

# ANNUAL COMPREHENSIVE FINANCIAL REPORT



FOR FISCAL YEAR ENDED  
JUNE 30, 2023



CITY OF SANTA MARIA, CALIFORNIA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Prepared by: Finance Department

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 ANNUAL COMPREHENSIVE FINANCIAL REPORT  
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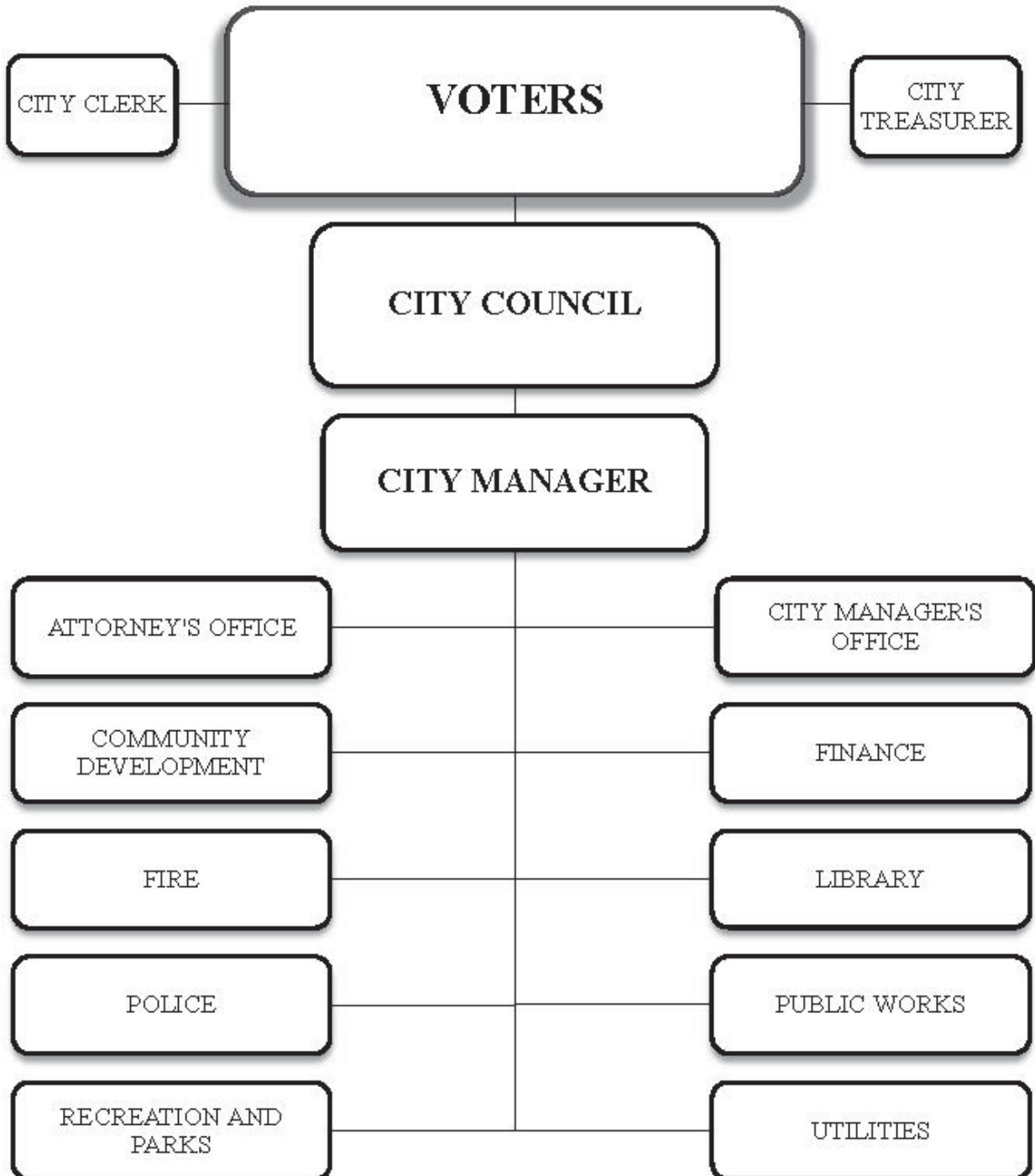
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# City of Santa Maria

## Organizational Chart

For the Fiscal Year Ended June 30, 2023

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# *City of Santa Maria*

## List of Principal Officials

For the Fiscal Year Ended June 30, 2023

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### MAYOR

ALICE PATINO

### MAYOR PRO TEM

MARIBEL AGUILERA-HERNANDEZ

### COUNCILMEMBERS

MIKE CORDERO

CARLOS ESCOBEDO

GLORIA SOTO

### CITY MANAGER

JASON STILWELL

### CITY TREASURER

TERESSA HALL

### CITY CLERK

PATTI RODRIGUEZ

### CITY DEPARTMENTS AND DEPARTMENT HEADS

City Attorney's Office.....	Thomas Watson
City Manager's Office.....	Jason Stilwell
City Manager's Office - Human Resources and Records .....	Linda Le
City Manager's Office - Information Technology .....	Jeffrey Marcic
Community Development .....	Chuen Ng
Finance.....	Mary Harvey
Fire.....	Bradley Dandridge
Library .....	Dawn Jackson
Police.....	Marc Schneider
Public Works/Engineering.....	Brett Fulgoni
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, 2023, 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, 2023, 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, 2023, the City of Santa Maria adopted new accounting guidance, *GASB Statement No. 96 Subscription-Based Information Technology Arrangements*. 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.

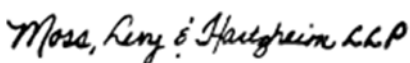
### **Other Information**

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 July 25, 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  
July 25, 2024

# *City of Santa Maria*

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

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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, 2023. Readers are encouraged to consider the information presented here in conjunction with the City's basic financial statements that begin on page 17 of this report.

### **A. FINANCIAL HIGHLIGHTS**

- At June 30, 2023, the City's net position (assets and deferred outflows minus liabilities and deferred inflows) was \$561.2 million. Of this amount, \$240.5 million is available to meet the City's ongoing operations. Total assets increased by \$45.7 million and deferred outflows of resources increased by \$34.5 million. The City's total liabilities increased by \$65.9 million and total deferred inflows of resources decreased by \$36.3 million.
- During the fiscal year ended June 30, 2023, the City's net position increased by \$50.6 million to \$561.2 million. This growth reflects an increase in governmental activities of \$27.5 million or 10.3 percent, and business-type activities showed an increase of \$23.1 million or 9.5 percent.
- The City received the first tranche of American Rescue Plan Act (ARPA) COVID relief funds of \$18.2 million in May 2021 and the second tranche of \$18.2 million in June 2022. Increases in General Fund sales tax revenues of \$1.2 million from growth in all industry groups with hotels showing the highest percentage of growth and autos and transportation showing the largest dollar increase. Revenues from Use of Money and Property increased \$18.6 million in Governmental Funds due to the change in value of investments in accordance with GASB Statement No. 31. Growth Mitigation Fund from developers for residential and commercial development projects accounts for nearly \$2.1 million of the governmental revenue, an increase of \$312 thousand, or 17 percent, from the previous fiscal year, as smaller commercial and residential development projects have been steady. Revenue increases were offset by increased operational expenses of \$14.1 million in the General Fund, as the labor market eased and the City was much more successful in filling full-time vacant positions mainly in safety. Decreases of \$2.4 million and increases of \$0.4 million in net pension and OPEB liabilities, inflows and outflows, also increased net position in governmental activities.
- Business-type activities include \$6.9 million increases in charges for services revenue generated from Council-approved water and sewer rate and user fee increases and landfill disposal charges. Interest and value of investments also increased by \$9.2 million due to the change in value of investments in accordance with GASB Statement No. 31. Expenses for business-type activities increased by \$8.0 million with \$5.1 million of that amount occurring in the Solid Waste 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 \$22.1 million, an increase of \$0.4 million due to higher charges from the Department of Water Resources.
- The City's net pension liability and pension inflow of resources increased by \$33.2 million to \$177.1 million. Governmental activities account for \$27 million of that increase, whereas \$6.2 million is attributable to business-type activities. Total deferred pension outflows increased by \$35.6 million to \$65.3 million, of which, a \$31 million increase occurred in governmental activities and \$4.7 million increased in business-type activities.

# *City of Santa Maria*

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

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- The City's net OPEB liability and deferred OPEB inflows decreased by \$0.4 million to \$29.4 million. Governmental activities account for \$300 thousand of the decrease, while the remaining \$100 thousand was attributed to the business-type activities. Total deferred OPEB outflows are at \$5.9 million, of which, \$5 million is applicable to governmental activities and \$0.9 million is for business-type activities.
- The City recorded two prior period adjustments resulting in a decrease of \$0.1 million in the Governmental Activities beginning net position and a decrease in business-type activities of \$2.1 million. The first adjustment of (\$0.1 million) represents revenues incorrectly reported in previous years which were remitted back to the vendor in 2023. The second adjustment relates to transit revenues of \$2.1 million recorded as grant revenues receivable in prior years, which were reversed in 2023 as they were no longer expected to be collected.

### **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.

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.

# *City of Santa Maria*

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

### **For the Fiscal Year Ended June 30, 2023**

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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 Government-wide 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 23 and 26 immediately following the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for Governmental Funds, respectively.

*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.

# *City of Santa Maria*

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

### **For the Fiscal Year Ended June 30, 2023**

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*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 page 30 and 31 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 85. 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 \$561.2 million, including prior period adjustments of \$2.2 million. Overall net position increased by \$50.6 million compared to the prior fiscal year. This increase is primarily due to an increase of \$18.6 million in investment earnings.

# City of Santa Maria

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2023

The following chart is the condensed Statements of Net Position as of June 30, 2023, and 2022, expressed in millions.

*City of Santa Maria's Statements of Net Position*  
As of June 30, 2022 and 2023  
(amounts expressed in millions)

	Governmental		Business-type		Total	
	2022	2023	2022	2023	2022	2023
Current and other assets	\$ 252.6	\$ 264.6	\$ 242.2	\$ 269.3	\$ 494.8	\$ 533.9
Restricted and other assets	0.1	0.1	9.3	9.4	9.4	9.5
Capital assets, net	193.7	201.5	120.5	119.2	314.2	320.7
Total assets	<u>446.4</u>	<u>466.2</u>	<u>372.0</u>	<u>397.9</u>	<u>818.4</u>	<u>864.1</u>
Deferred OPEB contributions	5.7	5.0	1.0	0.9	6.7	5.9
Deferred pension contributions	26.7	57.7	2.9	7.6	29.6	65.3
Deferred charge on refunding	-	-	5.3	4.9	5.3	4.9
Total deferred outflow of resources	<u>32.4</u>	<u>62.7</u>	<u>9.2</u>	<u>13.4</u>	<u>41.6</u>	<u>76.1</u>
Current liabilities	41.3	34.8	43.5	42.8	84.8	77.7
Long-term liabilities	119.7	182.6	86.5	96.7	206.2	279.3
Total liabilities	<u>161.1</u>	<u>217.4</u>	<u>130.0</u>	<u>139.5</u>	<u>291.0</u>	<u>357.0</u>
Deferred inflow - OPEB	6.2	8.8	1.1	1.6	7.3	10.4
Deferred inflow - pensions	42.2	5.2	5.1	-	47.3	5.2
Deferred inflow - Leases	3.4	4.1	0.4	2.4	3.8	6.5
Total deferred inflow of resources	<u>51.8</u>	<u>18.1</u>	<u>6.6</u>	<u>4.0</u>	<u>58.4</u>	<u>22.1</u>
Net position:						
Net investment in capital assets	191.6	199.7	83.4	82.3	275.0	282.0
Restricted	28.7	29.3	-	9.4	28.7	38.7
Unrestricted	<u>45.6</u>	<u>64.4</u>	<u>161.2</u>	<u>176.1</u>	<u>206.8</u>	<u>240.5</u>
Total Net Position	<u>\$ 265.9</u>	<u>\$ 293.4</u>	<u>\$ 244.6</u>	<u>\$ 267.8</u>	<u>\$ 510.5</u>	<u>\$ 561.2</u>

As of June 30, 2023, the City's net investment in capital assets at \$282.0 million (50.3 percent) is a portion of the \$561.2 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 of \$38.7 million (6.9 percent) represents resources that are subject to external restrictions on how the resources may be used. The remaining balance of unrestricted resources of \$240.5 million (42.8 percent) may be used to meet the City's ongoing obligations to residents and creditors. Of this amount, \$64.4 million is held by the governmental activities and \$176.1 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 and the implementation of this statement has been the primary driver of the deficit in governmental activities. These structural deficits still exist without the one-time activities which occurred in 2023, such as receipt of Measure U funding. The City's balances in governmental net pension and OPEB liabilities are \$172 million and \$19.1 million, respectively.

# City of Santa Maria

## Management's Discussion and Analysis

### For the Fiscal Year Ended June 30, 2023

The condensed summary of the statements of activities (expressed in millions) below, shows that during the current fiscal year, net position increased by \$52.9 million, which was reduced by the prior period adjustments of \$2.2 million.

*City of Santa Maria's Statements of Activities*  
*For the Fiscal Year Ended June 30, 2023 and 2022*  
 (amounts expressed in millions)

	Governmental		Business-type		Total	
	2022	2023	2022	2023	2022	2023
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 20.0	\$ 18.1	\$ 90.0	\$ 96.9	\$ 110.0	\$ 115.0
Operating grants and contributions	26.6	9.6	5.8	10.8	32.4	20.4
Capital grants and contributions	3.6	4.7	-	-	3.6	4.7
General Revenues:						
Taxes	103.3	107.0	-	-	103.3	107.0
Use of money and property	(7.6)	2.0	(6.6)	2.6	(14.1)	4.6
Gain (Loss) on sale of capital asset	-	-	-	(1.3)	-	(1.3)
Other	1.0	0.6	1.9	4.5	2.9	5.1
Total revenues	<u>146.9</u>	<u>142.0</u>	<u>91.2</u>	<u>113.5</u>	<u>238.0</u>	<u>255.5</u>
<b>Expenses</b>						
General government	25.9	18.0	-	-	25.9	18.0
Public safety	55.2	58.6	-	-	55.2	58.6
Public works	11.7	10.6	-	-	11.7	10.6
Library	4.2	4.8	-	-	4.2	4.8
Community development	4.4	6.5	-	-	4.4	6.5
Recreation and parks	17.4	19.6	-	-	17.4	19.6
Interest & fiscal charges	0.1	0.1	-	-	0.1	0.1
Water and wastewater	-	-	40.6	41.8	40.6	41.8
Solid waste	-	-	28.4	33.5	28.4	33.5
Transit	-	-	7.3	9.1	7.3	9.1
Total expenses	<u>118.9</u>	<u>118.2</u>	<u>76.4</u>	<u>84.4</u>	<u>195.3</u>	<u>202.6</u>
Increase in net position before transfers	27.9	23.8	14.8	29.1	42.7	52.9
Transfers	1.5	3.8	(1.5)	(3.8)	-	-
Increase in net position	<u>29.4</u>	<u>27.6</u>	<u>13.3</u>	<u>25.3</u>	<u>42.7</u>	<u>52.9</u>
Net position - beginning of fiscal year	237.9	265.9	247.3	244.6	485.2	510.5
Prior period adjustments	(1.4)	(0.1)	(16)	(2.1)	(17.3)	(2.2)
Net position - end of fiscal year	<u>\$ 265.9</u>	<u>\$ 293.4</u>	<u>\$ 244.6</u>	<u>\$ 267.8</u>	<u>\$ 510.6</u>	<u>\$ 561.2</u>

**Governmental Activities:** Excluding the prior period adjustments, governmental activities increased the City's net position by \$27.6 million.

**Business-type Activities:** Excluding the prior period adjustments, business-type activities increased the City's net position by \$25.3 million.

# *City of Santa Maria*

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

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### **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, 2023, the City's governmental funds reported combined ending fund balances of \$146.3 million, an increase of \$5 million in comparison to the prior fiscal year. In total, revenues decreased \$4.5 million from the prior fiscal year. Taxes and assessment revenue increased \$4 million due to higher sales tax of \$1.2 million generated from all industry groups with hotels showing the highest percentage of growth and autos and transportation showing the largest dollar increase and higher property tax of \$1.6 million. Use of money and property increased by \$9.5 million due to changes in market value of investments in accordance with GASB Statement No. 31. Revenues collected in Growth Mitigation Funds from developers for residential and commercial development projects accounts for \$2.1 million of the governmental activities. These increases were offset by a \$16.0 million decrease in Intergovernmental revenues from granting agencies, primarily due to declines in ARPA COVID relief funds. Operating expenditures increased \$12.4 million from prior fiscal year as the labor market eased and the City was much more successful in filling full-time positions. 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 \$124 million, or 84.7 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 \$66.6 million, of which \$19.8 million was committed for economic stabilization, \$13.1 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 \$5.7 million. Transfers in were less than transfers out by \$3.6 million. Transfers out included transfers of \$4.6 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 \$3.1 million from the prior fiscal year, primarily from increases in sales tax and Measure U. Use of money and property also increased by \$6.2 million. These increases were offset by a decrease in intergovernmental revenues of \$9.8 million.

Sales tax and Measure U use tax revenue increased by 2.1 percent, or \$1.2 million, compared to the prior fiscal year. The increase is attributable to all industry groups with hotels showing the highest percentage of growth and autos and transportation showing the largest dollar increase. These revenues are generated by out-of-state sales, including goods sold online to customers within the state. Property tax revenue increased by \$1.6 million over prior fiscal year, slightly over a 7 percent increase. Combined, sales tax, Measure U use tax, and property tax make up approximately 89 percent of General Fund revenues. The City has a teeter agreement with the County whereby the total assessed property tax is remitted to the City with the County retaining the right to delinquencies and penalties.

# *City of Santa Maria*

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

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Charges for services in the General Fund are \$700 thousand less than the prior fiscal year from a combination of revenue fluctuations. Reimbursement for Fire mutual aid support to fight wildland fires decreased by \$1.0 million. Community Development cost recovery revenues are less than the prior fiscal year by \$333 thousand. Reimbursement from the school district for the school resource officer program is \$171 thousand less than the prior fiscal year. Recreation and Parks revenues increased by \$381 thousand and is primarily attributable to increased aquatics fees. Public Works zoning, subdivision and inspection fees increased \$135 thousand from large project fees collected.

General Fund expenditures increased by \$14 million (15.9 percent) from \$88.3 million last fiscal year to \$102.3 million in the current fiscal year. Public Safety expenditures exceeded the prior fiscal year by \$8.7 million primarily due to a \$6.2 million increase in personnel costs, of which \$3 million is attributable to an increase in workers' compensation costs and \$1.2 million is attributable to increased pension costs. Recreation and Parks expenditures increased by \$1.6 million in supplies and services, primarily due to a \$736 thousand increase in general liability costs and increased contractual and professional services, by \$361 thousand in salaries and benefits, and by \$357 thousand in cost allocation plan charges. Community Development expenditures increased by \$0.8 million in salaries and benefits due to the shift of the Code Enforcement Division from the City Attorney's office to the Community Development Department and by \$1.0 million in supplies and services due to a shift of oversight of the animal services contract from the City Manager's Office to the Community Development Department.

Measure U expenditures increased by \$8.1 million, 42 percent from the prior fiscal year. This increase is predominantly due to increases of \$3.9 million for public safety staff salaries and benefits, \$1.3 million for supplies and services, and \$1.2 million for capital projects.

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 \$4.5 million. The current fiscal year's larger projects included expenditures of \$232 thousand for the City Hall Remodel, \$573 thousand for the Veteran's Memorial Park Renovation, \$273 thousand for Preisker Park Improvements Project, \$583 thousand for the Public Facilities/ADA and Pedestrian Safety project, \$211 thousand for the Parks Yard Annex Roof Replacement, and \$297 thousand for Enhanced Roadway Maintenance.

The Grants Non-Recurring Fund recognized \$6.8 million in revenues, while \$16.4 million of federal ARPA funding remains temporarily deferred until the matching expenditures are appropriated. The \$6.5 million expended represents amounts spent for COVID-19 mitigation efforts and quality of life improvement efforts that include premium pay for essential workers, public facility HVAC improvements, Knudsen sewer capacity improvements, and Chapel Plaza rehabilitation for multi-use recreational area.

# *City of Santa Maria*

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

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The Growth Mitigation Fund had revenues of \$2.6 million and had \$524 thousand in expenditures. Project costs expended include \$29 thousand toward the Enos Ranch Park & Cultural Center, \$200,000 toward the sewer line at West Mill Street and West Chapel Street, \$142 thousand toward water well development or rehabilitation, and \$151 thousand to the Highway 101/135 Interchange. Including the \$2.1 million current fiscal year net change in fund balance, the Growth Mitigation fund balance was \$44.3 million at June 30, 2022.

The Community Development Capital Projects Fund recognized \$2.8 million in revenues, expenditures of \$795 thousand, and transfers out of \$2.0 million. Projects making up the majority of expenditures and transfers-out include \$276 thousand to rehabilitate the Good Samaritan Emergency Shelter's kitchen equipment, \$145 thousand for Community Action Partnership of San Luis Obispo County (CAPSLO) and CommUnify for the assistance of low-income residents with minor home repairs, \$580 thousand provided to the City's Public Works Department for ADA Pedestrian Safety Improvements, and thirteen other CDBG-funded public services programs totaling \$223 thousand. 13 other public services programs totaling \$223 thousand.

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

#### Original and Final Budget Comparison

Differences between the original budget and the final amended budget (\$4.0 million increase) resulted primarily from the following:

- Carryover of \$69 thousand in the City Manager's Office for election expenses, information technology equipment, and work on the VM servers.
- Carryover of \$170 thousand in the Fire Department to complete the purchase of miscellaneous fire equipment.
- Carryover of \$9 thousand in the Finance Department for a work station and computer.
- Carryover of \$299 thousand in the Police Department to complete the purchase of equipment, and for grants from the State (OTS).
- Carryover of \$180 thousand in Recreation and Parks of OHV grant funds and for a contract for a feasibility study to form a citywide landscape maintenance district.

