

**FOR FISCAL YEAR ENDED  
JUNE 30, 2022**

*City of Santa Maria, California  
Annual Comprehensive Financial Report*

CITY OF SANTA MARIA, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED JUNE 30, 2022

Prepared by: Finance Department

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 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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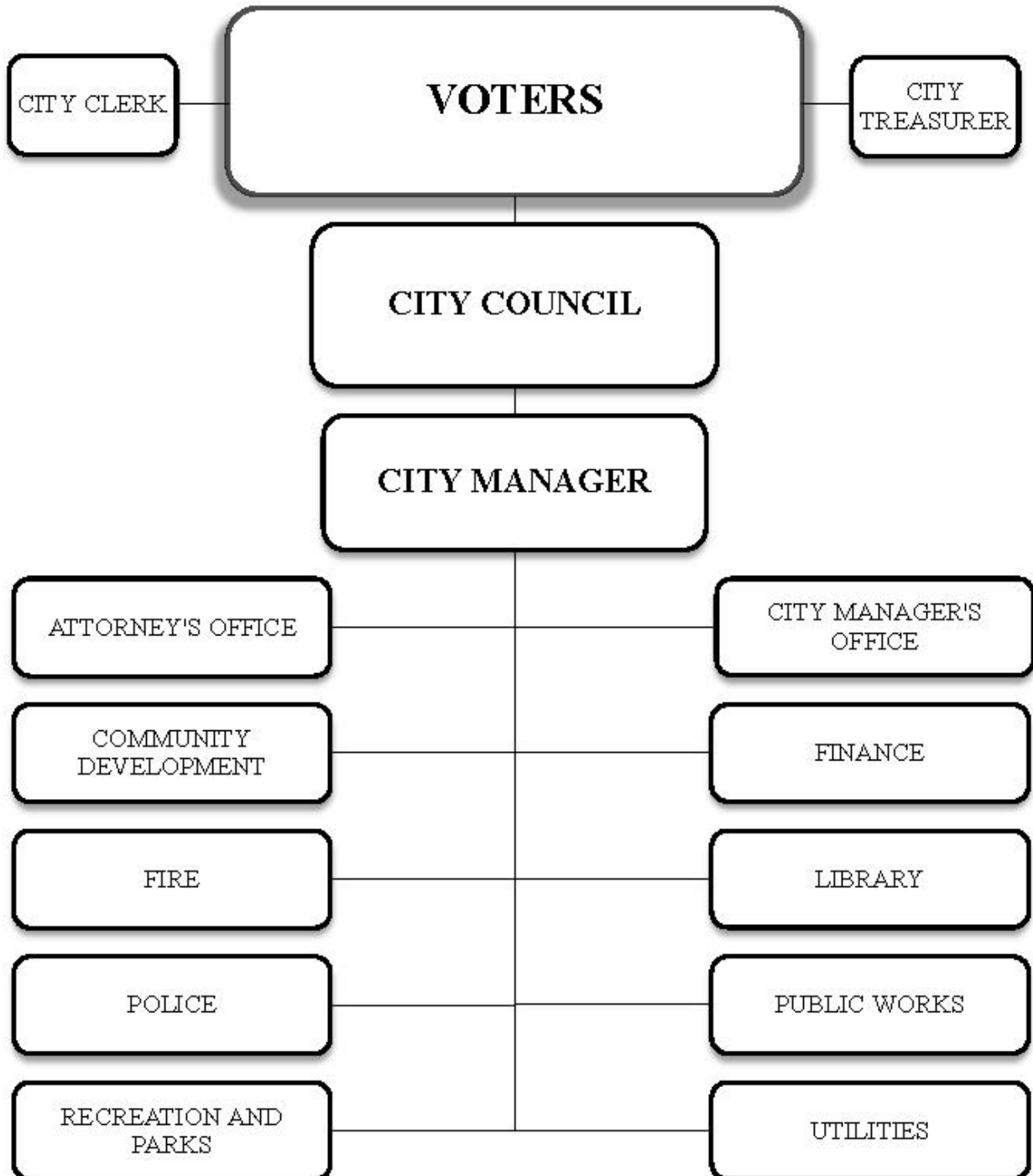
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# City of Santa Maria

## Organizational Chart

For the Fiscal Year Ended June 30, 2022

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# *City of Santa Maria*

## List of Principal Officials

For the Fiscal Year Ended June 30, 2022

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### MAYOR

ALICE PATINO

### MAYOR PRO TEM

GLORIA SOTO

### COUNCILMEMBERS

MIKE CORDERO

CARLOS ESCOBEDO

MARIBEL AUILERA-HERNANDE

### INTERIM CITY MANAGER

ALEX POSADA

### CITY TREASURER

TERESSA HALL

### CITY CLERK

PATTI RODRIGUEZ

### CITY DEPARTMENTS AND DEPARTMENT HEADS

Attorney's Office .....	Thomas Watson
City Manager's Office.....	Alex Posada
City Manager's Office - Human Resources and Records .....	Elena Morelos
City Manager's Office - Information Technology .....	Jeffrey Marcic
Community Development .....	Chuen Ng
Finance.....	Xenia Bradford
Fire.....	Todd Tuggle
Library .....	Mary Housel
Police.....	Marc Schneider
Public Works/Engineering.....	Kevin McCune
Recreation and Parks .....	Alex Posada
Utilities .....	Shad Springer

## INDEPENDENT AUDITORS' REPORT

City Council of the City of Santa Maria  
Santa Maria, California

### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the major funds, and the aggregate remaining fund information of the City of Santa Maria, as of and for the fiscal year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Santa Maria'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, the major funds, and the aggregate remaining fund information of the City of Santa Maria, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof, for the fiscal 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Santa Maria 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.

### Change in Accounting Principle

As discussed in Note 1 to the financial statements, for the fiscal year ended June 30, 2022, the City of Santa Maria adopted new accounting guidance, *GASB Statement No. 87 Leases*. Our opinions are not modified with respect to this matter.

### 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 of Santa Maria'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 generally accepted auditing standards 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 generally accepted auditing standards 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 of Santa Maria'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 of Santa Maria'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 information, the schedule of changes in net OPEB liability and related ratios, the schedule of OPEB contributions, the schedule of changes of the net pension liability and related ratios, the schedule of pension contributions, and the schedule of proportionate share of the net pension liability be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries about 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 of Santa Maria's basic financial statements. The combining and individual nonmajor governmental fund financial statements and schedules, combining internal service fund financial statements, and combining agency funds financial statements, 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 auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, the combining and individual nonmajor governmental fund financial statements and schedules, combining internal service fund financial statements, and combining agency funds financial statements, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

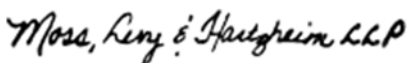
### **Other Information**

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 auditor's 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 28, 2024, on our consideration of the City of Santa Maria'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Santa Maria, California  
March 28, 2024

# *City of Santa Maria*

## **Management's Discussion and Analysis**

### **For the Fiscal Year Ended June 30, 2022**

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The management of the City of Santa Maria (City) offers readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the Letter of Transmittal beginning on page i and the City's basic financial statements that begin on page 14 of this report.

#### **A. FINANCIAL HIGHLIGHTS**

- At June 30, 2022, the City's net position (assets and deferred outflows minus liabilities and deferred inflows) was \$510.5 million. Of this amount, \$206.8 million is available to meet the City's ongoing operations. Total assets increased by \$48.1 million and deferred outflows of resources increased by \$4.7 million. The City's total liabilities decreased by \$25.6 million and total deferred inflows of resources increased by \$53.2 million.
- During the fiscal year ended June 30, 2022, the City's net position increased by \$25.3 million to \$510.5 million. This growth reflects an increase in governmental activities of \$28 million or 11.8 percent, and business-type activities showed a decrease of \$2.7 million or 1.1 percent.
- In June 2022, the City received \$18.2 million in the second tranche of American Rescue Plan Act (ARPA) Covid relief funds. Increases in General Fund sales tax revenues of \$7.1 million from growth in allocations from the County and state pools resulting from the Supreme Court Wayfair decision and voter approved Measure U one-cent use tax approved by voters. Revenues from Use of Money and Property decreased \$8 million in Governmental Funds due to the change in value of investments in accordance with GASB Statement 31. Growth Mitigation Fund from developers for residential and commercial development projects accounts for nearly \$1.8 million of the governmental revenue and although it is \$2.3 million less than the previous fiscal year, smaller commercial and residential development projects have been steady. Revenue increases were offset by increased operational expenses of \$4.1 million in the General Fund, as vacant positions and new positions have continued to be filled, mainly in safety. Increases of \$8.8 million and \$5.1 million in net pension and OPEB liabilities, respectively, also reduced net position in governmental activities.
- Business-type activities include \$4.5 million increases in charges for services revenue generated from water and sewer rate increases and landfill disposal charges. Interest and value of investments also decreased by \$7.7 million due to the change in value of investments in accordance with GASB Statement 31. Expenses for business-type activities decreased by \$2.5 million with \$3.2 million of that amount occurring in the Water and Wastewater Fund. Significant expenses were recognized last fiscal year for landfill closure and post-closure accounts in the Solid Waste Fund. The cost of obtaining State water was \$21.7 million, a decrease of \$3 million due to lower charges from the Department of Water Resources.
- The City's net pension liability and pension inflow of resources decreased by \$4.2 million to \$144.0 million. Governmental activities account for \$1.6 million of that decrease, whereas \$2.6 million is attributable to business-type activities. Total deferred pension outflows increased by \$1.6 million to \$29.7 million, of which, \$1.7 million increase occurred in governmental activities and \$86 thousand increase in business-type activities.

# *City of Santa Maria*

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022**

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- The City's net OPEB liability and deferred OPEB inflows increased by \$1.2 million to \$29.8 million. Governmental activities account for \$1.2 million of that decrease, whereas \$24 thousand is attributable to business-type activities. Total deferred OPEB outflows are at \$6.6 million, of which, \$5.6 million is applicable to governmental activities and \$1 million is for business-type activities.
- The City recorded three prior period adjustments resulting in an decrease of \$1.4 million in the Governmental Activities beginning net position and a decrease in business-type activities of \$15.9 million. The first adjustment of (\$18.2 million) represents grant revenues received in fiscal year 2021, which should have been classified as unearned revenues, but were reported as unavailable revenue, which improperly increased the net position of governmental activities in the 2021 financial statements. The second adjustment relates to transit revenues not recorded of \$800 thousand in the 2021 fiscal year, when earned. The final adjustment resulted in an increase in governmental activities and decrease in business-type activities of \$16,769,005 due to reallocation of the distribution of internal service fund net assets on the Statement of Net Position.

### **B. OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three sections: 1) Government-wide Financial Statements; 2) Fund Financial Statements; and 3) Notes to Basic Financial Statements. This report contains other supplementary information in addition to the basic financial statements and required information.

#### **Government-wide Financial Statements**

The Government-wide Financial Statements are designed to provide readers with a broad overview of the City's financial position, in a manner similar to that of a private-sector business. These statements are reported on the full accrual basis of accounting. Thus, revenues and expenses are reported for some items that will not affect cash flows until future periods.

The Government-wide Financial Statements separate Governmental Activities that are principally supported by taxes and revenues from other agencies, from Business-type Activities that are intended to recover all, or a significant portion of their costs, through user fees and charges. The Governmental Activities of the City include: General Government, Public Safety, Public Works, Community Development, Recreation and Parks, and Library. The City's Business-type Activities include: Water and Wastewater utilities, Solid Waste, and Transit.

The Government-wide Financial Statements include not only the City, but all legal entities for which the City is financially accountable. Accordingly, the financial information for the Santa Maria Public Financing Authority (SMPFA) is included as an integral part of the City's financial statements and reported as a blended component unit.

# *City of Santa Maria*

## **Management's Discussion and Analysis**

### **For the Fiscal Year Ended June 30, 2022**

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The Statement of Net Position presents information on all the City's assets, liabilities, and deferred inflows and outflows of resources; the difference is reported as net position. The net position includes infrastructure and all assets previously included in the General Fixed Assets Account Group. The liabilities include all obligations previously reported in the General Long-Term Debt Account Group. Evaluating the increases or decreases in the net position over time will serve as a useful indicator of whether the financial position of the City is improving or declining.

The Statement of Activities presents information on the net cost of each governmental function (activity) during the fiscal year. This statement also identifies the amount of general revenues needed to fully fund each governmental function.

#### **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. The City, like other state and local governments, uses fund accounting to demonstrate compliance with finance-related legal requirements. All the funds of the City can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

*Governmental Funds* (General, Special Revenue, Debt Service, and Capital Projects Funds) are used to account for the same functions reported as Governmental Activities in the Governmentwide Financial Statements. The City's General Fund, General Capital Projects Fund, Grants Non-Recurring Fund, Growth Mitigation Fund, and Community Development Capital Projects Fund are considered major funds and are reported separately on the Fund Financial Statements. All other governmental funds are non-major funds and data is combined into a single aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements as supplemental information in this report. Unlike Government-wide Financial Statements, Fund Financial Statements focus on short-term inflows and outflows of spendable resources. Governmental Funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. This information may be useful in evaluating the City's short term financing requirements.

The focus of the Fund Financial Statements is narrower than that of the Government-wide Financial Statements. The various fund Balance Sheets and the Statement of Revenues, Expenditures, and Changes in Fund Balances require a reconciliation to facilitate the comparison between Fund Financial Statements and the Government-wide Financial Statements. This reconciliation is required because the Government-wide Financial Statements are prepared on the full accrual basis of accounting while the fund statements are prepared on the modified accrual basis of accounting. These reconciliations can be found on pages 19 and 22, immediately following the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, respectively.

# *City of Santa Maria*

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022**

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*Proprietary Funds* are Enterprise and Internal Service Funds. The City maintains two different types of Proprietary Funds. Enterprise Funds are used to report the same functions presented as business-type activities in the Government-wide Financial Statements. The City uses Enterprise Funds to account for its water and wastewater, solid waste, and transit operations. Internal Service Funds are used to accumulate and allocate costs internally to various functions. The City uses Internal Service Funds to allocate fleet maintenance and replacement, business equipment, liability, and workers' compensation insurance costs.

The Proprietary Fund Financial Statements provide the same type of information as the Government-wide Financial Statements, only in more detail. The Proprietary Fund Financial Statements provide separate information for the Water and Wastewater, Solid Waste, Transit, and the Internal Service Funds. The Water and Wastewater, Solid Waste, and Transit Funds are considered major funds of the City. All of the Internal Service Funds are combined into a single, aggregated presentation in the Proprietary Fund Financial Statements. Individual fund data for the Internal Service Funds is provided in the form of combining statements.

*Fiduciary Funds* are used to account for resources held for the benefit of parties outside the government. 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 basic fiduciary funds financial statements can be found on pages 26 & 27 of this report.

*Notes to Basic Financial Statements.* The notes provide additional information that is essential to the reader for a full understanding of the data provided in the Government-wide and Fund Financial Statements.

*Other Information.* A budgetary comparison statement for the General Fund, Grants Non-Recurring Fund and Growth Mitigation Fund, and information regarding the City's progress in funding its obligation to provide pension benefits to its employees is provided as required supplementary information beginning on page 84. The combining statements referred to earlier in connection with non-major governmental funds and Internal Service Funds are presented immediately following the required supplementary information. The inclusion of the Statistical Section provides useful historical trend data on the City.

### **C. GOVERNMENT-WIDE FINANCIAL STATEMENTS ANALYSIS**

#### **Statement of Net Position**

Net position may serve, over time, as a useful indicator of a City's financial position. During this fiscal year, net position of the City was \$510.5 million, including prior period adjustments of \$17.3 million. Overall net position increased by \$25.4 million compared to the prior fiscal year. This increase is primarily due to an increase of \$8.5 million in sales tax revenues, an increase in water sales revenue, in addition to decreased spending in public safety.

# City of Santa Maria

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2022

The chart below is the condensed Statements of Net Position as of June 30, 2022, and 2021, expressed in millions.

*City of Santa Maria's Statements of Net Position*  
As of June 30, 2021 and 2022  
(amounts expressed in millions)

	Governmental		Business-type		Total	
	2021	2022	2021	2022	2021	2022
Current and other assets	\$ 197.6	\$ 252.6	\$ 255.2	\$ 242.2	\$ 452.8	\$ 494.8
Restricted and other assets	0.6	0.06	5.2	9.3	5.8	9.4
Capital assets, net	188.1	193.7	123.6	120.5	311.7	314.2
Total assets	<u>386.3</u>	<u>446.4</u>	<u>384.0</u>	<u>372.0</u>	<u>770.3</u>	<u>818.4</u>
Deferred OPEB contributions	5.5	5.7	1.0	1.0	6.5	6.7
Deferred pension contributions	25.1	26.7	3.0	2.9	28.1	29.6
Deferred charge on refunding	-	-	2.2	5.3	2.2	5.3
Total deferred outflow of resources	<u>30.6</u>	<u>32.4</u>	<u>6.2</u>	<u>9.2</u>	<u>36.8</u>	<u>41.6</u>
Current liabilities	14.7	41.3	41.0	43.5	55.7	84.9
Long-term liabilities	159.7	119.7	101.3	86.5	261.0	206.2
Total liabilities	<u>174.4</u>	<u>161.1</u>	<u>142.3</u>	<u>130.0</u>	<u>316.7</u>	<u>291.1</u>
Deferred inflow - OPEB	2.9	6.2	0.6	1.1	3.5	7.3
Deferred inflow - pensions	1.7	42.2	-	5.1	1.7	47.3
Deferred inflow - Leases	-	3.4	-	0.4	-	3.8
Total deferred inflow of resources	<u>4.6</u>	<u>51.8</u>	<u>0.6</u>	<u>6.6</u>	<u>5.2</u>	<u>58.4</u>
Net position:						
Net investment in capital assets	186.5	191.6	83.9	83.4	270.4	275.0
Restricted	26.3	28.7	14.5	-	40.8	28.7
Unrestricted	25.1	45.6	148.9	161.2	174.0	206.8
Total Net Position	<u>\$ 237.9</u>	<u>\$ 265.9</u>	<u>\$ 247.3</u>	<u>\$ 244.6</u>	<u>\$ 485.2</u>	<u>\$ 510.5</u>

As of June 30, 2022, the City's net investment in capital assets at \$275 million (53.9 percent) is a portion of the \$510.5 million net position. This component portrays the total amount of funds needed to acquire those assets less any related debt used for such acquisition that is still outstanding. The City uses these capital assets to provide services to residents. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Therefore, debt service payments are funded from other sources available to the City.

An additional portion of the City's net position (5.6 percent) or \$28.7million represents resources that are subject to external restrictions on how the resources may be used. The remaining balance of unrestricted resources of \$206.8 million may be used to meet the City's ongoing obligations to residents and creditors. Of this amount, \$45.6 million is held by the governmental activities and \$161.2 million is held by the business-type activities. The City began reporting net pension liability in fiscal year ending June 30, 2015, in accordance with GASB Statement No. 68. The City's balances in governmental net pension and OPEB liabilities are \$96.6 million and \$22.5 million, respectively.

# City of Santa Maria

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2022

The condensed summary of the net statements of activities (expressed in millions) below, shows that during the current fiscal year, net position increased by \$42.6 million, which was reduced by the prior period adjustments of \$17.3 million.

	Governmental		Business-type		Total	
	2021	2022	2021	2022	2021	2022
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 17.8	\$ 20.0	\$ 85.5	\$ 90.0	\$ 103.3	\$ 110.0
Operating grants and contributions	22.3	26.6	4.9	5.8	27.2	32.4
Capital grants and contributions	3.7	3.6	1.7	-	5.4	3.6
General Revenues:						
Taxes	92.2	103.3	-	-	92.2	103.3
Use of money and property	0.6	(7.6)	1.1	(6.6)	1.7	(14.1)
Other	0.9	1.0	0.7	1.9	1.6	2.9
Total revenues	<u>137.5</u>	<u>146.8</u>	<u>93.9</u>	<u>91.2</u>	<u>231.4</u>	<u>238.0</u>
<b>Expenses</b>						
General government	15.3	25.9	-	-	15.3	25.9
Public safety	62.2	55.2	-	-	62.2	55.2
Public works	11.3	11.7	-	-	11.3	11.7
Library	3.6	4.2	-	-	3.6	4.2
Community development	5.9	4.4	-	-	5.9	4.4
Recreation and parks	15.1	17.4	-	-	15.1	17.4
Interest & fiscal charges	0.1	0.1	-	-	0.1	0.1
Water and wastewater	-	-	43.8	40.6	43.8	40.6
Solid waste	-	-	28.1	28.4	28.1	28.4
Transit	-	-	6.9	7.3	6.9	7.3
Total expenses	<u>113.5</u>	<u>118.9</u>	<u>78.8</u>	<u>76.4</u>	<u>192.3</u>	<u>195.3</u>
Increase in net position before transfers	24.0	27.9	15.1	14.8	39.1	42.7
Transfers	1.1	1.5	(1.1)	(1.5)		
Increase in net position	<u>25.1</u>	<u>29.4</u>	<u>14.0</u>	<u>13.3</u>	<u>39.1</u>	<u>42.7</u>
Net position - beginning of fiscal year	212.3	237.9	233.3	247.3	445.6	485.2
Prior period adjustments	0.5	(1.4)	-	(15.9)	0.5	(17.3)
Net position - end of fiscal year	<u>\$ 237.9</u>	<u>\$ 265.9</u>	<u>\$ 247.3</u>	<u>\$ 244.6</u>	<u>\$ 485.2</u>	<u>\$ 510.5</u>

**Governmental Activities:** Excluding the prior period adjustments, governmental activities increased the City's net position by \$29.4 million.

# *City of Santa Maria*

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2022

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**Business-type Activities:** Business-type activities increased the City's net position by \$13.3 million, excluding prior period restatements.

#### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

**Governmental Funds.** At June 30, 2022, the City's governmental funds reported combined ending fund balances of \$141.3 million, an increase of \$18.1 million in comparison to the prior fiscal year. In total, revenues increased \$27.1 million from the prior fiscal year. Taxes and assessment revenue increased \$8.6 million due to higher sales tax generated from out of state sales, online sales, and the voter-approved Measure U use tax and \$1.1 million increase in property tax. This was offset by a decrease in Use of Money and Property which declined \$8.0 million in Governmental Funds due to the change in value of investments, in accordance with GASB Statement No. 31. Operating expenditures increased \$5.2 million from prior fiscal year as General Fund expenditures and Measure U expenditures were more than those through June 30, 2021 by \$2.5M and \$2.2M, respectively. Fund balance increase is mainly due to excess revenues over expenditures, while the City has filled several positions, the City continues to struggle filling vacant positions, particularly in public safety.

Approximately \$119.6 million or 85 percent is the total governmental fund balance available, these include committed, assigned, and unassigned fund balances. The remainder of fund balance is nonspendable or restricted to indicate that it is not available for new spending because it is legally restricted by outside parties for a specific purpose.

**General Fund.** The General Fund is the chief operating fund of the City. At the end of the current fiscal year, the fund balance of the General Fund was \$64.5 million, of which \$19.8 million was committed for economic stabilization, \$10.8 million assigned for unfunded pension liabilities, and \$6.2 million assigned for future liabilities associated with other post-employment benefits.

General Fund operations resulted in revenues over expenditures by \$21.9 million. Transfers in were less than transfers out by \$10.1 million. Transfers out included transfers of \$12.0 million with equal shares going to the Local Economic Augmentation Fund and General Capital Projects Fund per Resolutions 2020-63 and 2021-76. Total tax revenues increased by \$9.6 million from the prior fiscal year, primarily from increases in sales tax and Measure U. Charges for services also increased by \$1.8 million. These increases were offset by a decrease in use of money and property of \$5.2 million.

Sales tax and Measure U use tax revenue increased by 14.1 percent or \$7.1 million compared to the prior fiscal year. The substantial increase is primarily due to strong growth in fuel and service stations, restaurants and hotels, and autos and transportation. Allocations from the county and state pools are the only industry category showing a decrease in revenues compared to the prior fiscal year. These revenues are generated by out-of-state sales, including goods sold online to customers within the state. Property tax revenue increased by \$1.1 million over last fiscal year, slightly over a 5 percent increase. Combined, sales tax, Measure U use tax, and property tax make up approximately 84 percent of General Fund revenues. The City has a teeter agreement with

# *City of Santa Maria*

## **Management's Discussion and Analysis**

### **For the Fiscal Year Ended June 30, 2022**

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the County whereby the total assessed property tax is remitted to the City with the County retaining the right to delinquencies and penalties.

Charges for services in the General Fund are \$1.8 million more than the prior fiscal year from a combination of revenue fluctuations. Reimbursement for Fire mutual aid support to fight wildland fires increased by \$1.2 million. Recreation and Parks revenues increased by \$245 thousand as program activity picked up as the City started to open back up from the coronavirus pandemic. Police Department reimbursements for school resource officers increased by \$500 thousand. Community Development zoning fees increased by \$ 477 thousand from the prior fiscal year. The City continues to anticipate a decline in NHIS projects and with changes in Landfill operations, the General Fund portion of the NHIS program sunset at the end of fiscal year 2021-22.

General Fund expenditures increased by \$4 million (4.8 percent) from \$84.2 million last fiscal year to \$88.3 million in the current fiscal year. Public Safety expenditures exceeded the previous fiscal year by \$1.6 million due to \$277 thousand in increased pension and workers compensation costs and \$683 thousand in overtime costs. General Government expenditures increased by \$294 thousand in salaries and benefits primarily due to upstaffing in the City Manager's Office, City Attorney's office and the Finance Department, and an increase of \$437 thousand in information technology business equipment costs.

Measure U expenditures increased by \$900 thousand or 4.9 percent from the prior fiscal year. This increase is predominantly due to additional staffing for public safety, including funding necessary to preserve the staffing for Adequate Fire and Emergency Response (SAFER) grant-funded positions and the matching funding required to comply with the grant, Recreation and Parks, and Code Enforcement.

The City has four other major funds: the General Capital Projects Fund, the Grants Non-recurring Fund, the Growth Mitigation Fund, and the Community Development Capital Projects Fund. The General Capital Projects Fund accumulates resources to be used for the construction of capital improvements related to projects for general City benefit. The Grants Non-Recurring Fund accounts for American Rescue Plan Act (ARPA) federal funds received to reimburse costs incurred and revenue lost because of COVID-19 and to invest one-time funding into projects and staffing to assist in economic recovery. The Growth Mitigation Fund accounts for the receipt of developer and user fees as approved under State of California Assembly Bill 1600. The Community Development Capital Projects Fund was established to account for receipts from Community Development Block Grant Funds for special projects in the City.

The General Capital Projects Fund expended \$2.3 million. The current fiscal year's larger projects included expenditures of \$279 thousand for the Fiber Optic Loop Project, \$226 thousand for the Police CAD/RMS Project, \$219 thousand for the remodel of the administration area of City Hall, \$219 thousand for tree trimming in City parks, \$191 thousand for the ADA and Pedestrian Safety and Accessibility Improvements Project, and \$1.13 million in facility maintenance and technology projects.

# *City of Santa Maria*

## **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2022**

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The Grants Non-Recurring Fund recognized \$ 13.7 million in revenues, while \$18.2 million of federal ARPA funding was temporarily deferred until the matching expenditures are appropriated. The \$14.2 million expended represents amounts spent for COVID-19 mitigation efforts including public safety salaries and benefits to keep the public safe during the pandemic, essential worker pay, a license plate reader project for public safety, personal protective equipment (PPE), information technology equipment, and emergency sick leave paid.

The Growth Mitigation Fund had revenues of \$188 thousand and had \$407 thousand in expenditures. Project costs expended include \$402 thousand toward the Highway 101/135 Interchange. Including the \$218 thousand current fiscal year net change in fund balance, the Growth Mitigation fund balance was \$42.2 million at June 30, 2022.

The Community Development Capital Projects Fund recognized \$1.1 million in revenues, and expenditures of \$545 thousand. Projects making up the majority of expenditures and transfers-out include \$90 thousand to rehabilitate the Good Samaritan Emergency Shelter's kitchen and dining area, \$71,000 for Community Action Partnership of San Luis Obispo County's (CAPSLO) assistance of low-income residents with minor home repairs, and eighteen other CDBG-funded projects totaling \$544,000.

### **D. GENERAL FUND BUDGETARY HIGHLIGHTS**

#### Original and Final Budget Comparison

Differences between the original budget and the final amended budget (\$5.0 million decrease) resulted primarily from the following:

- Carryover of \$51,693 in the City Manager's Office for election expenses, information technology equipment, and work on the VM servers.
- The Fire Department requested budget carryover and amended budget totaling \$549,698 for funding of training courses and equipment from a Homeland Security Grant and to complete the purchase of miscellaneous fire equipment.
- The Police Department carried over and received grants from the State (OTS) totaling \$693,740 to conduct DUI enforcement and driver awareness check points, to fund vehicle upgrades and two fleet expansion units and for new authorized positions.
- The Community Development Department carried over and requested release of Treasurer's Trust totaling \$945,283 for costs associated with the multi-year General Plan Update project and invoices associated with Treasurer's Trust.
- The Recreation and Parks Department carried over and received grants totaling \$90,615 to purchase a lift, equipment, vehicles for the Park Rangers, and funds for the Mayor's Task Force.

