providing citizens with access to up-to date city crime statistics.

Public Safety Program:

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

Accomplishments & Outlook (cont.)

sworn police officers to remain free to respond to emergent/priority calls for service.

- Public Safety Officers (PSO's) played a critical role in the department's field operations. PSO's responded to approximately 3,258 calls for service and provided 4,572 pro-active patrols throughout the city. Calls for service included, but were not limited to parking violations, graffiti vandalism, safety hazards, non-criminal and criminal reports and other quality of life issue concerns. A total of 5,261 parking citations were issued.
- PSO's responded to 697 traffic collision related incidents, allowing sworn personnel to remain available to respond to emergent calls for service and reducing overall response times for priority calls.
- PSO's prepared 1,268 criminal/non-criminal and traffic collision reports.
- PSO's issued 285 parking warnings to vehicles in violation of 72-hour parking.
- PSO's issued 156 Notice of Violations for illegal street vending activity.
- PSO's completed over 488 hours of officer safety training which included Officer Safety, Bike Patrol, PC832 Laws of Arrest, Supervisory Skills, Assertive Supervision, Maximizing Performance through documentation and Harassment Training.
- Enhancing community partnerships by improving community relations was also a key area of focus. The department held events such as Coffee with a Cop, Sweets & treats with Santa, Trick-or-Treat at the Police Services Center, and hosted information booths at community and City special events. Additionally, PSO's and WPD personnel visited elementary schools and participated in Read Across America, which aims to celebrate reading across the county.
- The department partnered with numerous law enforcement agencies, non-profit organizations and City departments to host National Night Out (NNO). The event aims to strengthen community-police partnerships and build neighborhood camaraderie, essential in keeping our community safe. NNO included police and fire vehicle displays and community information booths.
- The Bike Patrol Program continued throughout the city. Public Safety Officers provided pro-active patrol on bicycles in residential neighborhoods, City facilities, and parks to improve citizen engagement and ensure a safe community.
- Three Community Block Parties were also held to bring community members together to get to know their neighbors and policing team in a relaxed environment.

Accomplishments & Outlook (cont.)

Animal Licensing Program & Regulatory Permits:

- During FY 2023-2024, 1,326 dog licenses were processed.
- The Department partnered with the Southeast Area Animal Control Authority (SEAACA) to host the annual Low-Cost Pet Vaccination Clinic. 86 animals were licensed, 209 received vaccinations and 19 pets were microchipped.
- Administrative staff issued 14 regulatory permits for catering food truck operations and two special events permits.
- A total of 193 yard sale permits were issued during FY 2023-2024.

Code Enforcement Program:

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

Code Enforcement activity for FY 2023-2024 included, but was not limited to:

- 281 new code enforcement cases initiated to address numerous violations related to property maintenance concerns, illegal garage conversions, illegal structures, hazardous property conditions, illegal business operations, inoperable and abandoned vehicles, and illegal land use activity.
- Coordinated outreach and partnered with outside agencies to remove homeless encampments located on City property, Burlington Northern Santa Fe Railroad, Union Pacific Railroad, LA County Public Works, Caltrans and private properties. The team coordinated with these agencies and business owners to assist with several homeless encampment cleanups. Although some of these homeless encampments were located on outside agency property, they ran through the Santa Fe Springs jurisdiction and negatively impacted the residential and business community.
- Over 181 contacts were made with individuals experiencing homelessness.
- Code Enforcement Inspectors conducted 1,168 residential and commercial inspections and 671 follow-ups in an effort to get properties into compliance.
- Inspectors also issued 296 Notice of Violations, and 207 Administrative Citations were issued by Code Enforcement and Public Safety Officers for various code violations.

Accomplishments & Outlook (cont.)

- Code Enforcement staff also remained dedicated to participating in ongoing training. Inspectors participated in over 39 hours of code enforcement continued education and officer safety trainings.
- Code Enforcement staff processed 6 Alcohol Sales Conditional Use Permits (ASCUP) and 8 ASCUP Compliance Reviews.
- Staff also continued to work closely with the Community Development Department to identify potential impacts and mitigate hazards of new and existing developments by developing conditions of approval to ensure safety and minimize negative impacts to the community.
- In February 2024, a Senior Code Enforcement Inspector position was added to the team. This position provides direct supervision to Code Enforcement Inspectors and performs technical office and field work.
- In June 2024, Thomson Reuters CLEAR investigative software was added to assist Code Enforcement staff identify responsible parties. CLEAR software is a valuable resource which makes Code Enforcement more effective and efficient by providing the most accurate information.

Department of Public Works

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

The Engineering Division is responsible for the administration of the Capital Improvement Program (CIP); working closely with the Council CIP Subcommittee. In addition, traffic engineering and development review services are provided within the Engineering Division. In FY 2023-2024, the Engineering Division issued approximately 300 total excavation and construction permits.

During FY 2023-2024, the Department of Public Works coordinated a multitude of capital improvement projects including:

Facility Improvements

- Town Center Hall Storage Cabinets at the Social Hall
- Police Service Center Main Entrance Improvements (Sky-Light)
- City Hall Roof Replacement
- Police Services Staging Roof Replacement
- Clarke Estate Parking Lot Improvements
- Traffic Signal Administration Roof Replacement

Accomplishments & Outlook (cont.)

- City Clerk's Office Improvements
- EV Charge Stations North City Hall Parking Lot

Park Improvements

- Los Nietos Park North Baseball Field Fencing Improvements
- Heritage Park Trellis/Pergola Rehabilitation
- Los Nietos Park North Baseball Field Fencing Improvements Phase II - Hood Netting
- Install WIFI at City Hall

Street Improvements

- Stop Sign Installations at Orr and Day Road at Whiteland Street
- Street Rehabilitation on Residential Streets South of Florence Ave
- Street Rehabilitation on Longworth Avenue (Orr & Day Road to Harvest Avenue)
- Street Rehabilitation on Pioneer Frontage Road (Clarkman Street to south end)
- Telegraph Rd at Carmenita Rd Intersection Improvements
- Pioneer Bl at Houghton Stop Sign Study
- Median Entry Monument on Pioneer Rehabilitation

Building & Safety

Responsible for ensuring that construction and occupancy of buildings meet safety standards by managing the plan check process, issuing permits, and conducting inspections.

Building Activities during FY 2023-2024

- Total permits issued:
  - 1,358 total
    - 665 Building Permits
    - 312 Electrical Permits
    - 149 Mechanical Permits
    - 157 Plumbing Permits
    - 66 Sewer Permits
    - 9 Grading Permits
- Overall project valuation of permits issued:
  - $132,712,093 total
  - It should be noted that the Electrical, Mechanical, Plumbing and Grading permits do not have a valuation.
- Total number of individuals assisted at the counter:
  - 751 total.

Accomplishments & Outlook (cont.)

Department of Community Development

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

- Planning
  - Current and Advanced (long-range) planning;
- Economic Development
  - Creating, retaining, attracting, and expanding the business community; and
- Housing
  - Improving the quality of our neighborhoods, providing affordable housing options, and managing and disposing of the assets of the former redevelopment agency.

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

Planning Division Activities during FY 2023-2024

- Total number of entitlements processed:
  - Discretionary entitlements: 46 total.
  - Administrative entitlements: 14 total (*wireless projects*)
- Advanced Planning projects completed:
  - Established an on-call environmental services list.
  - Initiated the Surplus Land Act process for several city-owned properties.
  - Adopted local CEQA Guidelines.
  - Adopted an Ordinance to allow Temporary Truck, Trailer, and Container storage on selective properties.
  - Total number of plan checks completed: 500 total.
- Total number of Zone Certification Letters prepared:
  - 18 total.
- Various miscellaneous permits processed:
  - 3 Office Trailer Permits.
  - 3 Home Occupation Permits.
  - 7 Preliminary Application Reviews.

Accomplishments & Outlook (cont.)

- Total number of individuals assisted at the counter:
  - 699 total.

Economic Development Division Activities during FY 2023-2024

- Opening of a new Chick-Fil-A drive-through restaurant at 13225 Telegraph Road.
- Entitled the development of a new Raising Cane's drive-through restaurant at 12623 Imperial Highway.
- Construction began for the Sonic's Drive In and Dave's Hot Chicken at the northeast corner of Laurel Avenue and Florence Avenue.
- Zoning Code revision to simplify and streamline the Alcohol Sales Conditional Use Permits process.

Housing Division Activities during FY 2023-2024

- Submitted the 5th draft of the 2021-2029 Housing Element to the California Department of Housing and Community Development (HCD) for approval.
- Updated City's ADU ordinance to comply with State's updated ADU laws
- Updated the City's Municipal Code to include provisions for SB 9 two-unit developments and urban lot splits.
- Accessory Dwelling Units (ADUs) reviewed and approved: 20 total.
- SB 9 (Two-unit Development) reviewed and approved: 2 total.

Upcoming Activities

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

- Select a consultant and begin the Comprehensive Zoning Code Update.
- Select a consultant and begin the Town Center Telegraph Corridor Specific Plan as part of the Caltrans Sustainable Transportation Planning Grant.
- Complete the Surplus Land Act process to construct new housing and commercial opportunities with several city-owned properties.
- Completion of The Whole Child interim housing and community wellness support center.
- Completion of the Richman Group housing project.
- Begin construction of the Habitat for Humanity housing project.
- Select a consultant and process entitlements for three (3) new billboards on the I-605 freeway.
- Complete the design and build for five (5) new single-family homes on existing city parcels.
- Complete the environmental assessment of four (4) city-owned properties as part of the Equitable Community Revitalization Grant (ECRG).
- Adopt new regulations and procedures related to firework booth sales.
- Implement a new Zoning Compliance Form into the business license review process to streamline the understanding of new and existing business operations.

Accomplishments & Outlook (cont.)

Department of Community Services

The Department of Community Services includes the following Divisions: 1) Administration; 2) Library and Cultural Services (LCS); and 3) Family and Human Services (FHS). It is one of the City departments that has the most direct impact on the residents of Santa Fe Springs. Programs and services are available to City residents, visitors, and business residents. These programs and services range from social, recreational, and cultural services. During Fiscal Year 2023-2024, the Department of Community Services achieved several significant accomplishments.

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

- The Community Services Department implemented several internal operational changes, including:

  - Separation of Parks and Recreation (parks, sports, some special events, aquatics, teens, contract classes) operations from the Community Services Department.
  - Creation of a Creative Media & Communications team under the Administration Division.
  - Transfer of Transit Services from the Public Works Department to the Community Services Department.

  - The Creative Media & Communications (CMC) Team formed in December 2023. The CMC Team is essential for creating a positive image, fostering community engagement, and ensuring effective communication in a way that benefits both the municipality and the community it serves. The CMC Team will help to serve the City of Santa Fe Springs in a variety of roles including, but not limited to, community engagement, public awareness, brand building, communication, crisis management, data collection, policy advocacy, enhancing public legitimacy and trust, and promotion of city services, programs, and events.

  - Since its inception, the team has worked to:
  - Complete a media audit to identify how to better engage the community, including Issuing a public survey that resulted in 715 responses and a better understanding of community needs.
  - Produced a new monthly E-Newsletter "Be in the know of the 90670!"
  - Increased Social Media Followers by 19%, from 14,752 to 17,561 in just 6 months
  - Obtained permission from the Federal Government to use the www.santafesprings.gov domain (transition to .gov will happen in FY24.25).

Accomplishments & Outlook (cont.)

- Initiated better internal communications with a monthly Department Liaisons meeting and routine Public Safety meetings, including SFS Fire, Creative Media & Communications, Police Services, and Whittier P.D.

- Assisted with SFS Art Fest promotional efforts resulting in almost doubled attendance from the previous year's event.
- Utilized digital platforms such as Hootsuite and Placer AI to increase efficient operations and better analyze marketing efforts.
-
- The Community Services Department Administration Division hosted the annual Walk to School Day on Wednesday, October 4, 2023, and included participation from the Police Services Department and City of Norwalk Public Safety. Six elementary schools participated – Rancho Santa Gertrudes, Jersey Avenue, Cresson, Lakeview, Lakeland, and Santa Fe Springs Christian. About 500 4th and 5th-grade students, teachers, parent volunteers, and staff participated.
-
- The Library continued to increase its attendance numbers, services offered, and special programs in Fiscal Year 2023-24 some noteworthy accomplishments include:
-
- Grant Funded Programming - In FTY2023/2024, the Library received over $85,000 in funds and $11,000 in materials for programs and services to the community, including:
- Literacy Services to Adults – The Library rebuilt and updated its Literacy Services and added English As A Second Language (ESL) to its program.
- Programming for Developmentally Adults – The Library received funds to present programming on sustainability. The programs included topics such as native plants, the benefits of insects and trees, low waste living and energy and water efficiency.
- Stay and Play, a program that provides a dedicated space for children and their caregivers to promote socializing, learning, and literacy
- Participation in E-books For All, a statewide collection of e-books and e-audiobooks. The Library received funds to select titles that interest our community.
- Materials to distribute or offer for checkout, such as eclipse viewing glasses, backpacks with hiking supplies, including solar panels, and fix-it kits filled with tools to help people fix their broken items.
- Passport Services - In August 2023 the Library began to offer passport acceptance services. During this period the Library generated almost $13,000 in fees related to services and passport photos.

Accomplishments & Outlook (cont.)

- Library Programs - The Library's innovative programming was very popular with the public. We hosted Pub Trivia, a Mystery Dinner Night, Lantern Tours and 5 book groups. We also expanded our First Fridays and added teen programming. Our Children's programming grew considerably. Over 500 guests attended our Summer Reading Program kickoff party, where we presented a live dance band, face painting, a caricature artist, a mocktail bar and a live animal show complete with a kangaroo. We also revised our children's literacy program and replaced the old Reading Club with a new Reading Lab that is open to all children regardless of reading level and promotes reading with fun activities.

- The Family and Human Services Division continued to increased offerings for social services, community events, and programs for seniors, this includes:

  - $83,918.59 in utility assistance grants, and 453 applications were processed. The Family & Human Services Division continues to partner with United Way and Southern California Edison and SoCal Gas, to provide utility assistance to low-income families and seniors at risk of having their utilities disconnected.
  - 210 Emergency food/clothing packages were distributed. Gus' Kitchen Food Pantry and Community Closet located at the Gus Velasco Neighborhood Center, provides food, hygiene products, and clothing to low-income residents and our unhoused neighbors.
  - 144 inquiries for affordable housing, were responded to by case managers. Affordable housing is increasingly in demand. Most of those in need are either at risk of homelessness or homeless and are often older adults or families.
  - 125 participants attended our Family Health and Wellness classes. These events are chosen to promote protective factors within families and build overall health in our community. Evidence-based data shows that regular family engagement, communication, acceptance, and time spent together after school supports strong families, mental health, and resilience. They also reduce the risk of child abuse and substance use. The classes this year were:
    - Cellphone Savvy Family Photo Class- 15 Participants
    - Family Rock Painting Night- 29 Participants
    - Family Yoga Night, (in partnership with SPIRITT Family Services)- 16 Participants
    - Family Wood Block Craft- 32 Participants
    - Pride Family Paint Night- 33 Participants
  - 168 Backpacks filled with school supplies were distributed to Santa Fe Springs resident children for our Back-to-School Backpack Program. Backpacks were donated by the Rotary Club of Santa Fe Springs, and other monetary donations as well as school supplies were donated by the community.

Accomplishments & Outlook (cont.)

- 153 bags of clothing were provided to community children at the Children's Spring Boutique. A boutique-style outdoor marketplace provides our families with a fun and festive shopping experience. Gently used clothing from our Community Closet was displayed for families to shop for free!
- 324-holiday food baskets were distributed to older adults and families in the community through the Neighborly Elf and Thankful Neighbor Basket programs.
- 3,645 Social Service inquiries were responded to, by Case Managers.
- 98 Families and individuals received assistance in accessing or maintaining affordable health care through Covered California.
- 292 Clients received assistance in form completion. Most are to assist with maintaining or accessing vital services to improve or maintain their quality of life.
- Two emergency meetings were coordinated to offer support and resources to the residents living without gas because of a gas leak and shut off natural gas to the Placita Park Apartment complex. Resources included gift cards, information and referrals, and electric space heaters. An additional meeting with a speaker from the Housing Rights Center was held to inform residents of their rights as tenants. 124 residents of the apartments attended the meetings.
- 15 Older adults attended a workshop on How to Protect your Home Equity, to prevent being a victim of fraud or scams.
- 10 Children participated in a sleep-away camp through Woodcraft Rangers and sponsored by Family and Human Services.
- 4 children were sponsored by Family and Human Services funds for sports and day camp activities.

Department of Parks and Recreation

The Department of Parks & Recreation is dedicated to enriching the lives of our residents by providing quality and caring programs, events, and services that foster community engagement, personal growth, and well-being. We strive to create inclusive recreational opportunities that promote both physical and emotional development for individuals of all ages.

Our wide array of offerings includes year-round programs such as youth and adult sports leagues, recreational classes, day camps, aquatic programs, and youth-focused initiatives at our Activity Center. These activities are thoughtfully designed to encourage cultural enrichment, social connection, and lifelong learning, ensuring that every resident can find opportunities to explore their interests and achieve personal growth.

Accomplishments & Outlook (cont.)

- Restructured Operations and Established the Department of Parks and Recreation
  - In February 2024, the City established the Department of Parks and Recreation, leading to a comprehensive restructuring of program areas and operations. Key improvements that directly impacted residents and key stakeholders by providing higher-quality programming, fostering opportunities for new collaborations, and improving the overall management of community resources, included:
    - The creation of a dedicated maintenance crew for sports fields.
    - The addition of Summer Movie Nights (formerly housed in Community Services).
    - The integration of the Family and Youth Intervention Program into recreation programming, enhancing service delivery and operational efficiency.

- Expanded and Enhanced Community Events
  - The Department significantly increased and enhanced community events, resulting in higher participation and community pride. Key highlights included:
    - Overall, the department hosted 12 community special events with an estimated attendance of approximately 36,600 people.
    - The Independence Day celebration attracted 3,000 more attendees than the previous year—a 25% increase—largely due to improved entertainment, the addition of a second stage, and a spectacularly produced fireworks show.
    - New Memorial Day and Veterans Day Ceremonies were introduced to honor military personnel and their families, receiving widespread acclaim from the community for their heartfelt tributes.
    - The annual 5K event saw a 50% increase in participation, with 700 additional participants joining the run.
    - The Tree Lighting Ceremony also experienced a significant boost in attendance, with an estimated 4,200 attendees enjoying the festive celebration.

- Expanded Collaborative Partnership with the American Cancer Society
  - The Department forged new partnerships, including securing various donations and services for Relay for Life, which featured enhanced entertainment and new activities. Despite a location change that was initially received by stakeholders with skepticism, the event attracted more volunteers, raised over $100,000 toward cancer research, and saw a 37% increase in participation, with over 3,700 attendees, the most this event has seen. These efforts strengthened community engagement and elevated the overall event experience. Additionally, the Relay for Life event was nominated for Event of the Year on the west coast by the American Cancer Society, highlighting its significant impact and success.

Accomplishments & Outlook (cont.)

- Reintroduced Swim Program at the Aquatic Center
    - The Department successfully reintroduced the swim program at the Aquatic Center following a complete refurbishment of the pools, after a three-year closure due to safety concerns. The upgrades included new concrete decking, advanced pool features, modern equipment, and infrastructure leak repairs, revitalizing the facility. Swim lessons were reinstated mid-summer, serving 80% residents, with a daily average participation of 514 across various aquatic programs, including swim lessons, water aerobics, lap swim, and recreational swim, significantly enhancing community engagement and wellness.

- Enhanced Community Access Through Online Transactions The Department strengthened its role as a community hub by increasing online transactions by 31% in the past fiscal year, with online registrations accounting for 22% of all transactions processed for recreation programs. In total, the department processed 5,569 transactions, showcasing its commitment to accessibility and convenience for residents. These efforts reflect the department's dedication to modernizing services and enhancing community engagement.

City Manager

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

City Manager's Office Accomplishments

In the past year, the City Manager's Office has made significant strides in improving internal operations, enhancing efficiency, and addressing the evolving needs of both city departments and the community. Key accomplishments include:

- **Organizational Enhancements & Efficiency Improvements**
    - Assessed internal city expectations and community needs to better align operations with resident and staff priorities.
    - Strengthened the City Manager's Office by integrating Human Resources and IT functions under its umbrella, fostering greater collaboration, efficiency, and productivity.

Accomplishments & Outlook (cont.)

- **Human Resources & Policy Updates**
  - Launched a streamlined performance evaluation system, making it more efficient for supervisors to complete assessments.
  - Conducted and implemented a comprehensive classification and compensation study to ensure equitable and competitive pay structures.
  - Implemented a revised Vehicle Use Policy to enhance operational consistency and accountability.
  - Continued to provide guidance to Department Directors on personnel matters, ensuring effective leadership and decision-making.
- **Technology & Communication Advancements**
  - Conducted an IT assessment to identify and address infrastructure needs.
  - Successfully launched the City's first YouTube-streamed Council meeting, increasing public access to government proceedings. Meetings are now available on the City's website for on-demand viewing.
  - Upgraded all city users to Microsoft 365, improving communication and productivity across departments.
  - Updated the City's online domain from **.org** to **.gov** to comply with state requirements, reinforcing the City's official government status and enhancing cybersecurity.
- **Financial & Operational Improvements**
  - Collaborated with the Finance Department to implement a new banking process, ensuring high-quality service and a cost-effective fee structure.
  - Evaluated City facility audiovisual needs, paving the way for AV system enhancements.

Through these initiatives, the City Manager's Office remains committed to fostering an efficient, transparent, and responsive government that effectively serves both city employees and the community.

Department of Finance and Administrative Services

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

Accomplishments & Outlook (cont.)

During Fiscal Year 2022 through 2023, the City's operations were in part impacted by the pandemic. However, the City experienced little to no effect on revenue stream, and in fact, experienced greater than anticipated Sales Tax and Transaction Tax revenues.

The department is in the process of implementing the following:

- Transitioning to a new bank
- New Trustee for Pension and OPEB
- New Investment Portfolio Manager
- Lock Box system to ensure quick turnaround for payment processing
- New Water utility billing software
- Budget software
- Assisting Human Resources and Payroll software

Long-Term Financial Planning

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

Debt Administration

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

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

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

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

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

Acknowledgements

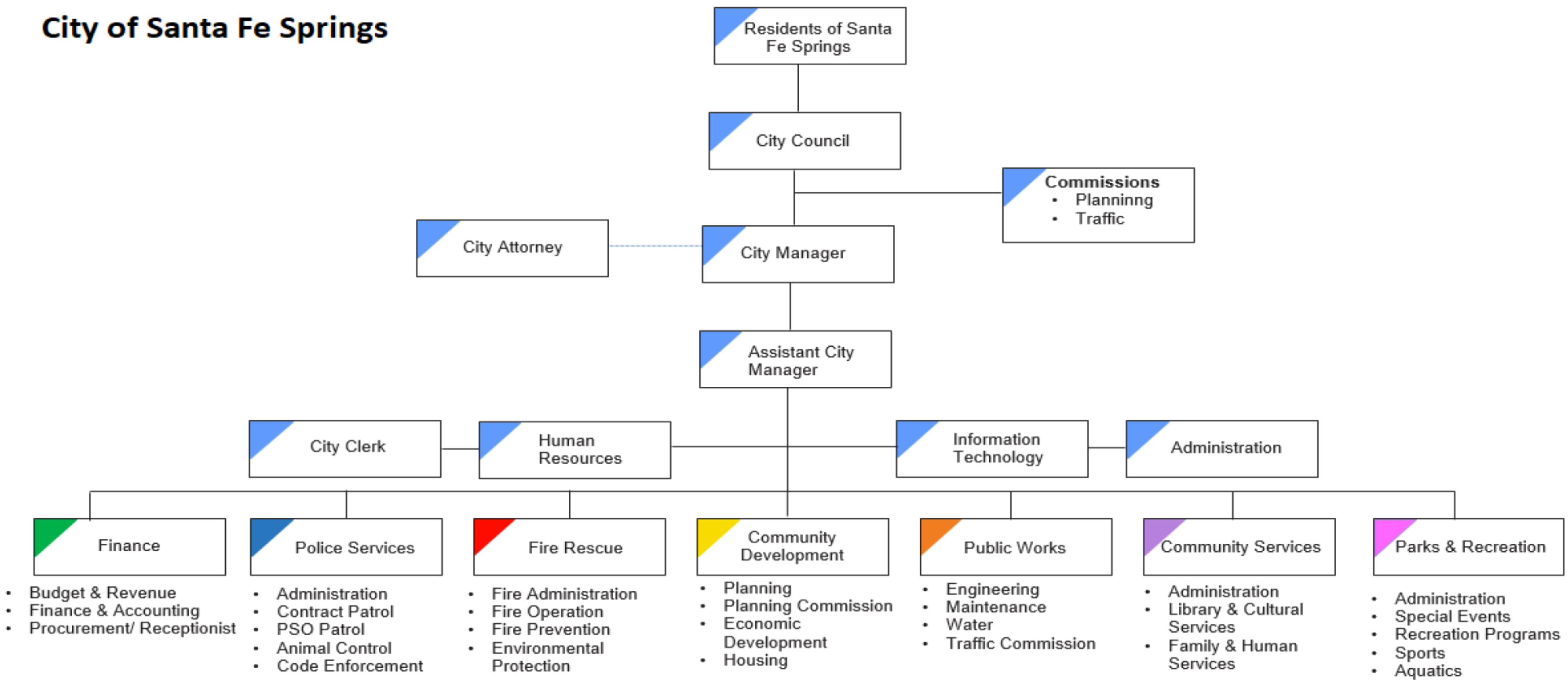
We would like to extend our appreciation to the City Council, the City Council Audit/Finance Subcommittee, and City departments for their cooperation and support in planning and conducting the financial operations of the City during the past fiscal year. Specifically, we would like to thank the Department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

René Bobadilla
City Manager

Lana Dich
Director of Finance

Organizational Chart

City of Santa Fe Springs



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Santa Fe Springs
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

(This page intentionally left blank)

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Santa Fe Springs (the City), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 10, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Irvine, California
March 10, 2025

This is management's discussion and analysis (MD&A) of the financial performance of the City of Santa Fe Springs (City) for the fiscal year ended June 30, 2024. This should be read in conjunction with the transmittal letter that can be found in the introductory section of this report and with the City's financial statements, which follow this discussion

Financial Highlights

- The City's total net position increased over the course of the fiscal year by $32.1 million to $249.0 million. The governmental net position increased by $30.4 million or 15.8%, while the business-type net position increased by $1.7 million or 7.1%.

- The General Fund, on the current financial resources basis, reported an increase in fund balance of $20.8 million to $121.2 million. Excluding transfers and other financing sources/uses, the General Fund reported $24.3 million excess of revenues over expenditures. Revenues increased by $5.4 million or 5.4% and expenditures increased by $5.9 million or 7.8% when compared to prior year. Increase in revenues was primarily due to increase in revenues provided by sales, use, and transaction taxes, use of money & property and charges for services. Increases in expenditures were mainly due to supply chain pressure, causing inflation to rise sharply.

- At the close of the fiscal year, unassigned fund balance for the General Fund was $50.1 million or approximately 56.4% of total General Fund expenditures and transfers.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

- The statement of net position presents information on all of the City's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. In time, increases or decreases in net position may serve as a useful indicator of whether the financial condition of the City is improving or deteriorating.

- The statement of activities presents information on how the City's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

Fund Financial Statements

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

- Governmental funds statements tell how general government services such as public works, community services, police and fire were financed in the short term, as well as what remains for future spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow each of the governmental funds statements.

- Proprietary fund statements offer short and long-term financial information about the City's Water Utility Enterprise fund and internal service funds.

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

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

Financial Analysis of the Government-wide Statements

The government-wide financial statements provide short and long-term information about the City's overall financial condition. This analysis addresses the financial statements of the City as a whole. The statement of net position includes all of the City's assets and deferred outflows, and liabilities and deferred inflows. All current year revenues and expenses are reported in the statement of activities, regardless of when cash is received or paid.
The two government-wide financial statements report the City's net position and how it has changed during the fiscal year. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

City of Santa Fe Springs
Summary of Net Position
June 30, 2023 and 2024
(in millions)

	Governmental Activities		Business-type Activities		Total		Total Percent Change
	2023	2024	2023	2024	2023	2024	
Current and other assets	$ 200.7	$ 220.0	$ 20.4	$ 22.3	$ 221.1	$ 242.3	9.6%
Capital assets, net	163.1	171.3	25.0	24.4	188.1	195.7	4.0%
Total assets	363.8	391.3	45.4	46.7	409.2	438.0	7.0%
Deferred outflows	47.2	46.3	2.7	2.6	49.9	48.9	-2.0%
Long-term liabilities	176.0	168.8	20.7	19.6	196.7	188.4	-4.2%
Other liabilities	13.1	11.5	2.9	2.8	16.0	14.3	-10.6%
Total liabilities	189.1	180.3	23.6	22.4	212.7	202.7	-4.7%
Deferred inflows	28.9	33.9	0.6	1.3	29.5	35.2	19.3%
Net position							
Net investment in capital assets	155.9	165.1	17.7	17.2	173.6	182.3	5.0%
Restricted	34.5	40.5	0.6		35.1	40.5	15.4%
Unrestricted	2.6	17.8	5.6	8.4	8.2	26.2	219.5%
	$ 193.0	$ 223.4	$ 23.9	$ 25.6	$ 216.9	$ 249.0	14.8%

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Santa Fe Springs, assets and deferred outflows exceeded liabilities and deferred inflows by $249.0 million at the close of the fiscal year. The largest portion of the City's net position 73.2%, is invested in capital assets, net of related debt. Approximately 10.5 % of the City's net position is unrestricted. Unrestricted net position is at a surplus of $26.1 million, an increase of $17.9 million from the prior year. An additional portion of the City's net position, $40.5 million, represents resources that are subject to external restrictions on how they may be used.

During the fiscal year, the City's ending net position increased by $32.1 million, when compared to the prior year, revenues increased by $3.8 million to $135.4 million. Expenses increased by $11.0 million to $103.3 million. Total revenues outpaced total expenses primarily due to increases in sales, use, and transaction taxes, franchise taxes, use of money & property, and charges for services program revenues.