#### Final Budget and Actual Comparison

Total revenues, excluding transfers in, were \$5.7 million (5.6 percent) greater than the final budget primarily due to the following:

- Sales tax exceeded the budget by \$1.9 million or 3.5 percent. The estimates of sales and property taxes are done with the assistance of HdL, the City's sales tax and property tax auditors, as well as considering many economic factors. Sales tax revenue projections were influenced by high inflation passed along in the cost of goods and expected interest rate increases by the Federal Reserve, according to HdL. Food service, hospitality and retail trade industries were struggling to find and retain employees. Fuel prices remained volatile, impacted by the Ukraine-Russia crisis. Supply chain and raw material interruptions were anticipated to continue disrupting some sales.

# *City of Santa Maria*

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

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- Interest and market value adjustment fell below budget by \$0.5 million, or -26.7 percent. 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 \$397 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 38 percent, or \$1.2 million, more than projections. The increase is partly due to inflation prompting hoteliers to raise room rates, coupled with steady occupancy rates with the return of community events attracting visitors to the area.
- Building permit revenue is more than budget by \$1.1 million, or 34 percent, primarily due to permits issued for accessory dwelling units (ADUs). In addition, permits were issued for Seaside Packing, an industrial warehouse located north of La Brea and east of A Street, and 20 permits for single-family homes at a new residential subdivision, called Skyview Estates, located east of Santa Maria Way, south of Valley Christian Academy.
- Reimbursements for Fire mutual aid support to fight wildland fires was over budget by \$139 thousand. These revenues fluctuate from year to year based on the number of fires and support needed.
- Non-Hazardous Impacted Soils Program (NHIS) exceeded estimates by \$656 thousand. Over the past few years, the City saw a significant decline in NHIS projects and with changes in Landfill operations, the NHIS program was proposed to sunset at the end of FY 2021-22; therefore, the FY 2022-23 budget anticipated the City would not receive any revenue.

Total expenditures were \$15.9 million under the final budget which is primarily due to the following:

- General Government is under budget by \$2.1 million, or 14.5 percent, primarily due to salary and benefit savings due to personnel vacancies and decreases in contractual services expenditures.
- Community Development is under budget by \$1.5 million, or 20.7 percent, primarily due to staff vacancies and contractual agreements deferred to future years. The contract for the General Plan Update will extend in to the next fiscal year. In addition, the pending payment of the fourth-quarter invoice for contractual services with Santa Barbara County for Animal Control Services accounts for a portion of the budget underrun.
- Public Safety is under budget by \$6.9 million, or 9.6 percent, primarily due to salary and benefit savings attributed to several vacancies in the Police and Fire departments, fewer mutual aid responses resulting in lower overtime costs, as well as some fire equipment purchases not occurring as planned.
- Recreation and Parks is under budget by \$1.5 million, or 9.8 percent, primarily due to salary, benefit, and contract savings.
- Public Works is under budget by \$621 thousand primarily due to salary and benefit savings associated with personnel vacancies.

# City of Santa Maria

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

- Capital Outlay is under budget by \$3.1 million due to timing of capital projects and equipment purchases, including the design and construction of a training center, the renovation design of the Fire administration building, the purchase of a second ladder truck that has been ordered, and the purchase of tasers and a body camera system that were not acquired before fiscal year-end.
- Total other financing sources and uses were over budget by \$5.1 million due to:
  - Transfers out is over budget by \$5.2 million primarily due to the transfer of revenues over expenditures of \$4.6 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.
  - The above variances were offset by lower transfers in chiefly because the General Fund did not need the \$2.8 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, 2023, amounted to \$320.7 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, 2023, was \$6.5 million, or 2.1 percent, which is a 4.0 percent increase for governmental activities and 1.1 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's Change in Capital Assets*  
(amounts expressed in millions)

	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Land	\$ 23.9	\$ 23.9	\$ 13.1	\$ 13.5	\$ 37.0	\$ 37.4
Buildings	80.8	77.8	81.9	78.6	162.7	156.4
Equipment	27.4	28.7	12.1	12.5	39.5	41.2
Infrastructure	55.4	59.9	-	-	55.4	59.9
Leased asset-building	0.6	0.5	-	-	1	0.5
Subscription assets	-	0.1	-	-	-	0.1
Construction in progress	5.6	10.6	13.4	14.6	19.0	25.2
Total net capital assets	<u>\$ 193.7</u>	<u>\$ 201.5</u>	<u>\$ 120.5</u>	<u>\$ 119.2</u>	<u>\$ 314.2</u>	<u>\$ 320.7</u>

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

Net capital assets used in governmental activities increased by \$7.8 million. Depreciation expense was \$11.0 million, depreciable asset additions were \$13.9 million and deletions were \$1.9 million. Construction in progress increased by a net of \$5 million (\$7.3 million in additions and \$2.3 million deletions). Additions to depreciable assets include approximately \$5 million in pavement and \$1.2 million in sidewalk infrastructure. Additions to construction in progress include \$418 thousand towards sports lighting project, \$573 thousand towards the Veteran's Memorial Park renovation,

# City of Santa Maria

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

\$505 thousand towards Chapel Plaza project, \$583 thousand toward public facility ADA compliance and pedestrian safety project, \$504 thousand toward the Knudsen Sewer project. Deletion to construction in progress include the capitalization of the police shooting range in Los Flores Ranch for \$550 thousand.

- Net capital assets used in business-type activities decreased by \$1.3 million. Depreciation expense was \$5.9 million, depreciable asset additions were \$3.1 million and deletions were \$336 thousand. Construction in progress increased by \$1.2 million. The decrease in net capital assets relates to the expensing of a previous construction in progress project for valve replacement for the Wastewater fund. The Water and Wastewater Fund incurred expenses associated with capital improvements at the wastewater treatment plant of \$523 thousand, and \$180 thousand in generator enclosures. The Solid Waste Fund recorded capital expenditures of approximately \$538 thousand for the Los Flores Development Plan, and \$475 thousand for the Knudsen Sewer project. The Transit Fund recorded an increase of \$2.2 million. The increase is mainly due to the purchase of two Proterra Zx35+ buses for a total of approximately \$1.7 million.
- Fleet asset additions were \$2.9 million versus deletions of \$1.8 million. The net increase of \$1.1 million is primarily mainly due to the purchase of 1 track dozer, 1 asphalt patch truck, 1 tractor scraper, 1 dump truck, 2 backhoes, 1 sewer truck, 1 cabdumpster truck, and 1 refuse front loader truck.
- Business Equipment Fund asset additions were \$(1.1)million versus deletions of \$25 thousand. The additions are primarily due approximately \$495 thousand in computer purchases.

### F. LONG-TERM LIABILITIES

At fiscal year end, the City had \$292 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 33.

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

Activities	Governmental Activities		Business-type Activities		Total	
	2022	2023	2022	2023	2022	2023
Bonds/COP's	\$ -	\$ -	\$ 42.3	\$ 41.8	\$ 42.3	\$ 41.8
Accrued closure costs	-	-	26.3	29.1	26.3	29.1
Capital leases	0.6	0.5	-	-	0.6	0.5
Financed purchases	1.5	1.2	-	-	1.5	1.2
Subscriptions payable	-	0.1	-	-	-	0.1
Claims payable	19.5	20.6	-	-	19.5	20.6
Compensated absences	5.9	6.5	1.0	1.1	6.9	7.6
OPEB liability	18.9	15.9	3.7	3.2	22.6	19.1
Net pension liability	82.9	147.0	13.7	25.0	96.6	172.0
<b>Total</b>	<b>\$ 129.3</b>	<b>\$ 191.8</b>	<b>\$ 87.0</b>	<b>\$ 100.2</b>	<b>\$ 216.3</b>	<b>\$ 292.0</b>

# *City of Santa Maria*

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

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The City's governmental debt increased by \$62.5 million primarily due to an increase of \$64 million in net pension liability. Excluding the net pension obligation and OPEB liability, governmental debt increased by \$1.4 million to \$28.9 million, which is attributable to an increase of \$1.1 million in liability and workers' compensation claims payable as well as an increase of \$600 thousand in compensated absences. These increases were offset by a decrease of \$300 thousand for payments on financed purchases.

Excluding the recording of business activity, net pension liability of \$25 million and OPEB liability of \$3.2 million, the City's business activity debt increased by \$2.4 million. This increase is predominately due to increases in accrued closure costs of \$2.8 million. The increase was offset by decreases in bonds of \$500 thousand due to amortizations of bond premiums in the current year.

### **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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Cash and investments	\$ 240,636,484	\$ 211,618,093	\$ 452,254,577
Receivables:			
Accounts	15,020,990	16,631,172	31,652,162
Notes and loans	7,051,124	-	7,051,124
Accrued interest	1,224,753	1,115,061	2,339,814
Leases	4,229,629	2,482,627	6,712,256
Grants	1,363,458	9,674,329	11,037,787
Internal balances	(5,908,484)	5,908,484	-
Prepaid items	724,647	21,605,202	22,329,849
Deposits	219,031	24,376	243,407
Inventories	69,599	215,720	285,319
Restricted assets:			
Cash with fiscal agent	56,334	-	56,334
Deposits with CCWA	-	9,428,966	9,428,966
Capital assets not being depreciated	46,857,984	28,126,840	74,984,824
Capital assets, net of depreciation	154,612,149	91,064,933	245,677,082
<b>Total Assets</b>	<b>466,157,698</b>	<b>397,895,803</b>	<b>864,053,501</b>
<b>Deferred Outflows of Resources:</b>			
Deferred charge on refunding	-	4,918,501	4,918,501
Deferred pension	57,644,485	7,627,880	65,272,365
Deferred OPEB	5,019,328	866,398	5,885,726
<b>Total Deferred Outflows of Resources</b>	<b>62,663,813</b>	<b>13,412,779</b>	<b>76,076,592</b>
<b>Liabilities:</b>			
Accounts payable	4,128,152	2,036,627	6,164,779
Accrued wages and benefits	3,091,095	458,698	3,549,793
Unearned revenue	18,347,476	36,802,000	55,149,476
Due within one year			
Long-term debt	405,452	2,623,771	3,029,223
Compensated absences	5,125,984	865,470	5,991,454
Claims and judgments	3,655,290	-	3,655,290
Due in more than one year			
Long-term debt	1,331,159	39,222,065	40,553,224
Compensated absences	1,409,817	188,953	1,598,770
Claims and judgments	16,935,689	-	16,935,689
Net pension liability	147,002,596	24,997,573	172,000,169
Net OPEB liability	15,931,110	3,151,372	19,082,482
Accrued closure and post closure costs	-	29,122,421	29,122,421
<b>Total Liabilities</b>	<b>217,363,820</b>	<b>139,468,950</b>	<b>356,832,770</b>
<b>Deferred Inflows of Resources:</b>			
Deferred pension	5,161,854	-	5,161,854
Deferred OPEB	8,771,280	1,566,899	10,338,179
Lease related deferred inflow	4,148,935	2,488,736	6,637,671
<b>Total Deferred Inflows of Resources</b>	<b>18,082,069</b>	<b>4,055,635</b>	<b>22,137,704</b>
<b>Net Position:</b>			
Net investment in capital assets	199,733,522	82,264,438	281,997,960
Restricted for:			
Public safety	1,146,657	-	1,146,657
Capital projects	9,343,965	-	9,343,965
Debt service	-	9,428,966	9,428,966
Community services	1,580,538	-	1,580,538
Landscape maintenance	1,354,874	-	1,354,874
Road maintenance	15,770,766	-	15,770,766
Unrestricted	64,445,300	176,090,593	240,535,893
<b>Total Net Position</b>	<b>\$ 293,375,622</b>	<b>\$ 267,783,997</b>	<b>\$ 561,159,619</b>

# City of Santa Maria

## Statement of Activities

Fiscal Year Ended June 30, 2023

	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	\$ 17,958,565	\$ 434,860	\$ 6,644,957	\$ -
Public safety	58,607,861	2,624,897	778,149	1,210,768
Community development	6,545,910	4,469,506	260,426	3,095,377
Recreation and parks	19,568,555	6,880,303	113	20,291
Public works	10,633,565	3,531,021	35,171	390,340
Library services	4,786,537	193,171	1,860,528	-
Interest on long-term debt	50,300	-	-	-
<b>Total Governmental Activities</b>	<b>118,151,293</b>	<b>18,133,758</b>	<b>9,579,344</b>	<b>4,716,776</b>
Business-Type Activities:				
Water and Wastewater	41,806,910	57,580,352	1,682	-
Solid Waste	33,497,363	38,634,941	82,959	-
Transit	9,062,183	640,023	10,774,282	-
<b>Total Business-Type Activities</b>	<b>84,366,456</b>	<b>96,855,316</b>	<b>10,858,923</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 202,517,749</b>	<b>\$ 114,989,074</b>	<b>\$ 20,438,267</b>	<b>\$ 4,716,776</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

Gain (Loss) on sale of capital asset

### 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 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>
\$ (10,878,748)	\$ -	\$ (10,878,748)
(53,994,047)	-	(53,994,047)
1,279,399	-	1,279,399
(12,667,848)	-	(12,667,848)
(6,677,033)	-	(6,677,033)
(2,732,838)	-	(2,732,838)
(50,300)	-	(50,300)
<b>(85,721,415)</b>	<b>-</b>	<b>(85,721,415)</b>
-	15,775,124	15,775,124
-	5,220,537	5,220,537
-	2,352,122	2,352,122
-	<b>23,347,783</b>	<b>23,347,783</b>
<b>(85,721,415)</b>	<b>23,347,783</b>	<b>(62,373,632)</b>
25,253,482	-	25,253,482
71,307,669	-	71,307,669
4,806,640	-	4,806,640
4,478,613	-	4,478,613
1,111,236	-	1,111,236
1,980,254	2,567,797	4,548,051
553,102	4,469,642	5,022,744
-	(1,285,962)	(1,285,962)
3,828,433	(3,828,433)	-
<b>113,319,429</b>	<b>1,923,044</b>	<b>115,242,473</b>
27,598,014	25,270,827	52,868,841
265,885,810	244,649,026	510,534,836
(108,202)	(2,135,856)	(2,244,058)
265,777,608	242,513,170	508,290,778
<b>\$ 293,375,622</b>	<b>\$ 267,783,997</b>	<b>\$ 561,159,619</b>

# City of Santa Maria

Balance Sheet

Governmental Funds

June 30, 2023

	Special Revenue Funds			Capital Projects Funds	
	General	Growth Mitigation	Grant Non-Recurring	General Capital Projects	Community Development Capital Projects
<b>Assets:</b>					
Cash and investments	\$ 57,479,516	\$ 44,065,538	\$ 17,075,735	\$ 12,329,770	\$ -
Receivables:					
Accounts receivable	11,894,337	-	-	-	-
Loans receivable	10,227	-	-	-	6,927,201
Accrued interest	857,471	259,586	-	-	-
Leases	4,229,629	-	-	-	-
Grants	57,674	-	102,024	-	1,198,292
Prepaid items	229,889	-	-	18,375	-
Deposits	44,031	-	-	-	-
Due from other funds	848,827	-	-	-	-
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	56,334	-
<b>Total Assets</b>	<b>\$ 75,651,601</b>	<b>\$ 44,325,124</b>	<b>\$ 17,177,759</b>	<b>\$ 12,404,479</b>	<b>\$ 8,125,493</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,202,750	\$ 69,555	\$ 206,323	\$ 336,634	\$ 243,978
Accrued wages and benefits	2,671,376	-	32,960	38,413	-
Unearned revenues	1,043,458	-	16,499,812	-	-
Due to other funds	-	-	-	-	848,827
<b>Total Liabilities</b>	<b>4,917,584</b>	<b>69,555</b>	<b>16,739,095</b>	<b>375,047</b>	<b>1,092,805</b>
<b>Deferred inflows of resources:</b>					
Unavailable revenues	10,227	-	-	-	6,927,201
Deferred inflows of resources - leases	4,148,935	-	-	-	-
<b>Total Deferred inflows of Resources</b>	<b>4,159,162</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,927,201</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Prepaid costs	229,889	-	-	-	-
Deposits	44,031	-	-	-	-
<b>Restricted for:</b>					
Community development projects	-	-	-	-	105,487
Public safety	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Library	-	-	438,664	-	-
Education	-	-	-	-	-
Drainage	-	-	-	-	-
Landscape maintenance	-	-	-	-	-
Road maintenance	-	-	-	-	-
<b>Committed to:</b>					
Economic Stabilization	19,800,000	-	-	-	-
<b>Assigned to:</b>					
Capital Projects	-	44,255,569	-	12,029,432	-
Post employment benefits	6,248,027	-	-	-	-
Unfunded pension benefits	13,146,819	-	-	-	-
<b>Unassigned</b>	<b>27,106,089</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>66,574,855</b>	<b>44,255,569</b>	<b>438,664</b>	<b>12,029,432</b>	<b>105,487</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 75,651,601</b>	<b>\$ 44,325,124</b>	<b>\$ 17,177,759</b>	<b>\$ 12,404,479</b>	<b>\$ 8,125,493</b>

# City of Santa Maria

## Balance Sheet

### Governmental Funds

June 30, 2023

	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>		
Cash and investments	\$ 22,488,090	\$ 153,438,649
Receivables:		
Accounts receivable	2,892,024	14,786,361
Loans receivable	113,696	7,051,124
Accrued interest	107,696	1,224,753
Leases	-	4,229,629
Grants	5,468	1,363,458
Prepaid items	-	248,264
Deposits	-	44,031
Due from other funds	-	848,827
Restricted assets:		
Cash and investments with fiscal agents	-	56,334
<b>Total Assets</b>	<b>\$ 25,606,974</b>	<b>\$ 183,291,430</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,461,555	\$ 3,520,795
Accrued wages and benefits	265,774	3,008,523
Unearned revenues	804,206	18,347,476
Due to other funds	-	848,827
<b>Total Liabilities</b>	<b>2,531,535</b>	<b>25,725,621</b>
<b>Deferred inflows of resources:</b>		
Unavailable revenues	155,495	7,092,923
Deferred inflows of resources - leases	-	4,148,935
<b>Total Deferred inflows of Resources</b>	<b>155,495</b>	<b>11,241,858</b>
<b>Fund Balances:</b>		
<b>Nonspendable:</b>		
Prepaid costs	-	229,889
Deposits	-	44,031
<b>Restricted for:</b>		
Community development projects	397,898	503,385
Public safety	1,146,657	1,146,657
Parks and recreation	1,919,471	1,919,471
Library	-	438,664
Education	638,489	638,489
Drainage	331,571	331,571
Landscape maintenance	1,354,874	1,354,874
Road maintenance	15,770,766	15,770,766
<b>Committed to:</b>		
Economic Stabilization	-	19,800,000
<b>Assigned to:</b>		
Capital Projects	1,443,367	57,728,368
Post employment benefits	-	6,248,027
Unfunded pension benefits	-	13,146,819
<b>Unassigned</b>	<b>(83,149)</b>	<b>27,022,940</b>
<b>Total Fund Balances</b>	<b>22,919,944</b>	<b>146,323,951</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 25,606,974</b>	<b>\$ 183,291,430</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, 2023

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Fund balances of governmental funds \$ 146,323,951

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	\$ 395,721,663	
Accumulated depreciation	<u>(222,023,504)</u>	
Net capital assets		173,698,159

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

Compensated Absences	(6,467,065)	
OPEB Liability	(15,635,033)	
Finance purchases	(996,867)	
Capital lease payable	(540,782)	
Subscription payable	(37,508)	
Net pension liability	<u>(144,214,405)</u>	(167,891,660)

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	4,897,124	
Deferred outflows of resources relating to pensions	56,793,683	
Deferred inflows of resources relating to OPEB	(8,559,101)	
Deferred inflows of resources relating to pension	<u>(5,161,854)</u>	47,969,852

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.

7,092,923

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.

86,182,397

**Net Position of governmental activities**

**\$ 293,375,622**

# City of Santa Maria

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

Fiscal Year Ended June 30, 2023

	General	Special Revenue Funds		Capital Projects Funds
		Growth Mitigation	Grant Non-Recurring	General Capital Projects
<b>Revenues:</b>				
Taxes and assessments	\$ 93,905,711	\$ -	\$ -	\$ -
Permits, fines, and forfeitures	4,218,908	-	-	-
Intergovernmental revenues	2,269,519	-	6,403,051	-
Charges for current services	6,251,527	2,148,519	-	-
Use of money and property	1,164,671	441,113	809	-
Other revenues	176,898	-	360,097	-
<b>Total Revenues</b>	<b>107,987,234</b>	<b>2,589,632</b>	<b>6,763,957</b>	<b>-</b>
<b>Expenditures:</b>				
Current:				
General government	12,351,412	-	4,292,969	223,330
Public safety	65,008,624	-	-	-
Community development	5,816,372	-	114,507	48,114
Recreation and parks	13,775,988	-	-	74,466
Public works	3,674,409	150,905	-	372,194
Library	636,356	-	-	-
Capital outlay	767,894	373,078	2,105,983	3,757,928
Debt service:				
Principal	249,798	-	-	-
Interest and fiscal charges	36,468	-	-	-
<b>Total Expenditures</b>	<b>102,317,321</b>	<b>523,983</b>	<b>6,513,459</b>	<b>4,476,032</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,669,913	2,065,649	250,498	(4,476,032)
<b>Other Financing Sources (Uses):</b>				
Transfers in	6,756,544	-	-	4,604,013
Transfers out	(10,315,653)	-	-	-
Subscription	56,673	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(3,502,436)</b>	<b>-</b>	<b>-</b>	<b>4,604,013</b>
Net Change in Fund Balances	2,167,477	2,065,649	250,498	127,981
Fund Balances, Beginning of Year, as previously reported	64,515,580	42,189,920	188,166	11,901,451
Restatements	(108,202)	-	-	-
Fund Balances, Beginning of Year, as restated	64,407,378	42,189,920	188,166	11,901,451
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 66,574,855</b>	<b>\$ 44,255,569</b>	<b>\$ 438,664</b>	<b>\$ 12,029,432</b>

# City of Santa Maria

## Statement of Revenues, Expenditures, and Changes in Fund Balances

### Governmental Funds

Fiscal Year Ended June 30, 2023

	Capital Projects Funds		
	Community Development Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Taxes and assessments	\$ -	\$ 13,051,929	\$ 106,957,640
Permits, fines, and forfeitures	-	336,753	4,555,661
Intergovernmental revenues	2,751,275	2,491,842	13,915,687
Charges for current services	15,800	5,314,709	13,730,555
Use of money and property	(756)	374,417	1,980,254
Other revenues	-	16,107	553,102
<b>Total Revenues</b>	<b>2,766,319</b>	<b>21,585,757</b>	<b>141,692,899</b>
<b>Expenditures:</b>			
Current:			
General government	-	203,611	17,071,322
Public safety	-	26,245	65,034,869
Community development	794,777	60,000	6,833,770
Recreation and parks	-	5,643,840	19,494,294
Public works	-	5,915,738	10,113,246
Library	-	3,446,149	4,082,505
Capital outlay	-	6,999,243	14,004,126
Debt service:			
Principal	-	66,538	316,336
Interest and fiscal charges	-	6,756	43,224
<b>Total Expenditures</b>	<b>794,777</b>	<b>22,368,120</b>	<b>136,993,692</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,971,542	(782,363)	4,699,207
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	5,254,101	16,614,658
Transfers out	(1,965,834)	(3,998,414)	(16,279,901)
Subscription	-	-	56,673
<b>Total Other Financing Sources (Uses)</b>	<b>(1,965,834)</b>	<b>1,255,687</b>	<b>391,430</b>
Net Change in Fund Balances	5,708	473,324	5,090,637
Fund Balances, Beginning of Year, as previously reported	99,779	22,446,620	141,341,516
Restatements	-	-	(108,202)
Fund Balances, Beginning of Year, as restated	99,779	22,446,620	141,233,314
<b>Fund Balances, End of Fiscal Year</b>	<b>\$ 105,487</b>	<b>\$ 22,919,944</b>	<b>\$ 146,323,951</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, 2023

Net change in fund balances - total governmental funds \$ 5,090,637

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.