# *City of Santa Maria*

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2022

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#### Final Budget and Actual Comparison

Total revenues were \$24.3 million (16.9 percent) greater than the final budget primarily due to the following:

- Sales tax exceeded the budget by \$18.5 million or 48 percent. Budgets were difficult to estimate, due to uncertainty around COVID impacts. The increase is primarily due to strong growth in fuel and service stations, restaurants and hotels, and autos and transportation. Allocations from the county and state pools are the only industry category showing a decrease in revenues compared to the prior year. These revenues are generated by out-of-state sales, including goods sold online to customers within the state.
- Interest and market value adjustment fell below budget by \$7.4 million or -306.7percent. This significant variance is due to market changes, in particular treasury bills, that occurred as a result of impacts from the coronavirus pandemic and significant increases to the federal funds rate.
- Property tax increased from budget by \$1.9 million thousand mainly from additional property tax in-lieu of VLF over estimates, which are based on the percentage change in gross taxable assessed values from the prior fiscal year.
- Transient Occupancy Tax (TOT) revenues were 56 percent or \$1.5 million more than projections. The increase is due to the return of community events, such as the Elk's Rodeo and car shows, coupled with being a destination for tourists wanting to make a weekend getaway from Los Angeles, San Francisco, and Bakersfield regions.
- Building permit revenue is more than budget by \$2.4 million or 121 percent primarily due to an increase in permits issued for accessory dwelling units (ADUs). In addition, permits were issued for the Gateway Mixed Use project, which includes 18 apartments and ground floor retail commercial, located on the northwest corner of Main Street and Broadway.
- Non-Hazardous Impacted Soils Program (NHIS) exceeded estimates by \$883 thousand. The City takes a very conservative approach when budgeting NHIS revenues due to the unpredictability of the revenue stream. NHIS is received from oil companies for a fee and is available for use in roadbeds throughout the City. Any NHIS not utilized for roadbeds is provided to the Solid Waste Division for use as landfill cover.
- The American Rescue Plan Act (ARPA) provided one-time funding of \$10 million through the revenue loss standard allocation. The U.S. Department of the Treasury issued the "Final Rule" for eligible uses of Coronavirus State and Local Fiscal Recovery Funds established under ARPA. The Final Rule includes an option for recipients to elect a revenue loss standard of up to \$10 million of the City's \$37.2 million ARPA award to fund any government services.

# *City of Santa Maria*

## **Management's Discussion and Analysis**

### **For the Fiscal Year Ended June 30, 2022**

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Total expenditures were \$2.5 million over the final budget which is primarily due to the following:

- General Government is under budget by \$89 thousand or 0.7 percent primarily due to salary and benefit savings due to personnel vacancies and decreases in contractual services expenditures.
- Community Development is under budget by \$686 thousand or 14.7 percent primarily due to staff vacancies and contractual agreements deferred to future years.
- Public Safety is under budget by \$1.1 million or 2 percent primarily due to salary and benefit savings attributed to several vacancies in the police department, savings in leave cash outs, and decreases in contractual services expenditures.
- Recreation and Parks is over budget by 6.1 percent or \$661 thousand primarily due to salary, benefit, and contract savings from program cost reductions because State and County health orders requiring limitations on leisure programs due to the pandemic.
- Public Works is under budget by \$133 thousand primarily due to salary and benefit savings associated with personnel vacancies.
- Total other financing sources and uses were over budget by \$17 million due to:
  - Transfers out is over budget by \$12.1 million primarily due to the transfer of revenues over expenditures of \$12 million from the General Fund split equally between the General Capital Projects Fund and Local Economic Augmentation Fund (LEAF) at year end in accordance with Resolutions 2020-63 and 2021-76.
  - Transfers into the General Fund from Measure A for reimbursement of discretionary street expenses were \$5 million less than budgeted.
  - The above variances were offset by lower transfers in chiefly because the General Fund did not need the \$4.4 million in budgeted transfers in from the LEAF in the fiscal year.

#### **E. CAPITAL ASSETS**

The City's investments in capital assets for governmental and business-type activities as of June 30, 2022, amounted to \$314.2 million. This investment in capital assets includes land, buildings, equipment, infrastructure, and construction in progress. The total increase in the City's investment in capital assets for the fiscal year ending June 30, 2022, was \$2.5 million or 0.62 percent (a 3.0 percent increase for governmental activities and 2.53 percent decrease for business type activities).

The chart below and Note 5 Capital Assets provide additional detailed information on capital assets. The amounts shown below are expressed in millions.

***City of Santa Maria***  
**Management's Discussion and Analysis**  
**For the Fiscal Year Ended June 30, 2022**

*City of Santa Maria's Change in Capital Assets*  
(amounts expressed in millions)

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 23.9	\$ 23.9	\$ 13.1	\$ 13.1	\$ 37.0	\$ 37.0
Buildings	83.6	80.8	77.2	81.9	160.8	162.7
Equipment	21.3	27.4	20.8	12.1	42.1	39.5
Infrastructure	56.3	55.4	-	-	56.3	55.4
Right-of-Use Leased Asset-building	-	0.6	-	-	-	0.6
Construction in progress	3.0	5.6	12.5	13.4	15.5	19.0
Total net capital assets	\$ 188.1	\$ 193.7	\$ 123.6	\$ 120.5	\$ 311.7	\$ 314.2

Major capital asset activity during the current fiscal year, included the following:

Net capital assets used in governmental activities increased by \$5.6 million. Depreciation expense was \$11.8 million, depreciable asset additions were \$6.6 million and deletions were \$1.3 million. Construction in progress increased by a net of \$2.6 million (\$4.2 million in additions and \$1.8 million deletions and a restatement from business type activities of \$300 thousand). Deletions were primarily due to the completion of the computer-aided dispatch and records management system (CAD/RMS) for the Police and Fire departments, which incurred \$2.1 million in costs. Other capitalized costs included \$755 thousand towards phased costs related to the Russel Park Improvement Project, and \$764 thousand for the Fire Department Alerting System for All Stations. Additions to construction in progress include \$1 million towards the next phase of the Russel Park Improvement Project, \$476 thousand for the Enos Ranch House Acquisition, \$317 thousand for the Fire Department Alerting System Project, and \$233 thousand for the Finance Department Relocation.

- Net capital assets used in business-type activities decreased by \$3.1 million. Depreciation expense was \$5.6 million, depreciable asset additions were \$10 million and deletions were \$194 thousand. Construction in progress increased by \$900 thousand. The Water and Wastewater Fund incurred expenses associated with capital improvements at the wastewater treatment plant of \$210 thousand in well maintenance, \$843 thousand in water line replacements, approximately \$976 thousand for the landfill improvements, \$395 thousand for the Main Street project, and \$99 thousand Landfill upgrades. The Solid Waste Fund recorded capital expenditures of approximately \$319 thousand for the refuse truck, and \$624 thousand for the trash dumpsters. The Transit Fund recorded an increase of \$624 thousand. The increase is mainly due to a replacement bus which cost \$519 thousand, \$33 thousand in bus stop improvements, and \$38 thousand invested in fiber optic infrastructure.
- Fleet asset additions were \$4.0 million versus deletions of \$1.8 million. The net increase of \$2.2 million is primarily due to the purchase of 1 fire engine, 1 water truck, 3 pieces of heavy equipment, 18 vehicles, 1 aerial lift, and 3 trailers.

# City of Santa Maria

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2022

- Business Equipment Fund asset additions were \$800 thousand versus deletions of \$57 thousand. The additions include server and hardware shelves, approximately 80 computers, 13 tablets, offset by deletions including equipment costs towards scanner, tablets, printers, and computers.

#### F. LONG-TERM LIABILITIES

At fiscal year end, the City had \$216.4 million in bonds and other long-term liabilities outstanding. The detail of these long-term debt balances as well as prior year amounts are shown below. More detailed information is also shown in the Notes to Basic Financial Statements section, beginning on page 28.

*City of Santa Maria's Change in Long-Term Debt*  
(amounts expressed in millions)

Activities	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Bonds/COP's	\$ -	\$ -	\$ 47.0	\$ 42.3	\$ 47.0	\$ 42.3
Accrued closure and postclosure costs	-	-	25.6	26.3	25.6	26.3
Capital leases	-	0.6	0.2	-	0.2	0.6
Financed purchases	1.7	1.5	4.5	-	6.2	1.5
Claims payable	13.5	19.5	4.5	-	18.0	19.5
Compensated absences	6.1	5.9	1.0	1.0	7.1	6.9
OPEB liability	20.9	18.9	4.2	3.7	25.1	22.6
Net pension liability	125.1	82.9	21.4	13.7	146.5	96.6
<b>Total</b>	<b>\$ 167.3</b>	<b>\$ 129.3</b>	<b>\$ 108.4</b>	<b>\$ 87.0</b>	<b>\$ 275.7</b>	<b>\$ 216.3</b>

The City's total debt decreased by \$38 million primarily due to a decrease of \$42.2 million in net pension liability. Excluding the net pension obligation and OPEB liability, governmental debt increased by \$6.2 million to \$27.5 million, which is attributable to an increase of \$6 million in liability and workers' compensation claims payable as well as an increase of \$600 thousand in capital leases. These increases were offset by a decrease of \$200 thousand for payments on financed purchases and \$200 thousand for changes in compensated absences.

Excluding the recording of business activity, net pension liability of \$13.7 million and OPEB liability of \$3.7 million, the City's business activity debt decreased by \$13.2 million. This decrease is predominately due to Bond repayments of \$4.7 million and decreases in financed purchases and claims payable of \$4.5 million each, which are related to the internal service fund activity which was no longer recorded with business-type activities, in the current year. The decrease was offset by increases in accrued closure costs of \$700 thousand.

#### G. REQUESTS FOR INFORMATION

This financial report is designed to provide our residents, customers, investors, and creditors with a general overview of the City's finances and to demonstrate accountability for the money the City receives. If you have questions about this report or need additional financial information, contact the City's Department of Finance at (805) 925-0951 extension 2215.

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# City of Santa Maria

## STATEMENT OF NET POSITION JUNE 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 226,992,271	\$ 190,471,546	\$ 417,463,817
Receivables:			
Accounts	15,218,210	15,109,623	30,327,833
Notes and loans	6,722,843	-	6,722,843
Accrued interest	616,402	566,562	1,182,964
Leases	3,419,716	429,083	3,848,799
Grants	1,016,896	14,182,223	15,199,119
Internal balances	(2,295,351)	2,295,351	-
Prepaid items	665,899	19,016,201	19,682,100
Deposits	199,687	13,400	213,087
Inventories	88,490	102,927	191,417
Restricted assets:			
Cash with fiscal agent	56,334	-	56,334
Deposits with CCWA	-	9,318,910	9,318,910
Capital assets not being depreciated	41,921,539	26,515,006	68,436,545
Capital assets, net of depreciation	151,810,105	93,978,130	245,788,235
<b>Total Assets</b>	<b>446,433,041</b>	<b>371,998,962</b>	<b>818,432,003</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	5,296,847	5,296,847
Deferred pension	26,720,966	2,937,589	29,658,555
Deferred OPEB	5,653,561	979,755	6,633,316
<b>Total Deferred Outflows of Resources</b>	<b>32,374,527</b>	<b>9,214,191</b>	<b>41,588,718</b>
<b>Liabilities:</b>			
Accounts payable	4,746,770	2,685,755	7,432,525
Accrued wages and benefits	2,427,945	382,089	2,810,034
Unearned revenue	24,633,917	39,812,066	64,445,983
Due within one year			
Long-term debt	438,928	-	438,928
Compensated absences	4,324,803	596,759	4,921,562
Claims and judgments	4,860,251	-	4,860,251
Due in more than one year			
Long-term debt	1,699,103	42,344,607	44,043,710
Compensated absences	1,640,902	365,910	2,006,812
Claims and judgments	14,607,385	-	14,607,385
Net pension liability	82,862,629	13,750,321	96,612,950
Net OPEB liability	18,870,534	3,669,019	22,539,553
Accrued closure and postclosure costs	-	26,345,406	26,345,406
<b>Total Liabilities</b>	<b>161,113,167</b>	<b>129,951,932</b>	<b>291,065,099</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension	42,276,976	5,066,007	47,342,983
Deferred OPEB	6,157,643	1,120,693	7,278,336
Lease related deferred inflow	3,373,972	425,495	3,799,467
<b>Total Deferred Inflows of Resources</b>	<b>51,808,591</b>	<b>6,612,195</b>	<b>58,420,786</b>
<b>Net Position:</b>			
Net investment in capital assets	191,593,612	83,445,376	275,038,988
Restricted for:			
Public safety	857,962	-	857,962
Capital projects	9,859,600	-	9,859,600
Community services	1,300,365	-	1,300,365
Landscape maintenance	1,933,955	-	1,933,955
Road maintenance	14,711,740	-	14,711,740
Unrestricted	45,628,576	161,203,650	206,832,226
<b>Total Net Position</b>	<b>\$ 265,885,810</b>	<b>\$ 244,649,026</b>	<b>\$ 510,534,836</b>

# City of Santa Maria

STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022

	Expenses	Program Revenues		
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs</b>				
<b>Primary Government:</b>				
Governmental Activities:				
General government	\$ 25,920,061	\$ 471,726	\$ 23,908,983	\$ -
Public safety	55,197,332	3,499,813	785,730	1,136,658
Community development	4,416,967	5,556,460	277,268	1,081,031
Recreation and parks	17,400,913	6,835,971	115	13,627
Public works	11,661,936	3,334,505	-	1,341,997
Library services	4,236,308	253,248	1,591,427	-
Interest on long-term debt	62,642	-	-	-
<b>Total Governmental Activities</b>	<b>118,896,159</b>	<b>19,951,723</b>	<b>26,563,523</b>	<b>3,573,313</b>
Business-Type Activities:				
Water and Wastewater	40,601,547	58,708,438	18,151	-
Solid Waste	28,388,307	30,594,631	199,404	-
Transit	7,346,020	713,797	5,591,229	-
<b>Total Business-Type Activities</b>	<b>76,335,874</b>	<b>90,016,866</b>	<b>5,808,784</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 195,232,033</b>	<b>\$ 109,968,589</b>	<b>\$ 32,372,307</b>	<b>\$ 3,573,313</b>

**General Revenues:**

Taxes:

Property taxes, levied for general purpose

Sales taxes

Franchise taxes

Transient occupancy taxes

Other taxes

Use of money and property

Other

**Transfers**

**Total General Revenues and Transfers**

Change in Net Position

Net Position at Beginning of Fiscal Year, as reported

Restatements

Net Position at Beginning of Fiscal Year, as restated

**Net Position at End of Fiscal Year**

<b>Net (Expenses) Revenues and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (1,539,352)	\$ -	\$ (1,539,352)
(49,775,131)	-	(49,775,131)
2,497,792	-	2,497,792
(10,551,200)	-	(10,551,200)
(6,985,434)	-	(6,985,434)
(2,391,633)	-	(2,391,633)
(62,642)	-	(62,642)
<b>(68,807,600)</b>	<b>-</b>	<b>(68,807,600)</b>
-	18,125,042	18,125,042
-	2,405,728	2,405,728
-	(1,040,994)	(1,040,994)
<b>-</b>	<b>19,489,776</b>	<b>19,489,776</b>
<b>(68,807,600)</b>	<b>19,489,776</b>	<b>(49,317,824)</b>
23,409,598	-	23,409,598
69,528,885	-	69,528,885
4,835,786	-	4,835,786
4,304,874	-	4,304,874
1,153,939	-	1,153,939
(7,555,594)	(6,579,133)	(14,134,727)
984,964	1,908,080	2,893,044
1,517,893	(1,517,893)	-
<b>98,180,345</b>	<b>(6,188,946)</b>	<b>91,991,399</b>
29,372,745	13,300,830	42,673,575
237,926,734	247,253,937	485,180,671
(1,413,669)	(15,905,741)	(17,319,410)
236,513,065	231,348,196	467,861,261
<b>\$ 265,885,810</b>	<b>\$ 244,649,026</b>	<b>\$ 510,534,836</b>

# City of Santa Maria

## BALANCE SHEET

### GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue Funds			Capital Projects Funds
	General	Growth Mitigation	Grant Non- Recurring	General Capital Projects
<b>Assets:</b>				
Cash and investments	\$ 56,264,290	\$ 42,119,328	\$ 23,554,329	\$ 12,259,654
Receivables:				
Accounts receivable	12,565,332	-	-	-
Loans receivable	34,378	-	-	-
Accrued interest	415,803	146,989	-	-
Leases	3,419,716	-	-	-
Grants	396,491	-	23,387	-
Prepaid items	108,972	-	-	-
Deposits	24,687	-	-	-
Due from other funds	244,269	-	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	56,334
<b>Total Assets</b>	<b>\$ 73,473,938</b>	<b>\$ 42,266,317</b>	<b>\$ 23,577,716</b>	<b>\$ 12,315,988</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 1,480,048	\$ 76,397	\$ 654,889	\$ 399,925
Accrued wages and benefits	2,159,549	-	13,927	14,612
Unearned revenues	1,108,977	-	22,720,734	-
Due to other funds	-	-	-	-
Advances payable	634,210	-	-	-
<b>Total Liabilities</b>	<b>5,382,784</b>	<b>76,397</b>	<b>23,389,550</b>	<b>414,537</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	201,602	-	-	-
Deferred inflows of resources - leases	3,373,972	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>3,575,574</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
Prepaid costs	108,972	-	-	-
Deposits	24,687	-	-	-
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	-	-	-
Parks and recreation	-	-	-	-
Library	-	-	188,166	-
Education	-	-	-	-
Drainage	-	-	-	-
Park acquisition	-	-	-	-
Landscape maintenance	-	-	-	-
Road maintenance	-	-	-	-
<b>Committed to:</b>				
Economic Stabilization	19,800,000	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	42,189,920	-	11,901,451
Post employment benefits	6,248,027	-	-	-
Unfunded pension benefits	10,819,983	-	-	-
<b>Unassigned</b>	<b>27,513,911</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>64,515,580</b>	<b>42,189,920</b>	<b>188,166</b>	<b>11,901,451</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 73,473,938</b>	<b>\$ 42,266,317</b>	<b>\$ 23,577,716</b>	<b>\$ 12,315,988</b>

# City of Santa Maria

## BALANCE SHEET

### GOVERNMENTAL FUNDS

JUNE 30, 2022

	<u>Capital Projects Funds</u>		
	<u>Community Development Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets:</b>			
Cash and investments	\$ -	\$ 21,879,430	\$ 156,077,031
Receivables:			
Accounts receivable	-	2,318,166	14,883,498
Loans receivable	6,583,099	105,366	6,722,843
Accrued interest	-	53,610	616,402
Leases	-	-	3,419,716
Grants	391,486	205,532	1,016,896
Prepaid items	-	-	108,972
Deposits	-	-	24,687
Due from other funds	-	-	244,269
Restricted assets:			
Cash and investments with fiscal agents	-	-	56,334
<b>Total Assets</b>	<b>\$ 6,974,585</b>	<b>\$ 24,562,104</b>	<b>\$ 183,170,648</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 47,438	\$ 827,117	\$ 3,485,814
Accrued wages and benefits	-	177,333	2,365,421
Unearned revenues	-	804,206	24,633,917
Due to other funds	244,269	-	244,269
Advances payable	-	-	634,210
<b>Total Liabilities</b>	<b>291,707</b>	<b>1,808,656</b>	<b>31,363,631</b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	6,583,099	306,828	7,091,529
Deferred inflows of resources - leases	-	-	3,373,972
<b>Total Deferred inflows of Resources</b>	<b>6,583,099</b>	<b>306,828</b>	<b>10,465,501</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
Prepaid costs	-	-	108,972
Deposits	-	-	24,687
<b>Restricted for:</b>			
Community development projects	99,779	451,118	550,897
Public safety	-	857,962	857,962
Parks and recreation	-	1,972,428	1,972,428
Library	-	-	188,166
Education	-	561,302	561,302
Drainage	-	326,016	326,016
Park acquisition	-	469,627	469,627
Landscape maintenance	-	1,933,955	1,933,955
Road maintenance	-	14,711,740	14,711,740
<b>Committed to:</b>			
Economic Stabilization	-	-	19,800,000
<b>Assigned to:</b>			
Capital Projects	-	1,162,472	55,253,843
Post employment benefits	-	-	6,248,027
Unfunded pension benefits	-	-	10,819,983
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>27,513,911</b>
<b>Total Fund Balances</b>	<b>99,779</b>	<b>22,446,620</b>	<b>141,341,516</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 6,974,585</b>	<b>\$ 24,562,104</b>	<b>\$ 183,170,648</b>

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# City of Santa Maria

## RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION JUNE 30, 2022

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Fund balances of governmental funds \$ 141,341,516

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

Capital assets are not current financial resources and, therefore, are not reported in the governmental funds.

Capital assets at historical cost	\$ 381,787,396	
Accumulated depreciation	(215,890,495)	
Net capital assets		165,896,901

Long-term liabilities are not due and payable in the current fiscal period and, therefore, are not reported in the governmental funds.

Compensated Absences	(5,902,893)	
OPEB Liability	(18,487,666)	
Finance purchases	(1,227,500)	
Capital lease payable	(607,319)	
Net pension liability	(81,370,202)	(107,595,580)

Deferred outflows and inflows of resources relating to pensions and other postemployment benefits (OPEB) are applicable to future periods and, therefore, are not reported in the governmental funds.

Deferred outflows of resources relating to OPEB	5,514,663	
Deferred outflows of resources relating to pensions	26,402,127	
Deferred inflows of resources relating to OPEB	(6,024,528)	
Deferred inflows of resources relating to pension	(41,727,124)	(15,834,862)

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.

7,091,529

Internal service funds are used by management to charge the costs of certain activities, such as equipment management and self-insurance, to individual funds. The assets and liabilities of the internal service funds must be added to the statement of net position. This amount includes capital assets deferred outflows and inflows of resources and long-term debt.

74,986,306

**Net Position of governmental activities**

**\$ 265,885,810**

# City of Santa Maria

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Capital Projects Funds
	General	Growth Mitigation	Grant Non- Recurring	General Capital Projects
<b>Revenues:</b>				
Taxes and assessments	\$ 90,821,824	\$ -	\$ -	\$ -
Permits, fines, and forfeitures	4,581,495	-	-	-
Intergovernmental revenues	12,109,208	-	13,658,526	-
Charges for current services	6,986,361	1,836,692	-	-
Use of money and property	(4,999,780)	(1,648,389)	(195,762)	-
Other revenues	670,269	-	218,460	69,884
<b>Total Revenues</b>	<b>110,169,377</b>	<b>188,303</b>	<b>13,681,224</b>	<b>69,884</b>
<b>Expenditures:</b>				
Current:				
General government	12,108,309	-	13,469,403	-
Public safety	56,338,959	-	-	-
Community development	3,973,710	-	97,056	-
Recreation and parks	11,561,771	-	-	218,855
Public works	3,284,273	-	-	1,867
Library	614,649	-	-	-
Capital outlay	368,561	407,205	668,566	1,805,874
Debt service:				
Principal	-	-	-	223,646
Interest and fiscal charges	-	-	-	45,129
<b>Total Expenditures</b>	<b>88,250,232</b>	<b>407,205</b>	<b>14,235,025</b>	<b>2,295,371</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,919,145	(218,902)	(553,801)	(2,225,487)
<b>Other Financing Sources (Uses):</b>				
Transfers in	5,061,389	-	-	6,956,668
Transfers out	(15,169,218)	-	-	-
Capital leases	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(10,107,829)</b>	<b>-</b>	<b>-</b>	<b>6,956,668</b>
Net Change in Fund Balances	11,811,316	(218,902)	(553,801)	4,731,181
Fund Balances, Beginning of Fiscal Year	52,378,518	42,408,822	741,967	7,170,270
Restatements	325,746	-	-	-
Fund Balances, Beginning of Fiscal Year, as restated	52,704,264	42,408,822	741,967	7,170,270
<b>Fund Balances, End of Year</b>	<b>\$ 64,515,580</b>	<b>\$ 42,189,920</b>	<b>\$ 188,166</b>	<b>\$ 11,901,451</b>

# City of Santa Maria

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### GOVERNMENTAL FUNDS

FISCAL YEAR ENDED JUNE 30, 2022

	<u>Capital Projects Funds</u>		
	<u>Community Development Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>			
Taxes and assessments	\$ -	\$ 16,669,989	\$ 107,491,813
Permits, fines, and forfeitures	-	324,187	4,905,682
Intergovernmental revenues	1,081,031	3,086,609	29,935,374
Charges for current services	2,100	1,598,325	10,423,478
Use of money and property	(6,687)	(704,976)	(7,555,594)
Other revenues	-	26,351	984,964
<b>Total Revenues</b>	<b>1,076,444</b>	<b>21,000,485</b>	<b>146,185,717</b>
<b>Expenditures:</b>			
Current:			
General government	-	187,217	25,764,929
Public safety	-	33,739	56,372,698
Community development	544,502	-	4,615,268
Recreation and parks	-	4,833,460	16,614,086
Public works	-	3,802,274	7,088,414
Library	-	3,256,342	3,870,991
Capital outlay	-	6,678,179	9,928,385
Debt service:			
Principal	-	61,901	285,547
Interest and fiscal charges	-	6,850	51,979
<b>Total Expenditures</b>	<b>544,502</b>	<b>18,859,962</b>	<b>124,592,297</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	531,942	2,140,523	21,593,420
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	3,853,998	15,872,055
Transfers out	(536,531)	(4,284,587)	(19,990,336)
Capital leases	-	669,221	669,221
<b>Total Other Financing Sources (Uses)</b>	<b>(536,531)</b>	<b>238,632</b>	<b>(3,449,060)</b>
Net Change in Fund Balances	(4,589)	2,379,155	18,144,360
Fund Balances, Beginning of Fiscal Year	430,114	20,067,465	123,197,156
Restatements	(325,746)	-	-
Fund Balances, Beginning of Fiscal Year, as restated	104,368	20,067,465	123,197,156
<b>Fund Balances, End of Year</b>	<b>\$ 99,779</b>	<b>\$ 22,446,620</b>	<b>\$ 141,341,516</b>

# City of Santa Maria

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FISCAL YEAR ENDED JUNE 30, 2022**

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Net change in fund balances - total governmental funds \$ 18,144,360

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 and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current fiscal period and the loss on disposal of capital assets during the current fiscal period. The City reported capital outlay of \$4,692,883 which was not subject to capitalization and is reported as functional expenses.

Capital outlay	\$ 5,235,502	
Depreciation	(6,919,226)	
Contributed capital assets	<u>(471,384)</u>	(2,155,108)

Issuance of long-term debt including capital advances, compensated absences, and leases provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources in governmental funds. Neither transaction has any affect on net position. This amount is the net affect of these differences in the treatment of long-term debt and related items.