Changes in Net Position
For the Fiscal Years Ended June 30, 2023 and 2024
(in millions)

	Governmental Activities 2023	Governmental Activities 2024	Business-type Activities 2023	Business-type Activities 2024	Total Primary Government 2023	Total Primary Government 2024	Total Percentage Change
Revenues							
Program revenues:							
Charges for services	$ 14.7	$ 14.3	$ 15.3	$ 16.1	$ 30.0	$ 30.4	1.3%
Operating grants and contributions	11.4	7.7	0.1	-	11.5	7.7	-33.0%
Capital grants and contributions	3.4	3.7	-	0.1	3.4	3.8	11.8%
General revenues:							
Sales and use taxes	40.2	40.5	-	-	40.2	40.5	0.7%
Transaction and use taxes	16.8	17.2	-	-	16.8	17.2	2.4%
Property taxes	5.9	6.4	-	-	5.9	6.4	8.5%
Franchise taxes	4.7	5.3	-	-	4.7	5.3	12.8%
Motor vehicle in lieu	2.5	2.7	-	-	2.5	2.7	8.0%
Business operations taxes	0.8	0.8	-	-	0.8	0.8	0.0%
Utility users taxes	8.8	8.8	-	-	8.8	8.8	0.0%
Other taxes	0.2	0.2	-	-	0.2	0.2	0.0%
Use of money and property	4.0	9.1	0.4	0.7	4.4	9.8	122.7%
Other	2.3	1.7	0.1	0.1	2.4	1.8	-25.0%
Total revenues	115.7	118.4	15.9	17.0	131.6	135.4	2.9%
Expenses							
Governmental activities:							
General government	10.3	11.2	-	-	10.3	11.2	8.7%
Public safety	28.3	41.4	-	-	28.3	41.4	46.3%
Community development	11.7	4.7	-	-	11.7	4.7	-59.8%
Public works	18.8	20.9	-	-	18.8	20.9	11.2%
Culture and leisure	7.3	8.6	-	-	7.3	8.6	17.8%
Human services	2.2	2.4	-	-	2.2	2.4	9.1%
Interest on long-term debt	0.1	0.1	-	-	0.1	0.1	0.0%
Business-type activities:							
Water	-	-	13.6	14.0	13.6	14.0	2.9%
Total expenses	78.7	89.3	13.6	14.0	92.3	103.3	11.9%
Excess (deficiency) before transfers	37.0	29.1	2.3	3.0	39.3	32.1	-18.3%
Transfers	1.4	1.3	(1.4)	(1.3)	-	-	
Increase (decrease) in net position	38.4	30.4	0.9	1.7	39.3	32.1	-18.3%
Net position - beginning	154.6	193.0	23.0	23.9	177.6	216.9	22.1%
Net position - ending	$ 193.0	$ 223.4	$ 23.9	$ 25.6	$ 216.9	$ 249.0	14.8%

The City's total revenues were $135.4 million for the fiscal year ended June 30, 2024. Revenues from governmental activity totaled $118.4 million and revenues from business-type activities totaled $17.0 million. Program revenues comprise 30.9% of total revenues with the largest portion of this, $30.4 million, resulting from charges for services. Sales, use, and transaction taxes comprise 42.6% of total revenues and other general revenues comprise the remaining 26.4%. Total revenues increased by 2.9%, primarily due to increase in program charges for services, sales, use, and transaction taxes, and the use of money & property during the fiscal year.

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

Expenses of the City for the year totaled $103.3 million. Governmental activity expenses totaled $89.3 million, or 86.4% of total expenses. The following table summarizes the total cost and net cost of the City's governmental activities by function type.

Net Cost of Governmental Activities

(in millions)

	Total Cost of Services		Percentage Change	Net Cost of Services		Percentage Change
	2023	2024		2023	2024	
General government	$ 10.3	$ 11.2	8.7%	$ 2.5	$ 2.8	12.0%
Public safety	28.3	41.4	46.3%	20.2	36.8	82.2%
Community development	11.7	4.7	-59.8%	8.1	1.6	-80.2%
Public works	18.8	20.9	11.2%	10.6	13.1	23.6%
Culture and leisure	7.3	8.6	17.8%	5.8	7.1	22.4%
Human services	2.2	2.4	9.1%	1.8	2.1	16.7%
Interest on long-term debt	0.1	0.1	0.0%	0.1	0.1	0.0%
Total	$ 78.7	$ 89.3	13.5%	$ 49.1	$ 63.6	29.5%

Business-type Activities

Program revenues of the City's only business-type activity, the Water Utility, totaled $16.2 million, and investment and other income totaled an additional $0.8 million. Expenses of the Water Utility were $14.0 million. Water rates include a factor to provide for a modest annual water infrastructure replacement program. Income before transfers was $3.0 million. Transfers out totaled $1.3 million. This amount was transferred to the City's General Fund for use of the City's rights of way and maintenance of the City's extensive infrastructure. The cost of capital improvements is reported in the statement of net position, rather than as expenses in the statement of activities. Capital assets of $24.4 million (net of accumulated depreciation) decreased by approximately $0.6 million.

Financial Analysis of the Fund Statements

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

The City's governmental funds provide information on near-term inflows, outflows and the balance of available resources. The City's governmental funds reported combined fund balances at June 30, 2024, of $182.5 million, an increase of approximately $17.6 million from the previous fiscal year. The primary reason for the increase was due to revenues exceeding expenditures in the General Fund resulting from increase in sales, use, and transaction taxes, use of money & property and charges for services program incomes. The increase in the use of money and property was due to an increase interest rates the City is earning on its funds invested.

The General Fund is the chief operating fund of the City. On June 30, 2024, the General Fund's unassigned fund balance was $50.1 million. Additional General Fund balances were: nonspendable $1.8 million, restricted $3.9 million, committed $0.2 million, and assigned $65.2 million. Revenues increased by approximately $5.4 million, and expenditures increased by $5.9 million when compared to prior year. The revenue increase is a combination of increases in sales, use, transaction taxes, franchise taxes, use of money & property, and charges for services program incomes. The expenditure increase is reflective of rising costs across the nation, pension costs, and additional projects. During the fiscal year ended June 30, 2024, the overall fund balance in the General Fund increased by $20.7 million.

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

The Low and Moderate Income Housing Assets Special Revenue Fund was created during FY 2011-12 to account for the assets of the Housing Fund of the former Redevelopment Agency. Under the redevelopment dissolution bills, the City acts as housing successor to the former Redevelopment Agency and will retain the rights and obligations to administer the assets of the Fund. The assets of the Fund total $9.8 million consisting primarily of cash and investments, notes and loans, advances receivable, and land and buildings held for resale. During fiscal year 2023-24 the Fund expended $1.5 million in housing administration costs.

The Capital Improvement Capital Projects Fund is used to account for expenditures on various capital improvement projects and the related revenues to finance the projects. The revenues and expenditures of the Fund may vary significantly from year to year depending on the activity each year. The assets of the Fund total $11.4 million primarily consisting of cash and investments, and receivables expected to be received from various governmental agencies. During the fiscal year ended June 30, 2024, the overall Fund balance decreased by $2.6 million. The decrease was due to an increase in Due to other Funds and offset by reimbursements from various government agencies for completed projects during prior year were collected this year. These receivables are outstanding beyond the available period and have not been recognized as revenues.

The Prefunded Capital Projects Fund was created during fiscal year 2012-13 to account for the City's Capital Improvement Program in the post-redevelopment era. The former Redevelopment Agency was a significant source of funding prior to dissolution. Without the redevelopment agency, the General Fund became the main source of future funds for the Capital Improvement Program. Through a combination of revenue enhancements (i.e. increase in the utility users tax rate) and cost containment and reduction measures, the General Fund will annually budget a transfer to the Prefunded Capital Projects Fund to build the base from which the Capital Improvement Program will operate. Additionally, one-time revenues will be considered for allocation to the Fund. For the fiscal year ended June 30, 2024, the General Fund transferred $7.9 million into the Prefunded Capital Projects Fund to restore a portion of the CIP target funding. The Fund balance has decreased by $1.9 million to $33.6 million as of the fiscal year-end. The decrease was primarily due to an increase in capital outlay. City staff, in conjunction with the CIP Subcommittee of the City Council, work together throughout the year to plan and manage the projects financed through this fund.

The Successor Agency Bond Funded Capital Projects Fund was created in fiscal year 2014-15 to account for the unspent bond proceeds of the former Redevelopment Agency. With approval from the California Department of Finance, the Successor Agency transferred approximately $19.6 million in unspent proceeds to the City as of July 1, 2014. Under a Bond Expenditure Agreement between the City and the Successor Agency, the City manages the projects for which the bond proceeds are to be used. During fiscal year 2023-24, the City expended approximately $0.8 million on projects. As of fiscal year-end the fund balance increased by $0.2 million to $8.3 million. The increase was due to higher interest income on investments. The balance accumulated in the Fund is to be used on future projects.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget for expenditures was a $1.9 million increase or 2.1%. The final amended budget exceeded actual expenditures by approximately 10.1% due to lower-than-expected operation costs throughout most functional areas.

Revenues exceeded the budget amount by $14.2 million, primarily due sales, use, and transaction taxes growth more than anticipated after the pandemic. Increases were seen in other revenue categories, including franchise taxes, charges for services, licenses and permits, and interest income. The Notes to the Required Supplementary Information provides more details regarding budgeting policies and practices.

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2024, amounts to $171.3 million (net of accumulated depreciation), an increase of approximately $8.2 million from the previous year. This investment in capital assets includes land, construction in progress, buildings, improvements other than buildings, equipment and infrastructure. Note 7 – Capital Assets provides more detailed information on the capital assets.

The City's investment in capital assets for its business-type activities, the Water Utility Fund, as of June 30, 2024, amounts to $24.4 million (net of accumulated depreciation), a decrease of $0.6 million. Water Utility capital assets required for private development purposes are funded by capital contributions.

Long-term Liabilities

On June 30, 2024, the City's governmental activities long-term liabilities decreased by $7.2 million to $170.2 million. The City's business-type activities long-term liabilities decreased by $1.1 million to $19.9 million. The long-term liabilities consisted of bonds, compensated absences, OPEB obligation, Pension obligation, and other loans/leases are summarized in the table below and more detailed information is included in Note 8 – Long-Term Liabilities, Note 9 - Compensated Absences, Note 11 – Pension Plan Obligations and Note 12 – Post-Employment Health Care Benefits.

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

Outstanding Debt
(in millions)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2024	2023	2024	2023	2024	
Revenue bonds	$ -	$ -	$ 7.4	$ 7.2	$ 7.4	$ 7.2	-2.7%
Compensated absences	1.9	1.9	0.3	0.3	2.2	2.2	0.0%
OPEB obligation	34.8	20.7	3.4	2.0	38.2	22.7	-40.6%
Pension obligation	135.6	143.1	9.9	10.4	145.5	153.5	5.5%
Other loans/leases	5.1	4.5	0.0	0.0	5.1	4.5	-11.8%
Total	$ 177.4	$ 170.2 $	$ 21.0	$ 19.9	$ 198.4	$ 190.1	-4.2%

All water revenue bonds are insured issues.

Economic Factors and Next Year's Budgets

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

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

All these factors were considered in adopting the Fiscal Year 2025-26 operational budget.

Requests for Information

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

CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Business-Type Activity	Total
CURRENT ASSETS			
Cash and Investments	$ 139,790,474	$ 17,400,453	$ 157,190,927
Receivables:			
Accounts	3,703,594	3,956,338	7,659,932
Interest	795,706	2,662	798,368
Leases	257,548	-	257,548
Deposits and Other Assets	363,622	-	363,622
Due from Other Governments	20,631,699	-	20,631,699
Inventories	1,265,018	328,153	1,593,171
Restricted Assets:			
Cash and Investments with Fiscal Agents	28,237,121	574,740	28,811,861
Total Current Assets	195,044,782	22,262,346	217,307,128
NONCURRENT ASSETS			
Notes and Loans, Net of Allowances	6,254,849	-	6,254,849
Leases Receivable	18,083,305	-	18,083,305
Land and Buildings Held for Resale	520,032	-	520,032
Capital Assets Not Being Depreciated/Amortized	60,429,279	8,366,862	68,796,141
Capital Assets, Net of Depreciation/Amortization	110,917,569	16,031,166	126,948,735
Total Noncurrent Assets	196,205,034	24,398,028	220,603,062
Total Assets	391,249,816	46,660,374	437,910,190
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Charge on Refunding	-	16,655	16,655
Deferred Pension-Related Items	41,257,035	2,160,151	43,417,186
Deferred OPEB-Related Items	5,083,130	502,727	5,585,857
Total Deferred Outflows of Resources	46,340,165	2,679,533	49,019,698
CURRENT LIABILITIES			
Accounts Payable	4,385,846	1,327,965	5,713,811
Accrued Liabilities	2,016,066	190,583	2,206,649
Accrued Interest	41,438	44,313	85,751
Unearned Revenue	780,405	15,102	795,507
Deposits Payable	2,373,771	972,331	3,346,102
Due to Other Governments	538,953	-	538,953
Compensated Absences	440,000	60,000	500,000
Bonds, Notes, and Lease Payable	935,828	223,817	1,159,645
Total Current Liabilities	11,512,307	2,834,111	14,346,418
NONCURRENT LIABILITIES			
Compensated Absences	1,456,806	198,656	1,655,462
Bonds, Notes, Lease and SBITA Payable	3,516,713	6,963,435	10,480,148
Net OPEB Liability	20,680,773	2,045,351	22,726,124
Net Pension Liability	143,122,601	10,422,414	153,545,015
Total Noncurrent Liabilities	168,776,893	19,629,856	188,406,749
Total Liabilities	180,289,200	22,463,967	202,753,167
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension-Related Items	3,576,520	112,060	3,688,580
Deferred OPEB-Related Items	11,955,648	1,182,427	13,138,075
Deferred Leases-Related Items	18,340,853	-	18,340,853
Total Deferred Inflows of Resources	33,873,021	1,294,487	35,167,508
NET POSITION			
Net Investment in Capital Assets	165,187,789	17,227,431	182,415,220
Restricted - Nonexpendable	244,676	-	244,676
Restricted - Expendable:			
Community Development Projects	114,646	-	114,646
Public Safety	131,479	-	131,479
Public Works	15,665,017	-	15,665,017
Capital Projects	8,267,213	-	8,267,213
Low and Moderate Income Housing	9,814,905	-	9,814,905
Art in Public Places - Expendable	2,416,000	-	2,416,000
Waste Management	3,344,622	-	3,344,622
Environmental Programs	508,908	-	508,908
Unrestricted	17,732,505	8,354,022	26,086,527
Total Net Position	$ 223,427,760	$ 25,581,453	$ 249,009,213

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities:				
General Government	$ 11,238,050	$ 5,735,195	$ 2,655,757	$ -
Public Safety	41,413,294	3,354,600	1,237,669	-
Community Development	4,705,749	3,078,908	32,182	-
Public Works	20,888,027	1,169,696	2,844,777	3,732,406
Culture and Leisure	8,613,554	602,224	939,685	-
Human Services	2,404,255	342,632	26,511	-
Interest on Long-Term Debt	125,137	-	-	-
Total Governmental Activities	89,388,066	14,283,255	7,736,581	3,732,406
Business-Type Activity:				
Water Fund	14,019,326	16,148,720	35,222	75,113
Total	$ 103,407,392	$ 30,431,975	$ 7,771,803	$ 3,807,519

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Governmental Activities	Business-Type Activity	Total
Governmental Activities:			
General Government	$ (2,847,098)	$ -	$ (2,847,098)
Public Safety	(36,821,025)	-	(36,821,025)
Community Development	(1,594,659)	-	(1,594,659)
Public Works	(13,141,148)	-	(13,141,148)
Culture and Leisure	(7,071,645)	-	(7,071,645)
Human Services	(2,035,112)	-	(2,035,112)
Interest on Long-Term Debt	(125,137)	-	(125,137)
Total Governmental Activities	(63,635,824)	-	(63,635,824)
Business-Type Activity:			
Water Fund	-	2,239,729	2,239,729
Total	(63,635,824)	2,239,729	(61,396,095)
GENERAL REVENUES			
Taxes:			
Property Taxes,			
Levied for General Purpose	6,322,226	-	6,322,226
Transaction and Use Taxes	17,251,079	-	17,251,079
Sales and Use Taxes	40,445,644	-	40,445,644
Franchise Taxes	5,254,059	-	5,254,059
Business Operation Taxes	815,837	-	815,837
Utility Users Tax	8,827,062	-	8,827,062
Other Taxes	174,853	-	174,853
Intergovernmental Revenues -			
Motor Vehicle in Lieu	2,739,793	-	2,739,793
Use of Money and Property	9,131,020	681,910	9,812,930
Other	1,747,586	101,074	1,848,660
Gain on Sale of Capital Assets	34,215	-	34,215
TRANSFERS	1,343,800	(1,343,800)	-
Total General Revenues and Transfers	94,087,174	(560,816)	93,526,358
CHANGE IN NET POSITION	30,451,350	1,678,913	32,130,263
Net Position - Beginning of Year	192,976,410	23,902,540	216,878,950
NET POSITION - END OF YEAR	$ 223,427,760	$ 25,581,453	$ 249,009,213

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Revenue Fund: Low and Moderate Income Housing Assets Fund	Capital Projects Funds: Capital Improvement	Capital Projects Funds: Prefunded Capital Projects
ASSETS				
Pooled Cash and Investments	$ 76,271,314	$ 1,833,035	$ 3,182,922	$ 35,245,002
Restricted Cash and Investments with Fiscal Agents	28,237,121	-	-	-
Receivables:				
Accounts	3,653,375	29,098	20,408	-
Notes and Loans, Net of Allowances	177,450	6,000,000	-	-
Leases	18,340,853	-	-	-
Accrued Interest	578,211	-	-	-
Deposits and Other Assets	363,622	-	-	-
Due from Other Governments	10,847,193	-	8,217,416	10,088
Due from Other Funds	8,632,549	-	-	-
Advances to Other Funds	-	1,437,861	-	-
Inventories	1,265,018	-	-	-
Land and Buildings Held for Resale	-	520,032	-	-
Total Assets	$ 148,366,706	$ 9,820,026	$ 11,420,746	$ 35,255,090
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 2,621,009	$ 1,493	$ 96,269	$ 1,610,249
Accrued Liabilities	1,998,532	3,628	-	11,559
Unearned Revenues	766,305	-	-	-
Deposits Payable	1,516,609	-	857,162	-
Due to Other Governments	473,359	-	65,594	-
Due to Other Funds	-	-	7,384,255	-
Advances from Other Funds	1,437,861	-	-	-
Total Liabilities	8,813,675	5,121	8,403,280	1,621,808
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	21,435	-	8,217,416	10,088
Deferred Leases-Related Items	18,340,853	-	-	-
Total Deferred Inflows of Resources	18,362,288	-	8,217,416	10,088
FUND BALANCES				
Nonspendable:				
Inventory	1,265,018	-	-	-
Notes and Loans	177,450	-	-	-
Deposits and Other Assets	363,622	-		-
Permanent Fund Principal	-	-	-	-
Restricted for:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Capital Projects	-	-	-	-
Low and Moderate Income Housing	-	9,814,905	-	-
Art in Public Places	-	-	-	-
Waste Management	3,344,622	-	-	-
Environmental Programs	508,908	-	-	-
Committed to:				
Capital Projects	225,000	-	-	-
Assigned to:				
Capital Projects	9,500,000	-	-	33,623,194
Renovation & Replacement	250,000	-	-	-
Facility Improvement	25,193	-	-	-
Equipment Replacement	9,177,605	-	-	-
Economic Uncertainty	11,725,000	-	-	-
Employee Liability	7,377,784	-	-	-
Risk Management	903,200	-	-	-
Unfunded Liability	26,276,543	-	-	-
Unassigned	50,070,798	-	(5,199,950)	-
Total Fund Balances	121,190,743	9,814,905	(5,199,950)	33,623,194
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 148,366,706	$ 9,820,026	$ 11,420,746	$ 35,255,090

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
BALANCE SHEET—GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS			
Pooled Cash and Investments	$ 7,991,569	$ 15,266,632	$ 139,790,474
Restricted Cash with Fiscal Agent	-	-	28,237,121
Receivables:			
Accounts	-	713	3,703,594
Notes and Loans, Net of Allowances	58,149	19,250	6,254,849
Leases	-	-	18,340,853
Accrued Interest	217,495	-	795,706
Deposits and Other Assets	-	-	363,622
Due from Other Governments	-	1,557,002	20,631,699
Due from Other Funds	-	-	8,632,549
Advances to Other Funds	-	-	1,437,861
Inventories	-	-	1,265,018
Land and Buildings Held for Resale	-	-	520,032
Total Assets	$ 8,267,213	$ 16,843,597	$ 229,973,378
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	$ -	$ 56,826	$ 4,385,846
Accrued Liabilities	-	2,347	2,016,066
Unearned Revenues	-	14,100	780,405
Deposits Payable	-	-	2,373,771
Due to Other Governments	-	-	538,953
Due to Other Funds	-	1,248,294	8,632,549
Advances from Other Funds	-	-	1,437,861
Total Liabilities	-	1,321,567	20,165,451
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenues	-	749,157	8,998,096
Deferred Leases-Related Items	-	-	18,340,853
Total Deferred Inflows of Resources	-	749,157	27,338,949
FUND BALANCES			
Nonspendable:			
Inventory	-	-	1,265,018
Notes and Loans	-	-	177,450
Deposits and Other Assets	-	-	363,622
Permanent Fund Principal	-	244,676	244,676
Restricted for:			
Community Development Projects	-	114,646	114,646
Public Safety	-	131,479	131,479
Public Works	-	12,647,551	12,647,551
Capital Projects	8,267,213	-	8,267,213
Low and Moderate Income Housing	-	-	9,814,905
Art in Public Places	-	2,416,000	2,416,000
Waste Management	-	-	3,344,622
Environmental Programs	-	-	508,908
Committed to:			
Capital Projects	-	-	225,000
Assigned to:			
Capital Projects	-	-	43,123,194
Renovation & Replacement	-	-	250,000
Facility Improvement	-	-	25,193
Equipment Replacement	-	-	9,177,605
Economic Uncertainty	-	-	11,725,000
Employee Benefits	-	-	7,377,784
Risk Management	-	-	903,200
Unfunded Liability	-	-	26,276,543
Unassigned	-	(781,479)	44,089,369
Total Fund Balances	8,267,213	14,772,873	182,468,978
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 8,267,213	$ 16,843,597	$ 229,973,378

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2024

Fund Balances of Governmental Funds		$ 182,468,978
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.		
Capital Assets Not Being Depreciated/Amortized	$ 60,429,279	
Capital Assets Being Depreciated/Amortized	265,725,058	
Accumulated Depreciation/Amortization	(154,807,489)	171,346,848
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the Statement of Net Position.		
Notes and Lease Payable	(4,452,541)	
Compensated Absences	(1,896,806)	(6,349,347)
Pension and OPEB related debt applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions and OPEB are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities.		
Deferred Outflows of Resources - Pension Related	41,257,035	
Deferred Inflows of Resources - Pension Related	(3,576,520)	
Net Pension Liability	(143,122,601)	
Deferred Outflows of Resources - OPEB Related	5,083,130	
Deferred Inflows of Resources - OPEB Related	(11,955,648)	
Net OPEB Liability	(20,680,773)	(132,995,377)
Accrued interest payable for the current portion of interest due on bonds has not been reported in the governmental funds.		(41,438)
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the intergovernmental revenues in the governmental fund activity.		8,998,096
Net Position of Governmental Activities		$ 223,427,760

See accompanying Notes to Basic Financial Statements.

(This page intentionally left blank)

CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

		Special Revenue Fund	Capital Projects Funds	
	General	Low and Moderate Income Housing Assets Fund	Capital Improvement	Prefunded Capital Projects
REVENUES				
Taxes	$ 81,562,279	$ -	$ -	$ -
Licenses and Permits	3,685,156	-	-	-
Intergovernmental	1,013,587	-	410,442	16,410
Charges for Services	7,517,518	-	28,425	-
Use of Money and Property	7,367,932	204,640	-	-
Rentals	2,103,157	-	-	-
Fines and Forfeitures	772,530	-	-	-
Contributions	258,116	-	-	-
Miscellaneous	1,533,425	16,548	332,248	975
Total Revenues	105,813,700	221,188	771,115	17,385
EXPENDITURES				
Current:				
General Government	10,812,851	-	-	-
Public Safety	39,447,134	-	-	-
Community Development	3,540,981	1,459,966	-	-
Public Works	14,839,359	-	-	235,288
Culture and Leisure	7,861,333	-	-	-
Human Services	2,207,919	-	-	-
Capital Outlay	1,656,202	-	4,214,252	9,216,310
Debt Service:				
Principal Retirement	1,008,219	-	-	-
Interest and Fiscal Charges	134,763	-	-	-
Total Expenditures	81,508,761	1,459,966	4,214,252	9,451,598
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	24,304,939	(1,238,778)	(3,443,137)	(9,434,213)
OTHER FINANCING SOURCES (USES)				
Transfers In	3,350,469	-	851,288	7,881,534
Transfers Out	(7,290,190)	-	-	(311,242)
Sale of Capital Assets	34,215	-	-	-
Issuance of SBITA Payable	351,676	-	-	-
Total Other Financing Sources (Uses)	(3,553,830)	-	851,288	7,570,292
NET CHANGE IN FUND BALANCES	20,751,109	(1,238,778)	(2,591,849)	(1,863,921)
Fund Balances - Beginning of Year	100,439,634	11,053,683	(2,608,101)	35,487,115
FUND BALANCES - END OF YEAR	$ 121,190,743	$ 9,814,905	$ (5,199,950)	$ 33,623,194

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Capital Projects Funds		
	Successor Agency Bond Funded Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	$ -	$ 246,839	$ 81,809,118
Licenses and Permits	-	-	3,685,156
Intergovernmental	-	5,446,782	6,887,221
Charges for Services	-	-	7,545,943
Use of Money and Property	1,036,902	521,546	9,131,020
Rentals	-	-	2,103,157
Fines and Forfeitures	-	-	772,530
Contributions	-	806,705	1,064,821
Miscellaneous	-	-	1,883,196
Total Revenues	1,036,902	7,021,872	114,882,162
EXPENDITURES			
Current:			
General Government	-	-	10,812,851
Public Safety	-	423,375	39,870,509
Community Development	-	32,182	5,033,129
Public Works	-	104,094	15,178,741
Culture and Leisure	-	28,000	7,889,333
Human Services	-	-	2,207,919
Capital Outlay	835,727	942,218	16,864,709
Debt Service:			
Principal Retirement	-	-	1,008,219
Interest and Fiscal Charges	-	-	134,763
Total Expenditures	835,727	1,529,869	99,000,173
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	201,175	5,492,003	15,881,989
OTHER FINANCING SOURCES (USES)			
Transfers In	-	144	12,083,435
Transfers Out	-	(3,138,203)	(10,739,635)
Sale of Capital Assets	-	-	34,215
Issuance of SBITA Payable	-	-	351,676
Total Other Financing Sources (Uses)	-	(3,138,059)	1,729,691
NET CHANGE IN FUND BALANCES	201,175	2,353,944	17,611,680
Fund Balances - Beginning of Year	8,066,038	12,418,929	164,857,298
FUND BALANCES - END OF YEAR	$ 8,267,213	$ 14,772,873	$ 182,468,978

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds		$ 17,611,680
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:		
Capital Outlay	$ 16,291,437	
Depreciation	(8,010,193)	8,281,244
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences in the treatment of long-term debt and related items.		
Principal Payment	1,008,219	
SBITA Obligation Issuance	(351,676)	656,543
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		9,626
Compensated absence expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		(29,281)
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related changes in pension amounts for deferred outflows of resources and deferred inflows of resources.		(4,646,559)
Other postemployment benefit expense reported in the governmental funds includes payment of premiums for the current year. In the OPEB expense includes the change in the net other postemployment benefit liability and OPEB related deferred inflows of resources.		4,988,858
Revenues reported as unavailable revenue in the governmental funds and recognized in the statement of activities. These are included in the revenues in the governmental fund activity.		3,579,239
Change in Net Position of Governmental Activities		$ 30,451,350

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF NET POSITION—PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activity - Enterprise Fund
	Water Fund
ASSETS	
Current Assets:	
Pooled Cash and Investments	$ 17,400,453
Receivables:	
Accounts	3,956,338
Accrued interest	2,662
Inventories	328,153
Restricted:	
Cash with Fiscal Agent	574,740
Total Current Assets	22,262,346
NONCURRENT ASSETS	
Capital Assets not Being Depreciated/Amortized	8,366,862
Capital Assets, Net of Depreciation/Amortization	16,031,166
Total Noncurrent Assets	24,398,028
Total Assets	46,660,374
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charge on Refunding	16,655
Deferred Pension-Related Items	2,160,151
Deferred OPEB-Related Items	502,727
Total Deferred Outflows of Resources	2,679,533
LIABILITIES	
Current Liabilities:	
Accounts Payable	1,327,965
Accrued Liabilities	190,583
Accrued Interest	44,313
Unearned Revenues	15,102
Deposits Payable	972,331
Compensated Absences	60,000
Bonds, Notes and Lease Payable	223,817
Total Current Liabilities	2,834,111
NONCURRENT LIABILITIES	
Compensated Absences	198,656
Bonds, Notes, and Lease Payable	6,963,435
Net OPEB Liability	2,045,351
Net Pension Liability	10,422,414
Total Noncurrent Liabilities	19,629,856
Total Liabilities	22,463,967
DEFERRED INFLOWS OF RESOURCES:	
Deferred Pension-Related Items	112,060
Deferred OPEB-Related Items	1,182,427
Total Deferred Inflows of Resources	1,294,487
NET POSITION	
Net Investment in Capital Assets	17,227,431
Unrestricted	8,354,022
Total Net Position	$ 25,581,453

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION—PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activity - Enterprise Fund Water Fund
OPERATING REVENUES	
Sales and Service Charges	$ 16,148,720
Other Water Revenue	101,074
Total Operating Revenues	16,249,794
OPERATING EXPENSES	
Source of Supply	7,015,949
System Maintenance and Operation	3,655,373
Billing and Collection	1,555,275
Administration	854,058
Depreciation/Amortization Expense	651,439
Total Operating Expenses	13,732,094
OPERATING INCOME	2,517,700
NONOPERATING REVENUES (EXPENSES)	
Interest Revenue	681,910
Interest Expense	(287,232)
Intergovernmental Revenue	35,222
Total Nonoperating Revenues (Expenses)	429,900
INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	2,947,600
Capital Contributions	75,113
Transfers Out	(1,343,800)
CHANGE IN NET POSITION	1,678,913
Net Position - Beginning of Year	23,902,540
NET POSITION - END OF YEAR	$ 25,581,453

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF CASH FLOWS—PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activity - Enterprise Fund Water Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers and Users	$ 15,084,850
Cash Paid to Suppliers for Goods and Services	(11,753,197)
Cash Paid to Employees for Services	(1,604,086)
Cash Received from Others	101,074
Net Cash Provided by Operating Activities	1,828,641
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Transfers Out	(1,343,800)
Cash Received from Other Governments	35,222
Net Cash Used by Noncapital Financing Activities	(1,308,578)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Cash Received for Capital Contributions	67,713
Principal Paid on Capital Debt	(218,758)
Interest Paid on Capital Debt	(271,015)
Net Cash Used by Capital and Related Financing Activities	(422,060)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest Received	681,910
Net Cash Provided by Investing Activities	681,910
NET INCREASE IN CASH AND CASH EQUIVALENTS	779,913
Cash and Cash Equivalents - Beginning of Year	17,195,280
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 17,975,193
CASH AND CASH EQUIVALENTS:	
Pooled Cash and Investments	$ 17,400,453
Cash with Fiscal Agent	574,740
Total Cash and Cash Equivalents	$ 17,975,193
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	$ 2,517,700
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation/Amortization Expense	651,439
(Increase) Decrease in Assets:	
Accounts Receivable	(1,188,764)
Inventory	(41,629)
Deferred Outflows for Pension-Related Items	(82,526)
Deferred Outflows for OPEB-Related Items	75,744
Increase (Decrease) in Liabilities:	
Accounts Payable	(85,565)
Accrued Liabilities	23,127
Unearned Revenues	(44,022)
Deposits Payable	36,255
Compensated Absences	3,993
Net Pension Liability	523,887
Other Postemployments Benefits	(1,396,223)
Deferred Inflows for Pension-Related Items	(124,511)
Deferred Inflows for OPEB-Related Items	798,526
Net Cash Provided by Operating Activities	$ 1,667,431
NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES	
Amortization of Bond Discounts and Deferred Charges	$ 17,073

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2024

	Custodial Funds	Private-Purpose Trust Fund: Successor Agency of the Former RDA
ASSETS		
Pooled Cash and Investments	$ 793,995	$ 2,353,078
Receivables:		
Accounts	-	19,726
Notes and Loans	-	61,438
Due from Other Governments	-	68,801
Land and Buildings Held for Resale	-	3,251,851
Restricted Assets:		
Cash and Investments with Fiscal Agents	175,647	12,604,586
Capital Assets:		
Capital Assets not Being Depreciated	-	415,530
Total Assets	969,642	18,775,010
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charge on Refunding	-	97,478
Total Deferred Outflows of Resources	-	97,478
LIABILITIES		
Accounts Payable	-	311
Accrued Liabilities	-	6,323
Accrued Interest	-	4,264,946
Deposits Payable	-	49,060
Due to Other Governments	-	160,706
Long-Term Liabilities:		
Due in One Year	-	4,998,770
Due in More Than One Year	-	26,847,906
Total Liabilities	-	36,328,022
NET POSITION		
Net Investment in Capital Assets	-	415,530
Held for Bondholders	969,642	-
Held in Trust for Other Purposes	-	(17,871,064)
Total Net Position	$ 969,642	$ (17,455,534)

See accompanying Notes to Basic Financial Statements.