Capital outlay	\$ 14,004,131	
Depreciation	(6,133,019)	
Loss on disposal of capital assets	<u>(69,854)</u>	7,801,258

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	(564,172)	
Financed purchases	230,633	
Capital lease payable	66,538	
Subscriptions payable	<u>(37,508)</u>	(304,509)

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. (299,479)

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. 4,112,623

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. 1,394

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. 11,196,090

**Change in net position of governmental activities \$ 27,598,014**

*City of Santa Maria*

Statement of Net Position

Proprietary Funds

June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	Water and Wastewater	Solid Waste	Transit	Enterprise	Internal
				Funds	Service Funds
				Totals	
<b>Assets and Deferred Outflows of Resources:</b>					
<b>Assets:</b>					
<b>Current:</b>					
Cash and investments	\$ 112,082,606	\$ 74,162,504	\$ 25,372,983	\$ 211,618,093	\$ 87,197,835
Receivables:					
Accounts receivable, net	9,440,608	5,131,942	2,058,622	16,631,172	234,629
Other receivables	607,750	369,788	137,523	1,115,061	-
Lease receivables	2,481,076	-	1,551	2,482,627	-
Grants	-	-	9,674,329	9,674,329	-
Prepaid costs	21,581,535	16,186	7,481	21,605,202	476,383
Deposits	24,376	-	-	24,376	175,000
Inventories	215,720	-	-	215,720	69,599
<b>Total Current Assets</b>	<b>146,433,671</b>	<b>79,680,420</b>	<b>37,252,489</b>	<b>263,366,580</b>	<b>88,153,446</b>
<b>Noncurrent:</b>					
Restricted:					
Deposit with CCWA	9,428,966	-	-	9,428,966	-
Capital assets - net of accumulated depreciation	71,239,263	28,228,819	19,723,691	119,191,773	27,771,974
<b>Total Noncurrent Assets</b>	<b>80,668,229</b>	<b>28,228,819</b>	<b>19,723,691</b>	<b>128,620,739</b>	<b>27,771,974</b>
<b>Total Assets</b>	<b>227,101,900</b>	<b>107,909,239</b>	<b>56,976,180</b>	<b>391,987,319</b>	<b>115,925,420</b>
<b>Deferred Outflows of Resources:</b>					
Deferred charge on refunding	4,918,501	-	-	4,918,501	-
Deferred outflows - Pension	3,520,560	3,784,602	322,718	7,627,880	850,802
Deferred outflows - OPEB	379,171	452,623	34,604	866,398	122,204
<b>Total Deferred Outflows of Resources</b>	<b>8,818,232</b>	<b>4,237,225</b>	<b>357,322</b>	<b>13,412,779</b>	<b>973,006</b>
<b>Total Assets and Deferred Outflows of Resources:</b>	<b>\$ 235,920,132</b>	<b>\$ 112,146,464</b>	<b>\$ 57,333,502</b>	<b>\$ 405,400,098</b>	<b>\$ 116,898,426</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>					
<b>Liabilities:</b>					
<b>Current:</b>					
Accounts payable	\$ 353,865	\$ 1,097,374	\$ 585,388	\$ 2,036,627	\$ 607,357
Accrued liabilities	199,043	242,490	17,165	458,698	82,572
Unearned revenues	-	250	36,801,750	36,802,000	-
Accrued compensated absences	274,952	571,331	19,187	865,470	55,158
Accrued claims and judgments	-	-	-	-	3,655,290
Bonds, notes, and capital leases	2,623,771	-	-	2,623,771	79,652
<b>Total Current Liabilities</b>	<b>3,451,631</b>	<b>1,911,445</b>	<b>37,423,490</b>	<b>42,786,566</b>	<b>4,480,029</b>
<b>Noncurrent:</b>					
Accrued compensated absences	60,029	124,735	4,189	188,953	13,578
Accrued claims and judgments	-	-	-	-	16,935,689
Bonds, notes, and capital leases	39,222,065	-	-	39,222,065	81,802
Accrued closure and post closure care costs	-	29,122,421	-	29,122,421	-
Net Pension Liability	11,537,341	12,402,642	1,057,590	24,997,573	2,788,191
OPEB Liability	1,438,109	1,630,803	82,460	3,151,372	296,077
<b>Total Noncurrent Liabilities</b>	<b>52,257,544</b>	<b>43,280,601</b>	<b>1,144,239</b>	<b>96,682,384</b>	<b>20,115,337</b>
<b>Total Liabilities</b>	<b>55,709,175</b>	<b>45,192,046</b>	<b>38,567,729</b>	<b>139,468,950</b>	<b>24,595,366</b>
<b>Deferred Inflows of Resources:</b>					
Deferred inflows - OPEB	754,196	740,194	72,509	1,566,899	212,179
Deferred inflows - Leases	2,487,213	-	1,523	2,488,736	-
<b>Total Deferred Inflows of Resources</b>	<b>3,241,409</b>	<b>740,194</b>	<b>74,032</b>	<b>4,055,635</b>	<b>212,179</b>
<b>Net Position:</b>					
Net investment in capital assets	34,311,928	28,228,819	19,723,691	82,264,438	27,610,520
Restricted	9,428,966	-	-	9,428,966	-
Unrestricted	133,228,654	37,985,405	(1,031,950)	170,182,109	64,480,361
<b>Total Net Position</b>	<b>176,969,548</b>	<b>66,214,224</b>	<b>18,691,741</b>	<b>261,875,513</b>	<b>92,090,881</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 235,920,132</b>	<b>\$ 112,146,464</b>	<b>\$ 57,333,502</b>	<b>\$ 405,400,098</b>	<b>\$ 116,898,426</b>

**Reconciliation of Net Position to the Statement of Net Position**

Net Position per Statement of Net Position - Proprietary Funds	\$ 261,875,513
Prior years' accumulated adjustment to reflect the consolidation of internal service funds activities related to the enterprise funds	1,661,141
Current year's adjustments to reflect the consolidation of internal service activities related to enterprise funds	4,247,343
<b>Net Position per Statement of Net Position</b>	<b>\$ 267,783,997</b>

# City of Santa Maria

Statement of Revenues, Expenses,  
and Changes in Fund Net Position  
Proprietary Funds  
Fiscal Year Ended June 30, 2023

	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	\$ 57,580,352	\$ 38,634,941	640,023	\$ 96,855,316	\$ 32,161,150
Other revenues	-	2,455,363	-	2,455,363	1,374
<b>Total Operating Revenues</b>	<b>57,580,352</b>	<b>41,090,304</b>	<b>640,023</b>	<b>99,310,679</b>	<b>32,162,524</b>
<b>Operating Expenses:</b>					
Salaries, wages, and benefits	7,998,963	6,533,006	608,829	15,140,798	2,339,627
Materials and supplies	3,865,041	449,874	74,270	4,389,185	2,958,280
Equipment maintenance and operation	3,840,754	7,739,080	6,869,683	18,449,517	2,599,322
Contracts and services	3,819,499	20,265,380	338,221	24,423,100	8,229,646
State water payments:					
State water payments to DWR	14,804,281	-	-	14,804,281	-
State water payments to CCWA	3,929,835	-	-	3,929,835	-
Depreciation expense	3,249,043	1,353,017	1,347,936	5,949,996	4,909,386
<b>Total Operating Expenses</b>	<b>41,507,416</b>	<b>36,340,357</b>	<b>9,238,939</b>	<b>87,086,712</b>	<b>21,036,261</b>
Operating Income (Loss)	16,072,936	4,749,947	(8,598,916)	12,223,967	11,126,263
<b>Nonoperating Revenues (Expenses):</b>					
Intergovernmental	1,682	82,959	10,774,282	10,858,923	-
Interest revenue	1,363,541	1,002,215	202,041	2,567,797	-
Interest expense	(1,377,925)	-	(1,384)	(1,379,309)	(7,076)
Contributions from other agencies	-	-	2,014,279	2,014,279	-
Noncapitalized costs and planning studies	-	-	(147,778)	(147,778)	-
Gain (loss) on disposal of capital assets	(1,207,242)	(100,770)	22,050	(1,285,962)	226,581
<b>Total Nonoperating Revenues (Expenses)</b>	<b>(1,219,944)</b>	<b>984,404</b>	<b>12,863,490</b>	<b>12,627,950</b>	<b>219,505</b>
Income (Loss) Before Transfers and Capital Contributions	14,852,992	5,734,351	4,264,574	24,851,917	11,345,768
Capital Contributions	-	-	-	-	603,990
Transfers in	-	-	-	-	3,791,848
Transfers out	(2,147,582)	(1,569,635)	(111,216)	(3,828,433)	(298,172)
Changes in Net Position	12,705,410	4,164,716	4,153,358	21,023,484	15,443,434
<b>Net Position:</b>					
Beginning of Fiscal Year, as previously reported	164,289,928	62,023,718	16,674,239	242,987,885	76,647,447
Restatements	(25,790)	25,790	(2,135,856)	(2,135,856)	-
Beginning of Fiscal Year, as restated	164,264,138	62,049,508	14,538,383	240,852,029	76,647,447
<b>End of Fiscal Year</b>	<b>\$ 176,969,548</b>	<b>\$ 66,214,224</b>	<b>\$ 18,691,741</b>	<b>\$ 261,875,513</b>	<b>\$ 92,090,881</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				\$ 21,023,484	
Adjustment to reflect the consolidation of current fiscal year internal service funds activities related to enterprise funds				4,247,343	
<b>Changes in Net Position of Business-Type Activities per Statement of Activities</b>				<b>\$ 25,270,827</b>	

# City of Santa Maria

## Statement of Cash Flows

### Proprietary Funds

Fiscal Year Ended June 30, 2023

	Business-Type Activities - Enterprise Funds				Governmental
	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	\$ 57,220,599	\$ 39,442,326	\$ (3,988,250)	\$ 92,674,675	\$ 32,262,607
Cash paid to suppliers for goods and services	(33,494,755)	(25,517,699)	(7,590,117)	(66,602,571)	(13,218,069)
Cash paid to employees for services	(5,901,018)	(6,928,785)	(609,762)	(13,439,565)	(2,090,739)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>17,824,826</b>	<b>6,995,842</b>	<b>(12,188,129)</b>	<b>12,632,539</b>	<b>16,953,799</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>					
<b>Financing Activities:</b>					
Cash transfers out	(2,173,372)	(1,569,635)	(111,216)	(3,854,223)	(298,172)
Cash transfers in	-	25,790	-	25,790	3,791,848
Repayment received from other funds	-	634,210	-	634,210	-
Operating grants	1,682	82,959	15,282,176	15,366,817	-
Noncapitalized costs and planning studies	-	-	(147,778)	(147,778)	-
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>(2,171,690)</b>	<b>(826,676)</b>	<b>15,023,182</b>	<b>12,024,816</b>	<b>3,493,676</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>					
Capital contributions	-	-	2,014,279	2,014,279	-
Acquisition and construction of capital assets	(1,647,961)	(769,649)	(3,539,035)	(5,956,645)	(4,301,333)
Principal paid on capital debt	-	-	-	-	(141,758)
Interest paid on capital debt	(1,498,350)	-	(1,384)	(1,499,734)	(7,076)
Proceeds from sales of capital assets	-	-	22,050	22,050	285,287
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,146,311)</b>	<b>(769,649)</b>	<b>(1,504,090)</b>	<b>(5,420,050)</b>	<b>(4,164,880)</b>
<b>Cash Flows from Investing Activities:</b>					
Interest received	1,055,394	827,047	136,857	2,019,298	-
<b>Net Cash Provided (Used) by Investing Activities</b>	<b>1,055,394</b>	<b>827,047</b>	<b>136,857</b>	<b>2,019,298</b>	<b>-</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>13,562,219</b>	<b>6,226,564</b>	<b>1,467,820</b>	<b>21,256,603</b>	<b>16,282,595</b>
Cash and Cash Equivalents at Beginning of Fiscal Year	107,949,353	67,935,940	23,905,163	199,790,456	70,915,240
<b>Cash and Cash Equivalents at End of Fiscal Year</b>	<b>\$ 121,511,572</b>	<b>\$ 74,162,504</b>	<b>\$ 25,372,983</b>	<b>\$ 221,047,059</b>	<b>\$ 87,197,835</b>
<b>Provided (Used) by Operating Activities:</b>					
Operating income (loss)	\$ 16,072,936	\$ 4,749,947	\$ (8,598,916)	\$ 12,223,967	\$ 11,126,263
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>					
Depreciation	3,249,043	1,353,017	1,347,936	5,949,996	4,909,386
(Increase) decrease in accounts receivable	(359,753)	(1,647,978)	(1,618,207)	(3,625,938)	100,083
(Increase) decrease in leases receivable	(2,072,101)	-	18,557	(2,053,544)	-
(Increase) decrease in due from other governments	(10,976)	-	-	(10,976)	-
(Increase) decrease in inventories	(112,793)	-	-	(112,793)	18,891
(Increase) decrease in prepaid expense	(2,613,828)	26,796	(1,969)	(2,589,001)	80,544
(Increase) decrease in deferred outflows for OPEB	48,705	58,471	6,181	113,357	(527,834)
(Increase) decrease in deferred outflows for pensions	(2,423,215)	(2,079,629)	(187,447)	(4,690,291)	12,565
Increase (decrease) in accounts payable	(507,172)	132,824	(306,247)	(680,595)	(653,599)
Increase (decrease) in unearned revenues	-	-	(3,010,066)	(3,010,066)	-
Increase (decrease) in accrued liabilities	36,970	41,846	(2,207)	76,609	20,048
Increase (decrease) in closure and postclosure care costs	-	2,777,015	-	2,777,015	-
Increase (decrease) in net OPEB liability	(296,219)	(189,134)	(32,294)	(517,647)	(86,791)
Increase (decrease) in net pension liability	6,400,868	4,421,972	424,412	11,247,252	1,295,764
Increase (decrease) in claims and judgments	-	-	-	-	1,123,343
Increase (decrease) in deferred inflows for OPEB	279,119	147,530	19,557	446,206	79,064
Increase (decrease) in deferred inflows for pensions	(1,892,422)	(2,940,304)	(233,281)	(5,066,007)	(549,852)
Increase (decrease) in deferred inflows for leases	2,081,525	-	(18,284)	2,063,241	-
Increase (decrease) in compensated absences	(55,861)	143,469	4,146	91,754	5,924
<b>Total Adjustments</b>	<b>1,751,890</b>	<b>2,245,895</b>	<b>(3,589,213)</b>	<b>408,572</b>	<b>5,827,536</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 17,824,826</b>	<b>\$ 6,995,842</b>	<b>\$ (12,188,129)</b>	<b>\$ 12,632,539</b>	<b>\$ 16,953,799</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>					
Gain/(Loss) on disposition of capital assets	\$ (1,207,242)	\$ (100,770)	\$ 22,050	\$ (1,285,962)	\$ 226,581
Contributions of capital assets	-	-	-	-	603,990
Amortization of deferral on refunding and bond premium	120,425	-	-	120,425	-
Restatement to correct prior fiscal year transit revenues	-	-	(2,135,856)	(2,135,856)	-

# City of Santa Maria

## STATEMENT OF FIDUCIARY NET POSITION

### Custodial Funds

JUNE 30, 2023

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	<b>Custodial Funds</b>
<b>Assets:</b>	
Cash and investments	\$ 10,285,446
Receivables:	
Accounts	25,720
<b>Total Assets</b>	<b>10,311,166</b>
<b>Liabilities:</b>	
Accounts payable	43,248
Deposits payable	2,631,297
<b>Total Liabilities</b>	<b>2,674,545</b>
<b>Net Position:</b>	
Restricted for organizations and other governments	2,460,358
Restricted for groundwater basins	5,176,263
<b>Total Net Position</b>	<b>\$ 7,636,621</b>

# City of Santa Maria

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

### Custodial Funds

FISCAL YEAR ENDED JUNE 30, 2023

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	<b>Custodial Funds</b>
<b>Additions:</b>	
Investment earnings:	
Interest	\$ 42,229
Net investment earnings	42,229
Program revenues	661,975
Contribution from City	422,691
<b>Total Additions</b>	<b>1,126,895</b>
<b>Deductions:</b>	
Administrative expenses	229,588
Reimbursement of prior taxes to County	288,015
<b>Total Deductions</b>	<b>517,603</b>
Net Increase in Fiduciary Net Position	609,292
Net Position - Beginning	7,027,329
<b>Net Position - Ending</b>	<b>\$ 7,636,621</b>

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# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2023

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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, 2023

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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.

#### **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.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

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.

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.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2023

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

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 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 and business-type activities in the government-wide financial statements.

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.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2023

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

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 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 123 and 124 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.

# *City of Santa Maria*

## **Notes to Basic Financial Statements**

June 30, 2023

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

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.

#### ***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.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

***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

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. Interest incurred during the construction phase of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

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
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***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.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2023

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

#### *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.

#### *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.

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2023

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

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.

**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.

# *City of Santa Maria*

## **Notes to Basic Financial Statements**

June 30, 2023

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

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, 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.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

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:

	Secured	Unsecured
Lien date	January 1	January 1
Lien date	July 1	July 1
Due dates	50% - November 1 50% - February 1	July 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.

#### 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 2027. 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 \$29.1 million in landfill closure and post-closure care liability at June 30, 2023, and is based on the percent of capacity used (82.6%) as of June 30, 2023. It is estimated that the total cost of all closure and post-closure costs to be \$32.4 million at June 30, 2023. The City will recognize remaining estimated costs of \$2.78 million 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.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

***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 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 8 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, 2023

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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. 99	"Omnibus 2022"	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 15, 2025

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

### 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	\$ 452,254,577
Cash and investments held by fiscal agent	56,334

##### Fiduciary Funds:

Cash and investments	10,285,446
Total cash and investments	<u>\$ 462,596,357</u>

The composition of cash and investments as of June 30, 2023, is as follows:

Cash on hand	\$ 17,732
Deposits with financial institutions	10,620,905
Investments	451,957,720
Total cash and investments	<u>\$ 462,596,357</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.