Compensated Absences	184,576	
Finance purchases	223,646	
Capital lease payable	<u>(607,319)</u>	(199,097)

In governmental funds, other post employment benefit (OPEB) costs are recognized when the payment is made. In the statement of activities, OPEB costs are determined based on the accrual basis. This amount is the net change on net OPEB liability, deferred outflows of resources and deferred inflows of resources under the accrual basis. (899,120)

In governmental funds, pension costs are recognized when the payment is made. In the statement of activities, pension costs are determined based on the accrual basis. This amount is the net change on net pension liability, deferred outflows of resources and deferred inflows of resources under the accrual basis. 4,184,473

Certain revenues in the governmental funds are unearned because the revenues are not collected within the prescribed time period after fiscal year end. However, the revenues are included on the accrual basis used in the government-wide statements. 565,294

Internal service funds are used by management to charge the costs of activities involved in rendering services to departments within the City. The net revenue of the internal service funds is reported with governmental activities. 9,731,943

**Change in net position of governmental activities \$ 29,372,745**

# City of Santa Maria

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Wastewater	Solid Waste	Transit	Enterprise Funds Totals	Internal Service Funds
<b>Assets and Deferred Outflows of Resources:</b>					
<b>Assets:</b>					
<b>Current:</b>					
Cash and investments	\$ 98,630,443	\$ 67,935,940	\$ 23,905,163	\$ 190,471,546	\$ 70,915,240
Receivables:					
Accounts	9,080,855	3,483,964	2,544,804	15,109,623	334,712
Other receivables	299,603	194,620	72,339	566,562	-
Lease receivables	408,975	-	20,108	429,083	-
Grants	-	-	14,182,223	14,182,223	-
Prepaid costs	18,967,707	42,982	5,512	19,016,201	556,927
Deposits	13,400	-	-	13,400	175,000
Inventories	102,927	-	-	102,927	88,490
<b>Total Current Assets</b>	<b>127,503,910</b>	<b>71,657,506</b>	<b>40,730,149</b>	<b>239,891,565</b>	<b>72,070,369</b>
<b>Noncurrent:</b>					
Restricted:					
Deposit with CCWA	9,318,910	-	-	9,318,910	-
Advances to other funds	-	634,210	-	634,210	-
Capital assets - net of accumulated depreciation	74,047,587	28,912,957	17,532,592	120,493,136	27,834,743
<b>Total Noncurrent Assets</b>	<b>83,366,497</b>	<b>29,547,167</b>	<b>17,532,592</b>	<b>130,446,256</b>	<b>27,834,743</b>
<b>Total Assets</b>	<b>210,870,407</b>	<b>101,204,673</b>	<b>58,262,741</b>	<b>370,337,821</b>	<b>99,905,112</b>
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding	5,296,847	-	-	5,296,847	-
Deferred outflows - Pension	1,097,345	1,704,973	135,271	2,937,589	318,839
Deferred outflows - OPEB	427,876	511,094	40,785	979,755	138,898
<b>Total Deferred Outflows of Resources</b>	<b>6,822,068</b>	<b>2,216,067</b>	<b>176,056</b>	<b>9,214,191</b>	<b>457,737</b>
<b>Total Assets and Deferred Outflows of Resources:</b>	<b>\$ 217,692,475</b>	<b>\$ 103,420,740</b>	<b>\$ 58,438,797</b>	<b>\$ 379,552,012</b>	<b>\$ 100,362,849</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>					
<b>Liabilities:</b>					
<b>Current:</b>					
Accounts payable	\$ 861,037	\$ 964,550	\$ 860,168	\$ 2,685,755	\$ 1,260,956
Accrued liabilities	162,073	200,644	19,372	382,089	62,524
Unearned revenues	-	250	39,811,816	39,812,066	-
Accrued compensated absences	242,283	342,555	11,921	596,759	42,254
Accrued claims and judgments	-	-	-	-	4,860,251
Bonds, notes, and capital leases	-	-	-	-	139,571
<b>Total Current Liabilities</b>	<b>1,265,393</b>	<b>1,507,999</b>	<b>40,703,277</b>	<b>43,476,669</b>	<b>6,365,556</b>
<b>Noncurrent:</b>					
Accrued compensated absences	148,559	210,042	7,309	365,910	20,558
Accrued claims and judgments	-	-	-	-	14,607,385
Bonds, notes, and capital leases	42,344,607	-	-	42,344,607	163,641
Accrued closure and postclosure care costs	-	26,345,406	-	26,345,406	-
Net Pension Liability	5,136,473	7,980,670	633,178	13,750,321	1,492,427
OPEB Liability	1,734,328	1,819,937	114,754	3,669,019	382,868
<b>Total Noncurrent Liabilities</b>	<b>49,363,967</b>	<b>36,356,055</b>	<b>755,241</b>	<b>86,475,263</b>	<b>16,666,879</b>
<b>Total Liabilities</b>	<b>50,629,360</b>	<b>37,864,054</b>	<b>41,458,518</b>	<b>129,951,932</b>	<b>23,032,435</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows - Pension	1,892,422	2,940,304	233,281	5,066,007	549,852
Deferred inflows - OPEB	475,077	592,664	52,952	1,120,693	133,115
Deferred inflows - Leases	405,688	-	19,807	425,495	-
<b>Total Deferred Inflows of Resources</b>	<b>2,773,187</b>	<b>3,532,968</b>	<b>306,040</b>	<b>6,612,195</b>	<b>682,967</b>
<b>Net Position:</b>					
Net investment in capital assets	36,999,827	28,912,957	17,532,592	83,445,376	27,531,531
Restricted	9,318,910	634,210	-	9,953,120	-
Unrestricted	117,971,191	32,476,551	(858,353)	149,589,389	49,115,916
<b>Total Net Position</b>	<b>164,289,928</b>	<b>62,023,718</b>	<b>16,674,239</b>	<b>242,987,885</b>	<b>76,647,447</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 217,692,475</b>	<b>\$ 103,420,740</b>	<b>\$ 58,438,797</b>	<b>\$ 379,552,012</b>	<b>\$ 100,362,849</b>
<b>Reconciliation of Net Position to the Statement of Net Position</b>					
Net Position per Statement of Net Position - Proprietary Funds				\$ 242,987,885	
Current year's adjustments to reflect the consolidation of internal service activities related to enterprise funds				1,661,141	
<b>Net Position per Statement of Net Position</b>				<b>\$ 244,649,026</b>	

# City of Santa Maria

STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water and Wastewater	Solid Waste	Transit	Enterprise Funds Totals	Internal Service Funds
<b>Operating Revenues:</b>					
Charges for current services	\$ 58,708,438	\$ 30,594,631	713,797	\$ 90,016,866	\$ 26,139,905
Other revenues	-	560,227	-	560,227	9,180
<b>Total Operating Revenues</b>	<b>58,708,438</b>	<b>31,154,858</b>	<b>713,797</b>	<b>90,577,093</b>	<b>26,149,085</b>
<b>Operating Expenses:</b>					
Salaries, wages, and benefits	2,784,092	7,113,770	693,544	10,591,406	2,011,539
Materials and supplies	3,469,956	475,786	28,543	3,974,285	2,621,663
Equipment maintenance and operation	3,545,041	6,043,261	4,922,698	14,511,000	1,515,833
Contracts and services	3,297,639	15,113,951	193,879	18,605,469	9,693,473
State water payments:					
State water payments to DWR	17,036,138	-	-	17,036,138	-
State water payments to CCWA	5,447,729	-	-	5,447,729	-
Depreciation expense	3,298,968	1,022,386	1,325,449	5,646,803	4,848,822
<b>Total Operating Expenses</b>	<b>38,879,563</b>	<b>29,769,154</b>	<b>7,164,113</b>	<b>75,812,830</b>	<b>20,691,330</b>
Operating Income (Loss)	19,828,875	1,385,704	(6,450,316)	14,764,263	5,457,755
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	18,151	199,404	5,591,229	5,808,784	-
Interest revenue	(3,335,664)	(2,292,451)	(951,018)	(6,579,133)	-
Interest expense	(1,513,881)	-	-	(1,513,881)	(10,664)
Contributions	-	-	1,347,853	1,347,853	471,384
Amortization expense	(425,262)	-	-	(425,262)	-
Noncapitalized costs and planning studies	-	-	(191,378)	(191,378)	-
Gain (loss) on disposal of capital assets	4,535	(58,199)	-	(53,664)	(161,565)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(5,252,121)</b>	<b>(2,151,246)</b>	<b>5,796,686</b>	<b>(1,606,681)</b>	<b>299,155</b>
Income (Loss) Before Transfers	14,576,754	(765,542)	(653,630)	13,157,582	5,756,910
Transfers in	278,199	-	-	278,199	6,014,950
Transfers out	(888,979)	(767,565)	(139,548)	(1,796,092)	(378,776)
Changes in Net Position	13,965,974	(1,533,107)	(793,178)	11,639,689	11,393,084
<b>Net Position:</b>					
Beginning of Fiscal Year, as previously reported	150,323,954	63,556,825	16,604,153	230,484,932	65,254,363
Restatements	-	-	863,264	863,264	-
Beginning of Fiscal Year, as restated	150,323,954	63,556,825	17,467,417	231,348,196	65,254,363
<b>End of Fiscal Year</b>	<b>\$ 164,289,928</b>	<b>\$ 62,023,718</b>	<b>\$ 16,674,239</b>	<b>\$ 242,987,885</b>	<b>\$ 76,647,447</b>
<b>Reconciliation of Changes in Net Position to the Statement of Activities:</b>					
Changes in Net Position, per the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds				\$ 11,639,689	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				1,661,141	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>				<b>\$ 13,300,830</b>	

# City of Santa Maria

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FISCAL YEAR ENDED JUNE 30, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities -
	Water and Wastewater	Solid Waste	Transit	Enterprise Funds Totals	Internal Service Funds
<b>Cash Flows from Operating Activities:</b>					
Cash received from customers and users	\$ 58,980,076	\$ 30,890,743	\$ 6,410,932	\$ 96,281,751	\$ 26,045,644
Cash paid to suppliers for goods and services	(29,932,837)	(21,313,810)	(5,165,222)	(56,411,869)	(12,431,139)
Cash paid to employees for services	(4,912,228)	(6,504,289)	(588,719)	(12,005,236)	(1,948,046)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>24,135,011</b>	<b>3,072,644</b>	<b>656,991</b>	<b>27,864,646</b>	<b>11,666,459</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
Cash transfers out	(888,979)	(767,565)	(139,548)	(1,796,092)	(378,776)
Cash transfers in	278,199	-	-	278,199	6,014,950
Repayment received from other funds	-	720,002	-	720,002	-
Operating grants	18,151	199,404	(547,237)	(329,682)	-
Noncapitalized costs and planning studies	-	-	(191,378)	(191,378)	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(592,629)</b>	<b>151,841</b>	<b>(878,163)</b>	<b>(1,318,951)</b>	<b>5,636,174</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Proceeds from capital debt	42,667,794	-	-	42,667,794	-
Capital contributions	-	-	1,347,853	1,347,853	-
Acquisition and construction of capital assets	(1,557,707)	(8,257,839)	(1,403,615)	(11,219,161)	(3,738,426)
Principal paid on capital debt	(45,084,770)	-	-	(45,084,770)	(138,167)
Costs of issuance	(309,072)	-	-	(309,072)	-
Interest paid on capital debt	(3,387,039)	-	-	(3,387,039)	(10,664)
Deferred charge on refunding	(3,645,826)	-	-	(3,645,826)	-
Proceeds from sales of capital assets	4,535	-	-	4,535	25,232
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(11,312,085)</b>	<b>(8,257,839)</b>	<b>(55,762)</b>	<b>(19,625,686)</b>	<b>(3,862,025)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	(3,397,593)	(2,288,465)	(953,709)	(6,639,767)	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>(3,397,593)</b>	<b>(2,288,465)</b>	<b>(953,709)</b>	<b>(6,639,767)</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>8,832,704</b>	<b>(7,321,819)</b>	<b>(1,230,643)</b>	<b>280,242</b>	<b>13,440,608</b>
Cash and Cash Equivalents at Beginning of Fiscal Year	99,116,649	75,257,759	25,135,806	199,510,214	57,474,632
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<b>\$ 107,949,353</b>	<b>\$ 67,935,940</b>	<b>\$ 23,905,163</b>	<b>\$ 199,790,456</b>	<b>\$ 70,915,240</b>
<b>Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 19,828,875	\$ 1,385,704	\$ (6,450,316)	\$ 14,764,263	\$ 5,457,755
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	3,298,968	1,022,386	1,325,449	5,646,803	4,848,822
(Increase) decrease in accounts receivable	271,638	(264,115)	(520,799)	(513,276)	(103,441)
(Increase) decrease in leases receivable	(408,975)	-	(20,108)	(429,083)	-
(Increase) decrease in inventories	214,777	-	-	214,777	(28,904)
(Increase) decrease in prepaid expense	2,828,105	(10,418)	(5,512)	2,812,175	(24,111)
(Increase) decrease in deferred outflows for OPEB	(7,857)	(12,770)	(2,788)	(23,415)	(39,664)
(Increase) decrease in deferred outflows for pensions	242,864	(268,041)	(28,615)	(53,792)	(2,513)
Increase (decrease) in accounts payable	(175,929)	(400,588)	(14,289)	(590,806)	48,765
Increase (decrease) in unearned revenues	-	-	6,217,934	6,217,934	-
Increase (decrease) in accrued liabilities	29,475	1,715	3,334	34,524	15,248
Increase (decrease) in closure and postclosure care costs	-	730,194	-	730,194	-
Increase (decrease) in net OPEB liability	(161,687)	(213,584)	(20,663)	(395,934)	(56,822)
Increase (decrease) in net pension liability	(4,328,421)	(2,167,309)	(120,053)	(6,615,783)	(484,835)
Increase (decrease) in claims and judgments	-	-	-	-	1,404,080
Increase (decrease) in deferred inflows for OPEB	236,644	315,920	32,717	585,281	83,930
Increase (decrease) in deferred inflows for leases	1,878,007	2,924,849	232,134	5,034,990	546,841
Increase (decrease) in deferred inflows for leases	405,688	-	19,807	425,495	-
Increase (decrease) in compensated absences	(17,161)	28,701	8,759	20,299	1,308
<b>Total Adjustments</b>	<b>4,306,136</b>	<b>1,686,940</b>	<b>7,107,307</b>	<b>13,100,383</b>	<b>6,208,704</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 24,135,011</b>	<b>\$ 3,072,644</b>	<b>\$ 656,991</b>	<b>\$ 27,864,646</b>	<b>\$ 11,666,459</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>					
Gain/(Loss) on disposition of capital assets	\$ -	\$ (58,199)	\$ -	\$ (58,199)	\$ (161,565)
Contributions of capital assets	-	-	-	-	471,384
Accreted interest	202,534	-	-	202,534	-
Amortization of deferral on refunding and bond premium	422,997	-	-	422,997	-
Restatement to correct prior fiscal year transit revenues	-	-	863,264	863,264	-
Defeasance of accreted interest	2,414,989	-	-	-	-

# City of Santa Maria

## STATEMENT OF FIDUCIARY NET POSITION Custodial Funds JUNE 30, 2022

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	<u>Custodial Funds</u>
<b>Assets:</b>	
Cash and investments	\$ 8,000,864
Receivables:	
Accounts	13,754
<b>Total Assets</b>	<u><b>8,014,618</b></u>
<b>Liabilities:</b>	
Accounts payable	99,325
Deposits payable	887,964
<b>Total Liabilities</b>	<u><b>987,289</b></u>
<b>Net Position:</b>	
Restricted for organizations and other governments	2,325,682
Restricted for groundwater basins	4,701,647
<b>Total Net Position</b>	<u><u><b>\$ 7,027,329</b></u></u>

# City of Santa Maria

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION Custodial Funds FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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	<u>Custodial Funds</u>
<b>Additions:</b>	
Investment earnings:	
Interest	\$ (181,263)
Net investment earnings	(181,263)
Program revenues	648,144
Contribution from City	613,235
<b>Total Additions</b>	<u><b>1,080,116</b></u>
<b>Deductions:</b>	
Administrative expenses	250,661
Reimbursement of prior taxes to County	588,476
<b>Total Deductions</b>	<u><b>839,137</b></u>
Net Increase in Fiduciary Net Position	240,979
Net Position - Beginning	<u>6,786,350</u>
<b>Net Position - Ending</b>	<u><b>\$ 7,027,329</b></u>

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# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the City of Santa Maria (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below:

#### *A. Financial Reporting Entity*

The City was incorporated on September 12, 1905, under the laws of the State of California. Santa Maria is a charter city, and operates under a Council-Manager form of government, which includes an elected mayor and a four-member council. As required by U.S. GAAP, these financial statements present the City and its component units, entities for which the government is considered to be financially accountable. Blended component units, although legally separate entities are in substance, part of the government's operations, so data from these units are combined with data of the primary government. The following entity is reported as a blended component unit:

**Santa Maria Public Financing Authority:** City officials govern the Santa Maria Public Financing Authority (the "Authority"). Although it is legally separate from the City, the Authority is reported as if it were part of the primary government because its sole purpose is to finance and construct the City's public facilities.

The City participates in the two following intergovernmental joint ventures:

**The Local Government Finance Joint Powers Authority:** The Local Government Finance Joint Powers Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement dated July 15, 1986. The Authority was created to provide a method of pooled financing for interested agencies throughout the State. The governing board is comprised of representatives from participants across the State. In August 1989, the Authority provided financing proceeds and the resulting debt service obligation to various participants. By agreement, each participant assumed all responsibility with regard to its issue. All debt issued by participants has been paid or defeased. Financial statements of the Joint Powers Authority may be obtained by contacting the California Statewide Communities Development Authority at 1700 North Broadway, Suite 405, Walnut Creek, CA 94596.

**Central Coast Water Authority:** Central Coast Water Authority (CCWA) is a joint powers authority organized on August 1, 1991, comprised of eight cities and special districts that are responsible for the creation and maintenance of water resources in portions of Santa Barbara County. The purpose of the CCWA is to provide financing, construction, operation, and maintenance of certain local non-State owned facilities required to deliver water from the State Water Project (SWP) to certain water purveyors and users in Santa Barbara County. The City has an ongoing financial responsibility pursuant to a Water Supply Agreement between the City and CCWA; however, the City does not have an equity interest.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Board of Directors (Board) is comprised of one representative from each participating entity. Votes on the Board are apportioned among the entities based upon each entity's pro-rata share of the water provided by the project. Each participant is required to pay CCWA an amount equal to its share of the total cost of "fixed project costs" and certain other costs in the proportion established in the Water Supply Agreement. This includes the participant's share of payments to the State Department of Water Resources (DWR) under the State Water Supply Agreement (including capital, operation, maintenance, power, and replacement costs of the DWR facilities), debt service on CCWA bonds, and all CCWA operating and administrative costs.

In November 1996, CCWA sold \$198,015,000 of revenue bonds at a true cost of 5.55 percent to defease the CCWA 1992 revenue bonds in the amount of \$177,120,000. The 1996 bonds were issued in two series: Series A of \$173,015,000 and Series B of \$25,000,000. All outstanding Series B bonds were redeemed on October 1, 1998 pursuant to the call provisions in the Indenture of Trust. The Series B bonds were called with amounts transferred from the Construction Fund and Reserve fund.

On September 28, 2006, CCWA issued Series 2006A refunding revenue bonds in the amount of \$123,190,000 which refunded the outstanding \$142,985,000 Series 1996 A revenue bonds. The 2006A revenue bonds were issued at a true interest cost of 4.24 percent and were issued to reduce the CCWA's total debt service payments over the next 15 years by \$4.4 million and to obtain an economic gain (difference between the present values of the old and new debt service payments) of \$3.4 million.

The City's Water and Wastewater Fund makes direct contributions for its share of project expenditures and has no direct liability for any bonded debt of the CCWA. The City is responsible for 38 to 43 percent of system costs based on various pools of expenditures.

Financial Statements for CCWA may be obtained by contacting the Central Coast Water Authority at 255 Industrial Way, Buellton, CA 93427.

#### ***B. Basis of Accounting and Measurement Focus***

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which the governmental resources are to be spent and the means by which spending activities are controlled.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Government-wide Financial Statements

The City's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present summaries of governmental and business type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which the revenues are earned while expenses are recognized in the period in which the liability is incurred.

Certain eliminations have been made as prescribed by GASB Statement No. 34, in regards to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, Internal Service Fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

#### Governmental Fund Financial Statements

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying statement 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. The City has presented all major funds that met the applicable criteria.

*City of Santa Maria*  
Notes to Basic Financial Statements  
June 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental fund financial statements are reported using the “*current financial resources*” measurement focus and the modified accrual basis of accounting. Under this method, revenues are available when the revenues are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if revenues are collected within 60 days of the end of the current fiscal year. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Revenues are recorded when received in cash, except for revenues subject to accrual (generally 60 days after fiscal year-end) are recognized when due. Property taxes, charges for services, and interest associated with the current fiscal period are all considered susceptible to accrual and as such have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available when received by the government.

The City reports the following major governmental funds:

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

**Growth Mitigation Fund:** This fund accounts for the receipt of developer and user fees as approved under State of California Assembly Bill 1600.

**Grants Non-Recurring Fund:** The Non-recurring Grant Fund accounts for one-time significant grants received such as federal stimulus monies.

**General Capital Projects Fund:** This fund is used to account for the purchase and construction of capital assets for the General Fund.

**Community Development Capital Projects Fund:** This fund was established to account for receipts from Community Development Block Grant Funds for special projects in the City.

*Proprietary Fund Financial Statements*

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Fund Net Position, and a Statement of Cash Flows for each major proprietary fund.

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities in the government-wide financial statements.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Proprietary Funds are accounted for using the “economic resources” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which the revenues are earned while expenses are recognized in the period in which the liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. The principal operating revenues of the Water and Wastewater Fund are charges to customers for sales and services. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund, such as cost of sales and services, administrative expenses, and depreciation on capital assets. All other expenses are reported as non-operating expenses.

The major proprietary funds the City reports are shown below:

**Water and Wastewater Fund:** The Water and Wastewater Fund is used to account for resources used to provide water and sewer services to the City.

**Solid Waste Fund:** The Solid Waste Fund is used to account for solid waste collection and disposal.

**Transit Fund:** The Transit Fund accounts for resources to provide transit services to the City and surrounding areas.

The City reports the following internal service funds as proprietary funds:

**Fleet Services Fund:** The Fleet Services Fund is used to finance the operations, maintenance, and timely replacement of the City’s fleet of vehicles and related equipment.

**Business Equipment Fund:** The Business Equipment Fund is used to finance and account for the maintenance and replacement of business equipment used by City departments.

**Insurance Fund:** The Insurance Fund provides and charges other City funds for liability, property, and workers’ compensation insurance.

### *Fiduciary Fund Financial Statements*

Fiduciary funds account for resources held for the benefit of parties outside the City. 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 City’s fiduciary funds include two custodial funds, Treasurer’s Trust and Twitchell Management Authority. The

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Treasurer's Trust Fund accounts for deposits held for others. The Twitchell Management Authority Fund accounts for the financial transactions of a court-mandated committee that monitors and manages the groundwater basin.

Pages 120-121 of this report display the Fiduciary Fund Financial Statements.

#### *C. Cash and Investments*

The City pools its available cash for investment purposes. The City considers pooled cash and investments, with original maturities of three months or less, to be cash equivalents.

Certain proceeds of the City's Water and Wastewater Fund revenue bonds, as well as certain resources set aside for repayment, are classified as restricted assets on the balance sheet statement of net position, because their use is limited by applicable bond covenants. The City has classified additional assets as restricted to comply with laws and other agreements.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. The City's investments with fiscal agents required by bond indentures are stated at cost, which approximate fair value. The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (LAIF) which has invested a portion of the pool funds in Structured Notes and Asset-backed Securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these Structured Notes and Asset-backed Securities are subject to market risk as to change in interest rates.

#### *D. Fair Value Measurements*

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

***E. Interfund Transactions***

Activity among funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

***F. Assets Held for Resale***

Should the City have assets held for resale, those assets would be recorded at the lower of cost or market, but not greater than the net realizable value. An amount equal to the carrying value of land would be reserved in fund balance of governmental funds because such assets are not available to finance the City’s current operations.

***G. Capital Assets***

Capital assets are defined as property, plant, equipment, and infrastructure assets (roads, sidewalks, drainage systems, lighting systems, etc.). Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. These assets are valued at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

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.

The City’s policy has set the capitalization threshold for reporting capital assets as follows:

Property, Plant, and Equipment	\$	5,000
Infrastructure Capital Assets	\$	50,000

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is recorded in the government-wide financial statements on a straight-line basis over the useful lives of the assets, as follows:

Equipment	5 to 20 years
Buildings and Improvements	10 to 70 years
Infrastructure:	
Medians	25 years
Pavement	25 years
Traffic signals	25 years
Off-road trails	40 years
Cabling	40 years
Curbs and gutters	50 years
Sidewalks	50 years
Storm drain lines	50 years
Bridges	75 years

The City has included the value of all infrastructure in its government-wide statements.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed.

Property, plant, and equipment are depreciated in the proprietary funds using the straight-line method over the following estimated useful lives as shown below:

Water and Wastewater and Solid Waste Funds:	
Facilities and Improvements	25-50 years
Equipment	6-15 years
Transit Fund:	
Facilities and Improvements	25-50 years
Equipment	3-10 years
Buses	10 years
Fleet Service Fund:	
Equipment	3-10 years
Vehicles	5 years
Business Equipment Fund:	
Equipment	3-10 years

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *H. Interest Payable*

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred for governmental activities and business-type activities.

In the fund financial statements, proprietary fund types recognize the interest payable when the liability is incurred.

#### *I. Unearned Revenue*

In the government-wide financial statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. A typical transaction recorded as unearned revenues in the government-wide financial statements is the prepaid charges for services.

In the Governmental Fund Financial Statements, unearned revenue is recorded when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting. The City records unearned revenue for transactions for which revenues have not been earned, or for which funds are not available to meet current financial obligations. Typical transactions for which unearned revenue is recorded are grants received but not yet earned or available.

#### *J. Compensated Absences*

Compensated absences are recorded in accordance with GASB. It is the City's policy to record the cost of annual vacation, compensatory time, and fringe benefits as earned. City employees accrue vacation and sick leave in varying amounts. Compensatory time is recorded as time earned by City employees. In the event of termination, employees are reimbursed for the total value of their accumulated vacation days and compensatory time. Sick leave benefits are not vested to the employee; however, the City has a sick leave incentive program, which will compensate employees at a rate of 50 percent for accrued sick leave between a floor and ceiling amount. The maximum sick hours subject to be paid is Police - 680 hours, Fire - 608 hours, and General and Management - 360 hours employees upon regular retirement or death. The City accrued amounts for the sick leave incentive program using historical trends and other relevant data.

The City records compensated absences in the governmental funds as expenditures for the amount accrued during the fiscal year that would normally be liquidated with expendable, available financial resources. The remainder of the liability is recorded as a long-term liability. The individual governmental funds report a liability for compensated absences only if the liability matured at fiscal year-end, i.e. unused reimbursable leave outstanding as the result of an employee's resignation or retirement. The proprietary funds accrue compensated absences in the period they are earned and are recorded as long-term liabilities in the applicable funds.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### *K. Pensions*

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City of Santa Maria's California Public Employees Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds or employee contributions) are recognized when due and payable in accordance with the benefit terms.

#### *L. Post-Employment Benefits*

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's plan (OPEB Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### *M. Long-Term Obligations*

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts and deferred amounts on refunding are deferred and amortized over the life of the bonds using the straight line method. Bonds payable are reported net of the applicable bond premium or discount.

As a result of the City's adoption of GASB Statement No. 65 during the fiscal year ended June 30, 2014, the City now reports deferred amounts from refunding of debt separately from assets and liabilities in its Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

#### *N. Net Position*

In the government-wide financial statements, net position is classified in the following categories:

**Net Investment in Capital Assets** - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Restricted** – This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

**Unrestricted** – This amount is all resources that do not meet the definition of “net investment in capital assets” or “restricted.”

*O. Use of Restricted/Unrestricted Resources*

When an expense incurred for purposes for which both restricted and unrestricted resources are available, the City’s policy is to apply restricted resources first.

*P. Fund Equity*

The fund balance classifications are reported primarily on the extent to which a government is bound to observe constraints imposed on the use of the resources reported in governmental funds. The fund balances are classified as non-spendable, restricted, committed, assigned and unassigned.

Non-spendable fund balance represents amounts that are not in a spendable form such as inventories, prepaid items, and loans receivable. In the fund financial statements, governmental funds report restrictions on fund balances for amounts that are legally restricted by outside parties for a specific purpose.

Committed fund balance consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City’s highest level of decision making authority which includes the City Council adoption of resolutions committing fund balance. It also includes contractual obligations for which existing resources have been committed. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is an adopted City Council resolution.

The City Council has adopted, by resolution, a Prudent Reserve Fund for economic emergencies in which the City Council may, at its discretion, set aside all or any part of a surplus generated in the General Fund resulting from the excess of revenues over expenditures. An appropriation from the Prudent Reserve Fund would require an approved resolution by a two-thirds vote of the City Council and are limited to emergency situations. Examples of such emergencies include, but are not limited to: covering expenses arising from a natural disaster, to replacing revenue taken over by another entity, or to a drop in actual/projected revenue of more than five percent of the General Fund adopted revenue budget.

Amounts in the Assigned Fund classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The City Council has by resolution the authority to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments,

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

assignments generally only exist temporarily. Additional action normally does not have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

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. The General Fund is the only fund that reports a positive unassigned fund balance amount. However, in Governmental Funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### *Q. Property Tax Calendar*

The State of California Constitution Article XIII A, provides that the combined maximum property tax rate on any given property may not exceed one percent of its assessed value unless voters approved an additional amount for debt. Assessed value is calculated at 100 percent of market value as defined by Article XIII A, and may be increased by no more than two percent per year unless the property is sold, transferred, or improved.

Santa Barbara County assesses properties, bills for, collects, and distributes property taxes on the basis of the taxing jurisdiction's tax rate percentage, subject to individual tax jurisdiction's adjustments as may be allowed for voter-approved debt, as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien date	January 1	January 1
Lien date	July 1	July 1
Due dates	50% - November 1	July 1
	50% - February 1	August 31
Delinquent as of	December 10 (for November)	
	April 10 (for February)	

The term "unsecured" refers to taxes on personal property other than real estate, land, and buildings. These taxes are secured by liens on the property being taxed.

*City of Santa Maria*  
Notes to Basic Financial Statements  
June 30, 2022

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*R. Use of Estimates*

The preparation of the basic financial statements in conformity with U.S. Generally Accepted Accounting Principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

*S. Closure and Post-Closure Care Costs*

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for a minimum of 30 years after closure. The site covers 247 acres.

According to its revised operating plan filed with the State, portions of the landfill site will be closed on a “rolling closure” basis, with final closure anticipated by the year 2024. The City is required to report a portion of these closure and post-closure costs as an operating expense each fiscal year based on landfill capacity used.

The City reported \$26.3 million in landfill closure and post-closure care liability at June 30, 2022, and is based on the percent of capacity used (77.8%) as of June 30, 2022. It is estimated that the total cost of all closure and post-closure costs to be \$30.2 million at June 30, 2022. The City will recognize remaining estimated costs of \$730 thousand in closure and post-closure care as the remaining capacity is filled, which is expected to be by 2027. Inflation and changes in technology and/or regulations may result in higher or lower costs.

The City is required by State and Federal laws to provide assurance that the closure will be completed and post-closure requirements met. Assurance with regard to post-closure costs have been met by a pledge of the General Fund sales tax revenue should the Solid Waste Fund be unable to perform in accordance with the requirements.

*T. Budgetary Data*

The City Council has the responsibility for adoption of the City’s budget. Budgets are adopted for all General and Special Revenue Funds. The budget, adopted by the City Council, is for a two-fiscal year period. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various City departments. The City Council may amend the budget by motion any time during the two-year fiscal period. The City Manager is authorized to transfer the budgeted funds among departments or functions within the same fund without seeking approval by the City Council. The level at which expenditures may not legally exceed appropriations is therefore established at the fund level.

Appropriations, remaining at the end of the first fiscal year, are eligible to be carried forward to the second fiscal year. All appropriations lapse at the end of the two-fiscal year period to the extent that appropriations have not been expended or encumbered. Lease contracts entered

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

into by the City are subject to annual review by the City Council; hence, lease contracts are legally one-fiscal year contracts. These one-fiscal year contracts have an option for renewal for an additional fiscal year.

Budgetary comparison is provided in the accompanying financial statements for the General Fund and Special Revenue Funds. Budgeted revenue and expenditure amounts shown represent the City's originally adopted budget and the budget adjusted for supplemental appropriations. Budget amounts, as adjusted, reported for Governmental Funds of the City, are adopted on a basis consistent with U.S. GAAP. Effective fiscal control for debt service funds is achieved through bond indenture provisions and other management controls. While budgets are prepared for City Capital Projects Funds, capital projects generally extend beyond one fiscal year and are controlled at the project level.