CITY OF SANTA FE SPRINGS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED JUNE 30, 2024

	Custodial Funds	Private-Purpose Trust Fund Successor Agency of the Former RDA
ADDITIONS:		
Taxes	$ -	$ 10,525,148
Special Assessments or Special Taxes		
Collected From Property Owners	219,079	-
Interest and Change in Fair Value of Investments	8,494	434,360
Gain on Sale of Land and Buildings Held for Resale	-	-
Total Additions	227,573	10,959,508
DEDUCTIONS:		
Administrative Expenses	-	211,953
Program Expenses	-	34,000
Payment for Special Assessment or Special Tax Debt	168,361	-
Interest Expense	-	542,975
Total Deductions	168,361	788,928
CHANGE IN NET POSITION	59,212	10,170,580
Net Position - Beginning of Year	910,430	(27,626,114)
NET POSITION - END OF YEAR	$ 969,642	$ (17,455,534)

See accompanying Notes to Basic Financial Statements.

(This page intentionally left blank)

NOTE 1 ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Financial Reporting Entity

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

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

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

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

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

Blended Component Units

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

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

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

Joint Powers Agreements

Joint Fire Dispatching Center

The City is a participant in the Joint Fire Dispatching Center (Center). The Center is currently comprised of four member cities and is organized under a Joint Powers Agreement. Each member City provides an annually determined contribution towards the ongoing operation. The purpose of the Center is to provide centralized fire dispatching for the participating cities. The communication system is located in and operated by the City of Downey. The payments from the participating cities for the fiscal year ended June 30, 2024, were based on the following percentages:

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

During the fiscal year ended June 30, 2024, the City contributed $265,893 for the operation of the Center. Separate audited financial statements are not prepared for the Center. Financial information can be obtained from the City of Downey at 11111 Brookshire Avenue, Downey, California.

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

Joint Powers Agreements (Continued)

Southeast Water Coalition

The City is a participant in the Southeast Water Coalition (Coalition). The Coalition is currently comprised of several municipal entities in the County of Los Angeles and is organized under a Joint Powers Agreement. The purpose of the Coalition is to maintain groundwater quality within the Central and West Coast Basins (Basins), maintain secure groundwater supplies within the Basins, manage the use of groundwater within the Basins, coordinate efforts among Watermaster and entities proposing to store water within the Basins for future recovery, facilitate the implementation of a conjunctive use program by water purveyors, coordinate efforts among local entities and Watermaster to devise and implement strategies to safeguard groundwater quality, and work cooperatively with Watermaster, the Water Replenishment District of Southern California, and other entities to promote coordination of policies and activities throughout the region. Each member of the Coalition shares financial responsibility equally. Each member is required to make a contribution at the beginning of each year. The contribution requirement for the fiscal year ended June 30, 2024 was $5,534. Financial statements can be obtained from the City of Whittier. City Hall is located at 13230 Penn Street, Whittier, California.

Basis of Accounting and Measurement Focus

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

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

Government-Wide Financial Statements

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

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

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

Government-Wide Financial Statements (Continued)

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

Governmental Funds Financial Statements

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

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

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

Governmental Funds Financial Statements (Continued)

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

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

The City reports the following major governmental funds:

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

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

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

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

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

Governmental Funds Financial Statements (Continued)

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

Additionally, the City reports the following fund types:

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

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

Proprietary Funds Financial Statements

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

The City reports the following major proprietary fund:

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

Fiduciary Fund Financial Statements

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

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

The City reports the following custodial funds:

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

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

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

Functional Classifications

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

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

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

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

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

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

Inventory and Prepaid Items

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

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

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

Property Taxes

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

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

Cash and Cash Equivalents

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

Investments

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

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

Capital Assets

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

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

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

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

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

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

Land and Buildings Held for Resale

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

Deferred Outflows/Inflows of Resources

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

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

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

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

Unearned Revenue

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

Compensated Absences

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

Pension Plans

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

Other Postemployment Benefits (OPEB)

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

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

Net Position

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

- Net investment in capital assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of liabilities that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

- Restricted – This category represents restricted assets reduced by liabilities related to those assets. Restrictions can be imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

- Unrestricted – This category represents net position of the City, not restricted for any project or other purpose.

Use of Restricted Resources

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

Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. As of June 30, 2024, fund balances for government funds are made up of the following:

- Nonspendable Fund Balance – includes amounts that are (a) not in spendable form, or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example: inventory, prepaid amounts, and long-term notes receivable.

- Restricted Fund Balance – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

- Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a resolution of the City's highest level of decision-making authority, the City Council. Commitments may be changed or lifted only by the City adopting a resolution.

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

Fund Balances (Continued)

- Assigned Fund Balance – comprises amounts intended to be used by the City for specific purposes that are neither restricted nor committed. Intent is expressed by the City Council to which the City Council has delegated the authority to assign amounts to be used for specific purposes.

- Unassigned Fund Balance – is the residual classification for the General Fund and includes all amounts not contained in the other classifications. Unassigned amounts are technically available for any purpose. Other governmental funds may only report a negative unassigned balance that was created after classification in one of the other four fund balance categories.

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

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

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Endowments

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

Stewardship, Compliance, and Accountability

Deficit Fund Balance

At June 30, 2024, the Capital Improvement fund had a deficit fund balance of $5,199,950 and the Fire Grants fund had a deficit fund balance of $781,479. These funds are on a cost reimbursement basis. The deficit resulted from timing differences between when expenditures are incurred and the recognition of grant revenue. These funds will be replenished with reimbursements from grantor.

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

Stewardship, Compliance, and Accountability (Continued

Expenditures in Excess of Appropriations

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

- Low and Moderate Income Housing Assets ($1,206,966)
- Community Development Block Grant ($33,682)
- Measure W ($101,994)

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Pooled Cash and Investments	$ 157,190,927
Cash and Investments with Fiscal Agents	28,811,861
Fiduciary Funds:	
Pooled Cash and Investments	3,147,073
Cash and Investments with Fiscal Agents	12,780,233
Total	$ 201,930,094

Cash and investments were comprised of the following as of June 30, 2024:

Cash on Hand	$ 58,519
Deposits with Financial Institutions	6,575,853
California Employers' Pension Prefunding Trust*	28,237,121
Investments	167,058,601
Total	$ 201,930,094

* The City has a Section 115 trust account with CalPERS to hold assets that are legally restricted for use in administering the City's CalPERS pension plans. The trust's specific cash and investments are managed by CalPERS under guidelines approved by the City. Disclosures related to investments in CalPERS' California Employers' Pension Prefunding Trust related to interest rate risk and fair value are available online.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments Authorized by the City's Investment Policy

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

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

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

Investments Authorized by Debt Agreements

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

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Interest Rate Risk

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

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

	Remaining Maturity (in Months)					
Investment Type	12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 48 Months	48 to 60 Months	Total
U.S. Treasury Obligations	$ -	$ 3,172,997	$ 12,200,737	$ 8,138,306	$ 5,897,743	$ 29,409,783
U.S. Agency Securities:						
Federal Home Loan Mortgage Corporation (FHLMC)	-	151,824	242,252	873,069	-	1,267,145
Federal National Mortgage Association (FNMA)	609,265	1,805,610	1,905,405	1,144,384	4,185,124	9,649,788
Municipal Obligations	642,530	-	265,482	-	-	908,012
Medium-Term Notes	1,148,784	3,446,499	7,580,670	2,399,246	1,741,673	16,316,872
Negotiable Certificates of Deposit (CD)	-	651,297	1,028,453	-	-	1,679,750
Supranationals	-	-	263,863	-	-	263,863
Asset-Backed Securities	-	230,822	1,989,130	5,368,442	3,430,056	11,018,450
Local Agency Investment Fund (LAIF)	24,398,688	-	-	-	-	24,398,688
CAMP Pool	58,791,276	-	-	-	-	58,791,276
Held by Bond Trustee:						
Money Market Funds	13,354,974	-	-	-	-	13,354,974
Total	$ 98,945,517	$ 9,459,049	$ 25,475,992	$ 17,923,447	$ 15,254,596	$ 167,058,601

Credit Risk

The City’s investment policy limits investments to a rating of “A” or higher for California state and local agency obligations, banker acceptances, and commercial paper that is (i) organized within the United States as a special purpose corporation, trust, or limited liability company and (ii) has program wide credit enhancements including, but not limited to, over collateralization, letters of credit. The City’s investment policy limits investments to a rating of “A” or higher for other state obligations, medium-term notes, asset backed securities and commercial paper that is (i) organized and operating in the United States as a general corporation and (ii) has total assets in excess of five hundred million dollars ($500,000,000). The City’s investment policy limits investments to a rating of “AA” or higher for supranational. As of June 30, 2024, the City’s investments in external investment pools and money market mutual funds are unrated.

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Credit Risk (Continued)

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

Investment Type	Total as of June 30, 2024	Minimum Legal Rating	AAA	AA	A	BBB*	Not Rated
U.S. Treasury Obligations	$ 29,409,783	N/A	$ -	$ 29,409,783	$ -	$ -	$ -
U.S. Agency Securities:							
FHLMC	1,267,145	N/A	-	1,267,145	-	-	-
FNMA	9,649,788	N/A	-	9,649,788	-	-	-
Municipal Obligations	908,012	A	-	578,695	-	-	329,317
Medium-Term Notes	16,316,872	A	-	2,715,322	12,637,288	964,262	-
Negotiable CD	1,679,750	A	-	-	1,679,750	-	-
Supranationals	263,863	AA	263,863	-	-	-	-
Asset-Backed Securities	11,018,450	AA	7,977,621	-	-	-	3,040,829
LAIF	24,398,688	N/A	-	-	-	-	24,398,688
CAMP Pool	58,791,276	N/A	-	-	-	-	58,791,276
Held by Bond Trustee:							
Money Market Funds	13,354,974	AAA	13,354,974	-	-	-	-
Total	$ 167,058,601		$ 21,596,458	$ 43,620,733	$ 14,317,038	$ 964,262	$ 86,560,110

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

Concentration of Credit Risk

The investment policy of the City contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer, other than U.S. Treasury obligations, external investment pools, and money market funds, that represent 5% or more of total City investments at June 30, 2024 are as follows:

Investment Type	Issuer	Amount
U.S. Agency Securities	FNMA	$ 9,649,788

Custodial Credit Risk

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

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investment in State Investment Pool and CAMP Pool

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

Fair Value Hierarchy

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs); Level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurements as of June 30, 2024:

		Level	
Investment Type	Totals	1	2
U.S. Treasury Obligations	$ 29,409,783	$ 29,409,783	$ -
U.S. Agency Securities:			
FHLMC	1,267,145	-	1,267,145
FNMA	9,649,788	-	9,649,788
Municipal Obligations	908,012	-	908,012
Medium-Term Notes	16,316,872	-	16,316,872
Negotiable Certificates of Deposit	1,679,750	-	1,679,750
Supranationals	263,863	-	263,863
Asset-Backed Securities	11,018,450	-	11,018,450
Totals	70,513,663	$ 29,409,783	$ 41,103,880
Not Subject to Fair Value Measurement Hierarchy:			
Local Agency Investment Fund (LAIF)	24,398,688		
CAMP Pool	58,791,276		
Held by Bond Trustee:			
Money Market Funds	13,354,974		
Total Investments	$ 167,058,601		

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

NOTE 3 LEASES RECEIVABLE

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

In additional to the ground lease noted above, the City, acting as lessor, leases other land and buildings under long-term noncancelable lease agreements. The leases expire at various dates and provide for renewal options ranging up to 25 years. At June 30, 2024, the City has $18,340,853 in both lease receivables and deferred inflows of resources in the General Fund.

During the year ended June 30, 2024, the City recognized $446,217 and $730,463 in lease revenue and interest revenue, respectively, pursuant to all of its lease agreements.

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

Year Ending June 30,	Principal	Interest
2025	$ 257,548	$ 722,419
2026	238,818	713,773
2027	246,357	704,995
2028	252,055	695,839
2029	248,280	686,457
2030-2034	1,274,671	3,289,799
2035-2039	1,400,678	3,036,018
2040-2044	1,763,844	2,723,294
2045-2049	1,899,254	2,345,305
2050-2054	2,174,749	1,945,250
2055-2059	2,655,362	1,464,637
2060-2064	3,242,188	877,811
2065-2069	2,687,049	196,950
Total	$ 18,340,853	$ 19,402,547

NOTE 4 LOANS AND NOTES RECEIVABLE

The loans and notes receivable balance consist of the following:

Fund	Balance
Governmental Funds:	
General Fund	$ 177,450
Low and Moderate Income Housing Assets Special Revenue Fund	6,000,000
Successor Agency Bond Funded Capital Projects Fund	58,149
Nonmajor Governmental Funds	19,250
Total Funds	$ 6,254,849

The General Fund has loans and notes receivable in the amount of $28,360 representing monies advanced to City employees for home computer purchases. These loans are required to be repaid within two years and bear no interest. Notes receivable in the amount of $149,090 relate to monies advanced to Community Facilities District 2002-1 for infrastructure improvements. This loan bears an interest rate of 5.75% per annum.

The Low and Moderate Income Housing Assets Special Revenue Fund has 10 notes outstanding related to housing for qualified buyers. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home if such a transaction occurs within 45 years. A portion of the loan balance is forgiven each year beginning five years after issuance and is completely forgiven after 45 years. An allowance for the full amount of the loans has been recorded as the expectation is for the homeowners to keep the properties for the entire term of the agreement. The balance outstanding at June 30, 2024 is $822,510 with a net carrying value of zero. The loans do not accrue interest.

In June 2023, the City signed a promissory note to lend Richman Santa Fe Springs Apartments $6,000,000 for the development of affordable housing. The note is secured by certain Deed of Trust with Assignment of Rents with a maturity date of 55 years from the date Conversion occurs, as defined in the agreement. The agreement calls for annual payments based on a calculation of residual receipts. The residual receipts are calculated based on the project revenues less approved expenses. The outstanding principal accrues simple interest at 3%. At June 30, 2024, the note has an outstanding balance of $6,000,000

The Successor Agency Bond Funded Capital Projects Fund has a note receivable in the amount of $58,149 related to monies advanced by the former Commission to Community Facilities District 2004-1 for infrastructure improvements. This loan bears interest at a rate of 5.75% per annum.

The Nonmajor Governmental Funds have two notes receivable outstanding from homeowners through the CDBG housing program. The loans have zero interest and do not require repayment. The loans are secured by a deed of trust and must be repaid upon sale or refinance of the home. The balance outstanding at June 30, 2024, is $19,250.

NOTE 5 DUE FROM OTHER GOVERNMENTS

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

NOTE 6 INTERFUND ACTIVITY

The following is a summary of interfund transfers for the fiscal year ended June 30, 2024:

	Transfers Out:				
Transfers In:	General Fund	Prefunded Capital Projects Fund	Nonmajor Governmental Funds	Water Enterprise Fund	Total
General Fund	$ -	$ -	$ 2,006,669	$ 1,343,800	$ 3,350,469
Capital Improvement	540,046	311,242	-	-	851,288
Prefunded Capital Projects Fund	6,750,000	-	1,131,534	-	7,881,534
Nonmajor Governmental Funds	144	-	-	-	144
Total	$ 7,290,190	$ 311,242	$ 3,138,203	$ 1,343,800	$ 12,083,435

The General Fund transferred $6,750,000 into the Prefunded Capital Projects Fund and $540,046 to Capital Improvement Fund provide funding for current and future capital projects. The General Fund transferred $144 to Fire Grants Nonmajor Governmental Fund for expenditures not covered by grants.

Prefunded Capital Projects Fund transferred $311,242 into Capital Improvement Fund for cost related to a capital project.

Other nonmajor Governmental Funds transferred $2,006,669 into the General Fund for various purposes including eligible expenditures incurred related to public safety, gas tax, metro grants, street lighting, and art in public places activities, and $1,131,531 into the Prefunded Capital Projects Fund for costs incurred related to capital projects.

The Water Fund transferred $1,200,000 into the General Fund in connection with the lease agreement between the City and the City's Water Utility Authority and $143,800 for NPDES street purposes and other computer replacements.

NOTE 6 INTERFUND ACTIVITY (CONTINUED)

Due to/from other funds at June 30, 2024, were as follows:

	Due to		
Due from	Capital Improvement Fund	Nonmajor Governmental Funds	Total
General Fund	$ 7,384,255	$ 1,248,294	$ 8,632,549

The due to/from other funds balances resulted from reimbursable expenditures occurring while the revenues with which to reimburse those expenditures had not yet been received. All balances are expected to be repaid once the fund receives reimbursement from the grantor.

Advances from other funds and advances to other funds at June 30, 2024, are as follows:

	Advances from
Advances to	Low and Moderate Income Housing Assets Fund
General Fund	$ 1,437,861

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

NOTE 7 CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2024:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Governmental Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land	$ 49,181,852	$ -	$ -	$ 49,181,852
Construction in Process	6,699,149	13,934,605	9,386,327	11,247,427
Total Capital Assets not Being Depreciated/Amortized	55,881,001	13,934,605	9,386,327	60,429,279
Capital Assets, Being Depreciated/Amortized:				
Buildings	35,007,427	2,758,843	-	37,766,270
Improvements	32,206,635	3,955,428	-	36,162,063
Equipment	18,753,834	2,005,157	60,555	20,698,436
Intangible Assets	1,313,015	-	-	1,313,015
Infrastructure	166,247,029	2,672,055	-	168,919,084
Right-to-Use Lease Equipment	454,612	-	-	454,612
SBITA	59,902	351,676	-	411,578
Total Capital Assets, Being Depreciated/Amortized	254,042,454	11,743,159	60,555	265,725,058
Less Accumulated Depreciation/Amortization:				
Buildings	16,331,726	792,227	-	17,123,953
Improvements	21,771,885	1,148,356	-	22,920,241
Equipment	11,879,399	1,447,909	60,555	13,266,753
Intangible Assets	393,905	87,534	-	481,439
Infrastructure	96,339,331	4,384,142	-	100,723,473
Right-to-Use Lease Equipment	138,277	89,029	-	227,306
SBITA	3,328	60,996	-	64,324
Total Accumulated Depreciation/ Amortization	146,857,851	8,010,193	60,555	154,807,489
Total Capital Assets, Being Depreciated/Amortized, Net	107,184,603	3,732,966	-	110,917,569
Government Activities Capital Assets, Net	$ 163,065,604	$ 17,667,571	$ 9,386,327	$ 171,346,848

NOTE 7 CAPITAL ASSETS (CONTINUED)

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024
Business-Type Activities:				
Capital Assets, not Being Depreciated/Amortized:				
Land and Water Rights	$ 3,384,974	$ -	$ -	$ 3,384,974
Construction in Process	4,974,488	7,400		4,981,888
Total Capital Assets not Being Depreciated/Amortized	8,359,462	7,400	-	8,366,862
Capital Assets, Being Depreciated/Amortized:				
Source of Supply Plant	4,622,244	-	-	4,622,244
Transmission and Distribution Plant	37,607,015	-	-	37,607,015
Pumping and Treatment Plant	111,016	-	-	111,016
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	18,942	-	-	18,942
Total Capital Assets, Being Depreciated/Amortized	43,455,352	-	-	43,455,352
Less Accumulated Depreciation/Amortization:				
Source of Supply Plant	2,731,947	87,837	-	2,819,784
Transmission and Distribution Plant	22,828,358	559,420	-	23,387,778
Pumping and Treatment Plant	110,625	393	-	111,018
General Plant	1,096,135	-	-	1,096,135
Right-to-Use Leased Equipment	5,682	3,789	-	9,471
Total Accumulated Depreciation/ Amortization	26,772,747	651,439	-	27,424,186
Total Capital Assets, Being Depreciated/Amortized, Net	16,682,605	(651,439)	-	16,031,166
Water Utility Capital Assets, Net	$ 25,042,067	$ (644,039)	$ -	$ 24,398,028

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

	Governmental Activities	Business-Type Activities
General Government	$ 816,101	$ -
Public Safety	1,259,862	-
Community Development	67,948	-
Transportation	4,769,656	-
Culture and Leisure	829,895	-
Human Services	266,731	-
Water Utility	-	651,439
Total Governmental Activities	$ 8,010,193	$ 651,439

NOTE 8 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Direct Borrowing - Notes Payable:					
Fire Engines	$ 2,295,114	$ -	$ 295,293	$ 1,999,821	$ 305,539
Fire Equipment	2,401,803	-	463,932	1,937,871	472,005
Fire Air and Light Vehicle	90,253	-	90,253	-	-
Lease Payable	321,915	-	90,198	231,717	91,609
SBITA Payable	-	351,676	68,544	283,132	66,675
Total	$ 5,109,085	$ 351,676	$ 1,008,220	$ 4,452,541	$ 935,828
Business-Type Activities:					
Water Revenue Bonds Payable:					
2013 Series A	$ 6,890,000	$ -	$ -	$ 6,890,000	$ -
2018 Subordinate Bonds	610,000	-	215,000	395,000	220,000
Issuance Discount/Premiums	(113,370)	-	5,967	(107,403)	-
Lease Payable	13,413	-	3,758	9,655	3,817
Total	$ 7,400,043	$ -	$ 224,725	$ 7,187,252	$ 223,817

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

Governmental Activities

	Notes Payable	
Year Ending June 30,	Principal	Interest
2025	$ 777,544	$ 103,113
2026	796,359	84,298
2027	815,685	64,972
2028	835,537	45,120
2029	712,567	37,300
Total	$ 3,937,692	$ 334,803

Business-Type Activities

	Revenue Bonds	
Year Ending June 30,	Principal	Interest
2025	$ 220,000	$ 265,878
2026	240,000	260,620
2027	300,000	254,488
2028	310,000	245,113
2029	320,000	235,038
2029-2033	1,770,000	1,002,400
2034-2038	2,120,000	651,000
2039-2043	2,005,000	204,200
Total	$ 7,285,000	$ 3,118,737

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities

Fire Engines Note Payable

In February 2023, the City entered into a financed purchase agreement for $2,295,114 with Bank of America to purchase two fire engines. Payments are due annually in the amount of $374,933 on February 28 each year at an annual interest rate of 3.47% with the note payable maturing on February 28, 2030. The current balance outstanding for this note payable is $1,999,822.

Fire Equipment Note Payable

In November 2020, the City entered into a financed purchase agreement for $3,306,000 with Bank of America to purchase a fire engine and fire equipment. Payments are due annually in the amount of $505,724 on November 17 each year at an annual interest rate of 1.74% with the note payable maturing on November 17, 2027. The current balance outstanding for this note payable is $1,937,871.

Fire Air and Light Vehicle Note Payable

In September 2017, the City entered into a financed purchase agreement for $598,911 with Community First National Bank to purchase an Air & Light Vehicle for the Fire department. Payments are due annually in the amount of $92,765 on September 1, each year at an annual interest rate of 2.73%; with the note payable maturing on September 1, 2023. This note was paid off as of June 30, 2024.

Lease Payable

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

	Governmental Activities		Business-Type Activities	
Year Ending June 30,	Principal	Interest	Principal	Interest
2025	$ 91,609	$ 2,950	$ 3,817	$ 123
2026	93,043	1,517	3,877	63
2027	47,065	213	1,961	9
Total	$ 231,717	$ 4,680	$ 9,655	$ 195

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

SBITA Payable

The City entered into subscription based-information technology arrangements for a software. The SBITA arrangement expires in 2028. The subscription assets and the related accumulated amortization are detailed in Note 7. The future subscription payments under the SBITA agreement are as follows:

Governmental Activities

Year Ending June 30,	SBITA Payable Principal	SBITA Payable Interest
2025	$ 66,675	$ 8,325
2026	69,342	5,658
2027	72,115	2,885
2028	75,000	-
Total	$ 283,132	$ 16,868

Business-Type Activities

Water Refunding Revenue Bonds, 2013

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

The 2013 Revenue Bonds are due from 2026 through 2043 in annual principal installments of $65,000 to $530,000. Interest rates range from 3% to 4% and interest is payable semiannually on November 1 and May 1. The total outstanding principal as of June 30, 2024, is $6,890,000. The 2013 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities. The City has covenanted in the Installment Sale Agreement to set rates and charges for water services for its customers sufficient to provide net revenues each fiscal year equal to at least 120% of the debt service due in such fiscal year. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was $2,921,004 against debt service payments of $256,438.

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

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Water Refunding Revenue Bonds, 2018

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

The 2018 Revenue Bonds are due from 2018 through 2026 in annual principal installments of $175,000 to $220,000. The interest rate is 2.39% and interest is payable semiannually on May 1 and November 1. The total outstanding principal as of June 30, 2024, is $610,000. The 2018 Revenue Bonds are payable from and secured by net revenues of the City's water system and facilities on a subordinate basis to the 2013 Revenue Bonds. Net revenue is determined by the gross revenues received during such period minus the amount required to pay all operation and maintenance costs becoming payable during such period. Net revenue pledged to these bonds for the current year was $2,921,004 against debt service payments of $229,441.

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

NOTE 9 COMPENSATED ABSENCES

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

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities	$ 1,867,524	$ 347,540	$ 318,258	$ 1,896,806	$ 440,000
Business-Type Activities	254,663	47,392	43,399	258,656	60,000
Total Compensated Absences	$ 2,122,187	$ 394,932	$ 361,657	$ 2,155,462	$ 500,000

NOTE 10 CALIFORNIA JOINT POWERS INSURANCE AUTHORITY INSURANCE PROGRAM

Description of Self-Insurance Pool Pursuant to Joint Powers Agreement

The City of Santa Fe Springs is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 126 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the board of directors. The board operates through a nine-member executive committee.

Primary Self-Insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

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

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

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

Primary Self-Insurance Programs of the Authority (Continued)

Primary Workers' Compensation Program

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

For 2023-24, the Authority's pooled retention is $1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to $1 million. Coverage from $1 million to $5 million is purchased through reinsurance policies, and Employer's Liability losses from $5 million to $10 million are pooled among members.

Purchased Insurance

Pollution Legal Liability Insurance

The City of Santa Fe Springs participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City of Santa Fe Springs. Coverage is on a claims-made basis. There is a $250,000 deductible. The Authority has an aggregate limit of $20 million.

Property Insurance

The City of Santa Fe Springs participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City of Santa Fe Springs property is currently insured according to a schedule of covered property submitted by the City of Santa Fe Springs to the Authority. City of Santa Fe Springs property currently has all-risk property insurance protection in the amount of $135,512,752. There is a $10,000 deductible per occurrence except for nonemergency vehicle insurance which has a $2,500 deductible.

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

Purchased Insurance (Continued)

Earthquake and Flood Insurance

The City of Santa Fe Springs purchases earthquake and flood insurance on a portion of its property. The earthquake insurance is part of the property protection insurance program of the Authority. City of Santa Fe Springs property currently has earthquake protection in the amount of $62,694,195. There is a deductible of 5% per unit of value with a minimum deductible of $100,000.

Crime Insurance

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

Adequacy of Protection

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2023-2024.