The City had the following recurring fair value measurements as of June 30, 2023:

Investment Type	Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
US Treasury Bonds	\$ 232,274,531	\$ 232,274,531	\$ -	\$ -
Federal Agency Issues	32,801,274	32,801,274	-	-
Negotiable Certificates of Deposit	3,362,261	3,362,261	-	-
Medium-Term Corporate Notes	97,434,942	97,434,942	-	-
Municipal Obligations	11,308,060	11,308,060	-	-
Supranationals	6,561,620	6,561,620	-	-
Total investments measured at fair value	383,742,688	<u>\$ 383,742,688</u>	<u>\$ -</u>	<u>\$ -</u>

##### Investments measured at amortized costs

Local Agency Investment Fund (LAIF)	68,145,462
Money Market Funds	69,570
Total investments	<u>\$ 451,957,720</u>

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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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, 2023**

**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	25-48 Months	49-60 Months
US Treasury Bonds	\$ 232,274,531	\$ 65,660,544	\$ 30,853,547	\$ 97,801,300	\$ 37,959,140
Federal Agency Issues	32,801,274	8,287,932	20,174,827	4,338,515	-
Supranationals	6,561,620	3,754,013	2,807,607	-	-
Negotiable Certificates of Deposit	3,362,261	-	-	3,362,261	-
Medium-Term Corporate Notes	97,434,942	9,131,420	20,382,562	45,816,177	22,104,783
Municipal Obligations	11,308,060	-	5,851,548	5,456,512	-
Local Agency Investment Fund (LAIF)	68,145,462	68,145,462	-	-	-
Money Market Funds	13,236	13,236	-	-	-
Held by fiscal agent:					
Money Market Funds	56,334	56,334	-	-	-
<b>Total</b>	<b>\$ 451,957,720</b>	<b>\$ 155,048,941</b>	<b>\$ 80,070,091</b>	<b>\$ 156,774,765</b>	<b>\$ 60,063,923</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, 2023**

**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, 2023, 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
US Treasury Bonds	\$ 232,274,531	N/A	\$ -	\$ 232,274,531	\$ -
Federal Agency Issues	32,801,274	N/A	-	32,801,274	-
Supranationals	6,561,620	AA	6,561,620	-	-
Negotiable Certificates of Deposit	3,362,261	A	-	-	3,362,261
Medium-Term Corporate Notes	97,434,942	A	3,254,172	26,954,817	60,565,138
Municipal Obligations	11,308,060	A	2,555,336	4,388,730	-
Local Agency Investment Fund (LAIF)	68,145,462	N/A	-	-	-
Money Market Funds	13,236	N/A	-	-	-
Held by fiscal agent:					
Money Market Funds	56,334	A	-	-	-
<b>Total</b>	<b>\$ 451,957,720</b>		<b>\$ 12,371,128</b>	<b>\$ 296,419,352</b>	<b>\$ 63,927,399</b>

Investment Type	Value	Minimum Legal Rating	Rating as of Fiscal Year End		
			B	Not Rated	Total
US Treasury Bonds	\$ 232,274,531	N/A	\$ -	\$ -	\$ 232,274,531
Federal Agency Issues	32,801,274	N/A	-	-	32,801,274
Supranationals	6,561,620	AA	-	-	6,561,620
Negotiable Certificates of Deposit	3,362,261	A	-	-	3,362,261
Medium-Term Corporate Notes	97,434,942	A	6,660,815	-	97,434,942
Municipal Obligations	11,308,060	A	-	4,363,994	11,308,060
Local Agency Investment Fund (LAIF)	68,145,462	N/A	-	68,145,462	68,145,462
Money Market Funds	13,236	N/A	-	13,236	13,236
Held by fiscal agent:					
Money Market Funds	56,334	A	-	56,334	56,334
<b>Total</b>	<b>\$ 451,957,720</b>		<b>\$ 6,660,815</b>	<b>\$ 72,579,026</b>	<b>\$ 451,957,720</b>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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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:

<u>Investment Type</u>	<u>Reported Amount</u>
U.S. Treasury Bonds/Notes	\$ 232,274,531
Medium-Term Corporate Notes	97,434,942
Federal Agency Issues	32,801,274
Supranationals	6,561,620
Certificates of Deposit	3,362,261
Municipal Obligations	11,308,060

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, 2023, 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, 2023, 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, 2023

### 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	Leases Receivable	Total	
General	\$ 11,894,337	\$ 857,471	\$ 57,674	\$ 4,229,629	\$ 17,039,111	\$ 10,227
Grant (Non-recurring)	-	-	102,024	-	102,024	-
Growth Mitigation	-	259,586	-	-	259,586	-
Community Development Capital Projects	-	-	1,198,292	-	1,198,292	6,927,201
Non-major Governmental Funds	2,892,024	107,696	5,468	-	3,005,188	113,696
Internal Service Funds	234,629	-	-	-	234,629	-
<b>Total</b>	<b>\$ 15,020,990</b>	<b>\$ 1,224,753</b>	<b>\$ 1,363,458</b>	<b>\$ 4,229,629</b>	<b>\$ 21,838,830</b>	<b>\$ 7,051,124</b>

#### Business-type receivables:

Business-type	Accounts Receivable			Other Receivables			
	Accounts Receivable	Allowance for Doubtful Accounts	Total Net Receivables	Interest Receivable	Leases Receivable	Grants Receivable	Total
Water and Wastewater	\$ 9,747,787	\$ 307,179	\$ 9,440,608	\$ 607,750	\$ 2,481,076	\$ -	\$ 3,088,826
Solid Waste	5,223,321	91,379	5,131,942	369,788	-	-	369,788
Transit	2,058,622	-	2,058,622	137,523	1,551	9,674,329	9,813,403
<b>Total</b>	<b>\$17,029,730</b>	<b>\$ 398,558</b>	<b>\$16,631,172</b>	<b>\$ 1,115,061</b>	<b>\$ 2,482,627</b>	<b>\$ 9,674,329</b>	<b>\$13,272,017</b>

#### A. Loans Receivable

##### Loans Receivable

The following table is a summary of the status of loans by program or project as of June 30, 2023. Additional detail on each loan program follows.

Program/Project	Number of Outstanding Loans	Payments Made During 2022-23	Total Outstanding Balance
Residential Rehabilitation	11	\$ 600	\$ 230,400
Habitat for Humanity	2	1,500	83,100
Residential Rehabilitation	37	-	6,142,351
Non-Profit Facilities	3	-	461,219
Neighborhood Stabilization	1	-	10,131
Economic Development Program	1	3,000	10,227
Oak Valley Lots	6	-	113,696
Economic Development Fund (formerly Business Retention / Attraction Loan Program)	6	-	113,696
<b>Totals</b>	<b>61</b>	<b>\$ 5,100</b>	<b>\$ 7,051,124</b>

# *City of Santa Maria*

## Notes to Basic Financial Statements

June 30, 2023

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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, 2023

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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.

### 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 page.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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**NOTE 4: LEASES (CONTINUED)**

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 \$4,456,519 for governmental activities and the governmental funds. A new land lease was added in fiscal year 2023 in the amount of \$1,267,342. As of June 30, 2023, the value of the lease receivables is \$4,229,629. The value of the deferred inflows of resources as of June 30, 2023 was \$4,148,935, and the City recognized lease revenue of \$457,428 during the fiscal year.

In the City’s business-type activities and proprietary funds in fiscal year 2021-22, an initial lease receivable was recorded in the amount of \$280,623. A new land lease was added in fiscal year 2023 in the amount of \$2,533,924. As of June 30, 2023, the value of the lease receivables is \$2,482,627. The value of the deferred inflows of resources as of June 30, 2023 was \$2,488,736, and the City recognized lease revenue of \$480,380 during the fiscal year.

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 410,399	\$ 74,088	\$ 484,487
2025	417,306	66,371	483,677
2026	404,462	58,485	462,947
2027	375,876	50,334	426,210
2028	353,715	42,406	396,121
2029 - 2033	847,660	145,499	993,159
2034 - 2038	415,094	99,172	514,266
2039 - 2043	358,325	70,109	428,434
2044 - 2048	156,867	48,659	205,526
2049 - 2053	170,816	34,710	205,526
2054 - 2058	186,005	19,520	205,525
2059 - 2062	133,104	3,913	137,017
	<u>\$ 4,229,629</u>	<u>\$ 713,266</u>	<u>\$ 4,942,895</u>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

### NOTE 4: LEASES (CONTINUED)

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 424,781	\$ 61,357	\$ 486,138
2025	435,043	50,541	485,584
2026	456,690	39,427	496,117
2027	479,064	27,617	506,681
2028	458,019	15,418	473,437
2029 - 2033	229,030	3,115	232,145
	<u>\$ 2,482,627</u>	<u>\$ 197,475</u>	<u>\$ 2,680,102</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, 2023, the value of the lease liability is \$540,782. 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%.

Right-of-use leased assets include the following at June 30, 2023:

Lease Type	Major Class of Underlying Asset	Amount of Leased Capital Assets	Accumulated Amortization
Building Lease	Right-of-Use Lease - Buildings	\$ 669,221	\$ 140,888
	Total	<u>\$ 669,221</u>	<u>\$ 140,888</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
2024	\$ 69,393	\$ 5,956	\$ 75,349
2025	70,210	5,139	75,349
2026	71,036	4,313	75,349
2027	71,871	3,478	75,349
2028	72,717	2,632	75,349
2029-2031	185,555	2,817	188,372
Total	<u>\$ 540,782</u>	<u>\$ 24,335</u>	<u>\$ 565,117</u>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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### NOTE 5: SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

For the fiscal year ended June 30, 2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the following disclosures.

The City entered into two long-term subscriptions for use of software. Initial subscription liabilities totaled \$56,673. The City is required to make annual fixed payments of \$19,354. The subscriptions have interest rates ranging from 2.184%-2.707%. The total value of right to use assets as of June 30, 2023 of \$66,334 with accumulated amortization of \$20,575 is included with Software on the Subscription Class activities table found below. Santa Maria, CA has 1 extension option, for 36 months

Asset Class	Major Class of Underlying Asset	Subscription Asset Value	Accumulated Amortization
Software	Subscription Asset	\$ 66,334	\$ 20,575
	Total	<u>\$ 66,334</u>	<u>\$ 20,575</u>

Future principal and interest requirements to maturity for each subscription payable are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 18,569	\$ 785	\$ 19,354
2025	18,939	415	19,354
Total	<u>\$ 37,508</u>	<u>\$ 1,200</u>	<u>\$ 38,708</u>

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 6: 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, 2023, is as follows:

Governmental Activities:	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Nondepreciable capital assets					
Land	\$ 23,936,340	\$ -	\$ -	\$ -	\$ 23,936,340
Construction in progress	5,646,854	7,315,367	(69,854)	(2,309,068)	10,583,299
Infrastructure - ROW	12,338,345	-	-	-	12,338,345
Total nondepreciable capital assets	41,921,539	7,315,367	(69,854)	(2,309,068)	46,857,984
Depreciable capital assets					
Building and improvements	152,554,691	-	-	550,669	153,105,360
Equipment	64,428,372	4,698,901	(1,929,635)	1,758,399	68,956,037
Infrastructure	184,550,422	6,828,851	-	-	191,379,273
Leased Asset - building	669,221	-	-	-	669,221
Subscription assets	-	66,334	-	-	66,334
Total depreciable capital assets	402,202,706	11,594,086	(1,929,635)	2,309,068	414,176,225
Less: Accumulated depreciation					
Building and improvements	(71,710,117)	(3,567,060)	-	-	(75,277,177)
Equipment	(36,987,811)	(5,167,367)	1,870,930	-	(40,284,248)
Infrastructure	(141,624,229)	(2,216,959)	-	-	(143,841,188)
Leased Asset - building	(70,444)	(70,444)	-	-	(140,888)
Subscription assets	-	(20,575)	-	-	(20,575)
Total accumulated depreciation	(250,392,601)	(11,042,405)	1,870,930	-	(259,564,076)
Net depreciable assets	151,810,105	551,681	(58,705)	2,309,068	154,612,149
Net capital assets	\$ 193,731,644	\$ 7,867,048	\$ (128,559)	\$ -	\$ 201,470,133

**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, 2023, is as follows:

Net Capital Assets by Type:	Balance July 1, 2022	Additions	Deletions	Depreciation	Balance June 30, 2023
Capital assets	\$ 110,632,363	\$ 7,175,280	\$ (69,854)	\$ (3,916,060)	\$ 113,821,729
Internal Service Fund assets	27,834,743	4,905,322	(58,705)	(4,909,386)	27,771,974
Infrastructure assets	55,264,538	6,828,851	-	(2,216,959)	59,876,430
Net capital assets by type	\$ 193,731,644	18,909,453	\$ (128,559)	\$ (11,042,405)	201,470,133

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

**NOTE 6: CAPITAL ASSETS (CONTINUED)**

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.

**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, 2023, is as follows:

Business-Type Activities:	Balance July 1, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Nondepreciable capital assets					
Land	\$ 13,102,312	\$ -	\$ -	\$ 412,697	\$ 13,515,009
Construction in progress	13,412,694	5,654,107	(1,207,242)	(3,247,728)	14,611,831
Total nondepreciable capital assets	<u>26,515,006</u>	<u>5,654,107</u>	<u>(1,207,242)</u>	<u>(2,835,031)</u>	<u>28,126,840</u>
Depreciable capital assets					
Building and improvements	172,422,183	-	-	588,231	173,010,414
Equipment	38,801,662	302,538	(335,899)	2,246,800	41,015,101
Total depreciable capital assets	<u>211,223,845</u>	<u>302,538</u>	<u>(335,899)</u>	<u>2,835,031</u>	<u>214,025,515</u>
Accumulated depreciation					
A/D Building and improvements	(90,542,390)	(3,934,942)	-	-	(94,477,332)
A/D Equipment	(26,703,325)	(2,015,054)	235,129	-	(28,483,250)
Total accumulated depreciation	<u>(117,245,715)</u>	<u>(5,949,996)</u>	<u>235,129</u>	<u>-</u>	<u>(122,960,582)</u>
Net depreciable assets	<u>93,978,130</u>	<u>(5,647,458)</u>	<u>(100,770)</u>	<u>2,835,031</u>	<u>91,064,933</u>
Net capital assets	<u>\$ 120,493,136</u>	<u>\$ 6,649</u>	<u>\$ (1,308,012)</u>	<u>\$ -</u>	<u>\$ 119,191,773</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, 2023, is as follows:

Net Capital Assets by Type:	Balance July 1, 2022	Additions	Deletions	Depreciation	Balance June 30, 2023
Water and Wastewater assets	\$ 74,047,587	\$ 1,647,961	\$ (1,207,242)	\$ (3,249,043)	\$ 71,239,263
Solid Waste assets	28,912,957	769,649	(100,770)	(1,353,017)	28,228,819
Transit assets	17,532,592	3,539,035	-	(1,347,936)	19,723,691
Net capital assets by type	<u>\$ 120,493,136</u>	<u>\$ 5,956,645</u>	<u>\$ (1,308,012)</u>	<u>\$ (5,949,996)</u>	<u>\$ 119,191,773</u>

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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**NOTE 6: CAPITAL ASSETS (CONTINUED)**

**C. Depreciation Expense**

Depreciation expense of \$16,992,401 was charged to the following functions:

	Governmental Activities	Business-Type Activities	Total
General government	\$ 1,013,049	\$ -	\$ 1,013,049
Community development	5,268	-	5,268
Public safety	971,407	-	971,407
Recreation and parks	1,173,746	-	1,173,746
Public works	2,257,410	-	2,257,410
Library services	712,139	-	712,139
Internal Service Funds	4,909,386	-	4,909,386
Water and Wastewater	-	3,249,043	3,249,043
Solid Waste	-	1,353,017	1,353,017
Transit	-	1,347,936	1,347,936
<b>Total</b>	<b>\$ 11,042,405</b>	<b>\$ 5,949,996</b>	<b>\$ 16,992,401</b>

**NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

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

The Due To and From Other Funds at June 30, 2023, are as follows:

Fund	Due From Other Funds	Due to Other Funds
General Fund	\$ 848,827	\$ -
Community Development		
Capital Projects Fund	-	848,827
<b>Total</b>	<b>\$ 848,827</b>	<b>\$ 848,827</b>

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.

**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 was repaid in full in fiscal year 2023-24.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

### NOTE 7: INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

#### C. Transfers In and Out

The transfers in and out between funds are shown below:

Fund	Transfers In	Transfers Out
General Fund	\$ 6,756,544	\$ 10,315,653
General Capital Projects Fund	4,604,013	-
Community Development		
Capital Projects Fund	-	1,965,834
Nonmajor Governmental Funds	5,254,101	3,998,414
Water and Wastewater Fund	-	2,147,582
Solid Waste Fund	-	1,569,635
Transit Fund	-	111,216
Internal Services Funds	3,791,848	298,172
Total	\$ 20,406,506	\$ 20,406,506

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.

### NOTE 8: DEFERRED OUTFLOWS OF RESOURCES

At June 30, 2023, deferred outflows of resources, reported in the Statement of Net Position, consisted of the following:

	Governmental Activities	Business-type Activities
Deferred charge on refunding	\$ -	\$ 4,918,501
Deferred pension	57,644,485	7,627,880
Deferred OPEB	5,019,328	866,398
Total	\$ 62,663,813	\$ 13,412,779

At June 30, 2023, deferred inflows of resources, reported in the Statement of Net Position, consisted of the following:

	Governmental Activities	Business-type Activities
Deferred OPEB	\$ 8,771,280	\$ 1,566,899
Deferred pension	5,161,854	-
Lease related deferred inflow	4,148,935	2,488,736
Total	\$ 18,082,069	\$ 4,055,635

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

### NOTE 8: DEFERRED OUTFLOWS OF RESOURCES (CONTINUED)

At June 30, 2023, deferred inflows of resources, reported in the Balance Sheet - Governmental Funds, consisted of the following:

#### Unavailable Revenue:

General Fund	\$ 10,227
Community Development Capital Project Fund	6,927,201
Nonmajor Governmental Funds	155,495
Total	<u>\$ 7,092,923</u>

### NOTE 9: LONG-TERM LIABILITIES

#### A. Bonds Payable

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 and, after paying issuance costs of \$230,300 and underwriter's discount of \$78,772, net proceeds were \$42,358,772. 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 a 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.

The outstanding Revenue Refunding bonded debt of the City at June 30, 2023, is shown below:

Date of Issue	Interest Rates	Maturity Date	Amount of Original Issue	Beginning Balance July 1, 2022	Redeemed Current Year	Outstanding June 30, 2023
2021	3% - 5%	2036	<u>\$ 35,685,000</u>	<u>\$35,365,000</u>	\$ -	\$35,365,000
					Bond Premium	6,480,836
					Total Outstanding	<u>\$41,845,836</u>

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

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

Fiscal Year Ending June 30,	Principal	Interest	Total
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	2,585,000	1,040,350	3,625,350
2029-2033	14,960,000	3,160,400	18,120,400
2034-2036	8,660,000	473,550	9,133,550
Total	<u>\$ 35,365,000</u>	<u>\$ 10,008,700</u>	<u>\$ 45,373,700</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, 2023, total \$6,535,801 for governmental activities and \$1,054,423 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 \$19,082,482. See Note 13 for further detail.

***D. Claims Payable***

The City’s estimated claims liability at June 30, 2023, is \$20,590,979. The City’s liability is based on claim reserves established by the claims administrators and actuarial studies. The claims 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 \$29.1 million in landfill closure and post-closure care liability at June 30, 2023 and is based on the percent of capacity used (82.6%) as of June 30, 2023. It is estimated that the total cost of all closure and post-closure costs to be \$32.4 million. The City will recognize the remaining estimated

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

costs of \$2.78 million 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 and the ten-year term agreement ended in fiscal Year 2022-23.

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, 2023, the outstanding balance is:

Fiscal Year June 30	Fleet	CAD/RMS	Total
	12-Year	10-Year	
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	166,898	1,067,648	1,234,546
Less: amount representing interest	(5,444)	(70,781)	(76,225)
Present value of net minimum payments	\$ 161,454	\$ 996,867	\$ 1,158,321

#### 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, 2023 was \$172,000,169. See Notes 11 and 12 for further detail.

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

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

Long-term liability activity for the fiscal year ended June 30, 2023, is shown below:

<b>Governmental Activities</b>	Balance			Balance June 30, 2023	Due Within One Year	Due After One Year
	July 1, 2022	Additions	Deletions			
Compensated absences	\$ 5,965,705	\$ 5,282,533	\$ 4,712,437	\$ 6,535,801	\$ 5,125,984	\$ 1,409,817
OPEB liability	18,870,534	1,443,468	4,382,892	15,931,110	-	15,931,110
Claims payable	19,467,636	3,986,140	2,862,797	20,590,979	3,655,290	16,935,689
Financed purchases	1,530,711	-	372,390	1,158,321	317,490	840,831
Capital lease payable	607,320	-	66,538	540,782	69,393	471,389
Subscriptions payable	-	56,673	19,165	37,508	18,569	18,939
Net pension liability	82,862,629	80,537,804	16,397,837	147,002,596	-	147,002,596
Total	<u>\$129,304,535</u>	<u>\$ 91,306,618</u>	<u>\$ 28,814,055</u>	<u>\$191,797,097</u>	<u>\$ 9,186,726</u>	<u>\$182,610,371</u>

<b>Business-Type Activities</b>	Balance			Balance June 30, 2023	Due Within One Year	Due After One Year
	July 1, 2022	Additions	Deletions			
Bonds payable	\$ 42,344,607	\$ -	\$ 498,771	\$ 41,845,836	\$ 2,623,771	\$ 39,222,065
Compensated absences	962,669	881,889	790,135	1,054,423	865,470	188,953
OPEB liability	3,669,019	238,843	756,490	3,151,372	-	3,151,372
Accrued closure costs	26,345,406	2,777,015	-	29,122,421	-	29,122,421
Net pension liability	13,750,321	13,528,730	2,281,478	24,997,573	-	24,997,573
Total	<u>\$ 87,072,022</u>	<u>\$ 17,426,477</u>	<u>\$ 4,326,874</u>	<u>\$ 100,171,625</u>	<u>\$ 3,489,241</u>	<u>\$ 96,682,384</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 funds.

**NOTE 10: INDIVIDUAL FUND INFORMATION**

**A. Excess of Expenditures over Appropriations**

There were no individual funds reporting expenditures exceeding budget.

**B. Deficit Fund Equity**

The Parks Acquisition and Development Fund had a deficit ending fund balance of \$83,149 at June 30, 2023. The deficit will be corrected through future revenues.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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### NOTE 10: INDIVIDUAL FUND INFORMATION

#### 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
2024	\$ 24,820,818
2025	22,759,645
2026	22,137,660
2027	22,442,820
2028	23,261,713
Total	<u>\$ 115,422,656</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 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.

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

The Plans’ provisions and benefits in effect at June 30, 2023, are summarized below:

	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	10.980%	10.980%	10.980%
Required employer payment of unfunded liability (all tiers)	\$7,484,151		

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

Employees Covered – At June 30, 2023, the following employees were covered by the benefit terms for the Plan:

	Misc
Inactive employees or beneficiaries currently receiving benefits	458
Inactive employees entitled to but not yet receiving benefits	445
Active employees	373
Total	<u>1,276</u>

**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.

**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, 2022, using an annual actuarial valuation as of June 30, 2021 rolled forward to June 30, 2022 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability are summarized on the following pages:

**City of Santa Maria**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

**Actuarial Assumptions:** The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair value of assets. For details, see June 30, 2021 Valuation Report.
Discount Rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Mortality	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.3% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2021 valuation were based on the results of 2021 CalPERS experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS’ website.

**Change of Assumptions:** Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**Discount Rate:** The discount rate used to measure the total pension liability was 6.90 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 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.

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

*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	Assumed Asset	
	Allocation	Real Return (1, 2)
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

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

(2) Figures are based on the 2021-22 Asset Liability Management study.