***U. Deferred Outflows and Inflows of Resources`***

Pursuant to GASB Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,*" and GASB Statement No. 65, "*Items Previously Reported as Assets and Liabilities,*" the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The City has three items which qualify for reporting in this category; refer to Note 7 for a detailed listing of the deferred outflows of resources the City has recognized.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of fund balance by the government that is applicable to a future reporting period. The City has three items which qualify for reporting in this category; refer to Note 8 for a detailed listing of deferred inflows of resources the City has recognized.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### V. Future Accounting Pronouncements

GASB Statements listed below will be implemented in future financial statements:

GASB Pronouncement	Title	Effective Date
Statement No. 91	"Conduit Debt Obligations"	Fiscal years beginning after December 15, 2021
Statement No. 94	"Public-Private and Public-Public Partnerships and Availability Payment Arrangements"	Fiscal years beginning after June 15, 2022
Statement No. 96	"Subscription-Based Information Technology Arrangements"	Fiscal years beginning after June 15, 2022
Statement No. 99	"Omnibus 2022"	Requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.  Requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.
Statement No. 100	"Accounting and Error Corrections" amendment to Statement No. 62	Fiscal years beginning after June 15, 2023
Statement No. 101	"Compensated Absences"	Fiscal years beginning after December 15, 2023
Statement No. 102	"Certain Risk Disclosures"	Fiscal years beginning after June 15, 2024
Statement No. 103	"Financial Reporting Model Improvements"	Fiscal years beginning after June

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 2: CASH AND INVESTMENTS

#### A. Cash and Investments

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of the City's debt instruments or Agency agreements:

Statement of Net Position:	
Cash and investments	\$ 417,463,817
Cash and investments held by fiscal agent	56,334
Fiduciary Funds:	
Cash and investments	<u>8,000,864</u>
Total cash and investments	<u><u>\$ 425,521,015</u></u>

The composition of cash and investments as of June 30, 2022, is as follows:

Cash on hand	\$ 17,832
Deposits with financial institutions	16,871,295
Investments	<u>408,631,888</u>
Total cash and investments	<u><u>\$ 425,521,015</u></u>

The City categorizes its fair value measurements within the fair value hierarchy established by U.S. Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These principles recognize a three-tiered fair value hierarchy. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobserved inputs.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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

The City had the following recurring fair value measurements as of June 30, 2022:

Investment Type	Value	Quoted Prices in Active Markets for Identical Assets (Level 1)
US Treasury Bonds	\$ 207,033,536	\$ 207,033,536
Federal Agency Issues	37,520,951	37,520,951
Negotiable Certificates of Deposit	4,533,278	4,533,278
Medium-Term Corporate Notes	69,156,757	69,156,757
Municipal Obligations	12,145,931	12,145,931
Supranationals	11,082,358	11,082,358
Total investments measured at fair value	<u>\$ 341,472,811</u>	<u>\$ 341,472,811</u>
Investments measured at amortized costs		
Local Agency Investment Fund (LAIF)	\$ 67,102,357	
Money Market Funds	56,720	
Total investments	<u>\$ 408,631,888</u>	

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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

***B. Investments Authorized by the City's Investment Policy***

The table below identifies the investment types that are authorized for the City by the City's Investment Policy. The table also identifies certain provisions of the City's Investment Policy that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the City's Investment Policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Bonds/Notes	5 years	100%	N/A
Federal Agency Issues	5 years	100%	N/A
Municipal Obligations	5 years	30%	5%
Bankers' Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%
Negotiable Certificates of Deposit (NCD)	5 years	30%	5%
Deposit Placement Service	5 years	30%	\$250,000
Medium-Term Notes (MTN)	5 years	30%	5%
Asset-backed Securities	5 years	20%	5%
Local Agency Investment Fund (LAIF)	N/A	N/A	\$75,000,000
Mutual Funds/Money Market Funds	N/A	20%	10%
Supranationals	5 years	30%	N/A
Joint Powers Authority/LGIP	N/A	100%	N/A

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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

***C. Disclosures Relating to Interest Rate Risk***

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City manages its exposure to declines in the fair value by employing a “buy and hold” investment strategy whereby investments are held to maturity at which time the investment is redeemed at par. This strategy limits the City’s exposure to declines in fair value to unforeseen emergencies when the need for cash beyond that which is planned and anticipated may arise. The City has no formal policy on interest rate risk. Information about the sensitivity of the fair values of the City’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City’s investments by maturity:

Investment Type	Value	Remaining Maturing (in Months)			
		12 Months or Less	13 to 24 Months	25 to 36 Months	37 to 60 Months
US Treasury Bonds	\$ 207,033,536	\$ 20,761,657	\$ 78,016,351	\$ 71,619,998	\$ 36,635,530
Federal Agency Issues	37,520,951	2,418,601	13,257,067	21,845,283	-
Supranationals	11,082,358	4,574,730	3,691,469	2,816,159	-
Negotiable Certificates of Deposit	4,533,278	2,037,922	507,934	1,261,570	725,852
Medium-Term Corporate Notes	69,156,757	396,236	14,132,634	33,231,666	21,396,221
Municipal Obligations	12,145,931	-	731,195	10,567,223	847,513
Local Agency Investment Fund (LAIF)	67,102,357	67,102,357	-	-	-
Money Market Funds	382	382	-	-	-
Held by fiscal agent:					
Money Market Funds	56,338	56,338	-	-	-
<b>Total</b>	<b>\$ 408,631,888</b>	<b>\$ 97,348,223</b>	<b>\$ 110,336,650</b>	<b>\$ 141,341,899</b>	<b>\$ 59,605,116</b>

***D. Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations***

The City’s investments do not include investments that are highly sensitive to interest rate fluctuations beyond those indicated in the information provided on previous pages.

***E. Disclosures Relating to Credit Risk***

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the City’s investment policy, or debt agreements, and the actual rating as of fiscal year-end for each investment type.

At the time of the purchase of the investments listed above, all investments were rated A or higher. The City’s policy has been to buy investments for the long term and to hold those investments to maturity.

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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

**F. Concentration of Credit Risk**

The Investment Policy of the City contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. At June 30, 2022, there were no investments in which one issuer held 5% or more of the total City's investments.

Investment Type	Value	Minimum Legal Rating	Rating as of Fiscal Year End			
			AAA	AA	A	A-1
US Treasury Bonds	\$ 207,033,536	N/A	\$ 207,033,536	\$ -	\$ -	\$ -
Federal Agency Issues	37,520,951	N/A	-	37,520,951	-	-
Supranationals	11,082,358	AA	11,082,358	-	-	-
Negotiable Certificates of Deposit	4,533,278	A	1,261,570	725,852	-	2,545,856
Medium-Term Corporate Notes	69,156,757	A	1,617,496	4,044,572	56,075,441	-
Municipal Obligations	12,145,931	A	-	10,436,282	1,709,649	-
Local Agency Investment Fund (LAIF)	67,102,357	N/A	-	-	-	-
Money Market Funds	382	N/A	-	-	-	-
Held by fiscal agent:						
Money Market Funds	56,338	A	-	-	-	-
<b>Total</b>	<b>\$ 408,631,888</b>		<b>\$ 220,994,960</b>	<b>\$ 52,727,657</b>	<b>\$ 57,785,090</b>	<b>\$ 2,545,856</b>

Investment Type	Value	Minimum Legal Rating	Rating as of Fiscal Year End		
			B	Not Rated	Total
US Treasury Bonds	\$ 207,033,536	N/A	\$ -	\$ -	\$ 207,033,536
Federal Agency Issues	37,520,951	N/A	-	-	37,520,951
Supranationals	11,082,358	AA	-	-	11,082,358
Negotiable Certificates of Deposit	4,533,278	A	-	-	4,533,278
Medium-Term Corporate Notes	69,156,757	A	7,419,248	-	69,156,757
Municipal Obligations	12,145,931	A	-	-	12,145,931
Local Agency Investment Fund (LAIF)	67,102,357	N/A	-	67,102,357	67,102,357
Money Market Funds	382	N/A	-	382	382
Held by fiscal agent:					
Money Market Funds	56,338	A	-	56,338	56,338
<b>Total</b>	<b>\$ 408,631,888</b>		<b>\$ 7,419,248</b>	<b>\$ 67,159,077</b>	<b>\$ 408,631,888</b>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 2: CASH AND INVESTMENTS (CONTINUED)

#### G. 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:

Investment Type	Reported Amount
U.S. Treasury Bonds/Notes	\$ 207,033,536
Medium-Term Corporate Notes	69,156,757
Federal Agency Issues	37,520,951
Supranationals	11,082,358
Certificates of Deposit	4,533,278
Municipal Obligations	12,145,931

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.

The fair value of the pledged securities in the collateral pool must equal at least 110 percent 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 percent of the secured public deposits.

As of June 30, 2022, none of the City's deposits with financial institutions in excess of Federal depository insurance limits were held in uncollateralized accounts. As of June 30, 2022, City investments in the following investment types were held by the same broker-dealer (counterparty) that was used by the City to buy the securities.

#### H. Investment in State Investment Pool

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

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**NOTE 3: RECEIVABLES**

The receivables as of fiscal year-end for the governmental and business-type activities, which include individual major funds, non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are shown as follows:

**Governmental receivables:**

Governmental	Accounts Receivable				Loans Receivable
	Accrued Revenue	Interest Receivable	Grants Receivable	Total	
General	\$12,565,332	\$ 415,803	\$ 396,491	\$ 13,377,626	\$ 34,378
Grant (Non-recurring)	-	-	23,387	23,387	-
Growth Mitigation	-	146,989	-	146,989	-
Community Development Capital Projects	-	-	391,486	391,486	6,583,099
Non-major Governmental Funds	2,318,166	53,610	205,532	2,577,308	105,366
Internal Service Funds	334,712	-	-	334,712	-
<b>Total</b>	<b>\$15,218,210</b>	<b>\$ 616,402</b>	<b>\$ 1,016,896</b>	<b>\$ 16,851,508</b>	<b>\$ 6,722,843</b>

**Business-type receivables:**

Business-type	Accounts Receivable	Allowance for Doubtful Accounts	Total Net Receivables	Other Receivables		
				Interest Receivable	Grants Receivable	Total
Water and Wastewater	\$ 9,379,816	\$ 298,961	\$ 9,080,855	\$ 299,603	\$ -	\$ 299,603
Solid Waste	3,566,076	82,112	3,483,964	194,620	-	194,620
Transit	2,544,804	-	2,544,804	72,339	14,182,223	14,254,562
<b>Total</b>	<b>\$ 15,490,696</b>	<b>\$ 381,073</b>	<b>\$ 15,109,623</b>	<b>\$ 566,562</b>	<b>\$ 14,182,223</b>	<b>\$ 14,748,785</b>

**A. Loans Receivable**

**Loans Receivable**

The table on the following page is a summary of the status of loans by program or project as of June 30, 2022. Additional detail on each loan program follows.

Program/Project	Number of Outstanding Loans	Payments Made During 2021-22	Total Outstanding Balance
Residential Rehabilitation	11	\$ 1,300	\$ 244,200
Habitat for Humanity Residential Rehabilitation	2	-	85,100
Non-Profit Facilities	38	-	5,735,326
Neighborhood Stabilization	3	-	508,342
Economic Development Program	1	-	10,131
Oak Valley Lots	3	13,700	34,378
Economic Development Fund (formerly Business Retention / Attraction Loan Program)	7	-	105,366
<b>Totals</b>	<b>65</b>	<b>\$ 15,000</b>	<b>\$ 6,722,843</b>

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 3: RECEIVABLES (CONTINUED)

**Residential Rehabilitation Loan Program (CDBG):** The Residential Rehabilitation Loan Program provided no-interest loans of up to \$40,000 for rehabilitation of single family owner-occupied dwellings. The loans were funded entirely with Community Development Block Grant (CDBG) funds. For each loan, the City maintains a lien against the property, and payment of the loan is deferred until the property changes ownership. Funds under this program have been expended and there will be no further residential rehabilitation loans. However, the City of Santa Maria provides CDBG funding to Community Action Partnership of San Luis Obispo, Inc. (CAPSLO) to offer minor home repair services. This assistance is offered in the form of grants to low-income homeowners and renters.

**Habitat for Humanity Residential Rehabilitation Loan Program (CDBG):** On July 1, 2005, a new program was funded with Community Development Block Grant (CDBG) funds. This program provided no-interest loans of up to \$40,000 for rehabilitation of low-income qualified, single family, owner-occupied dwellings. Habitat for Humanity (HFH) operated the program as a contractor for the City until June 30, 2009. The program assisted in the alleviation of code violations, lead-based paint abatement, and improving the quality of existing housing stock owned by low-income families in the City. As of July 1, 2009, the contract with HFH ended.

**Non-Profit Facilities Program (CDBG):** The Non-Profit Facilities Program provides no-interest, deferred-payment loans to non-profits for physical improvements to their facilities. The loans are amortized and forgiven at the rate of 10 percent per year. The amortization begins immediately for loans used for rehabilitation or room additions, and after five years for acquisition or new construction loans. The City is repaid only upon sale or transfer of the property.

**Neighborhood Stabilization Program (CDBG):** The Neighborhood Stabilization Program (NSP) was authorized under the Housing and Economic Recovery Act (HERA) of 2008 that was approved by Congress in July 2008. This program was administered by the U.S. Department of Housing and Urban Development (HUD) at the Federal level and the Department of Housing and Community Development (HCD) at the State level. The program targeted areas experiencing high foreclosure and property abandonment problems. Two of the three properties acquired were 614 South Pine Street (duplex) and 607 West Cook Street (triplex). Both properties were rehabilitated and transferred to Good Samaritan Shelter to provide low-income housing. The properties are on an amortization schedule which begins immediately for the rehabilitation portion of the grant and five years after the closing date for the acquisition portion of the grant.

**Economic Development Program (CDBG):** The Economic Development Program provided loans to businesses to help create and retain jobs for low income residents. The loan amount, term and interest rate were determined on a case-by-case basis. One interest-bearing loan exists under the program and is currently in default. The City Attorney's office filed a final judgment by default against Art-Craft Paint, Inc. in Superior Court on July 6, 2011. Since March 2001, there have been no new loans approved. The remaining funds that were allocated to this program were re-allocated to the Library Project.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 3: RECEIVABLES (CONTINUED)

**Oak Valley Self-Help Project, Lots 138-207 (General Fund):** From December 1991 to November 1992, 70 loans originated under the Oak Valley Self-Help Project. They were no-interest loan secured by a third deed of trust held by the City. They are deferred from the date of the note and deed of trust for 30 years at which time the total loan balance becomes due and payable, or sooner if the borrower no longer occupies the property, title to the property is transferred, or if the borrower chooses to rent the property.

**Economic Development Fund (Formerly known as Business Retention / Attraction Revolving Loan Fund):** In January 2005, the City Council authorized the creation of a Business Retention and Attraction Program to be funded through the General Fund from proceeds from the sale of surplus ground water. In September 2005, the City Council adopted specific guidelines and criteria for processing of loans where loan applications are received by the Santa Maria Valley Chamber of Commerce and forwarded to Coastal Business Finance for review and processing. There have been no loan approvals under this program since 2009.

On July 21, 2009, City Council provided policy direction to staff to approve financial assistance to the Area 9 "participating" property owners on behalf of the "non-participating" property owners. The financial assistance consists of an advance of up to \$100,000 in order to facilitate the preparation of an Environmental Impact Report for the Area 9 Industrial/Business Park Specific Plan. This financial assistance will be reimbursed to the City by the "non-participating" property owners as property develops. Per a City resolution, the interest will be based on the CPI for the year. Whatever the balance is as of July 1st of the year will be added to the overall balance for the duration of the fiscal year. It will accrue each fiscal year.

On June 16, 2017, the City Council authorized the name change of this fund from the Business Retention and Attraction Loan Fund to the Economic Development Fund. The previously approved loans mentioned above will continue to be monitored from this fund. In August 2017, City Council authorized City staff to enter into an agreement with Make it Your Business (MIYB) that is in substantial conformance with HUD guidelines and reimburse MIYB up to \$16,909 to cover the costs associated with the procurement and installation of a partition wall and video-conferencing equipment. This forgivable loan is treated like a CDBG-funded Capital project and will go through an amortization schedule.

*City of Santa Maria*  
Notes to Basic Financial Statements  
June 30, 2022

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**NOTE 4: LEASES**

*A. Leases Receivable and Deferred Inflows of Resources*

The City implemented GASB Statement No. 87 for the fiscal year ended June 30, 2022. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the following below.

The City leases land and buildings to various companies for installation of cellular towers, and ground leases. The terms range from 18 months to 40 years.

An initial lease receivable was recorded in the amount of \$3,755,038 for governmental activities and the governmental funds. As of June 30, 2022, the value of the lease receivables is \$3,419,716. The value of the deferred inflows of resources as of June 30, 2022 was \$3,373,972, and the City recognized lease revenue of \$430,208 during the fiscal year.

In the City's business-type activities and proprietary funds in 2021-22, an initial lease receivable was recorded in the amount of \$887,218. As of June 30, 2022, the value of the lease receivables is \$429,083. The value of the deferred inflows of resources as of June 30, 2022 was \$425,495, and the City recognized lease revenue of \$458,134 during the fiscal year.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

### NOTE 4: LEASES (CONTINUED)

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 346,076	\$ 46,466	\$ 392,542
2024	217,836	43,946	261,782
2025	219,470	41,502	260,972
2026	196,453	39,034	235,487
2027	157,352	36,644	193,996
2028 - 2032	703,425	154,068	857,493
2033 - 2037	508,048	106,283	614,331
2038 - 2042	354,099	75,974	430,073
2043 - 2047	194,579	51,602	246,181
2048 - 2052	167,930	37,596	205,526
2053 - 2057	182,863	22,663	205,526
2058 - 2062	171,585	6,538	178,123
	<u>\$ 3,419,716</u>	<u>\$ 662,315</u>	<u>\$ 4,082,031</u>

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 257,742	\$ 1,600	\$ 259,342
2024	39,771	1,091	40,862
2025	39,489	818	40,307
2026	40,798	536	41,334
2027	42,147	245	42,392
2028 - 2032	9,136	11	9,147
	<u>\$ 429,083</u>	<u>\$ 4,301</u>	<u>\$ 433,384</u>

### B. Leases Payable and Right of Use Lease Assets

The City leases a building for use of Orcutt Library, with a term 20 years as of the contract commencement date. An initial lease liability was recorded in the amount of \$669,221. As of June 30, 2022, the value of the lease liability is \$607,320. The City is required to make annual fixed payments ranging from \$66,262 to 75,349. The lease has an interest rate of 1.17% which is based on the City's incremental borrowing rate.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 4: LEASES (CONTINUED)**

Right-to-use leased assets include the following at June 30, 2022:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Building Lease	Right-of-Use Lease - Buildings	\$ 669,221	\$ 70,444
	Total	<u>\$ 669,221</u>	<u>\$ 70,444</u>

Future principal and interest requirements to maturity for each lease liability are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 66,538	\$ 6,756	\$ 73,294
2024	69,393	5,956	75,349
2025	70,210	5,140	75,350
2026	71,036	4,314	75,350
2027	71,871	3,478	75,349
2028-2031	258,272	5,450	263,722
Total	<u>\$ 607,320</u>	<u>\$ 31,094</u>	<u>\$ 638,414</u>

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**NOTE 5: CAPITAL ASSETS**

**A. Government-wide Financial Statements**

A summary of changes in capital assets activity for the City's governmental activities for the fiscal year-ended June 30, 2022, is as follows:

Governmental Activities:	Balance July 1, 2021	Restatement	Additions	Deletions	Balance June 30, 2022
Nondepreciable capital assets					
Land	\$ 23,936,340	\$ -	\$ -	\$ -	\$ 23,936,340
Construction in progress	2,974,616	281,214	4,235,526	(1,844,502)	5,646,854
Infrastructure - ROW	12,338,345	-	-	-	12,338,345
Total nondepreciable capital assets	39,249,301	281,214	4,235,526	(1,844,502)	41,921,539
Depreciable capital assets					
Building and improvements	151,289,008	480,627	785,056	-	152,554,691
Equipment	44,024,754	18,588,480	3,110,265	(1,295,127)	64,428,372
Infrastructure	182,532,060	-	2,018,362	-	184,550,422
Right-of-Use Leased Asset - building	-	-	669,221	-	669,221
Total depreciable capital assets	377,845,822	19,069,107	6,582,904	(1,295,127)	402,202,706
Less: Accumulated depreciation/amortization					
Building and improvements	(67,683,881)	(460,280)	(3,565,956)	-	(71,710,117)
Equipment	(22,684,395)	(10,312,636)	(5,099,110)	1,108,330	(36,987,811)
Infrastructure	(138,591,691)	-	(3,032,538)	-	(141,624,229)
Right-of-Use Leased Asset - building	-	-	(70,444)	-	(70,444)
Total accumulated depreciation	(228,959,967)	(10,772,916)	(11,768,048)	1,108,330	(250,392,601)
Net depreciable assets	148,885,855	8,296,191	(5,185,144)	(186,797)	151,810,105
Net capital assets	\$ 188,135,156	\$ 8,577,405	\$ (949,618)	\$ (2,031,299)	\$ 193,731,644

**Fund Financial Statements**

A summary of changes in capital assets activity, by type, for the City's governmental activities for the fiscal year-ended June 30, 2022, is as follows:

Net Capital Assets by Type:	Balance July 1, 2021	Restatement	Additions	Deletions	Balance June 30, 2022
Capital assets	\$ 111,773,295	\$ -	\$ 115,508	\$ (1,256,440)	\$ 110,632,363
Internal Service Fund assets	20,083,147	8,577,405	(50,950)	(774,859)	27,834,743
Infrastructure assets	56,278,714	-	(1,014,176)	-	55,264,538
Net capital assets by type	\$ 188,135,156	\$ 8,577,405	\$ (949,618)	\$ (2,031,299)	\$ 193,731,644

The fund financial statements do not present general government capital assets but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government wide Statement of Net Position.

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**NOTE 5: CAPITAL ASSETS (CONTINUED)**

**B. Business-Type Capital Assets**

A summary of changes in capital assets activity for the City's business-type activities for the fiscal year ended June 30, 2022, is as follows:

Business-Type Activities:	Balance July 1, 2021	Restatement	Additions	Deletions	Balance June 30, 2022
Nondepreciable capital assets					
Land	\$ 13,102,312	\$ -	\$ -	\$ -	\$ 13,102,312
Construction in progress	12,501,380	(281,214)	10,629,847	(9,437,319)	13,412,694
Total nondepreciable capital assets	<u>25,603,692</u>	<u>(281,214)</u>	<u>10,629,847</u>	<u>(9,437,319)</u>	<u>26,515,006</u>
Depreciable capital assets					
Building and improvements	164,499,414	(480,627)	8,403,396	-	172,422,183
Equipment	55,960,903	(18,588,480)	1,623,237	(193,998)	38,801,662
Total depreciable capital assets	<u>220,460,317</u>	<u>(19,069,107)</u>	<u>10,026,633</u>	<u>(193,998)</u>	<u>211,223,845</u>
Accumulated depreciation					
A/D Building and improvements	(87,361,273)	460,280	(3,641,397)	-	(90,542,390)
A/D Equipment	(35,146,354)	10,312,636	(2,005,406)	135,799	(26,703,325)
Total accumulated depreciation	<u>(122,507,627)</u>	<u>10,772,916</u>	<u>(5,646,803)</u>	<u>135,799</u>	<u>(117,245,715)</u>
Net depreciable assets	<u>97,952,690</u>	<u>(8,296,191)</u>	<u>4,379,830</u>	<u>(58,199)</u>	<u>93,978,130</u>
Net capital assets	<u>\$ 123,556,382</u>	<u>\$ (8,577,405)</u>	<u>\$ 15,009,677</u>	<u>\$ (9,495,518)</u>	<u>\$ 120,493,136</u>

A summary of changes in capital assets activity, by type, for the City's business-type activities for the fiscal year ended June 30, 2022, is as follows:

Net Capital Assets by Type:	Balance July 1, 2021	Restatement	Additions	Deletions	Balance June 30, 2022
Water and Wastewater assets	\$ 75,788,848	\$ -	\$ (708,548)	\$ (1,032,713)	\$ 74,047,587
Solid Waste assets	21,735,703	-	14,641,035	(7,463,781)	28,912,957
Transit assets	17,454,426	-	1,077,190	(999,024)	17,532,592
Internal Service Fund assets	8,577,405	(8,577,405)	-	-	-
Net capital assets by type	<u>\$ 123,556,382</u>	<u>\$ (8,577,405)</u>	<u>\$ 15,009,677</u>	<u>\$ (9,495,518)</u>	<u>\$ 120,493,136</u>

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 5: CAPITAL ASSETS (CONTINUED)**

***C. Depreciation Expense***

Depreciation expense of \$17,414,851 was charged to the following functions:

	Governmental Activities	Business-Type Activities	Total
General government	\$ 978,149	\$ -	\$ 978,149
Community development	5,268	-	5,268
Public safety	963,715	-	963,715
Recreation and parks	1,186,116	-	1,186,116
Public works	3,073,839	-	3,073,839
Library services	712,139	-	712,139
Internal Service Funds	4,848,822	-	4,848,822
Water and Wastewater	-	3,298,968	3,298,968
Solid Waste	-	1,022,386	1,022,386
Transit	-	1,325,449	1,325,449
Total	<u>\$ 11,768,048</u>	<u>\$ 5,646,803</u>	<u>\$ 17,414,851</u>

**NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

***A. Due To and From Other Funds***

The Due To and From Other Funds at June 30, 2022, are as follows:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ 244,269	\$ -
Community Development Capital Projects Fund	-	244,269
Total	<u>\$ 244,269</u>	<u>\$ 244,269</u>

The outstanding balances among funds results from cash advances to other funds to correct cash deficits at fiscal year-end. The cash deficits are largely the result of time lags between the dates that expenditures are incurred and cash payments are received, such as occurs in grant funds.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 6: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)**

***B. Advances Payable/Receivable***

On October 31, 2012, the Solid Waste Collection advanced the General Fund \$5,572,242 to prepay the CalPERS Side Fund for the Fire Safety Pension Plan. The loan term is ten years with annual payments of \$653,237 at an interest rate of 3%. The future minimum payment obligation is shown below:

Fiscal Year Ending	Amount
2023	\$ 653,237
Total	653,237
Less: amount representing in interest	19,027
Present value of net minimum payments	\$ 634,210

***C. Transfers In and Out***

The transfers in and out between funds are shown below:

Fund	Transfers In	Transfers Out
General Fund	\$ 5,061,389	\$ 15,169,218
General Capital Projects Fund	6,956,668	-
Capital Projects Fund	-	536,531
Nonmajor Governmental Funds	3,853,998	4,284,587
Water and Wastewater Fund	278,199	888,979
Solid Waste Fund	-	767,565
Transit Fund	-	139,548
Internal Services Funds	6,014,950	378,776
Total	\$ 22,165,204	\$ 22,165,204

Interfund transfers are used to (1) move revenues from funds required by statute or budget to collect, to the funds required by statute or budget to expend; (2) to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) to cover negative cash balances in the funds.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 7: DEFERRED OUTFLOWS OF RESOURCES

At June 30, 2022, deferred outflows of resources, reported in the Statement of Net Position, consisted of the following:

	Governmental Activities	Business-type Activities
Deferred charge on refunding	\$ -	\$ 5,296,847
Deferred OPEB	5,653,561	979,755
Deferred pension	26,720,966	2,937,589
Total	<u>\$ 32,374,527</u>	<u>\$ 9,214,191</u>

### NOTE 8: DEFERRED INFLOWS OF RESOURCES

At June 30, 2022, deferred inflows of resources, reported in the Statement of Net Position, consisted of the following:

	Governmental Activities	Business-type Activities
Deferred OPEB	\$ 6,157,643	\$ 1,120,693
Deferred pension	42,276,976	5,066,007
Lease related deferred inflow	3,373,972	425,495
Total	<u>\$ 51,808,591</u>	<u>\$ 6,612,195</u>

At June 30, 2022, deferred inflows of resources, reported in the Balance Sheet – Governmental Funds, consisted of the following:

#### Unavailable Deferred Revenue:

General Fund	\$ 201,602
Community Development Capital Project fund	6,583,099
Nonmajor Governmental Funds	306,828
Total	<u>\$ 7,091,529</u>

### NOTE 9: LONG-TERM LIABILITIES

#### A. Bonds Payable

On October 15, 1997, the City issued Certificates of Participation Bonds in the amount of \$38,355,942 for Water-funded Projects. Payments, ranging from \$1.0 million and \$5.0 million annually from February 2005 through August 2007, with interest rates averaging 5.9 percent. Early redemption periods are August 1, 2012 at 101 percent and August 1, 2013 at 100 percent. Accretion of \$5,178,368 was paid in 2022. These bonds were paid in full and \$0 is outstanding as of June 30, 2022.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

### NOTE 9: LONG-TERM LIABILITIES (CONTINUED)

The outstanding Certificates of Participation bonded debt of the City at June 30, 2022, is shown below:

<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Outstanding July 1, 2021</u>	<u>Redeemed Current Year</u>	<u>Outstanding June 30, 2022</u>
1997	\$ 38,355,942	\$ 1,055,862	\$ 1,055,862	\$ -

On June 19, 2012, the City issued \$50,119,493 of Water and Wastewater 2012 A/B Revenue Refunding Bonds (Bonds) with an interest rate ranging from three to five percent. The purpose of the Bonds was to refund prior Certificates of Participation Bonds (COP's) with interest rates ranging from 5.0 to 7.4 percent, with a par value of \$38,320,394, and maturing annually on August 1 between 2013 and 2022. The Bonds were issued at a premium of \$856,280 and, after paying issuance costs of \$212,663 and underwriter's discount of \$213,651, net proceeds were \$50,549,459. In 2021, these bonds were refunded by the 2021 A Revenue Refunding Bonds. \$487,143 in accretion and \$535,179 premium were defeased in 2022.

The outstanding Revenue Refunding bonded debt of the City at June 30, 2022, is shown below:

<u>Date of Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Amount of</u>		<u>Outstanding June 30, 2022</u>
			<u>Original Issue</u>	<u>Outstanding July 1, 2021</u>	
2012	3% - 5%	2036	\$50,119,493	\$39,926,393	\$ -

In November 2021, the City issued \$35,685,000 of Water and Wastewater 2021 A Revenue Refunding Bonds (Bonds) with an interest rate ranging from three to five percent. The purpose of the Bonds was to defease and refund the City of Santa Maria Water and Wastewater Revenue Refunding Bonds Series 2021 A, with a par value of \$39,926,393, and maturing annually on February 1 between 2012 and 2036. The 2021 Bonds were issued at a premium of \$6,982,794. Bond proceeds received were \$42,667,794 and issuance costs of \$230,300 and underwriter's discount of \$78,772, were paid. The current refunding met the requirements of an insubstance defeasance and the 2012 Bonds were removed from the City's financial statements. As a result of this refunding, the City reduced its current annual debt service requirement by approximately \$14.8 million through 2027 and resulted in an economic gain of \$11,540,160.