NOTE 11 PENSION PLAN OBLIGATIONS

a. General Information About the Pension Plan

Plan Description

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

Benefits Provided

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

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

The Plan provisions and benefits for the fiscal year ended June 30, 2024, are summarized as follows:

	Miscellaneous Plan		
	Tier 1*	Tier 2*	PEPRA
Hire Date	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Benefit Formula	2.7%@55	2.0%@55	2.0%@62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	52
Monthly Benefits, as a % of Eligible Compensation	2.000% - 2.700%, 50 yrs - 55+ yrs,	1.426% - 2.418%, 50 yrs - 63+ yrs,	1.000% - 2.500%, 52 yrs - 67+ yrs,
Required Employee Contribution Rates	8.00%	7.00%	7.25%
Required Employer Contribution Rates	12.500%	12.500%	7.350%

	Safety Cost-Sharing Rate Plans		
	Tier 1*	Tier 2*	PEPRA
Hire Date	Prior to November 19, 2012	November 19, 2012 but prior to January 1, 2013	January 1, 2013 and After
Benefit Formula	3.0%@50	3.0%@55	2.7%@57
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Minimum Retirement Age	50	50	50
Monthly Benefits, as a % of Eligible Compensation	3.000%, 50+ yrs	2.400% - 3.000%, 50 yrs - 55+ yrs,	2.000% - 2.700%, 50 yrs - 57+ yrs,
Required Employee Contribution Rates	9.000%	9.000%	14.500%
Required Employer Contribution Rates	29.090%	24.790%	14.500%

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

Employees Covered

For the measurement period ended June 30, 2023, the following employees were covered by the benefit terms of the Miscellaneous Plan:

Description	Number of Members
Active Members	136
Transferred Members	44
Terminated Members	30
Retired Members and Beneficiaries	228
Total	438

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

a. General Information About the Pension Plan (Continued)

Contribution Description

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

Employer contributions for the miscellaneous and safety plans for fiscal year ended June 30, 2024, was $8,157,789 and $6,312,822, respectively.

b. Net Pension Liability

The net pension liability is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the plans is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown on the subsequent page.

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

	Miscellaneous	Safety
Valuation Date	June 30, 2022	June 30, 2022
Measurement Date	June 30, 2023	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	(1)	(1)
Mortality Rate Table	(2)	(2)
Post Retirement Benefit Increase	(3)	(3)

Varies by entry age and service.

(1) Varies by entry age and service.
(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
(3) The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter.

Long-Term Expected Rate of Return

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

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

b. Net Pension Liability (Continued)

Long-Term Expected Rate of Return (Continued)

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

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

(a) An expected inflation of 2.30% used for this period.
(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Change in Benefit Terms

In 2022, Senate Bill 1168 increased the standard retiree lump sum death benefit from $500 to $2,000 for any death occurring on or after July 1, 2023.

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022 (Measurement Date)	$ 196,092,030	$ 113,604,295	$ 82,487,735
Changes in the Year:			
Service Cost	2,152,473	-	2,152,473
Interest on the Total Pension Liability	13,500,457	-	13,500,457
Change in Benefit Terms	127,718	-	127,718
Changes of Assumptions	-	-	-
Differences Between Actual and Expected Experience	4,491,245	-	4,491,245
Contribution - Employer	-	7,918,095	(7,918,095)
Contribution - Employee	-	1,014,108	(1,014,108)
Net Investment Income	-	7,057,512	(7,057,512)
Administrative Expenses	-	(83,539)	83,539
Benefit Payments, Including Refunds of Employee Contributions	(12,256,868)	(12,256,868)	-
Net Changes	8,015,025	3,649,308	4,365,717
Balance at June 30, 2023 (Measurement Date)	$ 204,107,055	$ 117,253,603	$ 86,853,452

As of June 30, 2024, the City Safety Plan reported a net pension liability for its proportionate share of the net pension liability of the Plan as follows:

	Proportionate Share of Net Pension Liability
Safety Plan	$ 66,691,562

The City's net pension liability for the Safety Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Safety Plan is measured as of June 30, 2023, and the total pension liability for the Safety Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

c. Changes in the Net Pension Liability (Continued)

The City's proportionate share of the net pension liability for the Safety Plan as of measurement period ended June 30, 2022 and 2023, was as follows:

Safety Cost-Sharing Plan	
Safety Cost-Sharing Plan	
Proportion - June 30, 2022	0.91734%
Proportion - June 30, 2023	0.89220%
Change - Increase (Decrease)	-0.02514%

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

The following presents the net pension liability of the Plan's as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate - 1% 5.90%	Current Discount 6.90%	Discount Rate + 1% 7.90%
Miscellaneous Plan	$ 111,056,315	$ 86,853,452	$ 66,624,602
Safety Plan	93,069,847	66,691,562	45,125,437
Total Net Pension Liability	$ 204,126,162	$ 153,545,014	$ 111,750,039

Pension Plan Fiduciary Net Position

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

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

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

For the year ended June 30, 2024, the City recognized pension expense of $10,845,513 and $8,635,829 for the Miscellaneous and Safety Plan, respectively, which totals $14,470,611. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Miscellaneous Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 8,157,789	$ -
Changes of Assumptions	1,555,106	-
Differences Between Expected and Actual Experience	3,042,456	(933,834)
Net Differences Between Projected and Actual Earnings on Plan Investments	5,245,933	-
Total	$ 18,001,284	$ (933,834)

	Safety Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	$ 6,312,822	$ -
Difference Between Expected and Actual Experiences	4,896,390	(419,183)
Change in Assumptions	3,892,209	-
Net Differences Between Projected and Actual Earnings on Plan Investments	9,126,722	-
Change in Employer's Proportion	549,758	(494,359)
Differences Between the Employer's Contributions and the Employer's Proportionate Share of Contributions	638,001	(1,841,204)
Total	25,415,902	(2,754,746)
Total All Plans	$ 43,417,186	$ (3,688,580)

$8,157,789 and $6,312,822 reported in the Miscellaneous and Safety Plans, respectively, as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Differences between projected and actual investment earnings are amortized on a five-year straight-line basis and all other amounts are amortized over the expected average remaining service lives of all members that are provided with benefits.

NOTE 11 PENSION PLAN OBLIGATIONS (CONTINUED)

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

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

	Deferred Outflows/(Inflows) of Resources		
Measurement Period Ending June 30,	Miscellaneous	Safety	Total
2024	$ 2,952,037	$ 5,015,967	$ 7,968,004
2025	1,894,211	3,683,197	5,577,408
2026	3,930,739	7,394,426	11,325,165
2027	132,675	254,744	387,419
Total	$ 8,909,662	$ 16,348,334	$ 25,257,996

e. Payable to the Pension Plans

At June 30, 2024, the City had no outstanding amount of contributions to the pension plans required for the year ended June 30, 2024.

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS

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

a. Plan Description

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

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

b. Eligibility and Employees Covered

Employees are eligible for retiree health benefits if they retire from the City on or after age 50 (unless disabled) with five years or service and are eligible for a PERS pension. The benefits are available only to employees who retire from the City. At measurement date ended June 30, 2023, the benefit terms covered the following employees:

	Miscellaneous	Fire	Total
Retirees and Beneficiaries Receiving Benefits	$ 174	$ 99	$ 273
Retirees and Beneficiaries Entitled to but not yet Receiving Benefits	108	44	152
Active Plan Members	282	143	425
Total	$ 564	$ 286	$ 850

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

c. Contributions

The City currently contributes to the CERBT OPEB trust, in addition to paying benefit payments outside the trust. For the fiscal year ended June 30, 2024, the City contributed $469,000 to the CERBT, paid $3,408,337 for current premiums, and paid $10,029 of nontrust admin expenses, resulting in total contributions of $3,887,366. The liability for governmental activities is primarily liquidated from the general fund and the liability for business-type activities is liquidated from the water enterprise fund.

d. Investments

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

Asset Class	Target Allocation
Global Equity	49.0 %
U.S. Fixed Income	23.0
REITs	20.0
TIPS	5.0
Commodities	3.0
Total	100.0 %

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

e. Net OPEB Liability

The City's net OPEB liability as the total OPEB liability, less the plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2023, using an actuarial valuation as of June 30, 2022. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	3.10%
Salary Increases	2.80%
Healthcare Cost Trend Rates:	20
2023 Trend (Pre 65 / Post 65)	0.00% / 6.70%
2024 Trend (Pre 65 / Post 65)	0.00% / 4.54%
Ultimate Trend	4.54%
Year Ultimate Trend is Reached (Pre 65 / Post 65)	2090 / 2024
Mortality Rates	Public Agency - Post-Retirement Mortality - SOA Scale MP-2020 Base Year 2018, Public Agency Miscellaneous - Pre-Retirement Mortality - SOA Scale MP-2020 Base Year 2018, and Public Agency Safety / Fire - Pre-Retirement Mortality - SOA Scale MP-2020 Base Year 2018.

The actuarial assumptions used in the June 30, 2022, valuation were based on a standard set of assumptions the actuary has used for similar valuations, modified as appropriate for the City.

The City holds the presumption that the CalPERS medical plan and its premium structure are sustainable over the measurement period, even if other groups or active participants cease to participate and has selected to incorporate that opinion as an assumption in its valuation. The actuary incorporated this assumption and has applied the Actuarial Standard of Practice No. 6 section 3.7.7(c)(4) exception and performed the valuation based on the direct premium rates charged by CalPERS without regard to adjustments for age, thereby resulting in no liability due to an implied rate subsidy.

f. Discount Rate

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

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

g. Changes in the Net OPEB Liability

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c)=(a)-(b)
Balance at June 30, 2022 (Measurement Date)	$ 64,552,170	$ 26,312,462	$ 38,239,708
Changes Recognized for the Measurement Period:			
Service Cost	1,204,768	-	1,204,768
Interest on Total OPEB Liability	3,128,602	-	3,128,602
Changes of Assumptions	(12,557,072)	-	(12,557,072)
Difference Between Actual vs. Expected Experience	(1,351,973)	-	(1,351,973)
Contributions-Employer	-	4,211,515	(4,211,515)
Net Investment Income	-	1,734,112	(1,734,112)
Benefit Payments, Including Refunds of Employee Contributions	(3,580,515)	(3,580,515)	-
Administrative Expense	-	(7,718)	7,718
Net Changes	(13,156,190)	2,357,394	(15,513,584)
Balance at June 30, 2023 (Measurement Date)	$ 51,395,980	$ 28,669,856	$ 22,726,124

h. Change in Assumptions

Initial trend rates were advanced and the model for trends in subsequent years is based on the Getzen Model as updated through October 2023. The payroll growth rate was increased form 2.75% to 2.80%.

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

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

	Discount Rate -1% 5.25%	Current Discount 6.25%	Discount Rate + 1% 7.25%
Net OPEB Liability	$ 29,703,753	$ 22,726,124	$ 16,932,500

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

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

	Trend Rate -1% 0.00% / 5.70%	Trend Rate 0.00% / 6.70%	Trend Rate + 1% 1.00% / 7.70%
Net OPEB Liability	$ 16,306,311	$ 22,726,124	$ 30,669,730

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

For the year ended June 30, 2024, the City recognized OPEB gain of $1,929,298. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
City Contributions Made Subsequent to Measurement Date	$ 3,570,152	$ -
Differences Between Expected and Actual Experience	-	(2,979,464)
Changes of Assumptions	222,027	(10,158,611)
Net Difference Between Projected and Actual Earnings on Plan Investments	1,793,678	-
Total	$ 5,585,857	$ (13,138,075)

NOTE 12 POSTEMPLOYMENT HEALTH CARE BENEFITS (CONTINUED)

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

$3,570,152 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of total OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Deferred Outflows/ (Inflows) of of Resources
2025	$ (3,546,374)
2026	(3,396,347)
2027	(1,668,277)
2028	(2,511,372)
Total	$ (11,122,370)

NOTE 13 DEFINED CONTRIBUTION PLAN

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

NOTE 14 COMMITMENTS AND CONTINGENCIES

Claims

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

NOTE 15 CONDUIT OBLIGATION DEBT

The City issued $2,315,000 of Heritage Springs Assessment District Improvement Bonds on August 9, 2001. These bonds are not included in the accompanying financial statements as neither the faith and credit nor the taxing powers of the City have been pledged to the payment of the obligations. The outstanding balance at June 30, 2024, is $1,045,000.

NOTE 16 SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

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

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

Loans and Notes Receivable

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

Capital Assets

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

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024
Capital Assets, not Being Depreciated:				
Land	$ 415,530	$ -	$ -	$ 415,530
Total Capital Assets, Not Being Depreciated	$ 415,530	$ -	$ -	$ 415,530

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

Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the fiscal year ended June 30, 2024:

	Balance June 30, 2023	Additions	Reductions	Balance June 30, 2024	Due Within One Year
Private-Purpose Activities:					
Consolidated Redevelopment					
Project Tax Allocation Bonds:					
2006 Issue	$ 17,027,773	$ -	$ 5,624,491	$ 11,403,282	$ 4,253,770
Accreted Interest on					
Capital Appreciation Bonds	18,616,344	-	4,999,843	13,616,501	-
2016 Refunding Issue	1,480,000	-	735,000	745,000	745,000
Issuance Discounts/Premiums	(45,934)	-	15,312	(30,622)	-
Direct Borrowings:					
Tax Increment Loan from					
Los Angeles County	6,144,414	169,957	201,856	6,112,515	-
Total	$ 43,222,597	$ 169,957	$ 11,576,502	$ 31,846,676	$ 4,998,770

	Tax Allocation Bonds	
Year Ending June 30,	Principal	Interest
2025	$ 4,998,770	$ 8,381
2026	4,040,748	-
2027	2,069,997	-
2028	1,038,767	-
Total	12,148,282	$ 8,381
Cumulative Accretion Interest on Capital Appreciation Bonds	13,616,501	
Total Principal, June 30, 2024	$ 25,764,783	

Consolidated Redevelopment Project 2006 Tax Allocation Bonds

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

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

Consolidated Redevelopment Project 2006 Tax Allocation Bonds (Continued)

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

Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the bonds was transferred to the Successor Agency. Upon dissolution, former tax increment revenues are deposited into the Los Angeles County Redevelopment Property Tax Trust Fund (RPTTF) and are distributed to Successor Agencies based on approved enforceable obligations. The City does not believe the dissolution bill changes the pledged nature of the former tax increment and considers all deposits to the RPTTF pledged for debt service until the full debt service obligation for the fiscal year is reached. Total amount outstanding as of June 30, 2024, is $25,019,783 including $13,616,501 of accreted interest.

2016 Subordinate Tax Allocation Refunding Bonds

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

- $28,845,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2001 Series A.

- $50,915,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Refunding Bonds, 2002 Series A.

- $6,530,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Refunding Bonds, 2003 Series A (Housing Tax Revenues).

- $4,710,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Tax Allocation Bonds, 2006 Series A, issued as current interest bonds.

- $18,760,000 original principal amount Community Development Commission of the City of Santa Fe Springs Consolidated Redevelopment Project Taxable Tax Allocation Bonds, 2006 Series B.

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

2016 Subordinate Tax Allocation Refunding Bonds (Continued)

The refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $487,390, of which the outstanding amount at June 30, 2024 is $97,478, which is reported as a deferred outflow of resources in the accompanying financial statements and amortized over the remaining life of the refunded debt. Interest is payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2017. The certificates mature in 2025 and principal is payable on September 1 each year, commencing September 1, 2017. Total amount outstanding as of June 30, 2024, is $745,000.

Tax Increment Loan Payable

A loan of property tax increment was issued by the County of Los Angeles, California, to the former Washington Boulevard Redevelopment Project Debt Service Fund at a variable interest rate equivalent to the Los Angeles County Annual Treasury Pool rate as calculated annually by the County Auditor-Controller. Principal and interest payments on this loan were originally to be deferred until such time as the former Washington Boulevard Project has received a combined total of $10,750,000 in monies from sales tax increment, and property tax increment. Upon the dissolution of the former redevelopment agency at February 1, 2012, the outstanding balance of the loan was transferred to the Successor Agency. The repayment schedule is not fixed and will be dependent upon the availability of RPTTF to be used for that purpose, subject to the approval of the Oversight Board, Los Angeles County Auditor-Controller, and California Department of Finance. Total amount outstanding as of June 30, 2024, is $6,112,515.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 73,169,500	$ 76,069,500	$ 81,562,279	$ 5,492,779
Licenses and Permits	2,840,400	2,900,400	3,685,156	784,756
Intergovernmental	1,003,400	1,003,400	1,013,587	10,187
Charges for Services	6,113,100	6,332,100	7,517,518	1,185,418
Use of Money and Property	2,182,000	2,182,000	7,367,932	5,185,932
Rentals	1,877,100	1,877,100	2,103,157	226,057
Fines and Forfeitures	432,000	432,000	772,530	340,530
Contributions	118,700	118,700	258,116	139,416
Miscellaneous	744,900	744,900	1,533,425	788,525
Total Revenues	88,481,100	91,660,100	105,813,700	14,153,600
EXPENDITURES				
General Government	12,494,400	12,993,500	10,812,851	2,180,649
Public Safety	40,564,600	40,734,500	39,447,134	1,287,366
Community Development	4,399,400	4,329,100	3,540,981	788,119
Public Works	15,971,500	16,582,700	14,839,359	1,743,341
Culture and Leisure	7,628,200	8,162,400	7,861,333	301,067
Human Services	2,147,800	2,147,800	2,207,919	(60,119)
Capital Outlay	4,612,300	4,762,300	1,656,202	3,106,098
Debt Service:				
Principal Retirement	850,000	850,000	1,008,219	(158,219)
Interest and Fiscal Charges	125,000	125,000	134,763	(9,763)
Total Expenditures	88,793,200	90,687,300	81,508,761	9,178,539
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(312,100)	972,800	24,304,939	23,332,139
OTHER FINANCING SOURCES (USES)				
Transfers In	4,655,828	4,680,828	3,350,469	(1,330,359)
Transfers Out	(4,104,828)	(4,104,828)	(7,290,190)	(3,185,362)
Issuance of SBITA Payable	-	-	351,676	351,676
Sale of Capital Asset	5,000	5,000	34,215	29,215
Total Other Financing Sources (Uses)	556,000	581,000	(3,553,830)	(4,134,830)
NET CHANGE IN FUND BALANCE	243,900	1,553,800	20,751,109	19,197,309
Fund Balance - Beginning of Year	100,439,634	100,439,634	100,439,634	-
FUND BALANCE - END OF YEAR	$ 100,683,534	$ 101,993,434	$ 121,190,743	$ 19,197,309

See accompanying Notes to Required Supplementary Information.

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE
LOW AND MODERATE INCOME HOUSING ASSETS FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of Money and Property	$ -	$ -	$ 204,640	$ 204,640
Miscellaneous	-	-	16,548	(16,548)
Total Revenues	-	-	221,188	188,092
EXPENDITURES				
Community Development	253,000	253,000	1,459,966	(1,206,966)
Total Expenditures	253,000	253,000	1,459,966	(1,206,966)
NET CHANGE IN FUND BALANCE	(253,000)	(253,000)	(1,238,778)	(1,018,874)
Fund Balance - Beginning of Year	11,053,683	11,053,683	11,053,683	-
FUND BALANCE - END OF YEAR	$ 10,800,683	$ 10,800,683	$ 9,814,905	$ (1,018,874)

See accompanying Notes to Required Supplementary Information.

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

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	$ 2,152,473	$ 1,970,794	$ 1,766,312	$ 1,567,189	$ 1,609,236
Interest on Total Pension Liability	13,500,457	12,966,728	13,033,238	12,629,742	12,378,733
Differences Between Expected and Actual Experience	4,491,245	(3,009,015)	2,313,861	268,043	2,131,720
Changes in Assumptions	-	5,010,900	-	-	-
Changes in Benefit Terms	127,718	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(12,256,868)	(11,567,406)	(10,958,843)	(10,975,249)	(10,473,500)
Net Change in Total Pension Liability	8,015,025	5,372,001	6,154,568	3,489,725	5,646,189
Total Pension Liability - Beginning of Year	196,092,030	190,720,029	184,565,461	181,075,736	175,429,547
Total Pension Liability - End of Year (a)	$ 204,107,055	$ 196,092,030	$ 190,720,029	$ 184,565,461	$ 181,075,736
Plan Fiduciary Net Position:					
Contributions - Employer	$ 7,918,095	$ 7,068,656	$ 6,557,278	$ 5,957,285	$ 5,182,712
Contributions - Employee	1,014,108	930,374	911,222	855,704	783,946
Net Investment Income	7,057,512	(9,636,898)	24,174,117	5,199,591	6,740,766
Benefit Payments	(12,256,868)	(11,567,406)	(10,958,843)	(10,975,249)	(10,473,500)
Net Plan to Plan Resource Movement	-	-	-	-	-
Other Miscellaneous Income (Expense)	-	-	-	-	242
Administrative Expense	(83,539)	(79,044)	(106,198)	(148,620)	(73,690)
Net Change in Plan Fiduciary Net Position	3,649,308	(13,284,318)	20,577,576	888,711	2,160,476
Plan Fiduciary Net Position - Beginning of Year	113,604,295	126,888,613	106,311,037	105,422,326	103,261,850
Plan Fiduciary Net Position - End of Year (b)	$ 117,253,603	$ 113,604,295	$ 126,888,613	$ 106,311,037	$ 105,422,326
Net Pension Liability - Ending (a)-(b)	$ 86,853,452	$ 82,487,735	$ 63,831,416	$ 78,254,424	$ 75,653,410
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	57.45%	57.93%	66.53%	57.60%	58.22%
Covered Payroll	$ 11,947,551	$ 10,510,114	$ 9,998,155	$ 9,185,973	$ 8,249,634
Net Pension Liability as Percentage of Covered Payroll	726.96%	784.84%	638.43%	851.89%	917.05%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

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

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

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

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

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

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

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

There were no changes in assumptions.

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

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	$ 8,157,789	$ 7,870,770	$ 7,068,663	$ 6,557,278	$ 5,952,729
Contributions in Relation to the Actuarially Determined Contributions	(8,157,789)	(7,870,770)	(7,068,663)	(6,557,278)	(5,952,729)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 13,920,715	$ 11,947,551	$ 10,510,114	$ 9,998,155	$ 9,185,973
Contributions as a Percentage of Covered Payroll	58.60%	65.88%	67.26%	65.58%	64.80%
Notes to Schedule:					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.80% (3)	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.
(2) Depending on age, service and type of employment.
(3) Net of pension plan investment expense, including inflation.
(4) 2.7% at 55, 2% at 55 and 2% at 62
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

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

(1) Level percentage of payroll, closed.
(2) Depending on age, service and type of employment.
(3) Net of pension plan investment expense, including inflation.
(4) 2.7% at 55, 2% at 55 and 2% at 62
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Plan's Proportion of the Net Pension Liability	0.89220%	0.91734%	1.08803%	0.82961%	0.81779%
Plan's Proportionate Share of the Net Pension Liability	$ 66,691,562	$ 63,035,973	$ 38,184,110	$ 55,271,784	$ 51,050,543
Plan's Covered Payroll	$ 7,031,317	$ 6,764,920	$ 6,644,007	$ 6,934,844	$ 6,607,330
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	948.49%	931.81%	574.72%	797.02%	772.63%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	65.32%	66.21%	78.59%	68.36%	75.26%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

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

From fiscal year June 30, 2023 to June 30, 2024:

There were no changes in assumptions.

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

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

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

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

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

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

There were no changes in assumptions.

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

The discount rate was reduced from 7.65% to 7.15%

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

There were no changes in assumptions.

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

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Contractually Required Contribution (Actuarially Determined)	$ 6,312,822	$ 5,870,803	$ 5,345,973	$ 4,786,061	$ 4,372,591
Contributions in Relation to the Actuarially Determined Contributions	(6,312,822)	(5,870,803)	(5,345,973)	(4,786,061)	(4,372,591)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 7,736,367	$ 7,031,317	$ 6,764,920	$ 6,644,007	$ 6,934,844
Contributions as a Percentage of Covered Payroll	81.60%	83.50%	79.02%	72.04%	63.05%
Notes to Schedule:					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.300%	2.500%	2.500%	2.500%	2.625%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.80% (3)	7.00% (3)	7.00% (3)	7.00% (3)	7.25% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

(1) Level percentage of payroll, closed.
(2) Depending on age, service and type of employment.
(3) Net of pension plan investment expense, including inflation.
(4) 3% at 50, 3% at 55 and 2.7% at 57.
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

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

(1) Level percentage of payroll, closed.
(2) Depending on age, service and type of employment.
(3) Net of pension plan investment expense, including inflation.
(4) 3% at 50, 3% at 55 and 2.7% at 57.
(5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

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

Fiscal Year Ended	June 30, 2024	June 30, 2023
Measurement Date	June 30, 2023	June 30, 2022
Total OPEB Liability:		
Service Cost	$ 1,204,768	$ 984,226
Interest on Total OPEB Liability	3,128,602	3,619,578
Changes of Benefit Terms	-	4,802,768
Differences Between		
Expected and Actual Experience	(1,351,973)	-
Changes of Assumptions	(12,557,072)	-
Benefit Payments	(3,580,515)	(3,566,828)
Net Change in Total OPEB Liability	(13,156,190)	5,839,744
Total OPEB Liability - Beginning of Year	64,552,170	58,712,426
Total OPEB Liability - End of Year (a)	$ 51,395,980	$ 64,552,170
Plan Fiduciary Net Position:		
Contributions - Employer	$ 4,211,515	$ 4,183,089
Net Investment Income	1,734,112	(4,051,230)
Benefit Payments	(3,580,515)	(3,566,828)
Administrative Expenses	(7,718)	(14,857)
Net Change in Plan Fiduciary Net Position	2,357,394	(3,449,826)
Plan Fiduciary Net Position - Beginning of Year	26,312,462	29,762,288
Plan Fiduciary Net Position - End of Year (b)	$ 28,669,856	$ 26,312,462
Net OPEB Liability - Ending (a)-(b)	$ 22,726,124	$ 38,239,708
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	55.78%	40.76%
Covered - Employee Payroll	$ 22,159,644	$ 21,555,073
Net OPEB Liability as Percentage of Covered - Employee Payroll	102.56%	177.40%

Notes to Schedule:

Benefit Changes:

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

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

Changes in Assumptions:

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

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

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

Initial trend rates were advanced and the model for trends in subsequent years is based on the Getzen Model as updated through October 2023. The payroll growth rate was increased form 2.75% to 2.80%.

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

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

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

Notes to Schedule:

Benefit Changes:

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

There were no changes in benefits.

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

Life insurance benefit for grandfathered retirees was terminated.

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

There were no changes in benefits.

Changes in Assumptions:

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

There were no changes in assumptions.

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

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

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

Removal of ACA Excise Tax.

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

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

Fiscal Year Ended	June 30, 2024	June 30, 2023
Actuarially Determined Contribution	$ 6,579,931	$ 4,229,000
Contributions in Relation to the Actuarially Determined Contributions	(3,887,366)	(4,220,985)
Contribution Deficiency (Excess)	$ 2,692,565	$ 8,015
Covered - Employee Payroll	$ 20,648,719	$ 22,159,644
Contributions as a Percentage of Covered - Employee Payroll	18.83%	19.05%
Notes to Schedule:		
Valuation Date	6/30/2022	6/30/2021
Methods and Assumptions Used to Determine Contribution Rates:		
Actuarial Cost Method	Entry age	Entry age
Amortization Method	(1)	(1)
Amortization Period	15 year	16.1 year fixed
Asset Valuation Method	(2)	(2)
Discount Rate	6.25%	6.25%
Inflation	3.10%	2.50%
Healthcare Trend Rates	(9)	(7)
Mortality	(10)	(8)

(1) Level percentage of payroll.

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

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

(8) CalPERS 2000-2019 experience study.

(9) 2023 trend pre 65/post 65 - 0.00%/6.70%. 2024 trend pre 65/post 65 - 0.00%/4.54%. Ultimate trend 4.54% is reached 2090/2024.

(10) Public Agency - Post-Retirement Mortality - SOA Scale MP-2020 Base Year 2018, Public Agency Miscellaneous - Pre-Retirement Mortality - SOA Scale MP-2020 Base Year 2018, and Public Agency Safety / Fire - Pre-Retirement Mortality - SOA Scale MP-2020 Base Year 2018.

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

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

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially Determined Contribution	$ 4,266,000	$ 4,141,000	$ 5,047,000	$ 4,900,000	$ 4,737,000
Contributions in Relation to the Actuarially Determined Contributions	(4,183,089)	(5,074,731)	(5,033,207)	(4,995,349)	(4,616,000)
Contribution Deficiency (Excess)	$ 82,911	$ (933,731)	$ 13,793	$ (95,349)	$ 121,000
Covered - Employee Payroll	$ 21,555,073	$ 19,983,477	$ 18,008,437	$ 17,127,695	$ 19,257,018
Contributions as a Percentage of Covered - Employee Payroll	19.41%	25.39%	27.95%	29.17%	23.97%
Notes to Schedule:					
Valuation Date	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Amortization Period	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)	23-year fixed (closed)
Asset Valuation Method	(2)	(2)	(2)	(2)	(2)
Discount Rate	6.75%	6.75%	6.75%	6.75%	7.25%
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Healthcare Trend Rates	(4)	(4)	(4)	(4)	(3)
Mortality	(6)	(6)	(6)	(6)	(5)

(1) Level percentage of payroll.
(2) Investment gains/losses spread over 5-year rolling period.
(3) Non-Medicare 7.5%, Medicare 6.5%. Decreasing to an ultimate rate of 4% in 2076.
(4) Non-Medicare 7.25%, Medicare 6.3%. Decreasing to an ultimate rate of 4% in 2076.
(5) CalPERS 1997-2011 experience study.
(6) CalPERS 1997-2015 experience study.

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

Budgetary Comparison Information

Summary of Budgetary Policies

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

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

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

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

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

The following funds do not have a legally adopted budget:

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

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

SPECIAL REVENUE FUNDS

State Gas Tax

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

County Transit Tax

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

Street Lighting Maintenance District

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

Heritage Springs Street Maintenance District

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

Art in Public Places

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

Business License Surcharge

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

Air Quality Improvement

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

Community Development Block Grant

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

Fire Grants

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

Public Safety Augmentation

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

Supplemental Law Enforcement Services

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

Community Development Block Grant Program Income

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

Narcotics Forfeitures/Seizures

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

Transportation Center Expansion Parking Lot Fund

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

Measure W

This fund is used to account for stormwater activities.