### 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 June 30, 2021, Measurement date	\$ 276,648,099	\$ 220,600,446	\$ 56,047,653
Changes during the year:			
Service cost	5,173,690	-	5,173,690
Interest on total pension liability	19,463,290	-	19,463,290
Changes of assumptions	9,861,398	-	9,861,398
Differences between expected and actual experience	221,612	-	221,612
Contributions - employer	-	9,299,532	(9,299,532)
Contributions - employee (paid by employer)	-	531,636	(531,636)
Contributions - employee	-	1,665,290	(1,665,290)
Net investment income	-	(16,735,906)	16,735,906
Benefit payments, including refunds of employee contributions	(14,482,559)	(14,482,559)	-
Administrative expenses	-	(137,421)	137,421
Net change during 2021-22	20,237,431	(19,859,428)	40,096,859
Balance at June 30, 2022, Measurement Date	\$ 296,885,530	\$ 200,741,018	\$ 96,144,512

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

*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%	Current Rate	Discount +1%
Miscellaneous Plan	(5.90%)	(6.90%)	(7.90%)
Net Pension Liability (Asset)	\$ 137,730,848	\$ 96,144,512	\$ 62,084,117

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

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

For the fiscal year ended June 30, 2023, the City of Santa Maria recognized pension expense of \$12,805,533. At June 30, 2023, 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
Pension contributions subsequent to measurement date	\$ 10,722,320	\$ -
Changes of assumptions	7,043,856	-
Differences between expected and actual experiences	1,512,919	-
Net difference between projected and actual earnings on pension plan investments	10,058,906	-
Total	\$ 29,338,001	\$ -

\$10,722,320 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, 2024. 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	
2024	\$ 5,399,813
2025	4,725,519
2026	2,123,414
2027	6,366,935

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

### 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. 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, 2023 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	23.750%	20.640%	12.780%
Required employer payment of unfunded liability	\$ 3,763,387	\$ 10,854	\$ 44,645

	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	25.640%	22.480%	13.660%
Required employer payment of unfunded liability	\$ 1,701,596	\$ 11,307	\$ 11,013

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

**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 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 2022-23 fiscal year were \$9,379,783.

#### ***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, 2022, 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, 2021, rolled forward to June 30, 2022, 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, 2023, the City's proportion of the safety plan was 1.1039%, a decrease of 0.05198% 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, 2022 and 2023 fiscal year-end dates (June 30, 2021 and June 30, 2022 measurement dates) was as follows:

	<u>Police Safety</u>	<u>Fire Safety</u>	<u>Total</u>
Proportionate Share - June 30, 2021 Measurement Date	0.7976%	0.358%	1.1559%
Proportionate Share - June 30, 2022 Measurement Date	<u>0.7617%</u>	<u>0.342%</u>	<u>1.1039%</u>
Increase (Decrease) in Proportion	<u>-0.0359%</u>	<u>-0.0161%</u>	<u>-0.0520%</u>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

For the fiscal year ended June 30, 2023, the City of Santa Maria recognized pension expense of \$4,888,850 for the Safety Plans for Police and Fire. At June 30, 2023, 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
Pension contributions subsequent to measurement date	\$ 9,379,783	\$ -
Changes of assumptions	7,648,547	-
Differences between expected and actual experiences	3,139,390	823,733
Net difference between projected and actual earnings on pension plan investments	11,978,669	-
Change in employer's proportion	3,787,975	-
Differences in actual contributions and proportionate share of contributions	-	4,338,121
Total	<u>\$ 35,934,364</u>	<u>\$ 5,161,854</u>

\$9,379,783 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, 2024.

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
2024	\$ 6,457,846
2025	4,968,148
2026	2,659,592
2027	7,307,141

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

*Actuarial Assumptions:* The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the actuarial assumptions below:

	Safety - Police	Safety - Fire
Valuation date	June 30, 2021	June 30, 2021
Measurement date	June 30, 2022	June 30, 2022
Actuarial assumptions:		
Discount rate	6.90%	6.90%
Inflation	2.30%	2.30%
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 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

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

*Discount Rate:* The discount rate used to measure the total pension liability was 6.90 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 determined. Based on those

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

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	Assumed Asset Allocation	Real Return <sup>1, 2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

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

(2) Figures are based on the 2021-22 Asset Liability Management study.

#### **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% (5.90%)	Current Rate (6.90%)	Discount +1% (7.90%)
Net Pension Liability (Asset)	\$ 112,363,571	\$ 75,855,657	\$ 46,018,685

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

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

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

#### 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 \$89,100 were made during the 2022-23 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 2022-23, as follows:

Beginning balance - July 1, 2022		\$ 463,791
Plus:		
Contributions	\$ 89,100	
Year -to-date earnings	12,327	
Subtotal	<u>101,427</u>	101,427
Less:		
Distributions	10,940	
Year -to-date expenses	82,367	
Subtotal	<u>(93,307)</u>	(93,307)
Ending balance - June 30, 2023		<u>\$ 471,911</u>

### NOTE 13: POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

#### A. General Information about Other Postemployment 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, 2023

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### NOTE 13: POSTEMPLOYMENT 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 \$149 per month during calendar year 2022 and \$151 per month during calendar year 2023 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 2022-23, expenditures of \$281,843 were recognized for post-retirement health insurance contributions on a pay-as-you-go basis.

**Employees Covered:** As of June 30, 2022, the measurement date, the following numbers of participants were covered by the benefit terms:

Active employees	580
Inactive employees currently receiving benefits	159
Inactive employees entitled to but not yet receiving benefits	267
Total	<u>1,006</u>

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

#### **B. OPEB Liability**

The City's OPEB Liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the OPEB Liability was determined by an actuarial valuation as of June 30, 2021.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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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:	3.54% at June 30, 2022 (Bond Buyer 20-bond Index), 2.16% at June 30, 2021 (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 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 3.54%. 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, 2023**

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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:

	Total OPEB Liability
Balance at 6/30/22 (Measurement Date June 30, 2021)	<u>\$ 22,539,553</u>
Changes recognized for the measurement period:	
Service Cost	1,177,103
Interest	505,208
Benefit changes	-
Actual vs. expected experience	-
Changes of assumptions	(4,484,652)
Benefit payments*	(654,730)
Net Changes	<u>(3,457,071)</u>
Balance at June 30, 2023 (Measurement Date June 30, 2022)	<u>\$ 19,082,482</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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Current Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	<u>\$ 22,189,401</u>	<u>\$ 19,082,482</u>	<u>\$ 16,581,403</u>

# City of Santa Maria

## Notes to Basic Financial Statements

June 30, 2023

### 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	\$ 16,087,202	\$ 19,082,482	\$ 22,946,673

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

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$1,028,004. As of the fiscal year ended June 30, 2023, 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*	\$ 677,642	\$ -
Change in assumptions	4,537,534	9,185,326
Differences between expected and actual experience	670,550	1,152,853
	<u>\$ 5,885,726</u>	<u>\$ 10,338,179</u>

\*Contributions of \$281,843 cash benefit payments, \$5,148 administrative costs and \$390,651 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**  
**June 30, 2023**

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

\$677,642 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, 2024.

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

Fiscal year ending	Amount
June 30	
2024	\$ (658,136)
2025	(658,136)
2026	(658,136)
2027	(612,747)
2028	(414,172)
Thereafter	(2,128,768)
	<u>\$ (5,130,095)</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, 2023, the estimated outstanding liability was \$16,691,999 for workers’ compensation and \$3,898,980 for general liability. Such amounts have been accrued in the accompanying combined financial statements’ Internal Service Insurance Fund. At June 30, 2023, the estimated liability for claims payable is \$20,590,979. 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, 2023**

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**NOTE 14: RISK MANAGEMENT**

Insurance Claims Payable

	2021-22	2022-23		
		General Liability	Workers Comp	Total
Claims payable at July 1	\$ 18,063,556	\$ 3,193,636	\$ 16,274,000	\$ 19,467,636
Claims incurred during the fiscal year	4,266,877	1,562,286	2,423,854	3,986,140
Payments on claims during the fiscal year	2,862,797	856,942	2,005,855	2,862,797
Claims and judgements payable at June 30	<u>\$ 19,467,636</u>	<u>\$ 3,898,980</u>	<u>\$ 16,691,999</u>	<u>\$ 20,590,979</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 2022-23 fiscal year:

1. The City recorded a prior period adjustment of (\$108,202) which represents adjustment for previous fees recorded as revenues which were refunded to the vendor.
2. Prior Period restatements of (\$2,135,856) were reported in order to reduce the net position of the transit fund for previous revenues recorded that had not been received and were no longer determined to be collectible.
3. Restatement to move \$25,790 from water fund to solid waste fund.

***City of Santa Maria***  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

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

	Governmental Activities	Business-Type Activities	Total
Net Position at Beginning of Year, as reported	\$ 265,885,810	\$ 244,649,026	\$ 510,534,836
Record refund of fees for cancelled agreement	(108,202)	-	(108,202)
Adjustments to correct transit revenues no longer expected to be received	-	(2,135,856)	(2,135,856)
Total adjustments	(108,202)	(2,135,856)	(2,244,058)
Net Position at Beginning of Year, as restated	<u>\$ 265,777,608</u>	<u>\$ 242,513,170</u>	<u>\$ 508,290,778</u>

**NOTE 17: SUBSEQUENT EVENTS**

There were no subsequent events noted for the fiscal year ended June 30, 2023.

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# 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	\$ 64,407,378	\$ 64,407,378	\$ 64,407,378	\$ -
<b>Resources (Inflows):</b>				
Taxes and assessments	89,755,969	89,755,969	93,905,711	4,149,742
Permits, fines, and forfeitures	3,216,650	3,216,650	4,218,908	1,002,258
Intergovernmental revenues	1,918,519	3,096,585	2,269,519	(827,066)
Charges for current services	4,349,164	4,349,164	6,251,527	1,902,363
Use of money and property	1,649,367	1,649,367	1,164,671	(484,696)
Other revenues	153,483	173,004	176,898	3,894
Transfers in	10,286,954	10,325,906	6,756,544	(3,569,362)
Capital leases	-	-	56,673	56,673
<b>Amounts Available for Appropriation</b>	<b>175,737,484</b>	<b>176,974,023</b>	<b>179,207,829</b>	<b>2,233,806</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	14,799,059	14,444,153	12,351,412	2,092,741
Public safety	70,715,883	71,879,544	65,008,624	6,870,920
Community development	6,694,462	7,337,633	5,816,372	1,521,261
Parks and recreation	14,302,640	15,279,293	13,775,988	1,503,305
Public works	4,345,207	4,295,207	3,674,409	620,798
Library	875,626	875,626	636,356	239,270
Capital outlay	2,300,440	3,888,449	767,894	3,120,555
Debt service:				
Principal	230,633	230,633	249,798	(19,165)
Interest and fiscal charges	36,279	36,279	36,468	(189)
Transfers out	5,086,311	5,149,756	10,315,653	(5,165,897)
<b>Total Charges to Appropriations</b>	<b>119,386,540</b>	<b>123,416,573</b>	<b>112,632,974</b>	<b>10,783,599</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 56,350,944</b>	<b>\$ 53,557,450</b>	<b>\$ 66,574,855</b>	<b>\$ 13,017,405</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 Grant (non-recurring) Fund:

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 188,166	\$ 188,166	\$ 188,166	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	-	11,796,388	6,403,051	(5,393,337)
Use of money and property	-	-	809	809
Other revenues	-	-	360,097	360,097
<b>Amounts Available for Appropriation</b>	<b>188,166</b>	<b>11,984,554</b>	<b>6,952,123</b>	<b>(5,032,431)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	-	11,740,027	4,292,969	7,447,058
Community development	-	268,937	114,507	154,430
Capital outlay	-	6,761,513	2,105,983	4,655,530
<b>Total Charges to Appropriations</b>	<b>-</b>	<b>18,770,477</b>	<b>6,513,459</b>	<b>12,257,018</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 188,166</b>	<b>\$ (6,785,923)</b>	<b>\$ 438,664</b>	<b>\$ 7,224,587</b>

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	\$ 42,189,920	\$ 42,189,920	\$ 42,189,920	\$ -
<b>Resources (Inflows):</b>				
Charges for services	4,238,000	4,238,000	2,148,519	(2,089,481)
Use of money and property	495,351	495,351	441,113	(54,238)
<b>Amounts Available for Appropriation</b>	<b>46,923,271</b>	<b>46,923,271</b>	<b>44,779,552</b>	<b>(2,143,719)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	200,000	2,161,108	150,905	2,010,203
Capital outlay	7,826,000	9,113,260	373,078	8,740,182
<b>Total Charges to Appropriations</b>	<b>8,026,000</b>	<b>11,274,368</b>	<b>523,983</b>	<b>10,750,385</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 38,897,271</b>	<b>\$ 35,648,903</b>	<b>\$ 44,255,569</b>	<b>\$ 8,606,666</b>

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.

# *City of Santa Maria*

## **Required Supplementary Information**

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

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	2023
<b>Total OPEB Liability</b>						
Service cost	\$ 1,160,502	\$ 987,657	\$ 944,611	\$ 933,201	\$ 1,382,361	\$ 1,177,103
Interest on the total OPEB liability	560,748	663,060	726,935	691,881	580,043	505,208
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)	(4,484,652)
Benefit payments*	(458,422)	(498,453)	(524,790)	(547,933)	(595,374)	(654,730)
<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>(3,457,071)</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>22,539,553</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>19,082,482</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>\$ 19,082,482</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>\$ 55,207,117</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>	<b>34.6%</b>

\*For the 12 month period ending on June 30, 2022 (Measurement Date).

\*\* For the 12 month period ending on the Measurement Date (June 30, 2022 for fiscal year 2022/23).

(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, 2022 and 2023 were \$502,891, \$527,957, \$551,650, \$598,845, \$658,559 and \$677,642, 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

#### Schedules 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 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:** Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014. 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 nine years are shown.

	2019	2020	2021	2022	2023
\$	4,624,221	\$ 4,364,733	\$ 4,374,903	\$ 4,790,600	\$ 5,173,690
	16,294,595	17,151,530	17,867,688	18,747,259	19,463,290
	522,753	2,512,379	872,838	2,921,188	221,612
	(868,158)	-	-	-	9,861,398
	(10,628,779)	(12,003,883)	(12,752,113)	(13,387,760)	(14,482,559)
	<b>9,944,632</b>	<b>12,024,759</b>	<b>10,363,316</b>	<b>13,071,287</b>	<b>20,237,431</b>
	<b>231,244,105</b>	<b>241,188,737</b>	<b>253,213,496</b>	<b>263,576,812</b>	<b>276,648,099</b>
	<b>241,188,737</b>	<b>253,213,496</b>	<b>263,576,812</b>	<b>276,648,099</b>	<b>296,885,530</b>
	5,719,302	6,409,883	7,601,366	8,504,111	9,299,532
	1,268,350	970,556	596,021	534,125	531,636
	736,785	859,182	1,498,700	1,671,898	1,665,290
	13,541,048	11,178,298	8,771,343	41,321,234	(16,735,906)
	(2,222)	-	-	-	-
	(248,490)	(120,872)	(249,065)	(181,946)	(137,421)
	(10,628,779)	(12,003,883)	(12,752,113)	(13,387,760)	(14,482,559)
	(471,887)	394	-	-	-
	<b>9,914,107</b>	<b>7,293,558</b>	<b>5,466,252</b>	<b>38,461,662</b>	<b>(19,859,428)</b>
	<b>159,464,867</b>	<b>169,378,974</b>	<b>176,672,532</b>	<b>182,138,784</b>	<b>220,600,446</b>
	<b>169,378,974</b>	<b>176,672,532</b>	<b>182,138,784</b>	<b>220,600,446</b>	<b>200,741,018</b>
\$	<b>71,809,763</b>	\$ <b>76,540,964</b>	\$ <b>81,438,028</b>	\$ <b>56,047,653</b>	\$ <b>96,144,512</b>
	70.23%	69.77%	69.10%	79.74%	67.62%
\$	24,698,076	\$ 23,298,456	\$ 23,906,576	\$ 26,793,063	\$ 26,302,442
	290.75%	328.52%	340.65%	209.19%	365.53%

# 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 nine years are shown.

**Note to Schedule:**

<p>Valuation Date:</p> <p>Methods and Assumptions used to determine rates:</p> <p>Actuarial Cost Method</p> <p>Amortization method</p> <p>Remaining amortization period</p> <p>Assets valuation method</p> <p>Inflation</p> <p>Payroll growth</p> <p>Investment rate of return</p> <p>Retirement age</p> <p>Mortality</p>	<p>6/30/2021</p> <p>Entry age normal</p> <p>For details, see June 30, 2021 Funding Valuation Report.</p> <p>For details, see June 30, 2021 Funding Valuation Report.</p> <p>Fair value of assets. For details, see June 30, 2021 Valuation Report.</p> <p>2.30%</p> <p>2.80%</p> <p>6.8% Net of pension plan investment and administrative expense, includes inflation.□</p> <p>The probabilities of retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.□</p> <p>The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.□</p>
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<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 6,409,883	\$ 7,601,366	\$ 8,503,435	\$ 9,299,532	\$ 10,722,320
(6,409,883)	(7,601,366)	(8,503,435)	(9,299,532)	(10,722,320)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 23,298,456	\$ 23,906,576	\$ 26,793,063	\$ 26,302,442	\$ 29,961,174
27.51%	31.80%	31.74%	35.36%	35.79%

## 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
Portion 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>\$ 31,771,217,402</b>	<b>\$ 33,358,627,624</b>	<b>\$ 37,161,348,332</b>
<b>Plan's fiduciary net position</b>	<b>\$ 24,607,502,515</b>	<b>\$ 24,907,305,871</b>	<b>\$ 24,705,532,291</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, 2021 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: Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014. 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 nine years are shown.

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2019	2020	2021	2022	2023
0.5670%	0.5781%	59.7279%	75.0060%	65.6710%
\$ 54,641,276	\$ 59,239,097	\$ 64,986,483	\$ 40,565,297	\$ 75,855,657
\$ 17,159,798	\$ 18,193,183	\$ 21,151,184	\$ 21,779,111	\$ 26,738,484
318.43%	325.61%	307.25%	186.26%	283.69%
\$ 38,944,855,364	\$ 41,426,453,489	\$ 43,702,930,887	\$ 46,174,942,264	\$ 49,525,975,138
\$ 29,308,589,559	\$ 31,179,414,067	\$ 32,822,501,335	\$ 40,766,653,876	\$ 37,975,170,163
75.26%	75.26%	75.10%	88.29%	76.68%

**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 nine years are shown.

**Note to Schedule:**

Valuation Date:	6/30/2022
Methods and assumptions used to determine contribution rates: Safety Plan	Entry age normal cost method
Amortization method	Varies by date established and source. May be level dollar or level percentage of pay, and may include direct rate smoothing
Assets valuation method	Market value of assets
Inflation	2.300%
Payroll growth	Varies by category, entry age, and service
Investment rate of return	6.80% (net of investment and administrative expenses)
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.□

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2019	2020	2021	2022	2023
\$ 6,046,149	\$ 7,280,043	\$ 8,160,582	\$ 8,551,807	\$ 9,379,783
(6,046,149)	(7,280,043)	(8,160,582)	(8,551,807)	(9,379,783)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 18,193,183	\$ 21,151,184	\$ 21,779,111	\$ 26,738,484	\$ 22,237,447
33.23%	34.42%	37.47%	31.98%	42.18%

# City of Santa Maria

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2023

	Special Revenue Funds			
	Library	Traffic Safety	Drainage Districts	Park Acquisition and Development
<b>Assets:</b>				
Cash and investments	\$ 1,653,507	\$ -	\$ 329,987	\$ 285,461
Receivables:				
Accounts	-	19,008	-	-
Loans	-	-	-	-
Accrued interest	-	-	1,622	1,739
Grants	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,653,507</b>	<b>\$ 19,008</b>	<b>\$ 331,609</b>	<b>\$ 287,200</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 49,870	\$ 1,048	\$ 38	\$ 370,349
Accrued wages and benefits	70,582	-	-	-
Unearned revenues	89,688	-	-	-
<b>Total Liabilities</b>	<b>210,140</b>	<b>1,048</b>	<b>38</b>	<b>370,349</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	-	17,960	-	-
Parks and recreation	-	-	-	-
Education	-	-	-	-
Drainage	-	-	331,571	-
Landscape maintenance	-	-	-	-
Road maintenance	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	1,443,367	-	-	-
<b>Unassigned</b>	-	-	-	(83,149)
<b>Total Fund Balances (Deficits)</b>	<b>1,443,367</b>	<b>17,960</b>	<b>331,571</b>	<b>(83,149)</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 1,653,507</b>	<b>\$ 19,008</b>	<b>\$ 331,609</b>	<b>\$ 287,200</b>

# City of Santa Maria

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2023

(Continued)

	Special Revenue Funds			
	Residential Development Tax	Landscape Maintenance	Stowell Parking and Lighting	Economic Development
<b>Assets:</b>				
Cash and investments	\$ 1,913,752	\$ 1,344,641	\$ 298,553	\$ 395,997
Receivables:				
Accounts	-	44,050	-	-
Loans	-	-	-	113,696
Accrued interest	9,419	10,381	1,314	1,949
Grants	-	-	-	-
<b>Total Assets</b>	<b>\$ 1,923,171</b>	<b>\$ 1,399,072</b>	<b>\$ 299,867</b>	<b>\$ 511,642</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 3,700	\$ 301,145	\$ 29	\$ 48
Accrued wages and benefits	-	42,891	-	-
Unearned revenues	-	-	-	-
<b>Total Liabilities</b>	<b>3,700</b>	<b>344,036</b>	<b>29</b>	<b>48</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	-	113,696
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,696</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	397,898
Public safety	-	-	-	-
Parks and recreation	1,919,471	-	-	-
Education	-	-	-	-
Drainage	-	-	-	-
Landscape maintenance	-	1,055,036	299,838	-
Road maintenance	-	-	-	-
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	-	-	-	-
<b>Total Fund Balances (Deficits)</b>	<b>1,919,471</b>	<b>1,055,036</b>	<b>299,838</b>	<b>397,898</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 1,923,171</b>	<b>\$ 1,399,072</b>	<b>\$ 299,867</b>	<b>\$ 511,642</b>