In accordance with the City's bond documents, in any event of default, the trustee may upon notice in writing to the City declare the principal of all of the 2021 bonds then outstanding, and the interest accrued on the 2021 bonds to be due and payable immediately.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

The outstanding Revenue Refunding bonded debt of the City at June 30, 2022, is shown below:

Date of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Issued October 1, 2021	Redeemed Current Year	Outstanding June 30, 2022
2021	3% - 5%	2036	\$ 35,685,000	\$ 35,685,000	\$ 320,000	\$35,365,000
					Bond Premium	6,979,607
					Total	<u>\$42,344,607</u>

The annual requirements to amortize the Revenue Refunding bonds payable is as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2023	\$ -	\$ 1,498,350	\$ 1,498,350
2024	2,125,000	1,498,350	3,623,350
2025	2,230,000	1,392,100	3,622,100
2026	2,345,000	1,280,600	3,625,600
2027	2,460,000	1,163,350	3,623,350
2028-2032	14,280,000	3,843,000	18,123,000
2033-2036	11,925,000	831,300	12,756,300
Total	<u>\$ 35,365,000</u>	<u>\$ 11,507,050</u>	<u>\$ 46,872,050</u>

***B. Compensated Absences***

City employees accumulate earned but unused vacation, sick and compensated time-off pay benefits, which can be converted to cash at termination of employment. Since no means exist to reasonably estimate the amounts that might be liquidated with current available financial resources, if any, they are reported as long-term debt on the Statement of Net Position. No expenditure is allocated to each function based on usage. The non-current portion of these vested benefits (payable in accordance with the various bargaining agreements) at June 30, 2022, total \$5,965,705 for governmental activities and \$962,669 for business type activities.

***C. Other Postemployment Benefits (OPEB)***

In accordance with GASB Statement No. 75, the City is required to measure and report the liabilities associated with other post-employment benefits (OPEB). The City's estimated OPEB liability for the fiscal year was determined to be \$22,539,553. See Note 13 for further detail.

***D. Claims Payable***

The City's estimated claims liability at June 30, 2022, is \$19,467,636. The City's liability is based on claim reserves established by the claims administrators and actuarial studies. The claims

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

liability includes an allowance for incurred, but not reported losses. See Note 14 for further detail.

***E. Accrued Closure and Postclosure Costs***

State and Federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste, and to perform certain maintenance and monitoring functions at the site for a minimum of 30 years after closure.

The City reported \$26.3 million in landfill closure and post-closure care liability at June 30, 2022 and is based on the percent of capacity used (77.8%) as of June 30, 2022. It is estimated that the total cost of all closure and post-closure costs to be \$30.2 million. The City will recognize the remaining estimated costs of \$730 thousand in closure and post-closure care as the remaining capacity is filled, which is expected to be by 2027. Inflation and changes in technology and/or regulations may result in higher or lower costs.

***F. Financed Purchase Agreements***

On March 22, 2013, the City entered into three financed purchase agreements with Suntrust Equipment Finance Corporation for the acquisition of vehicles and equipment for the Fleet Services Fund in the amount of \$4,905,000. The three financed purchases have terms of seven, ten, and twelve years with interest ranging from 2.14 and 2.68 percent. Payments are due semi-annually under the terms of the financed purchase agreement. The final payment on the seven-year term agreement occurred in fiscal year 2019-20.

On January 11, 2017, the City entered into a financed purchase agreement with Community Bank of Santa Maria for the acquisition of a Computer Aided Dispatch and Records Management System (CAD/RMS) in the amount of \$2,280,000. The agreement has a term of ten years with interest rate of 3.1 percent. Payments are due semi-annually under the terms of the agreement. At June 30, 2022, the outstanding balance is:

Fiscal Year June 30	Fleet 10-Year	Fleet 12-Year	CAD/RMS 10-Year	Total
2023	\$ 65,383	\$ 83,449	\$ 266,912	\$ 415,744
2024	-	83,449	266,912	350,361
2025	-	83,449	266,912	350,361
2026	-	-	266,912	266,912
2027	-	-	266,912	266,912
Total	65,383	250,347	1,334,560	1,650,290
Less: amount representing interest	1,187	11,332	107,060	119,579
Present value of net minimum payments	\$ 64,196	\$ 239,015	\$ 1,227,500	\$ 1,530,711

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**NOTE 9: LONG-TERM LIABILITIES (CONTINUED)**

**G. Net Pension Liability**

In accordance with GASB Statement No. 68, the City is required to measure and report the liabilities associated with pension liability. The City's estimated net pension liability at June 30, 2022 was \$96,612,950. See Note 11 and 12 for further detail.

**H. Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2022, is shown below:

Governmental Activities	Balance				Balance 6/30/2022	Due Within One Year	Due After One Year
	7/1/2021	Restatement	Additions	Deletions			
Compensated absences	\$ 6,122,771	\$ 26,202	\$ 4,236,780	\$ 4,420,048	\$ 5,965,705	\$ 4,324,803	\$ 1,640,902
OPEB liability	20,904,183	192,475	2,375,943	4,602,067	18,870,534	-	18,870,534
Claims payable	13,547,668	4,515,888	4,266,877	2,862,797	19,467,636	4,860,251	14,607,385
Financed purchases payable	1,671,835	220,690	-	361,814	1,530,711	372,390	1,158,321
Lease payable	-	669,221	-	61,901	607,320	66,538	540,782
Net pension liability	125,069,776	988,631	-	43,195,778	82,862,629	-	82,862,629
Total	<u>\$167,316,233</u>	<u>\$ 6,613,107</u>	<u>\$ 10,879,600</u>	<u>\$ 55,504,405</u>	<u>\$ 129,304,535</u>	<u>\$ 9,623,982</u>	<u>\$ 119,680,553</u>

Business-Type Activities	Balance				Balance 6/30/2022	Due Within One Year	Due After One Year
	7/1/2021	Restatement	Additions	Deletions			
Bonds payable (including premiums)	\$ 46,980,410	\$ -	\$ 42,870,328	\$ 47,506,131	\$ 42,344,607	\$ -	\$ 42,344,607
Compensated absences	968,572	(26,202)	604,440	584,141	962,669	596,759	365,910
OPEB liability	4,257,431	(192,475)	422,579	818,516	3,669,019	-	3,669,019
Claims payable	4,515,888	(4,515,888)	-	-	-	-	-
Accrued closure costs	25,615,212	-	730,194	-	26,345,406	-	26,345,406
Financed purchases payable	220,690	(220,690)	-	-	-	-	-
Net pension liability	21,354,735	(988,631)	-	6,615,783	13,750,321	-	13,750,321
Total	<u>\$103,912,938</u>	<u>\$ (5,943,886)</u>	<u>\$ 44,627,541</u>	<u>\$ 55,524,571</u>	<u>\$ 87,072,022</u>	<u>\$ 596,759</u>	<u>\$ 86,475,263</u>

The compensated absences and the net pension and OPEB liabilities for Governmental Funds will generally be liquidated through the General Fund. The balances in the Proprietary Funds will generally be liquidated through the individual enterprise funds.

**NOTE 10: INDIVIDUAL FUND INFORMATION**

**A. Excess of Expenditures over Appropriations**

There following individual funds reported expenditures in excess of budgeted appropriations at June 30, 2022.

Fund Name	Amount in Excess of Approved Budget
Library	\$ 600,615.00
Traffic Safety	31,027
Residential Development Tax	127,602
Federal and State Asset Forfeiture	3,997
Total	<u>\$ 763,241</u>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 10: INDIVIDUAL FUND INFORMATION (CONTINUED)

#### B. Deficit Fund Equity

There were no individual funds with a deficit fund balance at June 30, 2022.

#### C. Water and Wastewater Fund Commitments

The Water and Wastewater Fund has long-term commitments to purchase water from the State Water Project. The Fund has contracted for 16,200 acre-feet of water per year plus a “drought buffer” of 1,620 acre-feet per year at costs estimated between \$12 and \$20 million per year through 2035. The estimated State Water payments for each of the next five fiscal years, are summarized as follows:

Fiscal Year Ending June 30,	Amount
2023	\$ 24,317,752
2024	24,820,818
2025	25,469,357
2026	25,489,970
2027	25,980,290
Total	<u>\$ 126,078,187</u>

### NOTE 11: EMPLOYEES’ RETIREMENT PLANS AGENT - MULTIPLE EMPLOYER PLANS

#### A. Pension Plans; General Information about the Pension Plans

**Plan Descriptions:** All qualified permanent and probationary employees, excluding Safety (Police and Fire) which have separate cost-sharing employer plans, are eligible to participate in the Local Government’s Miscellaneous (all other) Plan, an agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS’ website.

**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

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

**NOTE 11: EMPLOYEES' RETIREMENT PLANS - AGENT - MULTIPLE EMPLOYER PLANS (CONTINUED)**

statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 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.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized on the following page:

	Miscellaneous Employee Plan		
	Tier I	Tier II	Tier III (PEPRA)
Hire date	Prior to January 1, 2011	On or after January 1, 2011*	On or after January 1, 2013
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.43% to 2.42%	1.0% to 2.5%
Retirement age	50-55	50-63	52-67
Required employee contribution rates	8.000%	7.000%	7.000%
Required employer normal cost rate	11.360%	11.360%	11.360%
Required employer payment of unfunded liability (all tiers)	\$6,475,155		

\*After January 1, 2013, second tier will only apply to employees transferring from another CalPERS agency.

Employees Covered - At June 30, 2022, the following employees were covered by the benefit terms for the Plan:

	Misc
Inactive employees or beneficiaries currently receiving benefits	436
Inactive employees entitled to but not yet receiving benefits	440
Active employees	393
Total	1,269

**Contributions:** Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 of Santa Maria is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 11: EMPLOYEES' RETIREMENT PLANS - AGENT - MULTIPLE EMPLOYER PLANS (CONTINUED)**

**B. Net Pension Liability**

The Local Government's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability follows.

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2020
Measurement date	June 30, 2021
Actuarial cost method	Entry Age Normal
Amortization method	For details, see June 30, 2017 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2018 Valuation Report.
Inflation	2.600%
Salary increases	Varies by entry age and service
Payroll growth	2.750%
Investment rate of return	7% Net of pension plan investment and administrative expense, includes inflation
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS' website.

**Change of Assumptions:** There were no changes in actuarial assumptions in December 2021. The CalPERS' Board of Administration adopted a new amortization policy effective with June 30, 2019 valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

**Discount Rate:** The discount rate used to measure the total pension liability was 7.15 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from all plan members will be made at current member contribution rates and

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 11: EMPLOYEES' RETIREMENT PLANS - AGENT - MULTIPLE EMPLOYER PLANS (CONTINUED)

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 benefits to determine total pension liability.

*Long Term Expected Rate of Return:* The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New	Real Return	Real Return
	Strategic Location	Years 1 - 10(a)	Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

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

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

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 11: EMPLOYEES' RETIREMENT PLANS - AGENT - MULTIPLE EMPLOYER PLANS (CONTINUED)**

***C. Changes in the Net Pension Liability***

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

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at July 1, 2020 Measurement Date	\$ 263,576,812	\$ 182,138,784	\$ 81,438,028
Changes during the year:			
Service cost	4,790,600	-	4,790,600
Interest on total pension liability	18,747,259	-	18,747,259
Differences between expected and actual experience	2,921,188	-	2,921,188
Contributions - employer	-	8,504,111	(8,504,111)
Contributions - employee (paid by employer)	-	534,125	(534,125)
Contributions - employee	-	1,671,898	(1,671,898)
Net investment income	-	41,321,234	(41,321,234)
Benefit payments, including refunds of employee contributions	(13,387,760)	(13,387,760)	-
Administrative expenses	-	(181,946)	181,946
Net change during 2020-21	13,071,287	38,461,662	(25,390,375)
Balance at June 30, 2021 Measurement Date (Reported at June 30, 2022)	\$ 276,648,099	\$ 220,600,446	\$ 56,047,653

***Sensitivity of the Net Pension Liability to Changes in the Discount Rate:*** The following presents the net pension liability of the City of Santa Maria for the Miscellaneous Plan, calculated using the discount rate for the Plan, as well as what the Local Government's 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 -1% (6.15%)	Current Rate (7.15%)	Discount +1% (8.15%)
Miscellaneous Plan			
Net Pension Liability (Asset)	\$ 93,713,945	\$ 56,047,653	\$ 25,064,610

***Pension Plan Fiduciary Net Position:*** Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

### NOTE 11: EMPLOYEES' RETIREMENT PLANS - AGENT - MULTIPLE EMPLOYER PLANS (CONTINUED)

#### *D. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions*

For the fiscal year ended June 30, 2022, the City of Santa Maria recognized pension expense of \$11,973,897. At June 30, 2022, the City of Santa Maria reported deferred outflows of resources and deferred inflows of resources related to the Miscellaneous Plan from the sources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Pension contributions subsequent to measurement date	\$ 9,299,532	\$ -
Differences between expected and actual experiences	2,674,365	-
Net difference between projected and actual earnings on pension plan investments	-	20,649,542
Total	<u>\$ 11,973,897</u>	<u>\$ 20,649,542</u>

\$9,299,532 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net position liability in the fiscal year ended June 30, 2023. Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30	
<u>                    </u>	
2023	\$ (3,920,974)
2024	(3,847,980)
2025	(4,522,274)
2026	(5,683,949)
2027	-
Thereafter	-

### NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS

#### *A. Pension Plans; General Information about the Pension Plans*

*Plan Descriptions:* All sworn permanent and probationary public safety employees are eligible to participate in the City of Santa Maria's separate Safety (police and fire) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Local Government resolution.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

### NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS (CONTINUED)

CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website.

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

The Plans' provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Police Safety Employee Plan		
	Tier I	Tier II	Tier III (PEPRA)
	Prior to	On or after	On or after
Hire date	January 1, 2011	January 1, 2011*	January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Retirement age	50	50-55	50-57
Required employee contribution rates	9.000%	9.000%	13.000%
Required employer normal cost rate	23.710%	20.640%	13.130%
Required employer payment of unfunded liability	\$ 3,311,501	\$ 6,460	\$ 29,998

	Fire Safety Employee Plan		
	Tier I	Tier II	Tier III (PEPRA)
	Prior to	On or after	On or after
Hire date	January 1, 2011	January 1, 2011*	January 1, 2013
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Monthly benefits, as a % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Retirement age	50	50-55	50-57
Required employee contribution rates	9.000%	9.000%	13.750%
Required employer normal cost rate	25.590%	22.470%	13.980%
Required employer payment of unfunded liability	\$ 1,480,867	\$ 7,536	\$ 9,600

**Contributions:** Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees be determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in the rate. Funding

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

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### NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS (CONTINUED)

contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. 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 of Santa Maria is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Contributions to the safety pension plans from the City during the 2021-22 fiscal year were \$8,551,807.

#### *B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions*

The City of Santa Maria's pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City of Santa Maria's proportion of the net pension liability was based on a projection of the City of Santa Maria's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. At June 30, 2022, the City's proportion of the safety plan was 1.1559%, an increase of 0.1805% from the prior fiscal year. The City of Santa Maria's proportionate share of the net pension liability for each Plan as of the June 30, 2021 and 2022 year-end dates (June 30, 2020 and June 30, 2021 measurement dates) was as follows:

	Police Safety	Fire Safety	Total
Proportionate Share - June 30, 2020 Measurement Date	0.6731%	0.3024%	0.9754%
Proportionate Share - June 30, 2021 Measurement Date	0.7976%	0.3583%	1.1559%
Increase (Decrease) in Proportion	0.1245%	0.0559%	0.1805%

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

### NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS (CONTINUED)

For the fiscal year ended June 30, 2022, the City of Santa Maria recognized pension expense of \$8,063,198 for the Safety Plans for Police and Fire. At June 30, 2022, the City of Santa Maria reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Pension contributions subsequent to measurement date	\$ 8,551,807	\$ -
Differences between expected and actual experiences	6,930,571	-
Net difference between projected and actual earnings on pension plan investments	-	24,144,238
Change in employer's proportion	2,202,280	-
Differences in actual contributions and proportionate share of contributions	-	2,549,203
Total	<u>\$ 17,684,658</u>	<u>\$ 26,693,441</u>

\$8,551,807 reported 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 fiscal year ended June 30, 2023.

Amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
<u>                    </u>	<u>                    </u>
2023	\$ (2,511,545)
2024	(3,423,274)
2025	(4,981,613)
2026	(6,644,158)

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2020 actuarial valuations

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS  
(CONTINUED)**

were determined using the actuarial assumptions below:

	Safety - Police	Safety - Fire
Valuation date	June 30, 2020	June 30, 2020
Measurement date	June 30, 2021	June 30, 2021
Actuarial assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected salary increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Mortality	Derived using CalPERS' Membership data for all funds (1)	Derived using CalPERS' Membership data for all funds (1)
Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using 90% of Scale MP 2016 published by the Society of Actuaries.

***Change of Assumptions:*** There were no changes in actuarial assumptions in December 2021. The CalPERS' Board of Administration adopted a new amortization policy effective with June 30, 2019 valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed as a level dollar amount. In addition, the new policy does not utilize a five-year ramp-up and ramp-down on UAL bases attributable to assumption and method changes and non-investment gains/losses. The new policy also does not utilize a five-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019.

***Discount Rate:*** The discount rate used to measure the total pension liability was 7.15 percent for the Plan. The projection of cash flows used to determine the discount rate assumed that contributions from all plan members will be made at current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2022

### NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS (CONTINUED)

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 benefits to determine total pension liability.

**Long Term Expected Rate of Return:** The following table reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Location	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100.0%</u>		

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

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

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:** The following presents the City of Santa Maria's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the City of Santa Maria's proportionate share of 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 -1% (6.15%)	Current Rate (7.15%)	Discount +1% (8.15%)
Net Pension Liability (Asset)	\$ 73,002,655	\$ 40,565,297	\$ 13,922,014

**Pension Plan Fiduciary Net Position:** Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 12: EMPLOYEES' RETIREMENT PLANS - COST-SHARING EMPLOYER PLANS  
(CONTINUED)**

***C. Defined Contribution Pension Plan***

All 19-hour limited-service employees and employees not covered by CalPERS are covered by the Public Agency Retirement System (PARS), pursuant to the requirements of 3121(b)(7)(F) of the Internal Service code. The plan is administered by the government and the Plan provisions may only be amended by City Council action. The authority for establishing or amending contribution requirements is from the Internal Revenue Code Section 3121(b)(7)(F).

Contributions of 7.5 percent of covered compensation are made by employees. Contributions of \$87,843 were made during the 2021-22 fiscal year. The total amount of covered compensation was \$874,813. All eligible employees covered by the Plan are fully vested and may withdraw 100 percent of the value of employee's account upon separation from the City or reaching the age of 70 1/2. City liabilities are limited to the amount of current contributions.

The account summary reports the additions and distributions during fiscal year 2021-22, as follows:

Beginning balance - July 1, 2021		\$ 494,319
Plus:		
Contributions	\$ 87,843	
Year-to-date earnings	<u>(17,182)</u>	
Subtotal		70,661
Less:		
Distributions	90,062	
Year-to-date expenses	<u>11,127</u>	
Subtotal		<u>(101,189)</u>
Ending balance - June 30, 2022		<u><u>\$ 463,791</u></u>

**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS**

***A. General Information about Other Post Employment Benefit (OPEB) Plans***

***Plan Description:*** The City provides post-retirement health benefits, in accordance with State statutes, to all employees retiring from the City and enrolled in an insurance program under the California Public Employees' Medical and Hospital Care Act (PEMHCA). The CalPERS' PEMHCA Plan is a defined contribution, cost sharing multiple-employer defined benefit healthcare plan providing benefits to active and retired employees. The healthcare plan is administered by the California Public Employees Retirement Agency. Copies of the CalPERS' annual financial report may be obtained from the Executive Office, 400 Q Street, Sacramento, California 95811.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Funding Policy:** PEMHCA determines the amount contributed by the City toward retiree health insurance. The City was required to contribute \$143 per month during calendar year 2021 and \$149 per month during calendar year 2022 towards the cost of the retiree health insurance, which is the same amount contributed toward active employee health insurance. The contribution amount is calculated by using the annual consumer price index increase. During fiscal year 2021-22, expenditures of \$274,270 were recognized for post-retirement health insurance contributions on a pay-as-you-go basis.

**Employees Covered:** As of June 30, 2021, the measurement date, the following numbers of participants were covered by the benefit terms:

Active employees	564
Inactive employees currently receiving benefits	152
Inactive employees entitled to but not yet receiving benefits	247
Total	963

**Contributions:** The City currently finances benefits on a pay-as-you-go basis.

***B. OPEB Liability***

The City's Net OPEB Liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of June 30, 2021.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
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**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

**Actuarial Assumptions:** The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial valuation date:	June 30, 2021
Contribution policy:	No pre-funding
Discount rate:	2.16% at June 30, 2021 (Bond Buyer 20-bond Index), 2.21% at June 30, 2020 (Bond Buyer 20-bond Index)
General inflation:	2.50% annually
Mortality, Retirement, Disability, Termination:	CalPERS 2000-2019 Experience Study
Mortality improvement:	Mortality projected fully generational with Scale MP-2021
Salary increases:	2.75% plus merit component, Merit - tables from CalPERS 2000-2019 Experience Study
Medical trend:	Non-Medicare: 6.50% for 2023, decreasing to an ultimate range of 3.75% in 2076 and later years Medicare (Non-Kaiser): 5.65% for 2023, decreasing to an ultimate range of 3.75% in 2076 and later years Medicare (Kaiser): 4.60% for 2023, decreasing to an ultimate range of 3.75% in 2076 and later years
PEMHCA minimum increase:	4.00% annually
Participation at retirement:	Active employees: 40%; Retirees: 100% if covered
Spouse coverage:	Active employees: 50% of participating actives will cover spouse; Retirees: based on current coverage

**Discount Rate:** The discount rate used to measure the total OPEB liability was 2.16%. This discount rate is the mid-point, rounded to five basis points, of the range of 3-20 year municipal bond rate indices; S&P Municipal Bond 20 Year High Grade Rate Index, Bond Buyer 20-Bond GO Index, and Fidelity GO AA 20 Year Bond Index.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

***C. Changes in OPEB Liability***

The changes in the total OPEB liability for the plan are on the following page:

	<u>Total OPEB Liability</u>
Balance at 6/30/21 (Measurement Date June 30, 2020)	<u>\$ 25,161,610</u>
Changes recognized for the measurement period:	
Service Cost	1,382,361
Interest	580,043
Actual vs. expected experience	836,118
Changes of assumptions	(4,825,205)
Benefit payments*	<u>(595,374)</u>
Net Changes	<u>(2,622,057)</u>
Balance at June 30, 2022 (Measurement Date June 30, 2021)	<u><u>\$ 22,539,553</u></u>

\*Includes \$274,270 cash benefit payments and \$380,460 implied subsidy benefit payments by the City.

***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 (1.16 percent) or 1 percentage-point higher (3.16 percent) than the current discount rate:

	<u>1% Decrease (1.16%)</u>	<u>Current Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB Liability	\$ 26,626,794	\$ 22,539,553	\$ 19,304,367

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
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**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

*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 (5.50 percent decreasing to 2.75 percent for Non-Medicare plans and 4.65 percent decreasing to 2.75 percent for Medicare [Non Kaiser] plans and 3.60 percent decreasing to 2.75 percent for Medicare [Kaiser] plans or 1 percentage-point higher (7.50 percent decreasing to 4.75 percent for Non-Medicare plans and 6.65 percent decreasing to 4.75 percent for Medicare [Non Kaiser] plans) and 5.60 percent decreasing to 4.75 percent for Medicare [Kaiser] plans) than the current healthcare cost trend rates:

	1% Decrease (Non-Medicare 5.50% decreasing to 2.75%; Medicare (Non Kaiser) 4.65% decreasing to 2.75%); Medicare(Kaiser) 3.60% decreasing to 2.75%)	Current Rate (Non-Medicare 6.50% decreasing to 3.75%; Medicare (Non Kaiser) 5.65% decreasing to 3.75%); Medicare(Kaiser) 4.60% decreasing to 3.75%)	1% Increase (Non-Medicare 7.50% decreasing to 4.75%; Medicare (Non Kaiser) 6.65% decreasing to 4.75%); Medicare(Kaiser) 5.60% decreasing to 4.75%)
Total OPEB Liability	\$ 18,859,612	\$ 22,539,553	\$ 27,360,027

**D. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2022, the City recognized OPEB expense of \$1,747,411. As of the fiscal year ended June 30, 2022, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date*	\$ 658,559	\$ -
Change in assumptions	5,221,423	5,930,085
Differences between expected and actual experience	753,334	1,348,251
	<u>\$ 6,633,316</u>	<u>\$ 7,278,336</u>

\*Contributions of \$274,270 cash benefit payments, \$3,829 administrative costs and \$380,460 implied subsidy benefit payments by the City.

The gains and losses are amortized over the expected average remaining service life. The expected average remaining service life is 10.2 years.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
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**NOTE 13: POST EMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)**

\$658,559 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

Amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Fiscal Year Ending	Amount
June 30	
2023	\$ (218,464)
2024	(218,464)
2025	(218,464)
2026	(218,464)
2027	(173,075)
Thereafter	(256,648)
	<u>\$ (1,303,579)</u>

**NOTE 14: RISK MANAGEMENT**

The City is partially self-insured for workers' compensation and liability claims and fully self-insured for unemployment claims. The City has been partially self-insured for workers' compensation since July 1, 1978.

The City and the Santa Maria Public Finance Authority property are covered for all risks, per occurrence of \$1,000,000,000 through the California Public Entity Property Program. Various unique risks, (i.e., boilers, machinery, and data processing equipment) are fully insured. The City contracts for liability insurance with Exclusive Risk Management Authority of California providing excess liability insurance of \$50 million per claim in excess of the City's self-insured retention of \$250,000.

The City maintains a \$500,000 self-insured retention (SIR) for workers' compensation claims. The Local Agency Workers' Compensation Excess (LAWCX) Joint Powers Insurance Authority provides insurance in excess of the City's SIR, and \$2 million in employer liability. The City's Insurance Fund is financed through contributions made by the City's General and Proprietary funds.

Third party administration provides data on estimated claim liabilities (paid and reserves). As of June 30, 2022, the estimated outstanding liability was \$16,274,000 for workers' compensation and \$3,193,636 for general liability. Such amounts have been accrued in the accompanying combined financial statements' Internal Service Insurance Fund. At June 30, 2022, the estimated liability for claims payable is \$19,467,636. The City's liability for claims payable is based on claims reserves established by the claims administrators and actuarial studies. The claims liability includes an allowance for incurred, but not reported losses.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 14: RISK MANAGEMENT**

Insurance Claims Payable

	2020-21	2021-22		
		General Liability	Workers Comp	Total
Claims payable at July 1	\$ 15,506,203	\$ 3,108,556	\$ 14,955,000	\$ 18,063,556
Claims incurred during the fiscal year	4,562,260	942,022	3,324,855	4,266,877
Payments on claims during the fiscal year	2,004,907	856,942	2,005,855	2,862,797
Claims and judgements payable at June 30,	<u>\$ 18,063,556</u>	<u>\$ 3,193,636</u>	<u>\$ 16,274,000</u>	<u>\$ 19,467,636</u>

**NOTE 15: STABILIZATION RESERVE**

The General Fund established an Economic Stabilization (Prudent Reserve) account for use in economic emergencies. The City Council adopted a resolution committing \$19,800,000 for this purpose. Appropriations from these reserves can only be made by formal City Council action in emergency situations. Examples of such emergencies include, but are not limited to:

- An unplanned, major event such as a catastrophic disaster requiring expenditures over five percent of the General Fund adopted budget.
- Budgeted revenue taken over by another entity.
- Drop in projected/actual revenue of than five percent of the General Fund adopted revenue budget.

**NOTE 16: PRIOR PERIOD ADJUSTMENTS**

There were three prior period adjustments made in the 2021-22 fiscal year:

1. The City recorded a prior period adjustment of (\$18,182,674) which represents adjustment for the unearned revenue related to the ARPA grant, which was misclassified as unavailable revenue in 2020-2021 and recognized as revenue under governmental activities.
2. A prior period adjustment was recorded to adjust the beginning net position of the transit fund for prior year revenues that were misclassified as unearned revenues in the prior reporting period.
3. The City recorded a prior period adjustment to properly present assets and liabilities related to the City's internal service funds under the governmental activities, in accordance with GASB 34, Basic financial statements for state and local governments. In previous years, the assets and liabilities were allocated to both the governmental and business-type activities. A restatement is reported to remove the net assets from the business-type activities of (\$16,769,005) and reflect them as part of the governmental activities \$16,769,005.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2022**

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**NOTE 16: PRIOR PERIOD ADJUSTMENTS (CONTINUED)**

The impact of the prior period adjustments on the Statement of Activities is shown below:

	Governmental Activities	Business-Type Activities	Total
Net Position at Beginning of Fiscal Year, as reported	\$ 237,926,734	\$ 247,253,937	\$ 485,180,671
Unearned revenue reported as revenue on government-wide statements	(18,182,674)	-	(18,182,674)
Adjustment to correct transit revenues previously not included	-	863,264	863,264
Reallocation of Internal Service fund Net Assets	16,769,005	(16,769,005)	-
Total adjustments	(1,413,669)	(15,905,741)	(17,319,410)
Net Position at Beginning of Fiscal Year, as restated	<u>\$ 236,513,065</u>	<u>\$ 231,348,196</u>	<u>\$ 467,861,261</u>

**NOTE 17: SUBSEQUENT EVENTS**

There were no subsequent events noted for the fiscal year ended June 30, 2022.