PERMANENT FUND

Heritage Art Education Endowment Fund

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

(This page intentionally left blank)

CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
ASSETS					
Pooled Cash and Investments	$ 759,813	$ 5,020,621	$ 226,688	$ 183,007	$ 2,167,812
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	179,102	98,542	3,274	-	-
Due from other Funds	-	-	-	-	-
Total Assets	$ 938,915	$ 5,119,163	$ 229,962	$ 183,007	$ 2,167,812
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ -	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	-
Unearned Revenues	-	14,100	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	14,100	-	-	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	938,915	5,105,063	229,962	183,007	-
Art in Public Places	-	-	-	-	2,167,812
Unassigned	-	-	-	-	-
Total Fund Balances	938,915	5,105,063	229,962	183,007	2,167,812
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 938,915	$ 5,119,163	$ 229,962	$ 183,007	$ 2,167,812

CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
ASSETS					
Pooled Cash and Investments	$ 94,683	$ 161,212	$ 4,699	$ -	$ -
Receivables:					
Accounts	713	-	-	-	-
Notes and Loans	-	-	-	-	-
Due from Other Governments	-	6,248	13,500	1,213,907	42,429
Due from other Funds	-	-	-	-	-
Total Assets	$ 95,396	$ 167,460	$ 18,199	$ 1,213,907	$ 42,429
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ -	$ 15,852	$ 40,364	$ -
Accrued Liabilities	-	-	2,347	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	1,205,865	42,429
Total Liabilities	-	-	18,199	1,246,229	42,429
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	749,157	-
Total Deferred Inflows of Resources	-	-	-	749,157	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	95,396	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	167,460	-	-	-
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	(781,479)	-
Total Fund Balances	95,396	167,460	-	(781,479)	-
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 95,396	$ 167,460	$ 18,199	$ 1,213,907	$ 42,429

CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	Measure W
ASSETS					
Pooled Cash and Investments	$ 4,513	$ -	$ 126,966	$ 41,003	$ 5,982,751
Receivables:					
Accounts	-	-	-	-	-
Notes and Loans	-	19,250	-	-	-
Due from Other Governments	-	-	-	-	-
Due from other Funds	-	-	-	-	-
Total Assets	$ 4,513	$ 19,250	$ 126,966	$ 41,003	$ 5,982,751
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ -	$ -	$ -	$ 610
Accrued Liabilities	-	-	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	-	-
Total Liabilities	-	-	-	-	610
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	-	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-	-
FUND BALANCES					
Nonspendable:					
Permanent Fund Principal	-	-	-	-	-
Restricted for:					
Community Development Projects	-	19,250	-	-	-
Public Safety	4,513	-	126,966	-	-
Public Works	-	-	-	41,003	5,982,141
Art in Public Places	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	4,513	19,250	126,966	41,003	5,982,141
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,513	$ 19,250	$ 126,966	$ 41,003	$ 5,982,751

CITY OF SANTA FE SPRINGS
COMBINING BALANCE SHEET—
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Permanent Fund	
	Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
ASSETS		
Pooled Cash and Investments	$ 492,864	$ 15,266,632
Receivables:		
Accounts	-	713
Notes and Loans	-	19,250
Due from Other Governments	-	1,557,002
Due from other Funds	-	-
Total Assets	$ 492,864	$ 16,843,597
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ -	$ 56,826
Accrued Liabilities	-	2,347
Unearned Revenues	-	14,100
Due to Other Funds	-	1,248,294
Total Liabilities	-	1,321,567
DEFERRED INFLOWS OF RESOURCES		
Unavailable Revenue	-	749,157
Total Deferred Inflows of Resources	-	749,157
FUND BALANCES		
Nonspendable:		
Permanent Fund Principal	244,676	244,676
Restricted for:		
Community Development Projects	-	114,646
Public Safety	-	131,479
Public Works	-	12,647,551
Art in Public Places	248,188	2,416,000
Unassigned	-	(781,479)
Total Fund Balances	492,864	14,772,873
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 492,864	$ 16,843,597

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	State Gas Tax	County Transit Tax	Street Lighting Maintenance District	Heritage Springs Street Maintenance District	Art in Public Places
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	997,443	1,569,031	194,709	-	-
Use of Money and Property	30,121	173,024	7,338	-	81,294
Contributions	-	-	-	-	806,705
Miscellaneous	-	-	-	-	-
Total Revenues	1,027,564	1,742,055	202,047	-	887,999
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	-
Culture and Leisure	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1,027,564	1,742,055	202,047	-	887,999
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(1,063,758)	(848,450)	(183,000)	-	(611,876)
Total Other Financing Sources (Uses)	(1,063,758)	(848,450)	(183,000)	-	(611,876)
NET CHANGE IN FUND BALANCES	(36,194)	893,605	19,047	-	276,123
Fund Balances - Beginning of Year	975,109	4,211,458	210,915	183,007	1,891,689
FUND BALANCES - END OF YEAR	$ 938,915	$ 5,105,063	$ 229,962	$ 183,007	$ 2,167,812

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	Business License Surcharge	Air Quality Improvement	Community Development Block Grant	Fire Grants	Public Safety Augmentation
REVENUES					
Taxes	$ 6,260	$ -	$ -	$ -	$ 240,579
Intergovernmental	-	24,979	60,182	964,124	-
Use of Money and Property	-	8,574	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	6,260	33,553	60,182	964,124	240,579
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	423,375	-
Community Development	-	-	32,182	-	-
Public Works	-	2,100	-	-	-
Culture and Leisure	-	-	28,000	-	-
Capital Outlay	-	116,752	-	825,466	-
Total Expenditures	-	118,852	60,182	1,248,841	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	6,260	(85,299)	-	(284,717)	240,579
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	144	-
Transfers Out	-	-	-	-	(240,579)
Total Other Financing Sources (Uses)	-	-	-	144	(240,579)
NET CHANGE IN FUND BALANCES	6,260	(85,299)	-	(284,573)	-
Fund Balances - Beginning of Year	89,136	252,759	-	(496,906)	-
FUND BALANCES - END OF YEAR	$ 95,396	$ 167,460	$ -	$ (781,479)	$ -

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	Supplemental Law Enforcement Services	Community Development Block Grant Program Income	Narcotics Forfeitures/ Seizures	Transportation Center Expansion Parking Lot Fund	Measure W
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ -
Intergovernmental	186,159	-	2,984	-	1,447,171
Use of Money and Property	4,512	-	4,507	-	194,581
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total Revenues	190,671	-	7,491	-	1,641,752
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Public Works	-	-	-	-	101,994
Culture and Leisure	-	-	-	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	-	-	-	-	101,994
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	190,671	-	7,491	-	1,539,758
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers Out	(190,540)	-	-	-	-
Total Other Financing Sources (Uses)	(190,540)	-	-	-	-
NET CHANGE IN FUND BALANCES	131	-	7,491	-	1,539,758
Fund Balances - Beginning of Year	4,382	19,250	119,475	41,003	4,442,383
FUND BALANCES - END OF YEAR	$ 4,513	$ 19,250	$ 126,966	$ 41,003	$ 5,982,141

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Permanent Fund Heritage Art Education Endowment Fund	Total Nonmajor Governmental Funds
REVENUES		
Taxes	$ -	$ 246,839
Intergovernmental	-	5,446,782
Use of Money and Property	17,595	521,546
Contributions	-	806,705
Miscellaneous	-	-
Total Revenues	17,595	7,021,872
EXPENDITURES		
Current:		
General Government	-	-
Public Safety	-	423,375
Community Development	-	32,182
Public Works	-	104,094
Culture and Leisure	-	28,000
Capital Outlay	-	942,218
Total Expenditures	-	1,529,869
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	17,595	5,492,003
OTHER FINANCING SOURCES (USES)		
Transfers In	-	144
Transfers Out	-	(3,138,203)
Total Other Financing Sources (Uses)	-	(3,138,059)
NET CHANGE IN FUND BALANCES	17,595	2,353,944
Fund Balances - Beginning of Year	475,269	12,418,929
FUND BALANCES - END OF YEAR	$ 492,864	$ 14,772,873

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STATE GAS TAX
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Intergovernmental	$ 535,500	$ 535,500	$ 997,443	$ 461,943
Use of Money and Property	-	-	30,121	30,121
Total Revenues	535,500	535,500	1,027,564	492,064
OTHER FINANCING SOURCES (USES)				
Transfers Out	(642,800)	(642,800)	(1,063,758)	(420,958)
Total Other Financing Sources (Uses)	(642,800)	(642,800)	(1,063,758)	(420,958)
NET CHANGE IN FUND BALANCE	(107,300)	(107,300)	(36,194)	71,106
Fund Balance - Beginning of Year	975,109	975,109	975,109	-
FUND BALANCE - END OF YEAR	$ 867,809	$ 867,809	$ 938,915	$ 71,106

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COUNTY TRANSIT TAX
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 1,711,700	$ 1,711,700	$ 1,569,031	$ (142,669)
Use of Money and Property	-	-	173,024	173,024
Miscellaneous	-	-	-	-
Total Revenues	1,711,700	1,711,700	1,742,055	30,355
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,280,300)	(2,305,300)	(848,450)	1,456,850
Total Other Financing Sources (Uses)	(2,280,300)	(2,305,300)	(848,450)	1,456,850
NET CHANGE IN FUND BALANCE	(568,600)	(593,600)	893,605	1,487,205
Fund Balance - Beginning of Year	4,211,458	4,211,458	4,211,458	-
FUND BALANCE - END OF YEAR	$ 3,642,858	$ 3,617,858	$ 5,105,063	$ 1,487,205

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
STREET LIGHTING MAINTENANCE DISTRICT
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 195,000	$ 195,000	$ 194,709	$ (291)
Use of Money and Property	-	-	7,338	7,338
Total Revenues	195,000	195,000	202,047	7,047
OTHER FINANCING SOURCES (USES)				
Transfers Out	(183,000)	(183,000)	(183,000)	-
Total Other Financing Sources (Uses)	(183,000)	(183,000)	(183,000)	-
NET CHANGE IN FUND BALANCE	12,000	12,000	19,047	7,047
Fund Balance - Beginning of Year	210,915	210,915	210,915	-
FUND BALANCE - END OF YEAR	$ 222,915	$ 222,915	$ 229,962	$ 7,047

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
ART IN PUBLIC PLACES
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Use of Money and Property	$ -	$ -	$ 81,294	$ 81,294
Contributions	300,000	300,000	806,705	506,705
Total Revenues	300,000	300,000	887,999	587,999
OTHER FINANCING SOURCES (USES)				
Transfers Out	(564,100)	(564,100)	(611,876)	(47,776)
Total Other Financing Sources (Uses)	(564,100)	(564,100)	(611,876)	(47,776)
NET CHANGE IN FUND BALANCE	(264,100)	(264,100)	276,123	540,223
Fund Balance - Beginning of Year	1,891,689	1,891,689	1,891,689	-
FUND BALANCE - END OF YEAR	$ 1,627,589	$ 1,627,589	$ 2,167,812	$ 540,223

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
AIR QUALITY IMPROVEMENT
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 22,000	$ 22,000	$ 24,979	$ 2,979
Use of Money and Property	-	-	8,574	8,574
Total Revenues	22,000	22,000	33,553	11,553
EXPENDITURES				
Public Works	2,100	2,100	2,100	-
Capital Outlay	117,000	117,000	116,752	248
Total Expenditures	119,100	119,100	118,852	248
NET CHANGE IN FUND BALANCE	(97,100)	(97,100)	(85,299)	11,305
Fund Balance - Beginning of Year	252,759	252,759	252,759	-
FUND BALANCE - END OF YEAR	$ 155,659	$ 155,659	$ 167,460	$ 11,305

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
COMMUNITY DEVELOPMENT BLOCK GRANT
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 26,500	$ 26,500	$ 60,182	$ 33,682
Total Revenues	26,500	26,500	60,182	33,682
EXPENDITURES				
Community Development	-	-	32,182	(32,182)
Culture and Leisure	26,500	26,500	28,000	(1,500)
Total Expenditures	26,500	26,500	60,182	(33,682)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
PUBLIC SAFETY AUGMENTATION
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Taxes	$ 211,200	$ 211,200	$ 240,579	$ 29,379
Total Revenues	211,200	211,200	240,579	29,379
OTHER FINANCING SOURCES (USES)				
Transfers Out	(211,200)	(211,200)	(240,579)	(29,379)
Total Other Financing Sources (Uses)	(211,200)	(211,200)	(240,579)	(29,379)
NET CHANGE IN FUND BALANCE	-	-	-	-
Fund Balance - Beginning of Year	-	-	-	-
FUND BALANCE - END OF YEAR	$ -	$ -	$ -	$ -

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
SUPPLEMENTAL LAW ENFORCEMENT SERVICES
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 100,000	$ 100,000	$ 186,159	$ 86,159
Use of Money and Property	-	-	4,512	4,512
Total Revenues	100,000	100,000	190,671	90,671
OTHER FINANCING SOURCES (USES)				
Transfers Out	(100,000)	(100,000)	(190,540)	(90,540)
Total Other Financing Sources (Uses)	(100,000)	(100,000)	(190,540)	(90,540)
NET CHANGE IN FUND BALANCE	-	-	131	131
Fund Balance - Beginning of Year	4,382	4,382	4,382	-
FUND BALANCE - END OF YEAR	$ 4,382	$ 4,382	$ 4,513	$ 131

CITY OF SANTA FE SPRINGS
BUDGETARY COMPARISON SCHEDULE—
MEASURE W
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	$ 2,500,000	$ 2,500,000	$ 1,447,171	$ (1,052,829)
Use of Money and Property	-	-	194,581	194,581
Total Revenues	2,500,000	2,500,000	1,641,752	(858,248)
EXPENDITURES				
Public Works	-	-	101,994	(101,994)
Total Expenditures	-	-	101,994	(101,994)
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,500,000	2,500,000	1,539,758	(960,242)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(4,028,000)	(4,028,000)	-	4,028,000
Total Other Financing Sources (Uses)	(4,028,000)	(4,028,000)	-	4,028,000
NET CHANGE IN FUND BALANCE	(1,528,000)	(1,528,000)	1,539,758	3,067,758
Fund Balance - Beginning of Year	4,442,383	4,442,383	4,442,383	-
FUND BALANCE - END OF YEAR	$ 2,914,383	$ 2,914,383	$ 5,982,141	$ 3,067,758

CITY OF SANTA FE SPRINGS
DESCRIPTION OF FIDUCIARY FUNDS

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

CUSTODIAL FUNDS

Assessment District Funds

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

Community Facilities Assessment Districts Fund

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

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
JUNE 30, 2024

	Assessment Districts	Community Facilities Assessment Districts	Total
ASSETS			
Pooled Cash and Investments	$ 726,343	$ 67,652	$ 793,995
Restricted Assets:			
Cash and Investment with Fiscal Agents	175,647	-	175,647
Total Assets	901,990	67,652	969,642
NET POSITION			
Held for Bondholders	901,990	67,652	969,642
Total Net Position	$ 901,990	$ 67,652	$ 969,642

CITY OF SANTA FE SPRINGS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION—
CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2024

	Assessment Districts	Community Facilities Assessment Districts	Total
ADDITIONS			
Special Assessments or Special Taxes Collected From Property Owners	$ 219,079	$ -	$ 219,079
Interest and Change in Fair Value of Investments	8,494	-	8,494
Total Additions	227,573	-	227,573
DEDUCTIONS			
Payment for Special Assessment or Special Tax Debt	168,361	-	168,361
Total Deductions	168,361	-	168,361
CHANGE IN NET POSITION	59,212	-	59,212
Net Position - Beginning of Year	842,778	67,652	910,430
NET POSITION - END OF YEAR	$ 901,990	$ 67,652	$ 969,642

(This page intentionally left blank)

CITY OF SANTA FE SPRINGS
STATISTICAL SECTION

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

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

	Fiscal Year			
	2015	2016	2017	2018
Governmental activities:				
Net investment in capital assets	$ 163,742,164	$ 159,942,690	$ 158,121,201	$ 156,001,364
Restricted	29,208,112	32,373,440	33,145,221	32,820,873
Unrestricted	(50,143,910)	(49,235,190)	(52,203,681)	(90,543,090)
Total governmental activities net position	$ 142,806,366	$ 143,080,940	$ 139,062,741	$ 98,279,147
Business-type activities:				
Net investment in capital assets	$ 15,541,573	$ 17,182,873	$ 17,533,898	$ 18,890,862
Restricted	-	-	817,087	536,194
Unrestricted	(2,072,299)	(728,889)	331,570	(1,190,788)
Total business type activities net position	$ 13,469,274	$ 16,453,984	$ 18,682,555	$ 18,236,268
Primary government:				
Net investment in capital assets	$ 179,283,737	$ 177,125,563	$ 175,655,099	$ 174,892,226
Restricted	29,208,112	32,373,440	33,962,308	33,357,067
Unrestricted	(52,216,209)	(49,964,079)	(51,872,111)	(91,733,878)
Total primary government net position	$ 156,275,640	$ 159,534,924	$ 157,745,296	$ 116,515,415

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

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

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 154,315,020	$ 162,029,958	$ 163,949,669	$ 162,283,010	$ 155,913,818	$ 165,187,789
34,775,125	30,978,812	30,905,794	32,275,248	34,548,863	40,507,466
(89,116,900)	(75,019,083)	(59,478,048)	(39,991,438)	2,513,729	17,732,505
$ 99,973,245	$ 117,989,687	$ 135,377,415	$ 154,566,820	$ 192,976,410	$ 223,427,760
$ 18,754,383	$ 18,028,340	$ 19,156,150	18,669,402	17,669,785	17,227,431
558,184	559,019	-	-	570,673	-
(324,355)	526,956	218,253	3,110,220	5,662,082	7,354,022
$ 18,988,212	$ 19,114,315	$ 19,374,403	$ 21,779,622	$ 23,902,540	$ 24,581,453
$ 173,069,403	$ 180,058,298	$ 183,105,819	$ 180,952,412	173,583,603	182,415,220
35,333,309	31,537,831	30,905,794	32,275,248	35,119,536	40,507,466
(89,441,255)	(74,492,127)	(59,259,795)	(36,881,218)	8,175,811	25,086,527
$ 118,961,457	$ 137,104,002	$ 154,751,818	$ 176,346,442	$ 216,878,950	$ 248,009,213

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

	Fiscal Year			
	2015	2016	2017	2018
Expenses:				
Governmental activities:				
General government	$ 5,614,730	$ 5,692,938	$ 6,910,410	$ 4,251,432
Public safety	28,215,907	31,438,552	31,961,957	34,034,478
Community development	3,794,506	4,020,001	4,347,313	4,116,962
Public works	14,269,841	9,510,398	9,160,460	17,219,492
Culture and leisure	7,681,363	8,103,268	9,185,643	6,982,622
Human services	3,133,900	3,326,615	3,190,530	2,790,840
Unallocated depreciation	-	-	-	-
Interest on long term liabilities	239,719	207,917	160,610	121,322
Total governmental activities expenses	62,949,966	62,299,689	64,916,923	69,517,148
Business type activities:				
Water utility	10,911,725	10,056,785	10,437,631	11,192,617
Total primary government expenses	73,861,691	72,356,474	75,354,554	80,709,765
Program revenues:				
Governmental activities:				
Charges for Services:				
General government	1,975,162	2,067,142	2,474,664	2,038,573
Public safety	2,985,378	3,485,203	3,191,717	3,561,042
Community development	1,953,691	2,558,688	2,577,415	1,723,739
Public works	753,510	824,258	791,941	1,046,597
Culture and leisure	533,242	516,907	609,553	453,369
Human services	520,428	450,564	409,783	311,394
Operating grants and contributions	2,090,135	2,414,716	2,313,540	5,261,361
Capital grants and contributions	6,801,309	596,380	708,569	3,883,123
Total governmental activities program revenues	17,612,855	12,913,858	13,077,182	18,279,198
Business type activities:				
Charges for services:				
Water utility	12,252,452	11,445,171	12,760,330	13,491,332
Operating grants and contributions	-	-	-	-
Capital grants and contributions	111,777	796,442	762,739	-
Total business type activities program revenues	12,364,229	12,241,613	13,523,069	13,491,332
Total primary government program revenues	29,977,084	25,155,471	26,600,251	31,770,530
Net revenues (expenses):				
Governmental activities	(45,337,111)	(49,385,831)	(51,839,741)	(51,237,950)
Business type activities	1,452,504	2,184,828	3,085,438	2,298,715
Total net revenues (expenses)	(43,884,607)	(47,201,003)	(48,754,303)	(48,939,235)

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

Fiscal Year					
2019	2020	2021	2022	2023	2024
$ 6,896,856	$ 8,544,252	$ 8,482,800	$ 7,629,048	$ 10,309,257	$ 11,238,050
33,932,658	34,743,488	35,296,588	40,445,623	28,262,932	41,413,294
2,955,522	2,795,648	2,674,722	2,728,716	11,654,888	4,705,749
15,558,408	17,572,927	16,766,663	16,318,672	18,788,759	20,888,027
6,689,566	6,539,103	5,501,644	5,486,877	7,320,797	8,613,554
2,000,692	1,777,281	1,612,973	1,637,533	2,233,457	2,404,255
-	-	-			
112,477	56,935	51,054	67,435	79,938	125,137
68,146,179	72,029,634	70,386,444	74,313,904	78,650,028	89,388,066
11,124,404	11,310,735	13,282,916	12,347,405	13,624,222	14,019,326
79,270,583	83,340,369	83,669,360	86,661,309	92,274,250	103,407,392
2,131,444	2,246,355	3,121,333	3,306,540	5,172,985	5,735,195
3,433,078	3,222,786	3,580,227	4,298,393	3,109,883	3,354,600
1,818,544	2,005,242	1,760,519	2,336,477	3,509,086	3,078,908
757,476	1,478,915	995,335	1,317,122	2,047,599	1,169,696
624,126	256,996	34,487	275,337	510,546	602,224
39,913	12,063	1,149	40,073	356,524	342,632
4,215,071	4,378,318	5,694,683	6,210,343	11,429,865	7,736,581
161,836	2,116,919	3,351,016	622,474	3,409,443	3,732,406
13,181,488	15,717,594	18,538,749	18,406,759	29,545,931	25,752,242
12,611,914	12,406,103	14,430,951	15,627,075	15,279,357	16,148,720
-	-	-	72,774	8,727	75,113
-	63,014	22,074	5,287	17,285	35,222
12,611,914	12,469,117	14,453,025	15,705,136	15,305,369	16,259,055
25,793,402	28,186,711	32,991,774	34,111,895	44,851,300	42,011,297
(54,964,691)	(56,312,040)	(51,847,695)	(55,907,145)	(49,104,097)	(63,635,824)
1,487,510	1,158,382	1,170,109	3,357,731	1,681,147	2,239,729
(53,477,181)	(55,153,658)	(50,677,586)	(52,549,414)	(47,422,950)	(61,396,095)

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

	Fiscal Year			
	2015	2016	2017	2018
General revenues and				
other changes in net position:				
Governmental activities:				
Taxes:				
Sales and use taxes	$ 26,432,547	$ 25,518,717	$ 25,076,235	$ 26,093,872
Transaction and use taxes	-	-	-	-
Property taxes	4,088,687	3,425,637	3,949,731	4,130,663
Franchise taxes	2,978,360	3,034,652	2,915,926	3,180,671
Motor vehicle in lieu tax - general purpose	1,686,499	1,716,181	1,767,500	1,863,969
Business operations taxes	780,747	801,658	807,702	789,379
Utility users taxes	6,836,360	6,669,155	6,406,684	6,523,816
Other taxes	567,503	531,045	522,091	628,828
Investment income	1,440,422	1,807,176	1,874,492	2,189,573
Other	2,692,622	2,988,717	2,269,170	675,977
Gain (Loss) on disposal of asset	-	-	-	-
Transfers to Successor Agency	-	-	-	-
Transfers	1,224,700	1,073,642	1,168,892	1,163,587
Extraordinary gain	19,954,190	-	-	-
Total governmental activities	68,682,637	47,566,580	47,821,542	47,240,335
Business type activities:				
Investment income	15,849	27,006	62,836	118,561
Other	240,554	156,955	249,189	1,791,077
Transfers	(1,224,700)	(1,073,642)	(1,168,892)	(1,163,587)
Total business type activities	(968,297)	(889,681)	(856,867)	746,051
Total primary government	67,714,340	46,676,899	46,964,675	47,986,386
Changes in Net Position:				
Governmental activities	23,345,526	(1,819,251)	(4,018,199)	(3,997,615)
Business type activities	484,207	1,295,147	2,228,571	3,044,766
Total primary government	$ 23,829,733	$ (524,104)	$ (1,789,628)	$ (952,849)

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

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

Fiscal Year 2019	2020	2021	2022	2023	2024
$ 28,360,308	$ 30,689,739	$ 32,305,008	$ 39,572,185	$ 40,224,112	$ 40,445,644
3,044,712	13,083,262	13,682,006	15,661,416	16,807,006	17,251,079
4,587,444	4,958,288	5,961,342	5,724,154	5,898,604	6,322,226
3,377,884	3,495,821	3,550,280	3,790,928	4,704,512	5,254,059
1,960,317	2,148,113	2,297,474	2,359,894	2,507,001	2,739,793
831,717	752,800	771,642	809,418	764,330	815,837
6,517,423	6,484,575	6,907,100	7,824,051	8,758,357	8,827,062
564,638	132,232	172,204	158,797	165,381	174,853
4,263,013	4,308,252	1,303,072	(2,976,930)	4,027,079	9,131,020
1,996,198	1,496,137	1,089,993	963,042	2,091,536	1,747,586
-	292,655	40,878	55,786	209,605	34,215
-	-	-	-		
1,155,135	1,156,300	1,154,424	1,153,809	1,356,165	1,343,800
-	-	-	-		
56,658,789	68,998,174	69,235,423	75,096,550	87,513,688	94,087,174
218,248	306,513	181,503	118,355	439,703	681,910
201,321	111,085	61,605	84,237	92,807	101,074
(1,155,135)	(1,156,300)	(1,154,424)	(1,153,809)	(1,356,165)	(1,343,800)
(735,566)	(738,702)	(911,316)	(951,217)	(823,655)	(560,816)
55,923,223	68,259,472	68,324,107	74,145,333	86,690,033	93,526,358
1,694,098	12,686,134	17,387,728	19,189,405	38,409,591	30,451,350
751,944	419,680	258,793	2,406,514	857,492	1,678,913
$ 2,446,042	$ 13,105,814	$ 17,646,521	$ 21,595,919	$ 39,267,083	$ 32,130,263

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

	Fiscal Year			
	2015	**2016**	**2017**	**2018**
General fund:				
Nonspendable	$ 4,753,064	$ 12,721,050	$ 11,441,321	$ 7,809,238
Restricted	98,821	322,843	869,331	1,070,451
Committed	225,000	225,000	225,000	225,000
Assigned	2,399,700	630,000	3,629,664	6,585,155
Unassigned	20,027,817	21,301,702	21,868,047	21,730,547
Total general fund	$ 27,504,402	$ 35,200,595	$ 38,033,363	$ 37,420,391
All other governmental funds:				
Nonspendable	$ 4,330,950	$ -	$ -	$ 244,676
Restricted	25,059,379	32,050,597	32,275,890	31,750,422
Assigned	9,480,556	15,036,492	14,316,725	13,256,233
Unassigned	(16,968)	(13,040)	(13,413)	(3,913,948)
Total all other governmental funds	$ 38,853,917	$ 47,074,049	$ 46,579,202	$ 41,337,383

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

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

Fiscal Year					
2019	**2020**	**2021**	**2022**	**2023**	**2024**
$ 1,828,548	$ 2,224,444	$ 2,340,616	$ 2,813,309	$ 2,808,056	$ 1,806,090
1,194,990	1,344,838	1,612,762	1,818,278	2,513,307	3,853,530
225,000	225,000	225,000	225,000	225,000	225,000
10,997,012	22,126,736	31,285,627	35,424,875	61,208,026	65,235,325
22,675,644	24,121,539	24,884,524	28,046,008	33,685,245	50,070,798
$ 36,921,194	$ 50,042,557	$ 60,348,529	$ 68,327,470	$ 100,439,634	$ 121,190,743
$ 244,673	$ 244,676	$ 244,676	$ 244,676	$ 244,676	$ 244,676
33,580,135	28,278,390	26,982,856	30,212,294	31,790,880	33,391,794
17,598,708	22,501,686	28,622,561	35,841,732	35,487,115	33,623,194
(3,222,614)	(1,679,312)	(3,279,711)	(62,608)	(3,105,007)	(5,981,429)
$ 48,200,905	$ 49,345,440	$ 52,570,382	$ 66,236,094	$ 64,417,664	$ 61,278,235

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

	Fsical Year			
	2015	2016	2017	2018
Revenues:				
Taxes	$ 41,684,204	$ 39,980,864	$ 39,678,369	$ 43,211,198
Licenses and permits	2,206,324	2,536,719	2,750,708	2,363,791
Fines, forfeitures and seizures	529,250	515,632	492,313	487,549
Interest and rentals	1,440,422	1,807,176	1,874,492	2,189,573
Intergovernmental	11,054,345	5,257,715	5,357,852	4,640,275
Charges for services	5,250,369	6,078,535	5,798,869	5,899,159
Other	2,855,254	3,146,736	2,464,110	1,671,228
Total revenues	65,020,168	59,323,377	58,416,713	60,462,773
Expenditures:				
Current:				
General government	5,483,276	5,449,398	6,282,824	3,795,998
Public safety	26,968,072	28,407,173	29,775,257	31,403,449
Community development	3,755,596	3,876,256	4,214,838	3,935,033
Public works	4,591,234	4,553,769	4,687,638	10,447,798
Culture and leisure	6,995,907	7,337,952	8,356,661	5,932,050
Human services	2,798,407	3,022,969	2,885,022	2,303,821
Capital outlay	9,745,411	2,621,810	4,208,654	5,960,909
Debt service:				
Interest	240,815	209,663	162,419	123,174
Principal retirement	1,045,658	988,940	1,059,310	1,133,745
Total expenditures	61,624,376	56,467,930	61,632,623	65,035,977
Excess (deficiency) of revenues over (under) expenditures	3,395,792	2,855,447	(3,215,910)	(4,573,204)
Other financing sources (uses):				
Proceeds (loss) from sale of assets	25,000	34,954	7,318	-
Contributions from successor agency	100,238	48,465	-	-
Transfer to private purpose trust fund	(20,000)	-	-	-
Leases/SBITA obligations	-	-	-	-
Transfers in	6,524,301	8,616,801	6,879,579	4,902,747
Transfers out	(4,749,901)	(8,753,473)	(2,388,867)	(3,739,160)
Total other financing sources (uses)	1,879,638	(53,253)	4,498,030	1,163,587
Extraordinary loss	19,954,190	-	1,055,801	-
Net change in fund balances	$ 25,229,620	$ 2,802,194	$ 2,337,921	$ (3,409,617)
Debt service as a percentage of noncapital expenditures	2.2%	2.2%	2.1%	2.1%