# City of Santa Maria

Combining Balance Sheet

Nonmajor Governmental Funds

June 30, 2023

	Special Revenue Funds			
	Supplemental Law Enforcement Grant	Federal and State Asset Forfeiture	Gas Tax	Street Grant
<b>Assets:</b>				
Cash and investments	\$ 1,466,304	\$ 371,898	\$ 1,440,339	\$ 1,965,088
Receivables:				
Accounts	-	-	772,839	53,667
Loans	-	-	-	-
Accrued interest	3,371	1,831	5,147	-
Grants	-	-	-	5,468
<b>Total Assets</b>	<b>\$ 1,469,675</b>	<b>\$ 373,729</b>	<b>\$ 2,218,325</b>	<b>\$ 2,024,223</b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 150	\$ 39	\$ 393,046	\$ 14
Accrued wages and benefits	-	-	-	-
Unearned revenues	714,518	-	-	-
<b>Total Liabilities</b>	<b>714,668</b>	<b>39</b>	<b>393,046</b>	<b>14</b>
<b>Deferred inflows of resources:</b>				
Unavailable revenues	-	-	36,331	5,468
<b>Total Deferred inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>36,331</b>	<b>5,468</b>
<b>Fund Balances:</b>				
<b>Restricted for:</b>				
Community development projects	-	-	-	-
Public safety	755,007	373,690	-	-
Parks and recreation	-	-	-	-
Education	-	-	-	-
Drainage	-	-	-	-
Landscape maintenance	-	-	-	-
Road maintenance	-	-	1,788,948	2,018,741
<b>Assigned to:</b>				
Capital Projects	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances (Deficits)</b>	<b>755,007</b>	<b>373,690</b>	<b>1,788,948</b>	<b>2,018,741</b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b>\$ 1,469,675</b>	<b>\$ 373,729</b>	<b>\$ 2,218,325</b>	<b>\$ 2,024,223</b>

# City of Santa Maria

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2023

	<u>Special Revenue Funds</u>		Total Nonmajor Governmental Funds
	<u>Local Streets</u>	<u>Public Access Television</u>	
<b>Assets:</b>			
Cash and investments	\$ 10,446,313	\$ 576,250	\$ 22,488,090
Receivables:			
Accounts	1,938,469	63,991	2,892,024
Loans	-	-	113,696
Accrued interest	68,043	2,880	107,696
Grants	-	-	5,468
<b>Total Assets</b>	<b><u>\$ 12,452,825</u></b>	<b><u>\$ 643,121</u></b>	<b><u>\$ 25,606,974</u></b>
<b>Liabilities, Deferred inflows of Resources, and Fund Balances:</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 342,019	\$ 60	\$ 1,461,555
Accrued wages and benefits	147,729	4,572	265,774
Unearned revenues	-	-	804,206
<b>Total Liabilities</b>	<b><u>489,748</u></b>	<b><u>4,632</u></b>	<b><u>2,531,535</u></b>
<b>Deferred inflows of resources:</b>			
Unavailable revenues	-	-	155,495
<b>Total Deferred inflows of Resources</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>155,495</u></b>
<b>Fund Balances:</b>			
<b>Restricted for:</b>			
Community development projects	-	-	397,898
Public safety	-	-	1,146,657
Parks and recreation	-	-	1,919,471
Education	-	638,489	638,489
Drainage	-	-	331,571
Landscape maintenance	-	-	1,354,874
Road maintenance	11,963,077	-	15,770,766
<b>Assigned to:</b>			
Capital Projects	-	-	1,443,367
<b>Unassigned</b>	-	-	(83,149)
<b>Total Fund Balances (Deficits)</b>	<b><u>11,963,077</u></b>	<b><u>638,489</u></b>	<b><u>22,919,944</u></b>
<b>Total Liabilities, deferred inflows of resources, and Fund Balances</b>	<b><u>\$ 12,452,825</u></b>	<b><u>\$ 643,121</u></b>	<b><u>\$ 25,606,974</u></b>

# City of Santa Maria

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Funds			
	Library	Traffic Safety	Drainage Districts	Park Acquisition and Development
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ -	\$ -
Permits, fines, and forfeitures	-	336,753	-	-
Intergovernmental revenues	1,860,528	-	-	-
Charges for current services	127,901	-	2,000	284,661
Use of money and property	103,483	-	3,555	17,758
Other revenues	16,107	-	-	-
<b>Total Revenues</b>	<b>2,108,019</b>	<b>336,753</b>	<b>5,555</b>	<b>302,419</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	26,245	-	-
Community development	-	-	-	-
Recreation and parks	-	-	-	202,554
Public works	-	-	-	-
Library	3,446,149	-	-	-
Capital outlay	10,042	-	-	652,641
Debt service:				
Principal	66,538	-	-	-
Interest and fiscal charges	6,756	-	-	-
<b>Total Expenditures</b>	<b>3,529,485</b>	<b>26,245</b>	<b>-</b>	<b>855,195</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,421,466)	310,508	5,555	(552,776)
<b>Other Financing Sources (Uses):</b>				
Transfers in	2,237,340	-	-	-
Transfers out	(534,979)	(305,145)	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>1,702,361</b>	<b>(305,145)</b>	<b>-</b>	<b>-</b>
Net Change in Fund Balances	280,895	5,363	5,555	(552,776)
Fund Balances, Beginning of Year	1,162,472	12,597	326,016	469,627
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 1,443,367</b>	<b>\$ 17,960</b>	<b>\$ 331,571</b>	<b>\$ (83,149)</b>

# City of Santa Maria

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

(Continued)

	Special Revenue Funds			
	Residential Development Tax	Landscape Maintenance	Stowell Parking and Lighting	Economic Development
<b>Revenues:</b>				
Taxes and assessments	\$ 40,330	\$ -	\$ 32,602	\$ -
Permits, fines, and forfeitures	-	-	-	-
Intergovernmental revenues	-	-	113	-
Charges for current services	-	4,546,263	31,299	-
Use of money and property	24,516	31,093	2,078	6,780
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>64,846</b>	<b>4,577,356</b>	<b>66,092</b>	<b>6,780</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	60,000
Recreation and parks	13	5,441,273	-	-
Public works	-	-	9,497	-
Library	-	-	-	-
Capital outlay	117,790	553	-	-
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>117,803</b>	<b>5,441,826</b>	<b>9,497</b>	<b>60,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,957)	(864,470)	56,595	(53,220)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	2,181,091	-	-
Transfers out	-	(1,951,000)	(1,297)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>230,091</b>	<b>(1,297)</b>	<b>-</b>
Net Change in Fund Balances	(52,957)	(634,379)	55,298	(53,220)
Fund Balances, Beginning of Year	1,972,428	1,689,415	244,540	451,118
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 1,919,471</b>	<b>\$ 1,055,036</b>	<b>\$ 299,838</b>	<b>\$ 397,898</b>

# City of Santa Maria

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Funds			
	Supplemental Law Enforcement Grant	Federal and State Asset Forfeiture	Gas Tax	Street Grant
<b>Revenues:</b>				
Taxes and assessments	\$ -	\$ -	\$ 5,247,480	\$ -
Permits, fines, and forfeitures	-	-	-	-
Intergovernmental revenues	277,192	-	-	354,009
Charges for current services	-	-	28,879	-
Use of money and property	3,456	2,684	66,634	3,227
Other revenues	-	-	-	-
<b>Total Revenues</b>	<b>280,648</b>	<b>2,684</b>	<b>5,342,993</b>	<b>357,236</b>
<b>Expenditures:</b>				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Recreation and parks	-	-	-	-
Public works	-	-	1,768,230	-
Library	-	-	-	-
Capital outlay	-	-	4,449,653	195,023
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>-</b>	<b>6,217,883</b>	<b>195,023</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	280,648	2,684	(874,890)	162,213
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	-	-	(655,492)	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(655,492)</b>	<b>-</b>
Net Change in Fund Balances	280,648	2,684	(1,530,382)	162,213
Fund Balances, Beginning of Year	474,359	371,006	3,319,330	1,856,528
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 755,007</b>	<b>\$ 373,690</b>	<b>\$ 1,788,948</b>	<b>\$ 2,018,741</b>

# City of Santa Maria

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	<u>Special Revenue Funds</u>		<u>Total Governmental Funds</u>
	<u>Local Streets</u>	<u>Public Access Television</u>	
<b>Revenues:</b>			
Taxes and assessments	\$ 7,731,517	\$ -	\$ 13,051,929
Permits, fines, and forfeitures	-	-	336,753
Intergovernmental revenues	-	-	2,491,842
Charges for current services	32,938	260,768	5,314,709
Use of money and property	106,612	2,541	374,417
Other revenues	-	-	16,107
<b>Total Revenues</b>	<b>7,871,067</b>	<b>263,309</b>	<b>21,585,757</b>
<b>Expenditures:</b>			
Current:			
General government	-	203,611	203,611
Public safety	-	-	26,245
Community development	-	-	60,000
Recreation and parks	-	-	5,643,840
Public works	4,138,011	-	5,915,738
Library	-	-	3,446,149
Capital outlay	1,573,541	-	6,999,243
Debt service:			
Principal	-	-	66,538
Interest and fiscal charges	-	-	6,756
<b>Total Expenditures</b>	<b>5,711,552</b>	<b>203,611</b>	<b>22,368,120</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,159,515	59,698	(782,363)
<b>Other Financing Sources (Uses):</b>			
Transfers in	785,670	50,000	5,254,101
Transfers out	(517,990)	(32,511)	(3,998,414)
<b>Total Other Financing Sources (Uses)</b>	<b>267,680</b>	<b>17,489</b>	<b>1,255,687</b>
Net Change in Fund Balances	2,427,195	77,187	473,324
Fund Balances, Beginning of Year	9,535,882	561,302	22,446,620
<b>Fund Balances (Deficit), End of Year</b>	<b>\$ 11,963,077</b>	<b>\$ 638,489</b>	<b>\$ 22,919,944</b>

**City of Santa Maria**  
**Budgetary Comparison Schedule**  
**Library**  
**Fiscal Year Ended June 30, 2023**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
Budgetary Fund Balance, July 1	\$ 1,162,472	\$ 1,162,472	\$ 1,162,472	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	1,387,614	1,843,031	1,860,528	17,497
Charges for services	76,102	86,319	127,901	41,582
Use of money and property	45,039	45,039	103,483	58,444
Other revenues	9,293	24,293	16,107	(8,186)
Transfers in	2,237,340	2,237,340	2,237,340	-
<b>Amounts Available for Appropriation</b>	<b>4,917,860</b>	<b>5,398,494</b>	<b>5,507,831</b>	<b>109,337</b>
<b>Charges to Appropriation (Outflow):</b>				
Library	3,941,949	4,402,190	3,446,149	956,041
Capital outlay	78,000	80,500	10,042	70,458
Debt service:				
Principal	-	-	66,538	(66,538)
Interest and fiscal charges	-	-	6,756	(6,756)
Transfers out	534,979	534,979	534,979	-
<b>Total Charges to Appropriations</b>	<b>4,554,928</b>	<b>5,017,669</b>	<b>4,064,464</b>	<b>953,205</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 362,932</b>	<b>\$ 380,825</b>	<b>\$ 1,443,367</b>	<b>\$ 1,062,542</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Traffic Safety  
 Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 12,597	\$ 12,597	\$ 12,597	\$ -
<b>Resources (Inflows):</b>				
Licenses and permits	370,000	370,000	336,753	(33,247)
<b>Amounts Available for Appropriation</b>	<b>382,597</b>	<b>382,597</b>	<b>349,350</b>	<b>(33,247)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public safety	40,250	40,250	26,245	14,005
Transfers out	300,000	300,000	305,145	(5,145)
<b>Total Charges to Appropriations</b>	<b>340,250</b>	<b>340,250</b>	<b>331,390</b>	<b>8,860</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 42,347</b>	<b>\$ 42,347</b>	<b>\$ 17,960</b>	<b>\$ (24,387)</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Drainage Districts  
 Fiscal Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 326,016	\$ 326,016	\$ 326,016	\$ -
<b>Resources (Inflows):</b>				
Charges for services	-	-	2,000	2,000
Use of money and property	4,587	4,587	3,555	(1,032)
<b>Amounts Available for Appropriation</b>	<b>330,603</b>	<b>330,603</b>	<b>331,571</b>	<b>968</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 330,603</b>	<b>\$ 330,603</b>	<b>\$ 331,571</b>	<b>\$ 968</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Park Acquisition and Development  
 Fiscal Year Ended June 30, 2023

	<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	\$ 469,627	\$ 469,627	\$ 469,627	\$ -
<b>Resources (Inflows):</b>				
Charges for services	589,190	589,190	284,661	(304,529)
Use of money and property	433	433	17,758	17,325
<b>Amounts Available for Appropriation</b>	<b>1,059,250</b>	<b>1,059,250</b>	<b>772,046</b>	<b>(287,204)</b>
<b>Charges to Appropriation (Outflow):</b>				
Recreation and parks	270,000	276,230	202,554	73,676
Capital outlay	535,000	1,091,503	652,641	438,862
<b>Total Charges to Appropriations</b>	<b>805,000</b>	<b>1,367,733</b>	<b>855,195</b>	<b>512,538</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 254,250</b>	<b>\$ (308,483)</b>	<b>\$ (83,149)</b>	<b>\$ 225,334</b>

# City of Santa Maria

## Budgetary Comparison Schedule

### Residential Development Tax

Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,972,428	\$ 1,972,428	\$ 1,972,428	\$ -
<b>Resources (Inflows):</b>				
Taxes and assessments	37,985	37,985	40,330	2,345
Use of money and property	28,895	28,895	24,516	(4,379)
<b>Amounts Available for Appropriation</b>	<b>2,039,308</b>	<b>2,039,308</b>	<b>2,037,274</b>	<b>(2,034)</b>
<b>Charges to Appropriation (Outflow):</b>				
Recreation and parks	-	-	13	(13)
Capital outlay	150,000	150,000	117,790	32,210
<b>Total Charges to Appropriations</b>	<b>150,000</b>	<b>150,000</b>	<b>117,803</b>	<b>32,197</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,889,308</b>	<b>\$ 1,889,308</b>	<b>\$ 1,919,471</b>	<b>\$ 30,163</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Landscape Maintenance  
 Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,689,415	\$ 1,689,415	\$ 1,689,415	\$ -
<b>Resources (Inflows):</b>				
Charges for services	4,260,984	4,260,984	4,546,263	285,279
Use of money and property	34,859	34,859	31,093	(3,766)
Transfers in	2,345,800	2,244,536	2,181,091	(63,445)
<b>Amounts Available for Appropriation</b>	<b>8,331,058</b>	<b>8,229,794</b>	<b>8,447,862</b>	<b>218,068</b>
<b>Charges to Appropriation (Outflow):</b>				
Recreation and parks	4,674,231	6,754,000	5,441,273	1,312,727
Capital outlay	50,000	50,000	553	49,447
Transfers out	2,028,443	1,951,000	1,951,000	-
<b>Total Charges to Appropriations</b>	<b>6,752,674</b>	<b>8,755,000</b>	<b>7,392,826</b>	<b>1,362,174</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 1,578,384</b>	<b>\$ (525,206)</b>	<b>\$ 1,055,036</b>	<b>\$ 1,580,242</b>

# City of Santa Maria

## Budgetary Comparison Schedule

### Stowell Parking and Lighting

Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 244,540	\$ 244,540	\$ 244,540	\$ -
<b>Resources (Inflows):</b>				
Taxes and assessments	24,897	24,897	32,602	7,705
Intergovernmental revenues	150	150	113	(37)
Use of money and property	2,293	2,293	2,078	(215)
<b>Amounts Available for Appropriation</b>	<b>303,179</b>	<b>303,179</b>	<b>310,632</b>	<b>7,453</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	30,640	30,640	9,497	21,143
Transfers out	1,297	1,297	1,297	-
<b>Total Charges to Appropriations</b>	<b>31,937</b>	<b>31,937</b>	<b>10,794</b>	<b>21,143</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 271,242</b>	<b>\$ 271,242</b>	<b>\$ 299,838</b>	<b>\$ 28,596</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Economic Development  
 Fiscal Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 451,118	\$ 451,118	\$ 451,118	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	6,880	6,880	6,780	(100)
<b>Amounts Available for Appropriation</b>	<b>457,998</b>	<b>457,998</b>	<b>457,898</b>	<b>(100)</b>
<b>Charges to Appropriation (Outflow):</b>				
Community development	130,000	130,000	60,000	70,000
<b>Total Charges to Appropriations</b>	<b>130,000</b>	<b>130,000</b>	<b>60,000</b>	<b>70,000</b>
 Budgetary Fund Balance, June 30	 <b>\$ 327,998</b>	 <b>\$ 327,998</b>	 <b>\$ 397,898</b>	 <b>\$ 69,900</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Supplemental Law Enforcement Grant  
 Fiscal Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 474,359	\$ 474,359	\$ 474,359	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	140,000	140,000	277,192	137,192
Use of money and property	11,466	11,466	3,456	(8,010)
<b>Amounts Available for Appropriation</b>	<b>625,825</b>	<b>625,825</b>	<b>755,007</b>	<b>129,182</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 625,825</b>	<b>\$ 625,825</b>	<b>\$ 755,007</b>	<b>\$ 129,182</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Federal and State Asset Forfeiture  
 Fiscal Year Ended June 30, 2023

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	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 371,006	\$ 371,006	\$ 371,006	\$ -
<b>Resources (Inflows):</b>				
Use of money and property	5,504	5,504	2,684	(2,820)
<b>Amounts Available for Appropriation</b>	<b>376,510</b>	<b>376,510</b>	<b>373,690</b>	<b>(2,820)</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 376,510</b>	<b>\$ 376,510</b>	<b>\$ 373,690</b>	<b>\$ (2,820)</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Gas Tax  
 Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,319,330	\$ 3,319,330	\$ 3,319,330	\$ -
<b>Resources (Inflows):</b>				
Taxes and assessments	5,595,249	5,595,249	5,247,480	(347,769)
Charges for services	-	-	28,879	28,879
Use of money and property	39,445	39,445	66,634	27,189
<b>Amounts Available for Appropriation</b>	<b>8,954,024</b>	<b>8,954,024</b>	<b>8,662,323</b>	<b>(291,701)</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	-	-	1,768,230	(1,768,230)
Capital outlay	5,695,558	8,545,400	4,449,653	4,095,747
Transfers out	780,492	780,492	655,492	125,000
<b>Total Charges to Appropriations</b>	<b>6,476,050</b>	<b>9,325,892</b>	<b>6,873,375</b>	<b>2,452,517</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,477,974</b>	<b>\$ (371,868)</b>	<b>\$ 1,788,948</b>	<b>\$ 2,160,816</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Street Grant  
 Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,856,528	\$ 1,856,528	\$ 1,856,528	\$ -
<b>Resources (Inflows):</b>				
Intergovernmental revenues	4,544,218	4,544,218	354,009	(4,190,209)
Use of money and property	-	-	3,227	3,227
<b>Amounts Available for Appropriation</b>	<b>6,400,746</b>	<b>6,400,746</b>	<b>2,213,764</b>	<b>(4,186,982)</b>
<b>Charges to Appropriation (Outflow):</b>				
Capital outlay	3,959,508	5,358,564	195,023	5,163,541
<b>Total Charges to Appropriations</b>	<b>3,959,508</b>	<b>5,358,564</b>	<b>195,023</b>	<b>5,163,541</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 2,441,238</b>	<b>\$ 1,042,182</b>	<b>\$ 2,018,741</b>	<b>\$ 976,559</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Local Streets  
 Fiscal Year Ended June 30, 2023

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 9,535,882	\$ 9,535,882	\$ 9,535,882	\$ -
<b>Resources (Inflows):</b>				
Taxes and assessments	7,249,082	7,249,082	7,731,517	482,435
Charges for services	42,700	42,700	32,938	(9,762)
Use of money and property	105,950	105,950	106,612	662
Transfers in	210,000	210,000	785,670	575,670
<b>Amounts Available for Appropriation</b>	<b>17,143,614</b>	<b>17,143,614</b>	<b>18,192,619</b>	<b>1,049,005</b>
<b>Charges to Appropriation (Outflow):</b>				
Public works	4,103,650	4,088,650	4,138,011	(49,361)
Capital outlay	2,787,362	4,564,425	1,573,541	2,990,884
Transfers out	1,317,990	1,317,990	517,990	800,000
<b>Total Charges to Appropriations</b>	<b>8,209,002</b>	<b>9,971,065</b>	<b>6,229,542</b>	<b>3,741,523</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 8,934,612</b>	<b>\$ 7,172,549</b>	<b>\$ 11,963,077</b>	<b>\$ 4,790,528</b>

*City of Santa Maria*  
 Budgetary Comparison Schedule  
 Public Access Television  
 Fiscal Year Ended June 30, 2023

	<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	\$ 561,302	\$ 561,302	\$ 561,302	\$ -
<b>Resources (Inflows):</b>				
Charges for services	294,450	294,450	260,768	(33,682)
Use of money and property	4,128	4,128	2,541	(1,587)
Transfers in	50,000	50,000	50,000	-
<b>Amounts Available for Appropriation</b>	<b>909,880</b>	<b>909,880</b>	<b>874,611</b>	<b>(35,269)</b>
<b>Charges to Appropriation (Outflow):</b>				
General government	255,790	255,790	203,611	52,179
Transfers out	32,511	32,511	32,511	-
<b>Total Charges to Appropriations</b>	<b>288,301</b>	<b>288,301</b>	<b>236,122</b>	<b>52,179</b>
<b>Budgetary Fund Balance, June 30</b>	<b>\$ 621,579</b>	<b>\$ 621,579</b>	<b>\$ 638,489</b>	<b>\$ 16,910</b>