# City of Santa Maria

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTE 1: BUDGETARY INFORMATION

The following are budget comparison schedules for the General Fund:

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 52,704,264	\$ 52,704,264	\$ 52,704,264	\$ -
<b>Resources (Inflows):</b>				
Taxes	79,547,894	68,553,854	90,821,824	22,267,970
Licenses and permits	2,203,050	2,222,720	4,581,495	2,358,775
Intergovernmental	2,159,614	2,956,448	12,109,208	9,152,760
Charges for services	4,610,234	3,878,064	6,986,361	3,108,297
Use of money and property	1,725,653	2,419,428	(4,999,780)	(7,419,208)
Miscellaneous	248,733	940,345	670,269	(270,076)
Transfers in	6,082,263	9,990,822	5,061,389	(4,929,433)
<b>Amounts Available for Appropriation</b>	<b>149,281,705</b>	<b>143,665,945</b>	<b>167,935,030</b>	<b>24,269,085</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	13,390,901	12,464,195	12,108,309	355,886
Public safety	59,959,090	57,425,158	56,338,959	1,086,199
Community development	4,713,346	4,660,166	3,973,710	686,456
Parks and recreation	12,177,646	10,900,930	11,561,771	(660,841)
Public works	3,644,505	3,416,893	3,284,273	132,620
Library	742,213	708,034	614,649	93,385
Capital outlay	1,474,838	1,151,614	368,561	783,053
Transfers out	2,751,937	3,050,967	15,169,218	(12,118,251)
<b>Total Charges to Appropriations</b>	<b>98,854,476</b>	<b>93,777,957</b>	<b>103,419,450</b>	<b>(9,641,493)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 50,427,229</b>	<b>\$ 49,887,988</b>	<b>\$ 64,515,580</b>	<b>\$ 14,627,592</b>

The following are budget comparison schedules for the Grant (non-recurring) Fund:

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 741,967	\$ 741,967	\$ 741,967	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	-	140,000	13,658,526	13,518,526
Use of money and property	-	-	(195,762)	(195,762)
Other revenues	-	-	218,460	218,460
<b>Amounts Available for Appropriation</b>	<b>741,967</b>	<b>881,967</b>	<b>14,423,191</b>	<b>13,541,224</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	880,369	13,469,403	(12,589,034)
Community development	-	538,066	97,056	441,010
Capital outlay	-	-	668,566	(668,566)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>1,418,435</b>	<b>14,235,025</b>	<b>(12,816,590)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 741,967</b>	<b>\$ (536,468)</b>	<b>\$ 188,166</b>	<b>\$ 724,634</b>

See Notes to Required Supplementary Information

# City of Santa Maria

## REQUIRED SUPPLEMENTARY INFORMATION

### NOTE 1: BUDGETARY INFORMATION (CONTINUED)

The following are budget comparison schedules for the Growth Mitigation Fund:

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 42,408,822	\$ 42,408,822	\$ 42,408,822	\$ -
<b>Resources (Inflows):</b>				
Charges for services	4,238,000	4,759,000	1,836,692	(2,922,308)
Use of money and property	495,351	580,161	(1,648,389)	(2,228,550)
<b>Amounts Available for Appropriation</b>	<b>47,142,173</b>	<b>47,747,983</b>	<b>42,597,125</b>	<b>(5,150,858)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	3,172,000	3,602,243	407,205	3,195,038
<b>Total Charges to Appropriations</b>	<b>3,172,000</b>	<b>3,602,243</b>	<b>407,205</b>	<b>3,195,038</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 43,970,173</b>	<b>\$ 44,145,740</b>	<b>\$ 42,189,920</b>	<b>\$ (1,955,820)</b>

### NOTE 2: MODIFICATION TO ADOPTED BUDGET (NOTE TO REQUIRED SUPPLEMENTARY INFORMATION)

The City Council is responsible for the adoption of the City's two fiscal year budget. As of the effective date of the budget, the proposed expenditure amounts reported in the City's two fiscal year budget, become appropriations to City departments. The City Council has the authority to amend the budget by motion during the two-year period, while the City Manager is authorized to transfer the budgeted funds among departments or functions within the same fund without seeking approval by the City Council. However, any revisions altering the total fund balance must be approved by the City Council.

Remaining appropriations at the end of the first fiscal year of the two fiscal year budget are eligible to be carried forward to the second fiscal year. At the end of the second fiscal year, all appropriations lapse unless encumbered. Because lease contracts are subject to annual review by the City Council, these contracts are legally one year contracts with an option for renewal for another fiscal year.

The City's originally adopted budget and the budget amended for supplemental appropriations during the course of the fiscal year are reported in the Required Supplementary Information. Budget amounts reported for governmental funds of the City are adopted on a basis consistent with U.S. GAAP.

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## City of Santa Maria

### REQUIRED SUPPLEMENTARY INFORMATION

#### SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

The following table provides required supplementary information regarding the City's post-employment healthcare benefits.

	2018	2019	2020	2021	2022
<b>Total OPEB Liability</b>					
Service cost	\$ 1,160,502	\$ 987,657	\$ 944,611	\$ 933,201	\$ 1,382,361
Interest on the total OPEB liability	560,748	663,060	726,935	691,881	580,043
Actual and expected experience difference	-	-	(1,934,445)	-	836,118
Changes in assumptions	(2,224,149)	(833,410)	1,794,839	4,975,659	(4,825,205)
Benefit payments*	(458,422)	(498,453)	(524,790)	(547,933)	(595,374)
<b>Net change in total OPEB liability</b>	<b>(961,321)</b>	<b>318,854</b>	<b>1,007,150</b>	<b>6,052,808</b>	<b>(2,622,057)</b>
<b>Total OPEB liability - beginning</b>	<b>18,744,119</b>	<b>17,782,798</b>	<b>18,101,652</b>	<b>19,108,802</b>	<b>25,161,610</b>
<b>Total OPEB liability - ending (a)</b>	<b>17,782,798</b>	<b>18,101,652</b>	<b>19,108,802</b>	<b>25,161,610</b>	<b>22,539,553</b>
<b>Total OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 17,782,798</b>	<b>\$ 18,101,652</b>	<b>\$ 19,108,802</b>	<b>\$ 25,161,610</b>	<b>\$ 22,539,553</b>
<b>Covered payroll**</b>	<b>\$ 42,387,055</b>	<b>\$ 43,477,642</b>	<b>\$ 44,128,597</b>	<b>\$ 50,399,232</b>	<b>\$ 51,876,790</b>
<b>Total OPEB liability as a percentage of covered payroll</b>	<b>42.0%</b>	<b>41.6%</b>	<b>43.3%</b>	<b>49.9%</b>	<b>43.4%</b>

\*For the 12 month period ending on June 30, 2021 (Measurement Date).

\*\* For the 12 month period ending on the Measurement Date (June 30, 2021 for fiscal year 2021/22).

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

#### Notes to Schedule:

Changes of Assumptions: Discount Rate was updated based on municipal bond rate as of the measurement date, and ACA Excise Tax was removed.

#### SCHEDULE OF OPEB CONTRIBUTIONS

The City's contribution for fiscal years ended 2018, 2019, 2020, 2021 and 2022 were \$458,422, \$498,453, \$524,790, \$547,993, and \$595,374, respectively. The City did not have an actuary calculate the Actuarially Determined Contribution for the fiscal year ended June 30, 2020, therefore, the City does not need to comply with GASB 75's Required Supplementary Information requirements.

# City of Santa Maria

## REQUIRED SUPPLEMENTARY INFORMATION

### AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

The beginning and ending balances of the total pension liability, the plan assets available for pension benefits (called plan net position), and the net pension liability, as well as the change in those amounts during the fiscal year presented by cause (similar to the note disclosure).

The total pension liability, plan net position, net pension liability, a ratio of plan net position divided by the total pension liability, the payroll amount for current employees in the plan (covered-employee payroll), and a ratio of the net pension liability divided by covered-employee payroll.

	2015	2016	2017	2018
<b>Total Pension Liability</b>				
Service Cost	\$ 3,946,039	\$ 3,770,300	\$ 4,062,704	\$ 4,585,208
Interest on total pension liability	13,473,063	14,158,423	15,031,513	15,599,879
Differences between expected and actual experience	-	(407,728)	1,869,084	(1,818,008)
Changes in assumptions	-	(3,584,466)	-	13,392,377
Benefit payments, including refunds of employee contributions	(7,565,922)	(8,238,987)	(8,823,127)	(9,657,026)
<b>Net change in total pension liability</b>	<b>9,853,180</b>	<b>5,697,542</b>	<b>12,140,174</b>	<b>22,102,430</b>
<b>Total pension liability - beginning</b>	<b>181,450,779</b>	<b>191,303,959</b>	<b>197,001,501</b>	<b>209,141,675</b>
<b>Total pension liability - ending (a)</b>	<b>191,303,959</b>	<b>197,001,501</b>	<b>209,141,675</b>	<b>231,244,105</b>
<b>Plan fiduciary net position</b>				
Contributions - employer	\$ 3,897,607	\$ 4,379,642	\$ 4,899,014	\$ 5,445,133
Contributions - employee (employer paid)	1,349,744	1,345,103	1,067,829	1,789,693
Contributions - employee	238,574	444,056	685,938	-
Net investment income	21,907,641	3,244,614	758,955	16,234,603
Plan to plan resource movement	-	790	790	(3,561)
Administration expense	-	(165,840)	(89,815)	(215,369)
Benefit payments	(7,565,922)	(8,238,987)	(8,823,127)	(9,657,026)
Other miscellaneous income (expense)	-	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>19,827,644</b>	<b>1,009,378</b>	<b>(1,500,416)</b>	<b>13,593,473</b>
<b>Plan fiduciary net position - beginning</b>	<b>126,534,788</b>	<b>146,362,432</b>	<b>147,371,810</b>	<b>145,871,394</b>
<b>Plan fiduciary net position - ending (b)</b>	<b>146,362,432</b>	<b>147,371,810</b>	<b>145,871,394</b>	<b>159,464,867</b>
<b>Net pension liability - ending (a)-(b)</b>	<b>\$ 44,941,527</b>	<b>\$ 49,629,691</b>	<b>\$ 63,270,281</b>	<b>\$ 71,779,238</b>
Plan fiduciary net position as a percentage of the total pension liability	76.51%	74.81%	69.75%	68.96%
Covered payroll	\$ 21,285,071	\$ 21,526,125	\$ 23,454,015	\$ 24,165,742
Net pension liability as a percentage of covered payroll	211.14%	230.56%	269.76%	297.03%

#### Notes to Schedule:

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2018 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of Assumptions:** There were no changes in assumptions in 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. Deferred inflows of resources for changes of assumptions presented in pension schedules represent the unamortized portion of the changes of assumptions related to prior measurement periods.

(1) Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

	2019	2020	2021	2022
\$	4,624,221	\$ 4,364,733	\$ 4,374,903	\$ 4,790,600
	16,294,595	17,151,530	17,867,688	18,747,259
	522,753	2,512,379	872,838	2,921,188
	(868,158)	-	-	-
	(10,628,779)	(12,003,883)	(12,752,113)	(13,387,760)
	<b>9,944,632</b>	<b>12,024,759</b>	<b>10,363,316</b>	<b>13,071,287</b>
	<b>231,244,105</b>	<b>241,188,737</b>	<b>253,213,496</b>	<b>263,576,812</b>
	<b>241,188,737</b>	<b>253,213,496</b>	<b>263,576,812</b>	<b>276,648,099</b>

\$	5,719,302	\$ 6,409,883	\$ 7,601,366	\$ 8,504,111
	1,268,350	970,556	596,021	534,125
	736,785	859,182	1,498,700	1,671,898
	13,541,048	11,178,298	8,771,343	41,321,234
	(2,222)	-	-	-
	(248,490)	(120,872)	(249,065)	(181,946)
	(10,628,779)	(12,003,883)	(12,752,113)	(13,387,760)
	(471,887)	394	-	-
	<b>9,914,107</b>	<b>7,293,558</b>	<b>5,466,252</b>	<b>38,461,662</b>
	<b>159,464,867</b>	<b>169,378,974</b>	<b>176,672,532</b>	<b>182,138,784</b>
	<b>169,378,974</b>	<b>176,672,532</b>	<b>182,138,784</b>	<b>220,600,446</b>

\$	<b>71,809,763</b>	\$ <b>76,540,964</b>	\$ <b>81,438,028</b>	\$ <b>56,047,653</b>
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	70.23%	69.77%	69.10%	79.74%
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\$	24,698,076	\$ 23,298,456	\$ 25,794,125	\$ 26,814,030
	290.75%	328.52%	315.72%	209.02%

*City of Santa Maria*

**REQUIRED SUPPLEMENTARY INFORMATION**

AGENT MULTIPLE-EMPLOYER MISCELLANEOUS PLAN  
 SCHEDULE OF PLAN CONTRIBUTIONS  
 AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

If an agent employer’s contributions to the plan are actuarially determined or based on statutory or contractual requirements: the agent employer’s actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer’s actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

	2015	2016	2017	2018
<b>MISCELLANEOUS PLAN:</b>				
Actuarially Determined Contribution	\$ 4,379,642	\$ 4,899,014	\$ 5,445,133	\$ 5,719,302
Contribution in Relation to the Actuarially Determined Contributions	(4,379,642)	(4,899,014)	(5,445,133)	(5,719,302)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 21,526,125	\$ 23,454,015	\$ 24,165,742	\$ 24,698,076
Contributions as a Percentage of Covered Payroll	20.35%	20.89%	22.53%	23.16%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

**Note to Schedule:**

Valuation Date:	6/30/2020
Methods and Assumptions used to determine rates:	
Actuarial Cost Method	Entry age normal
Amortization method	For details, see June 30, 2017 Funding Valuation Report.
Remaining amortization period	For details, see June 30, 2017 Funding Valuation Report.
Assets valuation method	Fair value of assets. For details, see June 30, 2018 Valuation Report.
Inflation	2.600%
Payroll growth	Varies by entry age and service
Investment rate of return	7% Net of pension plan investment and administrative expense, includes inflation.□
Retirement age	The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.□
Mortality	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.□

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<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 6,409,883	\$ 7,601,366	\$ 8,503,435	\$ 9,299,532
(6,409,883)	(7,601,366)	(8,503,435)	(9,299,532)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,298,456	\$ 25,794,125	\$ 26,814,030	\$ 28,144,564
27.51%	29.47%	31.71%	33.04%

## City of Santa Maria

### REQUIRED SUPPLEMENTARY INFORMATION

#### COST SHARING- SAFETY PLAN

#### SCHEDULE OF PLAN' S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

#### AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

	2015		2016		2017		2018
Percentage of proportion of the net pension liability	0.5300%		0.5200%		0.5403%		0.5435%
Proportionate share of the net pension liability	\$ 31,938,565	\$	35,674,690	\$	46,750,339	\$	53,895,584
Covered payroll	\$ 14,092,568	\$	14,570,632	\$	15,920,697	\$	16,907,241
Proportionate share to the net pension liability as a percentage of covered payroll	226.63%		244.84%		293.65%		318.77%
<b>Plan's total pension liability</b>	<b>\$ 30,829,966,631</b>	<b>\$</b>	<b>31,771,217,402</b>	<b>\$</b>	<b>33,358,627,624</b>	<b>\$</b>	<b>37,161,348,332</b>
<b>Plan's fiduciary net position</b>	<b>\$ 24,607,502,515</b>	<b>\$</b>	<b>24,907,305,871</b>	<b>\$</b>	<b>24,705,532,291</b>	<b>\$</b>	<b>27,244,095,376</b>
Plan fiduciary net position as a percentage of the total pension liability	79.82%		78.40%		74.06%		73.31%

#### Notes to Schedule:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2020 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: There were no changes in assumptions in 2021. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. Deferred inflows of resources for changes of assumptions presented in pension schedules represent the unamortized portion of the changes of assumptions related to prior measurement periods.

(1) Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

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2019	2020	2021	2022
0.5670%	0.5781%	0.597%	0.7501%
\$ 54,641,276	\$ 59,239,097	\$ 64,986,483	\$ 40,565,297
\$ 17,159,798	\$ 18,193,183	\$ 21,151,184	\$ 21,779,111
318.43%	325.61%	307.25%	186.26%
\$ 38,944,855,364	\$ 41,426,453,489	\$ 43,702,930,887	\$ 46,174,942,264
\$ 29,308,589,559	\$ 31,179,414,067	\$ 32,822,501,335	\$ 40,766,653,876
75.26%	75.26%	75.10%	88.29%

*City of Santa Maria*

**REQUIRED SUPPLEMENTARY INFORMATION**

**COST SHARING- SAFETY PLAN**

**SCHEDULE OF PLAN CONTRIBUTIONS**

**AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)**

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

	2015	2016	2017	2018
<b>SAFETY PLAN:</b>				
Actuarially Determined Contribution	\$ 4,800,522	\$ 5,137,401	\$ 5,440,257	\$ 5,264,629
Contribution in Relation to the Actuarially Determined Contributions	(4,800,522)	(5,137,401)	(5,440,257)	(5,264,629)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,570,632	\$ 15,920,697	\$ 16,907,241	\$ 17,159,798
Contributions as a Percentage of Covered Payroll	32.95%	32.27%	32.18%	30.68%

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only eight years are shown.

**Note to Schedule:**

Valuation Date:	6/30/2020
Methods and assumptions used to determine contribution rates:	
Safety Plan	Entry age normal cost method
	Varies by date established and source. May be level dollar or level percentage of pay, and may include direct rate smoothing
Amortization method	Market value of assets
Assets valuation method	2.500%
Inflation	Varies by Entry Age and Service
Payroll growth	7.00% (net of administrative expenses)
Investment rate of return	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries
Mortality	

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2019	2020	2021	2022
\$ 6,046,149 (6,046,149)	\$ 7,280,043 (7,280,043)	\$ 8,160,582 (8,160,582)	\$ 8,551,807 (8,551,807)
\$ -	\$ -	\$ -	\$ -
\$ 18,193,183	\$ 21,151,184	\$ 21,779,111	\$ 26,738,484
33.23%	34.42%	37.47%	31.98%

# City of Santa Maria

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue Funds			
	Library	Traffic Safety	Drainage Districts	Park Acquisition and Development
<b>Assets:</b>				
Pooled cash and investments	\$ 1,330,259	\$ -	\$ 325,114	\$ 651,511
Receivables:				
Accounts	15,000	17,615	-	-
Notes and loans	-	-	-	-
Accrued interest	-	-	937	2,073
Grants	4,071	-	-	-
<b>Total Assets</b>	<b>\$ 1,349,330</b>	<b>\$ 17,615</b>	<b>\$ 326,051</b>	<b>\$ 653,584</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 34,757	\$ 5,018	\$ 35	\$ 183,957
Accrued liabilities	62,413	-	-	-
Unearned revenues	89,688	-	-	-
<b>Total Liabilities</b>	<b>186,858</b>	<b>5,018</b>	<b>35</b>	<b>183,957</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	-	12,597	-	-
Parks and recreation	-	-	-	-
Education	-	-	-	-
Drainage	-	-	326,016	-
Park acquisition	-	-	-	469,627
Landscape maintenance	-	-	-	-
Road maintenance	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	1,162,472	-	-	-
<b>Total Fund Balances</b>	<b>1,162,472</b>	<b>12,597</b>	<b>326,016</b>	<b>469,627</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,349,330</b>	<b>\$ 17,615</b>	<b>\$ 326,051</b>	<b>\$ 653,584</b>

# City of Santa Maria

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

(Continued)

	Special Revenue Funds			
	Residential Development Tax	Landscape Maintenance	Stowell Parking and Lighting	Economic Development
<b>Assets:</b>				
Pooled cash and investments	\$ 1,978,009	\$ 1,841,229	\$ 243,866	\$ 449,872
Receivables:				
Accounts	-	66,312	-	-
Notes and loans	-	-	-	105,366
Accrued interest	5,724	7,036	700	1,295
Grants	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,983,733</b>	<b>\$ 1,914,577</b>	<b>\$ 244,566</b>	<b>\$ 556,533</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 11,305	\$ 195,969	\$ 26	\$ 49
Accrued liabilities	-	29,193	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>11,305</b>	<b>225,162</b>	<b>26</b>	<b>49</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	105,366
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>105,366</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	451,118
Public safety	-	-	-	-
Parks and recreation	1,972,428	-	-	-
Education	-	-	-	-
Drainage	-	-	-	-
Park acquisition	-	-	-	-
Landscape maintenance	-	1,689,415	244,540	-
Road maintenance	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Total Fund Balances</b>	<b>1,972,428</b>	<b>1,689,415</b>	<b>244,540</b>	<b>451,118</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,983,733</b>	<b>\$ 1,914,577</b>	<b>\$ 244,566</b>	<b>\$ 556,533</b>

# City of Santa Maria

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue Funds			
	Supplemental Law Enforcement Grant	Federal and State Asset Forfeiture	Gas Tax	Street Grant
<b>Assets:</b>				
Pooled cash and investments	\$ 1,187,052	\$ 370,099	\$ 2,774,032	\$ 1,863,388
Receivables:				
Accounts	-	-	682,161	-
Notes and loans	-	-	-	-
Accrued interest	1,954	943	7,153	-
Grants	-	-	-	201,461
<b>Total Assets</b>	<b>\$ 1,189,006</b>	<b>\$ 371,042</b>	<b>\$ 3,463,346</b>	<b>\$ 2,064,849</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 129	\$ 36	\$ 144,016	\$ 6,859
Accrued liabilities	-	-	-	-
Unearned revenues	714,518	-	-	-
<b>Total Liabilities</b>	<b>714,647</b>	<b>36</b>	<b>144,016</b>	<b>6,859</b>
<b>Deferred Inflows of Resources:</b>				
Unavailable revenues	-	-	-	201,462
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>201,462</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	474,359	371,006	-	-
Parks and recreation	-	-	-	-
Education	-	-	-	-
Drainage	-	-	-	-
Park acquisition	-	-	-	-
Landscape maintenance	-	-	-	-
Road maintenance	-	-	3,319,330	1,856,528
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Total Fund Balances</b>	<b>474,359</b>	<b>371,006</b>	<b>3,319,330</b>	<b>1,856,528</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 1,189,006</b>	<b>\$ 371,042</b>	<b>\$ 3,463,346</b>	<b>\$ 2,064,849</b>

# City of Santa Maria

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2022

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Local Streets	Public Access Television	
<b>Assets:</b>			
Pooled cash and investments	\$ 8,369,284	\$ 495,715	\$ 21,879,430
Receivables:			
Accounts	1,468,209	68,869	2,318,166
Notes and loans	-	-	105,366
Accrued interest	24,414	1,381	53,610
Grants	-	-	205,532
<b>Total Assets</b>	<b>\$ 9,861,907</b>	<b>\$ 565,965</b>	<b>\$ 24,562,104</b>
<b>Liabilities, Deferred Inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 244,873	\$ 88	\$ 827,117
Accrued liabilities	81,152	4,575	177,333
Unearned revenues	-	-	804,206
<b>Total Liabilities</b>	<b>326,025</b>	<b>4,663</b>	<b>1,808,656</b>
<b>Deferred Inflows of Resources:</b>			
Unavailable revenues	-	-	306,828
<b>Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>306,828</b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development projects	-	-	451,118
Public safety	-	-	857,962
Parks and recreation	-	-	1,972,428
Education	-	561,302	561,302
Drainage	-	-	326,016
Park acquisition	-	-	469,627
Landscape maintenance	-	-	1,933,955
Road maintenance	9,535,882	-	14,711,740
<b>Assigned to:</b>			
Capital Projects	-	-	1,162,472
<b>Total Fund Balances</b>	<b>9,535,882</b>	<b>561,302</b>	<b>22,446,620</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,861,907</b>	<b>\$ 565,965</b>	<b>\$ 24,562,104</b>

# City of Santa Maria

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Library	Traffic Safety	Drainage Districts	Park Acquisition and Development
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Permits, fines, and forfeitures	-	324,187	-	-
Intergovernmental revenues	1,591,427	-	-	-
Charges for current services	213,106	-	711	960,944
Use of money and property	28,946	-	(12,919)	(25,437)
Other revenues	26,351	-	-	-
<b>Total Revenues</b>	<b>1,859,830</b>	<b>324,187</b>	<b>(12,208)</b>	<b>935,507</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	29,742	-	-
Recreation and parks	-	-	-	-
Public works	-	-	-	-
Library	3,256,342	-	-	-
Capital outlay	677,096	-	-	640,971
Debt service:				
Principal retirement	61,901	-	-	-
Interest and fiscal charges	6,850	-	-	-
<b>Total Expenditures</b>	<b>4,002,189</b>	<b>29,742</b>	<b>-</b>	<b>640,971</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,142,359)	294,445	(12,208)	294,536
<b>Other Financing Sources (Uses):</b>				
Transfers in	1,350,030	-	-	-
Transfers out	-	(341,535)	-	-
Capital leases	669,221	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,019,251</b>	<b>(341,535)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	(123,108)	(47,090)	(12,208)	294,536
Fund Balances, Beginning of Fiscal Year	1,285,580	59,687	338,224	175,091
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 1,162,472</b>	<b>\$ 12,597</b>	<b>\$ 326,016</b>	<b>\$ 469,627</b>

# City of Santa Maria

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022

(Continued)

	Special Revenue Funds			
	Residential Development Tax	Landscape Maintenance	Stowell Parking and Lighting	Economic Development
<b>Revenues:</b>				
Taxes and assessments	\$ 36,770	\$ 4,228,617	\$ 30,114	\$ -
Permits, fines, and forfeitures	-	-	-	-
Intergovernmental revenues	-	-	115	-
Charges for current services	-	64,467	-	-
Use of money and property	(79,917)	(115,700)	(9,294)	(17,892)
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>(43,147)</b>	<b>4,177,384</b>	<b>20,935</b>	<b>(17,892)</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Recreation and parks	-	4,833,460	-	-
Public works	-	-	6,925	-
Library	-	-	-	-
Capital outlay	127,602	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>127,602</b>	<b>4,833,460</b>	<b>6,925</b>	<b>-</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(170,749)	(656,076)	14,010	(17,892)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	2,063,498	-	-
Transfers out	-	(1,739,892)	(388)	-
Capital leases	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>323,606</b>	<b>(388)</b>	<b>-</b>
Net Change in Fund Balances	(170,749)	(332,470)	13,622	(17,892)
Fund Balances, Beginning of Fiscal Year	2,143,177	2,021,885	230,918	469,010
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 1,972,428</b>	<b>\$ 1,689,415</b>	<b>\$ 244,540</b>	<b>\$ 451,118</b>

# City of Santa Maria

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Supplemental Law Enforcement Grant	Federal and State Asset Forfeiture	Gas Tax	Street Grant
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ 4,785,347	\$ -
Permits, fines, and forfeitures	-	-	-	-
Intergovernmental revenues	264,593	89,939	-	1,140,535
Charges for current services	-	-	36,567	-
Use of money and property	(44,747)	(12,641)	(89,647)	-
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>219,846</b>	<b>77,298</b>	<b>4,732,267</b>	<b>1,140,535</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	3,997	-	-
Recreation and parks	-	-	-	-
Public works	-	-	-	-
Library	-	-	-	-
Capital outlay	-	-	3,460,255	1,008,581
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>3,997</b>	<b>3,460,255</b>	<b>1,008,581</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,846	73,301	1,272,012	131,954
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(654,293)	-
Capital leases	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(654,293)</b>	<b>-</b>
Net Change in Fund Balances	219,846	73,301	617,719	131,954
Fund Balances, Beginning of Fiscal Year	254,513	297,705	2,701,611	1,724,574
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 474,359</b>	<b>\$ 371,006</b>	<b>\$ 3,319,330</b>	<b>\$ 1,856,528</b>

# City of Santa Maria

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### NONMAJOR GOVERNMENTAL FUNDS FISCAL YEAR ENDED JUNE 30, 2022

	Special Revenue Funds		Debt Service Funds	Total Governmental Funds
	Local Streets	Public Access Television	Public Financing Authority	
<b>Revenues:</b>				
Taxes and assessments	\$ 7,589,141	\$ -	\$ -	\$ 16,669,989
Permits, fines, and forfeitures	-	-	-	324,187
Intergovernmental revenues	-	-	-	3,086,609
Charges for current services	37,833	284,697	-	1,598,325
Use of money and property	(307,611)	(18,117)	-	(704,976)
Other revenues	-	-	-	26,351
<b>Total Revenues</b>	<b>7,319,363</b>	<b>266,580</b>	<b>-</b>	<b>21,000,485</b>
<b>Expenditures:</b>				
Current:				
General government	-	187,217	-	187,217
Public safety	-	-	-	33,739
Recreation and parks	-	-	-	4,833,460
Public works	3,795,349	-	-	3,802,274
Library	-	-	-	3,256,342
Capital outlay	763,674	-	-	6,678,179
Debt service:				
Principal retirement	-	-	-	61,901
Interest and fiscal charges	-	-	-	6,850
<b>Total Expenditures</b>	<b>4,559,023</b>	<b>187,217</b>	<b>-</b>	<b>18,859,962</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,760,340	79,363	-	2,140,523
<b>Other Financing Sources (Uses):</b>				
Transfers in	390,470	50,000	-	3,853,998
Transfers out	(1,242,481)	(27,799)	(278,199)	(4,284,587)
Capital leases	-	-	-	669,221
<b>Total Other Financing Sources (Uses)</b>	<b>(852,011)</b>	<b>22,201</b>	<b>(278,199)</b>	<b>238,632</b>
Net Change in Fund Balances	1,908,329	101,564	(278,199)	2,379,155
Fund Balances, Beginning of Fiscal Year	7,627,553	459,738	278,199	20,067,465
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 9,535,882</b>	<b>\$ 561,302</b>	<b>\$ -</b>	<b>\$ 22,446,620</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Library

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,285,580	\$ 1,285,580	\$ 1,285,580	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	1,387,614	1,461,059	1,591,427	130,368
Charges for services	72,477	72,477	213,106	140,629
Use of money and property	42,890	42,890	28,946	(13,944)
Other revenues	8,850	8,850	26,351	17,501
Transfers in	1,350,030	1,652,830	1,350,030	(302,800)
Capital leases	-	-	669,221	669,221
<b>Amounts Available for Appropriation</b>	<b>4,147,441</b>	<b>4,523,686</b>	<b>5,164,661</b>	<b>640,975</b>
<b>Charges to Appropriation (Outflow):</b>				
Library	3,538,149	3,381,716	3,256,342	125,374
Capital outlay	10,000	19,858	677,096	(657,238)
Debt service:				
Principal retirement	-	-	61,901	(61,901)
Interest and fiscal charges	-	-	6,850	(6,850)
<b>Total Charges to Appropriations</b>	<b>3,548,149</b>	<b>3,401,574</b>	<b>4,002,189</b>	<b>(600,615)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 599,292</b>	<b>\$ 1,122,112</b>	<b>\$ 1,162,472</b>	<b>\$ 40,360</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Traffic Safety

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 59,687	\$ 59,687	\$ 59,687	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	370,000	370,000	324,187	(45,813)
<b>Amounts Available for Appropriation</b>	<b>429,687</b>	<b>429,687</b>	<b>383,874</b>	<b>(45,813)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	40,250	40,250	29,742	10,508
Transfers out	300,000	300,000	341,535	(41,535)
<b>Total Charges to Appropriations</b>	<b>340,250</b>	<b>340,250</b>	<b>371,277</b>	<b>(31,027)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 89,437</b>	<b>\$ 89,437</b>	<b>\$ 12,597</b>	<b>\$ (76,840)</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Drainage Districts