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

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

Fiscal Year

2019	2020	2021	2022	2023	2024
$ 49,244,443	$ 62,150,070	$ 65,647,056	$ 75,791,133	$ 79,939,013	$ 81,809,118
2,145,963	2,485,395	2,228,200	2,913,256	4,254,978	3,685,156
738,807	788,382	380,754	446,114	452,766	772,530
4,263,013	4,667,628	1,514,370	(2,550,531)	6,170,529	11,234,177
4,551,765	6,210,417	5,495,267	9,014,232	10,596,884	6,887,221
5,524,875	5,346,393	6,463,339	7,558,372	7,561,413	7,545,943
2,698,764	2,467,770	2,274,675	2,085,146	3,500,830	2,948,017
69,167,630	84,116,055	84,003,661	95,257,722	112,476,413	114,882,162
6,876,387	7,902,106	8,521,649	8,985,486	9,252,883	10,812,851
30,466,404	30,472,065	33,162,493	36,495,217	36,964,765	39,870,509
2,777,781	2,649,405	2,758,116	3,254,267	4,455,993	5,033,129
10,651,342	11,375,367	11,324,465	12,439,376	13,838,498	15,178,741
5,698,374	5,554,076	5,029,572	5,785,102	6,620,926	7,889,333
1,532,644	1,414,482	1,418,131	1,757,065	1,953,202	2,207,919
5,459,285	10,174,605	12,561,418	5,809,555	12,158,811	16,864,709
95,235	63,389	21,337	76,193	64,482	1,008,219
1,488,130	1,464,840	176,868	675,015	793,905	134,763
65,045,582	71,070,335	74,974,049	75,277,276	86,103,465	99,000,173
4,122,048	13,045,720	9,029,612	19,980,446	26,372,948	15,881,989
-	292,655	40,878	55,786	209,605	34,215
-	-	-	-	-	-
-	-	-	-		
1,087,142	-	3,306,000	454,612	2,355,017	351,676
10,635,624	9,593,689	12,168,606	14,688,298	11,798,545	12,083,435
(9,480,489)	(8,437,389)	(11,014,182)	(13,534,489)	(10,442,380)	(10,739,635)
2,242,277	1,448,955	4,501,302	1,664,207	3,920,787	1,729,691
-	-	-	-		
$ 6,364,325	$ 14,494,675	$ 13,530,914	$ 21,644,653	$ 30,293,735	$ 17,611,680
2.6%	2.5%	0.3%	1.1%	1.2%	1.3%

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

Fiscal Year	Secured Property	Unsecured Property	Less Property Exemptions	Grand Total	Homeowner's Exemption	Net Taxable Value (1)	Total Direct Tax Rate (2)
2015	$ 5,819,662	$ 1,002,581	$ 67,730	$ 6,754,513	$ 15,194	$ 6,739,319	0.077%
2016	5,954,556	993,740	88,515	6,859,781	15,058	6,844,723	0.077%
2017	6,101,589	1,054,534	80,496	7,075,627	14,805	7,060,822	0.077%
2018	6,463,463	1,061,430	70,198	7,454,696	14,547	7,440,148	0.077%
2019	6,820,231	1,104,056	78,617	7,845,670	14,262	7,831,408	0.077%
2020	7,432,543	1,184,857	38,932	8,578,468	14,162	8,564,306	0.077%
2021	8,031,534	1,251,065	99,021	9,183,578	13,761	9,169,817	0.077%
2022	8,288,822	1,271,960	160,749	9,400,033	13,593	9,386,440	0.077%
2023	8,865,124	1,275,308	167,026	9,973,406	13,360	9,960,046	0.077%
2024	9,561,297	1,420,887	59,330	10,922,854	13,054	10,909,800	0.077%

NOTE:

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

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

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

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

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

	Basic 1% Direct Tax Rate		Override Assessments					
Fiscal Year	City of Santa Fe Springs	Los Angeles County	Elementary Schools	Los Angeles County	Rio Hondo Community College District	Whitter Union High School District	Metro. Water District	Total
2015	0.077	0.923	0.080	0.000	0.028	0.053	0.004	1.165
2016	0.077	0.923	0.065	0.000	0.027	0.051	0.004	1.147
2017	0.077	0.923	0.075	0.000	0.028	0.060	0.004	1.167
2018	0.077	0.923	0.079	0.000	0.027	0.058	0.004	1.168
2019	0.077	0.923	0.076	0.000	0.026	0.058	0.004	1.164
2020	0.077	0.923	0.065	0.000	0.026	0.055	0.004	1.150
2021	0.077	0.923	0.065	0.000	0.014	0.054	0.004	1.137
2022	0.077	0.923	0.062	0.000	0.015	0.054	0.004	1.135
2023	0.077	0.923	0.068	0.000	0.015	0.053	0.004	1.140
2024	0.077	0.923	0.080	0.000	0.022	0.051	0.004	1.157

NOTE:

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

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

Rates are not adjusted for ERAF

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

Taxpayer	FY 2023-24 Taxable Assessed Value	FY 2023-24 Percent of Total City Taxable Assessed Value	FY 2014-15 Taxable Assessed Value	FY 2014-15 Percent of Total City Taxable Assessed Value
Golden Springs Dev	$ 345,181,516	3.16%	$ 292,234,962	4.34%
Goodman Santa Fe Springs	241,267,969	2.21%		
Rexford Industrial	169,019,775	1.55%		
GLC SFS II LLC	167,913,933	1.54%		
PPF Industrial 12016 Telegraph	165,626,072	1.52%	33,848,104	0.50%
PSB Hathaway III LLC	109,322,550	1.00%		
1050 College Partners	96,282,199	0.88%		
MCcaster Carr Supply Company	93,938,923	0.86%	73,731,771	1.09%
Duke Realty Lakeland Rd LP	92,310,000	0.85%		
Teachers Insurance Annuity Assoc	85,076,404	0.78%	59,782,680	0.89%
Thor 12065 Pike Street LLC	85,000,000	0.78%		
TGA Greenstone Logistics Center	82,492,631	0.76%		
SDCO SFS Logistics Center Inc.	70,829,879	0.65%		
BSREP III California Infill	70,705,582	0.65%		
Sorensen XC II LLC	70,213,515	0.64%		
BRE Jupiter Western B West Az	68,326,603	0.63%		
WG Holdings SPV LLC	65,319,104	0.60%		
AMB Us Logistics Fund LP	62,802,864	0.58%	110,516,555	1.64%
Breit MF Telegraph Rd LLC	60,846,654	0.56%		
Pioneer Gardens Venture LP	60,259,891	0.55%		
Heraeus Metal Processing Inc.	58,355,493	0.53%	44,000,862	0.65%
Freeway Springs LLC	57,152,151	0.52%	48,204,440	0.72%
FDC Partners LP	55,772,591	0.51%		
Centris Telegraph Point LLC	54,520,000	0.50%		
Standard SFV Venture LP	54,035,739	0.49%		
Breitburn Operating LP			315,111,209	4.68%
Legacy Partners II Santa Fe Springs			86,768,493	1.29%
Gateway Santa Fe Springs Industrial			60,000,000	0.89%
Inland Paperboard			54,758,611	0.81%
Mckesson Corp			47,248,544	0.70%
Vons Companies Inc.			45,720,266	0.68%
Catellus			41,804,931	0.62%
Maruichi American Corp			40,776,806	0.61%
Centro Watt Property Owner II			39,296,630	0.58%
Bloomfield Commerce Center			38,649,642	0.57%
Prologis			35,825,308	0.53%
Carmenita Plaza LLC			35,370,558	0.52%
14141 Alondra LP			32,886,491	0.49%
CFH ENVP Ltd. Ptnshp			32,455,393	0.48%
Solaris Paper Inc.			31,131,403	0.46%
Pactiv LLC			30,415,605	0.45%
Sorensen Industrial LLC			28,830,298	0.43%
PR Mid Counties LLC			28,627,334	0.42%
	$ 2,542,572,038	23.29%	$ 1,687,996,896	25.05%

NOTE:

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

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

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

Fiscal Year Ended June 30	Total Tax Levy	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2015	$ 35,511,774	$ 35,217,986	99.17%	$ -	$ 35,217,986	99.17%
2016	34,092,546	33,826,245	99.22%	-	33,826,245	99.22%
2017	34,802,722	34,524,691	99.20%	-	34,524,691	99.20%
2018	37,721,588	36,571,390	96.95%	-	36,571,390	96.95%
2019	39,275,800	38,914,079	99.08%	-	38,914,079	99.08%
2020	45,613,414	45,027,883	98.72%	-	45,027,883	98.72%
2021	46,103,009	45,790,160	99.32%	-	45,790,160	99.32%
2022	48,011,117	47,585,974	99.11%	-	47,585,974	99.11%
2023	50,915,906	50,660,885	99.50%	-	50,660,885	99.50%
2024	56,622,331	56,087,067	99.05%	-	56,087,067	99.05%

NOTE:

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

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

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

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

Fiscal Year Ended June 30	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income[1]	Debt Per Capita[1]
	SBITA	Pension Obligation Bonds	Notes Payable/ Lease Payable	Total Governmental Activities	Lease Payable	Revenue Bonds	Total Business-type Activities			
2015	$ -	$ 5,238,000	$ 449,068	$ 5,687,068	$ -	$ 9,069,544	$ 9,069,544	$ 14,756,612	3.93%	837
2016	-	4,334,000	364,128	4,698,128	-	8,902,394	8,902,394	13,600,522	3.49%	737
2017	-	3,362,000	276,819	3,638,819	-	8,725,243	8,725,243	12,364,062	3.06%	676
2018	-	2,318,000	693,218	3,011,218	-	8,366,795	8,366,795	11,378,013	2.64%	621
2019	-	1,199,000	905,085	2,104,085	-	8,177,762	8,177,762	10,281,847	2.27%	563
2020	-	-	639,246	639,246	-	7,983,729	7,983,729	8,622,975	1.83%	471
2021	-	-	3,768,377	3,768,377	-	7,789,696	7,789,696	11,558,073	2.29%	638
2022	-	-	3,547,974	3,547,974	17,113	7,590,663	7,607,776	11,155,750	1.86%	595
2023	-	-	5,109,085	5,109,085	13,413	7,386,630	7,400,043	12,509,128	1.81%	674
2024	283,132	-	4,169,409	4,452,541	9,655	7,177,597	7,187,252	11,639,793	1.67%	624

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.

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

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

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

	Outstanding General Bonded Debt				
Fiscal Year Ended June 30	Tax Allocation Bonds	Pension Obligation Bonds	Total General Bonded Debt	Percent of Assessed Value[1]	Per Capita
2015	-	$ 5,238,000	$ 5,238,000	0.08%	297
2016	-	4,334,000	4,334,000	0.06%	235
2017	-	3,362,000	3,362,000	0.05%	184
2018	-	2,318,000	2,318,000	0.03%	126
2019	-	1,199,000	1,199,000	0.01%	66
2020	-	-	-	0.00%	0
2021	-	-	-	0.00%	0
2022	-	-	-	0.00%	0
2023	-	-	-	0.00%	0
2024	-	-	-	0.00%	0

NOTE:

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

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

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

CITY OF SANTA FE SPRINGS
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2024

2023-24 Assessed Valuation: $10,930,479,620

OVERLAPPING TAX AND ASSESSMENT DEBT:	Total Debt 6/30/24	% Applicable (1)	City's Share of Debt 6/30/24
Metropolitan Water District	$ 18,210,000	0.282%	$ 51,352
Cerritos Community College District	433,766,921	4.854	21,055,046
Rio Hondo Community College District	164,769,080	15.378	25,338,189
Whittier Union High School District	157,614,361	23.902	37,672,985
ABC Unified School District	116,814,373	2.960	3,457,705
Norwalk-La Mirada Unified School District	298,338,444	13.871	41,382,526
Little Lake City School District	55,709,901	61.473	34,246,547
Los Nietos School District	39,847,715	61.418	24,473,670
South Whittier School District	43,530,000	45.159	19,657,713
Whittier City School District	65,020,000	0.555	360,861
City of Santa Fe Springs Heritage Springs Assessment District	1,045,000	100.	1,045,000
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			$208,741,594
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
Los Angeles County General Fund Obligations	$2,479,229,730	0.545%	$13,511,802
Los Angeles County Superintendent of Schools Certificates of Participation	2,857,300	0.545	15,572
Whittier City School District Certificates of Participation	8,365,000	0.555	46,426
City of Santa Fe Springs Capital Lease Obligations	**3,937,692**	**100.**	**3,937,692**
City of Santa Fe Springs Lease Payables	**231,717**	**100**	**231,717**
Subscription Based Information Technology	**283,132**	**100**	**283,132**
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			$18,026,341
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):	$12,148,281	100. %	$12,148,281
TOTAL DIRECT DEBT			**$4,452,541**
TOTAL OVERLAPPING DEBT			$234,463,675
COMBINED TOTAL DEBT			$238,916,216 (2)

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2023-24 Assessed Valuation:
- Total Overlapping Tax and Assessment Debt 1.91%
- **Total Direct Debt ($4,452,541) 0.04%**
- Combined Total Debt 2.18%

Ratios to Redevelopment Successor Agency Incremental Valuation ($6,188,630,995):
- Total Overlapping Tax Increment Debt.................................. 0.20%

Source: Avenu Insights & Analytics
California Municipal Statistics, Inc

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

	Fiscal Year Ended June 30		
	2015	**2016**	**2017**
Assessed valuation	$ 6,754,513,000	6,874,971,507	7,078,133,887
Conversion percentage	25%	25%	25%
Adjusted assessed valuation	$ 1,688,628,250	1,718,742,877	1,769,533,472
Debt limit percentage	15%	15%	15%
Debt limit	$ 253,294,238	257,811,432	265,430,021
Total net debt applicable to the limit:			
General obligation bonds[1]	5,238,000	4,334,000	3,362,000
Legal Debt Margin	$ 248,056,238	253,477,432	262,068,021
Total debt applicable to the limit as a percentage of debt limit	2.1%	1.7%	1.3%

NOTE:
The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

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

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

	Fiscal Year Ended June 30			
	2018	2019	2020	2021
Assessed valuation	$ 7,446,116,929	$ 7,831,408,399	$ 8,570,322,631	$ 9,175,834,549
Conversion percentage	25%	25%	25%	25%
Adjusted assessed valuation	$ 1,861,529,232	$ 1,957,852,100	$ 2,142,580,658	$ 2,293,958,637
Debt limit percentage	15%	15%	15%	15%
Debt limit	$ 279,229,385	$ 293,677,815	$ 321,387,099	$ 344,093,796
Total net debt applicable to the limit:				
General obligation bonds[1]	2,318,000	$ 1,199,000	$ -	$ -
Legal Debt Margin	$ 276,911,385	$ 292,478,815	$ 321,387,099	$ 344,093,796
Total debt applicable to the limit as a percentage of debt limit	0.8%	0.4%	-	-

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

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

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

	Fiscal Year Ended June 30		
	2022	**2023**	**2024**
Assessed valuation	$ 9,393,925,905	9,967,531,845	10,917,286,020
Conversion percentage	25%	25%	25%
Adjusted assessed valuation	$ 2,348,481,476	2,491,882,961	2,729,321,505
Debt limit percentage	15%	15%	15%
Debt limit	$ 352,272,221	373,782,444	409,398,226
Total net debt applicable to the limit:			
obligation bonds[1]	-	-	-
Legal Debt Margin	$ 352,272,221	373,782,444	409,398,226
Total debt applicable to the limit as a percentage of debt limit	-	-	-

NOTE:

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with Fiscal Year1981-82, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the State.

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

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

	Water Revenue Bonds					
		Less	Net			
Fiscal	Water	Operating	Available	Debt Service		
Year	Revenue	Expenses	Revenue	Principal	Interest	Coverage
2015	$ 12,604,783	$ 9,674,355	$ 2,930,428	$ 165,000	$ 373,579	5.44
2016	12,398,568	9,210,440	3,188,128	170,000	365,329	5.96
2017	13,772,258	9,488,599	4,283,659	180,000	356,830	7.98
2018	15,282,409	10,181,577	5,100,832	180,000	347,800	9.66
2019	12,936,754	10,173,874	2,762,880	195,000	325,379	5.31
2020	12,823,701	10,649,931	2,173,770	200,000	318,349	4.19
2021	14,674,059	12,636,213	2,037,846	200,000	313,569	3.97
2022	15,902,441	11,699,084	4,203,357	200,000	285,714	8.65
2023	17,086,718	12,889,897	4,196,821	210,000	276,040	8.63
2024	17,174,700	15,334,577	1,840,123	215,000	287,232	3.66

NOTE:

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

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

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

	Tax Allocation Bonds			
		Debt Service		
Fiscal Year	Tax Increment	Principal	Interest	Coverage
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-
2021	-	-	-	-
2022	-	-	-	-
2023	-	-	-	-
2024	-	-	-	-

NOTE:

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

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

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

Fiscal Year	Population	Personal Income (in thousands)	Per Capita Personal Income	*Public School Enrollment	Unemployment Rate
2015	17,627	$ 375,077	$ 21,279	6,632	8.4%
2016	18,459	389,558	21,104	6,632	8.0%
2017	18,291	404,312	22,104	6,632	6.2%
2018	18,335	431,061	23,510	5,621	2.2%
2019	18,261	452,842	24,798	6,632	2.5%
2020	18,295	471,861	25,792	6,632	13.1%
2021	18,129	504,701	27,839	5,203	7.6%
2022	18,763	599,975	31,976	5,478	2.4%
2023	18,570	692,611	37,297	4,959	3.2%
2024	18,640	777,773	41,726	4,452	3.8%

NOTE:

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

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

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

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

Employer	FY 2023-24 Number of Employees	FY 2023-24 Percent of Total Employment	FY 2014-15 Number of Employees	FY 2014-15 Percent of Total Employment
FN Logistics, LLC	1,100	2.59%		
McMaster Carr Supply Company	803	1.89%	845	1.92%
L. A. Specialty Produce Company	532	1.25%	511	1.16%
MRDN Staffing Inc.	500	1.18%		
Harbor Distributions LLC	450	1.06%		
Vans	448	1.05%		
FedeEx Ground Package System In	446	1.05%	350	0.80%
Southern Glazer's Wine and Spirits	427	1.00%	395	0.90%
Trojan Battery Company LLC	408	0.96%	365	0.83%
Windsor Fashions LLC	379	0.89%		
SE Pipe Line Construction	-	0.00%		
Bumble Bee Seafoods, LLC	-	0.00%		
Pactiv LLC	-	0.00%		
Shaw Diversified Services, Inc.			336	0.76%
Performance Team			337	0.77%
Vance and Hines, Inc.			414	0.94%
Swift & Company			429	0.98%
The Vons Companies, Inc.			745	1.69%
	5,493	12.93%	4,727	10.75%

NOTE:

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

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

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

	Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	39	38	38	37	39	39	38	37	38	38
Public Safety	83	83	76	73	70	72	70	74	76	77
Public Works	54	56	58	57	55	52	57	55	60	65
Planning and Community Development	6	7	7	6	7	9	9	9	10	8
Community Services - Administration	1	4	4	4	4	4	3	3	3	6
Community Services - Parks and Recreation	88	88	106	108	93	27	75	72	98	128
Community Services - Library Services	17	22	20	22	23	14	16	20	22	28
Community Services - Human Services	48	54	50	39	32	11	27	31	34	39
Total	336	352	359	346	323	228	295	301	341	389

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

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

	Fiscal Year Ended June 30									
	2015	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Fire:										
Number of emergency calls	3,439	3,928	3,961	3,835	3,732	3,644	3,542	3,985	3,798	4,170
Inspections	3,325	2,428	1,702	1,598	1,798	2,209	1,916	2,707	4,549	3,230
Public works:										
Street resurfacing (miles)	3	1.5	1	2	1.5	3.0	5.21	2	11.65	1
Parks and recreation:										
Number of recreation classes	368	335	309	393	356	216	157	310	341	506
Number of participants in recreation classes	**	3,419	3,771	3,779	3,515	449	913	3,224	3,614	5,470
Number of events	**	**	**	**	10	0	7	10	14	17
Attendance at events	**	**	**	**	**	**	15,325	19,275	24,680	35,167
Number of meals served	**	**	**	**	2,995	1,875	2,130	3,412	3,487	3,519
Number of facility rentals	3,038	3,822	3,791	4,323	4,073	1,179	4	1,475	1,906	1,989
Number of sports field reservations	**	**	**	**	**	459	0	1,955	2,140	2,278
Human services:										
Children served in the City's **childcare centers	286	807	1,006	266	0	0	0	0	0	0
Number of facility rentals *	333	305	536	878	983	671	2	111	395	390
Number of Older Adult Gym Usage			1,500	4,476	4,895	3,245	0	109	61	2,136
Number of Older Adult classes			40	40	42	28	4	19	21	32
Estimated Number of Congregate Meals			12,000	10,002	11,700	12,400	10,700	7,096	12,750	12,600
Water:										
Average daily consumption (thousands of gallons)	5,207	5,580	5,073	5,615	5,379	5,314	5,809	5,703	4,869	4,882

NOTES:

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

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

Source: City of Santa Fe Springs

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

	Fiscal Year Ended June 30									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Fire:										
Fire stations *	4	4	4	4	4	4	4	4	4	4
Public works:										
Streets (miles)	110	110	110	110	110	110	110	110	110	110
Traffic signals	75	81	81	81	81	81	81	81	81	81
Streetlights	2,960	3,174	3,140	3,140	3,140	3,140	3,140	3,140	3,140	3,140
Parks and recreation:										
**Parks/Fields	11	11	11	11	9	9	9	9	9	9
**Community services facilities	4	4	4	4	4	4	4	4	4	4
Human services:										
Child care centers	3	3	3	3	0	0	0	0	0	0
Community services facilities	1	1	1	1	3	3	3	3	3	3
Library Services:										
Library facilities	2	2	2	2	2	2	2	2	2	2
Water:										
Water mains (miles)	107	108	108	108	108	108	108	108	108	108
Number of service connections	6,330	6,335	6,402	6,509	6,731	6,722	6,232	6,247	6,237	6,239

NOTES:

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

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

Source: City of Santa Fe Springs

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

INDENTURE OF TRUST

Definitions

"*Acquisition*," "*Acquire*" or "*Acquired*" means, with respect to the Project, the acquisition, financing or construction of the Project.

"*Act*" means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State of California.

"*Agreement*" means that certain Joint Exercise of Powers Agreement, dated as of August 24, 1989, establishing the Authority, as originally executed or as it may from time to time be supplemented, modified or amended as provided therein.

"*Authority*" means the Santa Fe Springs Public Financing Authority, a joint powers authority organized and existing under the Act and any successor thereto.

"*Bond Law*" means Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended from time to time.

"*Bonds*" means the Santa Fe Springs Public Financing Authority 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements) issued in the aggregate principal amount of $31,810,000 and authorized by and at any time Outstanding pursuant to the Indenture.

"*Business Day*" means a day which is not a Saturday, Sunday or legal holiday on which banking institutions in the State of California, or in any state in which the Office of the Trustee is located, are closed.

"*Contracts*" means all contracts (including installment purchase agreements, leases and lease/purchase agreements) of the Authority authorized and executed by the Authority under and pursuant to applicable law, the payments of which are payable from Revenues on a parity with the payment of Debt Service on the Bonds.

"*Debt Service*" means, for any Fiscal Year, the sum of (a) the interest falling due during such Fiscal Year on all Bonds, assuming that all Outstanding serial Bonds are retired as scheduled and that all Outstanding Term Bonds are prepaid from sinking fund payments as scheduled; (b) the principal amount of all serial Bonds falling due by their terms during such Fiscal Year; (c) the minimum amount of Term Bonds required to be paid or called and redeemed during such Fiscal Year, together with the redemption premiums, if any, thereon; and (d) the payments and the interest thereon under Parity Bonds or Contracts related to certificates of participation or other instruments which are Outstanding under the documents or agreements pursuant to which they were executed and delivered, required to be paid during such Fiscal Year; provided that, whenever interest as described in the Indenture accrues at other than a fixed rate, such interest shall be assumed to be a rate equal to the greater of (i) the actual rate on the date of calculation, or if the Parity Bond or Contract is not yet outstanding, the initial rate (if established and binding); (ii) if the Parity Bond or Contract has been outstanding for at least twelve months, the average rate over the twelve months immediately preceding the date of calculation; and (iii) (A) if interest on the Parity Bond or Contract is excludable from gross income under the applicable provisions of the Internal Revenue Code, the most recently published The Bond Buyer Bond Revenue Index (or comparable index if no longer published) plus 50 basis points; or (B) if interest is not so excludable, the interest rate on direct U.S. Treasury Obligations with comparable maturities, plus 50 basis points.

"*Defeasance Obligations*" means (a) direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America; (b) obligations fully and unconditionally guaranteed as to timely payment of the interest and principal by the United States of America; (c) obligations of any agency or instrumentality of the United States of America as to which the timely payment of the interest on and the principal of such obligations is backed by the full faith and credit of the United States of America; or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

"*Event of Default*" means any of the events specified in the Indenture.

"*Financing Agreement*" means that certain Financing Agreement by and between the Authority and the City, dated as of April 1, 2025, regarding contribution of Parcel Tax Revenues by the City to the Trustee to pay debt service on the Bonds and pay other costs of the Authority relating to the Bonds and as otherwise required by the Indenture.

"*Fiscal Year*" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Authority designated in a Written Certificate of the Authority delivered to the Trustee.

"*Fitch*" means Fitch Ratings, Inc., its successors and assigns.

"*Independent Financial Consultant*" means any financial consultant or firm of such financial consultants appointed by the Authority and who, or each of whom: (a) is judged by the Authority to have experience with respect to the financing of public capital improvement projects; (b) is in fact independent and not under the domination of the Authority; (c) does not have any substantial interest, direct or indirect, with the Authority; and (d) is not connected with the Authority as an officer or employee of the Authority, but who may be regularly retained to make reports to the Authority.

"*Insurance Policy*" means the insurance policy issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due.

"*Insurer*" means Assured Guaranty Inc., a Maryland corporation, or any successor thereto or assignee thereof.

"*Interest Payment Date*" means June 1 and December 1 in each year, commencing December 1, 2025, so long as any Bonds remain Outstanding.

"*Late Payment Rate*" means the lesser of: (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank, N.A., at its principal office in The City of New York, New York, as its prime or base lending rate ("Prime Rate") (any change in such Prime Rate to be effective on the date such change is announced by JPMorgan Chase Bank, N.A.) plus 3%; and (ii) the then applicable highest rate of interest on the Bonds; and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. Interest at the Late Payment Rate on any amount owing to the Insurer shall be computed on the basis of the actual number of days elapsed in a year of 360 days. In the event JPMorgan Chase Bank, N.A., ceases to announce its Prime Rate, the Prime Rate shall be the prime or base lending rate of such other bank, banking association or trust company as the Insurer, in its sole and absolute discretion, shall designate.

"*Measure SFS*" means the Ordinance of the City to authorize the levy of a Special Parcel Tax to finance road improvements, approved by the voters of the City at the November 5, 2024 election.

"*Moody's*" means Moody's Investors Service, Inc., its successors and assigns.

"*Outstanding*" means, when used as of any particular time with reference to Bonds, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the Indenture, including Bonds (or portions of Bonds) disqualified; and (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to the Indenture.

"*Owner*" means, whenever used in the Indenture with respect to a Bond, the person in whose name the ownership of such Bond is registered on the Registration Books.

"*Parcel Tax*" means the special parcel tax on each taxable parcel of commercial, industrial and vacant property in the City, which was approved by at least two-thirds of the voters of the City at the November 5, 2024 election.

"*Parcel Tax Payments*" means the payments by the City described in the Financing Agreement.

"*Parcel Tax Payment Date*" means each November 15 and May 15.

"*Parcel Tax Revenues*" means the annual amounts collected by the County of Los Angeles on behalf of the City from the Parcel Tax.

"*Parity Bonds*" means Contracts, indebtedness or other obligations hereafter issued or incurred and secured by a pledge of and lien on Revenues equal to that of payment of Debt Service on the Bonds.

"*Permitted Investments*" mean any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (the Trustee is entitled to conclusively rely upon any direction of the Authority as a certification that such investment constitutes a Permitted Investment):

(a) direct obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury, but excluding CATS and TIGRS) or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America;

(b) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies and provided such obligations are backed by the full faith and credit of the United States of America (stripped securities are only permitted if they have been stripped by the agency itself):

–Farmers Home Administration (FmHA)
–Certificates of beneficial ownership

–Federal Housing Administration Debentures (FHA)

–General Services Administration
–Participation certificates

–Government National Mortgage Association (GNMA or "Ginnie Mae")
–GNMA – guaranteed mortgage-backed bonds
–GNMA – guaranteed pass-through obligations (participation certificates)
(not acceptable for certain cash-flow sensitive issues.)