**City of Santa Maria**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2023**

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Fleet Services</b>	<b>Business Equipment</b>	<b>Insurance</b>	<b>Totals</b>
<b>Assets and Deferred Outflows of Resources:</b>				
<b>Assets:</b>				
Current:				
Cash and investments	\$ 21,260,401	\$ 20,864,922	\$ 45,072,512	\$ 87,197,835
Receivables:				
Accounts receivable, net	71,962	1,311	161,356	234,629
Prepaid costs	-	476,383	-	476,383
Deposits	-	-	175,000	175,000
Inventories	69,599	-	-	69,599
<b>Total Current Assets</b>	<b>21,401,962</b>	<b>21,342,616</b>	<b>45,408,868</b>	<b>88,153,446</b>
Noncurrent:				
Capital assets - net of accumulated depreciation	18,670,142	9,101,832	-	27,771,974
<b>Total Noncurrent Assets</b>	<b>18,670,142</b>	<b>9,101,832</b>	<b>-</b>	<b>27,771,974</b>
<b>Total Assets</b>	<b>40,072,104</b>	<b>30,444,448</b>	<b>45,408,868</b>	<b>115,925,420</b>
<b>Deferred Outflows of Resources:</b>				
Deferred pension	850,802	-	-	850,802
Deferred OPEB	93,159	-	29,045	122,204
<b>Total Deferred Outflows of Resources</b>	<b>943,961</b>	<b>-</b>	<b>29,045</b>	<b>973,006</b>
<b>Total Assets and Deferred Outflows of Resources:</b>	<b>\$ 41,016,065</b>	<b>\$ 30,444,448</b>	<b>\$ 45,437,913</b>	<b>\$ 116,898,426</b>
<b>Liabilities, Deferred Inflows of Resources, and Net Position:</b>				
<b>Liabilities:</b>				
Current:				
Accounts payable	\$ 474,563	\$ 76,953	\$ 55,841	\$ 607,357
Accrued wages and benefits	52,320	10,652	19,600	82,572
Compensated absences	43,043	-	12,115	55,158
Accrued claims and judgments	-	-	3,655,290	3,655,290
Bonds, notes, and capital leases	79,652	-	-	79,652
<b>Total Current Liabilities</b>	<b>649,578</b>	<b>87,605</b>	<b>3,742,846</b>	<b>4,480,029</b>
Noncurrent:				
Accrued compensated absences	10,596	-	2,982	13,578
Accrued claims and judgments	-	-	16,935,689	16,935,689
Net pension liability	2,788,191	-	-	2,788,191
OPEB liability	222,283	-	73,794	296,077
Bonds, notes, and capital leases	81,802	-	-	81,802
<b>Total Noncurrent Liabilities</b>	<b>3,102,872</b>	<b>-</b>	<b>17,012,465</b>	<b>20,115,337</b>
<b>Total Liabilities</b>	<b>3,752,450</b>	<b>87,605</b>	<b>20,755,311</b>	<b>24,595,366</b>
<b>Deferred Inflows of Resources:</b>				
Deferred OPEB	157,537	-	54,642	212,179
<b>Total Deferred Inflows of Resources</b>	<b>157,537</b>	<b>-</b>	<b>54,642</b>	<b>212,179</b>
<b>Net Position:</b>				
Net investment in capital assets	18,508,688	9,101,832	-	27,610,520
Unrestricted	18,597,390	21,255,011	24,627,960	64,480,361
<b>Total Net Position</b>	<b>37,106,078</b>	<b>30,356,843</b>	<b>24,627,960</b>	<b>92,090,881</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Net Position</b>	<b>\$ 41,016,065</b>	<b>\$ 30,444,448</b>	<b>\$ 45,437,913</b>	<b>\$ 116,898,426</b>

# City of Santa Maria

Combining Statement of Revenues, Expenses  
and Changes in Fund Net Position  
Internal Service Funds  
Fiscal Year Ended June 30, 2023

	Governmental Activities - Internal Service Funds			
	Fleet Services	Business Equipment	Insurance	Totals
<b>Operating Revenues:</b>				
Sales and service charges	\$ 13,264,735	\$ 5,237,510	\$ 13,658,905	\$ 32,161,150
Miscellaneous	1,374	-	-	1,374
<b>Total Operating Revenues</b>	<b>13,266,109</b>	<b>5,237,510</b>	<b>13,658,905</b>	<b>32,162,524</b>
<b>Operating Expenses:</b>				
Salaries, wages and benefits	1,656,747	236,591	446,289	2,339,627
Materials and supplies	2,790,263	166,141	1,876	2,958,280
Equipment maintenance and operation	886,609	1,708,958	3,755	2,599,322
Contracts and services	798,350	-	7,431,296	8,229,646
Depreciation expense	3,051,332	1,858,054	-	4,909,386
<b>Total Operating Expenses</b>	<b>9,183,301</b>	<b>3,969,744</b>	<b>7,883,216</b>	<b>21,036,261</b>
Operating Income (Loss)	4,082,808	1,267,766	5,775,689	11,126,263
<b>Nonoperating Revenues (Expenses):</b>				
Interest expense	(7,076)	-	-	(7,076)
Gain (loss) on disposal of capital assets	250,758	(24,177)	-	226,581
<b>Total Nonoperating Revenues (Expenses)</b>	<b>243,682</b>	<b>(24,177)</b>	<b>-</b>	<b>219,505</b>
Income (Loss) Before Transfers	4,326,490	1,243,589	5,775,689	11,345,768
Contributions of fixed assets	603,990	-	-	603,990
Transfers in	1,465,012	-	2,326,836	3,791,848
Transfers out	(199,639)	(23,353)	(75,180)	(298,172)
Changes in Net Position	6,195,853	1,220,236	8,027,345	15,443,434
<b>Net Position:</b>				
Beginning of Year	30,910,225	29,136,607	16,600,615	76,647,447
<b>End of Fiscal Year</b>	<b>\$ 37,106,078</b>	<b>\$ 30,356,843</b>	<b>\$ 24,627,960</b>	<b>\$ 92,090,881</b>

# City of Santa Maria

## Combining Statement of Cash Flows

### Internal Service Funds

Fiscal Year Ended June 30, 2023

	<b>Governmental Activities - Internal Service Funds</b>			
	<b>Fleet Services</b>	<b>Business Equipment</b>	<b>Insurance</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities:</b>				
Cash received from customers and users	\$ 13,255,443	\$ 5,239,980	\$ 13,767,184	\$ 32,262,607
Cash paid to suppliers for goods and services	(5,134,250)	(1,791,636)	(6,292,183)	(13,218,069)
Cash paid to employees for services	(1,414,501)	(235,417)	(440,821)	(2,090,739)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>6,706,692</b>	<b>3,212,927</b>	<b>7,034,180</b>	<b>16,953,799</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>				
Cash transfers out	(199,639)	(23,353)	(75,180)	(298,172)
Cash transfers in	1,465,012	-	2,326,836	3,791,848
<b>Net Cash Provided (Used) by Non-Capital Financing Activities</b>	<b>1,265,373</b>	<b>(23,353)</b>	<b>2,251,656</b>	<b>3,493,676</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>				
Acquisition and construction of capital assets	(3,548,990)	(752,343)	-	(4,301,333)
Principal paid on capital debt	(141,758)	-	-	(141,758)
Interest paid on capital debt	(7,076)	-	-	(7,076)
Proceeds from sales of capital assets	285,287	-	-	285,287
<b>Net Cash Provided (Used) by Capital and Related Financing Activities</b>	<b>(3,412,537)</b>	<b>(752,343)</b>	<b>-</b>	<b>(4,164,880)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>4,559,528</b>	<b>2,437,231</b>	<b>9,285,836</b>	<b>16,282,595</b>
Cash and Cash Equivalents at Beginning of Year	16,700,873	18,427,691	35,786,676	70,915,240
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 21,260,401</b>	<b>\$ 20,864,922</b>	<b>\$ 45,072,512</b>	<b>\$ 87,197,835</b>
<b>Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:</b>				
Operating income (loss)	\$ 4,082,808	\$ 1,267,766	\$ 5,775,689	\$ 11,126,263
<b>Adjustments to reconcile operating income (loss) net cash provided (used) by operating activities:</b>				
Depreciation	3,051,332	1,858,054	-	4,909,386
(Increase) decrease in accounts receivable	(10,666)	2,470	108,279	100,083
(Increase) decrease in inventories	18,891	-	-	18,891
(Increase) decrease in prepaid expense	5,610	74,934	-	80,544
(Increase) decrease in deferred outflows for OPEB	(531,963)	-	4,129	(527,834)
(Increase) decrease in deferred outflows for pensions	12,565	-	-	12,565
Increase (decrease) in accounts payable	(683,529)	8,529	21,401	(653,599)
Increase (decrease) in accrued liabilities	11,424	1,174	7,450	20,048
Increase (decrease) in net OPEB liability	(65,158)	-	(21,633)	(86,791)
Increase (decrease) in net pension liability	1,295,764	-	-	1,295,764
Increase (decrease) in claims and judgments	-	-	1,123,343	1,123,343
Increase (decrease) in deferred inflows for OPEB	59,320	-	19,744	79,064
Increase (decrease) in deferred inflows for pensions	(549,852)	-	-	(549,852)
Increase (decrease) in compensated absences	10,146	-	(4,222)	5,924
<b>Total Adjustments</b>	<b>2,623,884</b>	<b>1,945,161</b>	<b>1,258,491</b>	<b>5,827,536</b>
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 6,706,692</b>	<b>\$ 3,212,927</b>	<b>\$ 7,034,180</b>	<b>\$ 16,953,799</b>
<b>Non-Cash Investing, Capital, and Financing Activities:</b>				
Gain/(Loss) on disposition of capital assets	\$ 250,758	\$ (24,177)	\$ -	\$ 226,581
Contributions of Capital Assets	603,990	-	-	\$ 603,990

# City of Santa Maria

## Combining Statement of Fiduciary Net Position

### Custodial Funds

June 30, 2023

	<u>Treasurer's Trust</u>	<u>Twitchell Management Authority</u>	<u>Totals</u>
<b>Assets:</b>			
Cash and investments	\$ 5,091,655	\$ 5,193,791	\$ 10,285,446
Receivables:			
Accounts	-	25,720	25,720
<b>Total Assets</b>	<b><u>5,091,655</u></b>	<b><u>5,219,511</u></b>	<b><u>10,311,166</u></b>
<b>Liabilities:</b>			
Accounts payable	-	43,248	43,248
Deposits payable	2,631,297	-	2,631,297
<b>Total Liabilities</b>	<b><u>2,631,297</u></b>	<b><u>43,248</u></b>	<b><u>2,674,545</u></b>
<b>Net Position:</b>			
Restricted for organizations and other governments	2,460,358	5,176,263	7,636,621
<b>Total Net Position</b>	<b><u>\$ 2,460,358</u></b>	<b><u>\$ 5,176,263</u></b>	<b><u>\$ 7,636,621</u></b>

# City of Santa Maria

## Combining Statement of Changes in Fiduciary Net Position

### Custodial Funds

Fiscal Year Ended June 30, 2023

	<u>Treasurer's Trust</u>	<u>Twitchell Management Authority</u>	<u>Totals</u>
<b>Additions:</b>			
Investment earnings:			
Interest	\$ -	\$ 42,229	\$ 42,229
Net investment earnings	-	42,229	42,229
Program revenues	-	661,975	661,975
Deposits	422,691	-	422,691
<b>Total Additions</b>	<b>422,691</b>	<b>704,204</b>	<b>1,126,895</b>
<b>Deductions:</b>			
Administrative expenses	-	229,588	229,588
Deposits distributed to others	288,015	-	288,015
<b>Total Deductions</b>	<b>288,015</b>	<b>229,588</b>	<b>517,603</b>
Net Increase (Decrease) in Fiduciary Net Position	134,676	474,616	609,292
Net Position - Beginning	2,325,682	4,701,647	7,027,329
<b>Net Position - End of the Year</b>	<b>\$ 2,460,358</b>	<b>\$ 5,176,263</b>	<b>\$ 7,636,621</b>

# *City of Santa Maria*

## Statistical Narrative

For the Fiscal Year Ended June 30, 2023

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These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

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#### **Revenue Capacity**

These schedules contain information to help assess the government's most significant local revenue sources.

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#### **Debt Capacity**

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.

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#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

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#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

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#### **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

	2014	2015	2016	2017	2018
Governmental activities:					
Net investment in capital assets	\$ 193,188,601	\$ 194,642,953	\$ 188,622,757	\$ 190,559,531	\$ 189,458,099
Restricted	16,390,255	13,215,099	17,395,841	17,255,714	22,468,151
Unrestricted	49,812,081	(24,766,252)	(10,597,132)	3,443,367	(12,186,831)
Total governmental activities net position	259,390,937	183,091,800	195,421,466	211,258,612	199,739,419
Business-type activities:					
Net investment in capital assets	66,652,413	78,721,922	68,911,471	73,871,266	72,018,707
Restricted	9,412,562	9,691,277	10,131,042	10,155,858	10,228,128
Unrestricted	109,796,207	93,632,485	111,558,400	116,147,672	131,686,278
Total business-type activities net position	185,861,182	182,045,684	190,600,913	200,174,796	213,933,113
Primary government:					
Net investment in capital assets	259,841,014	273,364,875	257,534,228	264,430,797	261,476,806
Restricted	25,802,817	22,906,376	27,526,883	27,411,572	32,696,279
Unrestricted	159,608,288	68,866,233	100,961,268	119,591,039	119,499,447
Total primary government net position	\$ 445,252,119	\$ 365,137,484	\$ 386,022,379	\$ 411,433,408	\$ 413,672,532

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2014-2015 through 2022-2023.

	2019	2020	2021	2022	2023
\$	186,940,376	\$ 188,724,512	\$ 186,463,321	\$ 191,593,612	\$ 199,733,522
	24,128,050	26,930,755	26,339,764	28,663,622	29,196,800
	(6,198,648)	(3,352,901)	25,123,649	45,628,576	64,445,300
	204,869,778	212,302,366	237,926,734	265,885,810	293,375,622
	70,182,987	82,097,813	83,931,140	83,445,376	82,264,438
	10,802,992	11,382,641	14,417,109	-	9,428,966
	148,845,512	139,787,048	148,905,688	161,203,650	176,090,593
	229,831,491	233,267,502	247,253,937	244,649,026	267,783,997
	257,123,363	270,822,325	270,394,461	275,038,988	281,997,960
	34,931,042	38,313,396	40,756,873	28,663,622	38,625,766
	142,646,864	136,434,147	174,029,337	206,832,226	240,535,893
\$	434,701,269	\$ 445,569,868	\$ 485,180,671	\$ 510,534,836	\$ 561,159,619

# City of Santa Maria

## Changes in Net Position - Expenses and Program Revenues

### Last Ten Fiscal Years

	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities:					
General government	\$ 8,220,874	\$ 8,605,534	\$ 10,144,022	\$ 9,454,311	\$ 12,266,896
Public safety	34,401,081	39,250,751	37,605,907	43,903,052	48,324,704
Public works	18,229,879	12,821,336	11,656,546	7,007,376	11,746,844
Library	3,436,077	3,531,458	3,385,534	3,234,243	3,967,988
Community development	4,764,190	4,549,840	2,964,536	4,022,306	3,119,011
Recreation and parks	12,937,541	13,728,948	12,976,179	14,381,336	14,478,319
Interest & fiscal charges	170,296	47,577	32,763	29,090	80,643
Total governmental activities expenses	82,159,938	82,535,444	78,765,487	82,031,714	93,984,405
Business-type activities:					
Water and wastewater	36,180,592	36,387,984	35,821,158	38,090,035	41,201,174
Solid waste	18,326,043	18,739,993	21,192,889	23,029,155	22,240,599
Public transit	7,154,550	6,432,043	5,998,378	6,369,349	8,185,311
Total business-type activities expenses	61,661,185	61,560,020	63,012,425	67,488,539	71,627,084
Total primary government expenses	143,821,123	144,095,464	141,777,912	149,520,253	165,611,489
<b>Program Revenues</b>					
Governmental activities:					
Charges for services:					
General government	2,423,426	3,426,136	6,226,561	528,833	495,929
Public safety	1,729,547	1,618,371	2,908,061	2,957,935	3,648,786
Public works	3,234,109	3,182,799	3,189,813	10,821,482	9,178,147
Library	221,400	285,926	334,755	570,802	273,705
Community development	2,568,397	3,046,249	3,874,028	6,063,502	3,451,177
Recreation and parks	3,998,766	4,477,483	5,335,179	5,420,937	6,241,176
Operating grants and contributions	3,269,355	2,911,571	2,416,259	2,302,240	4,675,064
Capital grants and contributions	8,417,194	4,061,807	3,553,872	2,532,447	3,137,870
Total governmental activities revenues	25,862,194	23,010,342	27,838,528	31,198,178	31,101,854
Business-type activities:					
Charges for services:					
Water and wastewater	42,216,665	40,615,334	42,781,358	47,174,594	52,430,634
Solid waste	19,542,919	20,093,403	21,206,163	22,298,502	24,737,812
Public transit	876,105	935,501	812,601	797,433	854,882
Operating grants and contributions	5,339,103	5,360,024	3,029,726	4,438,846	3,606,219
Capital grants and contributions	4,582,352	1,354,881	2,294,634	4,484,651	7,132,412
Total business-type activities program revenues	72,557,144	68,359,143	70,124,482	79,194,026	88,761,959
Total primary government program revenues	98,419,338	91,369,485	97,963,010	110,392,204	119,863,813
Net (expense)/revenue					
Governmental activities	(56,297,744)	(59,525,102)	(50,926,959)	(50,833,536)	(62,882,551)
Business-type activities	10,895,959	6,799,123	7,112,057	11,705,487	17,134,875
Total net position for primary government	(45,401,785)	(52,725,979)	(43,814,902)	(39,128,049)	(45,747,676)

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2014-2015 through 2022-2023.

	2019	2020	2021	2022	2023
\$	12,367,768	\$ 15,377,565	\$ 15,271,000	\$ 25,920,061	\$ 17,958,565
	51,180,049	58,896,166	62,168,332	55,197,332	58,607,861
	12,331,331	12,355,707	11,339,463	11,500,371	10,633,565
	4,071,745	4,219,847	3,607,165	4,236,308	4,786,537
	6,172,842	4,915,700	5,892,603	4,416,967	6,545,910
	14,948,372	16,802,182	15,128,243	17,400,913	19,568,555
	72,141	63,380	54,386	62,642	50,300
	101,144,248	112,630,547	113,461,192	118,734,594	118,151,293
	44,240,450	46,436,435	43,821,617	40,606,082	41,806,910
	20,473,443	36,221,649	28,099,570	28,330,108	33,497,363
	7,219,970	7,816,671	6,871,600	7,346,020	9,062,183
	71,933,863	90,474,755	78,792,787	76,282,210	84,366,456
	173,078,111	203,105,302	192,253,979	195,016,804	202,517,749
	466,875	680,728	545,246	471,726	434,860
	2,938,279	2,453,411	3,022,257	3,499,813	2,624,897
	8,924,227	5,372,811	5,746,261	3,334,505	3,531,021
	207,341	243,256	98,340	253,248	193,171
	3,053,722	3,223,556	3,590,334	5,556,460	4,469,506
	5,641,478	7,028,213	4,780,811	6,835,971	6,880,303
	2,210,281	3,430,294	22,306,259	26,563,523	9,579,344
	3,373,657	5,781,800	3,728,264	3,573,313	4,716,776
	26,815,860	28,214,069	43,817,772	50,088,559	32,429,878
	49,521,003	50,962,053	55,621,753	58,708,438	57,580,352
	24,899,793	26,136,652	29,855,846	30,594,631	38,634,941
	882,701	687,013	99,905	713,797	640,023
	2,638,229	2,867,228	4,882,351	5,808,784	10,858,923
	3,774,458	3,506,576	1,669,791	-	-
	81,716,184	84,159,522	92,129,646	95,825,650	107,714,239
	108,532,044	112,373,591	135,947,418	145,914,209	140,144,117
	(74,328,388)	(84,416,478)	(69,643,420)	(68,807,600)	(85,721,415)
	9,782,321	(6,315,233)	13,336,859	19,489,776	23,347,783
	(64,546,067)	(90,731,711)	(56,306,561)	(49,317,824)	(62,373,632)

Continued

# City of Santa Maria

## Changes in Net Position - General Revenues

### Last Ten Fiscal Years

	2014	2015	2016	2017	2018
<b>General revenues and other changes in net position</b>					
Governmental Activities:					
Taxes					
Property taxes	14,830,943	15,398,828	16,431,902	17,521,830	19,169,310
Sales taxes	30,028,789	31,977,276	33,391,413	32,662,412	35,522,904
Franchise taxes	4,106,820	4,148,057	4,343,076	4,504,448	4,776,273
Transient occupancy taxes	2,844,497	3,224,413	3,395,321	3,462,237	3,525,322
Other taxes	653,275	852,312	2,020,710	1,983,144	892,397
Use of money and property	1,459,225	1,270,196	2,314,452	573,856	632,145
Other revenues	553,197	269,149	242,982	3,187,849	213,030
Intergovernmental revenues - unrestricted	460,847	669,088	-	-	-
Transfers	1,072,788	3,173,962	1,342,118	2,642,820	1,435,447
<b>Total governmental activities</b>	<b>56,010,381</b>	<b>60,983,281</b>	<b>63,481,974</b>	<b>66,538,596</b>	<b>66,166,828</b>
Business-type activities:					
Use of money and property	1,252,361	1,071,319	2,776,046	924,308	847,958
Other revenues	-	-	9,244	5,190	24,694
Gain (Loss) on sale of capital asset	-	-	-	-	-
Transfers	(1,072,788)	(3,173,962)	(1,342,118)	(2,642,820)	(1,435,447)
<b>Total business-type activities</b>	<b>179,573</b>	<b>(2,102,643)</b>	<b>1,443,172</b>	<b>(1,713,322)</b>	<b>(562,795)</b>
<b>Total primary activities</b>	<b>56,189,954</b>	<b>58,880,638</b>	<b>64,925,146</b>	<b>64,825,274</b>	<b>65,604,033</b>
Change in net position					
Governmental activities	(287,363)	1,458,179	12,555,015	15,705,060	3,284,277
Business-type activities	11,075,532	4,696,480	8,555,229	9,992,165	16,572,080
<b>Total net position for primary government</b>	<b>\$ 10,788,169</b>	<b>\$ 6,154,659</b>	<b>\$ 21,110,244</b>	<b>\$ 25,697,225</b>	<b>\$ 19,856,357</b>

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2014-2015 through 2022-2023.