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 338,224	\$ 338,224	\$ 338,224	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	711	711
Use of money and property	4,587	5,371	(12,919)	(18,290)
<b>Amounts Available for Appropriation</b>	<b>342,811</b>	<b>343,595</b>	<b>326,016</b>	<b>(17,579)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 342,811</b>	<b>\$ 343,595</b>	<b>\$ 326,016</b>	<b>\$ (17,579)</b>

# City of Santa Maria

**BUDGETARY COMPARISON SCHEDULE**  
**Park Acquisition and Development**  
**FISCAL YEAR ENDED JUNE 30, 2022**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 175,091	\$ 175,091	\$ 175,091	\$ -
<b>Resources (Inflows):</b>				
Charges for services	559,190	559,190	960,944	401,754
Use of money and property	22,933	26,859	(25,437)	(52,296)
<b>Amounts Available for Appropriation</b>	<b>757,214</b>	<b>761,140</b>	<b>1,110,598</b>	<b>349,458</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	665,000	1,594,893	640,971	953,922
<b>Total Charges to Appropriations</b>	<b>665,000</b>	<b>1,594,893</b>	<b>640,971</b>	<b>953,922</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 92,214</b>	<b>\$ (833,753)</b>	<b>\$ 469,627</b>	<b>\$ 1,303,380</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

### Residential Development Tax

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,143,177	\$ 2,143,177	\$ 2,143,177	\$ -
<b>Resources (Inflows):</b>				
Taxes	51,985	51,985	36,770	(15,215)
Use of money and property	28,895	33,843	(79,917)	(113,760)
<b>Amounts Available for Appropriation</b>	<b>2,224,057</b>	<b>2,229,005</b>	<b>2,100,030</b>	<b>(128,975)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	150,000	-	127,602	(127,602)
<b>Total Charges to Appropriations</b>	<b>150,000</b>	<b>-</b>	<b>127,602</b>	<b>(127,602)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,074,057</b>	<b>\$ 2,229,005</b>	<b>\$ 1,972,428</b>	<b>\$ (256,577)</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

### Landscape Maintenance

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 2,021,885	\$ 2,021,885	\$ 2,021,885	\$ -
<b>Resources (Inflows):</b>				
Taxes	4,255,811	4,048,166	4,228,617	180,451
Charges for services	5,500	45,500	64,467	18,967
Use of money and property	34,859	40,825	(115,700)	(156,525)
Transfers in	2,075,720	2,297,120	2,063,498	(233,622)
<b>Amounts Available for Appropriation</b>	<b>8,393,775</b>	<b>8,453,496</b>	<b>8,262,767</b>	<b>(190,729)</b>
<b>Charges to Appropriation (Outflow):</b>				
Parks and recreation	4,589,892	5,890,379	4,833,460	1,056,919
Transfers out	1,739,163	1,958,844	1,739,892	218,952
<b>Total Charges to Appropriations</b>	<b>6,329,055</b>	<b>7,849,223</b>	<b>6,573,352</b>	<b>1,275,871</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,064,720</b>	<b>\$ 604,273</b>	<b>\$ 1,689,415</b>	<b>\$ 1,085,142</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

### Stowell Parking and Lighting

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 230,918	\$ 230,918	\$ 230,918	\$ -
<b>Resources (Inflows):</b>				
Taxes	44,085	55,964	30,114	(25,850)
Intergovernmental revenues	150	150	115	(35)
Use of money and property	2,293	2,686	(9,294)	(11,980)
<b>Amounts Available for Appropriation</b>	<b>277,446</b>	<b>289,718</b>	<b>251,853</b>	<b>(37,865)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	46,140	58,612	6,925	51,687
Debt service:				
Interest and fiscal charges	-	640	-	640
Transfers out	388	388	388	-
<b>Total Charges to Appropriations</b>	<b>46,528</b>	<b>59,640</b>	<b>7,313</b>	<b>52,327</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 230,918</b>	<b>\$ 230,078</b>	<b>\$ 244,540</b>	<b>\$ 14,462</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Economic Development

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 469,010	\$ 469,010	\$ 469,010	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	6,880	8,058	(17,892)	(25,950)
<b>Amounts Available for Appropriation</b>	<b>475,890</b>	<b>477,068</b>	<b>451,118</b>	<b>(25,950)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	130,000	130,000	-	130,000
<b>Total Charges to Appropriations</b>	<b>130,000</b>	<b>130,000</b>	<b>-</b>	<b>130,000</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 345,890</b>	<b>\$ 347,068</b>	<b>\$ 451,118</b>	<b>\$ 104,050</b>

# City of Santa Maria

**BUDGETARY COMPARISON SCHEDULE**  
**Supplemental Law Enforcement Grant**  
**FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Budgetary Fund Balance, July 1	\$ 254,513	\$ 254,513	\$ 254,513	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	140,000	140,000	264,593	124,593
Use of money and property	11,466	13,430	(44,747)	(58,177)
<b>Amounts Available for Appropriation</b>	<u>405,979</u>	<u>407,943</u>	<u>474,359</u>	<u>66,416</u>
<b>Budgetary Fund Balance, June 30</b>	<u>\$ 405,979</u>	<u>\$ 407,943</u>	<u>\$ 474,359</u>	<u>\$ 66,416</u>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Federal and State Asset Forfeiture

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 297,705	\$ 297,705	\$ 297,705	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	-	-	89,939	89,939
Use of money and property	5,504	6,446	(12,641)	(19,087)
<b>Amounts Available for Appropriation</b>	<b>303,209</b>	<b>304,151</b>	<b>375,003</b>	<b>70,852</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	-	-	3,997	(3,997)
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>-</b>	<b>3,997</b>	<b>(3,997)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 303,209</b>	<b>\$ 304,151</b>	<b>\$ 371,006</b>	<b>\$ 66,855</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Gas Tax

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,701,611	\$ 2,701,611	\$ 2,701,611	\$ -
<b>Resources (Inflows):</b>				
Taxes	4,679,611	4,741,159	4,785,347	44,188
Charges for services	-	-	36,567	36,567
Use of money and property	39,445	46,198	(89,647)	(135,845)
<b>Amounts Available for Appropriation</b>	<b>7,420,667</b>	<b>7,488,968</b>	<b>7,433,878</b>	<b>(55,090)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	4,300,454	6,976,298	3,460,255	3,516,043
Transfers out	654,293	654,293	654,293	-
<b>Total Charges to Appropriations</b>	<b>4,954,747</b>	<b>7,630,591</b>	<b>4,114,548</b>	<b>3,516,043</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,465,920</b>	<b>\$ (141,623)</b>	<b>\$ 3,319,330</b>	<b>\$ 3,460,953</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Street Grant

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,724,574	\$ 1,724,574	\$ 1,724,574	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	483,042	2,730,909	1,140,535	(1,590,374)
<b>Amounts Available for Appropriation</b>	<b>2,207,616</b>	<b>4,455,483</b>	<b>2,865,109</b>	<b>(1,590,374)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	483,042	2,645,970	1,008,581	1,637,389
<b>Total Charges to Appropriations</b>	<b>483,042</b>	<b>2,645,970</b>	<b>1,008,581</b>	<b>1,637,389</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,724,574</b>	<b>\$ 1,809,513</b>	<b>\$ 1,856,528</b>	<b>\$ 47,015</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Local Streets

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 7,627,553	\$ 7,627,553	\$ 7,627,553	\$ -
<b>Resources (Inflows):</b>				
Taxes	5,476,999	5,137,402	7,589,141	2,451,739
Charges for services	42,700	42,700	37,833	(4,867)
Use of money and property	105,950	124,090	(307,611)	(431,701)
Transfers in	210,000	210,000	390,470	180,470
<b>Amounts Available for Appropriation</b>	<b>13,463,202</b>	<b>13,141,745</b>	<b>15,337,386</b>	<b>2,195,641</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	3,521,857	3,577,867	3,795,349	(217,482)
Capital outlay	1,402,274	1,937,880	763,674	1,174,206
Transfers out	1,242,481	1,242,481	1,242,481	-
<b>Total Charges to Appropriations</b>	<b>6,166,612</b>	<b>6,758,228</b>	<b>5,801,504</b>	<b>956,724</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 7,296,590</b>	<b>\$ 6,383,517</b>	<b>\$ 9,535,882</b>	<b>\$ 3,152,365</b>

# City of Santa Maria

## BUDGETARY COMPARISON SCHEDULE

Public Access Television

FISCAL YEAR ENDED JUNE 30, 2022

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 459,738	\$ 459,738	\$ 459,738	\$ -
<b>Resources (Inflows):</b>				
Charges for services	291,950	569,350	284,697	(284,653)
Use of money and property	4,128	4,835	(18,117)	(22,952)
Transfers in	50,000	50,000	50,000	-
<b>Amounts Available for Appropriation</b>	<b>805,816</b>	<b>1,083,923</b>	<b>776,318</b>	<b>(307,605)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	215,349	214,336	187,217	27,119
Transfers out	27,799	27,799	27,799	-
<b>Total Charges to Appropriations</b>	<b>243,148</b>	<b>242,135</b>	<b>215,016</b>	<b>27,119</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 562,668</b>	<b>\$ 841,788</b>	<b>\$ 561,302</b>	<b>\$ (280,486)</b>

# City of Santa Maria

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
JUNE 30, 2022

	Governmental Activities - Internal Service Funds			
	Fleet Services	Business Equipment	Insurance	Totals
<b>Assets and Deferred Outflows of Resources:</b>				
<b>Assets:</b>				
Current:				
Cash and investments	\$ 16,700,873	\$ 18,427,691	\$ 35,786,676	\$ 70,915,240
Receivables:				
Accounts receivable, net	61,296	3,781	269,635	334,712
Prepaid costs	5,610	551,317	-	556,927
Deposits	-	-	175,000	175,000
Inventories	88,490	-	-	88,490
<b>Total Current Assets</b>	<b>16,856,269</b>	<b>18,982,789</b>	<b>36,231,311</b>	<b>72,070,369</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	17,603,023	10,231,720	-	27,834,743
<b>Total Noncurrent Assets</b>	<b>17,603,023</b>	<b>10,231,720</b>	<b>-</b>	<b>27,834,743</b>
<b>Total Assets</b>	<b>34,459,292</b>	<b>29,214,509</b>	<b>36,231,311</b>	<b>99,905,112</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension	318,839	-	-	318,839
Deferred OPEB	105,724	-	33,174	138,898
<b>Total Deferred Outflows of Resources</b>	<b>424,563</b>	<b>-</b>	<b>33,174</b>	<b>457,737</b>
<b>Total Assets and Deferred Outflows of Resources:</b>	<b>\$ 34,883,855</b>	<b>\$ 29,214,509</b>	<b>\$ 36,264,485</b>	<b>\$ 100,362,849</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 1,158,092	\$ 68,424	\$ 34,440	\$ 1,260,956
Accrued wages and benefits	40,896	9,478	12,150	62,524
Compensated absences	29,258	-	12,996	42,254
Accrued claims and judgments	-	-	4,860,251	4,860,251
Bonds, notes, and capital leases	139,571	-	-	139,571
<b>Total Current Liabilities</b>	<b>1,367,817</b>	<b>77,902</b>	<b>4,919,837</b>	<b>6,365,556</b>
Noncurrent:				
Accrued compensated absences	14,235	-	6,323	20,558
Accrued claims and judgments	-	-	14,607,385	14,607,385
Net pension liability	1,492,427	-	-	1,492,427
OPEB liability	287,441	-	95,427	382,868
Bonds, notes, and capital leases	163,641	-	-	163,641
<b>Total Noncurrent Liabilities</b>	<b>1,957,744</b>	<b>-</b>	<b>14,709,135</b>	<b>16,666,879</b>
<b>Total Liabilities</b>	<b>3,325,561</b>	<b>77,902</b>	<b>19,628,972</b>	<b>23,032,435</b>
<b>Deferred Inflows of Resources:</b>				
Deferred Pension	549,852	-	-	549,852
Deferred OPEB	98,217	-	34,898	133,115
<b>Total Deferred Inflows of Resources</b>	<b>648,069</b>	<b>-</b>	<b>34,898</b>	<b>682,967</b>
<b>Net Position:</b>				
Net investment in capital assets	17,299,811	10,231,720	-	27,531,531
Unrestricted	13,610,414	18,904,887	16,600,615	49,115,916
<b>Total Net Position</b>	<b>30,910,225</b>	<b>29,136,607</b>	<b>16,600,615</b>	<b>76,647,447</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 34,883,855</b>	<b>\$ 29,214,509</b>	<b>\$ 36,264,485</b>	<b>\$ 100,362,849</b>

# City of Santa Maria

COMBINING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds			Totals
	Fleet Services	Business Equipment	Insurance	
<b>Operating Revenues:</b>				
Sales and service charges	\$ 11,137,657	\$ 5,943,216	\$ 9,059,032	\$ 26,139,905
Miscellaneous	9,180	-	-	9,180
<b>Total Operating Revenues</b>	<b>11,146,837</b>	<b>5,943,216</b>	<b>9,059,032</b>	<b>26,149,085</b>
<b>Operating Expenses:</b>				
Salaries, wages, and benefits	1,325,534	298,779	387,226	2,011,539
Materials and supplies	2,517,521	102,064	2,078	2,621,663
Equipment maintenance and operation	149,423	1,363,804	2,606	1,515,833
Contracts and services	1,396,077	-	8,297,396	9,693,473
Depreciation expense	2,825,435	2,023,387	-	4,848,822
<b>Total Operating Expenses</b>	<b>8,213,990</b>	<b>3,788,034</b>	<b>8,689,306</b>	<b>20,691,330</b>
Operating Income	2,932,847	2,155,182	369,726	5,457,755
<b>Nonoperating Revenues (Expenses):</b>				
Interest expense	(10,664)	-	-	(10,664)
Contributions	-	471,384	-	471,384
Gain (loss) on disposal of capital assets	(161,328)	(237)	-	(161,565)
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(171,992)</b>	<b>471,147</b>	<b>-</b>	<b>299,155</b>
Income Before Transfers	2,760,855	2,626,329	369,726	5,756,910
Transfers in	-	-	6,014,950	6,014,950
Transfers out	(213,826)	(31,260)	(133,690)	(378,776)
Changes in Net Position	2,547,029	2,595,069	6,250,986	11,393,084
<b>Net Position:</b>				
Beginning of Fiscal Year	28,363,196	26,541,538	10,349,629	65,254,363
<b>End of Fiscal Year</b>	<b>\$ 30,910,225</b>	<b>\$ 29,136,607</b>	<b>\$ 16,600,615</b>	<b>\$ 76,647,447</b>

# City of Santa Maria

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FISCAL YEAR ENDED JUNE 30, 2022

	Governmental Activities - Internal Service Funds			
	Fleet Services	Business Equipment	Insurance	Totals
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 11,135,694	\$ 5,944,375	\$ 8,965,575	\$ 26,045,644
Cash paid to suppliers for goods and services	(3,485,713)	(2,064,374)	(6,881,052)	(12,431,139)
Cash paid to employees for services	(1,278,403)	(293,406)	(376,237)	(1,948,046)
<b>Net Cash Provided by Operating Activities</b>	<b>6,371,578</b>	<b>3,586,595</b>	<b>1,708,286</b>	<b>11,666,459</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
<b>Financing Activities:</b>				
Cash transfers out	(213,826)	(31,260)	(133,690)	(378,776)
Cash transfers in	-	-	6,014,950	6,014,950
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(213,826)</b>	<b>(31,260)</b>	<b>5,881,260</b>	<b>5,636,174</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(3,460,446)	(277,980)	-	(3,738,426)
Principal paid on capital debt	(138,167)	-	-	(138,167)
Interest paid on capital debt	(10,664)	-	-	(10,664)
Proceeds from sales of capital assets	25,469	(237)	-	25,232
<b>Net Cash Provided by Capital and Related Financing Activities</b>	<b>(3,583,808)</b>	<b>(278,217)</b>	<b>-</b>	<b>(3,862,025)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>2,573,944</b>	<b>3,277,118</b>	<b>7,589,546</b>	<b>13,440,608</b>
Cash and Cash Equivalents at Beginning of Fiscal Year	14,126,929	15,150,573	28,197,130	57,474,632
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<b>\$ 16,700,873</b>	<b>\$ 18,427,691</b>	<b>\$ 35,786,676</b>	<b>\$ 70,915,240</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income	\$ 2,932,847	\$ 2,155,182	\$ 369,726	\$ 5,457,755
<b>Adjustments to reconcile operating income net cash provided by operating activities:</b>				
Depreciation	2,825,435	2,023,387	-	4,848,822
(Increase) decrease in accounts receivable	(11,143)	1,159	(93,457)	(103,441)
(Increase) decrease in inventories	(28,904)	-	-	(28,904)
(Increase) decrease in prepaid expense	(2,830)	(21,281)	-	(24,111)
(Increase) decrease in deferred outflows for OPEB	(38,863)	-	(801)	(39,664)
(Increase) decrease in deferred outflows for pensions	(2,513)	-	-	(2,513)
Increase (decrease) in accounts payable	609,042	(577,225)	16,948	48,765
Increase (decrease) in accrued liabilities	5,880	5,373	3,995	15,248
Increase (decrease) in net OPEB liability	(42,773)	-	(14,049)	(56,822)
Increase (decrease) in net pension liability	(484,835)	-	-	(484,835)
Increase (decrease) in claims and judgments	-	-	1,404,080	1,404,080
Increase (decrease) in deferred inflows for OPEB	63,205	-	20,725	83,930
Increase (decrease) in deferred inflows for pensions	546,841	-	-	546,841
Increase (decrease) in compensated absences	189	-	1,119	1,308
<b>Total Adjustments</b>	<b>3,438,731</b>	<b>1,431,413</b>	<b>1,338,560</b>	<b>6,208,704</b>
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 6,371,578</b>	<b>\$ 3,586,595</b>	<b>\$ 1,708,286</b>	<b>\$ 11,666,459</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Gain/(Loss) on disposition of capital assets	\$ (161,328)	\$ (237)	\$ -	\$ (161,565)
Contributions of Capital Assets	-	471,384	-	471,384

# City of Santa Maria

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
Custodial Funds  
JUNE 30, 2022

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	<u>Treasurer's Trust</u>	<u>Twitchell Management Authority</u>	<u>Totals</u>
<b>Assets:</b>			
Cash and investments	\$ 3,246,878	\$ 4,753,986	\$ 8,000,864
Receivables:			
Accounts	-	13,754	13,754
<b>Total Assets</b>	<b>3,246,878</b>	<b>4,767,740</b>	<b>8,014,618</b>
<b>Liabilities:</b>			
Accounts payable	33,232	66,093	99,325
Deposits payable	887,964	-	887,964
<b>Total Liabilities</b>	<b>921,196</b>	<b>66,093</b>	<b>987,289</b>
<b>Net Position:</b>			
Restricted for organizations and other governments	2,325,682	-	2,325,682
Restricted for groundwater basins	-	4,701,647	4,701,647
<b>Total Net Position</b>	<b>\$ 2,325,682</b>	<b>\$ 4,701,647</b>	<b>\$ 7,027,329</b>

# City of Santa Maria

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 Custodial Funds  
 FOR THE YEAR ENDED JUNE 30, 2022

	Treasurer's Trust	Twitchell Management Authority	Totals
<b>Additions:</b>			
Investment earnings:			
Interest	\$ -	\$ (181,263)	\$ (181,263)
Net investment earnings	-	(181,263)	(181,263)
Program revenues	-	648,144	648,144
Deposits	613,235	-	613,235
<b>Total Additions</b>	<b>613,235</b>	<b>466,881</b>	<b>1,080,116</b>
<b>Deductions:</b>			
Administrative expenses	-	250,661	250,661
Deposits distributed to others	588,476	-	588,476
<b>Total Deductions</b>	<b>588,476</b>	<b>250,661</b>	<b>839,137</b>
Net Increase (Decrease) in Fiduciary Net Position	24,759	216,220	240,979
Net Position - Beginning	2,300,923	4,485,427	6,786,350
<b>Net Position - End of the Year</b>	<b>\$ 2,325,682</b>	<b>\$ 4,701,647</b>	<b>\$ 7,027,329</b>

# *City of Santa Maria*

## STATISTICAL NARRATIVE

For the Fiscal Year Ended June 30, 2022

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<b>Financial Trends</b>	128
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	140
These schedules contain information to help assess the government's most significant local revenue sources.	
<b>Debt Capacity</b>	144
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	151
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
<b>Operating Information</b>	153
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

### **SOURCES:**

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive reports for the relevant fiscal year.

# City of Santa Maria

## NET POSITION BY COMPONENT

### Last Ten Fiscal Years

	2013	2014	2015	2016	2017
Governmental activities:					
Net investment in capital assets	\$ 185,807,029	\$ 193,188,601	\$ 194,642,953	\$ 188,622,757	\$ 190,559,531
Restricted	19,980,316	16,390,255	13,215,099	17,395,841	17,255,714
Unrestricted	54,055,203	49,812,081	(24,766,252)	(10,597,132)	3,443,367
Total governmental activities net position	259,842,548	259,390,937	183,091,800	195,421,466	211,258,612
Business-type activities:					
Net investment in capital assets	67,641,499	66,652,413	78,721,922	68,911,471	73,871,266
Restricted	9,436,292	9,412,562	9,691,277	10,131,042	10,155,858
Unrestricted	96,775,370	109,796,207	93,632,485	111,558,400	116,147,672
Total business-type activities net position	173,853,161	185,861,182	182,045,684	190,600,913	200,174,796
Primary government:					
Net investment in capital assets	253,448,528	259,841,014	273,364,875	257,534,228	264,430,797
Restricted	29,416,608	25,802,817	22,906,376	27,526,883	27,411,572
Unrestricted	150,830,573	159,608,288	68,866,233	100,961,268	119,591,039
Total primary government net position	\$ 433,695,709	\$ 445,252,119	\$ 365,137,484	\$ 386,022,379	\$ 411,433,408

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2012-2013 through 2021-2022.

	2018	2019	2020	2021	2022
\$	189,458,099	\$ 186,940,376	\$ 188,724,512	\$ 186,463,321	\$ 191,593,612
	22,468,151	24,128,050	26,930,755	26,339,764	28,663,622
	(12,186,831)	(6,198,648)	(3,352,901)	25,123,649	45,628,576
	199,739,419	204,869,778	212,302,366	237,926,734	265,885,810
	72,018,707	70,182,987	82,097,813	83,931,140	83,445,376
	10,228,128	10,802,992	11,382,641	14,417,109	-
	131,686,278	148,845,512	139,787,048	148,905,688	161,203,650
	213,933,113	229,831,491	233,267,502	247,253,937	244,649,026
	261,476,806	257,123,363	270,822,325	270,394,461	275,038,988
	32,696,279	34,931,042	38,313,396	40,756,873	28,663,622
	119,499,447	142,646,864	136,434,147	174,029,337	206,832,226
\$	413,672,532	\$ 434,701,269	\$ 445,569,868	\$ 485,180,671	\$ 510,534,836

**City of Santa Maria**  
**CHANGES IN NET POSITION**  
**Last Ten Fiscal Years**

	2013	2014	2015	2016	2017
<b>Expenses</b>					
Governmental activities:					
General government	\$ 7,818,914	\$ 8,220,874	\$ 8,605,534	\$ 10,144,022	\$ 9,454,311
Public safety	31,939,863	34,401,081	39,250,751	37,605,907	43,903,052
Public works	15,698,704	18,229,879	12,821,336	11,656,546	7,007,376
Library	3,796,528	3,436,077	3,531,458	3,385,534	3,234,243
Community development	5,304,543	4,764,190	4,549,840	2,964,536	4,022,306
Recreation and parks	13,350,009	12,937,541	13,728,948	12,976,179	14,381,336
Interest & fiscal charges	301,150	170,296	47,577	32,763	29,090
Total governmental activities expenses	78,209,711	82,159,938	82,535,444	78,765,487	82,031,714
Business-type activities:					
Water and wastewater	34,657,330	36,180,592	36,387,984	35,821,158	38,090,035
Solid waste	19,745,844	18,326,043	18,739,993	21,192,889	23,029,155
Public transit	7,450,124	7,154,550	6,432,043	5,998,378	6,369,349
Total business-type activities expenses	61,853,298	61,661,185	61,560,020	63,012,425	67,488,539
Total primary government expenses	140,063,009	143,821,123	144,095,464	141,777,912	149,520,253
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	2,565,366	2,423,426	3,426,136	6,226,561	528,833
Public safety	1,156,798	1,729,547	1,618,371	2,908,061	2,957,935
Public works	2,421,122	3,234,109	3,182,799	3,189,813	10,821,482
Library	162,508	221,400	285,926	334,755	570,802
Community development	1,348,188	2,568,397	3,046,249	3,874,028	6,063,502
Recreation and parks	3,755,716	3,998,766	4,477,483	5,335,179	5,420,937
Operating grants and contributions	2,788,068	3,269,355	2,911,571	2,416,259	2,302,240
Capital grants and contributions	4,527,165	8,417,194	4,061,807	3,553,872	2,532,447
Total governmental activities revenues	18,724,931	25,862,194	23,010,342	27,838,528	31,198,178
Business-type activities:					
Charges for services:					
Water and wastewater	38,166,683	42,216,665	40,615,334	42,781,358	47,174,594
Solid waste	18,480,130	19,542,919	20,093,403	21,206,163	22,298,502
Public transit	1,260,409	876,105	935,501	812,601	797,433
Operating grants and contributions	4,377,283	5,339,103	5,360,024	3,029,726	4,438,846
Capital grants and contributions	178,195	4,582,352	1,354,881	2,294,634	4,484,651
Total business-type activities program revenues	62,462,700	72,557,144	68,359,143	70,124,482	79,194,026
Total primary government program revenues	81,187,631	98,419,338	91,369,485	97,963,010	110,392,204

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2012-2013 through 2021-2022.

	2018	2019	2020	2021	2022
\$	12,266,896	\$ 12,367,768	\$ 15,377,565	\$ 15,271,000	\$ 25,920,061
	48,324,704	51,180,049	58,896,166	62,168,332	55,197,332
	11,746,844	12,331,331	12,355,707	11,339,463	11,500,371
	3,967,988	4,071,745	4,219,847	3,607,165	4,236,308
	3,119,011	6,172,842	4,915,700	5,892,603	4,416,967
	14,478,319	14,948,372	16,802,182	15,128,243	17,400,913
	80,643	72,141	63,380	54,386	62,642
	93,984,405	101,144,248	112,630,547	113,461,192	118,734,594
	41,201,174	44,240,450	46,436,435	43,821,617	40,606,082
	22,240,599	20,473,443	36,221,649	28,099,570	28,330,108
	8,185,311	7,219,970	7,816,671	6,871,600	7,346,020
	71,627,084	71,933,863	90,474,755	78,792,787	76,282,210
	165,611,489	173,078,111	203,105,302	192,253,979	195,016,804
	495,929	466,875	680,728	545,246	471,726
	3,648,786	2,938,279	2,453,411	3,022,257	3,499,813
	9,178,147	8,924,227	5,372,811	5,746,261	3,334,505
	273,705	207,341	243,256	98,340	253,248
	3,451,177	3,053,722	3,223,556	3,590,334	5,556,460
	6,241,176	5,641,478	7,028,213	4,780,811	6,835,971
	4,675,064	2,210,281	3,430,294	22,306,259	26,563,523
	3,137,870	3,373,657	5,781,800	3,728,264	3,573,313
	31,101,854	26,815,860	28,214,069	43,817,772	50,088,559
	52,430,634	49,521,003	50,962,053	55,621,753	58,708,438
	24,737,812	24,899,793	26,136,652	29,855,846	30,594,631
	854,882	882,701	687,013	99,905	713,797
	3,606,219	2,638,229	2,867,228	4,882,351	5,808,784
	7,132,412	3,774,458	3,506,576	1,669,791	
	88,761,959	81,716,184	84,159,522	92,129,646	95,825,650
	119,863,813	108,532,044	112,373,591	135,947,418	145,914,209

Continued

# City of Santa Maria

## CHANGES IN NET POSITION (continued)

### Last Ten Fiscal Years

	2013	2014	2015	2016	2017
Net (expense)/revenue					
Governmental activities	\$ (59,484,780)	\$ (56,297,744)	\$ (59,525,102)	\$ (50,926,959)	\$ (50,833,536)
Business-type activities	609,402	10,895,959	6,799,123	7,112,057	11,705,487
Total primary government net expense	(58,875,378)	(45,401,785)	(52,725,979)	(43,814,902)	(39,128,049)
<b>General revenues and other changes in net position</b>					
Governmental Activities:					
Taxes					
Property taxes	14,488,973	14,830,943	15,398,828	16,431,902	17,521,830
Sales taxes	27,606,191	30,028,789	31,977,276	33,391,413	32,662,412
Franchise taxes	3,849,977	4,106,820	4,148,057	4,343,076	4,504,448
Transient occupancy taxes	2,532,032	2,844,497	3,224,413	3,395,321	3,462,237
Other taxes	501,109	653,275	852,312	2,020,710	1,983,144
Use of money and property	1,365,203	1,459,225	1,270,196	2,314,452	573,856
Other revenues	316,525	553,197	269,149	242,982	3,187,849
Intergovernmental revenues - unrestricted	358,863	460,847	669,088	-	-
Transfers	1,245,547	1,072,788	3,173,962	1,342,118	2,642,820
Total governmental activities	52,264,420	56,010,381	60,983,281	63,481,974	66,538,596
Business-type activities:					
Use of money and property	823,322	1,252,361	1,071,319	2,776,046	924,308
Other revenues				9,244	5,190
Transfers	(1,245,547)	(1,072,788)	(3,173,962)	(1,342,118)	(2,642,820)
Total business-type activities	(422,225)	179,573	(2,102,643)	1,443,172	(1,713,322)
Total primary activities	51,842,195	56,189,954	58,880,638	64,925,146	64,825,274
Change in net position					
Governmental activities	(7,220,360)	(287,363)	1,458,179	12,555,015	15,705,060
Business-type activities	187,177	11,075,532	4,696,480	8,555,229	9,992,165
Total primary government	\$ (7,033,183)	\$ 10,788,169	\$ 6,154,659	\$ 21,110,244	\$ 25,697,225

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2012-2013 through 2021-2022.