–U.S. Maritime Administration
–Guaranteed Title XI financing

–U.S. Department of Housing and Urban Development (HUD)
–Project Notes
–Local District Bonds
–New Communities Debentures – U.S. Government guaranteed debentures
–U.S. Public Housing Notes and Bonds – U.S. Government guaranteed public housing notes and bonds

(c) Bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following non-full faith and credit U.S. government agencies (stripped securities are only permitted if they have been stripped by the agency itself):

–Federal Home Loan Bank Water System
–Senior debt obligations

–Federal Home Loan Mortgage Corporation (FHLMC or "Freddie Mac")
–Participation certificates
–Senior debt obligations

–Federal National Mortgage Association (FNMA or "Fannie Mae")
–Mortgage-backed securities and senior debt obligations

–Resolution Funding Corp. (REFCORP) obligations

–Farm Credit Water System
–Consolidated system-wide bonds and notes

–Federal Agriculture Mortgage Association

–Tennessee Valley District

(d) money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating by S&P of "AAAm-G," "AAA-m," or "AA-m" and if rated by Moody's rated "Aaa," "Aa1" or "Aa2," including funds for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services;

(e) certificates of deposit secured at all times by collateral described in clause(s) (a) and/or (b) above. Such certificates must be issued by commercial banks, savings and loan associations or mutual savings banks including the Trustee and its affiliates. The collateral must be held by a third party and the Owners must have a perfected first security interest in the collateral;

(f) certificates of deposit, savings accounts, deposit accounts or money market deposits which are fully insured by FDIC, including BIF and SAIF; and

(g) investment agreements, including GIC's, forward purchase agreements and flexible repurchase agreements;

(h) commercial paper rated, at the time of purchase, "Prime-1" by Moody's and "A-1" or better by S&P;

(i) bonds or notes issued by any state or municipality which are rated by Moody's and S&P in one of the two highest rating categories assigned by such agencies;

(j) federal funds or bankers acceptances with a maximum term of one year of any bank which has an unsecured, uninsured and unguaranteed obligation rating of "Prime-1" or "A3" or better by Moody's and "A-1+" by S&P;

(k) repurchase agreements for 30 days or less must follow the following criteria: repurchase agreements that provide for the transfer of securities from a dealer bank or securities firm (seller/borrower) to the Trustee (buyer/lender), and the transfer of cash from the Trustee to the dealer bank or securities firm with an agreement that the dealer bank or securities firm will repay the cash plus a yield to the Trustee in exchange for the securities at a specified date;

(l) Medium-Term Notes: Corporate notes issued by corporations organized and operating within the United States with a rating of "AAA" or higher at the time of purchase by a nationally recognized rating service and with a maximum remaining maturity of no more than three years after the date of purchase;

(m) the Local Agency Investment Fund created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name;

(n) the County Pooled Investment Fund; and

(o) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code of the State of California which invests exclusively in investments permitted by Section 53601 of Title 5, Division 2, Chapter 4 of the Government Code of California, as it may be amended.

"*Project*" means that certain road improvements and related infrastructure financed with the proceeds of the Bonds, along with any improvements thereto.

"*Project Fund*" means the fund by that name established in the Indenture.

"*Record Date*" means: (a) the fifteenth calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day; and (b) any date established by the Trustee pursuant to the Indenture as a special Record Date for the payment of defaulted interest on the Bonds, if any.

"*Redemption Price*" means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof.

"*Registration Books*" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds.

"*Related Documents*" means the Indenture, the Financing Agreement or any other transaction document, including any underlying security agreement (each a "Related Document").

"*Reserve Requirement*" means, as of any date of calculation, the lesser of (a) 10% of the outstanding principal amount of the Bonds, (b) an amount equal to maximum annual Debt Service payable by the Authority between the date of such calculation and the final maturity of the Bonds, or (c) 125% of average annual Debt Service payable under the Indenture.

"*Revenues*" means during any fiscal period the sum of the following amounts for such fiscal period: (a) all amounts payable by the City pursuant to the Financing Agreement; (b) all Parcel Tax Revenues pledged to the Authority and the Trustee by the City pursuant to the Financing Agreement, including the pledge of and security interest in such Parcel Tax Revenues granted to the Authority and the Trustee; and (c) all investment earnings on amounts held by the Trustee in the funds and accounts under the Indenture other than amounts deposited to the Rebate Fund.

"*Tax Code*" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Indenture) as it may be amended to apply to obligations issued on the Closing Date, together with applicable proposed, temporary and final regulations promulgated, and applicable official guidance published, under the Tax Code.

"*Written Certificate*" and "*Written Request*" means, of the Authority, a written certificate or written request signed in the name of the Authority by its Authorized Representative.

Transfer and Exchange of Bonds

(a) *Transfer of Bonds*. Any Bond may, in accordance with its terms, be transferred upon the Registration Books by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee.

(b) *Exchange of Bonds*. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same series and maturity, of other authorized denominations. The Authority may charge a reasonable sum for each new Bond issued upon any exchange (except in the case of any exchange of temporary Bonds for definitive Bonds and except in the case of the first exchange of any definitive Bond in the form in which it is originally issued) and the Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

Bonds Mutilated, Lost, Destroyed or Stolen

If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and series in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated.

Registration Books

The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Authority.

Additional Contracts and Parity Bonds

In addition to the Bonds, the Authority may issue Parity Bonds payable from all or a portion of Revenues as and to the extent provided in the Indenture and secured by the pledge of such Revenues made under the Indenture equally and ratably with the Bonds. The Authority may issue, and the Trustee shall authenticate and deliver to the purchasers thereof, Parity Bonds in such principal amount as shall be determined by the Authority, subject to the following specific conditions, which are made conditions precedent to the issuance of any such Parity Bonds:

(a) the Financing Agreement shall be amended or supplemented as permitted therein in order to provide funds for the payment of the principal of, redemption premium, if any and interest on the Parity Bonds, as well as any costs of the Authority relating to the Parity Bonds;

(b) no Event of Default shall have occurred and then be continuing;

(c) revenues, calculated pursuant to generally accepted accounting principles, as shown by the audited financial statements of the Authority for the most recent Fiscal Year, shall have amounted to at least 1.25 times the maximum annual debt service on the Outstanding Bonds, the Parity Bonds, and on all other Outstanding Parity Bonds coming due and payable in the most recent Fiscal Year;

(d) interest on such Parity Bonds shall be payable on June 1 and December 1 in each year of the term of such Parity Bonds, and the principal of such Parity Bonds shall be payable on June 1 in any year, as determined by the Authority, in which principal is payable;

(e) an opinion of Bond Counsel delivered to the Trustee that the delivery of the Parity Bonds has been duly authorized by the Authority in accordance with the Indenture; that the Parity Bonds will be legally valid and binding limited obligations of the Authority; and that the issuance of such Parity Bonds will not in and of itself impair the exclusion for federal income tax purposes of interest on any Outstanding Bonds; and

(f) the Authority shall deliver to the Trustee a Written Certificate of the Authority certifying that the conditions precedent to the issuance of such Parity Bonds set forth in the Indenture have been satisfied.

Notwithstanding anything in the Indenture to the contrary, the Authority may issue obligations payable from Revenues on a subordinate basis to payment of Debt Service on the Bonds, provided the Authority complies with clauses (a), (b), (d), (e) and (f) above.

Validity of Bonds

The validity of the authorization and issuance of the Bonds is not dependent on and shall not be affected in any way by any proceedings taken by the Authority or the Trustee with respect to or in connection with the Acquisition of the Project. The recital contained in the Bonds that the same are issued pursuant to the constitution and laws of the State of California shall be conclusive evidence of their validity and of compliance with the provisions of law in their issuance.

Pledge and Assignment; Revenue Fund

(a) Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, all of the Revenues received by the Authority and any other amounts held in any fund or account established pursuant to the Indenture are hereby pledged by the Authority to secure the payment of the principal of and interest on the Bonds in accordance with their terms and the provisions of the Indenture. Said pledge shall constitute a first lien on and security interest in such assets and shall attach, be perfected and be valid and binding from and after delivery of the Bonds by the Trustee, upon the physical delivery thereof.

(b) The Authority transfers in trust and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority and shall forthwith be paid by the Authority to the Trustee. The Trustee also shall be entitled to and may take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority with respect to the Financing Agreement, including, without limitation, the obligation of the City to pay the Parcel Tax Payments, and to perform all other covenants under the Financing Agreement.

(c) All Revenues shall be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund which the Trustee shall establish. The Trustee shall establish, maintain and hold in trust a Revenue Fund for the Bonds. All Revenues deposited with the Trustee shall be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. Such amount shall be net of any surplus amounts on deposit in the Revenue Fund which are to be applied to payment of principal of and interest on the Bonds as provided in the Indenture.

(d) To the extent the Trustee has not received a Parcel Tax Payment from the City on the applicable Parcel Tax Payment Date, the Trustee shall notify the Authority in writing of the amount of such deficiency. Upon receipt from the Authority of such deficiency, the Trustee shall deposit such amounts in the Revenue Fund.

Application of Interest Account

Subject to the provisions of the Indenture, all amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable. Any amounts on deposit in the Interest Account on any Interest Payment Date and not required to pay interest then due and payable on the Bonds shall be retained in the Interest Account and credited towards the payment of interest on the Bonds next coming due.

Application of Principal Account

Subject to the provisions of the Indenture, all amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal of the Bonds upon the stated maturity thereof, and to pay the principal of the Term Bonds upon the mandatory sinking fund redemption.

Application of Surplus Account

The Trustee shall establish and maintain in trust separate and distinct from the other funds and accounts established under the Indenture, the Surplus Account. Promptly upon the deposit of amounts into the Surplus Account, the Trustee shall apply such amounts for the following purposes in the following order of priority:

(a) to replenish the Reserve Fund to the Reserve Requirement;

(b) pay or reimburse the payment of the reasonable costs and expenses incurred by the Authority to administer the Bonds, including reasonable fees and expenses of the Trustee; and

(c) all remaining amounts shall be promptly transferred to the Authority, free and clear of the lien of the Indenture, for any legal use thereof.

The Reserve Fund; Replenishment

The Trustee will establish and maintain so long as any Bonds are Outstanding the Reserve Fund.

If, two Business Days prior to any Interest Payment Date, the money in the Revenue Fund does not equal the amount required to be paid to the Bond Owners on such Interest Payment Date, the Trustee shall transfer from the Reserve Fund to the Revenue Fund the amount of such insufficiency; provided, if the Reserve Fund is funded with a letter of credit, surety bond, municipal bond insurance policy or other comparable credit facility as described below, the Trustee shall take such action as is necessary to either: (a) make a drawing under the letter of credit; or (b) make a claim under the surety bond or insurance policy, respectively, so that the amount of such insufficiency is paid or available to the Trustee on such Interest Payment Date under the terms of such instrument.

If, following valuation or calculation thereof, the amount available and contained in the Reserve Fund (valued as provided in the Indenture) exceeds the Reserve Requirement and if the Trustee does not have actual knowledge of an Event of Default under the Indenture, the Trustee shall withdraw the amount of such excess from the Reserve Fund. The Trustee shall transfer such amount to the Authority for deposit in the Project Fund. Solely for purposes of determining the amount on deposit in the Reserve Fund, the Trustee shall make a valuation of the Reserve Fund as of February 1 and August 1 of each year. All money in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making the payments of principal and interest on the Bonds in the event that amounts on deposit in the Revenue Fund are insufficient for such purposes, or with respect to a redemption of the Bonds in whole.

If amounts on deposit in the Reserve Fund shall, at any time, be less than the applicable Reserve Requirement, such deficiency shall be immediately made up by the Authority from available Revenues, if any, and the Reserve Fund shall be valued monthly until amounts on deposit therein equal the Reserve Requirement.

In replacement of moneys then on deposit in the Reserve Fund, the Authority may deliver to the Trustee for credit to the Reserve Fund a letter of credit, or one or more policies of municipal bond insurance or surety bonds issued by a municipal bond insurer if the obligations insured by such insurer have ratings at the time of issuance of such policy is in one of the two highest rating categories of Moody’s, S&P or Fitch or by a letter or credit issued by a bank or other institution if the obligations issued by such bank or other institution have ratings at the time of issuance of such letter of credit in one of the two highest rating categories of Moody’s, S&P or Fitch.

Following the replacement of moneys then on deposit in the Reserve Fund by one or more policies of municipal bond insurance or surety bonds as provided herein, the Trustee shall notify Moody's in writing and any moneys on deposit in the Reserve Fund in excess of the Reserve Requirement shall be transferred by the Trustee to the Revenue Fund to be credited as provided herein, or, with the written approval of nationally recognized bond counsel to the effect that such transfer other than to the Revenue Fund is hereby authorized, to such other fund or account as may be directed by the Authority.

Project Fund

There will be established a fund entitled the "2025 Santa Fe Springs Parcel Tax Revenue Bond Project Fund" which shall be held and administered by the Authority in accordance with the Indenture. The Authority shall deposit in the Project Fund the amounts described in the Indenture. All such proceeds and all investment earnings thereon shall be disbursed and expended for eligible costs of the Project. The Project Fund may contain such accounts and subaccounts as are necessary to account for the proceeds of the Bonds under applicable Authority rules and procedures.

Investment of Moneys

Except as otherwise provided in the Indenture, all moneys in any of the funds or accounts established pursuant to the Indenture shall be invested by the Trustee solely in Defeasance Obligations or Permitted Investments, as directed in writing by the Authority two Business Days prior to the making of such investment. Amounts on deposit in the Reserve Fund shall be invested by the Trustee, in accordance with written directions from the Authority, in Permitted Investments (a) having an average aggregate weighted term to maturity not greater than five years; or (b) of any maturity, but callable at par for any purpose required by the Indenture. All interest, profits and other income received from the investment of moneys in any fund or account established pursuant to the Indenture (other than the Reserve Fund) shall be deposited in the Revenue Fund. All interest, profits and other income received from the investment of moneys in the Reserve Fund shall be retained in the Reserve Fund to the extent amounts on deposit therein shall not be at least equal to the Reserve Requirement, and thereafter shall be transferred to the Revenue Fund. Permitted Investments acquired as an investment of moneys in any fund established under the Indenture shall be credited to such fund.

Covenants

Punctual Payment. The Authority shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in the Indenture and received by the Authority or the Trustee.

Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Indenture, to the benefits of the Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under the Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by the Indenture.

Power To Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to the Bond Law to issue the Bonds and to enter into the Indenture and to pledge and assign the Revenues and other assets purported to be pledged and assigned, respectively, under the Indenture in the manner and to the extent provided in the Indenture.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions of the Trustee relating to the proceeds of the Bonds, the Revenues and all funds and accounts established pursuant to the Indenture.

Waiver of Laws. The Authority shall not at any time insist upon or plead in any manner whatsoever, or claim or take the benefit or advantage of, any stay or extension law now or at any time hereafter in force that may affect the covenants and agreements contained in the Indenture or in the Bonds, and all benefit or advantage of any such law or laws is hereby expressly waived by the Authority to the extent permitted by law.

Covenants With Respect to the Financing Agreement.

(a) *Amendment of Financing Agreement*. The Authority shall not amend or modify the Financing Agreement, except as provided therein.

(b) *Collection of Revenues*. The Authority covenants and agrees that it has entered into the Financing Agreement with the City which requires the City to make payments to the Trustee from the sources of funding identified in the Financing Agreement in the amounts necessary to make payments of principal and interest on the Bonds and to otherwise satisfy the Authority's obligations under the Indenture. The Financing Agreement has not and will not be amended, modified or altered so long as any of the Bonds are Outstanding in any manner which would reduce the amount of or timing of receipt of Revenues or otherwise limit, hinder or adversely affect the security for the Bonds, and the Authority hereby transfers and assigns to the Trustee all of the Authority's right, title and interest in the receipt of the payments made by the City pursuant to the Financing Agreement and the right to enforce the obligations of the City under the Financing Agreement. The Authority will receive and hold in trust for (and remit immediately to) the Trustee any Revenues paid to the Authority by the City.

(c) *Compliance With Financing Agreement*. The Authority will comply with the provisions of the Financing Agreement, and in the event of a default by the City will diligently pursue, or cause to be pursued, all remedies available to the Authority.

(d) *Notification of Default*. Upon receiving actual knowledge of either (i) the failure by the City to pay its Parcel Tax Payment; or (ii) the occurrence of any other event of default under the Financing Agreement, the Trustee shall promptly notify the Authority of such failure or event of default by telephone, email or other form of telecommunication, promptly confirmed in writing. Such notice shall identify the nature of the default and the actions which the Trustee has taken and intends to take with respect thereto.

Tax Covenants Relating to Bonds. The Authority shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, the interest on the Bonds to become includable in gross income for federal income tax purposes. To that end, the Authority hereby make the following specific covenants:

(a) The Authority hereby covenants that it shall not make or permit any use of the proceeds of the Bonds that may cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended.

(b) The Authority covenants that the proceeds of the Bonds will not be used as to cause the proceeds on the Bonds to satisfy the private business tests of Section 141(b) of the Code or the private loan financing test of Section 141(c) of the Code.

(c) The Authority covenants not to take any action or permit or suffer any action to be taken if the result of the same would be to cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

Further Assurances. The Authority will make, execute and deliver any and all such further indentures, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the Bonds of the rights and benefits provided in the Indenture.

Protection of Security and Rights of Bond Owners. The Authority will preserve and protect the security of the Bonds and the rights of the Bond Owners, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the Authority the Bonds shall be incontestable by the Authority.

Rebate of Excess Investment Earnings to United States. The Authority shall calculate or cause to be calculated, and shall provide or cause to be provided written notice to the Trustee of, the excess investment earnings (as defined in the Code, "Excess Investment Earnings") at such times and in such manner as may be required pursuant to the Code. The Authority shall inform the Trustee how frequently calculations are to be made, and shall ensure that a copy of all such calculations is given promptly to the Trustee. The Authority agrees to deposit with the Trustee, promptly upon the receipt of any calculations made pursuant to the preceding clause (a), the amount of Excess Investment Earnings so calculated. The Trustee shall deposit all amounts paid to it for such purpose by the Authority in the Rebate Fund, which fund the Trustee hereby agrees to establish when required to deposit any funds therein and maintain so long as any Bonds are Outstanding. The Trustee shall pay to the United States of America from the amounts on deposit in the Rebate Fund such amounts as shall be identified pursuant to written notice filed with the Trustee by the Authority for such purpose from time to time.

Events of Default

The following events shall be Events of Default:

(a) failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, or otherwise;

(b) failure to pay any installment of interest on any Bonds when and as the same shall become due and payable;

(c) failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part in the Indenture, the Financing Agreement or in the Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority by the Trustee or the Owners of not less than 25% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the Authority the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and the Authority shall thereafter diligently and in good faith cure such failure in a reasonable period of time; and

(d) the Authority shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute or any similar statute or otherwise declare insolvency.

Remedies

In each and every such case during the occurrence and continuation of an Event of Default, the Trustee may, or if requested in writing by the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, upon being indemnified to its satisfaction, exercise the remedies provided to the Authority in the Operating Agreement.

The Trustee and, subject to the provisions of the Indenture, the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding may, upon being indemnified to its satisfaction:

(a) by mandamus or other action or proceeding or suit at law or in equity enforce its rights against the Authority or the Members or any board member, officer or employee thereof, and compel the Authority or the Members or any such board member, officer or employee to perform or carry out its or his duties under law and the agreements and covenants required to be performed by it or him contained in the Indenture;

(b) by suit in equity enjoin any acts or things which are unlawful or violate the rights of the Trustee;

(c) intervene in judicial proceedings that affect the Bonds or the security therefor; or

(d) seek the appointment of a receiver or other third party to operate the Project and collect Revenues.

Application of Revenues and Other Funds After Default

If an Event of Default shall occur and be continuing, all Revenues and any other funds then held or thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

(a) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel, advisors and agents) incurred in and about the performance of its powers and duties under the Indenture; and

(b) to the payment of the principal of and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of the Indenture, as follows:

FIRST, to the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the persons entitled thereto, without any discrimination or preference; and

SECOND, to the payment to the persons entitled thereto of the unpaid principal of any Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the persons entitled thereto, without any discrimination or preference.

If an Event of Default shall occur and be continuing, the Trustee shall liquidate investment obligations in the Revenue Fund and apply amounts credited to such funds as set forth above.

Trustee To Represent Bond Owners

The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Bonds, the Indenture, the Bond Law, the Refunding Law and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, or at the written request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding and upon being reasonably indemnified therefor, the Trustee shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained in the Indenture, or in aid of the execution of any power in the Indenture granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee and such Owners under the Bonds, the Indenture, the Bond Law, the Refunding Law or any other law; and upon instituting such proceeding, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver of the Revenues and other assets pledged under the Indenture, pending such proceedings.

Bond Owners' Direction of Proceedings

Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture; provided that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction.

Limitation on Bond Owners' Right To Sue

No Owner of any Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under the Indenture, the Bond Law, the Refunding Law or any other applicable law with respect to such Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, shall have made written request upon the Trustee to exercise the powers granted or to institute such suit, action or proceeding in its own name; (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Termination of Proceedings

In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Authority, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the Authority, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Remedies Not Exclusive

No remedy in the Indenture conferred upon or reserved to the Trustee or to the Owners of the Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given under the Indenture or now or hereafter existing at law or in equity or otherwise.

No Waiver of Default

No delay or omission of the Trustee or of any Owner of the Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by the Indenture to the Trustee or to the Owners of the Bonds may be exercised from time to time and as often as may be deemed expedient.

The Trustee

The Authority, in its sole discretion, or the Owners of a majority in aggregate principal amount of all Bonds Outstanding may, by 30 days' prior written request, remove the Trustee, and in such event, or in the event the Trustee resigns, the Authority shall appoint a successor Trustee, but any such successor shall be a bank or trust company in good standing doing business and having an office in Los Angeles or San Francisco, California, having (or if such bank or trust company is a member of a bank holding company system, its bank holding company shall have) a combined capital (exclusive of borrowed capital) and surplus of at least $50,000,000 and subject to supervision or examination by federal or state authority. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purposes of this section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of conditions so published. The Trustee may at any time resign by giving written notice to the Authority and by giving to the Bond Owners notice by mailing a notice of such resignation to their addresses appearing in the Bond Register.

The Trustee, in its discretion, may consult with counsel, who may be counsel to the Authority, with regard to legal questions, and the advice or opinion of such counsel, in the absence of negligence or willful misconduct on the part of the Trustee, shall be full and complete authorization and protection in respect of any action taken or suffered by it under the Indenture in good faith in accordance therewith. Whenever in the administration of its duties under the Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be specifically prescribed in the Indenture) may, in the absence of negligence or willful misconduct on the part of the Trustee, be deemed to be conclusively proved and established by the certificate of an Authorized Officer of the Authority and such certificate shall be full warranty to the Trustee for any action taken or suffered under the provisions of the Indenture upon the faith thereof, but in its discretion the Trustee may, in lieu thereof (but shall not be obligated to), accept other evidence of such matter.

Before taking any remedial action under the Indenture the Trustee may require that a satisfactory indemnity bond or other indemnity satisfactory to the Trustee be furnished for the reimbursement of all reasonable expenses to which it may be put and to protect it against all liability which may be incurred in connection with the taking of such action, except liability which is adjudicated by a final non-appealable decision of a court of competent jurisdiction, to have resulted from its negligence or willful misconduct; provided, however, the Trustee shall not seek such indemnity prior to making payments on the Bonds. The Trustee, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, undertakes to perform only such duties as are specifically set forth in the Indenture. The Trustee shall not be deemed to have knowledge of an Event of Default (except in connection with a failure of the Authority to make Debt Service Payments when due) until a Responsible Officer has actual knowledge thereof, or until notified in writing of such Event of Default.

No provision of the Indenture or any other document related hereto shall require the Trustee to risk or advance its own funds or otherwise incur any financial liability in the performance of its duties or the exercise of its rights under the Indenture. The Trustee shall not be liable for any action taken or not taken by it in accordance with the direction of a majority (or other percentage provided for in the Indenture) in aggregate principal amount of Bonds outstanding relating to the exercise of any right, power or remedy available to the Trustee.

Amendments Permitted

The Indenture and the rights and obligations of the Authority and of the Owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (a) extend the fixed maturity of any Bonds, or reduce the amount of principal thereof, or extend the time of payment, without the consent of the Owner of each Bond so affected; or (b) reduce the aforesaid percentage of Bonds the consent of the Owners of which is required to effect any such modification or amendment; or (c) permit the creation of any lien on the Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture or deprive the Owners of the Bonds of the lien created by the Indenture on such Revenues and other assets (except as expressly provided in the Indenture), without the consent of the Owners of all of the Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

The Indenture and the rights and obligations of the Authority, of the Trustee and the Owners of the Bonds may also be modified or amended from time to time and at any time by an indenture or indentures supplemental hereto, which the Authority and the Trustee may enter into without the consent of any Bond Owners, for any one or more of the following purposes:

(a) to add to the covenants and agreements of the Authority in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the Authority;

(b) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture;

(c) to modify, amend or supplement the Indenture in such manner as to permit the qualification of the Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(d) to provide for the issuance of Parity Bonds, Contracts or subordinate obligations as provided for in the Indenture;

(e) to modify, amend or supplement the Indenture in such manner as to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(f) in any other respect whatsoever as the Authority may deem necessary or desirable; provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners under the Indenture, in the opinion of Bond Counsel filed with the Authority and the Trustee.

Discharge of Indenture

The Bonds may be paid in whole or in part by the Authority in any of the following ways; provided that the Authority also pays or causes to be paid any other sums payable under the Indenture by the Authority:

(a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money or securities in the necessary amount to pay or redeem such Bonds; or

(c) by delivering to the Trustee, for cancellation by it, all of such Bonds.

If the Authority shall also pay or cause to be paid all other sums payable under the Indenture by the Authority including without limitation any compensation due and owing the Trustee under the Indenture, then and in that case, at the election of the Authority (evidenced by a Written Certificate of the Authority, filed with the Trustee, signifying the intention of the Authority to discharge all such indebtedness and the Indenture), and notwithstanding that any Bonds shall not have been surrendered for payment, the Indenture and the pledge of Revenues and other assets made under the Indenture and all covenants, agreements and other obligations of the Authority under the Indenture shall cease, terminate, become void and be completely discharged and satisfied.

Upon the deposit with the Trustee, in trust, at or before maturity, of money or securities in the necessary amount to pay or redeem any or all Outstanding Bonds (whether upon or prior to the maturity or the redemption date of such Bonds), then all liability of the Authority in respect of such Bonds shall cease, terminate and be completely discharged, and the Owners thereof shall thereafter be entitled only to payment out of such money or securities deposited with the Trustee as aforesaid for their payment.

Whenever it is provided or permitted that there be deposited with or held in trust by the Trustee money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Trustee in the funds and accounts established pursuant to the Indenture and shall be lawful money of the United States of America, in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity provided, in each case, that the Trustee shall have been irrevocably instructed (by the terms of the Indenture or by Written Request of the Authority) to apply such funds to the payment of such principal and interest with respect to such Bonds.

Payment of Bonds After Discharge of Indenture

Anything contained in the Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest or premium, if any, on or principal of any of the Bonds which remains unclaimed for two years after the date when each payment of such interest, premium and principal has become payable shall be repaid within 60 days of such date by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the Authority for the payment of the principal of and interest and redemption premium, if any, on such Bonds.

Liability of Authority Limited to Revenues

Notwithstanding anything in the Indenture or in the Bonds contained, neither the Authority nor any member thereof shall be required to advance any moneys derived from any source other than the Revenues and other assets pledged under the Indenture for any of the purposes in the Indenture mentioned, whether for the payment of the principal of or interest on the Bonds or for any other purpose of the Indenture. Nevertheless, the Authority may, but shall not be required to, advance for any of the purposes of the Indenture any funds of the Authority which may be made available to it for such purposes.

Limitation of Rights

Nothing in the Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any person other than the Authority, the Trustee and the Owners of the Bonds, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or in the Indenture contained; and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Authority, the Trustee and the Owners of the Bonds.

Provisions Relating to Bond Insurance The provisions of this section shall govern, notwithstanding anything to the contrary set forth in the Indenture.

(a) The prior written consent of the Insurer shall be a condition precedent to the deposit of any credit instrument provided in lieu of a cash deposit into the Reserve Fund. Notwithstanding anything to the contrary set forth in the Indenture, amounts on deposit in the Reserve Fund shall be applied solely to the payment of debt service due on the Bonds.

(b) The Insurer shall be deemed to be the sole Owner of the Bonds for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Owners of the Bonds or the Trustee are entitled to take pursuant to the Indenture pertaining to (i) defaults and remedies and (ii) the duties and obligations of the Trustee. In addition, the Trustee shall not take any action related to any defaults and remedies without the prior written consent of the Insurer. In furtherance thereof and as a term of the Indenture and each Bond, each Owner of the Bonds appoints the Insurer as its agent and attorney-in-fact with respect to the Bonds and agrees that the Insurer may at any time during the continuation of any proceeding by or against the Authority or the City under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim or enforcement proceeding in connection with an Insolvency Proceeding (a "Claim"), (B) the direction of any appeal of any order relating to any Claim, (C) the posting of any surety, supersedeas or performance bond pending any such appeal, and (D) the right to vote to accept or reject any plan of adjustment. In addition, each Owner of the Bonds delegates and assigns to the Insurer, to the fullest extent permitted by law, the rights of each Owner of the Bonds in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding. The Trustee acknowledges such appointment, delegation and assignment by each Owner of the Bonds for the Insurer's benefit, and agrees to cooperate with the Insurer in taking any action reasonably necessary or appropriate in connection with such appointment, delegation and assignment. Remedies granted to the Owners shall expressly include mandamus.

(c) The security for the Bonds shall include a pledge of the Financing Agreement and a default under the Financing Agreement shall constitute an Event of Default under the Indenture.

(d) The maturity of Bonds shall not be accelerated without the consent of the Insurer and in the event the maturity of the Bonds is accelerated, the Insurer may elect, in its sole discretion, to pay accelerated principal, and interest accrued on such principal, to the date of acceleration (to the extent unpaid by the Authority) and the Trustee shall be required to accept such amounts. Upon payment of such accelerated principal and interest accrued to the acceleration date as provided above, the Insurer's obligations under the Insurance Policy with respect to such Bonds shall be fully discharged.

(e) No grace period for a covenant default shall exceed thirty (30) days or be extended for more than sixty (60) days, without the prior written consent of the Insurer. No grace period shall be permitted for payment defaults.

(f) The Insurer is a third-party beneficiary of the Indenture.

(g) Upon the occurrence of an extraordinary optional, special or extraordinary mandatory redemption in part, the selection of Bonds to be redeemed shall be subject to the approval of the Insurer. The exercise of any provision of the Indenture which permits the purchase of Bonds in lieu of redemption shall require the prior written approval of the Insurer if any Bond so purchased is not cancelled upon purchase.

(h) Any amendment, supplement, modification to, or waiver of, the Indenture, that requires the consent of Owners or adversely affects the rights and interests of the Insurer shall be subject to the prior written consent of the Insurer. The Financing Agreement shall not be amended, supplemented, modified and no provision therein shall be waived without the prior written consent of the Insurer.

(i) Unless the Insurer otherwise directs, upon the occurrence and continuance of an Event of Default or an event which with notice or lapse of time would constitute an Event of Default, amounts on deposit in the Project Fund shall not be disbursed, but shall instead be applied to the payment of debt service or redemption price of the Bonds.