2019	2020	2021	2022	2023
20,100,615	21,217,885	22,293,587	23,409,598	25,253,482
42,425,965	53,519,347	60,953,136	69,528,885	71,307,669
4,703,992	4,660,913	4,683,115	4,835,786	4,806,640
3,445,935	2,949,707	3,213,990	4,304,874	4,478,613
1,074,493	939,090	1,009,535	1,153,939	1,111,236
6,166,372	7,504,139	600,821	(7,555,594)	1,980,254
406,680	685,263	883,645	984,964	553,102
-	-	-	-	-
1,373,361	1,150,830	1,139,535	1,517,893	3,828,433
79,697,413	92,627,174	94,777,364	98,180,345	113,319,429
7,483,722	9,349,319	1,082,330	(6,579,133)	2,567,797
5,696	1,552,755	706,781	1,908,080	4,469,642
-	-	-	-	(1,285,962)
(1,373,361)	(1,150,830)	(1,139,535)	(1,517,893)	(3,828,433)
6,116,057	9,751,244	649,576	(6,188,946)	1,923,044
85,813,470	102,378,418	95,426,940	91,991,399	115,242,473
5,369,025	8,210,696	25,133,944	29,372,745	27,598,014
15,898,378	3,436,011	13,986,435	13,300,830	25,270,827
\$ 21,267,403	\$ 11,646,707	\$ 39,120,379	\$ 42,673,575	\$ 52,868,841

Concluded

# City of Santa Maria

## Fund Balances of Governmental Funds Last Ten Fiscal Years

	2014	2015	2016	2017	2018
General fund					
Nonspendable	\$ 10,208	\$ 10,466	\$ 19,252	\$ 19,833	\$ 39,560
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	6,413,477
Unassigned	10,843,504	10,847,707	10,497,805	10,400,813	10,362,798
Total general fund	<u>\$ 36,901,739</u>	<u>\$ 36,906,200</u>	<u>\$ 36,565,084</u>	<u>\$ 36,468,673</u>	<u>\$ 36,615,835</u>
All other governmental funds					
Nonspendable	\$ 9,133	\$ 9,148	\$ 8,946	\$ 6,217	\$ 12,516
Restricted	12,022,546	13,155,099	17,395,841	17,255,714	15,876,404
Assigned	5,409,355	7,193,337	13,985,928	26,510,784	32,202,906
Unassigned	(434,776)	(658,155)	(14,498)	(16,672)	-
Total all other governmental funds	<u>\$ 17,006,258</u>	<u>\$ 19,699,429</u>	<u>\$ 31,376,217</u>	<u>\$ 43,756,043</u>	<u>\$ 48,091,826</u>

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2013-2014 through 2022-2023.

2019	2020	2021	2022	2023
\$ 34,153	\$ 75,106	\$ 81,414	\$ 133,659	\$ 273,920
19,800,000	19,800,000	19,800,000	19,800,000	19,800,000
7,230,781	9,053,332	11,053,060	17,068,010	19,394,846
13,172,957	16,975,642	21,444,044	27,513,911	27,106,089
<u>\$ 40,237,891</u>	<u>\$ 45,904,080</u>	<u>\$ 52,378,518</u>	<u>\$ 64,515,580</u>	<u>\$ 66,574,855</u>
\$ 18,005	\$ 4,532	\$ 23,636	\$ -	\$ -
18,223,660	20,186,237	19,930,330	21,572,093	22,103,877
38,774,094	45,243,292	50,864,672	55,253,843	57,728,368
(3,198)	-	-	-	(83,149)
<u>\$ 57,012,561</u>	<u>\$ 65,434,061</u>	<u>\$ 70,818,638</u>	<u>\$ 76,825,936</u>	<u>\$ 79,749,096</u>

# City of Santa Maria

## Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years

	2014	2015	2016	2017	2018
<b>Revenues</b>					
Taxes	\$ 52,461,017	\$ 55,557,984	\$ 62,299,906	\$ 63,145,962	\$ 67,295,238
Permits, fines, and forfeitures	2,717,608	3,111,841	3,618,122	6,144,617	3,554,886
Revenues from use of money and property	1,482,149	1,186,557	2,266,451	615,163	632,145
Aid from governmental agencies	8,555,455	4,825,050	5,970,131	4,834,687	7,812,934
Charges for current services	12,033,721	13,747,994	15,532,791	17,206,983	16,325,002
Contributions	1,976,386	-	-	-	-
Other revenues	539,828	450,310	347,569	3,182,916	194,537
Total revenues	<u>79,766,164</u>	<u>78,879,736</u>	<u>90,034,970</u>	<u>95,130,328</u>	<u>95,814,742</u>
<b>Expenditures</b>					
Current:					
General government	7,650,954	8,318,070	8,792,142	8,610,671	9,248,041
Community development	3,904,460	3,489,725	3,446,621	3,880,662	5,163,754
Public safety	32,894,813	38,715,224	39,974,715	42,014,343	43,299,049
Recreation and parks	11,726,183	11,776,433	11,738,711	12,951,956	13,424,657
Public works	4,288,768	4,237,326	5,078,452	5,357,469	5,919,659
Library	2,790,293	2,794,617	2,878,592	2,852,926	2,985,808
Capital outlay	19,368,989	11,378,697	6,506,418	9,960,331	12,421,578
Debt service:					
Principal	4,675,000	163,904	190,285	580,551	197,752
Interest and fiscal charges	138,828	23,258	32,763	29,090	80,643
Total expenditures	<u>87,438,288</u>	<u>80,897,254</u>	<u>78,638,699</u>	<u>86,237,999</u>	<u>92,740,941</u>
Excess of revenues over (under) expenditures	<u>(7,672,124)</u>	<u>(2,017,518)</u>	<u>11,396,271</u>	<u>8,892,329</u>	<u>3,073,801</u>
<b>Other financing sources (uses)</b>					
Proceeds from loan	498,110	-	-	-	-
Transfers in	9,816,183	17,269,907	10,987,033	12,103,080	10,015,646
Transfers out	(9,186,623)	(12,554,757)	(10,822,283)	(8,844,080)	(8,474,346)
Capital leases	-	-	-	-	-
Total other financing sources (uses)	<u>1,127,670</u>	<u>4,715,150</u>	<u>164,750</u>	<u>3,259,000</u>	<u>1,541,300</u>
Net change in fund balances	<u>\$ (6,544,454)</u>	<u>\$ 2,697,632</u>	<u>\$ 11,561,021</u>	<u>\$ 12,151,329</u>	<u>\$ 4,615,101</u>
Debt service as a percentage of non-capital expenditures	7.1%	0.3%	0.3%	0.8%	0.3%

Source: City of Santa Maria Annual Comprehensive Financial Reports - Fiscal Years 2013-2014 through 2022-2023.

	2019	2020	2021	2022	2023
\$	75,528,427	\$ 87,203,133	\$ 96,267,827	\$ 107,491,813	\$ 106,957,640
	2,997,887	3,657,177	3,746,343	4,905,682	4,555,661
	6,166,372	7,504,139	457,680	(7,555,594)	1,980,254
	5,583,936	9,212,089	7,851,850	29,935,374	13,915,687
	14,456,599	11,428,621	9,922,432	10,423,478	13,730,555
	-	-	-	-	-
	405,477	639,335	853,036	984,964	553,102
	105,138,698	119,644,494	119,099,168	146,185,717	141,692,899
	9,427,494	10,807,709	11,852,048	25,764,929	17,071,322
	4,625,042	5,372,507	5,363,165	4,615,268	6,833,770
	46,243,960	52,131,460	54,944,370	56,372,698	65,034,869
	13,059,635	13,883,875	14,304,970	16,614,086	19,494,294
	6,112,530	6,202,698	6,654,110	7,088,414	10,113,246
	3,164,323	3,599,399	3,208,809	3,870,991	4,082,505
	10,681,501	12,643,284	11,010,027	9,928,385	14,004,126
	203,930	210,301	216,871	285,547	316,336
	72,136	63,386	54,387	51,979	43,224
	93,590,551	104,914,619	107,608,757	124,592,297	136,993,692
	11,548,147	14,729,875	11,490,411	21,593,420	4,699,207
	-	-	-	-	-
	11,623,196	12,281,598	11,890,581	15,872,055	16,614,658
	(10,620,726)	(12,259,241)	(12,012,401)	(19,990,336)	(16,279,901)
	-	-	-	669,221	56,673
	1,002,470	22,357	(121,820)	(3,449,060)	391,430
\$	12,550,617	\$ 14,752,232	\$ 11,368,591	\$ 18,144,360	\$ 5,090,637
	0.3%	0.3%	0.3%	0.3%	0.3%

# 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
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
2023	14,368,732	10,884,750	31,867,156	26,461,516	12,978,997

### 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>
\$	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
	4,806,640	4,478,613	1,111,236	106,957,640

**City of Santa Maria**

**Assessed Value of Taxable Property**

**Last Ten Fiscal Years**

<b>FY Ended June 30</b>	<b>Land</b>	<b>Improvements</b>	<b>Personal Property</b>	<b>Gross Value</b>	<b>Exemptions</b>	<b>Net Taxable Value</b>	<b>Total Direct Tax Rate</b>
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%
2023	3,658,201,718	7,300,031,954	694,779,133	11,653,012,805	748,593,043	10,904,419,762	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

## Direct and Overlapping Property Tax Rates

### Last Ten Fiscal Years

As of June 30, 2023

Fiscal Year	*City of Santa Maria	*Santa Barbara County	Schools	Other	Total
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%
2023	0.00000%	1.00000%	1.00707%	0.00000%	2.00707%

\*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 Year and Nine Years Ago

Taxpayer	2022-23			2013-14		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Windset Farms California, Inc.	\$ 235,549,840	1	2.16%	\$ 100,758,321	1	1.55%
Okonite Company, Inc.	111,053,466	2	1.02%	83,273,384	2	1.28%
Santa Maria Multifamily LLC	104,091,785	3	0.95%			
MG at Santa Maria LP	76,592,240	4	0.70%			
333 Enos LLC	57,630,000	5	0.53%			
Montiavo at Bradley Square Owner LLC	53,640,939	6	0.49%			
Dario L Pini	52,033,578	7	0.48%	29,837,437	6	0.46%
Santa Maria Land Partners, LLC	51,180,422	8	0.47%	44,139,997	4	0.68%
RFC VDS LLC	48,394,000	9	0.44%			
HT Partners LP	45,467,101	10	0.42%			
MGP 50, LLC				44,726,880	3	0.69%
Santa Maria Partners, LLC				32,772,002	5	0.50%
Country Oaks, LLC				26,100,000	7	0.40%
UAI Real Estate Acquisition, LLC				21,507,260	8	0.33%
The Pictsweet Company				21,310,262	9	0.33%
Lyon Santa Maria, LLC				19,486,536	10	0.30%
	<u>\$ 835,633,371</u>		<u>7.66%</u>	<u>\$ 423,912,079</u>		<u>6.52%</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 Subsequent Fiscal Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
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%
2023	13,688,910	13,688,910	100%	-	13,688,910	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

# City of Santa Maria

## Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

FY Ended June 30	Governmental Activities					
	#Refunding Revenue Bonds	#California Energy Commission Loan	#Financed Purchases Payable	#Property Purchase Obligation	Subscriptions Payable	Lease Payable
2014	\$ -	\$ 498,110	\$ 2,163,442	\$ 459,947	\$ -	\$ -
2015	-	334,206	1,867,915	436,629	-	-
2016	-	167,940	1,565,773	412,611	-	-
2017	-	-	1,256,867	-	-	-
2018	-	-	3,023,294	-	-	-
2019	-	-	2,496,469	-	-	-
2020	-	-	1,956,042	-	-	-
2021	-	-	1,671,835	-	-	-
2022	-	-	1,530,711	-	-	607,320
2023	-	-	1,158,321	-	37,508	540,782

**SOURCE:**

#Department of Finance

+Bureau of Economic Analysis

<b>Business-Type Activities</b>						
<b>#Refunding</b>	<b># Certificates</b>	<b>#Financed</b>	<b>Total</b>	<b>+Percentage</b>	<b>+Per</b>	
<b>Revenue</b>	<b>of</b>	<b>Purchases</b>	<b>Primary</b>	<b>of Personal</b>	<b>Capita</b>	
<b>Bonds</b>	<b>Participation</b>	<b>Payable</b>	<b>Government</b>	<b>Income</b>		
\$ 45,777,168	\$ 12,305,203	\$ 2,163,442	\$ 63,367,312	32.57%	\$	627
46,639,516	9,821,992	1,867,915	60,968,173	35.63%		597
51,516,994	7,201,624	1,565,773	62,430,715	35.66%		612
51,511,590	4,653,150	1,256,867	58,678,474	41.25%		575
48,535,375	4,999,933	941,045	57,499,647	46.34%		563
45,871,907	5,346,716	618,151	54,333,243	51.52%		532
43,338,154	5,693,499	288,025	51,275,720	57.54%		502
40,940,128	6,040,283	220,690	48,872,936	67.60%		445
42,344,607	-	-	44,482,638	75.55%		404
41,845,836	-	-	43,582,447	77.11%		397

# City of Santa Maria

## Ratios of General Bonded Debt To Assessed Value and Net Bonded Debt Per Capita Last Ten Fiscal Years

<b>FY Ended June 30</b>	<b>General Obligation Bonds</b>	<b>Less: Amounts Available in Debt Service Funds</b>	<b>Total</b>	<b>Percent of Estimated Taxable Property Value</b>	<b>Per Capita</b>
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%	
2023				0.00%	

**SOURCE:**

City of Santa Maria  
Santa Barbara County

# City of Santa Maria

## Schedule of Direct and Overlapping Debt

As of June 30, 2023

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes:			
Santa Barbara County General Fund Obligations	\$ 23,640,000	10.637%	\$ 2,514,587
Santa Maria-Bonita School District COP	20,620,000	94.491%	19,484,044
Santa Maria Joint Union High School District COP	455,961	58.666%	267,494
Subtotal, overlapping debt			22,266,125
City of Santa Maria, direct debt			1,736,611
Total direct and overlapping debt			\$ 24,002,736

**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**  
**Schedule of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018
Debt Limit	\$ 272,982,612	\$ 284,327,889	\$ 272,337,234	\$ 317,593,799	\$ 340,238,608
Total net debt applicable to limit	3,121,499	2,638,750	2,146,324	1,256,867	3,023,294
Legal Debt Margin	\$ 269,861,113	\$ 281,689,139	\$ 270,190,910	\$ 316,336,932	\$ 337,215,314
Total net debt applicable to the limit as a percentage of debt limit	1.14%	0.93%	0.79%	0.40%	0.89%

**Legal Debt Margin Calculation for 2022-23:**

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

	2019	2020	2021	2022	2023
\$	360,952,152	\$ 375,041,262	\$ 395,284,719	\$ 380,458,531	\$ 408,915,741
	2,496,469	1,956,042	1,671,835	2,138,031	1,736,611
\$	358,455,683	\$ 373,085,220	\$ 393,612,884	\$ 378,320,500	\$ 407,179,130

0.69%                      0.52%                      0.42%                      0.56%                      0.42%

\$ 10,904,419,762  
408,915,741  
1,736,611  
\$ 407,179,130

# 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			
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	
2023	57,580,352	41,507,416	16,072,936	-	1,498,350	10.73	9,428,966	

**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 Calendar Years

Year Ended December 31	#Population	+Personal Income	+Per Capita Personal Income	*Median Age	##+School Enrollment	*+Unemployment Rate
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%
2023	109,687	**33,607,554	**75,720	34	38,269	3.8%

**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

\*+U.S. Bureau of Labor Statistics

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# City of Santa Maria

## PRINCIPAL EMPLOYERS

Current Fiscal Year and Ten Fiscal Years Ago

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<b>*Top Employers FY2022-23</b>	<b>**Top Employers FY2013-14</b>
<b>1,000+ Employees:</b>	<b>1,000+ Employees:</b>
#Vandenberg Air Force Base	#Vandenberg Air Force Base
Allan Hancock College	Santa Maria-Bonita School District
County of Santa Barbara	Marian Regional Medical Center/Dignity Health
Marian Regional Medical Center/Dignity Health	C&D Zodiac Aerospace, Incorporated
Santa Maria-Bonita School District	Allan Hancock College
	DB Specialty Farms
<b>500+ Employees:</b>	<b>500+ Employees:</b>
City of Santa Maria	Santa Maria Joint Union High School District
Community Health Centers	Windset Farms
Safran Aerospace	City of Santa Maria
Santa Maria Joint Union High School District	Betteravia Farms
Windset Farms	

**SOURCE:**

\* City of Santa Maria 2022-24 Budget

\*\* City of Santa Maria 2013-14 Budget

# 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 and Part-Time City Equivalent Employees by Function Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017	2018
Public safety					
Police protection services	174.0	179.5	175.5	184.5	185.0
Fire and emergency services	63.5	63.5	64.0	62.5	62.5
Utilities					
Water distribution services	41.5	41.5	42.5	44.0	45.0
Solid waste collection/disposal services	48.0	48.5	47.5	47.5	50.5
Public ways and facilities					
Streets services	23.5	23.5	23.5	24.0	23.0
Public transit services	3.0	3.0	3.0	3.0	3.0
Recreation and parks					
Recreation and parks services	125.0	126.0	128.0	128.5	130.5
Library					
Library services	42.5	43.0	43.0	44.0	42.5
Community development					
Planning and inspection services	26.5	25.5	26.5	26.5	26.5
Block grant/special project services	2.0	2.0	3.0	3.0	3.0
General government					
Legislative services	5.0	5.0	5.0	5.0	5.0
Legal services	12.0	11.5	12.0	11.5	11.5
Administration	12.5	12.5	13.0	22.0	23.5
Finance	23.5	24.5	24.5	16.5	17.5
Engineering and facilities maintenance	22.5	22.5	22.5	23.5	25.0
Special revenue					
Landscaping services	11.5	16.5	16.5	16.5	17.5
Public, education, government television	2.0	2.0	2.0	2.0	2.0
Internal service					
Fleet services	8.5	10.5	10.5	10.5	11.5
Risk Management	1.0	1.0	1.0	1.0	1.0
<b>Total</b>	<b>648.0</b>	<b>662.0</b>	<b>663.5</b>	<b>676.0</b>	<b>686.0</b>

NOTE:

SOURCE: 22-24 City of Santa Maria Budget

2019	2020	2021	2022	2023
185.0	200.0	190.0	181.0	187.0
62.5	75.5	72.5	72.0	76.0
45.0	46.0	40.0	43.0	48.0
50.5	51.5	54.0	62.0	67.0
23.0	23.0	23.0	23.0	23.0
3.0	4.0	4.0	4.0	3.0
129.5	131.5	121.0	131.0	131.0
42.5	46.5	27.0	27.0	27.0
26.5	26.5	19.0	19.0	21.0
3.0	3.0	3.0	3.0	9.0
5.0	5.0	5.0	5.0	5.0
10.5	11.5	12.0	12.0	5.0
23.5	29.5	28.0	28.0	31.0
17.5	20.5	21.0	21.0	24.0
25.0	27.0	23.0	24.0	26.0
17.5	17.5	7.0	7.0	7.0
2.0	2.0	1.0	1.0	2.0
11.5	11.5	14.0	14.0	15.0
1.0	1.0	2.0	2.0	2.0
684.0	733.0	666.5	679.0	709.0

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# City of Santa Maria

## Operating Indicators by Function Last Ten Fiscal Years

Function/Program	2014-16	2016-18	2018-20	2020-22	2022-23
Police					
Number of stations	1	1	1	1	1
Calls for service	221,033	241,800	344,000	213,750	247,367
Fire and emergency services					
Number of stations	5	5	5	5	5
Calls for service	18,069	18,177	20,486	22,820	23,110
Utilities					
Water production/per acre feet	25,700	26,000	28,000	25,681	26,012
Meters Read	502,700	503,600	539,789	551,953	562,751
Wastewater treated/mgd	8.40	8.40	8.04	6.95	7.02
Solid waste collection and disposal services					
Residential and commercial accounts serviced	38,638	39,169	40,111	40,805	52,529
Residential and commercial tons collected	148,691	147,918	146,632	166,503	90,806
Average tons received at landfill/day	249	249	350	366	996
Street Services					
Streetlight maintenance/hours	4,061	3,929	3,651	2,313	3,835
Traffic Signal maintenance/hours	2,305	4,000	3,000	2,203	3,942
Transit					
Passengers	1,795,923	1,879,916	1,487,500	412,697	1,666,975
Miles	1,389,268	1,366,369	1,963,226	1,109,082	1,468,513
Recreation and Parks					
Program registrations	72,700	72,850	78,425	50,000	75,000
Facility attendance	3,405,650	3,405,750	3,406,000	2,500,000	4,200,000
*Park acres maintained	2,000	2,007	2,007	2,007	2,008
Trees managed	45,720	45,720	47,320	35,452	10,000
Library					
Cardholders	68,978	70,357	37,941	45,000	57,808
Materials checked-out	1,012,008	1,017,285	1,108,852	901,318	600,990
Community development					
Plan checks	4,251	4,100	4,000	3,000	3,200
Building permits issued	4,100	4,000	5,000	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:** 2022-24 City of Santa Maria Budget

# *City of Santa Maria*

## Capital Assets Statistics by Function

### Last Ten Fiscal Years

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Function/Program	2014	2015	2016	2017	2018
Police					
Stations	1	1	1	1	1
Patrol units	47	44	45	47	71
Fire stations	5	5	5	5	5
Solid waste					
Refuse collection trucks	23	22	22	22	22
Highways and streets					
Street miles	228	228	229	229	230
Streetlights	7,066	7,066	7,416	7,416	7,004
Park acreage/Open Space	2,000	2,000	2,007	2,007	2,007
Water hydrants*	3,400	3,400	3,500	3,500	3,500
Sewer miles*	233	233	240	240	245

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

**SOURCE:** 2022-24 City of Santa Maria Budget

2019	2020	2021	2022	2023
1	1	1	1	1
71	71	53	42	51
5	5	5	5	5
22	22	23	28	29
230	230	230	229	229
7,004	7,004	7,058	6,966	7,100
2,007	2,007	2,008	2,033	2,008
3,500	3,500	3,644	3,644	3,680
245	245	246	250	253

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