	2018	2019	2020	2021	2022
\$	(62,882,551)	\$ (74,328,388)	\$ (84,416,478)	\$ (69,643,420)	\$ (68,807,600)
	17,134,875	9,782,321	(6,315,233)	13,336,859	19,489,776
	(45,747,676)	(64,546,067)	(90,731,711)	(56,306,561)	(49,317,824)
	19,169,310	20,100,615	21,217,885	22,293,587	23,409,598
	35,522,904	42,425,965	53,519,347	60,953,136	69,528,885
	4,776,273	4,703,992	4,660,913	4,683,115	4,835,786
	3,525,322	3,445,935	2,949,707	3,213,990	4,304,874
	892,397	1,074,493	939,090	1,009,535	1,153,939
	632,145	6,166,372	7,504,139	600,821	(7,555,594)
	213,030	406,680	685,263	883,645	984,964
	-	-	-	-	-
	1,435,447	1,373,361	1,150,830	1,139,535	1,517,893
	66,166,828	79,697,413	92,627,174	94,777,364	98,180,345
	847,958	7,483,722	9,349,319	1,082,330	(6,579,133)
	24,694	5,696	1,552,755	706,781	1,908,080
	(1,435,447)	(1,373,361)	(1,150,830)	(1,139,535)	(1,517,893)
	(562,795)	6,116,057	9,751,244	649,576	(6,188,946)
	65,604,033	85,813,470	102,378,418	95,426,940	91,991,399
	3,284,277	5,369,025	8,210,696	25,133,944	29,372,745
	16,572,080	15,898,378	3,436,011	13,986,435	13,300,830
\$	19,856,357	\$ 21,267,403	\$ 11,646,707	\$ 39,120,379	\$ 42,673,575

Concluded

# City of Santa Maria

## GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE

Last Ten Fiscal Years

FY Ended June 30	+Property Tax	*Property Tax In-lieu of VLF	#General Fund Sales Tax	Measure U Use Tax	Other Sales Tax
2013	\$ 8,007,518	\$ 6,481,455	\$ 18,170,819	\$ 2,616,235	\$ 6,819,137
2014	8,242,889	6,588,054	18,553,070	3,767,979	7,704,433
2015	8,484,812	6,914,016	19,574,204	4,230,578	8,172,494
2016	9,116,772	7,315,130	21,916,084	4,169,100	7,306,229
2017	9,793,183	7,728,647	21,262,851	4,258,000	7,141,561
2018	10,856,629	8,312,681	22,562,309	4,635,202	8,325,393
2019	11,244,551	8,856,064	23,987,254	8,450,338	9,988,373
2020	11,939,016	9,278,869	23,669,145	19,363,970	10,486,232
2021	12,546,615	9,746,972	27,389,312	22,682,383	10,881,441
2022	13,282,338	10,127,260	31,219,602	25,934,795	12,374,488

**NOTE:**

Includes all governmental fund types.

**SOURCE:**

+Santa Barbara County

\*California Franchise Tax Board; VLF Program Commenced in 2005

#California State Board of Equalization

	<b>Franchise Tax</b>	<b>TOT Tax</b>	<b>Other Tax</b>	<b>Total</b>
\$	3,849,977	\$ 2,532,032	\$ 501,109	\$ 48,978,282
	4,106,820	2,844,497	653,275	52,461,017
	4,148,057	3,224,413	852,312	55,600,886
	4,343,076	3,395,321	2,020,710	59,582,422
	4,504,448	3,462,237	1,983,143	60,134,070
	4,776,273	3,525,322	892,397	63,886,206
	4,703,992	3,445,935	1,074,493	71,751,000
	4,660,913	2,949,707	939,090	83,286,942
	4,683,115	3,213,990	1,009,535	92,153,363
	4,835,786	4,304,874	1,153,939	103,233,082

# City of Santa Maria

## FUND BALANCES OF GOVERNMENTAL FUNDS

### Last Ten Fiscal Years

	2013	2014	2015	2016	2017
General fund					
Nonspendable	\$ -	\$ 10,208	\$ 10,466	\$ 19,252	\$ 19,833
Committed	19,800,000	19,800,000	19,800,000	19,800,000	19,800,000
Assigned	6,248,027	6,248,027	6,248,027	6,248,027	6,248,027
Unassigned	10,588,037	10,843,504	10,847,707	10,497,805	10,400,813
Total general fund	<u>\$ 36,636,064</u>	<u>\$ 36,901,739</u>	<u>\$ 36,906,200</u>	<u>\$ 36,565,084</u>	<u>\$ 36,468,673</u>
All other governmental funds					
Nonspendable	\$ -	\$ 9,133	\$ 9,148	\$ 8,946	\$ 6,217
Restricted	15,587,331	12,022,546	13,155,099	17,395,841	17,255,714
Assigned	10,108,603	5,409,355	7,193,337	13,985,928	26,510,784
Unassigned	(1,863,283)	(434,776)	(658,155)	(14,498)	(16,672)
Total all other governmental funds	<u>\$ 23,832,651</u>	<u>\$ 17,006,258</u>	<u>\$ 19,699,429</u>	<u>\$ 31,376,217</u>	<u>\$ 43,756,043</u>

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2012-2013 through 2021-2022.

2018	2019	2020	2021	2022
\$ 39,560	\$ 34,153	\$ 75,106	\$ 81,414	\$ 133,659
19,800,000	19,800,000	19,800,000	19,800,000	19,800,000
6,413,477	7,230,781	9,053,332	11,053,060	17,068,010
10,362,798	13,172,957	16,975,642	21,444,044	27,513,911
<u>\$ 36,615,835</u>	<u>\$ 40,237,891</u>	<u>\$ 45,904,080</u>	<u>\$ 52,378,518</u>	<u>\$ 64,515,580</u>
\$ 12,516	\$ 18,005	\$ 4,532	\$ 23,636	\$ -
15,876,404	18,223,660	20,186,237	19,930,330	21,572,093
32,202,906	38,774,094	45,243,292	50,864,672	55,253,843
-	(3,198)	-	-	-
<u>\$ 48,091,826</u>	<u>\$ 57,012,561</u>	<u>\$ 65,434,061</u>	<u>\$ 70,818,638</u>	<u>\$ 76,825,936</u>

# City of Santa Maria

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### Last Ten Fiscal Years

	2013	2014	2015	2016	2017
<b>Revenues</b>					
Taxes	\$ 48,978,282	\$ 52,461,017	\$ 55,557,984	\$ 62,299,906	\$ 63,145,962
Permits, fines, and forfeitures	1,467,439	2,717,608	3,111,841	3,618,122	6,144,617
Revenues from use of money and property	1,382,622	1,482,149	1,186,557	2,266,451	615,163
Aid from governmental agencies	6,623,511	8,555,455	4,825,050	5,970,131	4,834,687
Charges for current services	9,719,735	12,033,721	13,747,994	15,532,791	17,206,983
Contributions		1,976,386			
Other revenues	1,347,451	539,828	450,310	347,569	3,182,916
Total revenues	69,519,040	79,766,164	78,879,736	90,034,970	95,130,328
<b>Expenditures</b>					
Current:					
General government	6,970,704	7,650,954	8,318,070	8,792,142	8,610,671
Community development	4,399,670	3,904,460	3,489,725	3,446,621	3,880,662
Public safety	30,375,414	32,894,813	38,715,224	39,974,715	42,014,343
Recreation and parks	10,740,875	11,726,183	11,776,433	11,738,711	12,951,956
Public works	4,403,858	4,288,768	4,237,326	5,078,452	5,357,469
Library	2,632,917	2,790,293	2,794,617	2,878,592	2,852,926
Non-departmental	5,572,242	-	-	-	-
Capital outlay	11,367,748	19,368,989	11,378,697	6,506,418	9,960,331
Debt service:					
Principal	2,325,000	4,675,000	163,904	190,285	580,551
Interest and fiscal charges	370,725	138,828	23,258	32,763	29,090
Total expenditures	79,159,153	87,438,288	80,897,254	78,638,699	86,237,999
Excess of revenues over (under) expenditures	(9,640,113)	(7,672,124)	(2,017,518)	11,396,271	8,892,329
<b>Other financing sources (uses)</b>					
Proceeds from loan	-	498,110	-	-	-
Transfers in	9,143,011	9,816,183	17,269,907	10,987,033	12,103,080
Transfers out	(7,750,381)	(9,186,623)	(12,554,757)	(10,822,283)	(8,844,080)
Capital leases	-	-	-	-	-
Total other financing sources (uses)	1,392,630	1,127,670	4,715,150	164,750	3,259,000
Net change in fund balances	\$ (8,247,483)	\$ (6,544,454)	\$ 2,697,632	\$ 11,561,021	\$ 12,151,329
Debt service as a percentage of non-capital expenditures					
	4.0%	7.1%	0.3%	0.3%	0.8%

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2012-2013 through 2021-2022.

	2018	2019	2020	2021	2022
\$	67,295,238	\$ 75,528,427	\$ 87,203,133	\$ 96,267,827	\$ 107,491,813
	3,554,886	2,997,887	3,657,177	3,746,343	4,905,682
	632,145	6,166,372	7,504,139	457,680	(7,555,594)
	7,812,934	5,583,936	9,212,089	7,851,850	29,935,374
	16,325,002	14,456,599	11,428,621	9,922,432	10,423,478
	194,537	405,477	639,335	853,036	984,964
	95,814,742	105,138,698	119,644,494	119,099,168	146,185,717
	9,248,041	9,427,494	10,807,709	11,852,048	25,764,929
	5,163,754	4,625,042	5,372,507	5,363,165	4,615,268
	43,299,049	46,243,960	52,131,460	54,944,370	56,372,698
	13,424,657	13,059,635	13,883,875	14,304,970	16,614,086
	5,919,659	6,112,530	6,202,698	6,654,110	7,088,414
	2,985,808	3,164,323	3,599,399	3,208,809	3,870,991
	-	-	-	-	-
	12,421,578	10,681,501	12,643,284	11,010,027	9,928,385
	197,752	203,930	210,301	216,871	285,547
	80,643	72,136	63,386	54,387	51,979
	92,740,941	93,590,551	104,914,619	107,608,757	124,592,297
	3,073,801	11,548,147	14,729,875	11,490,411	21,593,420
	-	-	-	-	-
	10,015,646	11,623,196	12,281,598	11,890,581	15,872,055
	(8,474,346)	(10,620,726)	(12,259,241)	(12,012,401)	(19,990,336)
	-	-	-	-	669,221
	1,541,300	1,002,470	22,357	(121,820)	(3,449,060)
\$	4,615,101	\$ 12,550,617	\$ 14,752,232	\$ 11,368,591	\$ 18,144,360
	0.3%	0.3%	0.3%	0.3%	0.3%

*City of Santa Maria*

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Fiscal Years

FY Ended June 30	Land	Improvements	Personal Property	Gross Value	Exemptions	Net Taxable Value	Total Direct Tax Rate
2013	\$ 2,462,825,119	\$ 4,246,221,505	\$ 427,764,193	\$ 7,136,810,817	\$ 735,584,538	\$ 6,401,226,279	1.00000%
2014	2,488,902,912	4,338,602,631	452,030,767	7,279,536,310	769,418,969	6,510,117,341	1.00000%
2015	2,573,120,800	4,566,212,614	442,743,638	7,582,077,052	749,333,684	6,832,743,368	1.00000%
2016	2,695,982,155	4,826,872,212	526,761,351	8,049,615,718	787,289,465	7,262,326,253	1.00000%
2017	2,789,030,651	5,131,182,618	548,954,711	8,469,167,980	726,554,468	7,742,613,512	1.00000%
2018	2,960,320,307	5,522,831,675	589,877,561	9,073,029,543	810,225,469	8,262,804,074	1.00000%
2019	3,080,805,850	5,880,098,216	664,486,655	9,625,390,721	817,808,699	8,807,582,022	1.00000%
2020	3,202,037,529	6,188,847,942	610,214,847	10,001,100,318	768,933,064	9,232,167,254	1.00000%
2021	3,321,615,058	6,522,280,106	697,030,675	10,540,925,839	808,453,483	9,732,472,356	1.00000%
2022	3,445,364,712	6,806,586,952	634,580,962	10,886,532,626	740,971,801	10,145,560,825	1.00000%

**NOTE:**

Valuations are established by the County Assessor of Santa Barbara County, except for property owned by private utility companies, which is valued by the State of California.

For comparison purposes, gross assessed valuations include homeowners and other exemptions. Although these exemptions reduce property tax collections, the revenue loss is reimbursed by the State of California. As such, gross assessed valuation is the revenue base used in establishing property-tax related revenues.

**SOURCE:**

Hdl Property Tax Reports

# City of Santa Maria

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Fiscal Years

As of June 30, 2022

Fiscal Year	*City of Santa Maria	*Santa Barbara County	Schools	Other	Total
2013	0.00000%	1.00000%	0.90446%	0.00000%	1.90446%
2014	0.00000%	1.00000%	0.98908%	0.00000%	1.98908%
2015	0.00000%	1.00000%	0.99939%	0.00000%	1.99939%
2016	0.00000%	1.00000%	1.00013%	0.00000%	2.00013%
2017	0.00000%	1.00000%	1.00092%	0.00000%	2.00092%
2018	0.00000%	1.00000%	1.00880%	0.00000%	2.00880%
2019	0.00000%	1.00000%	1.00884%	0.00000%	2.00884%
2020	0.00000%	1.00000%	1.00845%	0.00000%	2.00845%
2021	0.00000%	1.00000%	1.00801%	0.00000%	2.00801%
2022	0.00000%	1.00000%	1.00745%	0.00000%	2.00745%

\*Valuations are established by the County Assessor of Santa Barbara County, except for property owned by private utility companies, which is valued by the State of California. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100 percent of full value and subsequently increase at a maximum rate of 2 percent per year. Santa Barbara County collects property taxes and distributes the appropriate amount to each city. Each \$1.00 of property tax is distributed to local government agencies based upon fixed allocation factors.

### SOURCE:

California Municipal Statistics, Inc.

# City of Santa Maria

## PRINCIPAL PROPERTY TAXPAYERS

Current Fiscal Year and the Prior Tenth Fiscal Year

Taxpayer	2021-22			2012-13		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Windset Farms California, Inc.	\$ 226,966,169	1	2.24%	\$ 94,357,192	1	1.47%
Okonite Company, Inc.	109,804,069	2	1.08%	85,526,905	2	1.34%
MG at Santa Maria LP	75,029,290	3	0.74%	43,974,712	3	0.69%
333 Enos LLS (California)	56,500,000	4	0.56%			
KW Bradley Square LLC	52,597,236	5	0.52%			
Santa Maria Land Partners, LLC	50,192,380	6	0.49%	43,290,001	4	0.68%
HT Partners LP	44,586,257	7	0.44%			
Biscayne St Tic Owner I LLC	41,872,683	8	0.41%			
Santa Maria Multifamily LLC	38,305,672	9	0.38%			
McCoy Holdings LLC	37,325,568	10	0.37%			
Santa Maria Partners, LLC				32,132,269	3	0.50%
Dario L Pini				29,254,763	4	0.46%
Country Oaks, LLC				26,100,000	7	0.41%
UAI Real Estate Acquisition, LLC				20,785,752	8	0.32%
Lyon Santa Maria, LLC				19,104,449	9	0.30%
Broadway Pavilion, LLC				18,374,600	10	0.29%
	<u>\$ 733,179,324</u>		<u>7.23%</u>	<u>\$ 412,900,643</u>		<u>6.46%</u>

**SOURCE:**

Hdl Coren & Cone

**City of Santa Maria**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**

FY Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in	Total Collections to Date	
		Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2013	\$ 7,645,901	\$ 7,645,901	100%	-	\$ 7,645,901	100%
2014	7,805,506	7,805,506	100%	-	7,805,506	100%
2015	8,198,307	8,198,307	100%	-	8,198,307	100%
2016	8,715,775	8,715,775	100%	-	8,715,775	100%
2017	9,365,998	9,365,998	100%	-	9,365,998	100%
2018	10,182,000	10,182,000	100%	-	10,182,000	100%
2019	10,877,538	10,877,538	100%	-	10,877,538	100%
2020	11,578,282	11,578,282	100%	-	11,578,282	100%
2021	12,203,551	12,203,551	100%	-	12,203,551	100%
2022	12,774,643	12,774,643	100%	-	12,774,643	100%

**NOTE:**

The City participates in the Santa Barbara County "Teeter Plan". The City is paid the full tax assessment while penalties and interest of any late payments are returned by the County.

**SOURCE:**

HdL, Coren and Cone - From 2021-22 Preliminary Prop Tax Report

*City of Santa Maria*

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

FY Ended June 30	Governmental Activities					Business-Type Activities		
	#Refunding Revenue Bonds	#California Energy Commission Loan	#Financed Purchases Payable	#Property Purchase Obligation	Lease Payable	#Refunding Revenue Bonds	# Certificates of Participation	#Financed Purchases Payable
2013	\$ 4,675,000	\$ -	\$ 2,452,500	\$ 482,585	\$ -	\$ 45,392,889	\$ 14,659,509	\$ 2,452,500
2014	-	498,110	2,163,442	459,947	-	45,777,168	12,305,203	2,163,442
2015	-	334,206	1,867,915	436,629	-	46,639,516	9,821,992	1,867,915
2016	-	167,940	1,565,773	412,611	-	51,516,994	7,201,624	1,565,773
2017	-	-	1,256,867	-	-	51,511,590	4,653,150	1,256,867
2018	-	-	3,023,294	-	-	48,535,375	4,999,933	941,045
2019	-	-	2,496,469	-	-	45,871,907	5,346,716	618,151
2020	-	-	1,956,042	-	-	43,338,154	5,693,499	288,025
2021	-	-	1,671,835	-	-	40,940,128	6,040,283	220,690
2022	-	-	1,530,711	-	607,320	42,344,607	-	-

SOURCE:

#Department of Finance

+Bureau of Economic Analysis

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	<b>Total Primary Government</b>	<b>+Percentage of Personal Income</b>	<b>+Per Capita</b>
\$	70,114,983	27.53%	\$ 699
	63,367,312	32.57%	627
	60,968,173	35.63%	597
	62,430,715	35.66%	612
	58,678,474	41.25%	575
	57,499,647	46.34%	563
	54,333,243	51.52%	532
	51,275,720	57.54%	502
	48,872,936	67.60%	445
	44,482,638	75.55%	404

# City of Santa Maria

## RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

FY Ended June 30	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percent of Estimated Taxable Property Value	Per Capita
2013	\$ 4,675,000	\$ 2,431,361	\$ 2,243,639	0.04%	\$ 22
2014				0.00%	
2015				0.00%	
2016				0.00%	
2017				0.00%	
2018				0.00%	
2019				0.00%	
2020				0.00%	
2021				0.00%	
2022				0.00%	

**SOURCE:**

City of Santa Maria  
 Santa Barbara County

# City of Santa Maria

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

As of June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Santa Barbara County General Fund Obligations	\$ 27,125,000	10.701%	\$ 2,902,646
Santa Maria-Bonita School District COP	965,786	58.713%	567,042
Santa Maria Joint Union High School District COP	24,410,000	94.307%	23,020,339
Subtotal, overlapping debt			<u>26,490,027</u>
City of Santa Maria, direct debt			<u>2,138,031</u>
Total direct and overlapping debt			<u>\$ 28,628,058</u>

### NOTE:

Overlapping governments are those that coincide, at least in part, within the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account.

### SOURCE:

California Municipal Statistics, Inc.

*City of Santa Maria*

**LEGAL DEBT MARGIN INFORMATION**

**Last Ten Fiscal Years**

	2013	2014	2015	2016	2017
Debt Limit	\$ 267,630,406	\$ 272,982,612	\$ 284,327,889	\$ 272,337,234	\$ 317,593,799
Total net debt applicable to limit	7,610,085	3,121,499	2,638,750	2,146,324	1,256,867
Legal Debt Margin	<u>\$ 260,020,321</u>	<u>\$ 269,861,113</u>	<u>\$ 281,689,139</u>	<u>\$ 270,190,910</u>	<u>\$ 316,336,932</u>
Total net debt applicable to the limit as a percentage of debt limit	2.84%	1.14%	0.93%	0.79%	0.40%

**Legal Debt Margin Calculation for 2021-22:**

- Assessed value
- Debt limit ( 3.75 percent of assessed value)
- Revenue bonds and other long-term debt
- Legal debt margin

Source: County of Santa Barbara

	2018	2019	2020	2021	2022
\$	340,238,608	\$ 360,952,152	\$ 375,041,262	\$ 395,284,719	\$ 380,458,531
	3,023,294	2,496,469	1,956,042	1,671,835	2,138,031
\$	337,215,314	\$ 358,455,683	\$ 373,085,220	\$ 393,612,884	\$ 378,320,500

0.89%                      0.69%                      0.52%                      0.42%                      0.56%

\$ 10,145,560,825  
380,458,531  
2,138,031  
\$ 378,320,500

*City of Santa Maria*

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Water & Wastewater Certificates of Participation and Bonds Payable								
FY Ended June 30	Water & WW Operating Revenue	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Balance in Rate Stabilization Account	
				Principal	Interest			
2013	\$ 38,071,396	\$ 28,207,632	\$ 9,863,764	\$ 610,497	\$ 1,698,026	4.27	\$ 4,294,795	
2014	42,322,315	28,973,708	13,348,607	1,307,736	3,321,627	2.88	4,297,377	
2015	41,771,720	30,237,070	11,534,650	1,228,586	3,400,777	2.49	4,294,662	
2016	44,478,328	29,605,398	14,872,930	1,153,156	3,476,207	3.21	5,006,824	
2017	48,626,344	31,946,964	16,679,380	1,081,262	3,548,101	3.60	5,011,069	
2018	53,564,449	35,192,262	18,372,187	2,928,477	1,700,885	3.97	5,023,400	
2019	49,521,003	38,252,818	11,268,185	2,565,035	2,067,678	2.43	5,483,179	
2020	50,962,053	40,281,114	10,680,939	2,423,421	2,209,292	2.31	6,091,284	
2021	55,621,753	40,713,104	14,908,649	2,276,167	2,351,546	3.22	7,864,462	
2022	58,708,438	38,879,563	19,828,875	3,903,759	3,585,535	2.65	9,318,910	

**NOTE:**

Details regarding the City's outstanding debt can be found in the notes to basic financial statements. Operating expenses do not include interest, depreciation, or amortization expenses.

# City of Santa Maria

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Fiscal Years

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FY Ended June 30	#Population	+Personal Income	+Per Capita Personal Income	*Median Age	#+School Enrollment	++Unemployment Rate
2013	100,306	**19,303,120	**45,219	**29	43,367	7.2%
2014	101,103	20,640,576	47,862	31	43,367	6.1%
2015	102,087	21,725,550	51,342	33	44,021	5.3%
2016	104,404	22,263,835	53,484	33	45,353	4.9%
2017	106,280	24,207,771	54,428	33	46,313	4.3%
2018	108,470	26,646,853	59,460	33	46,028	4.1%
2019	107,356	27,992,849	62,690	33	44,134	3.1%
2020	107,407	29,502,767	66,076	35	45,285	10.3%
2021	109,707	33,037,087	73,995	33	42,394	5.9%
2022	110,125	33,607,554	75,720	30	44,354	4.1%

**SOURCE:**

#Department of Finance

+Bureau of Economic Analysis

++Economic Development Department of California

\*U.S. Census Bureau

#+California Department of Education and California Community Colleges Chancellor's Office

# City of Santa Maria

## PRINCIPAL EMPLOYERS

Current Fiscal Year and Ten Fiscal Years Ago

*Employer	*2021-22			**2012-13		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
#Vandenberg Air Force Base	3,047	1	6.06%	6,623	1	13.48%
CommonSpirit Health	2,170	2	4.31%	1,480	3	3.01%
Santa Maria-Bonita School District	2,050	3	4.08%	1,835	2	3.73%
Allan Hancock College	950	4	1.89%	1,150	4	2.34%
Santa Maria Joint Union High School District	880	5	1.75%	722	6	1.47%
Community Health Centers	810	6	1.61%			
Windset Farms	750	7	1.49%			
Various Federal Agencies	674	8	1.34%			
City of Santa Maria	648	9	1.29%	622	7	1.27%
Safran Aerospace	622	10	1.24%	1,100	5	2.24%
Wal-Mart (3 locations)	440	11	0.87%	300	10	0.61%
Betteravia Farms				450	8	0.92%
Vocational Training Center				366	9	0.74%
	13,041		25.93%	14,648		29.81%

### SOURCE:

\* City of Santa Maria 2020-22 Budget

\*\* California Economic Forecast (as reported in the City of Santa Maria CAFR 2012-13)

# Although outside the City limits, Northern Santa Barbara County Economic Outlook considered Vandenberg Air Force base as a principal employer; whereas the more current survey conducted by the California Economic Forecast excluded employers outside the City limits.

*City of Santa Maria*

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety										
Police protection services	174.0	174.0	179.5	175.5	184.5	185.0	185.0	200.0	190.0	181.0
Fire and emergency services	63.5	63.5	63.5	64.0	62.5	62.5	62.5	75.5	72.5	72.0
Utilities										
Water distribution services	41.5	41.5	41.5	42.5	44.0	45.0	45.0	46.0	40.0	43.0
Solid waste collection/disposal services	48.0	48.0	48.5	47.5	47.5	50.5	50.5	51.5	54.0	62.0
Public ways and facilities										
Streets services	23.5	23.5	23.5	23.5	24.0	23.0	23.0	23.0	23.0	23.0
Public transit services	2.5	3.0	3.0	3.0	3.0	3.0	3.0	4.0	4.0	4.0
Recreation and parks										
Recreation and parks services	126.0	125.0	126.0	128.0	128.5	130.5	129.5	131.5	121.0	131.0
Library										
Library services	42.5	42.5	43.0	43.0	44.0	42.5	42.5	46.5	27.0	27.0
Community development										
Planning and inspection services	26.5	26.5	25.5	26.5	26.5	26.5	26.5	26.5	19.0	19.0
Block grant/special project services	2.0	2.0	2.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
General government										
Legislative services	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Legal services	12.0	12.0	11.5	12.0	11.5	11.5	10.5	11.5	12.0	12.0
Administration	12.5	12.5	12.5	13.0	22.0	23.5	23.5	29.5	28.0	28.0
Finance	23.5	23.5	24.5	24.5	16.5	17.5	17.5	20.5	21.0	21.0
Engineering and facilities maintenance	21.5	22.5	22.5	22.5	23.5	25.0	25.0	27.0	23.0	24.0
Special revenue										
Landscaping services	11.5	11.5	16.5	16.5	16.5	17.5	17.5	17.5	7.0	7.0
Public, education, government television	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Internal service										
Fleet services	7.5	8.5	10.5	10.5	10.5	11.5	11.5	11.5	14.0	14.0
Risk Management	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	2.0	2.0
<b>Total</b>	<b>646.5</b>	<b>648.0</b>	<b>662.0</b>	<b>663.5</b>	<b>676.0</b>	<b>686.0</b>	<b>684.0</b>	<b>733.0</b>	<b>666.5</b>	<b>679.0</b>

**NOTE:**

\*Employee by Function was not budgeted.

**SOURCE:** 22-24 City of Santa Maria Budget

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# City of Santa Maria

## OPERATING INDICATORS BY FUNCTION

Last Ten Fiscal Years

Function/Program	2012-14	2014-16	2016-18	2018-20	2020-22
Police					
Number of stations	1	1	1	1	1
Calls for service	198,502	221,033	241,800	344,000	213,750
Fire and emergency services					
Number of stations	5	5	5	5	5
Calls for service	17,543	18,069	18,177	20,486	22,820
Utilities					
Water production/per acre feet	26,400	25,700	26,000	28,000	25,681
Meters Read	502,608	502,700	503,600	539,789	551,953
Wastewater treated/mgd	8.40	8.40	8.40	8.04	6.95
Solid waste collection and disposal services					
Residential and commercial accounts serviced	37,767	38,638	39,169	40,111	40,805
Residential and commercial tons collected	142,320	148,691	147,918	146,632	166,503
Average tons received at landfill/ day	249	249	249	350	366
Street Services					
Streetlight maintenance/hours	3,798	4,061	3,929	3,651	2,313
Traffic Signal maintenance/hours	4,592	2,305	4,000	3,000	2,203
Transit					
Passengers	1,941,312	1,795,923	1,879,916	1,487,500	412,697
Miles	1,400,399	1,389,268	1,366,369	1,963,226	1,109,082
Recreation and Parks					
Program registrations	72,600	72,700	72,850	78,425	50,000
Facility attendance	3,405,620	3,405,650	3,405,750	3,406,000	2,500,000
*Park acres maintained	2,000	2,000	2,007	2,007	2,007
Trees managed	45,720	45,720	45,720	47,320	35,452
Library					
Cardholders	58,820	68,978	70,357	37,941	45,000
Materials checked-out	1,071,802	1,012,008	1,017,285	1,108,852	901,318
Community development					
Plan checks	3,701	4,251	4,100	4,000	3,000
Building permits issued	2,672	4,100	4,000	5,000	5,000

**NOTE:**

Indicators are tracked on a two-year budget cycle.

\*Additional park acreage/ open space purchased (Santa Maria River Trail and Los Flores Property).

**SOURCE:** 2020-22 City of Santa Maria Budget

# City of Santa Maria

## CAPITAL ASSETS BY FUNCTION/PROGRAM

### Last Ten Fiscal Years

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Function/Program	2013	2014	2015	2016	2017
Police					
Stations	1	1	1	1	1
Patrol units	43	47	44	45	47
Fire stations	5	5	5	5	5
Solid waste					
Refuse collection trucks	23	23	22	22	22
Highways and streets					
Street miles	228	228	228	229	229
Streetlights	6,722	7,066	7,066	7,416	7,416
Park acreage/Open Space	2,000	2,000	2,000	2,007	2,007
Water hydrants*	3,300	3,400	3,400	3,500	3,500
Sewer miles*	220	233	233	240	240

\*With the implementation of GPS, the Utilities Department no longer estimates the number of hydrants and sewer miles; these are actual counts.

**SOURCE:** 2020-22 City of Santa Maria Budget

2018	2019	2020	2021	2022
1	1	1	1	1
71	71	71	53	42
5	5	5	5	5
22	22	22	23	28
230	230	230	230	229
7,004	7,004	7,004	7,058	6,966
2,007	2,007	2,007	2,008	2,033
3,500	3,500	3,500	3,644	3,644
245	245	245	246	250

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