(j) The rights granted to the Insurer under the Indenture or any other Related Document to request, consent to or direct any action are rights granted to the Insurer in consideration of its issuance of the Insurance Policy. Any exercise by the Insurer of such rights is merely an exercise of the Insurer's contractual rights and shall not be construed or deemed to be taken for the benefit, or on behalf, of the Owners and such action does not evidence any position of the Insurer, affirmative or negative, as to whether the consent of the Owners or any other person is required in addition to the consent of the Insurer.

(k) Only (1) cash, (2) non-callable direct obligations of the United States of America ("Treasuries"), (3) evidences of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, (4) subject to the prior written consent of the Insurer, pre-refunded municipal obligations rated in the then highest rating category by S&P and Moody's for such obligations, or (5) subject to the prior written consent of the Insurer, any other type of security or obligation which S&P and Moody's have determined to be permitted defeasance securities, shall be used to effect defeasance of the Bonds unless the Insurer otherwise approves.

To accomplish defeasance of the Bonds, the Authority shall cause to be delivered to the Insurer (i) other than with respect to a current refunding that is gross funded, a report of either a nationally-recognized verification agent or a firm of independent, nationally-recognized certified public accountants as shall be acceptable to the Insurer verifying the sufficiency of the escrow established to pay the Bonds in full on the maturity or redemption date ("Verification"), (ii) an escrow deposit agreement or other irrevocable written instructions (which shall be acceptable in form and substance to the Insurer), (iii) an opinion of nationally-recognized bond counsel to the effect that the Bonds are no longer "Outstanding" under the Indenture and (iv) a certificate of discharge of the Trustee with respect to the Bonds; each Verification and defeasance opinion shall be acceptable in form and substance, and addressed, to the Authority, the Trustee and the Insurer. The Insurer shall be provided with final drafts of the above-referenced documentation not less than five (5) Business Days prior to the funding of the escrow.

Bonds shall be deemed "Outstanding" under the Indenture unless and until they are in fact paid and retired or the above criteria are met.

(l) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of the Indenture and the Bonds relating to such payments shall remain Outstanding and continue to be due and owing until paid by the Authority in accordance with the Indenture. The Indenture shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for.

(m) Each of the Authority and Trustee covenant and agree to take such action (including, as applicable, filing of UCC financing statements and continuations thereof) as is necessary from time to time to preserve the priority of the pledge of the Revenues under applicable law.

(n) Claims Upon the Insurance Policy and Payments by and to the Insurer.

If, on the third Business Day prior to the related scheduled interest payment date or principal payment date ("Payment Date") there is not on deposit with the Trustee, after making all transfers and deposits required under the Indenture, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall give notice to the Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone of the amount of such deficiency by 12:00 noon, New York City time, on such Business Day. If, on the second Business Day prior to the related Payment Date, there continues to be a deficiency in the amount available to pay the principal of and interest on the Bonds due on such Payment Date, the Trustee shall make a claim under the Insurance Policy and give notice to the Insurer and the Insurer's Fiscal Agent (if any) by telephone of the amount of such deficiency, and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to the Insurer and the Insurer's Fiscal Agent by 12:00 noon, New York City time, on such second Business Day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy.

The Trustee shall designate any portion of payment of principal on Bonds paid by the Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Owner of the Bonds, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to the Insurer, registered in the name of Assured Guaranty Inc., in a principal amount equal to the amount of principal so paid (without regard to authorized denominations); provided that the Trustee's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the Authority on any Bond or the subrogation rights of the Insurer.

The Trustee shall keep a complete and accurate record of all funds deposited by the Insurer into the Policy Payments Account (defined below) and the allocation of such funds to payment of interest on and principal of any Bond. The Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Trustee.

Upon payment of a claim under the Insurance Policy, the Trustee shall establish a separate special purpose trust account for the benefit of Owners of the Bonds referred to herein as the "Policy Payments Account" and over which the Trustee shall have exclusive control and sole right of withdrawal. The Trustee shall receive any amount paid under the Insurance Policy in trust on behalf of Owners of the Bonds and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Trustee to Owners of the Bonds in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections of the Indenture regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments. Notwithstanding anything in the Indenture to the contrary, the Authority agrees to pay, or cause the City to pay, to the Insurer, solely from the Revenues (i) a sum equal to the total of all amounts paid by the Insurer under the Insurance Policy (the "Insurer Advances"); and (ii) interest on such Insurer Advances from the date paid by the Insurer until payment thereof in full, payable to the Insurer at the Late Payment Rate per annum (collectively, the "Insurer Reimbursement Amounts"). The Authority hereby covenants and agrees that the Insurer Reimbursement Amounts are secured by a lien on and pledge of the Revenues and payable from such Revenues on a parity with debt service due on the Bonds.

Funds held in the Policy Payments Account shall not be invested by the Trustee and may not be applied to satisfy any costs, expenses or liabilities of the Trustee. The Trustee shall notify the Insurer of any funds remaining in the Policy Payments Account after the Trustee has made the payments for which a claim was made to the Owners of the Bonds and shall, at the written direction of the Insurer, promptly remit such funds remaining to the Insurer.

(o) The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms of the Insurance Policy (which subrogation rights shall also include the rights of any such recipients in connection with any Insolvency Proceeding). Each obligation of the Authority to the Insurer under the Related Documents shall survive discharge or termination of such Related Documents.

(p) The Authority shall pay or reimburse, or cause the City to pay or reimburse, the Insurer, solely from the Revenues, any and all charges, fees, costs and expenses that the Insurer may reasonably pay or incur in connection with (i) the administration, enforcement, defense or preservation of any rights or security in any Related Document; (ii) the pursuit of any remedies under the Indenture or any other Related Document or otherwise afforded by law or equity, (iii) any amendment, waiver or other action with respect to, or related to, the Indenture or any other Related Document whether or not executed or completed, or (iv) any litigation, proceeding (including any Insolvency Proceeding) or other dispute in connection with the Indenture or any other Related Document or the transactions contemplated thereby, other than costs resulting from the failure of the Insurer to honor its obligations under the Insurance Policy. The Insurer reserves the right to charge a reasonable fee as a condition to executing any amendment, waiver or consent proposed in respect of the Indenture or any other Related Document. Amounts payable by the Authority hereunder shall bear interest at the Late Payment Rate from the date such amount is paid or incurred by the Insurer until the date the Insurer is paid in full. The obligation to reimburse the Insurer shall survive discharge or termination of the Related Documents.

(q) After payment of reasonable expenses of the Trustee, the application of funds realized upon default shall be applied to the payment of expenses of the Authority or rebate only after the payment of past due and current debt service on the Bonds and amounts required to restore the Reserve Fund to the Reserve Requirement.

(r) The Insurer shall be entitled to pay principal or interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Authority (as such terms are defined in the Insurance Policy) and any amounts due on the Bonds as a result of acceleration of the maturity thereof, whether or not the Insurer has received a Notice of Nonpayment (as such terms are defined in the Insurance Policy) or a claim upon the Insurance Policy.

(s) Notwithstanding satisfaction of the other conditions to the issuance of Additional Bonds set forth in the Indenture, no such issuance may occur (1) if an Event of Default (or any event which, once all notice or grace periods have passed, would constitute an Event of Default) exists unless such default shall be cured upon such issuance and (2) unless the Reserve Fund is fully funded at the Reserve Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the Insurer.

(t) In determining whether any amendment, consent, waiver or other action to be taken, or any failure to take action, under the Indenture would adversely affect the security for the Bonds or the rights of the Owners, the effect of any such amendment, consent, waiver, action or inaction shall be considered as if there were no Insurance Policy.

(u) No contract shall be entered into or any action taken by which the rights of the Insurer or security for or sources of payment of the Bonds may be impaired or prejudiced in any material respect except upon obtaining the prior written consent of the Insurer.

Payment on Non-Business Days

In the event any payment is required to be made under the Indenture on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day.

Waiver of Personal Liability

No member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing in the Indenture contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law or by the Indenture.

Governing Laws

The Indenture shall be governed by and construed in accordance with the laws of the State of California.

FINANCING AGREEMENT

"*Additional Costs*" shall mean any and all costs, expenses and fees payable by the Authority relating to the Bonds other than the principal of, premium, if any, and interest thereon, including the costs of issuing the Bonds and Trustee fees. Additional Costs shall also include amounts due to the Insurer, other than Insurer Advances (as defined in the Indenture).

"*Authority*" shall mean the Santa Fe Springs Public Financing Authority, a joint powers authority organized and existing under the Act and any successor thereto.

"*City*" shall mean the City of Santa Fe Springs, a public body, corporate and politic, duly organized and validly existing under the laws of the State of California, including its successors.

"*Measure SFS*" shall mean the Ordinance of the City of Santa Fe Springs to enact a special parcel tax for roads, approved by the voters of the City at the November 5, 2024 election.

"*Parcel Tax*" shall mean the special parcel tax on each taxable parcel of real property in the City, which was approved by at least two-thirds of the voters of the City at the November 5, 2024 election.

"*Parcel Tax Payments*" shall mean the payments by the City described in the Financing Agreement.

"*Parcel Tax Payment Date*" shall mean each November 15 and May 15.

"*Parcel Tax Revenues*" shall mean the annual amounts collected by the County on behalf of the City from the Parcel Tax.

"*Project*" shall mean that certain road improvements and related infrastructure.

"*State*" means the State of California.

Representations, Covenants and Warranties of the City

In the Financing Agreement, the City represents, covenants and warrants to the Authority as follows:

(a) *Duly Organized and In Existence*. The City is a general law city, duly organized and validly existing under the laws of the State of California.

(b) *Authorization*. The City has full legal power and authority to enter into the Financing Agreement and to enter into the transactions contemplated by and to carry out its obligations under each of the aforesaid agreements, and the City has duly authorized and executed each of the aforesaid agreements in accordance with the laws of the State of California.

(c) *No Violations*. Neither the execution and delivery of the Financing Agreement, nor the fulfillment of or compliance with the terms and conditions of the Financing Agreement, nor the consummation of the transactions contemplated hereby, conflict with or result in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the City is now a party or by which the City is bound or constitutes a default under any of the foregoing.

Representations, Covenants and Warranties of the Authority

In the Financing Agreement, the Authority represents, covenants and warrants to the City as follows:

(a) *Due Organization and Existence*. The Authority is a joint powers authority duly organized, existing and in good standing under and by virtue of the laws of the State of California; has power to enter into the Financing Agreement and the Indenture and to carry out its obligations under the Financing Agreement and the Indenture; is possessed of full power to undertake the financing of the Project through the issuance of the Bonds; and has duly authorized the execution and delivery of all of the aforesaid agreements.

(b) *No Encumbrances*. The Authority has not pledged and will not pledge the Parcel Tax Payments or other amounts derived under the Financing Agreement, except as provided under the terms of the Financing Agreement and the Indenture.

(c) *No Violations*. Neither the execution and delivery of the Financing Agreement or the Indenture, nor the fulfillment of or compliance with the terms and conditions of the Financing Agreement or thereof, nor the consummation of the transactions contemplated hereby or thereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement, instrument, regulation or law to which the Authority is now a party or by which the Authority is bound, or constitutes a default under any of the foregoing.

(d) *No Assignment*. Except as provided herein and in the Indenture, the Authority will not assign the Financing Agreement, its right to receive Parcel Tax Payments from the City or its duties and obligations under the Financing Agreement to any other person, firm or corporation so as to impair or violate the representations, covenants and warranties contained in this section.

Term of the Financing Agreement

The term of the Agreement commences as of its date and terminates on June 1, 2050 unless such term is extended or sooner terminated as hereinafter provided. If on June 1, 2050 the Indenture shall not be discharged by its terms, or amounts are due to the Insurer or the Authority has incurred liabilities with respect to the Bonds which have not been satisfied, then the term of the Financing Agreement shall be extended until the Indenture shall be discharged by its terms or such liabilities have been satisfied, as applicable. If prior to June 1, 2050 the Indenture shall be discharged by its terms and all liabilities of the

Authority relating to the Bonds have been satisfied (including liabilities due the Insurer), the term of the Financing Agreement shall end on the date of such discharge or satisfaction, as applicable.

Absolute Obligation of the City

The obligations of the City to make the Parcel Tax Payments and to perform and observe the other agreements contained in the Financing Agreement shall be absolute and shall not be subject to any defense or any right of setoff, counterclaim or recoupment arising out of any breach by the City, the Authority or the Trustee of any obligation to the City or otherwise with respect to the Project, whether under the Financing Agreement or otherwise, or out of indebtedness or liability at any time owing to the City by the Authority or the Trustee. Until such time as all of the Parcel Tax Payments shall have been fully paid or prepaid, the City (a) will not suspend, abate, or discontinue any payments provided for in the Financing Agreement; (b) will perform and observe all other agreements contained in the Financing Agreement; and (c) will not terminate the term of the Financing Agreement for any cause, including, without limiting the generality of the foregoing, the occurrence of any act or circumstance that may constitute failure of consideration, failure to complete construction of the Project, a failure by any party to any agreement relating to the receipt of Parcel Tax Revenues by the City to honor its obligations thereunder, commercial frustration of purpose, any change in the tax or other laws of the United States of America or of the State of California or any political subdivision of either thereof or any failure by the Authority or the Trustee to perform and observe any agreement, whether express or implied, or any duty, liability or obligation arising out of or connected with the Indenture or the Financing Agreement. Notwithstanding the foregoing, the City does not guarantee Parcel Taxes collected will be sufficient to pay debt service on the Bonds nor does the City guarantee that the voters of the City will not, by initiative, reduce or attempt to reduce the annual levy of the Parcel Tax below the amount required to pay debt service on the Bonds. Notwithstanding the foregoing, should any court suspend, enjoin, or otherwise prohibit the collection or distribution of the Parcel Tax, the City shall not be required to make Parcel Tax Payments.

Nothing contained in the Financing Agreement shall be construed to release the Authority from the performance of any of the agreements on its part contained in the Financing Agreement, and in the event the Authority shall fail to perform any such agreements on its part, the City may institute such action against the Authority as the City may deem necessary to compel performance so long as such action does not abrogate the obligations of the City contained in the first sentence of the preceding paragraph.

Transfer To Pay Parcel Tax Payment

In order to provide for the payment of the principal of and interest on the Bonds and all Additional Costs when due, the City shall transfer to the Trustee on each Parcel Tax Payment Date for deposit into the Revenue Fund all Parcel Tax Revenues.

Pledge and Assignment by the Authority

The Authority's right, title and interest in the Financing Agreement, including the right to receive and enforce payment of the Parcel Tax Payments to be made by the City under the Financing Agreement, but none of the Authority's obligations, have been pledged and assigned to the Trustee by the Authority, except for the Authority's rights to give approvals and consents under the Financing Agreement subject to certain other exceptions, pursuant to the Indenture, to which pledge and assignment the City hereby consents. Except for the pledge and assignment pursuant to the Indenture, the Authority shall not assign or pledge the Financing Agreement or its rights under the Financing Agreement.

Events of Default Under the Financing Agreement

The following are made "Events of Default" under the Financing Agreement:

(a) failure by the City to pay any Parcel Tax Payment by the Parcel Tax Payment Date therefor and such default is not cured within 15 days;

(b) failure by the City to observe and perform any covenant, condition or agreement on its part to be observed or performed in the Financing Agreement or the Indenture, other than as referred to in clause (a) above, for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the City by the Authority, the Trustee or the Holders of not less than 25% in aggregate principal amount of Bonds then Outstanding; provided, however, if the failure stated in the notice cannot be corrected within the applicable period, the Authority, the Trustee or such Holders, as applicable, shall not unreasonably withhold their consent to an extension of such time if corrective action is instituted by the City within the applicable period and diligently pursued until the default is corrected; and

(c) the filing by the City of a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or the approval by a court of competent jurisdiction of a petition filed with or without the consent of the City seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction assumes custody or control of the City or of the whole or any substantial part of its property.

Remedies on Default. Whenever any event of default under the Financing Agreement shall have happened and be continuing, the Authority may, and in the event of the occurrence of an event of default specified in clause (a) or (c) above shall take whatever action at law or in equity as is necessary or desirable to collect the Parcel Tax Payments then due or thereafter to become due during the term of the Financing Agreement, or enforce performance and observance of any obligation, agreement or covenant of the City under the Financing Agreement.

Notwithstanding anything herein to the contrary, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right to control all remedies for default under the Financing Agreement. Provided, that, notwithstanding the above, the Insurer shall have the right to direct all remedies for a default (including any waivers) under the Financing Agreement, including any rights granted to the Owners of the Bonds; provided, further, that for the avoidance of doubt, the Insurer shall also be deemed to be the Owner of the Bonds.

APPENDIX D

FORM OF BOND COUNSEL OPINION

Santa Fe Springs Public Financing Authority
Santa Fe Springs, California

Re: $31,810,000 Santa Fe Springs Public Financing Authority 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements)

Ladies and Gentlemen:

We have acted as Bond Counsel to the Santa Fe Springs Public Financing Authority (the "Authority") in connection with the sale, execution and delivery of $31,810,000 aggregate principal amount of the Authority's 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements) (the "Bonds"). The Bonds are being issued pursuant to the Constitution and laws of the State of California (the "State"), Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title I of the California Government Code, as amended (the "Law"). The Bonds are being issued pursuant to that certain Indenture of Trust, dated as of April 1, 2025 (the "Indenture"), between the Authority and U.S. Bank Trust Company, National Association (the "Trustee").

The payment of the principal of, interest on and other amounts payable with respect to the Bonds is payable from and secured by an assignment by the Authority to the Trustee of amounts payable by the City of Santa Fe Springs (the "City") pursuant to that certain Financing Agreement, dated as of April 1, 2025 (the "Financing Agreement"), by and between the Authority and the City.

In such connection, we have reviewed the Indenture, the tax certificate of the Authority for the Bonds dated the date hereof (the "Tax Certificate"), certificates of the Authority and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other events come to our attention after the date hereof. Accordingly, this opinion speaks only as of its date and is not intended to, and may not, be relied upon in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents, and of the legal conclusions contained in the opinions, referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Indenture and the Tax Certificate, including (without limitation) covenants and agreements compliance with which is necessary to ensure that future actions, omissions or events will not cause interest on the Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against cities and their subordinate entities in the State of California. We express no opinion with respect to any indemnification, contribution, penalty, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the documents mentioned in the preceding sentence. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and express no opinion with respect thereto.

Based upon the foregoing, we are of the opinion, under existing law, that:

1. The execution of the Indenture and the Financing Agreement has been duly authorized by the Authority and constitute the valid and binding obligations of the Authority enforceable against the Authority in accordance with their terms, except as such enforcement may be limited by bankruptcy, insolvency, moratorium, transfer or conveyance, or other laws affecting creditor's rights generally, or the exercise of judicial discretion in accordance with general principals of equity or otherwise in appropriate cases; provided, however, we express no opinion with respect to any indemnification, contribution, choice of law or waiver provisions contained therein.

2. The Bonds constitute the valid and legally binding special obligations of the Authority enforceable in accordance with their terms and payable solely from the sources provided therefor in the Indenture.

3. The Indenture establishes a first lien on and pledge of the Revenues (as such term is defined in the Indenture) and other funds pledged thereby for the security of the Bonds, in accordance with the terms of the Indenture.

4. Interest on the Bonds is exempt from California personal income taxation.

5. Under existing statutes, regulations, rulings and court decisions, the interest on the Bonds is excluded from gross income for purposes of federal income taxation; however, interest on the Bonds is taken into account in determining the annual adjusted financial statement income of certain corporations for the purpose of computing the alternative minimum tax imposed on certain corporations. Although the interest on the Bonds is excluded from gross income for purposes of federal income taxation, the accrual or receipt of interest on the Bonds, or any portion thereof, may otherwise affect the federal income tax liability of the recipient. The extent of these other tax consequences will depend on the recipient's particular tax status or other items of income or deduction. We express no opinion regarding any such consequences.

In rendering the opinions expressed above, we are relying upon representations and covenants of the Authority in the Indenture and in the Tax Certificate concerning the use of the facilities financed with Bond proceeds, the investment and use of Bond proceeds and the rebate, if any, to the Federal government of certain earnings thereon. In addition, we have assumed that all such representations are true and correct and that the Authority will comply with such covenants. We express no opinion with respect to the exclusions of the interest from gross income under Section 103(a) of the Code in the event that any such representations are untrue or the Authority fails to comply with such covenants. Except as stated above, we express no opinion as to any Federal tax consequences of the receipt of interest on, or the ownership or disposition of, the Bonds. We undertake no responsibility herein for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Respectfully submitted,

APPENDIX E

INFORMATION CONCERNING DTC AND THE BOOK-ENTRY SYSTEM

The information in this section concerning The Depository Trust Company ("DTC") New York, NY and DTC's book-entry-only system has been obtained from DTC, and the Authority and the Underwriter take no responsibility for the accuracy thereof.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for the Bonds, as set forth on the cover page hereof, in the aggregate principal amount of each maturity of the Bonds and deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation & Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book entry-system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners.

The Direct and Indirect Participants remain responsible for keeping accounts of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds are to be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other name as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to Tender or Remarketing Agent, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to Tender or Remarketing Agent. The requirement for physical delivery of the Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit for tendered Bonds to Tender or Remarketing Agent's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor securities depository is not obtained, Bonds are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, bond certificates will be printed and delivered to DTC.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the Santa Fe Springs Public Financing Authority (the "Authority") in connection with the execution and delivery by the Authority of its 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements) (the "Bonds") in the aggregate principal amount of $31,810,000. The Bonds are being issued pursuant to that certain Indenture of Trust, dated as of April 1, 2025 (the "Indenture"), by and between the Authority and U.S. Bank Trust Company, National Association (the "Trustee"). The Authority and the Dissemination Agent covenant as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Authority and the Dissemination Agent for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"*Annual Report*" shall mean any Annual Report provided by the Authority pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning the ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"*Disclosure Representative*" shall mean the [Executive Director] of the Authority or his or her designee, or such other officer or employee as the Authority shall designate in writing to the Trustee and the Dissemination Agent from time to time.

"*Dissemination Agent*" shall mean the Authority or any successor Dissemination Agent, which may be designated in writing by the Authority and which has filed with the Trustee a written acceptance of such designation.

"*Financial Obligation*" means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b) in this definition; provided however, the term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"*Holder*" shall mean the person in whose name any Bond shall be registered.

"*Listed Events*" shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended.

"*Official Statement*" shall mean the Official Statement dated April 15, 2025, issued by the Authority in connection with the sale of the Bonds.

"*Participating Underwriter*" shall mean any of the original purchasers of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Repository*" shall mean the MSRB or any other information repository as recognized from time to time by the Securities and Exchange Commission for the purposes referred to in the Rule.

"*Rule*" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*State*" shall mean the State of California.

Section 3. Provision of Annual Reports.

(a) The Authority shall, or shall cause the Dissemination Agent to, not later than March 31 of each calendar year, commencing with the report for the 2024-25 Fiscal Year (ending June 30, 2025) to be filed by March 31, 2026, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Authority may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Authority's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) Not later than 15 Business Days prior to the date specified in paragraph (a) for providing the Annual Report to the Repository, the Authority shall provide the Annual Report to the Dissemination Agent and the Trustee (if the Trustee is not the Dissemination Agent); provided, however, that the Authority may distribute the Annual Report to the Repository itself after providing written notice to the Trustee and the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Authority to determine if the Authority is in compliance with the first sentence of this paragraph (b).

(c) If the Dissemination Agent has not received the Annual Report by 6:00 p.m., Eastern time, of the date required in paragraph (a) (or, if such date falls on a Saturday, Sunday or holiday, then the first business day thereafter), the Dissemination Agent shall contact the Authority to determine if the Authority provided the Annual Report to the Repository. If the Authority has not provided the Annual Report to the Repository, and upon direction by the Authority, the Dissemination Agent shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of each Repository; and

(ii) to the extent the Authority has provided the Annual Report to the Dissemination Agent, file a report with the Authority (if the Dissemination Agent is not the Authority) and the Trustee (if the Dissemination Agent is not the Trustee) certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing the Repository to which it was provided.

Section 4. Content of Annual Reports. The Authority's Annual Report shall contain or include by reference the following:

(a) The financial statements of the City for the most recent fiscal year of the City then ended, commencing with the fiscal year ending June 30, 2025. If the City will prepare audited financial statements for such fiscal year, then such audited financial statements shall be filed. If the City prepares audited financial statements each fiscal year and if the audited financial statements are not available by the time the Annual Report is required to be filed, the Annual Report shall contain any unaudited financial statements of the City in a format similar to the financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. Audited financial statements of the City shall be audited by such auditor as shall then be required or permitted by State law or the Indenture. Audited financial statements, if prepared by the City, shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the City may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify in any material respect the basis upon which its financial statements are prepared, the City shall provide a description of such modification in its Annual Report, including a reference to the specific federal or state law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) To the extent not included in the financial statements provided pursuant to Section 4(a), numerical and tabular information for the immediately preceding Fiscal Year of the type contained in the Official Statement under the following captions:

(i) under the heading "PARCEL TAX AND RELATED INFORMATION—Measure SFS," the table entitled "City of Santa Fe Springs Allocation of Taxable Parcels by Type" in the forepart of the Official Statement; and

(ii) under the heading "PARCEL TAX AND RELATED INFORMATION—Delinquencies; No Teeter Plan" in the forepart of the Official Statement, update the amount of Parcel Taxes levied and collected by the County for the prior Fiscal Year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Authority or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. The Authority shall clearly identify each such other document so included by reference.

Section 5. Reporting of Listed Events.

(a) Pursuant to the provisions of this Section 5, the Authority shall give, or cause to be given, notice of the occurrence of any of the following events numbered (i) to (x) with respect to the Bonds not later than 10 business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers, or their failure to perform;

(v) issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;

(vi) tender offers;

(vii) defeasances;

(viii) rating changes;

(ix) bankruptcy, insolvency, receivership or similar event of the obligated person; or

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Authority, any of which reflect financial difficulties.

Note: for the purposes of the event identified in item (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The Authority shall give, or cause to be given, notice of the occurrence of any of the following events numbered (i) to (viii) with respect to the Bonds not later than 10 business days after the occurrence of the event, if material:

(i) unless described in Section 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) modifications to rights of Holders;

(iii) unscheduled or contingent bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) appointment of a successor or additional trustee or the change of name of a trustee; or

(viii) incurrence of a Financial Obligation of the Authority or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Authority, any of which affect holders of the Bonds; and

(c) The Authority shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3 and in the manner set forth in Section 3.

(d) Whenever the Authority obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the Authority shall determine if such event would be material under applicable federal securities laws.

(e) If the Authority learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the Authority shall within 10 business days of occurrence file a notice of such occurrence with the Repository in electronic format, accompanied by such identifying information as is prescribed by the Repository. Notwithstanding the foregoing, notice of the Listed Event described in Section 5(b)(ii) need not be given under this subsection any earlier than the notice, if any, of the underlying event is given to Holders of affected Bonds.

Section 6. Termination of Reporting Obligation. Each party's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the Authority shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

Section 7. Dissemination Agent. The Authority may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the Authority pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Authority shall be the Dissemination Agent, The initial Dissemination Agent shall be the Authority.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Authority, the Trustee and the Dissemination Agent may amend this Disclosure Certificate (and the Trustee and the Dissemination Agent shall agree to any amendment so requested by the Authority provided such amendment does not impose any greater duties, nor risk of liability, on the Trustee or the Dissemination Agent, as the case may be), and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the amendment or waiver either: (i) is approved by the Holders of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Holders; or (ii) does not, in the opinion of the Trustee or nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Authority shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Authority. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Authority from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Authority chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Authority shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Electronic Filing. The Authority may satisfy its disclosure obligations hereunder to file any notice, document or information by filing the same with the MSRB through MSRB's Electronic Municipal Market Access system, in the format and with identifying or other information as may be required by the Securities and Exchange Commission or the MSRB, or by filing the same with any other Repository that may be recognized by the Securities and Exchange Commission, in such manner as may be required by the Securities and Exchange Commission or such Repository.

Section 11. Default. In the event of a failure of the Authority, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Certificate, the Trustee may (and, at the written request of any Participating Underwriter or the Holders of at least 25% aggregate principal amount of Outstanding Bonds, shall, but only to the extent indemnified to its satisfaction), or any Holder or Beneficial Owner of the Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Authority or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the Authority, the Trustee and the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Trustee and Dissemination Agent. The Dissemination Agent and the Trustee shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Authority, to the extent permitted by law, agrees to indemnify and save the Dissemination Agent and the Trustee, their officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's or Trustee's respective negligence or willful misconduct. The obligations of the Authority under this Section shall survive resignation or removal of the Dissemination Agent and the payment of the Bonds.

Section 13. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

to the Authority:	Santa Fe Springs Public Financing Authority 11710 Telegraph Road Santa Fe Springs, CA Attention: Executive Director
to the Underwriter:	Cabrera Capital Markets, LLC 915 Wilshire Blvd., 8th Floor Los Angeles, CA 90071

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notices or communications should be sent.

Section 14. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Authority, the Trustee, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 15. Counterparts. This Disclosure Certificate may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Dated as of April 1, 2025.

SANTA FE SPRINGS PUBLIC FINANCING AUTHORITY

By ____
Executive Director

EXHIBIT A

FORM OF NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Santa Fe Springs Public Financing Authority
Name of Issue:	$31,810,000 Santa Fe Springs Public Financing Authority 2025 Special Parcel Tax Revenue Bonds (Santa Fe Springs Road Improvements)
Date of Issuance:	April 29, 2025

NOTICE IS HEREBY GIVEN that the Santa Fe Springs Public Financing Authority (the "Authority") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate, dated as of April 1, 2025, executed by the Authority. The Authority anticipates that the Annual Report will be filed by ____________________.

Dated: _______________

[_____],
as Dissemination Agent

By [form only; no signature required]_____________

cc: Santa Fe Springs Public Financing Authority

APPENDIX G

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

[THIS PAGE INTENTIONALLY LEFT BLANK]

ASSURED GUARANTY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AG. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AG shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AG may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AG pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AG and shall not be deemed received until received by both and (b) all payments required to be made by AG under this Policy may be made directly by AG or by the Insurer's Fiscal Agent on behalf of AG. The Insurer's Fiscal Agent is the agent of AG only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AG to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AG agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ____________________________________
Authorized Officer